



AGENDA

EL SEGUNDO CITY COUNCIL

350 MAIN STREET

DUE TO THE COVID-19 EMERGENCY, THIS MEETING WILL BE CONDUCTED PURSUANT TO THE GOVERNOR'S EXECUTIVE ORDER N-29-20.

May 18, 2021 CITY COUNCIL MEETING

TELECONFERENCE VIA ZOOM MEETING

MEETING ID: 964 5963 7962

PIN: 730770

***PUBLIC ADVISORY:
THE CITY COUNCIL CHAMBER WILL ONLY BE OPEN DURING
PUBLIC COMMUNICATIONS***

**Drew Boyles, Mayor
Chris Pimentel, Mayor Pro Tem
Carol Pirsztuk, Councilmember
Scot Nicol, Councilmember
Lance Giroux, Councilmember**

Tracy Weaver, City Clerk
Matthew Robinson, City Treasurer

Executive Team

Scott Mitnick, City Manager
Barbara Voss, Deputy City Manager
Bill Whalen, Police Chief
Sam Lee, Development Services Director
Elias Sassoon, Public Works Director
Melissa McCollum, Community Svcs. Director

Mark Hensley, City Attorney
Joe Lillio, Chief Financial Officer
Chris Donovan, Fire Chief
Rebecca Redyk, HR Director
Charles Mallory, Info. Tech. Director

MISSION STATEMENT:

“Provide a great place to live, work, and visit.”

VISION STATEMENT:

“A hub for innovation where big ideas take off.”

How Can Members of the Public Observe and Provide Public Comments?

- Residents can watch the meeting live via Spectrum Channel 3 and 22, AT&T U-Verse Channel 99 and/or El Segundo TV at YouTube.com.
- Access remotely via Zoom from device of choice or by phone. Use URL <https://zoom.us/j/96459637962> and enter PIN: **730770** or visit www.zoom.us click on “Join a Meeting” and enter meeting ID and PIN.
- Join by phone at 1-669-900-9128 and enter meeting ID and PIN.
NOTE: Your phone number is captured by the Zoom software and is subject to the Public Records Act, dial *67 BEFORE dialing in to remain anonymous.
- Note that you will be placed in a “listen only” mode and your video feed will not be shared with City Council or members of the public.
- Members of the Public may also provide comments in the Council Chamber during the public communication portion of the meeting. Members of the public must observe “social distancing” requirements at all times, remain six (6) feet apart from others and wear a mask at all times. Council Chamber will only be open during public communications, commenter must exit the Council Chamber after speaking.
- For Public Communications and comments during Public Hearings, please notify meeting host by raising your virtual hand (see hand icon at bottom of screen) and you will be invited to speak. ***(If you do not wish for your name to appear on the screen, then use the drop-down menu and click on “rename” to rename yourself “anonymous”)***
- Do not simultaneously use a microphone through Zoom and a cellphone/telephone, this combination results in audio problems.
- For electronic public comments on a specific agenda item, submit comments to the following e-mail address, with a limit of 150 words and accepted up until 30 minutes prior to the meeting: PUBLICCOMMUNICATIONS@elsegundo.org ***in subject line please state the meeting date and item number.*** Depending on volume of communications, emails will be read during public communications.
- For Public Hearings: written communications will be accepted via email at PUBLICCOMMUNICATIONS@elsegundo.org both before the meeting and during open period of the Public Hearing.
- All written communication, documents, email addresses of attendees captured by Zoom software will be considered a public document subject to possible posting on the City’s website and are subject to disclosure under the Public Records Act.

Additional Information:

The City Council, with certain statutory exceptions, can only take action upon properly posted and listed agenda items. Any writings or documents given to a majority of City Council regarding any matter on this agenda that the City received after issuing the agenda packet are available for public inspection in the City Clerk’s Office during normal business hours. Such documents may also be posted on the City’s website at www.elsegundo.org and additional copies will be available at the City Council meeting.

Unless otherwise noted in the agenda, the public can only comment on City-related business that is within the jurisdiction of the City Council and/or items listed on the agenda during the Public Communications portions of the Meeting. Additionally, members of the public can comment on any Public Hearing item on the agenda during the Public Hearing portion of such item. The time limit for comments is five (5) minutes per person.

Before speaking to the City Council, please state: your name, residence, and organization/group you represent, if desired. Please respect the time limits.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk’s Office at 310-524-2305. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

**REGULAR MEETING OF THE EL SEGUNDO CITY COUNCIL
TUESDAY, MAY 18, 2021 - 6:00 PM**

4:00 PM CLOSED SESSION

CALL TO ORDER

ROLL CALL

PUBLIC COMMUNICATION – (Related to City Business Only – 5-minute limit per person, 30-minute limit total) *Individuals who have received value of \$50 or more to communicate to the City Council on behalf of another, and employees speaking on behalf of their employer, must so identify themselves prior to addressing City Council. Failure to do so shall be a misdemeanor and punishable by a fine of \$250. While all comments are welcome, the Brown Act does not allow City Council to take action on any item not on the agenda. City Council and/or City Manager will respond to comments after Public Communications is closed.*

SPECIAL ORDER OF BUSINESS

- 1. Appoint City Manager, Scott Mitnick, Human Resources Director, Rebecca Redyk and Irma Moisa Rodriguez as labor negotiators for the Firefighters' Association and the Police Officers' Association.**

Recommendation - Approve

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

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Initiation of litigation pursuant to Government 54956.9(d)(4): -1- matter

CONFERENCE WITH CITY'S LABOR NEGOTIATOR (Gov't Code 54957.6): -2-

Employee Organizations: Firefighters' Association (FFA) and Police Officers' Association.

Agency Designated Representatives; City Manager, Scott Mitnick and Human Resources Director, Rebecca Redyk, Irma Moisa Rodriguez,

6:00 PM – CONVENE REGULAR SESSION

CALL TO ORDER

INVOCATION – Pastor Seth McKenna, The Bridge Church

PLEDGE OF ALLEGIANCE – Council Member Nicol

ROLL CALL

PUBLIC COMMUNICATIONS – (Related to City Business Only – 5 minute limit per person, 30 minute limit total) *Individuals who have received value of \$50 or more to communicate to the City Council on behalf of another, and employees speaking on behalf of their employer, must so identify themselves prior to addressing the City Council. Failure to do so shall be a misdemeanor and punishable by a fine of \$250. While all comments are welcome, the Brown Act does not allow Council to take action on any item not on the agenda. The Council will respond to comments after Public Communications is closed.*

SPECIAL PRESENTATIONS

- a) Asian American Pacific Islander Pacific (AAPI) Heritage Month
- b) Arbor Day Foundation Tree City USA
- c) Public Works Week
- d) COVID-19 Update

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

A. PROCEDURAL MOTIONS

Consideration of a motion to read all ordinances and resolutions on the Agenda by title only.

Recommendation - Approval

B. CONSENT

2. City Council Meeting Minutes

Recommendation - Approve special and regular meeting minutes of May 4, 2021.

3. Warrants Demand Register for Period of April 19, 2021 through April 30, 2021

Recommendation - Ratify Payroll and employee benefit Checks; Checks released early due to contracts or agreement; Emergency disbursements and/or adjustments; and, Wire transfers. Approve the following Warrant Demand Register numbers 15A and 15B: Warrant numbers 3035527 through 3035680, and 9001976 through 9002021.

4. Agreement to Renew Beach Cities Transit Line 109 for FY 2021-2022

Recommendation -

1. Approve a one-year renewal of the agreement with Beach Cities Transit for operation of Line 109 for FY 2021-2022.
2. Authorize the Mayor to execute a Transit Service Operation Agreement.

5. Amendment to Agreement with Kosmont and Associates, Inc. for Real Estate Advisory Consulting Services

Recommendation - Authorize the City Manager to execute an amendment to Professional Services Agreement No. 5859 with Kosmont and Associates, Inc. for an additional \$35,000, increasing the agreement amount from \$44,000 to \$79,000.

6. Ordinance Amending the El Segundo Municipal Code to Allow Noncommercial Backyard Beekeeping in the Single-Family Residential (R-1) Zone District

Recommendation - Waive second reading and adopt an ordinance amending Titles 6, 7 and 15 of the El Segundo Municipal Code to allow backyard beekeeping on single-family residential zoned (R-1) properties and establish requirements.

(The proposed ordinance (zone text amendment) is exempt from further review under the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines § 15061(b)(3)), because it consists only of minor revisions to existing zoning regulations and related procedures and does not have the potential for causing a significant effect on the environment.)

7. Convert the Human Resources Manager Classification from Civil Service to At-Will Status, and Adopt Revised Classification Specification and

Examination Plan

Recommendation -

1. Approve the conversion of the Human Resources Manager classification from Civil Service to At-Will status.
2. Adopt the revised class specification for the Human Resources Manager position.
3. Approve and adopt the proposed examination plan for Human Resources Manager.

C. PUBLIC HEARINGS

8. **Implementation Actions for Proposed Development Project Located at 650 and 700 N. Pacific Coast Highway and 737 Lairport Street (Ordinance Amending the Municipal Code to Amend the Definition of Floor Area; Resolution Approving the Mitigated Negative Declaration and Adopting a Mitigation Monitoring and Reporting Program; and, Resolution Approving Vesting Tentative Parcel Map No. 83129 and Site Plan Review)**
-

Recommendation -

1. Waive first reading and introduce an ordinance amending El Segundo Municipal Code (ESMC) Section 15-1-6 to exempt any portion of a structure that is devoted to parking from counting towards the net floor area of the building; and schedule a second reading for the June 1, 2021 City Council Meeting.
2. Adopt a resolution approving the Mitigated Negative Declaration and adopting a Mitigation Monitoring and Reporting Program.
3. Adopt a resolution approving Vesting Tentative Parcel Map No. 83129 (SUB 20-03) and Site Plan Review (20-30).

(An Initial Study/Mitigated Negative Declaration of environmental impacts was prepared pursuant to 14 California Code of Regulations § 15063 and is being considered as part of this project.)

D. STAFF PRESENTATIONS

9. **Proposed Pension Obligation Bonds Preliminary Official Statement, Continuing Disclosure Certificate, and Bond Purchase Agreement.**
-

Recommendation -

1. Adopt a resolution approving proposed Preliminary Official Statement, Continuing Disclosure Certificate, and Bond Purchase Agreement related to issuance of Pension Obligation Bonds.
2. Approve Pension Obligation Bonds issue size (Ad Hoc Pension Committee recommends using a 100% Unfunded Actuarial Liability funding amount).

10. Ordinance Amending the Municipal Code to Address the Accumulation of Abandoned Items in Parkways, and Prohibit the Placement Garbage Cans in Front of Neighboring Properties

Recommendation -

1. Waive the first reading and introduce ordinance amending Chapter 7-1 of the El Segundo Municipal Code to prohibit abandoned items and junk in parkways, and to prohibit the placement of garbage cans in front of neighboring properties.
2. Schedule the second reading of the ordinance for the June 1, 2021 City Council meeting.

(This Ordinance is categorically exempt from review under the California Environmental Quality Act (California Public Resources Code §§ 21000, et seq., "CEQA") and the regulations promulgated thereunder (14 California Code of Regulations §§ 1500, et seq., the "CEQA Guidelines") because it consists of an action taken by the City to ensure the maintenance and protection of the environment. Accordingly, the Ordinance constitutes a Class 8 exemption pursuant to CEQA Guidelines § 15308. Further, it can be seen with reasonable certainty the ordinance will not have a significant effect on the environment; therefore, it is exempt from review under CEQA. (CEQA Guidelines § 15061(b)(3).)

11. El Segundo Boulevard Parallel Parking Pilot Project Update

Recommendation -

1. Authorize staff to remove pylons and parallel parking stalls along El Segundo Boulevard from Main Street to Sheldon Street.
2. Restripe El Segundo Boulevard to its original condition.
3. Develop an alternative pilot parking project (including the conversion of some Smoky Hollow two-way streets to one-way streets and the use of angled parking) and report back to the City Council with an implementation recommendation by October 5, 2021.

E. COMMITTEES, COMMISSIONS AND BOARDS PRESENTATIONS

12. Diversity, Equity, and Inclusion Committee Update and Recommendations

Recommendation -

1. Receive and file update.
2. Authorize the Diversity, Equity, and Inclusion Committee to implement recommended action items.

13. Appointments to the Library Board of Trustees

Recommendation - Announce Library Board of Trustees appointees.

F. REPORTS – CITY CLERK

G. REPORTS - CITY TREASURER

H. REPORTS - COUNCIL MEMBERS

Council Member Giroux

Council Member Nicol

Council Member Pirsztuk

Mayor Pro Tem Pimentel

Mayor Boyles

I. REPORTS - CITY ATTORNEY

J. REPORTS/FOLLOW-UP - CITY MANAGER

CLOSED SESSION

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

REPORT OF ACTION TAKEN IN CLOSED SESSION (if required)

MEMORIAL

ADJOURNMENT

POSTED:

DATE: May 14, 2021

TIME: 10:30pm

BY: Mona F. Shilling

Proclamation

City of El Segundo, California

WHEREAS, Asian American Pacific Islander Heritage Month is observed nationwide throughout the month of May in recognition of the positive influence and numerous contributions of our Asian American Pacific Islander (AAPI) communities to our state and our country; and

WHEREAS, Asian Americans and Pacific Islanders visit, work, and live in El Segundo, and have contributed to our City's rich history, culture, economy, and public service; and

WHEREAS, We are reminded that we must not fear our diversity or our difference, but celebrate them, as they make us a richer community, and we celebrate the importance of inclusion to building a more diverse, equitable and inclusive future for El Segundo; and

WHEREAS, We commit to recognizing and confronting racism and hate of all kinds against Asian Americans and Pacific Islanders, and recognize the structural discrimination, prejudice and injustice experienced by the AAPI community, and the increased levels of harassment, discrimination and violence perpetrated on the AAPI community due to COVID-19 misconceptions and bigotry and;

NOW, THEREFORE, on this 18th day of May, 2021, the Mayor and Members of the City Council of the City of El Segundo, California, hereby proclaim May 2021 as "**Asian American Pacific Islander Heritage Month**", and commit to joining the celebration of AAPI Heritage Month every year during the month of May, and commit to providing comprehensive support to our Asian American Pacific Islander communities, and to ensuring that El Segundo is an equitable and welcoming place for all.

The City Council of the City of El Segundo further calls upon residents and employees of El Segundo to observe May 2021 as Asian American Pacific Islander Heritage Month in honor of our AAPI residents, employees, and visitors, and to the contributions they continue to make to our community.



Mayor Drew Boyles

*Mayor Pro Tem Carol Pirsztuk
Council Member Scot Nicol*

*Council Member Chris Pimentel
Council Member Lance Giroux*

Recognition

City of El Segundo, California

- WHEREAS,** In 1872, the Nebraska Board of Agriculture established a special day to be set aside for the planting of trees; and
- WHEREAS,** This holiday, called Arbor Day, was first observed with the planting of more than a million trees in Nebraska and is now observed throughout the nation and the world; and
- WHEREAS,** Trees can be a solution to combating climate change by reducing the erosion of our precious topsoil by wind and water, cutting heating and cooling costs, moderating the temperature, cleaning the air, producing life-giving oxygen, and providing habitat for wildlife; and
- WHEREAS,** Trees are a renewable resource giving us paper, wood for our homes, fuel for our fires, and countless other wood products; and
- WHEREAS,** Trees in our city increase property values, enhance the economic vitality of business areas, and beautify our communities; and
- WHEREAS,** Trees, wherever they are planted, are a source of joy and spiritual renewal.

NOW, THEREFORE, the Mayor and members of the City Council of the City of El Segundo, California, join with communities in recognizing *National Arbor Day, April 30, 2021* and urge all citizens to support efforts to protect trees and woodlands and urge all citizens to plant trees to gladden the heart and promote the well-being of this and future generations.



Mayor Drew Boyles

*Mayor Pro Tem Carol Pirsztuk
Council Member Scot Nicol*

*Council Member Chris Pimentel
Council Member Lance Giroux*



roclamation

City of El Segundo, California

WHEREAS, Public works professionals focus on infrastructure, facilities and services that are of vital importance to sustainable and resilient communities and to the public health, high quality of life and well-being of the people El Segundo; and

WHEREAS, These infrastructure, facilities and services could not be provided without the dedicated efforts of public works professionals, who are engineers, managers and employees at all levels of government and the private sector, who are responsible for rebuilding, improving and protecting our nation's transportation, water supply, water treatment and solid waste systems, public buildings, and other structures and facilities essential for our citizens; and

WHEREAS, It is in the public interest for the citizens, civic leaders and children in City of El Segundo to gain knowledge of and to maintain an ongoing interest and understanding of the importance of public works and public works programs in their respective communities; and

WHEREAS, The year 2021 marks the 61st annual National Public Works Week sponsored by the American Public Works Association/Canadian Public Works Association be it now.

NOW, THEREFORE, the Mayor and members of the City Council of the City of El Segundo, California, hereby designate the week of May 16 – 22, 2021 as **National Public Works Week** and urge all citizens to join with representatives of the American Public Works Association/Canadian Public Works Association and government agencies in activities, events and ceremonies designed to pay tribute to our public works professionals, engineers, managers and employees and to recognize the substantial contributions they make to protecting our national health, safety, and quality of life.



Mayor Drew Boyles

Mayor Pro Tem Carol Pirsztuk

Council Member Scot Nicol

Council Member Chris Pimentel

Council Member Lance Giroux



City Council Agenda Statement

Meeting Date: May 18, 2021

Agenda Heading: CONSENT

TITLE:

City Council Meeting Minutes

RECOMMENDATION:

Approve special and regular meeting minutes of May 4, 2021.

FISCAL IMPACT:

BACKGROUND:

DISCUSSION:

CITY STRATEGIC PLAN COMPLIANCE:

PREPARED BY:

Tracy Weaver, City Clerk

REVIEWED BY:

APPROVED BY:

Mona Shilling, Deputy City Clerk II

ATTACHED SUPPORTING DOCUMENTS:

1. 2021-05-04 CC Minutes SPECIAL (Budget Study Session)

City Council Meeting Minutes
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2. 2021-05-04 CC Minutes

SPECIAL MEETING OF THE EL SEGUNDO CITY COUNCIL
TUESDAY, MAY 4, 2021 – 3:00 PM
Proposed FY 2021-22 Budget Study Session

CALL TO ORDER – Mayor Boyles at 3:02 PM (Council on dais, public viewing virtually)

PLEDGE OF ALLEGIANCE – Council Member Giroux

ROLL CALL

Mayor Boyles	-	Present via teleconferencing
Mayor Pro Tem Pimentel	-	Present via teleconferencing
Council Member Pirsztuk	-	Present via teleconferencing
Council Member Nicol	-	Present via teleconferencing
Council Member Giroux	-	Present via teleconferencing

PUBLIC COMMUNICATION – (Related to City Business Only – 5-minute limit per person, 30-minute limit total. None

STUDY SESSION OUTLINE

Recommendation: City Council to conduct a Budget Study Session and provide direction, as necessary.

1. Study Session Overview – Scott Mitnick, City Manager
2. Background
 - A. City Strategic Plan Follow-up from April 20, 2021 Study Session – Scott Mitnick, City Manager
 - B. FY 2020-2021 Budget Status Update – Joe Lillio, Chief Financial Officer
 - C. Pension Obligation Bonds Update – Joe Lillio, Chief Financial Officer
3. Proposed FY 2021-2022 Budget – Council discussion throughout presentation
 - A. Financial Outlook & Budget Challenges – Joe Lillio, Chief Financial Officer
 - B. Budget Summaries - Joe Lillio, Chief Financial Officer
 - C. Revenues - Joe Lillio, Chief Financial Officer
 - D. Appropriations (by Fund & Department) – Joe Lillio, Chief Financial Officer
 - E. Capital Improvement Program (CIP) – Scott Mitnick, City Manager and Elias Sassoon
 - F. Financial & Reserve Policies – Joe Lillio, Chief Financial Officer

Council discussion items

- Add the El Segundo Beach Lifeguard Station to the 5-year CIP plan.
- Possible funding to maintain the Entryway Project(s).
- Commence the CIP Committee before the June 15th meeting to revisit the preliminary numbers for the CIP 5-year plan and present updated numbers at the June 15th meeting.
- Is Percentage of the Arts program funds allowed to be used for Clubhouse and/or Teen Center repairs/updates.
- Interested in the City employing a night and/or weekend code enforcement officer.

Adjourned at 5:13 PM

Tracy Weaver, City Clerk

MEETING MINUTES OF THE EL SEGUNDO CITY COUNCIL
TUESDAY, MAY 4, 2021

CALL TO ORDER CLOSED SESSION –Mayor Boyles at 5:23 PM

ROLL CALL

Mayor Boyles - Present
Mayor Pro Tem Pimentel - Present
Council Member Pirsztuk - Present
Council Member Nicol - Present
Council Member Giroux - Present

PUBLIC COMMUNICATION – (Related to City Business Only – 5-minute limit per person, 30-minute limit total) None.

SPECIAL ORDER OF BUSINESS:

Mayor Boyles announced that Council would be meeting in closed session pursuant to the items listed on the Agenda.

CLOSED SESSION:

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

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION (Gov't Code 54956.9(d)(1): -2- matters

1. Vincent Martinez (retired Police Officer) v. City of El Segundo, Workers Compensation Appeals Board Case No. ADJ9743234
2. Richard Guyer (retired Fire Department Battalion Chief) v. City of El Segundo, Workers Compensation Appeals Board Case No. ADJ9894247

Mayor Boyles recessed Closed Session at 5:40 PM

6:00 PM – CONVENE REGULAR SESSION

CALL TO ORDER –Mayor Boyles at 6:08 PM (Council on dais and public virtually)

INVOCATION – Mayor Boyles

PLEDGE OF ALLEGIANCE – Council Member Pirsztuk

ROLL CALL

Mayor Boyles - Present
Mayor Pro Tem Pimentel - Present
Council Member Pirsztuk - Present
Council Member Nicol - Present
Council Member Giroux - Present

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

Corrie Zupo, resident, commented on item D5 and several other environmental concerns.

Melissa Cueto, resident, in favor of a Proclamation for Asian American Islander Pacific (AAIP) Heritage Month.

John Pickhaver, resident, in favor of a Proclamation for Asian American Islander Pacific (AAIP) Heritage Month.

Anya Goldstein, resident, in favor of a Proclamation for Asian American Islander Pacific (AAIP) Heritage Month.

Carola Nott, resident, commented on the ESUSD plans for a gym on the Middle School Campus.

Ben Watkins, resident, in favor of a Proclamation for Asian American Islander Pacific (AAIP) Heritage Month.

Ed Czerwinski, resident, commented on the ESUSD plans for a gym on the Middle School Campus.

Debra Deets, resident, commented on the ESUSD plans for a gym on the Middle School Campus.

The following names were read into the record in favor of a Proclamation for Asian American Islander Pacific (AAIP) Heritage Month.

Keith Puckett, Jon Michaels, Meisha Collins, Scott Wilson, David Tong, Jodi Neitz, David Holop, Reba Hoeschler, Rena Kokalari and Sean Gale.

Cynthia Canino, resident, emailed comments regarding allegations made by resident K. Puckett regarding the Police Chief and the Police Department. The following residents were in support of the written communication; Gary Andrew, Michelle Mossman, Josh King, Daria, Hubert, Ehren Weigert, Brenda Boblitt, Jeff and Leila Schuh, Victoria Freeman, Kevin Siegel, Katie Matthews, Tiffany Butcher and La Toya Johnson.

CITY MANAGER FOLLOW-UP COMMENTS:

Mr. Mitnick stated a proclamation for the AAIP Heritage month will be added to the May 18th meeting, mentioned the City has no jurisdiction over School District Capital projects, will follow-up with Ms. Zupo, and mentioned no formal complaint has been filed by Mr. Puckett.

SPECIAL PRESENTATIONS

a) Commendation read by Mayor Boyles commending Jack Crawford on his Eagle Scout Project. Jack built a bench (viewing station) on Grand Avenue for everyone to view John Van Hemersveld's Water Tank Mural.

- b) Proclamation read by Council Member Pirsztuk proclaiming May 2021 as “El Segundo PTA's Jump for Education Month.
- c) Proclamation read by Mayor Pro Tem Pimentel proclaiming May 9 - 15, 2021 as National Police Week and presented to Chief Whalen. Please observe May 15, 2021 as Peace Officers Memorial Day.
- d) Chief Whalen introduced this year’s Police Department Sworn and Professional Staff Employees of the Year, Julissa Solano, Sr. Management Analyst and Armando Rodriquez.
- e) Chief Donovan introduced Captain Andy Powell this year’s Fire Department Employee of the Year.
- f) City Clerk Weaver presented the recently Elected Council Members, Treasurer and City Clerk their Certificates of Election.
- g) COVID-19 Update presented by Fire Chief Donovan
- h) Scott Mitnick congratulated Sam Lee, Development Services Director on this retirement from the City of El Segundo and presented Sam with a few gifts from the City.

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

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

B. CONSENT

- 1. Approve Special City Council Meeting minutes of April 19, 2021, Special City Council Meeting minutes of April 20, 2021 (Strategic Planning Session), Closed and Regular City Council Meeting minutes of April 20, 2021 and Special City Council Meeting Minutes of April 27, 2021.
- 2. Ratify payroll and employee benefit checks; checks released early due to contracts or agreement; emergency disbursements and/or adjustments; and wire transfers and approve the following warrant demand register from April 4, 2021 – April 22, 2021; numbers 13B, 14A, and 14B: Warrant numbers 3035231 through 3035526, and 9001964 through 9001975.
(Fiscal Impact: The warrants presented were drawn in payment of demands included within the Adopted FY2020-21 Budget and total \$4,648,595.00 (\$1,159,737.04 in check warrants and \$3,488,857.96 in wire warrants))
- 3. Adopt Resolution No. XXX approving Final Vesting Parcel Map No. 82473 (335 Penn St) and authorize City Staff and the City Clerk to sign and record said map. (Fiscal Impact: None)

4. Adopt Resolution No. XXX approving Final Vesting Parcel Map No. 74692 (224 Whiting St), and authorize City Staff and the City Clerk to sign and record said map.
(Fiscal Impact: None)

MOTION by Council Member Pirsztuk, SECONDED by Council Member Nicol, approving Consent Agenda item 1, 2, 3, and 4. MOTION PASSED BY UNANIMOUS VOICE VOTE. 5/0

C. PUBLIC HEARING: None

D. STAFF PRESENTATIONS:
Items 5 and 6 switched order

6. Comprehensive Annual Financial Report for Fiscal Year Ending September 30, 2020
(Fiscal Impact: None)

Tiffany Fung, Clifton Larson Allen consultant gave a presentation.

Joe Lillio, Chief Financial Officer answered Council's questions.

Council discussion

Council consensus to receive and file.

5. Ordinance Amending the El Segundo Municipal Code to Allow Noncommercial Backyard Beekeeping in the Single-Family Residential (R-1) Zone District.
(Fiscal Impact: There are no direct fiscal impacts associated with amending the Municipal Code. Indirect cost of staff time will be absorbed via City's adopted FY 2020-2021 Annual Budget)

(The proposed ordinance (zone text amendment) is exempt from further review under the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines § 15061(b)(3)), because it consists only of minor revisions to existing zoning regulations and related procedures and does not have the potential for causing a significant effect on the environment)

Elias Sassoon, Public Works Director reported on the item.

Council discussion

David King, Assistant City Attorney, read the Ordinance by title only.

ORDINANCE NO. 1624

AN ORDINANCE AMENDING TITLES 6,7, AND 15 OF THE EL SEGUNDO MUNICIPAL CODE TO ALLOW NONCOMMERCIAL, BACKYARD BEEKEEPING ON SINGLE-FAMILY RESIDENTIAL ZONED PROPERTIES.

Council Member Giroux introduced Ordinance No.1624. Second reading and possible adoption of the Ordinance is scheduled for the regular City Council meeting of May 18, 2021.

7. Development Services Director Salary Range Adjustment
(Fiscal Impact: The proposed salary range is 10% greater than the current salary range. With the retirement of the current Development Services Director, the fiscal impact of the revised salary range will depend on the actual salary of the replacement Director, which will not be known until after the recruitment is concluded in two to three months. The proposed FY 2021-2022 General Fund Budget which will be submitted to City Council on June 15 will include sufficient funding for this position. The potential salary cost increase of this position (if any) will be offset by the start date of the selected individual. The intent is to ensure that the salary range adjustment remains revenue and expenditure neutral)

Rebecca Redyk, Human Resources Director reported on the item.

Council Discussion

David King, Assistant City Attorney read the resolution by title only.

RESOLUTION NO. XXX

A RESOLUTION ESTABLISHING BASIC MONTHLY SALARY RANGE FOR A FULL TIME JOB CLASSIFICATION

MOTION by Council Member Nicol, SECONDED by Council Member Giroux approving Resolution No. XXX. MOTION PASSED BY VOICE VOTE. 3/2 YES Giroux Nicol Pirsztuk NO Boyles Pimentel

- E. COMMITTEES, COMMISSIONS AND BOARDS PRESENTATIONS: None
- F. REPORTS – CITY CLERK – Passed
- G. REPORTS – CITY TREASURER – Passed
- H. REPORTS – COUNCIL MEMBERS

Council Member Giroux – Praised ESUSD on the Sr. Prom held on Friday, April 30, 2021, and thanked City staff for their involvement with the event.

Council Member Nicol – Thanked staff from all departments for a job well done this year and thanked the residents as well for their commitment to community engagement.

Council Member Pirsztuk – Thanked all departments involved with finishing the Chamber AV project and enabling Council to conduct the meeting from the dais. Thanked the Rec and Park department for completing the Acacia Park project.

Mayor Pro Tem Pimentel – Passed

Mayor Boyles – Provided highlights the Board of Directors from the South Bay Council of Governments have taken action on. Expressed sympathy and concern for India and residents who may family in the country.

- I. REPORTS – CITY ATTORNEY – Passed
- J. REPORTS/FOLLOW-UP – CITY MANAGER – Mentioned the upcoming items for the May 18, 2021 City Council Meeting. Had Darnell Jenkins step into Chamber to thank him and his team for a job well done on the Chamber AV Project and congratulate his team for a successful first meeting back in Chamber.

MEMORIALS – None

ADJOURNED at 8:20 PM

Tracy Weaver, City Clerk



City Council Agenda Statement

Meeting Date: May 18, 2021

Agenda Heading: CONSENT

TITLE:

Warrants Demand Register for Period of April 19, 2021 through April 30, 2021

RECOMMENDATION:

Ratify Payroll and employee benefit Checks; Checks released early due to contracts or agreement; Emergency disbursements and/or adjustments; and, Wire transfers.

Approve the following Warrant Demand Register numbers 15A and 15B: Warrant numbers 3035527 through 3035680, and 9001976 through 9002021.

FISCAL IMPACT:

The warrants presented were drawn in payment of demands included within the Adopted FY2020-21 Budget and total \$2,063,850.29 (\$742,023.80 in check warrants and \$1,321,826.49 in wire warrants).

BACKGROUND:

California Government Code Section 37208 provides General Law cities flexibility in how budgeted warrants, demands, and payroll are audited and ratified by their legislative body. Pursuant to Section 37208 of the California Government Code, warrants drawn in payment of demands certified by the City's Chief Financial Officer and City Manager as conforming to the authorized expenditures set forth in the City Council adopted budget need not be audited by the City Council prior to payment, but may be presented to the City Council at the first meeting after delivery.

In government finance, a warrant is a written order to pay that instructs a federal, state, county, or city government treasurer to pay the warrant holder on demand or after a specific date. Such warrants look like checks and clear through the banking system like checks. Warrants are issued for payroll to individual employees, accounts payable to vendors, to local governments, and to companies or individual taxpayers receiving a refund.

DISCUSSION:

Warrants Demand Register for Period of April

May 18, 2021

Page 2 of 2

The attached Warrants Listing delineates the warrants that have been paid for the period identified above. The Chief Financial Officer certifies that the listed warrants were drawn in payment of demands conforming to the adopted budget and that these demands are being presented to the City Council at its first meeting after the delivery of the warrants.

CITY STRATEGIC PLAN COMPLIANCE:

Goal 5: Champion Economic Development and Fiscal Sustainability

Objective 5B: El Segundo approaches its work in a financially strategic and responsible way.

PREPARED BY:

Joseph Lillio, Chief Financial Officer

REVIEWED BY:

Joseph Lillio, Chief Financial Officer

APPROVED BY:

Barbara Voss, Deputy City Manager

ATTACHED SUPPORTING DOCUMENTS:

1. Register 15a
2. Register 15b

CITY OF EL SEGUNDO
WARRANT TOTALS BY FUND RECONCILIATION
AS OF 05/18/21
REGISTER # 15A

FUND#	FUND NAME	WARRANT AMOUNT	QUICK CHECKS	VOID CHECKS	TOTAL
001	GENERAL FUND	243,744.85			243,744.85
104	TRAFFIC SAFETY FUND				-
106	STATE GAS TAX FUND	2,365.00			2,365.00
108	ASSOCIATED RECREATION ACTIVITIES FUND				-
109	ASSET FORFEITURE FUND	2,520.00			2,520.00
110	MEASURE "R"				-
111	COMM. DEVEL. BLOCK GRANT				-
112	PROP "A" TRANSPORTATION				-
114	PROP "C" TRANSPORTATION	1,800.00			1,800.00
115	AIR QUALITY INVESTMENT PROGRAM				-
116	HOME SOUND INSTALLATION FUND				-
117	HYPERION MITIGATION FUND	510.15			510.15
118	TDA ARTICLE 3 - SB 821 BIKEWAY FUND				-
119	MTA GRANT				-
120	C.O.P.S. FUND				-
121	FEMA				-
122	L.A.W.A. FUND				-
123	PSAF PROPERTY TAX PUBLIC SAFETY				-
124	FEDERAL GRANTS				-
125	STATE GRANT				-
126	A/P CUPA Program Oversight Surcharge	80.00			80.00
128	SB-1				-
129	Certified Access Specialist Program (CAS				-
130	Affordable Housing Fund				-
131	County Storm Water Program				-
202	ASSESSMENT DISTRICT #73				-
301	CAPITAL IMPROVEMENT FUND	18,525.00			18,525.00
302	INFRASTRUCTURE REPLACEMENT FUND				-
401	ECONOMIC UNCERTAINTY				-
405	FACILITIES MAINTENANCE				-
501	WATER UTILITY FUND	23,153.76			23,153.76
502	WASTEWATER FUND	4,431.61			4,431.61
503	GOLF COURSE FUND	1,215.00			1,215.00
504	PARK VISTA				-
505	SOLID WASTE				-
601	EQUIPMENT REPLACEMENT				-
602	LIABILITY INSURANCE				-
603	WORKERS COMP. RESERVE/INSURANCE				-
701	RETIRED EMP. INSURANCE				-
702	EXPENDABLE TRUST FUND - DEVELOPER FEES	2,200.00			2,200.00
703	EXPENDABLE TRUST FUND - OTHER				-
708	OUTSIDE SERVICES TRUST				-
	TOTAL WARRANTS	\$ 300,545.37	\$ -	\$ -	\$ 300,545.37 ✓

PREPARED BY:

DATE:

APPROVED BY: Joseph Lillio

DATE:

Joseph Lillio 5-21-2021

Barbara Voss 5-10-21

**CITY OF EL SEGUNDO
 PAYMENTS BY WIRE TRANSFER
 04/26/21 THROUGH 05/02/21**

<u>Date</u>	<u>Payee</u>		<u>Description</u>
4/26/2021	Unum	266.10	Long Term Care Premium - March
4/29/2021	Cal Pers	11,224.11	EFT Retirement Safety-Fire-PEPRA New 25020
4/29/2021	Cal Pers	24,299.48	EFT Retirement Safety-Police-PEPRA New 25021
4/29/2021	Cal Pers	43,445.74	EFT Retirement Misc - PEPRA New 26013
4/29/2021	Cal Pers	46,074.67	EFT Retirement Misc - Classic 27
4/29/2021	Cal Pers	62,701.10	EFT Retirement Safety Police Classic - 1st Tier 28
4/29/2021	Cal Pers	59,673.02	EFT Retirement Safety Fire- Classic 30168
4/29/2021	Cal Pers	6,443.18	EFT Retirement Sfty Police Classic-2nd Tier 30169
4/29/2021	Cal Pers	13,188.69	Replacement Benefit Contributions
4/29/2021	Manufacturers & Traders	4,924.53	457 payment Vantagepoint
4/29/2021	Manufacturers & Traders	1,130.77	401(a) payment Vantagepoint
04/19/21-04/25/21	Workers Comp Activity	18,910.12	SCRMA checks issued
04/19/21-04/25/21	Liability Trust - Claims	0.00	Claim checks issued
04/19/21-04/25/21	Retiree Health Insurance	0.00	Health Reimbursement checks issued
		<u>292,281.51</u>	

DATE OF RATIFICATION: 04/29/21

TOTAL PAYMENTS BY WIRE:

292,281.51

Certified as to the accuracy of the wire transfers by:

Diana Marano *DM* 4/29/21
 Treasury & Customer Services Manager Date

Joseph Cole 5-4-2021
 Chief Financial Officer Date

Barbara Vess *(For SM)* 5-10-21
 City Manager Date

Information on actual expenditures is available in the City Treasurer's Office of the City of El Segundo.

CITY OF EL SEGUNDO
WARRANT TOTALS BY DEPARTMENT
AS OF 05/18/21
REGISTER # 15A

DEPT#	NAME	TOTAL
GENERAL FUND DEPARTMENTAL EXPENDITURES		
GENERAL GOVERNMENT		
1101	City Council	104.92
1201	City Treasurer	200.00
1300	City Clerk	144.00
2101	City Manager	9,991.74
2201	City Attorney	
2401	Economic Development	5,108.03
2402	Planning	405.84
2500	Administrative Services	29,621.46
2601	Government Buildings	71,248.42
2700	Community Outreach/Planning	
2900	Nondepartmental	11,842.41
6100	Library	3,725.13
2102	Communications	
		132,391.95
PUBLIC SAFETY		
3100	Police	7,296.24
3200	Fire	4,132.61
2403	Building Safety	
2404	Plng/Bldg Sfty Administration	453.14
		11,881.99
PUBLIC WORKS		
4101	Engineering	9,891.91
4200	Streets/Park Maintenance	21,545.12
4300	Wastewater	4,876.17
4601	Equipment Maintenance	8,971.21
4801	Administration	280.00
		45,564.41
COMMUNITY DEVELOPMENT		
5100,5200	Recreation & Parks	7,057.88
5400	Centennial	
		7,057.88
EXPENDITURES		
	CAPITAL IMPROVEMENT	18,525.00
	ALL OTHER ACCOUNTS	85,124.14
	TOTAL WARRANTS	300,545.37 ✓

CITY OF EL SEGUNDO
WARRANTS TOTALS BY FUND

3035607 - 3035680
9002021 - 9002021

DATE OF APPROVAL: AS OF 05/18/21

REGISTER # 15B

001	GENERAL FUND	200,836.35
104	TRAFFIC SAFETY FUND	-
106	STATE GAS TAX FUND	-
108	ASSOCIATED RECREATION ACTIVITIES FUND	-
109	ASSET FORFEITURE FUND	4,554.63
110	MEASURE "R"	11,756.48
111	COMM. DEVEL. BLOCK GRANT	-
112	PROP "A" TRANSPORTATION	300.00
114	PROP "C" TRANSPORTATION	117,107.26
115	AIR QUALITY INVESTMENT PROGRAM	-
116	HOME SOUND INSTALLATION FUND	-
117	HYPERION MITIGATION FUND	-
118	TDA ARTICLE 3 - SB 821 BIKEWAY FUND	-
119	MTA GRANT	-
121	FEMA	-
120	C.O.P.S. FUND	-
122	L.A.W.A. FUND	-
123	PSAF PROPERTY TAX PUBLIC SAFETY	-
124	FEDERAL GRANTS	-
125	STATE GRANT	101.90
126	A/P CUPA PROGRAM OVERSIGHT SURCHARGE	-
128	SB-1	80.00
129	CERTIFIED ACCESS SPECIALIST PROGRAM	3.80
130	AFFORDABLE HOUSING	-
131	COUNTY STORM WATER PROGRAM	-
202	ASSESSMENT DISTRICT #73	-
301	CAPITAL IMPROVEMENT FUND	17,900.00
302	INFRASTRUCTURE REPLACEMENT FUND	-
405	FACILITIES MAINTENANCE	-
501	WATER UTILITY FUND	26,443.70
502	WASTEWATER FUND	5,833.94
503	GOLF COURSE FUND	-
504	PARK VISTA	-
505	SOLID WASTE	42,410.00
601	EQUIPMENT REPLACEMENT	-
602	LIABILITY INSURANCE	-
603	WORKERS COMP. RESERVE/INSURANCE	-
701	RETIRED EMP. INSURANCE	-
702	EXPENDABLE TRUST FUND - DEVELOPER FEES	668.37
703	EXPENDABLE TRUST FUND - OTHER	13,482.00
708	OUTSIDE SERVICES TRUST	-

TOTAL WARRANTS

\$ 441,478.43 ✓

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

Information on actual expenditures is available in the Director of Finance's office in the City of El Segundo.

I certify as to the accuracy of the Demands and the availability of fund for payment thereof.

For Approval: Regular checks held for City council authorization to release.

CODES:

A= Payroll and Employee Benefit checks

AP & U = Computer generated Release disbursements and/or adjustments approved by the City reimbursements, various refunds, contract employee services consistent with current contractual Manager. Such as: payments for utility services, petty cash and employee travel expense agreements, instances where prompt payment discounts can be obtained or late payment penalties can be avoided or when a situation arises that the City Manager approves.

H= *AD* Handwritten Early Release disbursements and/or adjustments approved by the City Manager.

VOID CHECKS DUE TO ALIGNMENT:

N/A

VOID CHECKS DUE TO INCORRECT CHECK DATE:

VOID CHECKS DUE TO COMPUTER SOFTWARE ERROR:

NOTES

CHIEF FINANCIAL OFFICER

Joseph Lillo

DATE:

5-11-2021

CITY MANAGER

Barbara Voss

DATE:

5-12-21

**CITY OF EL SEGUNDO
 PAYMENTS BY WIRE TRANSFER
 05/03/21 THROUGH 05/09/21**

<u>Date</u>	<u>Payee</u>		<u>Description</u>
5/3/2021	IRS	313,804.35	Federal 941 Deposit
5/3/2021	Employment Development	5,818.59	State SDI payment
5/3/2021	Employment Development	76,390.79	State PIT Withholding
5/3/2021	ExpertPay	1,670.75	EFT Child support payment
5/3/2021	Manufacturers & Traders	4,000.00	457 payment Vantagepoint
5/3/2021	California EDD	14,849.75	Reconciliation payment
5/3/2021	California EDD	2,528.67	Reconciliation payment
5/3/2021	California EDD	497.87	Reconciliation payment
5/7/2021	Cal Pers	573,310.07	EFT Health Insurance Payment
04/26/21-05/02/21	Workers Comp Activity	25,285.43	SCRMA checks issued
04/26/21-05/02/21	Liability Trust - Claims	0.00	Claim checks issued
04/26/21-05/02/21	Retiree Health Insurance	11,388.71	Health Reimbursement checks issued
		<u>1,029,544.98</u>	

DATE OF RATIFICATION: 05/07/21

TOTAL PAYMENTS BY WIRE:

1,029,544.98

Certified as to the accuracy of the wire transfers by:

Dino Manzo *DM* 5/7/21
 Treasury & Customer Services Manager Date

Joseph Ho 5-11-2021
 Chief Financial Officer Date

Pauline Voss for 5-12-21
 City Manager Date

Information on actual expenditures is available in the City Treasurer's Office of the City of El Segundo.

CITY OF EL SEGUNDO
WARRANT TOTALS BY DEPARTMENT
AS OF 05/18/21
REGISTER # 15B

DEPT#	NAME	TOTAL
GENERAL FUND DEPARTMENTAL EXPENDITURES		
GENERAL GOVERNMENT		
1101	City Council	15.29
1201	City Treasurer	
1300	City Clerk	3,777.29
2101	City Manager	7,688.66
2201	City Attorney	
2401	Economic Development	114.43
2402	Planning	336.77
2500	Administrative Services	43,638.45
2601	Government Buildings	32,465.27
2700	Community Outreach/Planning	1,934.30
2900	Nondepartmental	20,205.28
6100	Library	5,344.44
2102	Communications	27,922.15
		143,442.33
PUBLIC SAFETY		
3100	Police	20,193.79
3200	Fire	12,724.63
2403	Building Safety	
2404	Plng/Bldg Sfty Administration	454.42
		33,372.84
PUBLIC WORKS		
4101	Engineering	17,966.07
4200	Streets/Park Maintenance	1372.79
4300	Wastewater	1,777.50
4601	Equipment Maintenance	6,190.07
4801	Administration	
		27,306.43
COMMUNITY DEVELOPMENT		
5100,5200	Recreation & Parks	13,076.76
5400	Centennial	
		13,076.76
EXPENDITURES		
	CAPITAL IMPROVEMENT	17,900.00
	ALL OTHER ACCOUNTS	206,380.07
	TOTAL WARRANTS	441,478.43 ✓



City Council Agenda Statement

Meeting Date: May 18, 2021

Agenda Heading: CONSENT

TITLE:

Agreement to Renew Beach Cities Transit Line 109 for FY 2021-2022

RECOMMENDATION:

1. Approve a one-year renewal of the agreement with Beach Cities Transit for operation of Line 109 for FY 2021-2022.
2. Authorize the Mayor to execute a Transit Service Operation Agreement.

FISCAL IMPACT:

There is no impact to the FY 2021-2022 Budget.

BACKGROUND:

Since August 2006, Beach Cities Transit (BCT) has operated Line 109 from Redondo Beach to the LAX Transit Center, passing through the cities of Hermosa Beach, Manhattan Beach, and El Segundo. In July 2006, these South Bay communities came together to collectively fund a portion of the operating costs for a new BCT Line (designated Line 109) to provide bus service in lieu of the discontinued Metropolitan Transportation Authority's (Metro) Line 439.

Line 109 encompasses northbound and southbound stops with nearly 40% of the route within El Segundo city limits. Major destinations on Line 109 include the LAX City Bus Center, the Aviation Green Line Station, the Douglas Green Line Station, downtown Manhattan Beach, Manhattan Village Mall, downtown El Segundo, Plaza El Segundo, The Point, the Hermosa Beach Pier, the Redondo Beach Pier, and Riviera Village.

Beach Cities Transit, a community-based transit system operated by the City of Redondo Beach, is designated as an "included operator" in Los Angeles County. As such, BCT is eligible to receive funding from Metro to partially fund local transit

Renew Beach Cities Transit Line 109 Agreement

May 18, 2021

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operating expenses. The four participating cities proportionally share any remaining costs (based on route miles within each jurisdiction) for the annual operations of the service. The City of El Segundo's contribution is paid for by Proposition C Funds, an annual allocation from Los Angeles County designated to support public transportation.

The City's financial commitment was approximately \$40,000 in FY 2016-2017 and approximately \$22,000 in FY 2018-2019

DISCUSSION:

Due to increased dedicated transit funding from LA County as well as other operational funding sources, the City of Redondo Beach has been able to operate Beach Cities Transit without contributions from El Segundo, Manhattan Beach, and Hermosa Beach during the past two years. Additional Federal transit relief funds will help the City of Redondo Beach operate Beach Cities Transit without contributions from the cities for FY 2021-2022.

The City of Redondo Beach requests the City of El Segundo approve a one-year agreement in a form approved by the City Attorney to participate in Line 109 to continue to operate the transit service and serve the South Bay's residents, businesses, and employers. The cities of Manhattan Beach and Hermosa Beach are expected to renew their participation.

CITY STRATEGIC PLAN COMPLIANCE:

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

Objective 1A: El Segundo Provides unparalleled service to internal and external customers.

Goal 4: Develop and Maintain Quality Infrastructure and Technology

Objective 4A: El Segundo's physical infrastructure supports an appealing, safe and effective community.

Goal 5: Champion Economic Development and Fiscal Sustainability

Objective 5A: El Segundo promotes economic growth and vitality for business and the community.

Objective 5B: El Segundo approaches its work in a financially strategic and responsible way.

PREPARED BY:

Melissa McCollum, Community Services Director

REVIEWED BY:

Melissa McCollum, Community Services Director

Renew Beach Cities Transit Line 109 Agreement

May 18, 2021

Page 3 of 3

APPROVED BY:

Barbara Voss, Deputy City Manager

ATTACHED SUPPORTING DOCUMENTS:

1. BCT Line 109 Agreement with El Segundo 2021-2022
2. Attachment A: BCT Line 109 Map
3. Attachment B: BCT Line 109 Time Schedule
4. Attachment C: BCT Line 109 Route Service Mile Calculations by City



**TRANSIT SERVICE OPERATION AGREEMENT
BETWEEN THE CITY OF REDONDO BEACH AND
THE CITY OF EL SEGUNDO**

THIS TRANSIT SERVICE OPERATION AGREEMENT (this “Agreement”) is entered into by and between the City of Redondo Beach (“Redondo Beach”), on behalf of Beach Cities Transit (“BCT”), which is a division of Redondo Beach, and the City of El Segundo (“El Segundo”).

RECITALS

- A. **WHEREAS**, pursuant to Government Code section 54981, the legislative body of any local agency (here, El Segundo) may contract with another local agency (here, Redondo Beach) for the performance of municipal services or functions within the territory of the former.
- B. **WHEREAS**, on July 1, 2006, Redondo Beach and El Segundo entered into that certain Transit Service Operation Agreement to enable BCT Line 109 as described in **Attachment A** to take over public transportation services for the discontinued LACMTA Line 439 for a two (2) year term.
- C. **WHEREAS**, Redondo Beach and El Segundo subsequently entered into new agreements relating to Line 109 in 2008, 2010, 2011, 2012, 2013, 2015, 2017, 2019 and 2020 (the "2020 Agreement").
- D. **WHEREAS**, the 2020 Agreement expires on June 30, 2021, and the parties desire to enter into a new agreement on the terms and conditions set forth below.

NOW THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES CONTAINED HEREIN, THE PARTIES AGREE AS FOLLOWS:

1. TERM

This Agreement shall be effective as of July 1, 2021, and shall have a one (1) year term expiring on June 30, 2022. El Segundo acknowledges that an agreement in similar form to this Agreement or an amendment may be negotiated for continued Line 109 service beyond June 30, 2022. In the event El Segundo intends to renew this Agreement, El Segundo shall notify Redondo Beach of its intent to renew at least 182 days prior to the expiration of this term.

2. SERVICE DESCRIPTION

- A. Redondo Beach shall operate Line 109 consistent with the maps shown in attached **Attachment A**, which is incorporated by reference ("Line 109" or the "Service").
- B. Redondo Beach shall operate Line 109 on the days of the week; service times and days; and frequencies of service equal to or better than that which was operated by BCT

immediately before the effective date of this Agreement. The current service schedule for Line 109 is illustrated in attached **Attachment B**, which is incorporated by reference.

- C. Redondo Beach may adjust the route and schedule of Line 109; however, any changes or reductions to the Service in excess of 10% of service hours shall be brought to El Segundo in writing for review and comment prior to implementation.
- D. Redondo Beach may, in its sole discretion, enter into contracts for Line 109 service with any other provider of its choice at any time without the approval of El Segundo. Redondo Beach shall be responsible for any and all aspects of administration of the service contract, and shall assure that the contract includes provisions pertaining to insurance, age, maintenance and operation of vehicles, driver qualifications and other similar provisions typical of an agreement of that kind.
- E. Redondo Beach shall base the percentage of cost for Line 109 on the route service mile calculations, as illustrated in the attached **Attachment C**.

3. **PASSENGER FARES**

Redondo Beach may charge fares for the Service consistent with its existing fixed-route service as described in **Attachment A**. Redondo Beach will accept interagency transfers with adjacent transit operators and participate in the EZ Pass Program. Redondo Beach shall retain all farebox revenues. BCT Line 109 passenger fare revenues shall be used to offset operation expenses.

4. **FUNDING**

- A. El Segundo shall pay Redondo Beach for costs in associated with operating Line 109 in accordance with this Section. El Segundo shall not pay Redondo Beach for capital costs nor shall El Segundo provide any equipment to operate the Service.
- B. **FY 2021-22:** Operations Funding from El Segundo shall be \$0 for fiscal year 2021-2022.

In the event Redondo Beach incurs a shortfall in funding, El Segundo's funding contribution will be based on the number of miles of the BCT Line 109 route (as described in **Attachment C**) within El Segundo's boundaries and other cities' Line 109 route miles will not factor into El Segundo's funding contribution.

A shortfall occurs when the (1) the estimated costs exceed the (2) estimated operating revenues for the respective fiscal year. The estimated costs shall be based on (1) the prior year's Line 109 service hours multiplied by the applicable service hour rates plus (2) the prior year's fuel costs plus an estimated CPI increase plus (3) estimated costs for RTI systems. The estimated revenues shall be based on the LACMTA funding formula and the prior fiscal year's fare revenues for Line 109.

Operating expenses are incorporated in the service hour rates and include without limitation, driver wages, general administration and overhead, and maintenance costs. Real Time Information ("RTI") Systems operating expenses include without limitation, capital equipment, passenger/administration interface programs, cellular and internet hosting of RTI services and report management programs.

- C. Redondo Beach is responsible for all marketing and promotion of the Service. However, El Segundo may advertise the Service at its sole expense in community newsletters and recreational brochures at its sole expense. El Segundo may also advertise the Service at its sole expense in other mediums, but any reference to BCT in such advertising must be approved in writing by Redondo Beach. The BCT logo cannot be used without Redondo Beach's prior approval.
- D. On at least a quarterly basis, BCT will meet with El Segundo to develop additional marketing strategies directed towards increasing BCT Line 109 ridership. El Segundo shall provide assistance for public outreach and information to target El Segundo residents and non-resident community members.

5. REPORTING/INVOICING

- A. Redondo Beach shall report to El Segundo on a quarterly basis, all of the following data for the Line 109 Service:
 - (1) Passengers carried
 - (2) Revenue hours operated
 - (3) Revenue miles operated
 - (4) Total operating costs, including service operating expenses and RTI capital and operating expenses
- B. Redondo Beach shall submit said report to El Segundo in writing within fifteen (15) days after the end of each reporting quarter.
- C. Redondo Beach shall submit quarterly reports to El Segundo.
- D. Redondo Beach shall incorporate Line 109 data into its Federal Transit Administration's National Transit Data (NTD) annual report for the entire BCT fixed route transportation system. Redondo Beach shall provide to El Segundo annual NTD random sampling data which provides the statistics to estimate the number of passengers boarding and alighting by stop in El Segundo, and the total estimated El Segundo passengers. Redondo Beach shall be responsible for any and all aspects of administration of the service contract, and shall include provisions pertaining to insurance.
- E. El Segundo retains the right to audit the BCT's records of Line 109 Service, and to periodically monitor the Service.
- F. Redondo Beach shall schedule quarterly joint meetings with the partnering cities of El Segundo, Hermosa Beach, and Manhattan Beach. Redondo Beach will provide a quarterly update of Line 109 services, and discuss coordinated marketing and public outreach efforts and operating and financing issues that affect BCT services.

6. INSPECTION OF RECORDS

BCT records relevant to this Agreement shall be available for inspection by El Segundo at all reasonable times for a period of at least three (3) years for each year or after the termination date, whichever comes first.

7. NON-DISCRIMINATION

No person shall on the grounds of race, color, religion, national origin, ancestry, age, sex, physical or mental disability, be excluded from participation in, or be subject to discrimination in the operation of the Line 109 Service.

8. COORDINATION

A. Redondo Beach shall coordinate its BCT services, to the extent practical, so that passengers transferring between transit operators will have minimal waiting times. This coordination will require transit agencies to communicate with each other as many weeks as possible in advance of any planned schedule change to the services that may affect passenger transfers.

B. The El Segundo Project Manager for this project shall be the Recreation and Parks Director, or designee. BCT coordinator for this project shall be the Community Services Director or his/her designee.

9. WAIVER OF BREACH

The waiver of each party of any breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach of that same or any other provision.

10. NOTICES

A. All notices, requests, demands, or other communications under this Agreement shall be in writing. Notice shall be given as follows:

- (1) Personal Delivery. Personally delivered to the recipient. Notice is effective on delivery.
- (2) First Class Mail. First class to the last address of the recipient known to the party giving notice. Notice is effective three mail delivery days after deposit in a United States Postal Service office or mailbox.
- (3) Certified Mail. Certified mail with return receipt requested. Notice is effective on receipt, if delivery is confirmed by a return receipt.
- (4) Overnight Delivery. Delivered by an overnight delivery service, charges prepaid or charged to the sender's account. Notice is effective on delivery, if delivery is confirmed by the delivery service.
- (5) Facsimile Transmission. Sent by fax to the last fax number of the recipient known to the party giving notice. Notice is effective upon receipt. Any notice given by fax shall be deemed received on the next business day if it is received after 5:00 p.m. (recipient's time) or on a non-business day.
- (6) Email. Sent by email to the last email address of the recipient known to the party giving notice. Notice is effective upon receipt. Any notice given by email shall be deemed received on the next business day if it is received after 5:00 p.m. (recipient's time) or on a non-business day.

Addresses for purpose of giving notice shall be as follows:

Beach Cities Transit:

City of Redondo Beach
Transit Operations and Transportation Facilities Manager
Attention: Line 109
1922 Artesia Blvd.
Redondo Beach, CA 90278

Email: joyce.rooney@redondo.org
Fax Number: 310-798-8273

With a copy to:

City of Redondo Beach
The City Clerk's Office
415 Diamond Street
Redondo Beach, CA 90277-2836

Email: cityclerk@redondo.org
Fax Number: 310-374-0220

El Segundo:

City of El Segundo
Melissa McCollum, Community Services Director
Attention: Line 109
350 Main Street
El Segundo, CA 90245-3813

Email: mmccollum@elsegundo.org

With a copy to:

City of El Segundo
City Clerk
350 Main Street
El Segundo, CA 90245-3813

Fax Number: 310-615-0529

- B. Any correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified, shall be deemed effective as of the first date the notice was refused, unclaimed or deemed undeliverable by the postal authorities, messenger or overnight delivery service.
- C. Either party may change its address, fax number, or email by giving the other party written notice of the change.

11. SEVERABILITY

Should any part, term or provision of this Agreement or any document required herein to be executed be declared invalid, void or unenforceable, all remaining parts, terms and provisions hereof shall remain in full force and effect and shall in no way be invalidated, impaired or affected thereby.

12. INTEGRATION; AMENDMENT

This Agreement represents the entire understanding of El Segundo and Redondo Beach as to those matters contained in it. No prior oral or written understanding shall be of any force or effect with respect to the terms of this Agreement. The Agreement may not be modified or altered except by written amendment executed by both parties.

13. INTERPRETATION

The terms of this Agreement should be construed in accordance with the meaning of the language used and should not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction that might otherwise apply.

14. GOVERNING LAW; JURISDICTION

This Agreement will be administered and interpreted under the laws of the State of California. Jurisdiction of any litigation arising from the Agreement will be in Los Angeles County, California.

15. COMPLIANCE WITH STATUTES AND REGULATIONS

BCT will be knowledgeable of and will comply with all applicable federal, state, county and city statutes, rules, regulations, ordinances and orders.

16. NON-LIABILITY OF CITIES

No officer or employee of either city shall be personally liable to the other, in the event of any default or breach thereunder.

17. INDEMNIFICATION

Each party hereby agrees to defend, protect, indemnify and hold harmless the other party, its officers, employees, volunteers, agents, elected and appointed officials, and members of boards and commissions from and against any and all loss, damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, and judgments, including reasonable attorney's fees, expert fees and costs of suit arising directly or indirectly from or in any manner related to or in connection with or caused by the performance or failure of the party, its agents, servants or employees to perform the services required of the party's employees under the terms of this Agreement.

18. AUTHORITY

Each party warrants that the individuals who have signed this Agreement have the legal power, right and authority to enter into and execute this Agreement on behalf of each respective party.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed this Agreement, as of this ____ day of _____, 2021.

CITY OF REDONDO BEACH

CITY OF EL SEGUNDO

By: _____
William C. Brand, Mayor

By: _____
Drew Boyles, Mayor

APPROVED AS TO FORM:

APPROVED AS TO FORM:

Michael W. Webb, City Attorney

Mark D. Hensley, City Attorney

ATTEST:

ATTEST:

Eleanor Manzano, City Clerk

Tracy Weaver, City Clerk

Attachment A: Line 109 Map



Attachment B: BCT Line 109 Time Schedule

NORTH BOUND Redondo Beach
Riviera Village to
109 LAX Bus Center

MONDAY THROUGH FRIDAY

	<i>Palos Verdes Bl & Via Valencia</i>	<i>Hermosa Ave & 10th St</i>	<i>Highland Ave & 14th St</i>	<i>Park Place at Douglas</i>	<i>Main St & Holly Ave</i>	<i>Aviation Station</i>	<i>LAX Bus Center</i>
	7	8	9	10	11	12	13
	--	--	--	--	--	--	--
	--	--	--	--	--	--	--
	6:00	6:17	6:28	6:42	6:53	7:03	7:13
	6:30	6:47	6:58	7:12	7:23	7:33	7:43
	7:25	7:42	7:53	8:07	8:18	8:28	8:38
	8:10	8:27	8:38	8:52	9:07	9:17	9:27
	8:50	9:07	9:18	9:32	9:47	9:57	10:07
	9:35	9:52	10:03	10:17	10:32	10:42	10:52
	10:25	10:42	10:53	11:07	11:22	11:32	11:42
	11:10	11:27	11:38	11:52	12:07	12:17	12:27
	11:50	12:07	12:18	12:32	12:47	12:57	1:07
	12:35	12:52	1:03	1:17	1:32	1:42	1:52
	1:45	2:02	2:13	2:27	2:42	2:52	3:02
	2:30	2:47	2:58	3:12	3:27	3:37	3:47
	3:10	3:27	3:38	3:52	4:07	4:17	4:27
	3:55	4:12	4:23	4:37	4:52	5:02	5:12
	4:45	5:02	5:13	5:27	5:42	5:52	6:02
	5:30	5:47	5:58	6:12	6:27	6:37	6:47
	6:10	6:27	6:38	6:52	7:07	7:17	7:27
	6:55	7:12	7:23	7:37	7:52	8:02	8:12
	7:45	8:02	8:13	8:27	8:42	8:52	9:02
	8:30	8:47	8:58	9:12	9:27	9:37	9:47
AM		PM					

SOUTH BOUND LAX Bus Center to
Redondo Beach
109 Riviera Village

MONDAY THROUGH FRIDAY

	<i>LAX Bus Center</i>	<i>Aviation Station</i>	<i>Main St & Holly Ave</i>	<i>Park Place at Douglas</i>	<i>Highland Ave & 14th St</i>	<i>Hermosa Ave & 11th St</i>	<i>Palos Verdes Bl & Via Valencia</i>
	13	12	11	10	9	8	7
	5:55	6:07	6:21	6:39	6:51	7:00	7:15
	6:40	6:52	7:06	7:24	7:36	7:45	8:00
	7:20	7:32	7:46	8:04	8:16	8:25	8:40
	8:05	8:17	8:31	8:49	9:01	9:10	9:25
	8:55	9:07	9:21	9:39	9:51	10:00	10:15
	9:40	9:52	10:06	10:24	10:36	10:45	11:00
	10:20	10:32	10:46	11:04	11:16	11:25	11:40
	11:05	11:17	11:31	11:49	12:01	12:10	12:25
	12:15	12:27	12:41	12:59	1:11	1:20	1:35
	1:00	1:12	1:26	1:44	1:56	2:05	2:20
	1:40	1:52	2:06	2:24	2:36	2:45	3:00
	2:25	2:37	2:51	3:09	3:21	3:30	3:45
	3:15	3:27	3:41	3:59	4:11	4:20	4:35
	4:00	4:12	4:26	4:44	4:56	5:05	5:20
	4:40	4:52	5:06	5:24	5:36	5:45	6:00
	5:25	5:37	5:51	6:09	6:21	6:30	6:45
	6:15	6:27	6:41	6:59	7:11	7:20	7:35
	7:00	7:12	7:26	7:44	7:56	8:05	8:20
	7:40	7:52	8:06	8:24	8:36	8:45	9:00
	8:25	8:37	8:51	9:09	9:21	9:30	9:45
AM		PM					

SATURDAY & SUNDAY

	<i>Palos Verdes Bl & Via Valencia</i>	<i>Hermosa Ave & 10th St</i>	<i>Highland Ave & 14th St</i>	<i>Park Place at Douglas</i>	<i>Main St & Holly Ave</i>	<i>Aviation Station</i>	<i>LAX Bus Center</i>
	7	8	9	10	11	12	13
	--	--	--	--	--	--	--
	6:05	6:22	6:33	6:47	7:02	7:12	7:22
	7:05	7:22	7:33	7:47	8:02	8:12	8:22
	8:15	8:32	8:43	8:57	9:12	9:22	9:32
	9:10	9:27	9:38	9:52	10:07	10:17	10:27
	10:10	10:27	10:38	10:52	11:07	11:17	11:27
	11:15	11:32	11:43	11:57	12:12	12:22	12:32
	12:10	12:27	12:38	12:52	1:07	1:17	1:27
	1:10	1:27	1:38	1:52	2:07	2:17	2:27
	2:35	2:52	3:03	3:17	3:32	3:42	3:52
	3:30	3:47	3:58	4:12	4:27	4:37	4:47
	4:30	4:47	4:58	5:12	5:27	5:37	5:47
	5:35	5:52	6:03	6:17	6:32	6:42	6:52
	6:30	6:47	6:58	7:12	7:27	7:37	7:47
	7:30	7:47	7:58	8:12	8:27	8:37	8:47
	8:30	8:47	8:58	9:12	9:27	9:37	9:47
AM		PM					

SATURDAY & SUNDAY

	<i>LAX Bus Center</i>	<i>Aviation Station</i>	<i>Main St & Holly Ave</i>	<i>Park Place at Douglas</i>	<i>Highland Ave & 14th St</i>	<i>Hermosa Ave & 11th St</i>	<i>Palos Verdes Bl & Via Valencia</i>
	13	12	11	10	9	8	7
	6:45	6:57	7:11	7:29	7:41	7:50	8:05
	7:40	7:52	8:06	8:24	8:36	8:45	9:00
	8:40	8:52	9:06	9:24	9:36	9:45	10:00
	9:45	9:57	10:11	10:29	10:41	10:50	11:05
	10:40	10:52	11:06	11:24	11:36	11:45	12:00
	11:40	11:52	12:06	12:24	12:36	12:45	1:00
	1:05	1:17	1:31	1:49	2:01	2:10	2:25
	2:00	2:12	2:26	2:44	2:56	3:05	3:20
	3:00	3:12	3:26	3:44	3:56	4:05	4:20
	4:05	4:17	4:31	4:49	5:01	5:10	5:25
	5:00	5:12	5:26	5:44	5:56	6:05	6:20
	6:00	6:12	6:26	6:44	6:56	7:05	7:20
	7:05	7:17	7:31	7:49	8:01	8:10	8:25
	8:00	8:12	8:26	8:44	8:56	9:05	9:20
	8:55	9:07	9:21	9:39	9:51	10:00	10:15
AM		PM					

BCT does not operate on Thanksgiving Day, Christmas Day and New Year's Day.

Saturday schedules are operated on Memorial Day, Independence Day, Labor Day and Veterans Day.

**EFFECTIVE
JANUARY 2018**



310.802.7686
424.212.4299

beachcitiestransit.org
BCT@redondo.org

Redondo Beach City Hall
415 Diamond St



Attachment C
Beach Cities Transit Line 109
Route Service Mile Calculations by City

Route Miles	NB Miles	SB Miles	<i>Average Miles Per City</i>	<i>Allocation Formula %</i>
Redondo Beach & Los Angeles	5.3	6.9	<i>6.1</i>	<i>34.95%</i>
Hermosa Beach	2.2	1.6	<i>1.90</i>	<i>10.89%</i>
Manhattan Beach	3.4	2.2	<i>2.8</i>	<i>16.05%</i>
El Segundo	7.7	5.6	<i>6.65</i>	<i>38.11%</i>
Total Miles	18.6	16.3	<i>17.45</i>	<i>100.00%</i>



City Council Agenda Statement

Meeting Date: May 18, 2021

Agenda Heading: CONSENT

TITLE:

Amendment to Agreement with Kosmont and Associates, Inc. for Real Estate Advisory Consulting Services

RECOMMENDATION:

Authorize the City Manager to execute an amendment to Professional Services Agreement No. 5859 with Kosmont and Associates, Inc. for an additional \$35,000, increasing the agreement amount from \$44,000 to \$79,000.

FISCAL IMPACT:

Amount Budgeted: \$79,000

Additional Appropriation: None

Account Number(s): 001-400-2402-6214 (Professional and Technical Services)

BACKGROUND:

On February 18, 2020, the City Council authorized an agreement with Kosmont and Associates, Inc. to provide consulting services to the City for general real estate economics/finance and related transactional advisory and implementation services in support of various projects, including but not limited to a downtown revitalization program. Some of the work completed under the existing agreement includes the following:

- Review of the existing Downtown Specific Plan and impact on real estate / building profiles within the plan area
- Evaluation of hypothetical residual land value of Civic Center reuse and capacity to support public improvements
- Review and evaluation of the lease/agreement for the parking structure at the southeast corner of Grand Ave & Richmond St.

Amendment to Agreement with Kosmont and Associates

May 18, 2021

Page 2 of 2

- Drafting of a comprehensive Civic Center Redevelopment RFQ, management of outreach and distribution, review of initial responses
- Review and evaluate the Surplus Land Act in relation to City projects
- Support for solicitation and selection of a consultant for the Downtown Specific Plan update

DISCUSSION:

In order to continue to work on some of the projects listed above and to undertake new assignments, the agreement with Kosmont would need to be amended to increase the budget by \$35,000. The work to be completed under the budget amendment includes ongoing and additional services related to the review and evaluation of the implications and application of the Surplus Land Act on City projects, coordination with the Downtown Specific Plan update process, and management and coordination of the ongoing Civic Center redevelopment solicitation and evaluation. In addition, Kosmont will perform on-call services on other projects as assigned. A more detailed description of the services to be provided is included in attachment No. 1 to this report (Scope of Work).

CITY STRATEGIC PLAN COMPLIANCE:

Goal 5: Champion Economic Development and Fiscal Sustainability

Objective 5B: El Segundo approaches its work in a financially strategic and responsible way.

PREPARED BY:

Paul Samaras, AICP, Principal Planner

REVIEWED BY:

Interim Development Services Director

APPROVED BY:

Barbara Voss, Deputy City Manager

ATTACHED SUPPORTING DOCUMENTS:

1. Contract Amendment 5859A - Scope of Work



March 11, 2021

Scott Mitnick
City Manager
City of El Segundo
350 Main Street
El Segundo, CA 90245

Re: Proposal for Real Estate Project Advisory Services – Amendment to Agreement

Dear Mr. Mitnick:

Kosmont & Associates, Inc. doing business as Kosmont Companies (“Consultant” or “Kosmont”) is pleased to present this proposal for real estate advisory and project funding consulting services to the City of El Segundo (“Client” or “City”) for general real estate economics / finance and related transactional advisory and implementation services to support various projects, including, but not limited to, a downtown revitalization program.

This proposal serves as an Agreement when executed and returned by Client to Kosmont.

I. BACKGROUND AND OBJECTIVE

Kosmont understands that the Client is seeking generalized real estate, economic development and real estate public and private financing services for a variety of projects including, but not limited to, its downtown area. On March 12, 2020 Client and Consultant entered into an original agreement to provide Real Estate Project Advisory Services. At this time, Client and Consultant wish to amend that agreement to increase the total budget of \$44,000 by \$35,000 to \$79,000.

II. SCOPE OF SERVICES

Approach to Scope of Services: The prospective assignment and consulting services that Kosmont will provide will be of a relatively limited scope and duration, and advisory in nature. Kosmont will be making recommendations only, which advise the Client, including its elected officials, appointed officials and staff, which they can accept or reject. None of Kosmont's staff will act in a capacity as an elected official, nor appointed official, nor as staff, nor as serving in a "designated" position.

Task 1: Due Diligence Activities

A. SITE/PROJECT ASSESSMENTS

- a. Conduct preliminary property/project due diligence.
- b. Identify physical conditions affecting land use and value.
- c. Consider alternative sites for public facilities as needed.

B. MARKET EVALUATIONS

- a. Evaluate market value / pricing ranges.
- b. Confirm/Review developer demand evaluations and proposed tenant mix.

Task 2: Project Implementation

A. DEVELOPER SCREENING ACTIVITIES: Economic Analysis, Deal Structure and Negotiation Assistance

- a. Consultant will assist City in the recruitment and perform outreach with commercial developers. Activities will include targeted developer outreach, preparation and dissemination of marketing, due diligence and site material.
- b. Consultant will conduct financial, pro forma evaluation, market and proposed transaction structure evaluations including fiscal / economic benefit studies as needed to assist City in structuring an acceptable public private transaction with a selected developer (to be determined).

B. ACQUISITION AND TRANSACTION ACTIVITIES

- a. Assist City to identify relevant considerations / strategies pertinent to the acquisition or disposition of the properties as it pertains to the revitalization of the Downtown focus area.
- b. If needed, Kosmont Real Estate Services (“KR”, licensed California Brokerage Service Firm) will represent the City in the negotiation of formal property acquisition / disposition activities.
- c. KR shall work with the City on potential terms and conditions of any disposition or ground lease of public agency owned properties (e.g. preferred transaction structure and price range objectives).

Task 3: Other Projects (as assigned)

- a. As assigned and mutually agreed with City, Consultant can provide assistance with real estate evaluation and advisory services as related to projects, development agreements and other strategic and transactional matters.
- b. As requested, Consultant will provide real estate and related public finance (through Kosmont Transaction Services, “KTS”) and brokerage services (through KR). KTS and KR services may require separate agreement pursuant to licensing requirements.

III. SCHEDULE AND REQUIRED DATA

Consultant is prepared to commence work upon receipt of executed Agreement. Client will provide Consultant with relevant existing project data including information on real estate and financial evaluation projects.

IV. COMPENSATION

Compensation for real estate and project finance services activities shall be on a time and materials basis with project budgets established for each assignment. Compensation for Tasks 1 through 3, is estimated at \$35,000 (which is in addition to the original budget of \$44,000, for a total of \$79,000). All professional services (hourly) fees will be invoiced at Consultant's billing rates as shown on Attachment A. Future increases in budget will require approval by Client in advance. Budget may be increased by Client at any time.

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

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

For the convenience of Kosmont's clients, we offer a secure credit card payment service. The credit card payment link is: <https://kosmont.paidyet.com> and there are two ways to make a secure credit card payment:

1. Fill in the "**Make a Payment**" form when you go to the link (<https://kosmont.paidyet.com>), or
2. Call Kosmont Companies' accounting desk (Ms. Charo Martinez; (424) 297-1072) to make a credit card payment

Consultant is prepared to commence work upon receipt of executed Agreement.

DISCLOSURE: Compensation for possible future transaction-based services or brokerage services.

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

When assignments involve real estate/property brokerage services, such transaction-based services are typically provided by Kosmont Real Estate Services, Inc. dba Kosmont Realty (“KR”) is licensed by the State of California Department of Real Estate (License# 02058445). Compensation to KR is typically paid through commissions for property sale transactions, lease transactions and success/broker fees. KR also provides Broker Opinions of Value (“BOV”) services on a fixed fee basis.

When assignments involve public finance services on behalf of a public agency, such municipal advisory services are provided by Kosmont Transactions Services, Inc. (“KTS”). KTS is registered with the Securities and Exchange Commission (CIK# 0001769359) and the Municipal Securities Rulemaking Board as a Municipal Advisor (ID# K1256).

SEC registration does not constitute an endorsement of the firm by the Commission or state securities regulators.

V. OTHER PROVISIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Q. Force Majeure. Consultant shall not be liable for failure or delay in performance of its obligations under this Agreement arising out of or caused, directly or indirectly, by significant circumstances beyond its reasonable control, including, without limitation: epidemic; acts of God; earthquakes; fires; floods; wars; civil or military disturbances; acts of terrorism; sabotage; strikes; riots; wide-spread power failures and wide-spread internet failure. Contractual performance and deadline(s) shall be extended for a period equal to the time lost by reason of the delay.

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

S. Not an agreement for Legal Services or Legal Advice. This Agreement does not constitute an agreement for the performance of legal services or the provision of legal

advice, or legal opinion. Client should seek independent legal counsel on matters for which Client is seeking legal advice.

[signature page follows]

VI. ACCEPTANCE AND AUTHORIZATION

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

Read, understood, and agreed to this

____ Day of _____ 2021

City of El Segundo

Kosmont & Associates, Inc.
doing business as “Kosmont Companies”

By: _____
(Signature)

By: _____
(Signature)

Name: _____
(Print Name)

Name: Ken K. Hira

Its: _____
(Title)

Its: President

ATTACHMENT A

Kosmont Companies 2021 Public Agency Fee Schedule

Professional Services

Chairman & CEO	\$375.00/hour
President	\$345.00/hour
Senior Vice President/Senior Advisor	\$305.00/hour
Vice President	\$210.00/hour
Senior Project Analyst	\$195.00/hour
Project Analyst/Project Research	\$165.00/hour
Assistant Project Analyst/Assistant Project Manager	\$125.00/hour
Project Promotion/Graphics/GIS Mapping Services	\$ 95.00/hour
Clerical Support	\$ 70.00/hour

• Additional Expenses

In addition to professional services (labor fees):

- 1) An **administrative fee** for in-house copy, fax, phone, postage costs, digital/technological support and related administrative expenses will be charged, which will be computed at four percent (4.0 %) of monthly Kosmont Companies professional service fees incurred; **plus**
- 2) **Out-of-pocket expenditures**, such as travel and mileage, professional printing, and delivery charges for messenger and overnight packages will be charged at cost.
- 3) If Kosmont retains **Third Party Vendor(s)** for Client (with Client's advance approval), fees and cost will be billed to Client at 1.1X (times) fees and costs.
- 4) Consultant's **attendance or participation at any public meeting**, whether such participation is in person, digital, video and/or telephonic (*e.g., City Council, Planning Commission, Public Agency Board, other*) requested by Client and are beyond those specifically identified in the Scope of Work will be billed at the professional services (hourly) fees as shown on this Attachment A.

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

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

Rates shall remain in effect until December 31, 2021.



City Council Agenda Statement

Meeting Date: May 18, 2021

Agenda Heading: CONSENT

TITLE:

Ordinance Amending the El Segundo Municipal Code to Allow Noncommercial Backyard Beekeeping in the Single-Family Residential (R-1) Zone District

RECOMMENDATION:

Waive second reading and adopt an ordinance amending Titles 6, 7 and 15 of the El Segundo Municipal Code to allow backyard beekeeping on single-family residential zoned (R-1) properties and establish requirements.

(The proposed ordinance (zone text amendment) is exempt from further review under the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines § 15061(b)(3)), because it consists only of minor revisions to existing zoning regulations and related procedures and does not have the potential for causing a significant effect on the environment.)

FISCAL IMPACT:

There are no direct fiscal impacts associated with this Municipal Code amendment. Indirect cost of staff time will be absorbed in the City's FY 2020-2021 budget.

BACKGROUND:

In July 2020, an El Segundo resident approached the Environmental Committee with a request to allow Residential Beekeeping. The current El Segundo Municipal Code lists the keeping or maintenance of bees for any purpose as a public nuisance. Moreover, because the City's Zoning Code is a permissive ordinance – meaning that only those uses or facilities are allowed – unless beekeeping is allowed under the Zoning Code, it is prohibited (ESMC § 15-1-3).

On October 6, 2020, the Environmental Committee and resident presented the request to Council. Subsequently, Council passed a motion authorizing staff to research

Ordinance Amending the El Segundo Municipal Code

May 18, 2021

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considering a Residential Bee Keeping program in the City.

On May 4, 2021, the City Council introduced the proposed ordinance.

DISCUSSION:

After studying what other cities do and researching options, staff (Public Works and Development Services Departments) recommends the proposed ordinance allowing beekeeping as a permitted accessory use in the City's single-family residential zone, provided the beekeeper and beehive meet all State laws and the set-regulations as follows. No City permit or license would be required for beekeeping.

The proposed ordinance does the following:

- Makes beekeeping a permitted accessory use in the R-1 Zone District, meaning it is "by right" provided such use complies with the other requirements specified in the Code;
- Restricts beehives to noncommercial purposes only;
- Requires that beekeepers comply with the State's registration requirements;
- Requires that beekeepers adhere to certain placement and hive management requirements, as specified in the ordinance; and
- Prohibits beekeeping that violates any of the above requirements and bees exhibiting defensive or objectionable behavior or interfering with the normal use of neighboring property.

Staff is requesting the City Council adopt the proposed ordinance. If adopted, the ordinance will take effect in 30 days.

CITY STRATEGIC PLAN COMPLIANCE:

Goal 2: Support Community Safety and Preparedness

Objective: El Segundo is a safe and prepared city.

Goal 4: Develop and Maintain Quality Infrastructure and Technology

Objective 4A: El Segundo's physical infrastructure supports an appealing, safe and effective community.

Ordinance Amending the El Segundo Municipal Code

May 18, 2021

Page 3 of 3

PREPARED BY:

Lifan Xu, City Engineer

REVIEWED BY:

Elias Sassoon, Public Works Director

APPROVED BY:

Barbara Voss, Deputy City Manager

ATTACHED SUPPORTING DOCUMENTS:

1. Proposed Beekeeping Ordinance

ORDINANCE NO. ____

AN ORDINANCE AMENDING TITLES 6, 7 AND 15 OF THE EL SEGUNDO MUNICIPAL CODE TO ALLOW NONCOMMERCIAL, BACKYARD BEEKEEPING IN THE SINGLE-FAMILY RESIDENTIAL (R-1) ZONE DISTRICT.

The City Council of the City of El Segundo does ordain as follows:

SECTION 1. The City Council finds and determines as follows:

- A. Currently, noncommercial beekeeping is not expressly allowed in the City of El Segundo;
- B. The City Council desires to amend the City's Code to allow noncommercial, backyard beekeeping on single-family residential zoned properties, subject to the following requirements:

1- Hive Placement Requirements:

- (a) Hives may only be maintained on single-family R-1 Zone residential property.
- (b) No more than three hives may be maintained on any single-family residential property in rear yard areas only..
- (c) All bee colonies shall be kept in inspectable hives consisting of moveable frames and combs.
- (d) Hives must be kept in sound and usable condition at all times.
- (e) Any person intending to maintain any bee hive on any single-family residential property within the City must first register with County Agricultural Commissioner.
- (f) Hives shall be located at least five feet from all property lines.
- (g) Hive entrances shall face away from or parallel to the nearest property line(s).
- (h) Hives must either be screened so that the bees must fly over a six-foot barrier, which may be vegetative, before leaving the property, or be placed at least eight feet above the adjacent ground level.

2- Hive Management Requirements:

- (a) Hives shall be continually managed to provide adequate living space for their resident bees to prevent swarming.
- (b) Hives shall be requeened at least once every two years to prevent swarming.

(c) A water source for bees shall be provided at all times on the property where the bees are kept to discourage bee visitation at swimming pools, hose bibs and other water sources on adjacent public or private property.

(d) Hive maintenance materials or equipment must be stored in a sealed container or placed within a building or other bee-proof enclosure.

3- Nuisance. Bees or hives shall be considered a public nuisance when any of the following occurs:

(a) Colonies of bees exhibit defensive or objectionable behavior, or interfere with the normal use of neighboring properties.

(b) Colonies of bees swarm.

(c) Bees or hives do not conform to this Code.

(d) Hives become abandoned by resident bees or by the owner.

SECTION 2: General Plan Findings. As required under Government Code Section 65860, the ESMC amendments proposed by the Ordinance are consistent with the El Segundo General Plan and the Ordinance is not anticipated to adversely impact the General Plan goals, objectives and policies.

SECTION 3: Zone Text Amendment Findings. In accordance with ESMC Chapter 15-26 and based on the findings set forth in Section 2, the proposed zone text amendment is consistent with and necessary to carry out the general purpose of ESMC Title 15 as follows:

- A. It is consistent with the purpose of the ESMC, which is to serve the public health, safety, and general welfare and to provide the economic and social advantages resulting from an orderly planned use of land resources; and
- B. It is necessary to facilitate the development process and ensure the orderly location of uses within the City.

SECTION 4: Environmental Review. Pursuant to the authority and criteria of the California Environmental Quality Act (CEQA), it has been determined that the proposed ordinance does not have the potential to cause significant effects to the environment and, therefore, the project is exempt from CEQA pursuant to 14 Cal. Code Regs. § 15061(b)(3). This proposed ordinance would not result in any development or changes to the physical environment.

SECTION 5. El Segundo Municipal Code (“ESMC”) § 7-1-4 is amended as follows:

7-1-4: NUISANCES; DESIGNATED:

It is unlawful and it is declared to be a public nuisance for any person owning, leasing, occupying, or having charge or possession of any property within the city to maintain such property in such a manner that any of the conditions listed below are found to exist. This section is not the exclusive definition or designation of what constitutes a nuisance within this city. It supplements and is in addition to other regulatory codes, statutes, and ordinances enacted by the city, state, or any other legal entity or agency having jurisdiction. Designated public nuisances include the following:

A. A violation of any provision of applicable law including, without limitation, the El Segundo municipal code;

B. Any land, the topography, geology, or configuration of which, whether in a natural state or as a result of grading operations, excavations, fill, or other alteration, interferes with the established drainage pattern over the property or from adjoining or other properties which does or may result in erosion, subsidence, or surface water drainage problems of such magnitude as to be injurious to public health, safety and welfare or to neighboring properties;

C. Any building or structure which is partially destroyed, damaged, abandoned, boarded up, dilapidated, or permitted to remain in a state of partial construction;

D. The failure to secure and maintain against public access all doorways, windows, and other openings into vacant or abandoned buildings or structures;

E. Painted buildings and walls, retaining walls, fences or structures that require repainting, or buildings, walls, fences, or structures upon which the condition of the paint has become so deteriorated as to permit decay, excessive checking, cracking, peeling, chalking, dry rot, warping or termite infestation;

F. Any premises, building or structure, wall, fence, pavement, or walkway which is painted in a garish manner or is out of harmony or conformity with the standards of adjacent properties;

G. Any building or structure, wall, fence, pavement, or walkway upon which any graffiti, including paint, ink, chalk, dye, or other similar marking substances, is allowed to remain for more than twenty four (24) consecutive hours;

H. Any wall, fence, gate, or hedge that is damaged, broken, or a hazard or is maintained in violation of this code;

- I. Broken windows;

- J. Any overgrown, dead, decayed, diseased or hazardous tree, weeds, vegetation, or debris, which:
 - 1. May harbor rats, vermin, or other disease carriers;
 - 2. Is maintained so as to cause an obstruction to the vision of motorists or a hazardous condition to pedestrians or vehicle traffic;
 - 3. Creates a danger or attractive nuisance to the public;
 - 4. Detrimentally affects neighboring properties or property values; or
 - 5. Constitutes a fire hazard;

- K. Building exteriors, roofs, landscaping, grounds, walls, retaining and crib walls, fences, driveways, parking lots, planters, sidewalks, or walkways which are maintained in such condition so as to become defective, unsightly, cracked or no longer viable;

- L. The accumulation of dirt, litter, trash, junk, feces, or debris in doorways, adjoining sidewalks, walkways, courtyards, patios, parking lots, planters, landscaped or other areas;

- M. Any premises upon which there is or is permitted to be,
 - 1. Lumber, building materials, rubble, broken asphalt or concrete, containers, or other similar materials, except where construction is occurring under a valid permit;
 - 2. Junk, solid waste, vegetation, salvage materials, scrap metals, hazardous waste, broken or neglected machinery, dirt or fill material deposited or stored contrary to any law, automobile parts, except within a commercial business lawfully engaged in retail sales;
 - 3. Sinks, fixtures or equipment, appliances or furniture, except lawn furniture in residential yards and new or used furniture lawfully stored or displayed in connection with a valid business engaged in the sale or purchase of the same;
 - 4. Inoperative vehicles, except where permitted by the zoning code;
 - 5. Deteriorated driveways and parking lots, including those containing potholes, or cracks;
 - 6. Abandoned, broken, unused, neglected or unprotected equipment and machinery, ponds, reservoirs and pools, whether or not the same contains any water or liquid, excavations, abandoned wells, shafts, basements, foundations, or other holes, abandoned refrigerators or other appliances, abandoned motor vehicles, any unsound structure, skateboard ramps, or accumulated lumber, solid waste, junk, or vegetation which may reasonably attract children to such abandoned or neglected conditions;
 - 7. Temporary service bins or construction debris storage bins stored on a public street or on private property, except where permitted by this code;

8. Any garbage can, solid waste container, solid waste, packing box or junk placed or maintained so as to be visible from neighboring properties or the public right of way, except for those times scheduled for collection, in accordance with this code;

9. Any property with accumulations of grease, oil, or other hazardous material on paved or unpaved surfaces, driveways, buildings, walls, or fences, or from which any such material flows or seeps onto any public street or other public or private property, or which is likely to seep or migrate into the underground water table;

10. Any front yard, parkway, or landscaped setback area which lacks turf, other planted material, decorative rock, bark, or planted ground cover or covering, so as to cause excessive dust or allow the accumulation of debris;

11. Any condition of vegetation overgrowth which encroaches into, over, or upon any public right of way including, without limitation, streets, alleys, or sidewalks, so as to constitute either a danger to the public safety or property or any impediment to public travel;

12. Animals, livestock, poultry, ~~or bees~~ kept, bred, or maintained for any purpose and in violation of this code;

13. The keeping of bees in violation of State or local rules and regulations ; or colonies of bees exhibiting defensive or objectionable behavior or interfering with the normal use of neighboring property;

~~13.~~ **14.** Any property, or any building or structure thereon, maintained in such condition so that it is defective, unsightly or in such condition of deterioration or disrepair that it causes or will cause an ascertainable diminution of the property values of surrounding properties or be otherwise materially detrimental to adjacent and nearby properties and improvements;

~~14.~~ **15.** Any building or portion thereof maintained in a manner which constitutes a substandard building pursuant to Health and Safety Code section 17920.3.

SECTION 6. Section 6-2-2 of the ESMC is amended to add the following definitions in proper alphabetical order:

“Bee” means any stage of the common domestic honey bee, Apis Mellifera species.

“Bee hive” means an enclosure or structure used for the housing of a Bee colony.

SECTION 7. Title 6 of the ESMC is amended to add a new chapter as follows:

“Chapter 5. Beekeeping.

Section 6-5-1. General Requirements.

- A. Bee hives may only be maintained in the rear yard on a single-family residential property. For purposes of this Chapter, the term “rear yard” has the same meaning as defined in Section 15-1-6 of this Code.
- B. A maximum of three bee hives may be maintained on any single-family zoned property, in the rear yards only, for noncommercial purposes.
- C. All bee colonies shall be kept in inspectable hives consisting of moveable frames and combs.
- D. Hives must be kept in sound and usable condition at all times.
- E. Any person intending to place and maintain any bee hive on a single-family residential zoned property within the City must first register with County Agricultural Commissioner.
- F. Hives shall be located at least five feet from all property lines.
- G. Hive entrances shall face away from or parallel to the nearest property line(s).
- H. Hives must either be screened so that the bees must fly over a six-foot barrier, which may be vegetative, before leaving the property, or be placed at least eight feet above the adjacent ground level.

Section 6-5-2. Hive Management Requirements.

- A. Hives shall be continually managed to provide adequate living space for their resident bees to prevent swarming.
- B. Hives shall be requeened at least once every two years to prevent swarming.
- C. A water source for bees shall be provided at all times on the property where the bees are kept to discourage bee visitation at swimming pools, hose bibs and other water sources on adjacent public or private property.
- D. Hive maintenance materials or equipment must be stored in a sealed container or placed within a building or other bee-proof enclosure.

Section 6-5-3. Nuisance.

- A. Notwithstanding the requirements contained in Section 6-5-1 and Section 6-5-2, bees or hives shall be considered a public nuisance when any of the following occurs:
 - 1. Colonies of bees exhibit defensive or objectionable behavior, or interfere with the normal use of neighboring properties.

2. Colonies of bees swarm.
3. Bees or hives do not conform to this Code.
4. Hives become abandoned by resident bees or by the owner.”

SECTION 8. Section 15-4A-3 of the ESMC is amended as follows:

15-4A-3: PERMITTED ACCESSORY USES:

- A. Any use customarily incidental to a permitted use.
- B. Accessory dwelling unit, pursuant to article E, "Accessory Dwelling Units," of this chapter.
- C. Detached accessory buildings and structures, including private garages.
- D. Play structures.

E. Beekeeping, provided such accessory use complies with chapter 5 of title 6 of this code.

~~E~~F. Other similar uses approved by the Director, as provided by chapter 22 of this title.

SECTION 9. *Validity of Previous Code Sections.* If the entire Ordinance or its application is deemed invalid by a court of competent jurisdiction, any repeal of the ESMC or other regulation by this Ordinance will be rendered void and cause such ESMC provision or other regulation to remain in full force and effect for all purposes.

SECTION 10. *Enforceability.* Repeal or amendment of any previous Code Sections does not affect any penalty, forfeiture, or liability incurred before, or preclude prosecution and imposition of penalties for any violation occurring before this Ordinance’s effective date. Any such repealed part will remain in full force and effect for sustaining action or prosecuting violations occurring before the effective date of this Ordinance.

SECTION 11. *Severability.* If any part of this Ordinance or its application is deemed invalid by a court of competent jurisdiction, the City Council intends that such invalidity will not affect the effectiveness of the remaining provision or application and, to this end, the provisions of this Ordinance are severable.

SECTION 12. The City Clerk, or her duly appointed deputy, is directed to certify the passage and adoption of this Ordinance; cause it to be entered into the City of El Segundo’s book of original ordinances; make a note of the passage and adoption in the records of this meeting; and, within fifteen (15) days after the passage and adoption of this Ordinance, cause it to be published or posted in accordance with California law.

SECTION 13. Effective Date. This Ordinance will become effective on the 31st day following its passage and adoption.

PASSED AND ADOPTED this ____ day of _____, 2021.

Drew Boyles, Mayor

ATTEST:

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS
CITY OF EL SEGUNDO)

I, Tracy Weaver, City Clerk of the City of El Segundo, California, do hereby certify that the whole number of members of the City Council of said City is five; that the foregoing Ordinance No. ____ was duly introduced by said City Council at a regular meeting held on the ____ day of _____, 2021, and was duly passed and adopted by said City Council, approved and signed by the Mayor, and attested to by the City Clerk, all at a regular meeting of said Council held on the ____ day of _____, 2021, and the same was so passed and adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Tracy Weaver, City Clerk

APPROVED AS TO FORM:

Mark D. Hensley, City Attorney



City Council Agenda Statement

Meeting Date: May 18, 2021

Agenda Heading: CONSENT

TITLE:

Convert the Human Resources Manager Classification from Civil Service to At-Will Status, and Adopt Revised Classification Specification and Examination Plan

RECOMMENDATION:

1. Approve the conversion of the Human Resources Manager classification from Civil Service to At-Will status.
2. Adopt the revised class specification for the Human Resources Manager position.
3. Approve and adopt the proposed examination plan for Human Resources Manager.

FISCAL IMPACT:

There is no budget impact associated with this item. Sufficient funding for the current fiscal year is available in the adopted budget. No change to the salary range for the position is required.

BACKGROUND:

The Human Resources Manager is a Civil Service position requiring successful completion of a one-year probationary period to achieve permanent status and is included in the unrepresented Management and Confidential Group. The City has been converting Manager level classifications to an at-will status as positions become vacant or are newly created. Staff is recommending conversion of the Human Resources Manager to an at-will status when the position becomes vacant this month.

DISCUSSION:

Convert the Human Resources Manager Classification

May 18, 2021

Page 2 of 2

A Division Manager position holds a significant level of responsibility and is key in succession planning as an employee in this role has the potential to become a Department Director. At-will status provides an incentive to maintain a higher level of performance and prepares an employee to progress in their career with the City as an at-will Department Director. This employment status supports the City's Strategic Plan Goal 3, Develop as a Choice Employer and Workforce, as the Human Resources Department is committed to creating a culture of consistently hiring for the future, with a workplace that is inspired, world-class, engaged and demonstrating increasing stability and innovation.

Most recently, the existing Planning Manager classification was converted to at-will when it became vacant, and the newly created Risk Manager position was established as at-will. The Human Resources Manager will become vacant this month and staff is recommending converting this position from Civil Service to at-will to align with other Division Manager positions. In reviewing the job classification specification, updates are recommended to include oversight of training and wellness programs and to provide staff assistance as needed to City committees. There is no fiscal impact for this item as the salary range will remain the same.

CITY STRATEGIC PLAN COMPLIANCE:

Goal 3: Develop as a Choice Employer and Workforce

Objective: El Segundo is city employer of choice and consistently hires for the future, with a workforce that is inspired, world-class and engaged, demonstrating increasing stability and innovation.

PREPARED BY:

Rebecca Redyk, Human Resources Director

REVIEWED BY:

Rebecca Redyk, Human Resources Director

APPROVED BY:

Barbara Voss, Deputy City Manager

ATTACHED SUPPORTING DOCUMENTS:

1. Human Resources Manager Job Specification
2. Human Resources Manager Exam Plan



Human Resources Manager (At-Will)

Class Code:
1082

Bargaining Unit: Non-represented
Management/Confidential Employees

CITY OF EL SEGUNDO
Established Date: Sep 1, 2000
Revision Date: May 18, 2021

SALARY RANGE

\$4,648.14 - \$5,577.78 Biweekly
\$10,070.98 - \$12,085.18 Monthly
\$120,851.76 - \$145,022.16 Annually

DEFINITION:

Performs complex, professional, and analytical work in a variety of areas including employee and labor relations, recruitment and selection, classification and compensation, training, benefits and leaves administration, wellness, and risk management. Provides highly responsible and complex assistance to the Human Resources Director. Supervises professional, technical and support staff.

ESSENTIAL JOB FUNCTIONS:

Essential Functions: Essential functions, as defined under the Americans with Disabilities Act, may include the following duties and responsibilities, knowledge, skills, and other characteristics. This list of duties and responsibilities is ILLUSTRATIVE ONLY and is not a comprehensive listing of all functions and tasks performed by positions in this class.

Characteristic Duties and Responsibilities:

Develops, implements and administers policies and procedures for effective human resources and risk management programs; prepares or oversees preparation of contracts, statistical reports, staff reports, and PowerPoint presentations; facilitates organizational communication between and among departments regarding human resource functions and programs.

Stays abreast of new trends and innovations and provides technical assistance in the field of Human Resources as it relates to employment, disability, discrimination laws, training, career development, succession planning, employee benefits and risk management.

Confers with and advises staff in the resolution of personnel-related matters, interprets Personnel Rules and Regulations, Memoranda of Understanding (MOU) and other related provisions, ensuring necessary follow-up occurs; provides assistance and direction to management.

Assists managers and supervisors in the application of all aspects of supervision including performance evaluation; assists with corrective and/or disciplinary actions, grievances, and complaints according to City policy, procedures, and best practices.

Provides technical assistance and support to the Chief Negotiator and members of the management team during MOU negotiations; develops costing criteria and data and prepares material for negotiation meetings and

executive sessions.

Assists in the preparation and administration of the department budget; conducts a variety of special studies and projects regarding sensitive personnel management issues and problems, analyzes data and develops/recommends resolutions; writes staff reports; assigns, schedules and reviews work of other department staff.

Oversees employee benefits and leave management programs; manages the coordination of the open enrollment process and health fair.

Oversees the development and implementation of citywide training and wellness programs; identifying needs, tracking attendance, and evaluating effectiveness.

Manages the recruitment and selection program; conducts classification and compensation studies of existing and proposed positions and classes.

Ensures appropriate data and files are maintained for employee and payroll records; reviews changes to employee records and ensures that they are implemented into HRIS timely and accurately.

Recruits, hires, schedules, assigns, monitors, and evaluates staff; provides for and/or conducts staff development; establishes work methods and standards; initiates corrective and/or disciplinary action and responds to grievances and complaints according to established personnel policies and procedures and relevant MOU's.

Acts as liaison with City committees, professional groups, outside counsel, brokers and consultants as assigned.

Regularly and predictably attends work.

Performs related duties as assigned.

QUALIFICATIONS:

Knowledge of:

Advanced principles and practices of public human resources and risk management administration.

Pertinent Federal, State, and municipal laws, codes, and regulations.

Principles and practices of effective leadership, staff supervision and motivation, training, and performance evaluation.

Administrative research and statistical analysis and preparation and presentation of oral and written technical reports and projects.

Project management principles and practices.

Budget preparation and administration.

Principles of business letter writing and report preparation including English usage, syntax, grammar, and punctuation.

Human Resources Information Systems (HRIS), applicant tracking systems, word processing, spreadsheet, database, presentation software and online meeting and video applications.

Skill in:

Effectively planning, organizing, and overseeing the work of assigned functions within the department.

Developing, implementing, and evaluating department operations, programs, and services.

Preparing complex statistical reports.

Managing, developing, motivating, and evaluating professional and support staff.

Conducting research and preparing clear, concise, and comprehensive reports.

Understanding and applying complex regulations, procedures, and guidelines.

Communicating effectively orally and in writing.

Working under pressure, handling significant problems and tasks that arise simultaneously and/or unexpectedly.

Representing the department with tact and diplomacy.

Maintaining the confidentiality or privileged and confidential information.

Appearing for work on time.

Following directions from a supervisor.

Exercising sound judgment in making decisions.

Accepting constructive criticism.

Establishing and maintaining effective working relationships with those contacted in the course of work.

Qualifications:

Experience: Five (5) years of professional level human resource management and development experience including two (2) years of supervisory experience.

Education: Equivalent to a bachelor's degree in Human Resource Management, Industrial Relations, Public Administration, Business Administration, or related field.

License/Certificate: Due to the performance of some field duties which require the operation of a personal or City vehicle, a valid and appropriate California driver's license and acceptable driving record are required.

Examination Plan

Human Resources Manager

Open-Competitive and/or Closed Promotional

Structured Technical and Career Preparation Interview Weighted 100%

May include a structured writing/analysis skills test; and/or other professional skills examination included within the overall applicant testing process, as may be deemed appropriate.



City Council Agenda Statement
Meeting Date: May 18, 2021
Agenda Heading: PUBLIC HEARINGS

TITLE:

Implementation Actions for Proposed Development Project Located at 650 and 700 N. Pacific Coast Highway and 737 Lairport Street (Ordinance Amending the Municipal Code to Amend the Definition of Floor Area; Resolution Approving the Mitigated Negative Declaration and Adopting a Mitigation Monitoring and Reporting Program; and, Resolution Approving Vesting Tentative Parcel Map No. 83129 and Site Plan Review)

RECOMMENDATION:

1. Waive first reading and introduce an ordinance amending El Segundo Municipal Code (ESMC) Section 15-1-6 to exempt any portion of a structure that is devoted to parking from counting towards the net floor area of the building; and schedule a second reading for the June 1, 2021 City Council Meeting.
2. Adopt a resolution approving the Mitigated Negative Declaration and adopting a Mitigation Monitoring and Reporting Program.
3. Adopt a resolution approving Vesting Tentative Parcel Map No. 83129 (SUB 20-03) and Site Plan Review (20-30).

(An Initial Study/Mitigated Negative Declaration of environmental impacts was prepared pursuant to 14 California Code of Regulations § 15063 and is being considered as part of this project.)

FISCAL IMPACT:

None.

BACKGROUND:

On April 22, 2021, the Planning Commission conducted a duly noticed public hearing to consider the proposed zone text amendment and development proposal. At the public

Development Project at 650-700 PCH

May 18, 2021

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hearing, in addition to the project proponent, there were three public speakers that addressed the Planning Commission, all of which spoke in favor of the project. There was no opposition to the project. After discussing the merits of the project and the zone text amendment, the Planning Commission adopted resolutions (attached) recommending City Council adopt the Mitigated Negative Declaration and approve the proposed Zone Text Amendment and development project on a 5-0 vote. This item is before the City Council because the application package includes a Zone Text Amendment to a definition contained in the City's Zoning Code (Title 15), which requires approval by City Council.

DISCUSSION:

PROJECT DESCRIPTION

This 7.3-acre project site is located in the north-central portion of the city on the east side of Pacific Coast Highway between East Maple Avenue to the north and East Mariposa Avenue to the south. The site includes buildings addressed 650 and 700 North Pacific Coast Highway and 737 Lairport Street (Carl Jacobson Way). The site has a General Plan Land Use designation of Corporate Office and is consistently zoned Corporate Office (CO).

The applicant is requesting several improvements to the property located at 650-700 N Pacific Coast Highway. This request includes the following applications:

- A Zone Text Amendment to amend the definition of Floor Area (Net) in El Segundo Municipal Code (ESMC) Section 15-1-6 to exempt any portion of a structure that is devoted to parking from counting toward the net floor area of the building;
- A Vesting Tentative Parcel Map to consolidate seven parcels into a single parcel;
- A Site Plan Review for the construction of a new 70,921 square foot office building, and parking structure on the project site; and,
- Environmental Assessment for adoption of a Mitigated Negative Declaration pursuant to the requirements of CEQA.

Development Project at 650-700 PCH

May 18, 2021

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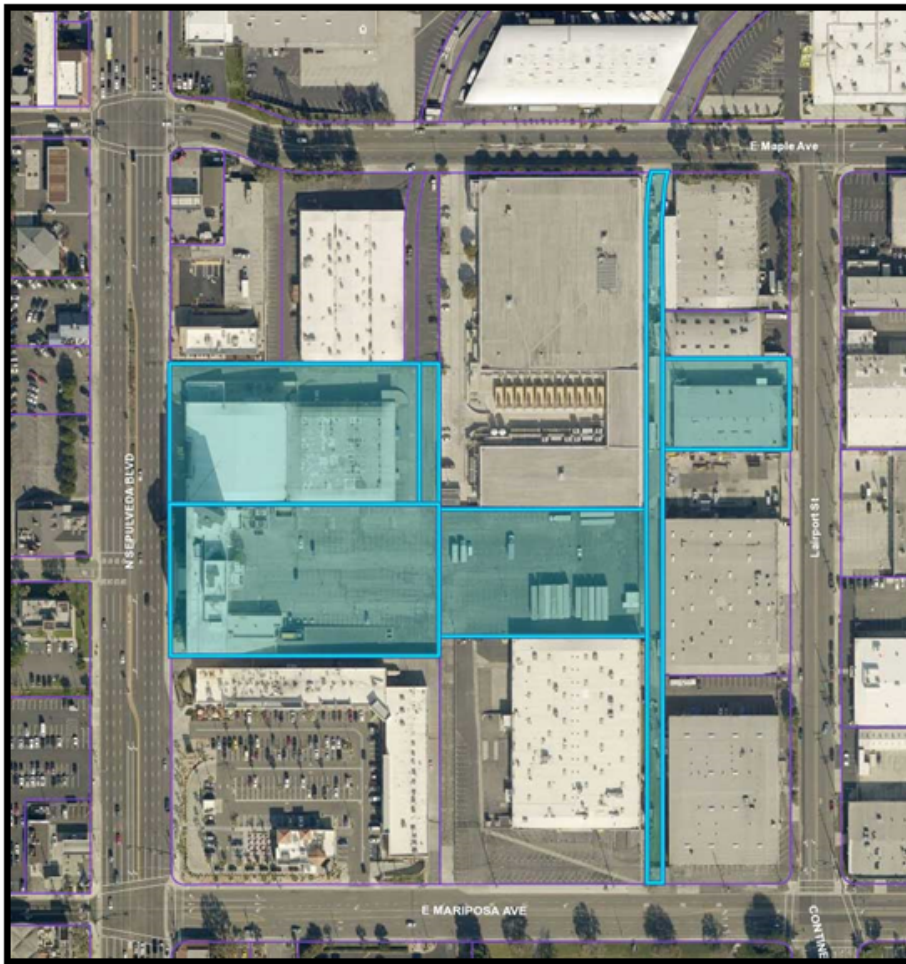


Figure 1: Aerial view of project site

The applicant proposes renovating two office buildings (Building A and Building B) and constructing a new building (hereinafter referred to as Building C), which would include an integrated 1,185 space parking structure. No changes are proposed for Building D.

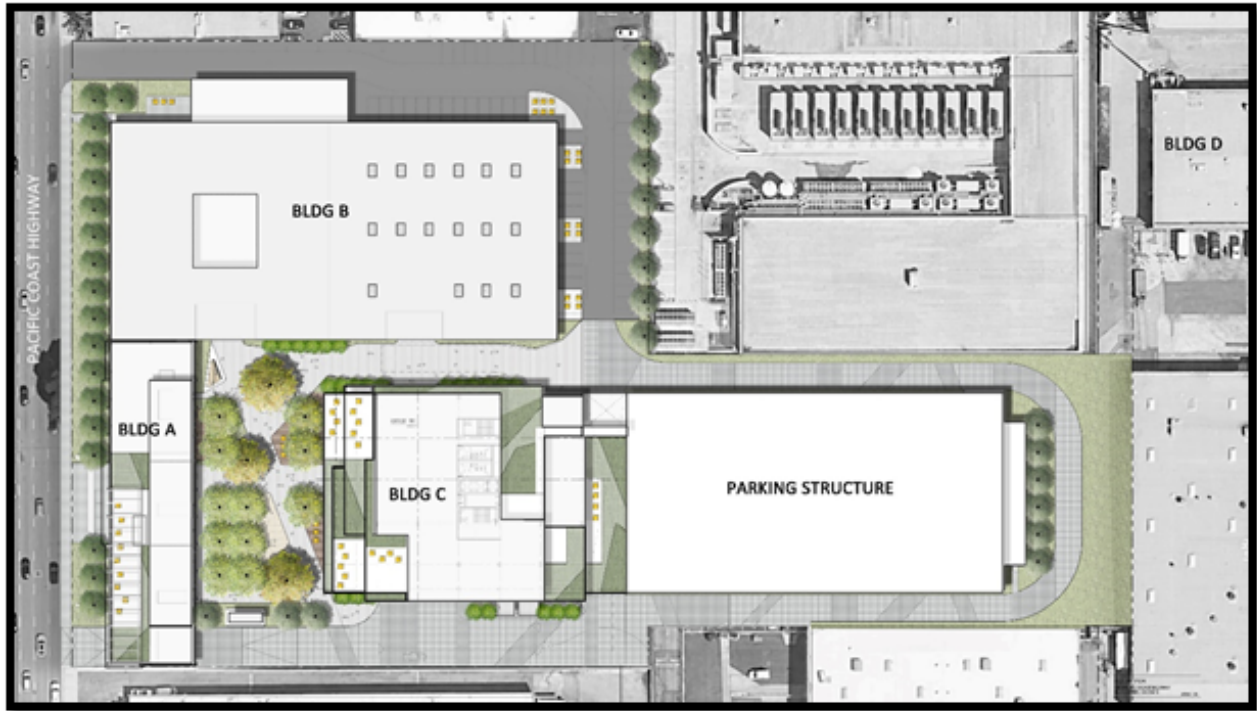


Figure 2: Proposed Site Layout

Table No. 1: Proposed Changes to Building Net Floor Area			
Building	Existing	Proposed	Net Change
A	98,885	99,916	1,031
B	69,692	65,120	-4,572
C	0	70,921	70,921
D	16,652	16,652	0
Total Net SF	185,229	252,609	67,380

Building Design

Building A will be renovated to expand the penthouse, a new double height lobby will be introduced, a new contemporary architectural design will be incorporated to include curtain wall glazing on the east and west facades with metal grate projections, new openings on the north façade, and a new steel trellis at the new roof deck.

Building B will be renovated to accommodate a large atrium and two new entry courtyards on the south side of the building, while fenestrations will be added to provide new glazing (consistent with Building A) that will increase the natural light into the building. The existing brick will be stained to ensure the color palette is consistent with the other buildings on the site as well.

New Building C will replace the current surface parking lot, consisting of a seven-story

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office building and integrated parking structure. The proposed architecture includes a contemporary design with the use of extensive glazing and exposed concrete floor slab edges, consistent with the new architectural style incorporated in Buildings A and B. Terraces will have steel trellises and architectural grilles/perforated panels will screen the parking levels along the west end of Building C facing Building A.

In addition to the proposed development, the applicant is also requesting to change the definition of Floor Area (Net) to exempt integrated parking structures from counting toward the floor area. The complete project description and staff's analysis, including the required findings, is contained in the attached Planning Commission staff report, dated April 22, 2021.

ANALYSIS

As mentioned above, the Planning Commission adopted resolutions recommending approval of the proposed project. In summary, the Planning Commission found that all applicable findings associated with the entitlement applications will be made in a positive manner and therefore recommended approval of the proposed project applications. While Planning Commission expressed support for the project and ultimately recommended approval, the Commission's discussion focused on two key areas: 1) Specific Language of the Zone Text Amendment regarding floor area ratio calculations and 2) Local Traffic Impacts.

Zone Text Amendment

The current code exempts open parking and structures that are exclusively devoted to parking from counting toward floor area ratio (FAR) limits within any zone in the city. The proposed project includes a parking structure; however, it is integrated in the new office building (Building C) and cannot be considered "exclusively devoted to parking." As such, the applicant has requested a Zone Text Amendment to include integrated parking structures in the list of items that are exempt from the net floor area. The Planning Commission expressed concern about exempting parking on residential projects. Their recommendation is to approve the Zone Text Amendment but limit its applicability to commercial and industrial zoning districts. Based on Commission's action, the proposed Zone Text Amendment has been updated to read as follows:

FLOOR AREA (NET): The total horizontal area of all floors, stories or levels, as measured to the interior of a building's perimeter walls. Unless specified otherwise in individual zoning district, Space devoted to the following shall not be included when determining the total net floor area within a building or structure:

- A. Elevator shafts.
- B. Stairwells and stairway enclosures.

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- C. Courts or atriums.
- D. Rooms exclusively holding building operating equipment.
- E. ~~Parking spaces and parking structures. at or above grade and access thereto; provided, that in commercial and manufacturing zones:~~
 - 1. ~~Not less than the front fifty percent (50%) of the ground floor is devoted to commercial/manufacturing use.~~
 - 2. ~~At least one full level of parking below grade is provided.~~
- F. ~~That portion of any structure that is devoted exclusively to parking. Structures devoted exclusively to parking.~~
- G. Restrooms in common areas of nonresidential buildings.

With this amendment, provisions contained in the base zone would determine if parking were exempt from the net floor area, which addressed Planning Commission's concerns with floor area standards contained in zoning district's development standards. For example, for R-1 zoned lots, only the first 500 square feet of the garage is exempt from floor area. Therefore, staff believes this change is appropriate to ensure that R-1 standards are not affected.

Local Traffic Impacts

The second issue raised by Planning Commission was the potential of local traffic impacts created by the project. Based on new State law, traffic impacts are now measured using two different approaches, Vehicle Miles Traveled (VMT) and Level of Service (LOS).

VMT – This refers to the amount and distance of automobile travel attributable to the project. Under State law, VMT is now the only method that can be used to determine traffic impacts for CEQA. The change in State law limiting analysis to only VMT is considered a more effective method to analyze and disclose a proposed project's transportation-related impacts on the environment. Essentially VMT looks at the project's impacts to the region and the transportation system. To conform to new State Law, a VMT analysis was completed as part of the Mitigated Negative Declaration for the proposed project and appropriate mitigation measures have been included to reduce said impacts to be less than significant.

LOS – This is of interest when planning, designing, operating and maintaining the local roadway system. Localized traffic congestion is analyzed to determine if the project will result in significant traffic delays in the project area. While LOS analysis cannot be used in the CEQA analysis, it is used to determine compliance with the City's General Plan street and traffic standards.

Development Project at 650-700 PCH

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El Segundo General Plan Policy C3-1.2 states, *“The minimum acceptable level of service (LOS) at an intersection is LOS D. Intersections operating at LOS E or F shall be considered deficient. If traffic caused by a development project is forecast to result in an intersection level of service change from LOS D or better to LOS E or F, then the development impact shall be considered significant. If a development project is forecast to result in the increase of intersection volume/capacity ratio (V/C) of 0.02 or greater at any intersection that is forecast to operate at LOS E or F, the impact shall be considered significant.”*

The LOS study completed for this project analyzed 13 intersections and found that two intersections would operate at a level of E or F during peak hour operations. The two intersections, PCH at El Segundo Blvd and PCH at Imperial Hwy, would operate at a LOS F with or without the project. However, only the intersection of PCH at Imperial would see a volume/capacity ratio of 0.024, which exceeds the 0.02 threshold set forth in General Plan Policy C3-1.2.

In response to the Planning Commission’s concerns, staff had the City’s environmental and traffic consultants reanalyze the intersection to ensure a strategy to reduce the increase in the number of vehicle trips generated by the project to less than 0.02. The City’s consultant determined that a reduction of 300 average daily vehicle trips is needed to ensure that the increase is less than 0.02. As a result of further analysis, the City’s consultant provided a Traffic Demand Management (TDM) strategy program that includes a list of alternatives that can reduce the increase in vehicle trip generation from the site. The strategy program effectively reduces the project’s increase in volume/capacity from 0.024, to 0.019, which is less than the significance threshold identified in General Plan Policy C3-1.2. A table with a variety of TDM strategies has been incorporated into the proposed conditions of approval (COA #20), which includes transit subsidies, commute assistance, access to transit, bike sharing and alternative work scheduling to name a few.

CONCLUSION

As evidenced in this staff report and in the staff report to the Planning Commission, the necessary findings can be made to approve this project. Further, based on the IS/MND prepared for this project, any potential environmental impacts can be mitigated to be less than significant. As such, staff and Planning Commission are recommending approval of the project as the Commission made all the necessary findings needed for approval of the project. Staff recommends City Council approve the ordinance to amend the Municipal Code, and adopt the attached Resolutions.

NEXT STEPS

If approved, the Ordinance will be brought back to City Council for second reading at the next Council meeting, and the Zone Text Amendment will become effective July 1, 2021. The applicant anticipates site preparation and demolition to begin by the end of

Development Project at 650-700 PCH

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the year, with construction commencing in February 2022. The applicant has indicated their goal is to complete construction by March 1, 2023.

CITY STRATEGIC PLAN COMPLIANCE:

Goal 5: Champion economic development and fiscal sustainability.

Objective 5A: El Segundo promotes economic growth and vitality for businesses and the community.

PREPARED BY:

Eduardo Schonborn, AICP, Principal Planner

REVIEWED BY:

Denis Cook, Interim Director, Contractor

APPROVED BY:

Barbara Voss, Deputy City Manager

ATTACHED SUPPORTING DOCUMENTS:

1. Ordinance (Zone Text Amendment)
2. Resolution (MND)
3. Resolution (Site Plan Review and VTM)
4. Planning Commission Staff Report, dated April 22, 2021
5. Planning Commission Resolution 2892 (MND)
6. Planning Commission Resolution 2893 (ordinance)
7. Planning Commission Resolution 2894 (parcel map and SPR)
8. Proposed Development Plans-Exhibits dated March 3, 2021
9. Vesting Tentative Parcel Map No. 83129
10. Initial Study-Mitigated Negative Declaration (with Technical Studies) - Place Holder

ORDINANCE NO. ____

AN ORDINANCE AMENDING EL SEGUNDO MUNICIPAL CODE SECTION 15-1-6 TO AMEND THE DEFINITION OF FLOOR AREA (NET) TO EXEMPT PARKING THAT IS INTEGRATED INTO A STRUCTURE FROM COUNTING TOWARDS THE NET FLOOR AREA OF A BUILDING.

ZONE TEXT AMENDMENT 20-01

The City Council of the city of El Segundo does ordain as follows:

SECTION 1: The Council finds and declares as follows:

- A. On July 21, 2020, L&R ZAV 650 Sepulveda, LLC c/o Zachary Vella submitted applications for Environmental Assessment No. EA-1289, Zone Text Amendment No 20-01, Vesting Tentative Parcel Map No. 83129, and Site Plan Review No. 20-30 requesting to amend the definition of Floor Area (Net) within Section 15-1-6 of the El Segundo Municipal Code (“ESMC”), combine seven parcels into a single lot, remodel two existing office buildings, and construct a new office building with integrated parking structure;
- B. The project applications were reviewed by the City’s Planning and Building Safety Department for, in part, consistency with the General Plan and conformity with the El Segundo Municipal Code (“ESMC”);
- C. Pursuant to Section 21000 et. Seq. of the California Public Resource Code (“CEQA”) and Section 15000 et. Seq. of 14 California Code of Regulations (“CEQA Guidelines”) an Initial Study of Environmental Impacts and Mitigated Negative Declaration (“IS/MND”) was prepared to identify any potential significant environmental impacts caused by the project, a copy of which is on file with the Development Services Department. The IS/MND also identified Mitigation Measures to address those impacts. The City Council adopted Resolution No. _____, thereby adopting the IS/MND and a Mitigation Monitoring and Reporting Program;
- D. On April 22, 2021, the Planning Commission held a public hearing to receive public testimony and other evidence regarding the application including information provided by city staff; and, adopted Resolution No. 2893 recommending that the City Council approve the proposed amendments;
- E. On May 18, 2021, the City Council held a public hearing and considered the information provided by City staff and public testimony regarding this Ordinance;

- F. This Ordinance and its findings are made based upon the entire administrative record including testimony and evidence presented to the City Council at the public hearing and the staff report submitted by the Planning and Building Safety Department.

SECTION 2: *Factual Findings and Conclusions.* The Commission finds that the following facts exist:

- A. Surface parking and structures that are solely devoted for parking are currently exempt from contributing towards the net floor area of a project. Notwithstanding this, if the parking structure is integrated with a building, it does not qualify for the exemption and counts towards the net floor area of the site.
- B. Even though the applicant is proposing a new 70,921 square-foot seven-story office building with an integrated 1,185 space parking structure, which would benefit from this amendment; changing the definition of Floor Area (Net) could benefit any property owner within the City.
- C. The amendment does not alter parking requirements. All uses within the City will continued to be required to comply with Chapter 15 (Off Street Parking and Loading Spaces) of Title 15 of the El Segundo Municipal Code Section.
- D. Zone Text Amendment No. 20-01 amends the definition of Floor Area (Net) within Section 15-1-6 of the ESMC to exempt parking structures that are integrated with another building from counting towards the net floor area of said building.

SECTION 3: *General Plan Findings.* The proposed amendment is consistent with the goals and policies of the City's General Plan and will not obstruct their attainment. In addition, the Council finds as follows:

- A. **Goal LU4: Provision of a Stable Tax Base for El Segundo Through Commercial Uses.**
The proposed Zone Text Amendment will allow for dynamic new commercial developments that integrate commercial uses seamlessly with parking. As properties are renovated, this amendment would allow for additional useable commercial square footage, which in turn would contribute to the tax base for the City of El Segundo via increased utility user and property tax revenues as well as sales tax revenues from retail and restaurant uses generated by the additional employees working in the City.
- B. **Objective LU4-3: Provide for new office and research and development uses.**

The proposed Zone Text Amendment will foster new office and research and development uses because it will encourage more property owners to integrate their required parking into their building and provide a more integrated dynamic office environment. Additional floor area could be realized, instead of limiting the floor area due to the parking counting towards the limit.

C. **Policy ED1-2-1: Seek to expand El Segundo’s retail and commercial base so that the diverse needs of the City’s business and residential needs are met.**

The Zone Text Amendment would facilitate the adaptive reuse of property in a creative manner that would allow providing amenities requested by tenants in today’s marketplace.

SECTION 4: Zone Text Amendment Findings. In accordance with ESMC Section 15-26-4 and based on the findings set forth in Section 3, the proposed Zone Text Amendment is consistent with the goals, policies, and objectives of the General Plan as follows:

- A. The amendments are consistent with the purpose of the ESMC, which is to serve the public health, safety, and general welfare and to provide the economic and social advantages resulting from an orderly planned use of land resources. In addition, the amendment does not reduce parking requirements, or otherwise alter development standards such as setbacks, height, building separation, or landscape requirements.
- B. The amendments are necessary to facilitate the development and ensure the orderly establishment of innovative site designs that would allow properties to meet parking without the need of a stand-alone parking structure or surface parking lot in a manner that is compatible with surrounding properties and the public right-of-way.

SECTION 5: The definition of “FLOOR AREA (NET)” within Title 15, Chapter 1, Section 15-1-6 (Definitions) of the El Segundo Municipal Code is amended as follows:

* * *

FLOOR AREA (NET): The total horizontal area of all floors, stories or levels, as measured to the interior of a building’s perimeter walls. Unless specified in otherwise individual zoning district, Sspace devoted to the following shall not be included when determining the total net floor area within a building or structure:

- A. Elevator shafts.
- B. Stairwells and stairway enclosures.
- C. Courts or atriums.
- D. Rooms exclusively holding building operating equipment.
- E. Parking spaces and parking structures. ~~at or above grade and access thereto;~~

provided, that in commercial and manufacturing zones:

~~1. Not less than the front fifty percent (50%) of the ground floor is devoted to commercial/manufacturing use.~~

~~2. At least one full level of parking below grade is provided.~~

F. That portion of any structure that is devoted exclusively to parking. ~~Structures devoted exclusively to parking.~~

G. Restrooms in common areas of nonresidential buildings.

* * *

SECTION 6: If any part of this Ordinance or its application is deemed invalid by a court of competent jurisdiction, the city council intends that such invalidity will not affect the effectiveness of the remaining provisions or applications and, to this end, the provisions of this Ordinance are severable.

SECTION 7: The City Clerk is directed to certify the passage and adoption of this Ordinance; cause it to be entered into the City of El Segundo's book of original ordinances; make a note of the passage and adoption in the records of this meeting; and, within 15 days after the passage and adoption of this Ordinance, cause it to be published or posted in accordance with California law.

SECTION 8: This Ordinance will become effective 30 days following its passage and adoption.

PASSED AND ADOPTED this ___ day of _____, 2021.

Drew Boyles, Mayor

APPROVED AS TO FORM:

Mark D. Hensley, City Attorney

ATTEST:

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS
CITY OF EL SEGUNDO)

I, Tracy Weaver, City Clerk of the City of El Segundo, California, do hereby certify that the whole number of members of the City Council of said City is five; that the foregoing Ordinance No. _____ was duly introduced by said City Council at a regular meeting held on the ___ day of _____ 2021, and was duly passed and adopted by said City Council, approved and signed by the Mayor, and attested to by the City Clerk, all at a regular meeting of said Council held on the ___ day of _____, 2021, and the same was so passed and adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Tracy Weaver, City Clerk

RESOLUTION NO. ____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL SEGUNDO ADOPTING A MITIGATED NEGATIVE DECLARATION AND MITIGATION MONITORING AND REPORTING PROGRAM FOR ENVIRONMENTAL ASSESSMENT NO. EA-1289, ZONE TEXT AMENDMENT NO. 20-01, VESTING TENTATIVE PARCEL MAP NO. 83129 (SUB 20-03) AND SITE PLAN REVIEW NO. SPR 20-30, FOR PROPERTY LOCATED AT 650-700 N PACIFIC COAST HIGHWAY AND 737 CARL JACOBSON WAY

The City Council of the City of El Segundo does resolve as follows:

SECTION 1: The City Council finds and declares that:

- A. On July 21, 2020, L&R ZAV 650 Sepulveda, LLC c/o Zachary Vella submitted applications for Environmental Assessment No. EA-1289, Zone Text Amendment No. 20-01, Vesting Tentative Parcel Map No. 83129 (SUB 20-03), and Site Plan Review No. 20-30, requesting to amend the definition of Floor Area (Net) within Section 15-1-6 of the El Segundo Municipal Code (“ESMC”), combine seven parcels into a single lot, remodel two existing office buildings, and construct a new office building with integrated parking structure;
- B. The project applications were reviewed by the City’s Development Services Department for, in part, consistency with the General Plan and conformity with the ESMC;
- C. Pursuant to Section 21000 et. Seq. of the California Public Resource Code (“CEQA”) and Section 15000 et. Seq. of 14 California Code of Regulations (“CEQA Guidelines”) an Initial Study of Environmental Impacts and Draft Mitigated Negative Declaration (“IS/MND”) was prepared to identify any potential significant environmental impacts caused by the project, a copy of which is on file with the development Services Department. The IS/MND also identified Mitigation Measures to address those impacts;
- D. The IS/MND was circulated for public review/comment from February 5, 2021 to March 10, 2021. In response to the public review period, the City received three comment letters;
- E. The Planning Commission of the City of El Segundo held a noticed public hearing on April 22, 2021, at the conclusion of which the Planning Commission adopted Planning Commission Resolution 2892, thereby recommending the City Council approve the IS/MND;

- F. The City Council of the City of El Segundo held a noticed public hearing on May 18, 2021, to review and consider the IS/MND, receive public testimony, and review all correspondence received; and,
- F. This Resolution, and its findings, are made, in part, based upon the evidence presented to the City Council at its May 18, 2021 public hearing, including the staff report submitted by the Development Services Department.

SECTION 2: *Factual Findings and Conclusions.* The City Council finds that the following facts exist:

- A. The subject site is located in the Corporate Office (C-O) Zone, at 650-700 N Pacific Coast Highway and 737 Carl Jacobson Way.
- B. The property is currently improved with three buildings, including a 98,885 square-foot eight-story office building at 650 N Pacific Coast Highway, a 69,692 square-foot two-story office building at 700 N Pacific Coast Highway, and a 16,652 square-foot one-story industrial building at 737 Carl Jacobson Way.
- C. The subject site is comprised of seven parcels that will be combined into one 7.3-acre property. The abutting and adjacent land uses include retail and restaurant businesses, automotive services stations, and a variety of light industrial uses.
- D. The proposed project, as illustrated in plans considered by the City Council on May 18, 2021, includes the following components: renovate and add 1,031 square feet to the existing building at 650 N Pacific Coast Highway; renovate and decrease the floor area by 4,572 square feet the existing building at 700 N Pacific Coast Highway; and construct a new 70,921 square-foot seven-story office building with an integrated 1,185 space parking structure.
- E. The Applicant is required to make all necessary and applicable impact fee payments prior to building permit issuance, including the one-time fire services mitigation fee, the one-time police services mitigation fee, one-time park services mitigation fee, and one-time traffic mitigation.

SECTION 3: *Environmental Assessment.* The City Council finds as follows:

- A. The IS/MND has been prepared in compliance with CEQA and the CEQA Guidelines.
- B. The project will either not create or result in, or will have less than significant impacts to: Agriculture and Forest Resources, Air Quality, Biological

Resources, Greenhouse Gas Emissions, Hydrology and Water Quality, Land Use and Planning, Mineral Resources, Noise, Population and Housing, Public Services, Recreation, Utilities and Service Systems.

- C. Areas of concern were noted as potentially significant if not mitigated. Mitigation measures have been incorporated into the IS/MND and will be imposed on the project through the City's adoption of a Mitigation Monitoring and Reporting Program ("MMRP") in compliance with CEQA Guideline 15074(d). These mitigation measures are imposed on the project to address potential environmental effects with respect to: Aesthetics, Cultural Resources, Geology and Soils, Hazards and Hazardous Materials, Transportation, and Tribal Cultural Resources. With the implementation of this mitigation, all potential environmental effects will be reduced to a less than significant level. The MMRP is attached to this Resolution as Exhibit A and incorporated herein.
- D. Mitigation measures set forth in the MMRP are specific and enforceable. The MMRP adequately describes implementation procedures, monitoring responsibility, reporting actions, compliance schedule, and verification of compliance in order to ensure that the Project complies with the adopted mitigation measures.
- E. The mitigation measures contained in the MMRP will also be imposed as enforceable conditions of approval.
- F. Pursuant to CEQA the City Council has independently reviewed the Initial Study, the Mitigated Negative Declaration, and all comments received regarding the Mitigated Negative Declaration, and based on the whole record before it finds that the Mitigated Negative Declaration was prepared in compliance with CEQA and the CEQA Guidelines, that there is no substantial evidence that the Project will have a significant effect on the environment with the incorporation of mitigation, and the Mitigated Negative Declaration reflects the independent judgment and analysis of City Council. Accordingly, based upon the evidence presented to the City Council, the City need not prepare an environmental impact report for the proposed project.

SECTION 4: *Reliance on Record.* Each of the findings and determination in this Resolution are based on the competent and substantial evidence, both oral and written, contained in the entire record relating to the project. The findings and determinations constitute the independent findings and determinations of the City Council in all respects.

SECTION 5: *Limitations.* The City Council's analysis and evaluation of the project is based on information available at the time of the decision. It is inevitable that in evaluating a project that absolute and perfect knowledge of all possible aspects of the project will not exist. In all instances, best efforts have been made to form accurate assumptions.

SECTION 6: The City Clerk is directed to certify the adoption of this Resolution.

SECTION 7: This Resolution takes effect immediately upon its adoption.

PASSED, APPROVED AND ADOPTED this 18th day of May 2021.

Drew Boyles, Mayor

APPROVED AS TO FORM:

Mark D. Hensley, City Attorney

ATTEST:

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS
CITY OF EL SEGUNDO)

I, Tracy Weaver, City Clerk of the City of El Segundo, California, do hereby certify that the whole number of members of the City Council of said City is five; that the foregoing Resolution No. _____ was duly passed, approved, and adopted by said City Council, at a regular meeting of said Council held on the 18th day of May, 2021, approved and signed by the Mayor, and attested to by the City Clerk, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Tracy Weaver, City Clerk

RESOLUTION NO. ____

Exhibit A

**MITIGATION MONITORING AND REPORTING PROGRAM
650 PACIFIC COAST HIGHWAY PROJECT**

**MITIGATION MONITORING AND REPORTING PROGRAM
650 PACIFIC COAST HIGHWAY PROJECT**

No.	Environmental Factor	Mitigation Measure	Actions Required	When Monitoring Occurs	Responsible Agency or Party	Monitoring Agency or Party
AES-1	Aesthetics	Prior to issuance of a building permit, the Project applicant must submit a lighting plan to the City for review and approval by the Director of Planning and Building Safety. The plan must include the location, height, number of lights, foot-candles by area, and estimates of maximum illumination on-site with no spill at the property lines. The plan must also demonstrate that all lighting fixtures on the buildings and throughout the entire project site are designed and installed so as to contain light on the subject property and will not create spillover effects or be directed toward adjacent properties or public rights-of-way.	Provide lighting plan to the City for review and approval.	Prior to issuance of building permits.	Project Developer	City of El Segundo, Planning and Building Safety Department
AES-2	Aesthetics	Prior to issuance of a building permit, the Project applicant must submit the Final Design Plans to the City for review and approval by the Director of Planning and Building Safety. The plans must identify the material use that meets the Visible Light Reflection (VLR) performance of the following: i) The new west-facing façade of Building A and the south-facing façade of Building C shall employ a high-performance glazing system comprising a commercial glazing equal to Vitro Solarban 70(2) + Clear with exterior visible light reflection (VLR) of 13% or less; ii) Exterior metal cladding on the Building	Provide Final Design Plans to the City for review and approval.	Prior to issuance of building permits.	Project developer	City of El Segundo, Planning and Building Safety Department

**MITIGATION MONITORING AND REPORTING PROGRAM
650 PACIFIC COAST HIGHWAY PROJECT**

No.	Environmental Factor	Mitigation Measure	Actions Required	When Monitoring Occurs	Responsible Agency or Party	Monitoring Agency or Party
		<p>A curtainwall facing Pacific Coast Highway to be finished with aluminum composite panels (ACP), with matte white or matte, clear anodized aluminum finish; and,</p> <p>iii) Concrete on the north and south elevations of Building A will be painted with low sheen paint and clad limitedly in matte finish ACP with matte white or matte, clear anodized aluminum finish.</p>				
CUL-1	Cultural Resources	<p>Archaeological and Native American monitoring shall be conducted for any grading-related ground disturbing activity have the potential to disturb native soils (i.e., non-engineered fill) within the Project site. Monitoring shall be performed under the direction of a qualified archaeologist meeting the Secretary of the Interior's Professional Qualifications Standards for archaeology (National Park Service 1983). If cultural resources are encountered during ground-disturbing activities, work in the immediate area must halt and the find must be evaluated by the qualified archaeologist. Depending upon the nature of the find, if the discovery proves to be potentially significant under CEQA, as determined by the qualified archaeologist, additional work such as data recovery excavation, avoidance of the area of the find, documentation, testing, data recovery, reburial, archival review and/or transfer to the appropriate museum or</p>	<p>Applicant to hire a qualified archaeologist and submit evidence of this contracted archaeologist to the City.</p>	<p>Applicant to submit evidence of a contracted, qualified archaeologist to the City prior to issuance of building permits.</p>	<p>Project developer</p>	<p>City of El Segundo, Planning and Building Safety Department</p>

**MITIGATION MONITORING AND REPORTING PROGRAM
650 PACIFIC COAST HIGHWAY PROJECT**

No.	Environmental Factor	Mitigation Measure	Actions Required	When Monitoring Occurs	Responsible Agency or Party	Monitoring Agency or Party
		<p>educational institution, or other appropriate actions may be warranted at the discretion of the qualified archaeologist. The archaeologist shall complete a report of excavations and findings and submit the report to the Director of Planning and Building Safety. After the find is appropriately mitigated, work in the area may resume.</p>				
Paleo-1	Geology and Soils	<p>Prior to the issuance of any grading permits, the applicant shall retain a qualified paleontologist who meets the qualifications established by the Society of Vertebrate Paleontology (SVP) to develop a Worker Environmental Awareness Program (WEAP), which shall be in compliance with SVP guidelines. The paleontologist shall present the training to all construction staff to provide them with a basic understanding of the types of fossils that may be encountered and the laws protecting them, and the procedures to follow in the event the finds are encountered. In the event that paleontological resources are encountered during earth disturbance activities, all construction activities in the area of the find shall be temporarily halted and the paleontologist shall be notified to evaluate the find and determine the appropriate treatment in accordance with SVP guidelines for identification, evaluation, disclosure, avoidance, or</p>	<p>Applicant to hire a qualified paleontologist and submit evidence of this contracted paleontologist to the City. This paleontologist to provide WEAP training to all construction staff.</p>	<p>Applicant to submit evidence of a contracted qualified paleontologist to the City prior to issuance of building permits. WEAP training shall be administered prior to the start of earthwork activities and shall be administered to any new construction workers involved in excavation efforts associated with the Project.</p>	Project developer	City of El Segundo, Planning and Building Safety Department

**MITIGATION MONITORING AND REPORTING PROGRAM
650 PACIFIC COAST HIGHWAY PROJECT**

No.	Environmental Factor	Mitigation Measure	Actions Required	When Monitoring Occurs	Responsible Agency or Party	Monitoring Agency or Party
		recovery, and curation, as appropriate.				
HAZ-1	Hazards and Hazardous Materials	<p>The applicant shall conduct additional investigation and potential remediation actions associated with the previous USTs and clarifier uses. As identified in the Phase I ESA (Appendix E), the following investigations will be conducted to identify and confirm the location of the eight 1,000-gallon USTs and clarifier at 700 Pacific Coast Highway and the potential UST at 650 Pacific Coast Highway (associated with 690 North Sepulveda Boulevard).</p> <ul style="list-style-type: none"> • Eight 1,000-gallon USTs at 700 Pacific Coast Highway: A geophysical survey and Phase II subsurface investigation shall be conducted to identify the location of the former USTs and to sample at the depth of the UST to determine the concentrations of constituents of concern (petroleum hydrocarbons, volatile organic compounds, and metals). In the event that the analyte concentrations exceed appropriate use standards, as designated by the El Segundo Fire Department (local Certified Unified Program Agency [CUPA]), the Project shall implement applicable protective measures in accordance with an approved remedial action plan, including: 1) installation of a soil vapor barrier adequate to protect against vapor transmission; 2) implement a soil-vapor 	Conduct additional investigation and potential remediation associated with previous USTs and clarifier uses.	Applicant to provide evidence of the presence/absence of a UST at 650 N. Pacific Coast Highway, and submit the results of the geophysical surveys and Phase II Investigations and incorporate applicable treatment procedures in the final design plans to the City prior to issuance of grading and/or building permits.	Project developer	City of El Segundo, Planning and Building Safety Department and El Segundo Fire Department

**MITIGATION MONITORING AND REPORTING PROGRAM
650 PACIFIC COAST HIGHWAY PROJECT**

No.	Environmental Factor	Mitigation Measure	Actions Required	When Monitoring Occurs	Responsible Agency or Party	Monitoring Agency or Party
		<p>extraction system; and/or 3) conduct remedial excavation activities. Based on information provided by the CUPA, if passive or active systems are utilized to prevent vapor migration, a Land Use Covenant would be required, and recorded, and an Operation and Maintenance (O&M) Plan would be developed for the systems.</p> <ul style="list-style-type: none"> • Clarifier at 700 Pacific Coast Highway: A geophysical survey and Phase II subsurface investigation shall be conducted to identify the location of the former clarifier and to sample adjacent soils to determine the extent, if any, of prior release of tetrachloroethylene. In the event that the analyte concentrations exceed appropriate use standards, as designated by the El Segundo Fire Department (local CUPA), the Project shall implement applicable protective measures in accordance with an approved remedial action plan, including: 1) installation of a soil vapor barrier adequate to protect against vapor transmission; 2) implement a soil-vapor extraction system; and/or 3) conduct remedial excavation activities. • Potential UST at 650 North Pacific Coast Highway: The applicant shall conduct review of pending agency records for the UST listed at 690 North Sepulveda 				

**MITIGATION MONITORING AND REPORTING PROGRAM
650 PACIFIC COAST HIGHWAY PROJECT**

No.	Environmental Factor	Mitigation Measure	Actions Required	When Monitoring Occurs	Responsible Agency or Party	Monitoring Agency or Party
		<p>Boulevard to determine whether a UST is located on the Project site. In the event the documentation indicates that a UST has the potential to be present, the applicant shall conduct a geophysical survey and Phase II subsurface investigation to identify the location of the former UST and to sample at the depth of the UST to determine whether any concentrations of constituents of concern (petroleum hydrocarbons, volatile organic compounds, and metals) are present in surround soils. In the event that the analyte concentrations exceed appropriate use standards, as designated by the El Segundo Fire Department (local CUPA), the Project shall implement applicable protective measures in accordance with an approved remedial action plan, including: 1) installation of a soil vapor barrier adequate to protect against vapor transmission; 2) implement a soil-vapor extraction system; and/or 3) conduct remedial excavation activities.</p>				
HAZ-2	Hazards and Hazardous Materials	<p>Prior to commencement of renovation activities on Buildings A and B, a hazardous building materials survey shall be conducted on both buildings to identify asbestos, lead-based paint, and other potentially hazardous building materials (such as mercury thermometers, lighting and electrical appurtenances). Following</p>	<p>Conduct a hazardous building materials survey on Buildings A and B and incorporate required abatement work.</p>	-	Project developer	<p>City of El Segundo, Planning and Building Safety Department and El Segundo Fire Department</p>

**MITIGATION MONITORING AND REPORTING PROGRAM
650 PACIFIC COAST HIGHWAY PROJECT**

No.	Environmental Factor	Mitigation Measure	Actions Required	When Monitoring Occurs	Responsible Agency or Party	Monitoring Agency or Party
		<p>results of the hazardous materials survey, renovation plans and contract specifications shall incorporate abatement procedures for the removal of materials containing asbestos and lead. All abatement work shall be done in accordance with federal, state, and local regulations, including those of the U.S. EPA, Occupational Safety and Health Administration, California Occupational Safety and Health Administration, and the SCAQMD.</p>				
TRANS-1	Transportation	<p>The applicant shall prepare and implement a Project-specific TDM program that will reduce the Project's daily trips by 254. The TDM program shall consist of a list of approved strategies, guided by the California Air Pollution Control Officers Association (CAPCOA) recommendations to promote carpool, bicycling, walking, and transit in place of individual vehicle trips to and from the Project. These elements may change or be adjusted to adapt to changing commute trends and to maximize the efficiency and performance of the program. The following is a preliminary list of applicable strategies that provide feasible means to adequately reduce the Project VMT:</p>	<p>Develop and implement a Project-specific TDM program.</p>	<p>Applicant to provide a TDM Program to the City for review, with approval completed prior to Building Permit Final or issuance of the first certificate of occupancy. The success of the program will be monitored and the tenant commute patterns will be reviewed, with updates of adjustments and changes to be provided in an</p>	<p>Project developer</p>	<p>City of El Segundo, Planning and Building Safety Department</p>

**MITIGATION MONITORING AND REPORTING PROGRAM
650 PACIFIC COAST HIGHWAY PROJECT**

No.	Environmental Factor	Mitigation Measure	Actions Required	When Monitoring Occurs	Responsible Agency or Party	Monitoring Agency or Party
		<ul style="list-style-type: none"> <li data-bbox="457 347 1003 542">• Safe and Well-Lit Access to Transit: Enhance the route for people walking or bicycling to nearby transit stops, such as those located on Pacific Coast Highway and Mariposa Avenue. (Maximum reduction of 23 trips) <li data-bbox="457 613 1003 873">• Transit Subsidies: Provide subsidization of transit fare for employees of the project site. This strategy helps reduce single-occupancy vehicle trips by utilizing transit service already present in the project area. (Maximum reduction of 116 trips) <li data-bbox="457 945 1003 1107">• Travel Behavior Change Program: Provide a web site that allows employees to research other modes of transportation for commuting. (Maximum reduction of 46 trips) <li data-bbox="457 1179 1003 1373">• Promotions & Marketing: Provide marketing and promotional tools to educate and inform travelers about site-specific transportation options and the effects of their travel choices with passive educational and promotional 		annual monitoring report, or the TDM shall include a mechanism to report to the City on the progress.		

**MITIGATION MONITORING AND REPORTING PROGRAM
650 PACIFIC COAST HIGHWAY PROJECT**

No.	Environmental Factor	Mitigation Measure	Actions Required	When Monitoring Occurs	Responsible Agency or Party	Monitoring Agency or Party
		<p>materials. (Maximum reduction of 46 trips)</p> <ul style="list-style-type: none"> • Commute Assistance Center: Provide a computer kiosk that allows employees to research other modes of transportation for commuting. (Maximum reduction of 46 trips) • Preferential Carpool / Vanpool Parking Spaces: Provide reserved carpool/vanpool spaces closer to the building entrance. (Maximum reduction of 116 trips) • Passenger Loading Zones: Provide passenger loading zones for easy access to carpools or vanpools. (Maximum reduction of 58 trips) • Bike Share: Implement bike share to allow people to have on-demand access to a bicycle, as-needed. (Maximum reduction of 3 trips) • Bike Parking and Facilities: Include secure bike parking and showers to provide additional end-of-trip bicycle 				

**MITIGATION MONITORING AND REPORTING PROGRAM
650 PACIFIC COAST HIGHWAY PROJECT**

No.	Environmental Factor	Mitigation Measure	Actions Required	When Monitoring Occurs	Responsible Agency or Party	Monitoring Agency or Party
		<p>facilities to support safe and comfortable bicycle travel. Provide on-site bicycle repair tools and space to use them supports on-going use of bicycles for transportation. (Maximum reduction of 35 trips)</p> <ul style="list-style-type: none"> • Traffic Calming Improvements: Implement traffic calming measures throughout and around the perimeter of the Project site that encourage people to walk, bike, or take transit within the development and to the development from other locations. (Maximum reduction of 12 trips) • Pedestrian Network Improvements: Implement pedestrian network improvements throughout and around the Project site that encourages people to walk (Maximum reduction of 23 trips) • Parking Cash Out: Provide employees a choice of forgoing current parking for a cash payment to be determined by the employer. (Maximum reduction of 58 trips) 				

**MITIGATION MONITORING AND REPORTING PROGRAM
650 PACIFIC COAST HIGHWAY PROJECT**

No.	Environmental Factor	Mitigation Measure	Actions Required	When Monitoring Occurs	Responsible Agency or Party	Monitoring Agency or Party
		<ul style="list-style-type: none"> Alternative Works Schedule: Implement Flextime, Compressed Work Week (CWW), and staggered shifts for employees. (Maximum reduction of 173 trips) 				
TCR-1	Tribal Cultural Resources	<p>Prior to the commencement of any ground disturbing activity at the Project site, the Project applicant shall retain a Native American Monitor approved by the Gabrieleno Band of Mission Indians-Kizh Nation, the tribe that consulted on this project pursuant to Assembly Bill AB 52 (the "Tribe" or the "Consulting Tribe"). A copy of the executed contracts shall be submitted to the City of El Segundo Development Services Department prior to the issuance of any permit necessary to commence a ground-disturbing activity. The Tribal monitor will only be present on-site during the construction phases that involve ground-disturbing activities. Ground disturbing activities are defined by the Tribe as activities that may include, but are not limited to, pavement removal, potholing or auguring, grubbing, tree removals, boring, grading, excavation, drilling, and trenching, within the project area. The Tribal Monitor will complete daily monitoring logs that will provide descriptions of the day's activities, including construction activities, locations,</p>	Applicant to retain a Native American Monitor that is culturally affiliated with the area to be present on-site during ground-disturbing activities in native soils.	Applicant to submit evidence of a contracted Native American Monitor to the City prior to issuance of building permits.	Project developer	City of El Segundo, Planning and Building Safety Department

**MITIGATION MONITORING AND REPORTING PROGRAM
650 PACIFIC COAST HIGHWAY PROJECT**

No.	Environmental Factor	Mitigation Measure	Actions Required	When Monitoring Occurs	Responsible Agency or Party	Monitoring Agency or Party
		<p>soil, and any cultural materials identified. The on-site monitoring shall end when all ground-disturbing activities on the Project site are completed, or when the Tribal Representatives and Tribal Monitor have indicated that all upcoming ground-disturbing activities at the Project site have little to no potential for impacting Tribal Cultural Resources.</p> <p>Upon discovery of any Tribal Cultural Resources, construction activities shall cease in the immediate vicinity of the find (not less than the surrounding 100 feet) until the find can be assessed. All Tribal Cultural Resources unearthed by Project activities shall be evaluated by the Consulting Tribe approved Tribal monitor. If the resources are Native American in origin, the Consulting Tribe will retain it/them in the form and/or manner the Tribe deems appropriate, for educational, cultural and/or historic purposes. If human remains and/or grave goods are discovered or recognized at the Project site, all ground disturbance shall immediately cease, and the county coroner shall be notified per Public Resources Code Section 5097.98, and Health & Safety Code Section 7050.5. Human remains and grave/burial goods shall be treated alike per California Public</p>				

**MITIGATION MONITORING AND REPORTING PROGRAM
650 PACIFIC COAST HIGHWAY PROJECT**

No.	Environmental Factor	Mitigation Measure	Actions Required	When Monitoring Occurs	Responsible Agency or Party	Monitoring Agency or Party
		Resources Code section 5097.98(d)(1) and (2). Work may continue on other parts of the Project site while evaluation and, if necessary, mitigation takes place (CEQA Guidelines Section 15064.5[f]).				

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL SEGUNDO APPROVING VESTING TENTATIVE PARCEL MAP NO. 83129 (SUB 20-03) AND SITE PLAN REVIEW NO. 20-30, THEREBY ALLOWING THE CONSOLIDATION OF SEVEN PARCELS INTO A SINGLE LOT AND CONSTRUCTION OF A NEW 70,921 SQUARE FOOT 7-STORY OFFICE BUILDING WITH AN INTEGRATED 1,185-SPACE PARKING STRUCTURE FOR PROPERTY LOCATED AT 650-700 N PACIFIC COAST HIGHWAY AND 737 CARL JACOBSON WAY

The City Council of the City of El Segundo does resolve as follows:

SECTION 1: The City Council finds and declares that:

- A. On July 21, 2020, L&R ZAV 650 Sepulveda, LLC c/o Zachary Vella submitted applications for Environmental Assessment No. EA-1289, Zone Text Amendment No 20-01, Vesting Tentative Parcel Map No. 83129, and Site Plan Review No. 20-30 requesting to amend the definition of Floor Area (Net) within Section 15-1-6 of the El Segundo Municipal Code (“ESMC”), combine seven parcels into a single lot, remodel two existing office buildings, and construct a new office building with integrated parking structure;
- B. The project applications were reviewed by the City’s Development Services Department for, in part, consistency with the General Plan and conformity with the ESMC;
- C. Pursuant to Section 21000 et. Seq. of the California Public Resource Code (“CEQA”) and Section 15000 et. Seq. of 14 California Code of Regulations (“CEQA Guidelines”) an Initial Study of Environmental Impacts and Mitigated Negative Declaration (“IS/MND”) was prepared to identify any potential significant environmental impacts caused by the project, a copy of which is on file with the development Services Department. The IS/MND also identified Mitigation Measures to address those impacts;
- D. The City Council adopted Resolution No. ____, adopting the IS/MND and the Mitigation Monitoring and Reporting Program;
- E. The Planning Commission of the City of El Segundo held a noticed public hearing on April 22, 2021, at the conclusion of which the Planning Commission adopted Planning Commission Resolution 2894, thereby recommending the City Council approve the Vesting Tentative Tract Map and Site Plan Review;

- F. The City Council of the City of El Segundo held a noticed public hearing on May 18, 2021, to review and consider the Vesting Tentative Tract Map and Site Plan Review, receive public testimony, and review all correspondence received; and,
- G. This Resolution, and its findings, are made, in part, based upon the evidence presented to the City Council at its May 18, 2021 public hearing, including the staff report submitted by the Development Services Department.

SECTION 2: *Factual Findings and Conclusions.* The City Council finds as follows:

- A. The 7.3-acre site is located in the north-central portion of the city, on the east side of Pacific Coast Highway between East Maple Avenue to the north and East Mariposa Avenue to the south. The site has a General Plan Land Use designation of Corporate Office and is zoned Corporate Office (CO). The site includes buildings addressed 650 and 700 North Pacific Coast Highway and 737 Carl Jacobson Way.
- B. The site consists of seven individual parcels ranging in size from 6,601 square feet to 86,666 square feet.
- C. Existing improvements on the site include a 98,885 square-foot eight-story office building (Building A), a 69,692 square-foot two-story office building (Building B), a 16,652 square-foot industrial one-story industrial building (Building D), and a surface parking lot.
- D. The proposed project would combine the seven parcels into a single 7.3-acre lot.
- E. The proposed project would also renovate Building A to increase the net floor area by 1,031 square feet and renovate Building B to decrease the net floor area by 4,572 square feet. The facades of both buildings would also be renovated. The proposed project would also construct a new 70,921 square-foot seven-story building with an integrated 1,185 space parking structure.

SECTION 3: *Vesting Tentative Parcel Map Findings.* After considering the above facts, the City Council finds as follows:

- A. That the proposed map is consistent with applicable general and specific plans as specified in section 65451 of the California Government Code.

The Vesting Tentative Tract Map will implement the project to renovate the two existing office buildings and construct a new office building on the site.

This is consistent with the following objectives and policies of the General Plan:

Objective LU4-3: "Provide for new office and research and development uses." The proposed project is consistent with this object as it provides 67,380 square feet of new office space within the City. Furthermore, the project provides a new landscaped plaza to create an integrated office campus that will attract new businesses to the City.

Policy C1-1.8: "Provide all residential, commercial, and industrial areas with efficient and safe access to the major regional transportation facilities." The project site is approximately ½ mile from the nearest Metro Green Line station at the intersection of Mariposa Avenue and Nash Street. Furthermore, Metro Bus Line 232 has a bus stop approximately 300 feet from the Project site along Pacific Coast Highway.

Policy C2-2.2: "Encourage new development to provide facilities for bicyclist to park and store their bicycles." Bicycle facilities allowing workers and patrons to park and store bicycles are provided in excess of the Municipal Code Requirements. The code requires the applicant to provide 25 bicycle parking spaces, but the project will provide 128 bicycle parking spaces.

Policy ED1-2-1: "Seek to expand El Segundo's retail and commercial base so that the diverse needs of the City's business and residential needs are met." The project will facilitate the adaptive reuse of a former aerospace building with the creation of additional office space that provides amenities that tenants in today's marketplace require. The proposed project will create a unique office campus responding to the diverse needs for tenants in the local market.

- B. That the design or improvement of the proposed subdivision is consistent with applicable general and specific plans.

The combining the seven parcels into a single site will facilitate the proposed project that is compatible with the area as it is an expansion of the existing office use and site reconfiguration. The proposed project complies with all provisions of the zoning code and will not create a significant impact on those who live, work, or visit the area. A plethora of land uses, including office, retail, restaurant, and light industrial uses can be found on the surrounding properties. Office uses are considered compatible with all these types of surrounding uses, as employees would patronize the various retail and restaurant uses during, and at the end of, the workday.

- C. That the site is physically suitable for the type of development.

The property is physically suitable for commercial office buildings and parking structure being proposed for the project. The project includes renovations to existing office buildings on the property and construction of a new 7-story office building in an area that is currently surface parking. The proposal complies with all the development standards set forth in the City's zoning ordinance. Furthermore, merging the seven parcels into one ground parcel will eliminate several non-conforming parcels that currently do not comply with minimum lot size standards.

- D. That the site is physically suitable for the proposed density of development.

Density refers to dwelling units, not commercial office space. Nevertheless, the proposed project complies with all development standards for the CO zone.

- E. That the design of the subdivision or the proposed improvements are not likely to cause substantial environmental damage or will not substantially and avoidably injure fish or wildlife or their habitat.

The proposed project consists of renovating two existing office buildings and construction of a new 7-story office building/parking structure. The area of new construction is currently a paved parking lot that does not contain any landscaped areas, wetlands or other features that could support any fish or wildlife habitat.

- F. That the design of the subdivision or type of improvements are not likely to cause serious public health problems.

The design of the subdivision and type of improvements proposed for the Property are not likely to cause serious public health problems in that they have been designed to comply with all building and zoning code regulations and the City's General Plan. Additionally, the new parcel and the proposed improvements will comply with Title 24 accessibility requirements. The subdivision provides adequate and safe ingress and egress with vehicular access provided by two driveways on Pacific Coast Highway and one driveway on Carl Jacobson Way.

- G. That the design of the subdivision or type of improvements will not conflict with easements, acquired by the public at large, for access through or use of property within the proposed subdivision.

As part of the entitlement submittal package, the applicant provided a design survey showing all easements on the property. Existing easements,

which were acquired by the public at large, would not be impacted by merging the seven parcels into a single lot.

SECTION 4: Site Plan Review Findings. After considering the above facts, the City Council finds as follows:

- A. The proposed development is consistent with the goals, policies and objectives of the general plan, any applicable specific plan, and the Zoning Code;

The project is consistent with the goals and policies of the General Plan and will not obstruct their attainment. More specifically, the project will advance the following objectives and policies:

Objective LU4-3: "Provide for new office and research and development uses." The proposed project is consistent with this object as it provides 67,380 square feet of new office space within the City. Furthermore, the project provides a new landscaped plaza to create an integrated office campus that will attract new businesses to the City.

Policy C1-1.8: "Provide all residential, commercial, and industrial areas with efficient and safe access to the major regional transportation facilities." The project site is approximately 1/2 mile from the nearest Metro Green Line station at the intersection of Mariposa Avenue and Nash Street. Furthermore, Metro Bus Line 232 has a bus stop approximately 300 feet from the Project site along Pacific Coast Highway.

Policy C2-2.2: "Encourage new development to provide facilities for bicyclist to park and store their bicycles." Bicycle facilities allowing workers and patrons to park and store bicycles are provided in excess of the Municipal Code Requirements. The code requires the applicant to provide 25 bicycle parking spaces, but the project will provide 128 bicycle parking spaces.

Policy ED1-2-1: "Seek to expand El Segundo's retail and commercial base so that the diverse needs of the City's business and residential needs are met." The project will facilitate the adaptive reuse of a former aerospace building with the creation of additional office space that provides amenities that tenants in today's marketplace require. The proposed project will create a unique office campus responding to the diverse needs for tenants in the local market.

- B. The project is functionally compatible with the area in which it is located;

The site is compatible with the area as it is an expansion of the existing office use and site reconfiguration. The proposed project complies with all provisions of the zoning code and will not create a significant impact on those who live, work, or visit the area. A plethora of land uses, including office, retail, restaurant, and light industrial uses can be found on the surrounding properties. Office uses are considered compatible with all these types of surrounding uses, as employees would patronize the various retail and restaurant uses during, and at the end of, the workday.

- C. The proposed development will not adversely affect the general welfare of the City.

The proposed development will not adversely affect the general welfare of the City in that a new office building and parking structure will be constructed on a site that is currently improved with two office buildings, an industrial building, and a surface parking lot. The development complies with all aspects of the zoning code. Furthermore, the project site is surrounded by developed urban land, including buildings, roadways, and hardscape.

SECTION 5: California Environmental Quality Act. Based on the facts set forth in Sections 1 and 2 and Resolution No. _____, the City Council, based on its independent judgement, finds any potential environmental impacts created by the Vesting Tentative Parcel Map has been fully analyzed and appropriately mitigated pursuant to CEQA and the CEQA Guidelines.

SECTION 6: Reliance on Record. Each of the findings and determination in this Resolution are based on the competent and substantial evidence, both oral and written, contained in the entire record relating to the project. The findings and determinations constitute the independent findings and determinations of the City Council in all respects.

SECTION 7: Limitations. The City Council's analysis and evaluation of the project is based on information available at the time of the decision. It is inevitable that in evaluating a project that absolute and perfect knowledge of all possible aspects of the project will not exist. In all instances, best efforts have been made to form accurate assumptions.

SECTION 8: The City Clerk is directed to certify the adoption of this Resolution.

SECTION 9: This Resolution takes effect immediately upon its adoption.

PASSED, APPROVED AND ADOPTED this 18th day of May 2021.

Drew Boyles, Mayor

APPROVED AS TO FORM:

Mark D. Hensley, City Attorney

ATTEST:

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS
CITY OF EL SEGUNDO)

I, Tracy Weaver, City Clerk of the City of El Segundo, California, do hereby certify that the whole number of members of the City Council of said City is five; that the foregoing Resolution No. _____ was duly passed, approved, and adopted by said City Council, at a regular meeting of said Council held on the 18th day of May, 2021, approved and signed by the Mayor, and attested to by the City Clerk, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Tracy Weaver, City Clerk

RESOLUTION NO. ____

Exhibit A

CONDITIONS OF APPROVAL

Zoning Conditions

1. This approval is for the project as shown on the plans and renderings dated March 23, 2021, and on file with the Development Services Department. Unless authorized herein, all requirements of the El Segundo Municipal Code (ESMC) shall apply.
2. Prior to the issuance of any permit, the applicant must submit plans, showing that the project substantially complies with the plans and conditions of approval on file with the Development Services Department. The Development Services Director is authorized to approve minor modifications to the approved plans or any of the conditions if such modifications achieve substantially the same results as would strict compliance with said plans and conditions, and is within the scope studied in the IS/MND certified by the City Council. Any subsequent modification to the approved design must be referred to the Director for a determination regarding the need for Planning Commission review and approval of the proposed modification.
3. This approval shall not become effective unless and until the City Council adopts an ordinance approving Zone Text Amendment No. 20-01 and said ordinance takes effect.
4. The approved changes to the net floor area for all buildings on site shall be as follows:

Proposed Changes to Building Net Floor Area			
Building	Existing	Proposed	Net Change
A	98,885	99,916	1,031
B	69,692	65,120	-4,572
C	0	70,921	70,921
D	16,652	16,652	0
Total Net SF	185,229	252,609	67,380

5. Prior to the issuance of building permits for Building C, the final map shall be approved by the City Council, fully executed, and recorded with the Los Angeles County Recorder.
6. The Vesting Tentative Parcel Map shall expire 24 months after approval by the City Council, unless the Vesting Final Map is recorded, or the Vesting Tentative Parcel Map is extended pursuant to the provisions of the ESMC and the Subdivision Map Act.
7. The development rights vested under Chapter 2 of Title 14 of the ESMC shall extend one year following the timely recordation of a final map unless all building permits have

been issued or the development rights have been further extended pursuant to the provisions of the ESMC and the Subdivision Map Act.

8. Prior to the issuance of any building permit, the applicant shall provide evidence of compliance with CFR Title 14 Part 77 (Safe, Efficient Use, and Preservation of The Navigable Airspace). Evidence shall be in the form of an Aeronautical Study issued by the FAA or evidence using the FAA's Notice Criteria Tool that all structures on site do not exceed the slopes outlined in CFR Title 14 Part 77.9.
9. All mitigation measures and conditions of approval must be listed on the plans submitted for plan check and the plans for which a building permit is issued.
10. In the event that a Planning, Building, Public Works, Fire Department or Police Department requirement are in conflict, the stricter standard shall apply.
11. A positive balance shall be maintained in all project reimbursement accounts at all times. If the balance of the Reimbursement Account(s) associated with the project becomes negative at any time, all work on the project shall be suspended, including the issuance of permits and project inspections, until such time as the sufficient funds are deposited to return the account(s) to a positive balance.
12. All mitigation measures listed in Mitigation Monitoring and Reporting Program adopted as part of Resolution No. 2892 shall be complied with. This shall include:
 - a) **Mitigation Measure AES-1:** Prior to issuance of a building permit, the Project applicant must submit a lighting plan to the City for review and approval by the Director of Planning and Building Safety. The plan must include the location, height, number of lights, foot-candles by area, and estimates of maximum illumination on-site with no spill at the property lines. The plan must also demonstrate that all lighting fixtures on the buildings and throughout the entire project site are designed and installed so as to contain light on the subject property and will not create spillover effects or be directed toward adjacent properties or public rights-of-way.
 - b) **Mitigation Measure AES-2:** Prior to issuance of a building permit, the Project applicant must submit the Final Design Plans to the City for review and approval by the Director of Planning and Building Safety. The plans must identify the material use that meets the Visible Light Reflection (VLR) performance of the following:
 - i. The new west-facing façade of Building A and south-facing façade of Building C shall employ a high-performance glazing system comprising a commercial glazing equal to Vitro Solarban 70(2) + Clear with exterior visible light reflection (VLR) of 13% or less;
 - ii. Exterior metal cladding on the Building A curtainwall facing Pacific Coast Highway to be finished with aluminum composite panels

(ACP), with matte white or matte, clear anodized aluminum finish;
and,

- iii. Concrete on the north and south elevations of Building A will be painted with low sheen paint and clad limitedly in matte finish ACP with matte white or matte, clear anodized aluminum finish.

- c) **Mitigation Measure CUL-1:** Archaeological and Native American monitoring shall be conducted for any grading-related ground disturbing activity have the potential to disturb native soils (i.e., non-engineered fill) within the Project site. Monitoring shall be performed under the direction of a qualified archaeologist meeting the Secretary of the Interior's Professional Qualifications Standards for archaeology (National Park Service 1983). If cultural resources are encountered during ground-disturbing activities, work in the immediate area must halt and the find must be evaluated by the qualified archaeologist. Depending upon the nature of the find, if the discovery proves to be potentially significant under CEQA, as determined by the qualified archaeologist, additional work such as data recovery excavation, avoidance of the area of the find, documentation, testing, data recovery, reburial, archival review and/or transfer to the appropriate museum or educational institution, or other appropriate actions may be warranted at the discretion of the qualified archaeologist. The archaeologist shall complete a report of excavations and findings and submit the report to the Director of Planning and Building Safety. After the find is appropriately mitigated, work in the area may resume.
- d) **Mitigation Measure Paleo-1:** Prior to the issuance of any grading permits, the applicant shall retain a qualified paleontologist who meets the qualifications established by the Society of Vertebrate Paleontology (SVP) to develop a Worker Environmental Awareness Program (WEAP), which shall be in compliance with SVP guidelines. The paleontologist shall present the training to all construction staff to provide them with a basic understanding of the types of fossils that may be encountered and the laws protecting them, and the procedures to follow in the event the finds are encountered. In the event that paleontological resources are encountered during earth disturbance activities, all construction activities in the area of the find shall be temporarily halted and the paleontologist shall be notified to evaluate the find and determine the appropriate treatment in accordance with SVP guidelines for identification, evaluation, disclosure, avoidance, or recovery, and curation, as appropriate.
- e) **Mitigation Measure HAZ-1:** The applicant shall conduct additional investigation and potential remediation actions associated with the previous USTs and clarifier uses. As identified in the Phase I ESA (Appendix E), the following investigations will be conducted to identify and confirm the location of the eight 1,000-gallon USTs and clarifier at 700 Pacific Coast Highway

and the potential UST at 650 Pacific Coast Highway (associated with 690 North Sepulveda Boulevard).

- Eight 1,000-gallon USTs at 700 Pacific Coast Highway: A geophysical survey and Phase II subsurface investigation shall be conducted to identify the location of the former USTs and to sample at the depth of the UST to determine the concentrations of constituents of concern (petroleum hydrocarbons, volatile organic compounds, and metals). In the event that the analyte concentrations exceed appropriate use standards, as designated by the El Segundo Fire Department (local Certified Unified Program Agency [CUPA]), the Project shall implement applicable protective measures in accordance with an approved remedial action plan, including: 1) installation of a soil vapor barrier adequate to protect against vapor transmission; 2) implement a soil-vapor extraction system; and/or 3) conduct remedial excavation activities. Based on information provided by the CUPA, if passive or active systems are utilized to prevent vapor migration, a Land Use Covenant would be required, and recorded, and an Operation and Maintenance (O&M) Plan would be developed for the systems.
- Clarifier at 700 Pacific Coast Highway: A geophysical survey and Phase II subsurface investigation shall be conducted to identify the location of the former clarifier and to sample adjacent soils to determine the extent, if any, of prior release of tetrachloroethylene. In the event that the analyte concentrations exceed appropriate use standards, as designated by the El Segundo Fire Department (local CUPA), the Project shall implement applicable protective measures in accordance with an approved remedial action plan, including: 1) installation of a soil vapor barrier adequate to protect against vapor transmission; 2) implement a soil-vapor extraction system; and/or 3) conduct remedial excavation activities.
- Potential UST at 650 North Pacific Coast Highway: The applicant shall conduct review of pending agency records for the UST listed at 690 North Sepulveda Boulevard to determine whether a UST is located on the Project site. In the event the documentation indicates that a UST has the potential to be present, the applicant shall conduct a geophysical survey and Phase II subsurface investigation to identify the location of the former UST and to sample at the depth of the UST to determine whether any concentrations of constituents of concern (petroleum hydrocarbons, volatile organic compounds, and metals) are present in surround soils. In the event that the analyte concentrations exceed appropriate use standards, as designated by the El Segundo Fire Department (local CUPA), the Project shall implement applicable protective measures in accordance with an

approved remedial action plan, including: 1) installation of a soil vapor barrier adequate to protect against vapor transmission; 2) implement a soil-vapor extraction system; and/or 3) conduct remedial excavation activities.

- f) **Mitigation Measure HAZ-2:** Prior to commencement of renovation activities on Buildings A and B, a hazardous building materials survey shall be conducted on both buildings to identify asbestos, lead-based paint, and other potentially hazardous building materials (such as mercury thermometers, lighting and electrical appurtenances). Following results of the hazardous materials survey, renovation plans and contract specifications shall incorporate abatement procedures for the removal of materials containing asbestos and lead. All abatement work shall be done in accordance with federal, state, and local regulations, including those of the U.S. EPA, Occupational Safety and Health Administration, California Occupational Safety and Health Administration, and the SCAQMD.
- g) **Mitigation Measure TRANS-1:** The applicant shall prepare and implement a Project-specific TDM program that will reduce the Project's daily trips by 254. The TDM program shall consist of a list of approved strategies, guided by the California Air Pollution Control Officers Association (CAPCOA) recommendations to promote carpool, bicycling, walking, and transit in place of individual vehicle trips to and from the Project. These elements may change or be adjusted to adapt to changing commute trends and to maximize the efficiency and performance of the program. The following is a preliminary list of applicable strategies that provide feasible means to adequately reduce the Project VMT:
- **Safe and Well-Lit Access to Transit:** Enhance the route for people walking or bicycling to nearby transit stops, such as those located on Pacific Coast Highway and Mariposa Avenue. (Maximum reduction of 23 trips)
 - **Transit Subsidies:** Provide subsidization of transit fare for employees of the project site. This strategy helps reduce single-occupancy vehicle trips by utilizing transit service already present in the project area. (Maximum reduction of 116 trips)
 - **Travel Behavior Change Program:** Provide a web site that allows employees to research other modes of transportation for commuting. (Maximum reduction of 46 trips)
 - **Promotions & Marketing:** Provide marketing and promotional tools to educate and inform travelers about site-specific transportation options and the effects of their travel choices with passive

educational and promotional materials. (Maximum reduction of 46 trips)

- Commute Assistance Center: Provide a computer kiosk that allows employees to research other modes of transportation for commuting. (Maximum reduction of 46 trips)
- Preferential Carpool / Vanpool Parking Spaces: Provide reserved carpool/vanpool spaces closer to the building entrance. (Maximum reduction of 116 trips)
- Passenger Loading Zones: Provide passenger loading zones for easy access to carpools or vanpools. (Maximum reduction of 58 trips)
- Bike Share: Implement bike share to allow people to have on-demand access to a bicycle, as-needed. (Maximum reduction of 3 trips)
- Bike Parking and Facilities: Include secure bike parking and showers to provide additional end-of-trip bicycle facilities to support safe and comfortable bicycle travel. Provide on-site bicycle repair tools and space to use them supports on-going use of bicycles for transportation. (Maximum reduction of 35 trips)
- Traffic Calming Improvements: Implement traffic calming measures throughout and around the perimeter of the Project site that encourage people to walk, bike, or take transit within the development and to the development from other locations. (Maximum reduction of 12 trips)
- Pedestrian Network Improvements: Implement pedestrian network improvements throughout and around the Project site that encourages people to walk (Maximum reduction of 23 trips)
- Parking Cash Out: Provide employees a choice of forgoing current parking for a cash payment to be determined by the employer. (Maximum reduction of 58 trips)
- Alternative Works Schedule: Implement Flextime, Compressed Work Week (CWW), and staggered shifts for employees. (Maximum reduction of 173 trips)

h) **Mitigation Measure TCR-1:** Prior to the commencement of any ground disturbing activity at the Project site, the Project applicant shall retain a Native American Monitor approved by the Gabrieleno Band of Mission Indians-Kizh Nation, the tribe that consulted on this project pursuant to Assembly Bill AB 52 (the “Tribe” or the “Consulting Tribe”). A copy of the

executed contracts shall be submitted to the City of El Segundo Development Services Department prior to the issuance of any permit necessary to commence a ground-disturbing activity. The Tribal monitor will only be present on-site during the construction phases that involve ground-disturbing activities. Ground disturbing activities are defined by the Tribe as activities that may include, but are not limited to, pavement removal, potholing or auguring, grubbing, tree removals, boring, grading, excavation, drilling, and trenching, within the project area. The Tribal Monitor will complete daily monitoring logs that will provide descriptions of the day's activities, including construction activities, locations, soil, and any cultural materials identified. The on-site monitoring shall end when all ground-disturbing activities on the Project site are completed, or when the Tribal Representatives and Tribal Monitor have indicated that all upcoming ground-disturbing activities at the Project site have little to no potential for impacting Tribal Cultural Resources.

Upon discovery of any Tribal Cultural Resources, construction activities shall cease in the immediate vicinity of the find (not less than the surrounding 100 feet) until the find can be assessed. All Tribal Cultural Resources unearthed by Project activities shall be evaluated by the Consulting Tribe approved Tribal monitor. If the resources are Native American in origin, the Consulting Tribe will retain it/them in the form and/or manner the Tribe deems appropriate, for educational, cultural and/or historic purposes. If human remains and/or grave goods are discovered or recognized at the Project site, all ground disturbance shall immediately cease, and the county coroner shall be notified per Public Resources Code Section 5097.98, and Health & Safety Code Section 7050.5. Human remains and grave/burial goods shall be treated alike per California Public Resources Code section 5097.98(d)(1) and (2). Work may continue on other parts of the Project site while evaluation and, if necessary, mitigation takes place (CEQA Guidelines Section 15064.5[f]).

13. To avoid impacts to nesting birds, construction activities and construction noise should occur outside the avian nesting season (prior to February 1 or after September 1). If construction and construction noise occurs within the avian nesting season (during the period from February 1 to September 1), areas within 100 feet of a development site shall be thoroughly surveyed for the presence of nests by a qualified biologist no more than five days before commencement of any vegetation removal. A copy of the survey shall be filed with the Development Services Department. If it is determined that the survey area is occupied by nesting birds that are covered under the Migratory Bird Treaty Act, subpart a) of this condition shall apply.
 - a) If pre-construction nesting bird survey results in the location of active nests, no grading, vegetation removal, or heavy equipment activity shall take place within an appropriate setback from occupied nests as determined by a qualified biologist. Protective measures (e.g., established setbacks) must be

required to ensure compliance with the Migratory Bird Treaty Act and California Fish and Game Code requirements. The qualified biologist must serve as a construction monitor during those periods when construction activities occur near active nest areas to ensure that no inadvertent impacts occur. A report of the findings, prepared by a qualified biologist, shall be submitted by the applicant to the CDFW prior to construction-related activities that have the potential to disturb any active nests during the nesting season.

14. A licensed Landscape Architect shall be on-site during delivery of any landscape material. The Landscape Architect shall certify that the size, type, and species of all landscaping complies with the approved landscape plan prior to the landscaping being planted. Certification shall be filed with the Development Services Department prior to the final of any permit.
15. A Master Sign Program shall be submitted and approved prior to final building permit approval.
16. Prior to the issuance of any permits, the project shall comply with the requirements set forth in Ordinance 1594 (Public Art).
17. Prior to the issuance of any permit, the applicant shall submit a detailed plan that demonstrates how all above-ground utility structures (electrical transformers, double-detector check valves, back-flow preventors, etc.) are screened from view from Pacific Coast Highway to the satisfaction of the Development Services Director. This should include:
 - a) Locating said utility structures on the east side of Building A or within the utility yard on the north side of Building B.
 - b) The combination of landscaping and painting any double-detector check valves or back-flow preventors green. This provision shall not be meant to conflict with any requirement of the Fire Department for access or color of the FDC, PIV, or other required equipment.
 - c) The use of landscaping and screen wrapping of all visible transformers.
18. Prior to the issuance of any permit on the site, the applicant shall submit a listing of all finished material and colors to be used on the facades of the structure to the Development Services Department for determination that said finished material and colors comply with this approval.
19. Although the project, as approved, shall maintain a minimum 663 parking spaces, the project is providing 1,256 parking spaces, which is comprised of 690 standard, 230 standard tandem, 106 compact, and 230 compact tandem parking spaces. Future changes in on-site uses shall ensure that parking requirements per the Municipal Code are met. This shall include the application of Municipal Code limitations of the amount

of compact and tandem parking spaces that can count towards meeting parking requirements.

20. Prior to the final of any permits or the issuance of any certificate of occupancy, the applicant shall prepare and implement a Project-specific TDM program that will reduce the Project's daily trips by 300. The TDM program shall be submitted to the Development Services Director for review and approval. TDM measures shall be taken from the following list; however, alternative means and methods may be considered by the Development Services Director provided the applicant provides sufficient evidence that the alternative means and methods will achieve the 300 daily trip reduction.

List of TDM Strategies				
TDM Measure #	Transportation Demand Management Measure	Description	Max. Trip Reduction	% Reduction
1	Safe and Well-Lit Access to Transit	Enhance the route for people walking or bicycling to nearby transit stops located on PCH and Mariposa Avenue.	23	2%
2	Transit Subsidies	Provide subsidization of transit fare for employees of the project site. This strategy helps reduce single-occupancy vehicle trips by utilizing transit service already present in the project area.	116	10%
3	Travel Behavior Change Program	Provide a web site that allows employees to research other modes of transportation for commuting	46	4%
4	Promotions & Marketing	Provide marketing and promotional tools to educate and inform travelers about site-specific transportation options and the effects of their travel choices with passive educational and promotional materials	46	4%

5	Commuter Assistance center	Provide a computer kiosk that allows employees to research other modes of transportation for commuting.	46	4%
6	Preferential Carpool / Vanpool Parking Spaces	Provide reserved carpool/vanpool spaces closer to the building entrance	116	10%
7	Passenger Loading Zones for Carpool/Vanpool	Provide easy access for carpools or vanpools.	58	5%
8	Bike Share	Implement bike share to allow people to have on-demand access to a bicycle, as-needed	3	0.25%
9	Bike Parking and Facilities	Include secure bike parking and showers to provide additional end-of-trip bicycle facilities to support safe and comfortable bicycle travel. Provide on-site bicycle repair tools and space to use them supports on-going use of bicycles for transportation.	35	3%
10	Traffic Calming Improvements	Implement traffic calming measures throughout and around the perimeter of the project site that encourage people to walk, bike, or take transit within the development and to the development from other locations.	12	1%
11	Pedestrian Network Improvements	Implement pedestrian network improvements throughout and around the project site that encourages people to walk.	23	2%
12	Parking Cash Out	Provide employees a choice of forgoing current parking for a cash payment to be	58	5%

		determined by the employer.		
13	Alternative Work Schedule	Implement Flextime, Compressed Work Week (CWW), and staggered shifts for employees.	173	15%

21. The property owner shall submit an annual report to show compliance with and the effectiveness of the TDM program. Should the program fail to achieve the 300 daily trip reduction, it shall be modified with new measures implemented.

Impact Fee Conditions

- 22. Pursuant to ESMC §§ 15-27 A-1, *et seq.*, prior to issuance of a building permit for new Building C, the applicant must pay a one-time library services mitigation fee. The fee amount must be based upon the adopted fee at the time the building permit is issued.
- 23. Pursuant to ESMC §§ 15-27 A-1, *et seq.*, prior to issuance of a building permit for new Building C, the applicant must pay a one-time fire services mitigation fee. The fee amount must be based upon the adopted fee at the time the building permit is issued.
- 24. Pursuant to ESMC §§ 15-27 A-1, *et seq.*, prior to issuance of a building permit new Building C, the applicant must pay a one-time police services mitigation fee. The fee amount must be based upon the adopted fee at the time the building permit is issued.
- 25. Pursuant to ESMC §§ 15-27 A-1, *et seq.*, prior to issuance of a building permit for new Building C, the applicant must pay a one-time park services mitigation fee. The fee amount must be based upon the adopted fee at the time the building permit is issued.
- 26. Pursuant to ESMC §§ 15-27 A-1, *et seq.*, prior to issuance of a building permit for new Building C, the applicant must pay a one-time traffic mitigation fee. The fee amount must be based upon the adopted fee at the time the building permit is issued.

Building Conditions

- 27. All construction shall comply with the 2019 California Building Standards Code (Cal. Code Regs., Title 24), including but not limited to the Building Code, Green Code and Energy Code. The applicant is hereby advised that any permit submitted to plan check after January 1, 2023 shall comply with the 2022 California Building Standards Code.
- 28. Prior to the issuance of any permit, the applicant shall submit the appropriate plans into plan check for verification said plans comply with all codes.

29. A soils report, which addresses shoring during the excavation, footing design, etc., shall be submitted into plan check at the same time building and/or grading plans are submitted.
30. The proposed roof decks shall comply with Section 503.1.4 of 2019 CBC or the code in effect at the time of the plan submittal.
31. The penthouse on Building A may be considered as an additional story per Section 1510 of 2019 CBC.

Recreation and Parks Conditions

32. All landscaping shall comply with Chapter 15A of Title 15 of the ESMC (Water Conservation in Landscaping).

Police Conditions

33. Prior to the issuance of any building permit, the applicant shall submit a lighting/safety plan that demonstrate the adequacy of the site lighting and safety to the satisfaction of the Chief of Police.
34. Any public retail/restaurant spaces shall incorporate security video monitoring systems into their tenant space.

Fire Conditions

35. The applicant shall comply with the applicable requirements of the 2019 California Building and Fire Codes and the 2018 International Fire Code as adopted by the City of El Segundo and El Segundo Fire Department Regulations.
36. The applicant shall submit and have approved by the Fire Department a Fire/Life Safety Plan, identifying fire safety precautions during demolition and construction, emergency site access during construction, permanent fire department access, fire hydrant locations and any existing or proposed fire sprinkler systems and fire alarm systems prior to issuance of the building permit.
37. For any buildings four or more stories in height to 75 feet from the lowest fire department access to the highest occupied floor, the applicant must comply with the City of El Segundo Mid-Rise Buildings requirements identified in the City of El Segundo adopted California Fire Code, Section 918.
38. The applicant shall provide an automatic fire sprinkler system throughout each building, installed in accordance with California Fire Code Chapter 9 and the currently adopted edition of NFPA 13.

39. The applicant must provide an automatic fire alarm system throughout each building, installed in accordance with California Fire Code Chapter 9 and the currently adopted edition of NFPA 72.
40. The building fire sprinkler systems shall have a system fire department connection on each building.
41. The site shall have a looped private underground main system, with connections at locations approved the Fire Department. A fire department connection shall be installed at each double detector check assembly.
42. The applicant must provide a fire apparatus access roadway around the property as identified in the proposed site plan. The fire apparatus access roadway must meet requirements in the adopted California Fire Code and El Segundo Fire Department Fire Prevention Regulation A-1-a.
43. The applicant must provide the following conditions for all fire features:
 - a) A barrier must be provided around the fire feature to prevent accidental access into the fire feature.
 - b) The distance between the fire feature and combustible material and furnishings must meet the fire feature's listing and manufacturer's requirements.
 - c) If the fire feature's protective barrier exceeds ambient temperatures, all exit paths and occupant seating must be a minimum 36 inches from the fire feature.
44. Any private fire hydrants must be installed and maintained in accordance with El Segundo Fire Department Regulation H-2-a "Fire Hydrant and Private Fire Main System Installation".
45. If the buildings are on separate properties, able to be sold to different property owners, the applicant must install a sectional control valve in the underground fire service main at the property line between the properties.
46. The applicant must record with the Los Angeles County Register-Recorder an agreement between the parcel (property) owners to allow each property owner access to the sectional control valve and to require the property owner who shuts the sectional control valve to notify other property owner(s) when the valve is shut and restored.

Public Works - General Conditions

47. All work in the City's right-of-way or on City-owned and maintained facilities shall require review and approval of the City Engineer or his/her designee.

48. The applicant shall ensure that encroachment permits are secured from the Public Works Department/Engineering Division before commencing any and all work in the City's public right-of-way (ROW), including lane closures.
49. Construction inspection shall be coordinated with the Public Works Inspector and no construction shall deviate from the approved plans without approval of the City Engineer. If plan deviations are necessary, the applicant shall provide a revised plan or details of the proposed change for review and approval of the City Engineer prior to construction.
50. Prior to issuing of the Certificate of Occupancy, the applicant shall ensure installation of all improvements required by the Public Works Department are inspected and approved by the City Engineer.
51. All construction-related parking shall be accommodated on-site. No construction related parking shall be permitted off-site.
52. A grading and drainage plan shall be provided and stamped by a California (CA) State-licensed civil engineer as part of the Building Permit process.
53. A utility plan shall be provided that shows all existing and proposed utility lines and their sizes (sewer, water, gas, storm drain, electrical, etc.), including easements, within 200 feet of the project site boundary.
54. Easements shall be granted for all public utilities installed outside the public-right-way with 15 ft. wide minimum up to entering the public right-of-way.
55. Pacific Coast Highway is owned by Caltrans. Please contact them at (310) 609-0354, to determine if they have any particular requirements for your construction. Please note that if work on Pacific Coast Highway requires an El Segundo Public Works encroachment permit, said encroachment permit shall not be issued until Public Works staff has confirmed a Caltrans permit has been obtained by the Contractor.
56. All record drawings (PDF and CAD format) and supporting documentation shall be submitted to the Public Works Engineering Division prior to scheduling the project's final inspection.

Public Works – Street Improvements Conditions

57. Carl Jacobson Drive (formerly Lairport Avenue) requires a 9-foot dedication or, if the applicant requests it, a 9-foot irrevocable offer to dedicate executable at the City's discretion. No permanent structures shall be built in these dedications.

58. All new sidewalk, curb & gutter, driveway approaches, and curb ramps shall be constructed per the latest Standard Plans for Public Works Construction (SPPWC) "Greenbook" and City standards.
59. All existing sidewalk, curb & gutter, driveway approaches, and curb ramps that are broken or not in conformance with the latest SPPWC or City standards shall be removed and constructed per the latest SPPWC and City standards.
60. All unused driveways shall be removed and replaced with full-height curb, gutter and sidewalk per SPPWC standards and City standards.
61. The applicant shall provide a minimum 4' sidewalk clearance around any obstruction in the sidewalk i.e. posts, power poles, etc.
62. PG-64-10 tack coat and hot mix asphalt shall be used for all slot paving required next to new concrete installations. Slot paving shall be 3 feet wide and 1 foot deep, consisting of 6 inches of asphalt over 6 inches of base.
63. The applicant shall provide street signing and striping plans for the new development. All striping in the public ROW shall consist of thermoplastic paint per the latest CA Manual on Uniform Traffic Control Devices (MUTCD).
64. The applicant shall provide traffic control plans for all work requiring a lane closure.
65. The work schedule on major arterial streets shall be Monday through Friday from 9:00 a.m. to 3:00 p.m., except holidays. Work schedule in all other areas shall be Monday through Friday from 7:00 a.m. to 4:00 p.m. Contractor shall obtain prior approval from the City Engineer for performing weekend work, night work, or work on a holiday.
66. During construction, it shall be the responsibility of the applicant to provide safe pedestrian traffic control around the site. A pedestrian protection plan shall be submitted to the Public Works Department for review and approval by the City Engineer. This may include but not be limited to signs, flashing lights, barricades and flag persons.
67. Once the ROW improvements are accepted by the City Engineer, they are not to be used for staging building construction activities, including but not limited to, storage of construction materials and equipment. The street and sidewalks shall be kept free of construction debris, mud and other obstacles and shall remain open to traffic at all times. The applicant shall bear the entire cost of replacement or repair to any damage to improvements caused by its use, or its Contractors' and Subcontractors' use, of the improvements after acceptance by the City Engineer.
68. The proposed ingress/egress on Pacific Coast Highway requires a traffic study to be prepared by a State-licensed Traffic Engineer to demonstrate the driveways will be in compliance with the requirements of the General Plan, subject to the review and approval of the Public Works Director or his designee.

Public Works – Water Conditions

69. Any existing water meters, potable water service connections, fire backflow devices and potable water backflow devices must be upgraded to current City Water Division standards. These devices shall be placed or relocated onto private property.
70. The applicant must submit plans for water system upgrades to the City of El Segundo Public Works Department for review and approval.
71. Any unused water laterals shall be abandoned and properly capped at the City main. The Contractor is to obtain necessary permits and licenses and provide traffic control plans and shoring plans.

Public Works – Sewer Conditions

72. The proposed improvement will impact the capacity of the existing sewer main lines. The applicant must submit a sewer study to determine if there is a capacity deficiency in the affected sewer main lines and if so, sewer upgrades will be required. The sewer study shall be reviewed and approved by the City Engineer.
73. Prior to issuance of a Certificate of Occupancy, proof of payment of the sewer connection fee to the Los Angeles County Sanitation District (LACSD) must be provided to the City Engineer. LACSD can be reached at (310) 638-1161.
74. Any unused sanitary sewer laterals shall be abandoned and properly capped at the City main. The Contractor is to obtain necessary permits and licenses and provide traffic control plans and shoring plans.

Public Works – Storm Drain Conditions

75. Hydrologic and hydraulic calculations shall be submitted to size appropriate storm drain facilities to control on-site drainage and mitigate off-site impacts. Refer to the most recent Los Angeles County Hydrology Manual. Instructions and the manual are available at the County website at <http://dpw.lacounty.gov/wrd/Publication/index.cfm>. Calculations shall be signed by a registered civil engineer.
76. The project shall comply with the National Pollutant Discharge Elimination System (NPDES) requirements and shall provide Best Management Practices (BMPs) for sediment control, construction material control and erosion control.

Public Works – Landscape and Irrigation Conditions

77. Irrigation plans shall be submitted to the Public Works Department for review and approval. All irrigation meters and mechanical equipment shall meet the City Water Division standards.
78. All public landscape improvements shall be designed to City standards and approved by the Parks & Recreation Department.
79. The property owner shall maintain all landscaping and irrigation in the public ROW fronting the property.
80. The applicant shall coordinate any tree removals in the public right-of-way with the Parks & Recreation Department prior to the start of construction.



Planning Commission Agenda Statement

Meeting Date: April 22, 2020

Agenda Heading: New Business

TITLE:

A Zone Text Amendment (ZTA 20-01), Vesting Tentative Parcel Map No. 83129 (SUB 20-03), Site Plan Review (SPR 20-30) and Environmental Assessment No. EA-1289 related to amending the definition of Floor Area (Net), consolidation of seven parcels into a single lot, and construction of a new 70,921 square foot (net) building on property located at 650-700 N Pacific Coast Highway, and zoned Corporate Office (CO).

RECOMMENDATION:

It is recommended the Planning Commission:

- 1) Adopt Resolution No. 2892, recommending the City Council adopt the Mitigated Negative Declaration;
- 2) Adopt Resolution No. 2893, recommending the City Council approve the Zone Text Amendment; and,
- 3) Adopt Resolution No. 2894, recommending the City Council approve Vesting Tentative Parcel Map No. 83129 and the Site Plan Review.

BACKGROUND:

The applicant is requesting several improvements to the property located at 650-700 N Pacific Coast Highway (discussed below). The request includes the following applications:

- A Zone Text Amendment to amend the definition of Floor Area (Net) in El Segundo Municipal Code (ESMC) Section 15-1-6 to exempt any portion of a structure that is devoted to parking from counting towards the net floor area of the building;
- A Vesting Tentative Parcel Map to consolidate seven parcels into a single parcel;
- A Site Plan Review for the construction of a new building on the project site; and,
- Environmental Assessment for adoption of a Mitigated Negative Declaration pursuant to the requirements of CEQA.

Site description

The 7.3-acre project site is in the north-central portion of the city and located on the east side of Pacific Coast Highway between East Maple Avenue to the north and East Mariposa Avenue to the south. The site includes buildings addressed 650 and 700 North Pacific Coast Highway and 737 Lairport Street (Carl Jacobson Way). The site has a General Plan Land Use designation of Corporate Office and is consistently zoned Corporate Office (CO).

The site is currently improved with three office buildings that include:

650 North Pacific Coast Highway (hereinafter referred to as Building A) – This building is an eight-story, rectangular office building with a partial floor penthouse on the ninth level and rooftop mechanical equipment. The structure has a net floor area of 98,885 square feet and a height of 131 feet. The building is clad in light-colored concrete panels, narrow, horizontal strips of windows, and black granite on the first floor of the street-facing façade of the structure.

700 North Pacific Coast Highway (hereinafter referred to as Building B) – This building is a square-shaped two-story office building. The structure has a net floor area of 69,692 square feet and height of 36.5 feet. The building is clad in red brick and accented with a natural stone veneer.

737 Lairport Street (Carl Jacobson Way) (hereinafter referred to as Building D) - Building D is a one-story office with a net floor area of 16,652 square feet and a height of 17 feet. The building is clad in red brick and accented with natural stone veneer.

Surface parking lots are located behind both Building A and Building B and are accessible from Pacific Coast Highway via driveways on the north side of Building B and on the south side of Building A. There is an additional access point to the surface parking lot from Mariposa Ave, which crosses the adjacent property to the south. While there is no physical obstruction to prevent people from using this access, the neighboring property owner explained that it traditionally was reserved for Fire access only. There are no recorded easements for this access and upon completion of the project, it will no longer be needed for Fire access. Additional surface parking is provided on the north side of Building D, which is accessed from Lairport Street (Carl Jacobson Way).

A narrow parcel comprising a former railroad spur, which runs north and south from East Maple Avenue to East Mariposa Avenue connects the parcels that contain Buildings A and B and the surface parking lot with the parcel that contains Building D. Notwithstanding this, the former rail spur does not provide pedestrian or vehicle connection between the parcels.

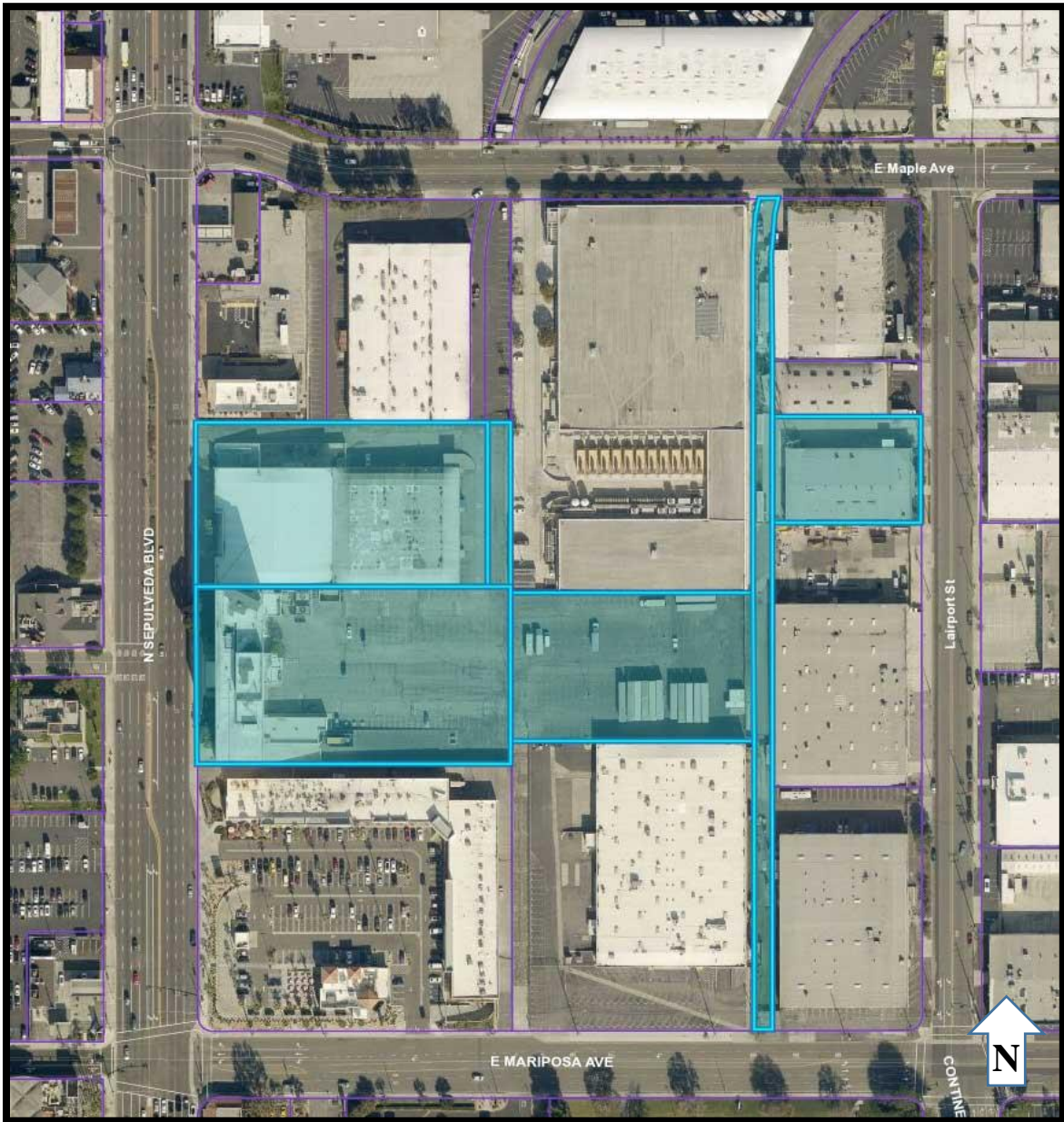


Figure 1: Aerial view of project site

DISCUSSION

Development proposal

The applicant proposes renovating two office buildings (Building A and Building B) and construct a new building (hereinafter referred to as Building C), which would include an integrated 1,185 space parking structure. No changes are proposed for Building D.

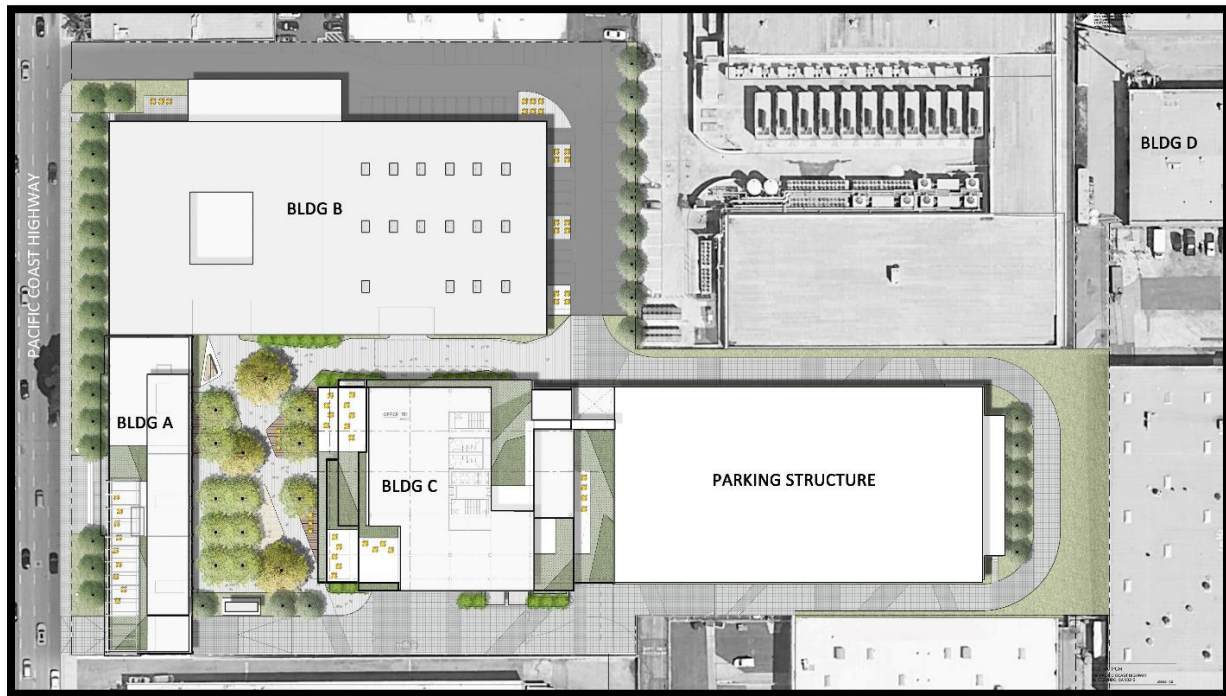


Figure 2: Proposed Site Layout

Building A would be renovated to expand the penthouse level by 3,963 square feet and to provide roof deck amenities. Additional interior renovations would result in the net floor area of first and second floors being reduced by 2,746 and 1,138 square feet, respectively. This would allow introduction of a new double height lobby into Building A. Floors three through seven would be increased by 140 square feet each; while the eighth floor would be increased by 252 square feet. The result of these improvements is a 1,031 square foot increase to the net size of Building A. The new contemporary architectural design would include curtain wall glazing on the east and west facades with metal grate projections, new openings on the north façade, and a new steel trellis at the new roof deck. Building A will maintain its existing height of 131'-0".



Figure 3: Rendering of Building A

Building B's renovations would include a reduction of the net floor area from the current 69,692 square feet to 65,120 square feet. This includes a reduction of the 1,657 square feet from the first floor and 2,915 square feet from the second floor. These changes would accommodate a new elevator shaft, a large atrium, and two new entry courtyards on the south side of the building. Building B has an existing height of 36'-6", which will not be altered. Stone veneers will be removed from the building and replaced with smooth plaster. Sixty-four surface parking spaces are provided on the north and east side of Building B. Fenestrations will be added to provide new glazing (consistent with Building A) that will increase the natural light into the building. The existing brick will be stained to ensure the color palette is consistent with the other buildings on the site as well.



Figure 4: Rendering of Building B

Building C would be constructed in the current surface parking lot located east of Buildings A and B. The new seven-story office building would consist of 70,921 square feet net floor area and have an integrated 1,185-space parking structure. Office space is located on the west side of the building, with the parking primarily being located on the east. However, the second and third floors of the building are solely used for parking, with no office space being provided on these floors. Building C will have a maximum height of 112'-8". Two small and one large loading space will be located on the first floor of the Building C, on the east side of the office space. The proposed architecture includes a contemporary design with the use of extensive glazing and exposed concrete floor slab edges, consistent with the new architectural style incorporated in Buildings A and B. Terraces would have steel trellises and architectural grilles/perforated panels would screen the parking levels along the west end of Building C facing Building A.



Figure 5: Rending of Building C

Table No. 1 below summarizes the proposed project, which would result in an increase of 67,380 square feet in net floor area.

Table No. 1: Proposed Changes to Building Net Floor Area			
Building	Existing	Proposed	Net Change
A	98,885	99,916	1,031
B	69,692	65,120	-4,572
C	0	70,921	70,921
D	16,652	16,652	0
Total Net SF	185,229	252,609	67,380

A central courtyard would be located between Buildings A and C that will provide seating and pedestrian friendly pathways. Large trees, including Coast Live Oak (*Quercus agrifolia*), California Sycamore (*Platanus racemosa*), Marina Madrone (*Arbutus x 'Marina'*), and Brisbane Box (*Tristania conferta*) will provide shading. Additional site landscaping is provided adjacent to Pacific Coast Highway, the eastern property lines, adjacent to the parking structure, and within Building C's terraces.

Vesting Tentative Parcel Map

The development site currently consists of seven individual parcels that range in size from 6,601 square feet to 86,666 square feet. As part of the project, the applicant has submitted a Vesting Tentative Parcel Map to combine the seven parcels into a single 7.3-acre lot.

Zoning Text Amendment

In addition to the proposed site development, the applicant is requesting the City amend the definition of Floor Area (Net). As currently written, surface parking and structures that are exclusively devoted to parking are exempt from the net floor area limitations, but parking structures that are integrated into another building do not qualify for this exemption. As a result, the proposed parking structure that is integrated into Building C currently counts towards the Floor Area Ratio limit. The applicant is requesting the definition of Floor Area (Net) be amended as follows:

FLOOR AREA (NET): The total horizontal area of all floors, stories or levels, as measured to the interior of a building's perimeter walls. Space devoted to the following shall not be included when determining the total net floor area within a building or structure:

- A. Elevator shafts.
- B. Stairwells and stairway enclosures.
- C. Courts or atriums.
- D. Rooms exclusively holding building operating equipment.
- E. Parking spaces and structures, including that portion of any structure, that is devoted exclusively to parking. ~~at or above grade and access thereto; provided, that in commercial and manufacturing zones:~~
 - 1. ~~Not less than the front fifty percent (50%) of the ground floor is devoted to commercial/manufacturing use.~~
 - 2. ~~At least one full level of parking below grade is provided.~~
- ~~F. Structures devoted exclusively to parking.~~
- F.G. Restrooms in common areas of nonresidential buildings.

ANALYSIS

Code Compliance

The project complies with all development standards. Table No. 2, below, summarizes the project's consistency with the development standards of the CO Zone. The one notation is that the existing Building A is on the property line versus today's standard is a 10-foot setback. As this is an existing nonconforming condition and it is not being further exacerbated, it is permitted.

Table No. 2: Development Standards			
Standard	Building A	Building B	Building C
Lot Area = 10,000 s.f.	316,142 s.f.		
Front Setback = 20'	22'-9"	27'-9½"	183'-4"
North Side Setback = 10'	219'-1"	27'-4"	27'-11½"
South Side Setback = 10'	0' (existing)	238'-3"	28'-1½"
Rear Setback = 10'	687'-0"	67'-9"	78'-3"
Height = 200'	131'-0"	36'6"	112'-8"
Floor Area Ratio = 0.8	0.79 (Assumes the Zone Text Amendment is approved)		

Parking

The project is required to provide 663 parking spaces, as shown in Table No. 3. ESMC Section 15-15-6 sets the following parking requirements for the use:

Table No. 3: Required Parking for Office Uses			
	Standard	Area	Required Parking
First 25,000 s.f.	1 per 300 s.f.	25,000 s.f.	84
Second 25,000 s.f.	1 per 350 s.f.	25,000 s.f.	72
Excess of 50,000 s.f.	1 per 400 s.f.	202,600 s.f.	507
Total Parking Required:			663

The applicant is meeting the required parking by providing 690 standard size parking spaces. In addition to these 690 spaces, as noted in Table No. 4, the applicant is also providing 106 compact spaces, 230 tandem spaces, and 230 compact tandem spaces. This configuration results in a total of 1,256 parking spaces, which is a 593-space surplus, thus exceeds the minimum parking requirement by 89%.

Table No. 4: Parking Compliance	
Parking Space Type	Total provided
Standard	690
Tandem	230
Compact	106
Compact Tandem	230
Total Parking Provided:	1,256

Loading

For office developments between 250,000 square feet and 350,000 square feet, ESMC Section 15-15-7 requires four loading spaces (two large truck and two small truck). The proposed project has one large and two small loading spaces which can be accessed from the south side of the new parking structure. In addition to these three loading spaces, an additional loading space is adjacent to Building D.

Bicycle Parking

In addition to parking and loading, ESMC Section 15-15-6 requires the following bicycle parking:

A minimum of 4 spaces for buildings up to 15,000 square feet, plus a minimum of 5 percent of the required vehicle spaces for the portion above 15,000 square feet. Maximum of 25 spaces

Based on the four bicycle spaces plus 5% of the parking requirement, 36 bicycle parking spaces would be required. Since this exceeds the 25-bicycle space maximum, the project proponent would only need to provide 25 bicycle spaces. Notwithstanding, the project would provide a total of 128 bicycle spaces (68 short term and 60 long term) on the first floor of the parking structure. The excess bicycle parking is to meet the requirements of the California Green Code.

Landscape

Landscaping is provided in the street setback areas, the central courtyard, around the parking, and within Building C's terraces. Overall, 51,840 square feet of landscape would be provided, which equates to 16.4% of the site. Seventy-five trees will be provided, which includes 18 within the street setback and the remainder throughout the site. To provide a variety of sizes of landscaping, including trees that will quickly reach maturity, ESMC Section 15-2-14 requires the following minimum sizes for plant material:

Table No. 5: Minimum Landscape Size		
Container Size	Required	Provided
Trees		
60" box	Not Required	4%
36" box	20%	62%
24" box	30%	34%
15 gallon	50%	-
Shrubs		
5 gallon	100%	100%

In lieu of providing the smaller 15-gallon trees, the applicant has proposed to meet the requirement with larger trees.

Public Comment

In addition to the comments received regarding the CEQA ISS/MND, the City received a letter from the local LIUNA (Laborers' International Union of North America) council stating support for the project.

Findings

In considering the proposed project, the Planning Commission would be making a recommendation for the City Council's consideration. This would include adopting the following findings:

Zone Text Amendment (ZTA 20-01)

ESMC Section 15-26-4 sets forth that the City must adopt findings to approve a Zone Text Amendment.

Finding No. 1: The proposed Zone Text Amendment consistent with the goals, policies and objectives of the general plan. The amendment complies with this finding as it is consistent with the following objectives and policies of the General Plan:

Goal LU4: "Provision of a Stable Tax Base for El Segundo Through Commercial Uses." The proposed Zone Text Amendment will allow for dynamic new commercial developments that integrate commercial uses seamlessly with parking. As properties are renovated, this amendment would allow for additional useable commercial square footage, which in turn would contribute to the tax base for the City of El Segundo via increased utility user and property tax revenues as well as sales tax revenues from retail and restaurant uses generated by the additional employees working in the City.

Objective LU4-3: "Provide for new office and research and development uses." The proposed Zone Text Amendment will foster new office and research and development uses because it will encourage more property owners to integrate their required parking into their building and provide a more integrated dynamic office environment. Additional floor area could be realized, instead of limiting the floor area due to the parking counting towards the limit.

Policy ED1-2-1: "Seek to expand El Segundo's retail and commercial base so that the diverse needs of the City's business and residential needs are met." The Zone Text Amendment would facilitate the adaptive reuse of property in a creative manner that would allow providing amenities requested by tenants in today's marketplace.

Finding No. 2: The amendments are consistent with the purpose of the ESMC, which is to serve the public health, safety, and general welfare and to provide the economic and social advantages resulting from an orderly planned use of land resources. In addition, the amendment does not reduce parking requirements, or otherwise alter development standards such as setbacks, height, building separation, or landscape requirements.

Finding No. 3: The amendments are necessary to facilitate the development and ensure the orderly establishment of innovative site designs that would allow properties to meet parking without the need of a stand-alone parking structure or surface parking lot in a manner that is compatible with surrounding properties and the public right-of-way.

Site Plan Review (SPR 20-30)

ESMC Section 15-30-4 sets forth the following three findings to approve the Site Plan Review:

Finding No. 1: The proposed development is consistent with the goals, policies and objectives of the general plan, any applicable specific plan, and the Zoning Code;

The project is consistent with the goals and policies of the General Plan and will not obstruct their attainment. More specifically, the project will advance the following objectives and policies:

Objective LU4-3: "Provide for new office and research and development uses." The proposed project is consistent with this objective as it provides 67,380 square feet of new office space within the City. Furthermore, the project provides a new landscaped plaza to create an integrated office campus that will attract new businesses to the City.

Policy C1-1.8: "Provide all residential, commercial, and industrial areas with efficient and safe access to the major regional transportation facilities." The project site is approximately ½ mile from the nearest to the Metro Green Line at the intersection of Mariposa Avenue and Nash Street. Furthermore, Metro Bus Line 232 has a bus stop approximately 300 feet from the Project site along Pacific Coast Highway.

Policy C2-2.2: "Encourage new development to provide facilities for bicyclist to park and store their bicycles." Bicycle facilities allowing workers and patrons to park and store bicycles are provided in excess of the Municipal Code Requirements. The code requires the applicant to provide 25 bicycle parking spaces, but the project will provide 128 bicycle parking spaces.

Policy ED1-2-1: "Seek to expand El Segundo's retail and commercial base so that the diverse needs of the City's business and residential needs are met." The project will facilitate the adaptive reuse of a former aerospace building with the creation of additional office space that provides amenities that tenants in today's marketplace require. The proposed project will create a unique office campus responding to the diverse needs for tenants in the local market.

Finding No. 2: The project is functionally compatible with the area in which it is located;

The site is compatible with the area as it is an expansion of the existing office use and site reconfiguration and would not introduce new uses to the area. The proposed project complies with all provisions of the zoning code and will not create a significant impact on those who live, work, or visit the area. A plethora of land uses, including office, retail, restaurant, and light industrial uses can be found on the surrounding properties. Office uses are considered compatible with all these types of surrounding uses, as employees would patronize the various retail and restaurant uses during, and at the end of, the workday.

Finding No. 3: The proposed development will not adversely affect the general welfare of the City.

The proposed development will not adversely affect the general welfare of the City in that a new office building and parking structure will be constructed on a site that is currently improved with two office buildings, an industrial building, and a surface parking lot. The development complies with all aspects of the zoning code. Furthermore, the project site is surrounded by developed urban land, including buildings, roadways, and hardscape.

Vesting Tentative Parcel Map (SUB 20-03)

ESMC Section 14-1-6 provides that if any of the following findings can be made, the project must be denied.

Finding No. 1: That the proposed map is not consistent with applicable general and specific plans as specified in section 65451 of the California Government Code.

As noted in the findings for Site Plan Review above, the project, is consistent with the General Plan. The Vesting Tentative Parcel Map is to combine seven lots into a single parcel in order to facilitate the project, making it consistent with the General Plan. Therefore, this finding cannot be adopted.

Finding No. 2: That the design or improvement of the proposed subdivision is not consistent with applicable general and specific plans.

The proposed improvements are to remodel two existing office buildings and construct a new office building with integrated parking structure. As noted in the findings for Site Plan Review above, these improvements are consistent with the General Plan. Therefore, this finding cannot be adopted.

Finding No. 3: That the site is not physically suitable for the type of development.

The property is physically suitable for commercial office buildings and the parking structure being proposed for the project. The project includes renovations to existing office buildings on the property and construction of a new 7-story office building in an area that is currently surface parking. The proposal complies with all the development standards set forth in the City's zoning ordinance. Furthermore, merging the seven parcels into one ground parcel will eliminate several non-conforming parcels that do not meeting the minimum size. Therefore, this finding cannot be adopted.

Finding No. 4: That the site is not physically suitable for the proposed density of development.

Density refers to dwelling units, not commercial office space. This finding would not be applicable.

Finding No. 5: That the design of the subdivision or the proposed improvements are likely to cause substantial environmental damage or substantially and avoidably injure fish or wildlife or their habitat.

The proposed project consists of renovating two existing office buildings and construction of a new 7-story office building/parking structure. The area of new construction is currently a paved parking lot that does not contain any landscaped areas, wetlands or other features that could support any fish or wildlife habitat. Therefore, this finding cannot be adopted.

Finding No. 6: That the design of the subdivision or type of improvements are likely to cause serious public health problems.

The design of the subdivision and type of improvements proposed for the Property are not likely to cause serious public health problems in that they have been designed to comply with all building and zoning code regulations and the City's General Plan. Additionally, the new parcel and the proposed improvements will comply with Title 24 accessibility requirements. The subdivision provides adequate and safe ingress and egress with vehicular access provided by two driveways on Pacific Coast Highway and one driveway on Lairport Street (Carl Jacobson Way). Therefore, this finding cannot be adopted.

Finding No. 7: That the design of the subdivision or type of improvements will conflict with easements, acquired by the public at large, for access through or use of property within the proposed subdivision.

As part of the entitlement submittal package, the applicant provided a design survey showing all easements on the property. Existing easements, which were acquired by

the public at large, would not be impacted by merging the seven parcels into a single lot. Therefore, this finding cannot be adopted.

ENVIRONMENTAL REVIEW

In accordance with the provisions of CEQA, an Initial Study was prepared of the project's environmental impacts (see attached IS/MND). The environmental document, including the technical studies, were prepared by or under the direction of, Michael Baker International, the City's Environmental Consultant. The IS/MND analyzed the project against 21 different environmental factors for potential impacts.

The IS/MND found that the project could potentially have significant impacts with respect to Aesthetics, Cultural Resources, Geology and Soils, Hazards and Hazardous Materials, Transportation, and Tribal Cultural Resources unless mitigation measures are incorporated. These impacts would be reduced to less than significant levels with the incorporation of mitigation measures imposed on the project.

The Draft IS/MND was circulated for a 30-day public review period from February 5, 2021 to March 10, 2021. In response to the public review period, the City received three comment letters.

- A letter from Caltrans District 7 in support of the transportation demand management program required by the MND. This letter also notes any work within the Pacific Coast Highway right-of-way may required an encroachment permit from Caltrans.
- A letter from the property owners for the parcel to the south of the project site. This letter clarified that the existing vehicle access, across their property, from Mariposa Avenue is not through a granted easement. The owners requested the project be designed to avoid the need to maintain this access point. As a result of this letter, the project has been redesigned to no longer include access across the adjoining property.
- A letter from the Los Angeles County Sanitation District clarifying the anticipated wastewater flow from the project site.

In addition to the public comment period, staff conducted Tribal Cultural Resources consultation pursuant to the requirements of AB 52 (Chapter 532, Statutes 2014). Notice of the project was sent to applicable Tribes on October 1, 2020, of which the Gabrieleño Band of Mission Indians - Kizh Nation request to consult. The consultation process took place from December 2020 through March 2021, during which time staff worked with the Tribal representatives to craft an appropriate mitigation measure to address the Tribal concerns.

The Final IS/MND includes responses to the comments listed above and concludes that the proposed project would not result in significant impacts on the environment. Resolution No. 2892 recommends that City Council adopt the IS/MND, including the attached Mitigation Monitoring Program.

RECOMMENDATION

The proposed project includes consolidating seven parcels into a single lot, amending the definition of Gross Floor Area (Net) within the Zoning Code, renovating two existing office buildings on the site, and constructing a new office building with integrated parking structure on the site. The project complies with all development standards set forth in the zoning code. Furthermore, based on the IS/MND prepared for this project, any potential environmental impacts can be mitigated to be less than significant. As such, Staff is recommending the Planning Commission adopt Resolution No. 2892, recommending the City Council adopt the Mitigated Negative Declaration; adopt Resolution No. 2893, recommending the City Council approve the Zone Text Amendment; and, adopt Resolution No. 2894, recommending the City Council approve Vesting Tentative Parcel Map No. 83129 and the Site Plan Review.

ORIGINATED BY: David Blumenthal, AICP Contract Planner

REVIEWED BY: Eduardo Schonborn, AICP, Principal Planner

APPROVED BY: Sam Lee, Director of Development Services

ATTACHED DOCUMENTS

1. Planning Commission Resolution No. 2892
Exhibit A – Mitigation Monitoring Program
2. Planning Commission Resolution No. 2893
3. Planning Commission Resolution No. 2894
Exhibit A – Conditions of Approval
4. Initial Study/Mitigated Negative Declaration
5. Proposed Development Plans/Exhibits dated March 3, 2021
6. Vesting Tentative Parcel Map No. 83129

RESOLUTION NO. 2892

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF EL SEGUNDO RECOMMENDING THAT THE CITY COUNCIL ADOPT A MITIGATED NEGATIVE DECLARATION AND MITIGATION MONITORING AND REPORTING PROGRAM FOR ENVIRONMENTAL ASSESSMENT NO. EA-1289, ZONE TEXT AMENDMENT NO. 20-01, VESTING TENTATIVE PARCEL MAP NO. 83129 (SUB 20-03) AND SITE PLAN REVIEW NO. SPR 20-30, FOR PROPERTY LOCATED AT 650-700 N PACIFIC COAST HIGHWAY AND 737 CARL JACOBSON WAY

The Planning Commission of the City of El Segundo does resolve as follows:

SECTION 1: The Planning Commission finds and declares that:

- A. On July 21, 2020, L&R ZAV 650 Sepulveda, LLC c/o Zachary Vella submitted applications for Environmental Assessment No. EA-1289, Zone Text Amendment No. 20-01, Vesting Tentative Parcel Map No. 83129 (SUB 20-03), and Site Plan Review No. 20-30, requesting to amend the definition of Floor Area (Net) within Section 15-1-6 of the El Segundo Municipal Code (“ESMC”), combine seven parcels into a single lot, remodel two existing office buildings, and construct a new office building with integrated parking structure;
- B. The project applications were reviewed by the City’s Development Services Department for, in part, consistency with the General Plan and conformity with the ESMC;
- C. Pursuant to Section 21000 et. Seq. of the California Public Resource Code (“CEQA”) and Section 15000 et. Seq. of 14 California Code of Regulations (“CEQA Guidelines”) an Initial Study of Environmental Impacts and Draft Mitigated Negative Declaration (“IS/MND”) was prepared to identify any potential significant environmental impacts caused by the project, a copy of which is on file with the development Services Department. The IS/MND also identified Mitigation Measures to address those impacts;
- D. The IS/MND was circulated for public review/comment from February 5, 2021 to March 10, 2021. In response to the public review period, the City received three comment letters;
- E. The Planning Commission of the City of El Segundo held a noticed public hearing on April 22, 2021, to review and consider the IS/MND, receive public testimony, and review all correspondence received; and,
- F. This Resolution, and its findings, are made, in part, based upon the evidence presented to the Planning Commission at its April 22, 2021 public

hearing, including the staff report submitted by the Development Services Department.

SECTION 2: *Factual Findings and Conclusions.* The Commission finds that the following facts exist:

- A. The subject site is located in the Corporate Office (C-O) Zone, at 650-700 N Pacific Coast Highway and 737 Carl Jacobson Way.
- B. The property is currently improved with three buildings, including a 98,885 square-foot eight-story office building at 650 N Pacific Coast Highway, a 69,692 square-foot two-story office building at 700 N Pacific Coast Highway, and a 16,652 square-foot one-story industrial building at 737 Carl Jacobson Way.
- C. The subject site is comprised of seven parcels that will be combined into one 7.3-acre property. The abutting and adjacent land uses include retail and restaurant businesses, automotive services stations, and a variety of light industrial uses.
- D. The proposed project, as illustrated in plans considered by the Planning Commission on April 22, 2021, includes the following components: renovate and add 1,031 square feet to the existing building at 650 N Pacific Coast Highway; renovate and decrease the floor area by 4,572 square feet the existing building at 700 N Pacific Coast Highway; and construct a new 70,921 square-foot seven-story office building with an integrated 1,185 space parking structure.
- E. The Applicant is required to make all necessary and applicable impact fee payments prior to building permit issuance, including the one-time fire services mitigation fee, the one-time police services mitigation fee, one-time park services mitigation fee, and one-time traffic mitigation.

SECTION 3: *Environmental Assessment.* The Planning Commission finds as follows:

- A. The IS/MND has been prepared in compliance with CEQA and the CEQA Guidelines.
- B. The project will either not create or result in, or will have less than significant impacts to: Agriculture and Forest Resources, Air Quality, Biological Resources, Greenhouse Gas Emissions, Hydrology and Water Quality, Land Use and Planning, Mineral Resources, Noise, Population and Housing, Public Services, Recreation, Utilities and Service Systems.
- C. Areas of concern were noted as potentially significant if not mitigated. Mitigation measures have been incorporated into the IS/MND and will be

imposed on the project through the City's adoption of a Mitigation Monitoring and Reporting Program ("MMRP") in compliance with CEQA Guideline 15074(d). These mitigation measures are imposed on the project to address potential environmental effects with respect to: Aesthetics, Cultural Resources, Geology and Soils, Hazards and Hazardous Materials, Transportation, and Tribal Cultural Resources. With the implementation of this mitigation, all potential environmental effects will be reduced to a less than significant level. The MMRP is attached to this Resolution as Exhibit A and incorporated herein.

- D. Mitigation measures set forth in the MMRP are specific and enforceable. The MMRP adequately describes implementation procedures, monitoring responsibility, reporting actions, compliance schedule, and verification of compliance in order to ensure that the Project complies with the adopted mitigation measures.
- E. The mitigation measures contained in the MMRP will also be imposed as enforceable conditions of approval.
- F. Pursuant to CEQA the Planning Commission has independently reviewed the Initial Study, the Mitigated Negative Declaration, and all comments received regarding the Mitigated Negative Declaration, and based on the whole record before it finds that the Mitigated Negative Declaration was prepared in compliance with CEQA and the CEQA Guidelines, that there is no substantial evidence that the Project will have a significant effect on the environment with the incorporation of mitigation, and the Mitigated Negative Declaration reflects the independent judgment and analysis of the Planning Commission. Accordingly, based upon the evidence presented to the Planning Commission, the City need not prepare an environmental impact report for the proposed project.

SECTION 4: Recommendation. The Planning Commission recommends that the City Council adopt the IS/MND and the MMRP in a form substantially similar to the draft MMRP.

SECTION 5: Reliance on Record. Each of the findings and determination in this Resolution are based on the competent and substantial evidence, both oral and written, contained in the entire record relating to the project. The findings and determinations constitute the independent findings and determinations of the Planning Commission in all respects.

SECTION 6: Limitations. The Planning Commission's analysis and evaluation of the project is based on information available at the time of the decision. It is inevitable that in evaluating a project that absolute and perfect knowledge of all possible aspects of the project will not exist. In all instances, best efforts have been made to form accurate assumptions.

SECTION 7: This Resolution takes effect immediately and will remain effective until superseded by a subsequent resolution.

SECTION 8: The Commission secretary is directed to mail a copy of this Resolution to any person requesting a copy.

SECTION 9: This Resolution may be appealed within ten (10) calendar days after its adoption. All appeals must be in writing and filed with the City Clerk within this time period. Failure to file a timely written appeal will constitute a waiver of any right of appeal.

PASSED, APPROVED AND ADOPTED this 22nd day of April 2021.

Ryan Baldino, Chairperson
City of El Segundo Planning Commission

ATTEST:

Sam Lee, Secretary

Baldino - Aye
Hoeschler - Aye
Newman - Aye
Keldorf - Aye
Maggay - Aye

APPROVED AS TO FORM:
Mark D. Hensley, City Attorney

By: _____
David King, Assistant City Attorney

PLANNING COMMISSION RESOLUTION NO. 2892

Exhibit A

**MITIGATION MONITORING AND REPORTING PROGRAM
650 PACIFIC COAST HIGHWAY PROJECT**

**MITIGATION MONITORING AND REPORTING PROGRAM
650 PACIFIC COAST HIGHWAY PROJECT**

No.	Environmental Factor	Mitigation Measure	Actions Required	When Monitoring Occurs	Responsible Agency or Party	Monitoring Agency or Party
AES-1	Aesthetics	Prior to issuance of a building permit, the Project applicant must submit a lighting plan to the City for review and approval by the Director of Planning and Building Safety. The plan must include the location, height, number of lights, foot-candles by area, and estimates of maximum illumination on-site with no spill at the property lines. The plan must also demonstrate that all lighting fixtures on the buildings and throughout the entire project site are designed and installed so as to contain light on the subject property and will not create spillover effects or be directed toward adjacent properties or public rights-of-way.	Provide lighting plan to the City for review and approval.	Prior to issuance of building permits.	Project Developer	City of El Segundo, Planning and Building Safety Department
AES-2	Aesthetics	Prior to issuance of a building permit, the Project applicant must submit the Final Design Plans to the City for review and approval by the Director of Planning and Building Safety. The plans must identify the material use that meets the Visible Light Reflection (VLR) performance of the following: i) The new west-facing façade of Building A and the south-facing façade of Building C shall employ a high-performance glazing system comprising a commercial glazing equal to Vitro Solarban 70(2) + Clear with exterior visible light reflection (VLR) of 13% or less; ii) Exterior metal cladding on the Building	Provide Final Design Plans to the City for review and approval.	Prior to issuance of building permits.	Project developer	City of El Segundo, Planning and Building Safety Department

**MITIGATION MONITORING AND REPORTING PROGRAM
650 PACIFIC COAST HIGHWAY PROJECT**

No.	Environmental Factor	Mitigation Measure	Actions Required	When Monitoring Occurs	Responsible Agency or Party	Monitoring Agency or Party
		<p>A curtainwall facing Pacific Coast Highway to be finished with aluminum composite panels (ACP), with matte white or matte, clear anodized aluminum finish; and,</p> <p>iii) Concrete on the north and south elevations of Building A will be painted with low sheen paint and clad limitedly in matte finish ACP with matte white or matte, clear anodized aluminum finish.</p>				
CUL-1	Cultural Resources	<p>Archaeological and Native American monitoring shall be conducted for any grading-related ground disturbing activity have the potential to disturb native soils (i.e., non-engineered fill) within the Project site. Monitoring shall be performed under the direction of a qualified archaeologist meeting the Secretary of the Interior's Professional Qualifications Standards for archaeology (National Park Service 1983). If cultural resources are encountered during ground-disturbing activities, work in the immediate area must halt and the find must be evaluated by the qualified archaeologist. Depending upon the nature of the find, if the discovery proves to be potentially significant under CEQA, as determined by the qualified archaeologist, additional work such as data recovery excavation, avoidance of the area of the find, documentation, testing, data recovery, reburial, archival review and/or transfer to the appropriate museum or</p>	<p>Applicant to hire a qualified archaeologist and submit evidence of this contracted archaeologist to the City.</p>	<p>Applicant to submit evidence of a contracted, qualified archaeologist to the City prior to issuance of building permits.</p>	<p>Project developer</p>	<p>City of El Segundo, Planning and Building Safety Department</p>

**MITIGATION MONITORING AND REPORTING PROGRAM
650 PACIFIC COAST HIGHWAY PROJECT**

No.	Environmental Factor	Mitigation Measure	Actions Required	When Monitoring Occurs	Responsible Agency or Party	Monitoring Agency or Party
		<p>educational institution, or other appropriate actions may be warranted at the discretion of the qualified archaeologist. The archaeologist shall complete a report of excavations and findings and submit the report to the Director of Planning and Building Safety. After the find is appropriately mitigated, work in the area may resume.</p>				
Paleo-1	Geology and Soils	<p>Prior to the issuance of any grading permits, the applicant shall retain a qualified paleontologist who meets the qualifications established by the Society of Vertebrate Paleontology (SVP) to develop a Worker Environmental Awareness Program (WEAP), which shall be in compliance with SVP guidelines. The paleontologist shall present the training to all construction staff to provide them with a basic understanding of the types of fossils that may be encountered and the laws protecting them, and the procedures to follow in the event the finds are encountered. In the event that paleontological resources are encountered during earth disturbance activities, all construction activities in the area of the find shall be temporarily halted and the paleontologist shall be notified to evaluate the find and determine the appropriate treatment in accordance with SVP guidelines for identification, evaluation, disclosure, avoidance, or</p>	<p>Applicant to hire a qualified paleontologist and submit evidence of this contracted paleontologist to the City. This paleontologist to provide WEAP training to all construction staff.</p>	<p>Applicant to submit evidence of a contracted qualified paleontologist to the City prior to issuance of building permits. WEAP training shall be administered prior to the start of earthwork activities and shall be administered to any new construction workers involved in excavation efforts associated with the Project.</p>	Project developer	City of El Segundo, Planning and Building Safety Department

**MITIGATION MONITORING AND REPORTING PROGRAM
650 PACIFIC COAST HIGHWAY PROJECT**

No.	Environmental Factor	Mitigation Measure	Actions Required	When Monitoring Occurs	Responsible Agency or Party	Monitoring Agency or Party
		recovery, and curation, as appropriate.				
HAZ-1	Hazards and Hazardous Materials	<p>The applicant shall conduct additional investigation and potential remediation actions associated with the previous USTs and clarifier uses. As identified in the Phase I ESA (Appendix E), the following investigations will be conducted to identify and confirm the location of the eight 1,000-gallon USTs and clarifier at 700 Pacific Coast Highway and the potential UST at 650 Pacific Coast Highway (associated with 690 North Sepulveda Boulevard).</p> <ul style="list-style-type: none"> • Eight 1,000-gallon USTs at 700 Pacific Coast Highway: A geophysical survey and Phase II subsurface investigation shall be conducted to identify the location of the former USTs and to sample at the depth of the UST to determine the concentrations of constituents of concern (petroleum hydrocarbons, volatile organic compounds, and metals). In the event that the analyte concentrations exceed appropriate use standards, as designated by the El Segundo Fire Department (local Certified Unified Program Agency [CUPA]), the Project shall implement applicable protective measures in accordance with an approved remedial action plan, including: 1) installation of a soil vapor barrier adequate to protect against vapor transmission; 2) implement a soil-vapor 	Conduct additional investigation and potential remediation associated with previous USTs and clarifier uses.	Applicant to provide evidence of the presence/absence of a UST at 650 N. Pacific Coast Highway, and submit the results of the geophysical surveys and Phase II Investigations and incorporate applicable treatment procedures in the final design plans to the City prior to issuance of grading and/or building permits.	Project developer	City of El Segundo, Planning and Building Safety Department and El Segundo Fire Department

**MITIGATION MONITORING AND REPORTING PROGRAM
650 PACIFIC COAST HIGHWAY PROJECT**

No.	Environmental Factor	Mitigation Measure	Actions Required	When Monitoring Occurs	Responsible Agency or Party	Monitoring Agency or Party
		<p>extraction system; and/or 3) conduct remedial excavation activities. Based on information provided by the CUPA, if passive or active systems are utilized to prevent vapor migration, a Land Use Covenant would be required, and recorded, and an Operation and Maintenance (O&M) Plan would be developed for the systems.</p> <ul style="list-style-type: none"> • Clarifier at 700 Pacific Coast Highway: A geophysical survey and Phase II subsurface investigation shall be conducted to identify the location of the former clarifier and to sample adjacent soils to determine the extent, if any, of prior release of tetrachloroethylene. In the event that the analyte concentrations exceed appropriate use standards, as designated by the El Segundo Fire Department (local CUPA), the Project shall implement applicable protective measures in accordance with an approved remedial action plan, including: 1) installation of a soil vapor barrier adequate to protect against vapor transmission; 2) implement a soil-vapor extraction system; and/or 3) conduct remedial excavation activities. • Potential UST at 650 North Pacific Coast Highway: The applicant shall conduct review of pending agency records for the UST listed at 690 North Sepulveda 				

**MITIGATION MONITORING AND REPORTING PROGRAM
650 PACIFIC COAST HIGHWAY PROJECT**

No.	Environmental Factor	Mitigation Measure	Actions Required	When Monitoring Occurs	Responsible Agency or Party	Monitoring Agency or Party
		<p>Boulevard to determine whether a UST is located on the Project site. In the event the documentation indicates that a UST has the potential to be present, the applicant shall conduct a geophysical survey and Phase II subsurface investigation to identify the location of the former UST and to sample at the depth of the UST to determine whether any concentrations of constituents of concern (petroleum hydrocarbons, volatile organic compounds, and metals) are present in surround soils. In the event that the analyte concentrations exceed appropriate use standards, as designated by the El Segundo Fire Department (local CUPA), the Project shall implement applicable protective measures in accordance with an approved remedial action plan, including: 1) installation of a soil vapor barrier adequate to protect against vapor transmission; 2) implement a soil-vapor extraction system; and/or 3) conduct remedial excavation activities.</p>				
HAZ-2	Hazards and Hazardous Materials	<p>Prior to commencement of renovation activities on Buildings A and B, a hazardous building materials survey shall be conducted on both buildings to identify asbestos, lead-based paint, and other potentially hazardous building materials (such as mercury thermometers, lighting and electrical appurtenances). Following</p>	<p>Conduct a hazardous building materials survey on Buildings A and B and incorporate required abatement work.</p>	-	Project developer	<p>City of El Segundo, Planning and Building Safety Department and El Segundo Fire Department</p>

**MITIGATION MONITORING AND REPORTING PROGRAM
650 PACIFIC COAST HIGHWAY PROJECT**

No.	Environmental Factor	Mitigation Measure	Actions Required	When Monitoring Occurs	Responsible Agency or Party	Monitoring Agency or Party
		<p>results of the hazardous materials survey, renovation plans and contract specifications shall incorporate abatement procedures for the removal of materials containing asbestos and lead. All abatement work shall be done in accordance with federal, state, and local regulations, including those of the U.S. EPA, Occupational Safety and Health Administration, California Occupational Safety and Health Administration, and the SCAQMD.</p>				
TRANS-1	Transportation	<p>The applicant shall prepare and implement a Project-specific TDM program that will reduce the Project's daily trips by 254. The TDM program shall consist of a list of approved strategies, guided by the California Air Pollution Control Officers Association (CAPCOA) recommendations to promote carpool, bicycling, walking, and transit in place of individual vehicle trips to and from the Project. These elements may change or be adjusted to adapt to changing commute trends and to maximize the efficiency and performance of the program. The following is a preliminary list of applicable strategies that provide feasible means to adequately reduce the Project VMT:</p>	<p>Develop and implement a Project-specific TDM program.</p>	<p>Applicant to provide a TDM Program to the City for review, with approval completed prior to Building Permit Final or issuance of the first certificate of occupancy. The success of the program will be monitored and the tenant commute patterns will be reviewed, with updates of adjustments and changes to be provided in an</p>	<p>Project developer</p>	<p>City of El Segundo, Planning and Building Safety Department</p>

**MITIGATION MONITORING AND REPORTING PROGRAM
650 PACIFIC COAST HIGHWAY PROJECT**

No.	Environmental Factor	Mitigation Measure	Actions Required	When Monitoring Occurs	Responsible Agency or Party	Monitoring Agency or Party
		<ul style="list-style-type: none"> <li data-bbox="457 345 1003 542">• Safe and Well-Lit Access to Transit: Enhance the route for people walking or bicycling to nearby transit stops, such as those located on Pacific Coast Highway and Mariposa Avenue. (Maximum reduction of 23 trips) <li data-bbox="457 613 1003 873">• Transit Subsidies: Provide subsidization of transit fare for employees of the project site. This strategy helps reduce single-occupancy vehicle trips by utilizing transit service already present in the project area. (Maximum reduction of 116 trips) <li data-bbox="457 945 1003 1107">• Travel Behavior Change Program: Provide a web site that allows employees to research other modes of transportation for commuting. (Maximum reduction of 46 trips) <li data-bbox="457 1179 1003 1375">• Promotions & Marketing: Provide marketing and promotional tools to educate and inform travelers about site-specific transportation options and the effects of their travel choices with passive educational and promotional 		<p>annual monitoring report, or the TDM shall include a mechanism to report to the City on the progress.</p>		

**MITIGATION MONITORING AND REPORTING PROGRAM
650 PACIFIC COAST HIGHWAY PROJECT**

No.	Environmental Factor	Mitigation Measure	Actions Required	When Monitoring Occurs	Responsible Agency or Party	Monitoring Agency or Party
		<p>materials. (Maximum reduction of 46 trips)</p> <ul style="list-style-type: none"> • Commute Assistance Center: Provide a computer kiosk that allows employees to research other modes of transportation for commuting. (Maximum reduction of 46 trips) • Preferential Carpool / Vanpool Parking Spaces: Provide reserved carpool/vanpool spaces closer to the building entrance. (Maximum reduction of 116 trips) • Passenger Loading Zones: Provide passenger loading zones for easy access to carpools or vanpools. (Maximum reduction of 58 trips) • Bike Share: Implement bike share to allow people to have on-demand access to a bicycle, as-needed. (Maximum reduction of 3 trips) • Bike Parking and Facilities: Include secure bike parking and showers to provide additional end-of-trip bicycle 				

**MITIGATION MONITORING AND REPORTING PROGRAM
650 PACIFIC COAST HIGHWAY PROJECT**

No.	Environmental Factor	Mitigation Measure	Actions Required	When Monitoring Occurs	Responsible Agency or Party	Monitoring Agency or Party
		<p>facilities to support safe and comfortable bicycle travel. Provide on-site bicycle repair tools and space to use them supports on-going use of bicycles for transportation. (Maximum reduction of 35 trips)</p> <ul style="list-style-type: none"> • Traffic Calming Improvements: Implement traffic calming measures throughout and around the perimeter of the Project site that encourage people to walk, bike, or take transit within the development and to the development from other locations. (Maximum reduction of 12 trips) • Pedestrian Network Improvements: Implement pedestrian network improvements throughout and around the Project site that encourages people to walk (Maximum reduction of 23 trips) • Parking Cash Out: Provide employees a choice of forgoing current parking for a cash payment to be determined by the employer. (Maximum reduction of 58 trips) 				

**MITIGATION MONITORING AND REPORTING PROGRAM
650 PACIFIC COAST HIGHWAY PROJECT**

No.	Environmental Factor	Mitigation Measure	Actions Required	When Monitoring Occurs	Responsible Agency or Party	Monitoring Agency or Party
		<ul style="list-style-type: none"> Alternative Works Schedule: Implement Flextime, Compressed Work Week (CWW), and staggered shifts for employees. (Maximum reduction of 173 trips) 				
TCR-1	Tribal Cultural Resources	<p>Prior to the commencement of any ground disturbing activity at the Project site, the Project applicant shall retain a Native American Monitor approved by the Gabrieleno Band of Mission Indians-Kizh Nation, the tribe that consulted on this project pursuant to Assembly Bill AB 52 (the "Tribe" or the "Consulting Tribe"). A copy of the executed contracts shall be submitted to the City of El Segundo Development Services Department prior to the issuance of any permit necessary to commence a ground-disturbing activity. The Tribal monitor will only be present on-site during the construction phases that involve ground-disturbing activities. Ground disturbing activities are defined by the Tribe as activities that may include, but are not limited to, pavement removal, potholing or auguring, grubbing, tree removals, boring, grading, excavation, drilling, and trenching, within the project area. The Tribal Monitor will complete daily monitoring logs that will provide descriptions of the day's activities, including construction activities, locations,</p>	<p>Applicant to retain a Native American Monitor that is culturally affiliated with the area to be present on-site during ground-disturbing activities in native soils.</p>	<p>Applicant to submit evidence of a contracted Native American Monitor to the City prior to issuance of building permits.</p>	<p>Project developer</p>	<p>City of El Segundo, Planning and Building Safety Department</p>

**MITIGATION MONITORING AND REPORTING PROGRAM
650 PACIFIC COAST HIGHWAY PROJECT**

No.	Environmental Factor	Mitigation Measure	Actions Required	When Monitoring Occurs	Responsible Agency or Party	Monitoring Agency or Party
		<p>soil, and any cultural materials identified. The on-site monitoring shall end when all ground-disturbing activities on the Project site are completed, or when the Tribal Representatives and Tribal Monitor have indicated that all upcoming ground-disturbing activities at the Project site have little to no potential for impacting Tribal Cultural Resources.</p> <p>Upon discovery of any Tribal Cultural Resources, construction activities shall cease in the immediate vicinity of the find (not less than the surrounding 100 feet) until the find can be assessed. All Tribal Cultural Resources unearthed by Project activities shall be evaluated by the Consulting Tribe approved Tribal monitor. If the resources are Native American in origin, the Consulting Tribe will retain it/them in the form and/or manner the Tribe deems appropriate, for educational, cultural and/or historic purposes. If human remains and/or grave goods are discovered or recognized at the Project site, all ground disturbance shall immediately cease, and the county coroner shall be notified per Public Resources Code Section 5097.98, and Health & Safety Code Section 7050.5. Human remains and grave/burial goods shall be treated alike per California Public</p>				

**MITIGATION MONITORING AND REPORTING PROGRAM
650 PACIFIC COAST HIGHWAY PROJECT**

No.	Environmental Factor	Mitigation Measure	Actions Required	When Monitoring Occurs	Responsible Agency or Party	Monitoring Agency or Party
		Resources Code section 5097.98(d)(1) and (2). Work may continue on other parts of the Project site while evaluation and, if necessary, mitigation takes place (CEQA Guidelines Section 15064.5[f]).				

RESOLUTION NO. 2893

A RESOLUTION RECOMMENDING THAT THE CITY COUNCIL ADOPT AN ORDINANCE AMENDING EL SEGUNDO MUNICIPAL CODE SECTION 15-1-6 TO AMEND THE DEFINITION OF FLOOR AREA (NET) TO EXEMPT PARKING THAT IS INTEGRATED INTO A STRUCTURE FROM COUNTING TOWARDS THE NET FLOOR AREA OF A BUILDING

ZONE TEXT AMENDMENT 20-01

The Planning Commission of the City of El Segundo does resolve as follows:

SECTION 1: The Planning Commission finds and declares that:

- A. On July 21, 2020, L&R ZAV 650 Sepulveda, LLC c/o Zachary Vella submitted applications for Environmental Assessment No. EA-1289, Zone Text Amendment No 20-01, Vesting Tentative Parcel Map No. 83129, and Site Plan Review No. 20-30 requesting to amend the definition of Floor Area (Net) within Section 15-1-6 of the El Segundo Municipal Code (“ESMC”), combine seven parcels into a single lot, remodel two existing office buildings, and construct a new office building with integrated parking structure;
- B. The project applications were reviewed by the City’s Development Services Department for, in part, consistency with the General Plan and conformity with the ESMC;
- C. Pursuant to Section 21000 et. Seq. of the California Public Resource Code (“CEQA”) and Section 15000 et. Seq. of 14 California Code of Regulations (“CEQA Guidelines”) an Initial Study of Environmental Impacts and Mitigated Negative Declaration (“IS/MND”) was prepared to identify any potential significant environmental impacts caused by the project, a copy of which is on file with the Development Services Department. The IS/MND also identified Mitigation Measures to address those impacts;
- D. The Planning Commission adopted Resolution No. 2892, recommending the City Council adopt the IS/MND and the Mitigation Monitoring and Reporting Program;
- E. The Planning Commission of the City of El Segundo held a noticed public hearing on April 22, 2021, to review and consider the Vesting Tentative Parcel Map and Site Plan Review, receive public testimony, and review all correspondence received; and,
- F. This Resolution, and its findings, are made, in part, based upon the evidence presented to the Commission at its April 22, 2021 public hearing,

including the staff report submitted by the Development Services Department.

SECTION 2: Factual Findings and Conclusions. The Planning Commission finds as follows:

- A. Surface parking and structures that are solely devoted for parking are currently exempt from contributing towards the net floor area of a project. Notwithstanding this, if the parking structure is integrated with a building, it does not qualify for the exemption and counts towards the net floor area of the site.
- B. Even though the applicant is proposing a new 70,921 square-foot seven-story office building with an integrated 1,185 space parking structure, which would benefit from this amendment; changing the definition of Floor Area (Net) could benefit any property owner within the City.
- C. The amendment does not alter parking requirements. All uses within the City will continued to be required to comply with Chapter 15 (Off Street Parking and Loading Spaces) of Title 15 of the El Segundo Municipal Code Section.
- D. Zone Text Amendment No. 20-01 amends the definition of Floor Area (Net) within Section 15-1-6 of the ESMC to exempt parking structures that are integrated with another building from counting towards the net floor area of said building.

SECTION 3: General Plan Findings. The Planning Commission finds that the proposed amendment is consistent with the goals and policies of the City's General Plan and will not obstruct their attainment. More specifically, the Commission finds:

- A. **Goal LU4: Provision of a Stable Tax Base for El Segundo Through Commercial Uses.**
The proposed Zone Text Amendment will allow for dynamic new commercial developments that integrate commercial uses seamlessly with parking. As properties are renovated, this amendment would allow for additional useable commercial square footage, which in turn would contribute to the tax base for the City of El Segundo via increased utility user and property tax revenues as well as sales tax revenues from retail and restaurant uses generated by the additional employees working in the City.
- B. **Objective LU4-3: Provide for new office and research and development uses.**
The proposed Zone Text Amendment will foster new office and research and development uses because it will encourage more property owners to

integrate their required parking into their building and provide a more integrated dynamic office environment. Additional floor area could be realized, instead of limiting the floor area due to the parking counting towards the limit.

C. **Policy ED1-2-1: Seek to expand El Segundo's retail and commercial base so that the diverse needs of the City's business and residential needs are met.**

The Zone Text Amendment would facilitate the adaptive reuse of property in a creative manner that would allow providing amenities requested by tenants in today's marketplace.

SECTION 4: Zone Text Amendment Findings. In accordance with ESMC Section 15-26-4 and based on the findings set forth in Section 3, the proposed Zone Text Amendment is consistent with the goals, policies, and objectives of the General Plan as follows:

- A. The amendments are consistent with the purpose of the ESMC, which is to serve the public health, safety, and general welfare and to provide the economic and social advantages resulting from an orderly planned use of land resources. In addition, the amendment does not reduce parking requirements, or otherwise alter development standards such as setbacks, height, building separation, or landscape requirements.
- B. The amendments are necessary to facilitate the development and ensure the orderly establishment of innovative site designs that would allow properties to meet parking without the need of a stand-alone parking structure or surface parking lot in a manner that is compatible with surrounding properties and the public right-of-way.

SECTION 5: California Environmental Quality Act. Based on the facts set forth in Sections 1 and 2 and Resolution No. 2892, the Planning Commission, based on its independent judgement, finds any potential environmental impacts created by the Zone Text has been fully analyzed and appropriately mitigated pursuant to CEQA and the CEQA Guidelines.

SECTION 6: Recommendation. The Planning Commission recommends that the City Council adopt the ordinance in a form substantially similar to the draft attached as Exhibit "A," which is incorporated into this resolution by reference.

SECTION 7: Reliance on Record. Each of the findings and determination in this Resolution are based on the competent and substantial evidence, both oral and written, contained in the entire record relating to the project. The findings and determinations constitute the independent findings and determinations of the Planning Commission in all respects.

SECTION 8: Limitations. The Planning Commission's analysis and evaluation of the project is based on information available at the time of the decision. It is inevitable that in evaluating a project that absolute and perfect knowledge of all possible aspects of the

project will not exist. In all instances, best efforts have been made to form accurate assumptions.

SECTION 9: This Resolution takes effect immediately and will remain effective until superseded by a subsequent resolution.

SECTION 10: The Commission secretary is directed to mail a copy of this Resolution to any person requesting a copy.

SECTION 11: This Resolution may be appealed within ten (10) calendar days after its adoption. All appeals must be in writing and filed with the City Clerk within this time period. Failure to file a timely written appeal will constitute a waiver of any right of appeal.

PASSED, APPROVED AND ADOPTED this 22nd day of April 2021.

Ryan Baldino, Chairperson
City of El Segundo Planning Commission

ATTEST:

Sam Lee, Secretary

Baldino - Aye
Hoeschler - Aye
Newman - Aye
Keldorf - Aye
Maggay - Aye

APPROVED AS TO FORM:
Mark D. Hensley, City Attorney

By: _____
David King, Assistant City Attorney

PLANNING COMMISSION RESOLUTION NO. 2893

Exhibit A

DRAFT ORDINANCE NO. _____

AN ORDINANCE AMENDING EL SEGUNDO MUNICIPAL CODE SECTION 15-1-6 TO AMEND THE DEFINITION OF FLOOR AREA (NET) TO EXEMPT PARKING THAT IS INTEGRATED INTO A STRUCTURE FROM COUNTING TOWARDS THE NET FLOOR AREA OF A BUILDING.

ZONE TEXT AMENDMENT 20-01

The City Council of the city of El Segundo does ordain as follows:

SECTION 1: The Council finds and declares as follows:

- A. On July 21, 2020, L&R ZAV 650 Sepulveda, LLC c/o Zachary Vella submitted applications for Environmental Assessment No. EA-1289, Zone Text Amendment No 20-01, Vesting Tentative Parcel Map No. 83129, and Site Plan Review No. 20-30 requesting to amend the definition of Floor Area (Net) within Section 15-1-6 of the El Segundo Municipal Code (“ESMC”), combine seven parcels into a single lot, remodel two existing office buildings, and construct a new office building with integrated parking structure;
- B. The project applications were reviewed by the City’s Planning and Building Safety Department for, in part, consistency with the General Plan and conformity with the El Segundo Municipal Code (“ESMC”);
- C. Pursuant to Section 21000 et. Seq. of the California Public Resource Code (“CEQA”) and Section 15000 et. Seq. of 14 California Code of Regulations (“CEQA Guidelines”) an Initial Study of Environmental Impacts and Mitigated Negative Declaration (“IS/MND”) was prepared to identify any potential significant environmental impacts caused by the project, a copy of which is on file with the Development Services Department. The IS/MND also identified Mitigation Measures to address those impacts. The City Council adopted Resolution No. _____, thereby adopting the IS/MND and a Mitigation Monitoring and Reporting Program;
- D. On April 22, 2021, the Planning Commission held a public hearing to receive public testimony and other evidence regarding the application including information provided by city staff; and, adopted Resolution No. 2893 recommending that the City Council approve the proposed amendments;

- E. On _____, the City Council held a public hearing and considered the information provided by City staff and public testimony regarding this Ordinance;
- F. This Ordinance and its findings are made based upon the entire administrative record including testimony and evidence presented to the City Council at the public hearing and the staff report submitted by the Planning and Building Safety Department.

SECTION 2: *Factual Findings and Conclusions.* The Commission finds that the following facts exist:

- A. Surface parking and structures that are solely devoted for parking are currently exempt from contributing towards the net floor area of a project. Notwithstanding this, if the parking structure is integrated with a building, it does not qualify for the exemption and counts towards the net floor area of the site.
- B. Even though the applicant is proposing a new 70,921 square-foot seven-story office building with an integrated 1,185 space parking structure, which would benefit from this amendment; changing the definition of Floor Area (Net) could benefit any property owner within the City.
- C. The amendment does not alter parking requirements. All uses within the City will continued to be required to comply with Chapter 15 (Off Street Parking and Loading Spaces) of Title 15 of the El Segundo Municipal Code Section.
- D. Zone Text Amendment No. 20-01 amends the definition of Floor Area (Net) within Section 15-1-6 of the ESMC to exempt parking structures that are integrated with another building from counting towards the net floor area of said building.

SECTION 3: *General Plan Findings.* The proposed amendment is consistent with the goals and policies of the City's General Plan and will not obstruct their attainment. In addition, the Council finds as follows:

- A. **Goal LU4: Provision of a Stable Tax Base for El Segundo Through Commercial Uses.**
The proposed Zone Text Amendment will allow for dynamic new commercial developments that integrate commercial uses seamlessly with parking. As properties are renovated, this amendment would allow for additional useable commercial square footage, which in turn would contribute to the tax base for the City of El Segundo via increased utility user and property tax revenues as well as sales tax revenues from retail

and restaurant uses generated by the additional employees working in the City.

B. Objective LU4-3: Provide for new office and research and development uses.

The proposed Zone Text Amendment will foster new office and research and development uses because it will encourage more property owners to integrate their required parking into their building and provide a more integrated dynamic office environment. Additional floor area could be realized, instead of limiting the floor area due to the parking counting towards the limit.

C. Policy ED1-2-1: Seek to expand El Segundo's retail and commercial base so that the diverse needs of the City's business and residential needs are met.

The Zone Text Amendment would facilitate the adaptive reuse of property in a creative manner that would allow providing amenities requested by tenants in today's marketplace.

SECTION 4: *Zone Text Amendment Findings.* In accordance with ESMC Section 15-26-4 and based on the findings set forth in Section 3, the proposed Zone Text Amendment is consistent with the goals, policies, and objectives of the General Plan as follows:

- A. The amendments are consistent with the purpose of the ESMC, which is to serve the public health, safety, and general welfare and to provide the economic and social advantages resulting from an orderly planned use of land resources. In addition, the amendment does not reduce parking requirements, or otherwise alter development standards such as setbacks, height, building separation, or landscape requirements.
- B. The amendments are necessary to facilitate the development and ensure the orderly establishment of innovative site designs that would allow properties to meet parking without the need of a stand-alone parking structure or surface parking lot in a manner that is compatible with surrounding properties and the public right-of-way.

SECTION 5: The definition of "FLOOR AREA (NET)" within Title 15, Chapter 1, Section 15-1-6 (Definitions) of the El Segundo Municipal Code is amended as follows:

* * *

FLOOR AREA (NET): The total horizontal area of all floors, stories or levels, as measured to the interior of a building's perimeter walls. Unless specified otherwise in individual zoning districts, Sspace devoted to the following shall not be included when determining the total net floor area within a building or structure:

- A. Elevator shafts.
- B. Stairwells and stairway enclosures.
- C. Courts or atriums.
- D. Rooms exclusively holding building operating equipment.
- E. Parking spaces and parking structures. ~~at or above grade and access thereto; provided, that in commercial and manufacturing zones:~~
 - ~~1. Not less than the front fifty percent (50%) of the ground floor is devoted to commercial/manufacturing use.~~
 - ~~2. At least one full level of parking below grade is provided.~~
- F. That portion of any structure that is devoted exclusively to parking ~~Structures devoted exclusively to parking.~~
- G. Restrooms in common areas of nonresidential buildings.

* * *

SECTION 6: If any part of this Ordinance or its application is deemed invalid by a court of competent jurisdiction, the city council intends that such invalidity will not affect the effectiveness of the remaining provisions or applications and, to this end, the provisions of this Ordinance are severable.

SECTION 7: The City Clerk is directed to certify the passage and adoption of this Ordinance; cause it to be entered into the City of El Segundo's book of original ordinances; make a note of the passage and adoption in the records of this meeting; and, within 15 days after the passage and adoption of this Ordinance, cause it to be published or posted in accordance with California law.

SECTION 8: This Ordinance will become effective 30 days following its passage and adoption.

PASSED AND ADOPTED this ____ day of _____, 2021.

Drew Boyles, Mayor

APPROVED AS TO FORM:

Mark D. Hensley, City Attorney

ATTEST:

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS
CITY OF EL SEGUNDO)

I, Tracy Weaver, City Clerk of the City of El Segundo, California, do hereby certify that the whole number of members of the City Council of said City is five; that the foregoing Ordinance No. _____ was duly introduced by said City Council at a regular meeting held on the ___ day of _____ 2021, and was duly passed and adopted by said City Council, approved and signed by the Mayor, and attested to by the City Clerk, all at a regular meeting of said Council held on the ___ day of _____, 2021, and the same was so passed and adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Tracy Weaver, City Clerk

RESOLUTION NO. 2894

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF EL SEGUNDO RECOMMENDING THAT THE CITY COUNCIL APPROVE VESTING TENTATIVE PARCEL MAP NO. 83129 (SUB 20-03) AND SITE PLAN REVIEW NO. 20-30, THEREBY ALLOWING THE CONSOLIDATION OF SEVEN PARCELS INTO A SINGLE LOT AND CONSTRUCTION OF A NEW 70,921 SQUARE FOOT 7-STORY OFFICE BUILDING WITH AN INTEGRATED 1,185-SPACE PARKING STRUCTURE FOR PROPERTY LOCATED AT 650-700 N PACIFIC COAST HIGHWAY AND 737 CARL JACOBSON WAY

The Planning Commission of the City of El Segundo does resolve as follows:

SECTION 1: The Planning Commission finds and declares that:

- A. On July 21, 2020, L&R ZAV 650 Sepulveda, LLC c/o Zachary Vella submitted applications for Environmental Assessment No. EA-1289, Zone Text Amendment No 20-01, Vesting Tentative Parcel Map No. 83129, and Site Plan Review No. 20-30 requesting to amend the definition of Floor Area (Net) within Section 15-1-6 of the El Segundo Municipal Code (“ESMC”), combine seven parcels into a single lot, remodel two existing office buildings, and construct a new office building with integrated parking structure;
- B. The project applications were reviewed by the City’s Development Services Department for, in part, consistency with the General Plan and conformity with the ESMC;
- C. Pursuant to Section 21000 et. Seq. of the California Public Resource Code (“CEQA”) and Section 15000 et. Seq. of 14 California Code of Regulations (“CEQA Guidelines”) an Initial Study of Environmental Impacts and Mitigated Negative Declaration (“IS/MND”) was prepared to identify any potential significant environmental impacts caused by the project, a copy of which is on file with the development Services Department. The IS/MND also identified Mitigation Measures to address those impacts;
- D. The Planning Commission adopted Resolution No. 2892, recommending the City Council adopt the IS/MND and the Mitigation Monitoring and Reporting Program;
- E. The Planning Commission of the City of El Segundo held a noticed public hearing on April 22, 2021, to review and consider the Vesting Tentative Parcel Map and Site Plan Review, receive public testimony, and review all correspondence received; and,

- F. This Resolution, and its findings, are made, in part, based upon the evidence presented to the Commission at its April 22, 2021 public hearing, including the staff report submitted by the Development Services Department.

SECTION 2: *Factual Findings and Conclusions.* The Planning Commission finds as follows:

- A. The 7.3-acre site is located in the north-central portion of the city, on the east side of Pacific Coast Highway between East Maple Avenue to the north and East Mariposa Avenue to the south. The site has a General Plan Land Use designation of Corporate Office and is zoned Corporate Office (CO). The site includes buildings addressed 650 and 700 North Pacific Coast Highway and 737 Carl Jacobson Way.
- B. The site consists of seven individual parcels ranging in size from 6,601 square feet to 86,666 square feet.
- C. Existing improvements on the site include a 98,885 square-foot eight-story office building (Building A), a 69,692 square-foot two-story office building (Building B), a 16,652 square-foot industrial one-story industrial building (Building D), and a surface parking lot.
- D. The proposed project would combine the seven parcels into a single 7.3-acre lot.
- E. The proposed project would also renovate Building A to increase the net floor area by 1,031 square feet and renovate Building B to decrease the net floor area by 4,572 square feet. The facades of both buildings would also be renovated. The proposed project would also construct a new 70,921 square-foot seven-story building with an integrated 1,185 space parking structure.

SECTION 3: *Vesting Tentative Parcel Map Findings.* After considering the above facts, the Planning Commission finds as follows:

- A. That the proposed map is consistent with applicable general and specific plans as specified in section 65451 of the California Government Code.

The Vesting Tentative Tract Map will implement the project to renovate the two existing office buildings and construct a new office building on the site. This is consistent with the following objectives and policies of the General Plan:

Objective LU4-3: "Provide for new office and research and development uses." The proposed project is consistent with this

object as it provides 67,380 square feet of new office space within the City. Furthermore, the project provides a new landscaped plaza to create an integrated office campus that will attract new businesses to the City.

Policy C1-1.8: "Provide all residential, commercial, and industrial areas with efficient and safe access to the major regional transportation facilities." The project site is approximately ½ mile from the nearest Metro Green Line station at the intersection of Mariposa Avenue and Nash Street. Furthermore, Metro Bus Line 232 has a bus stop approximately 300 feet from the Project site along Pacific Coast Highway.

Policy C2-2.2: "Encourage new development to provide facilities for bicyclist to park and store their bicycles." Bicycle facilities allowing workers and patrons to park and store bicycles are provided in excess of the Municipal Code Requirements. The code requires the applicant to provide 25 bicycle parking spaces, but the project will provide 128 bicycle parking spaces.

Policy ED1-2-1: "Seek to expand El Segundo's retail and commercial base so that the diverse needs of the City's business and residential needs are met." The project will facilitate the adaptive reuse of a former aerospace building with the creation of additional office space that provides amenities that tenants in today's marketplace require. The proposed project will create a unique office campus responding to the diverse needs for tenants in the local market.

- B. That the design or improvement of the proposed subdivision is consistent with applicable general and specific plans.

The combining the seven parcels into a single site will facilitate the proposed project that is compatible with the area as it is an expansion of the existing office use and site reconfiguration. The proposed project complies with all provisions of the zoning code and will not create a significant impact on those who live, work, or visit the area. A plethora of land uses, including office, retail, restaurant, and light industrial uses can be found on the surrounding properties. Office uses are considered compatible with all these types of surrounding uses, as employees would patronize the various retail and restaurant uses during, and at the end of, the workday.

- C. That the site is physically suitable for the type of development.

The property is physically suitable for commercial office buildings and parking structure being proposed for the project. The project includes

renovations to existing office buildings on the property and construction of a new 7-story office building in an area that is currently surface parking. The proposal complies with all the development standards set forth in the City's zoning ordinance. Furthermore, merging the seven parcels into one ground parcel will eliminate several non-conforming parcels that currently do not comply with minimum lot size standards.

- D. That the site is physically suitable for the proposed density of development.

Density refers to dwelling units, not commercial office space. Nevertheless, the proposed project complies with all development standards for the CO zone.

- E. That the design of the subdivision or the proposed improvements are not likely to cause substantial environmental damage or will not substantially and avoidably injure fish or wildlife or their habitat.

The proposed project consists of renovating two existing office buildings and construction of a new 7-story office building/parking structure. The area of new construction is currently a paved parking lot that does not contain any landscaped areas, wetlands or other features that could support any fish or wildlife habitat.

- F. That the design of the subdivision or type of improvements are not likely to cause serious public health problems.

The design of the subdivision and type of improvements proposed for the Property are not likely to cause serious public health problems in that they have been designed to comply with all building and zoning code regulations and the City's General Plan. Additionally, the new parcel and the proposed improvements will comply with Title 24 accessibility requirements. The subdivision provides adequate and safe ingress and egress with vehicular access provided by two driveways on Pacific Coast Highway and one driveway on Carl Jacobson Way.

- G. That the design of the subdivision or type of improvements will not conflict with easements, acquired by the public at large, for access through or use of property within the proposed subdivision.

As part of the entitlement submittal package, the applicant provided a design survey showing all easements on the property. Existing easements, which were acquired by the public at large, would not be impacted by merging the seven parcels into a single lot.

SECTION 4: Site Plan Review Findings. After considering the above facts, the Planning Commission finds as follows:

- A. The proposed development is consistent with the goals, policies and objectives of the general plan, any applicable specific plan, and the Zoning Code;

The project is consistent with the goals and policies of the General Plan and will not obstruct their attainment. More specifically, the project will advance the following objectives and policies:

Objective LU4-3: "Provide for new office and research and development uses." The proposed project is consistent with this object as it provides 67,380 square feet of new office space within the City. Furthermore, the project provides a new landscaped plaza to create an integrated office campus that will attract new businesses to the City.

Policy C1-1.8: "Provide all residential, commercial, and industrial areas with efficient and safe access to the major regional transportation facilities." The project site is approximately ½ mile from the nearest Metro Green Line station at the intersection of Mariposa Avenue and Nash Street. Furthermore, Metro Bus Line 232 has a bus stop approximately 300 feet from the Project site along Pacific Coast Highway.

Policy C2-2.2: "Encourage new development to provide facilities for bicyclist to park and store their bicycles." Bicycle facilities allowing workers and patrons to park and store bicycles are provided in excess of the Municipal Code Requirements. The code requires the applicant to provide 25 bicycle parking spaces, but the project will provide 128 bicycle parking spaces.

Policy ED1-2-1: "Seek to expand El Segundo's retail and commercial base so that the diverse needs of the City's business and residential needs are met." The project will facilitate the adaptive reuse of a former aerospace building with the creation of additional office space that provides amenities that tenants in today's marketplace require. The proposed project will create a unique office campus responding to the diverse needs for tenants in the local market.

- B. The project is functionally compatible with the area in which it is located;

The site is compatible with the area as it is an expansion of the existing office use and site reconfiguration. The proposed project complies with all provisions of the zoning code and will not create a significant impact on

those who live, work, or visit the area. A plethora of land uses, including office, retail, restaurant, and light industrial uses can be found on the surrounding properties. Office uses are considered compatible with all these types of surrounding uses, as employees would patronize the various retail and restaurant uses during, and at the end of, the workday.

- C. The proposed development will not adversely affect the general welfare of the City.

The proposed development will not adversely affect the general welfare of the City in that a new office building and parking structure will be constructed on a site that is currently improved with two office buildings, an industrial building, and a surface parking lot. The development complies with all aspects of the zoning code. Furthermore, the project site is surrounded by developed urban land, including buildings, roadways, and hardscape.

SECTION 5: California Environmental Quality Act. Based on the facts set forth in Sections 1 and 2 and Resolution No. 2892, the Planning Commission, based on its independent judgement, finds any potential environmental impacts created by the Zone Text has been fully analyzed and appropriately mitigated pursuant to CEQA and the CEQA Guidelines.

SECTION 6: Recommendation. Subject to the conditions listed on Exhibit A of this Resolution, the Planning Commission recommends City Council approval of the Vesting Tentative Parcel Map No. 83129 (SUB 20-03) and Site Plan Review No. 20-30.

SECTION 7: Reliance on Record. Each of the findings and determination in this Resolution are based on the competent and substantial evidence, both oral and written, contained in the entire record relating to the project. The findings and determinations constitute the independent findings and determinations of the Planning Commission in all respects.

SECTION 8: Limitations. The Planning Commission's analysis and evaluation of the project is based on information available at the time of the decision. It is inevitable that in evaluating a project that absolute and perfect knowledge of all possible aspects of the project will not exist. In all instances, best efforts have been made to form accurate assumptions.

SECTION 9: This Resolution takes effect immediately and will remain effective until superseded by a subsequent resolution.

SECTION 10: The Commission secretary is directed to mail a copy of this Resolution to any person requesting a copy.

SECTION 11: This Resolution may be appealed within ten (10) calendar days after its adoption. All appeals must be in writing and filed with the City Clerk within this time period.

Failure to file a timely written appeal will constitute a waiver of any right of appeal.

PASSED, APPROVED AND ADOPTED this 22nd day of April 2021.

Ryan Baldino, Chairperson
City of El Segundo Planning Commission

ATTEST:

Sam Lee, Secretary

Baldino - Aye
Hoeschler - Aye
Newman - Aye
Keldorf - Aye
Maggay - Aye

APPROVED AS TO FORM:
Mark D. Hensley, City Attorney

By: _____
David King, Assistant City Attorney

PLANNING COMMISSION RESOLUTION NO. 2894

Exhibit A

CONDITIONS OF APPROVAL

Zoning Conditions

1. This approval is for the project as shown on the plans and renderings dated March 23, 2021, and on file with the Development Services Department. Unless authorized herein, all requirements of the El Segundo Municipal Code (ESMC) shall apply.
2. Prior to the issuance of any permit, the applicant must submit plans, showing that the project substantially complies with the plans and conditions of approval on file with the Development Services Department. The Development Services Director is authorized to approve minor modifications to the approved plans or any of the conditions if such modifications achieve substantially the same results as would strict compliance with said plans and conditions, and is within the scope studied in the IS/MND certified by the City Council. Any subsequent modification to the approved design must be referred to the Director for a determination regarding the need for Planning Commission review and approval of the proposed modification.
3. This approval shall not become effective unless and until the City Council adopts an ordinance approving Zone Text Amendment No. 20-01 and said ordinance takes effect.
4. The approved changes to the net floor area for all buildings on site shall be as follows:

Proposed Changes to Building Net Floor Area			
Building	Existing	Proposed	Net Change
A	98,885	99,916	1,031
B	69,692	65,120	-4,572
C	0	70,921	70,921
D	16,652	16,652	0
Total Net SF	185,229	252,609	67,380

5. Prior to the issuance of building permits for Building C, the final map shall be approved by the City Council, fully executed, and recorded with the Los Angeles County Recorder.
6. The Vesting Tentative Parcel Map shall expire 24 months after approval by the City Council, unless the Vesting Final Map is recorded, or the Vesting Tentative Parcel Map is extended pursuant to the provisions of the ESMC and the Subdivision Map Act.
7. The development rights vested under Chapter 2 of Title 14 of the ESMC shall extend one year following the timely recordation of a final map unless all building permits have

been issued or the development rights have been further extended pursuant to the provisions of the ESMC and the Subdivision Map Act.

8. Prior to the issuance of any building permit, the applicant shall provide evidence of compliance with CFR Title 14 Part 77 (Safe, Efficient Use, and Preservation of The Navigable Airspace). Evidence shall be in the form of an Aeronautical Study issued by the FAA or evidence using the FAA's Notice Criteria Tool that all structures on site do not exceed the slopes outlined in CFR Title 14 Part 77.9.
9. All mitigation measures and conditions of approval must be listed on the plans submitted for plan check and the plans for which a building permit is issued.
10. In the event that a Planning, Building, Public Works, Fire Department or Police Department requirement are in conflict, the stricter standard shall apply.
11. A positive balance shall be maintained in all project reimbursement accounts at all times. If the balance of the Reimbursement Account(s) associated with the project becomes negative at any time, all work on the project shall be suspended, including the issuance of permits and project inspections, until such time as the sufficient funds are deposited to return the account(s) to a positive balance.
12. All mitigation measures listed in Mitigation Monitoring and Reporting Program adopted as part of Resolution No. 2892 shall be complied with. This shall include:
 - a) **Mitigation Measure AES-1:** Prior to issuance of a building permit, the Project applicant must submit a lighting plan to the City for review and approval by the Director of Planning and Building Safety. The plan must include the location, height, number of lights, foot-candles by area, and estimates of maximum illumination on-site with no spill at the property lines. The plan must also demonstrate that all lighting fixtures on the buildings and throughout the entire project site are designed and installed so as to contain light on the subject property and will not create spillover effects or be directed toward adjacent properties or public rights-of-way.
 - b) **Mitigation Measure AES-2:** Prior to issuance of a building permit, the Project applicant must submit the Final Design Plans to the City for review and approval by the Director of Planning and Building Safety. The plans must identify the material use that meets the Visible Light Reflection (VLR) performance of the following:
 - i. The new west-facing façade of Building A and south-facing façade of Building C shall employ a high-performance glazing system comprising a commercial glazing equal to Vitro Solarban 70(2) + Clear with exterior visible light reflection (VLR) of 13% or less;
 - ii. Exterior metal cladding on the Building A curtainwall facing Pacific Coast Highway to be finished with aluminum composite panels

(ACP), with matte white or matte, clear anodized aluminum finish;
and,

- iii. Concrete on the north and south elevations of Building A will be painted with low sheen paint and clad limitedly in matte finish ACP with matte white or matte, clear anodized aluminum finish.

- c) **Mitigation Measure CUL-1:** Archaeological and Native American monitoring shall be conducted for any grading-related ground disturbing activity have the potential to disturb native soils (i.e., non-engineered fill) within the Project site. Monitoring shall be performed under the direction of a qualified archaeologist meeting the Secretary of the Interior's Professional Qualifications Standards for archaeology (National Park Service 1983). If cultural resources are encountered during ground-disturbing activities, work in the immediate area must halt and the find must be evaluated by the qualified archaeologist. Depending upon the nature of the find, if the discovery proves to be potentially significant under CEQA, as determined by the qualified archaeologist, additional work such as data recovery excavation, avoidance of the area of the find, documentation, testing, data recovery, reburial, archival review and/or transfer to the appropriate museum or educational institution, or other appropriate actions may be warranted at the discretion of the qualified archaeologist. The archaeologist shall complete a report of excavations and findings and submit the report to the Director of Planning and Building Safety. After the find is appropriately mitigated, work in the area may resume.
- d) **Mitigation Measure Paleo-1:** Prior to the issuance of any grading permits, the applicant shall retain a qualified paleontologist who meets the qualifications established by the Society of Vertebrate Paleontology (SVP) to develop a Worker Environmental Awareness Program (WEAP), which shall be in compliance with SVP guidelines. The paleontologist shall present the training to all construction staff to provide them with a basic understanding of the types of fossils that may be encountered and the laws protecting them, and the procedures to follow in the event the finds are encountered. In the event that paleontological resources are encountered during earth disturbance activities, all construction activities in the area of the find shall be temporarily halted and the paleontologist shall be notified to evaluate the find and determine the appropriate treatment in accordance with SVP guidelines for identification, evaluation, disclosure, avoidance, or recovery, and curation, as appropriate.
- e) **Mitigation Measure HAZ-1:** The applicant shall conduct additional investigation and potential remediation actions associated with the previous USTs and clarifier uses. As identified in the Phase I ESA (Appendix E), the following investigations will be conducted to identify and confirm the location of the eight 1,000-gallon USTs and clarifier at 700 Pacific Coast Highway

and the potential UST at 650 Pacific Coast Highway (associated with 690 North Sepulveda Boulevard).

- Eight 1,000-gallon USTs at 700 Pacific Coast Highway: A geophysical survey and Phase II subsurface investigation shall be conducted to identify the location of the former USTs and to sample at the depth of the UST to determine the concentrations of constituents of concern (petroleum hydrocarbons, volatile organic compounds, and metals). In the event that the analyte concentrations exceed appropriate use standards, as designated by the El Segundo Fire Department (local Certified Unified Program Agency [CUPA]), the Project shall implement applicable protective measures in accordance with an approved remedial action plan, including: 1) installation of a soil vapor barrier adequate to protect against vapor transmission; 2) implement a soil-vapor extraction system; and/or 3) conduct remedial excavation activities. Based on information provided by the CUPA, if passive or active systems are utilized to prevent vapor migration, a Land Use Covenant would be required, and recorded, and an Operation and Maintenance (O&M) Plan would be developed for the systems.
- Clarifier at 700 Pacific Coast Highway: A geophysical survey and Phase II subsurface investigation shall be conducted to identify the location of the former clarifier and to sample adjacent soils to determine the extent, if any, of prior release of tetrachloroethylene. In the event that the analyte concentrations exceed appropriate use standards, as designated by the El Segundo Fire Department (local CUPA), the Project shall implement applicable protective measures in accordance with an approved remedial action plan, including: 1) installation of a soil vapor barrier adequate to protect against vapor transmission; 2) implement a soil-vapor extraction system; and/or 3) conduct remedial excavation activities.
- Potential UST at 650 North Pacific Coast Highway: The applicant shall conduct review of pending agency records for the UST listed at 690 North Sepulveda Boulevard to determine whether a UST is located on the Project site. In the event the documentation indicates that a UST has the potential to be present, the applicant shall conduct a geophysical survey and Phase II subsurface investigation to identify the location of the former UST and to sample at the depth of the UST to determine whether any concentrations of constituents of concern (petroleum hydrocarbons, volatile organic compounds, and metals) are present in surround soils. In the event that the analyte concentrations exceed appropriate use standards, as designated by the El Segundo Fire Department (local CUPA), the Project shall implement applicable protective measures in accordance with an

approved remedial action plan, including: 1) installation of a soil vapor barrier adequate to protect against vapor transmission; 2) implement a soil-vapor extraction system; and/or 3) conduct remedial excavation activities.

- f) **Mitigation Measure HAZ-2:** Prior to commencement of renovation activities on Buildings A and B, a hazardous building materials survey shall be conducted on both buildings to identify asbestos, lead-based paint, and other potentially hazardous building materials (such as mercury thermometers, lighting and electrical appurtenances). Following results of the hazardous materials survey, renovation plans and contract specifications shall incorporate abatement procedures for the removal of materials containing asbestos and lead. All abatement work shall be done in accordance with federal, state, and local regulations, including those of the U.S. EPA, Occupational Safety and Health Administration, California Occupational Safety and Health Administration, and the SCAQMD.
- g) **Mitigation Measure TRANS-1:** The applicant shall prepare and implement a Project-specific TDM program that will reduce the Project's daily trips by 254. The TDM program shall consist of a list of approved strategies, guided by the California Air Pollution Control Officers Association (CAPCOA) recommendations to promote carpool, bicycling, walking, and transit in place of individual vehicle trips to and from the Project. These elements may change or be adjusted to adapt to changing commute trends and to maximize the efficiency and performance of the program. The following is a preliminary list of applicable strategies that provide feasible means to adequately reduce the Project VMT:
- **Safe and Well-Lit Access to Transit:** Enhance the route for people walking or bicycling to nearby transit stops, such as those located on Pacific Coast Highway and Mariposa Avenue. (Maximum reduction of 23 trips)
 - **Transit Subsidies:** Provide subsidization of transit fare for employees of the project site. This strategy helps reduce single-occupancy vehicle trips by utilizing transit service already present in the project area. (Maximum reduction of 116 trips)
 - **Travel Behavior Change Program:** Provide a web site that allows employees to research other modes of transportation for commuting. (Maximum reduction of 46 trips)
 - **Promotions & Marketing:** Provide marketing and promotional tools to educate and inform travelers about site-specific transportation options and the effects of their travel choices with passive

educational and promotional materials. (Maximum reduction of 46 trips)

- Commute Assistance Center: Provide a computer kiosk that allows employees to research other modes of transportation for commuting. (Maximum reduction of 46 trips)
- Preferential Carpool / Vanpool Parking Spaces: Provide reserved carpool/vanpool spaces closer to the building entrance. (Maximum reduction of 116 trips)
- Passenger Loading Zones: Provide passenger loading zones for easy access to carpools or vanpools. (Maximum reduction of 58 trips)
- Bike Share: Implement bike share to allow people to have on-demand access to a bicycle, as-needed. (Maximum reduction of 3 trips)
- Bike Parking and Facilities: Include secure bike parking and showers to provide additional end-of-trip bicycle facilities to support safe and comfortable bicycle travel. Provide on-site bicycle repair tools and space to use them supports on-going use of bicycles for transportation. (Maximum reduction of 35 trips)
- Traffic Calming Improvements: Implement traffic calming measures throughout and around the perimeter of the Project site that encourage people to walk, bike, or take transit within the development and to the development from other locations. (Maximum reduction of 12 trips)
- Pedestrian Network Improvements: Implement pedestrian network improvements throughout and around the Project site that encourages people to walk (Maximum reduction of 23 trips)
- Parking Cash Out: Provide employees a choice of forgoing current parking for a cash payment to be determined by the employer. (Maximum reduction of 58 trips)
- Alternative Works Schedule: Implement Flextime, Compressed Work Week (CWW), and staggered shifts for employees. (Maximum reduction of 173 trips)

h) **Mitigation Measure TCR-1:** Prior to the commencement of any ground disturbing activity at the Project site, the Project applicant shall retain a Native American Monitor approved by the Gabrieleno Band of Mission Indians-Kizh Nation, the tribe that consulted on this project pursuant to Assembly Bill AB 52 (the “Tribe” or the “Consulting Tribe”). A copy of the

executed contracts shall be submitted to the City of El Segundo Development Services Department prior to the issuance of any permit necessary to commence a ground-disturbing activity. The Tribal monitor will only be present on-site during the construction phases that involve ground-disturbing activities. Ground disturbing activities are defined by the Tribe as activities that may include, but are not limited to, pavement removal, potholing or auguring, grubbing, tree removals, boring, grading, excavation, drilling, and trenching, within the project area. The Tribal Monitor will complete daily monitoring logs that will provide descriptions of the day's activities, including construction activities, locations, soil, and any cultural materials identified. The on-site monitoring shall end when all ground-disturbing activities on the Project site are completed, or when the Tribal Representatives and Tribal Monitor have indicated that all upcoming ground-disturbing activities at the Project site have little to no potential for impacting Tribal Cultural Resources.

Upon discovery of any Tribal Cultural Resources, construction activities shall cease in the immediate vicinity of the find (not less than the surrounding 100 feet) until the find can be assessed. All Tribal Cultural Resources unearthed by Project activities shall be evaluated by the Consulting Tribe approved Tribal monitor. If the resources are Native American in origin, the Consulting Tribe will retain it/them in the form and/or manner the Tribe deems appropriate, for educational, cultural and/or historic purposes. If human remains and/or grave goods are discovered or recognized at the Project site, all ground disturbance shall immediately cease, and the county coroner shall be notified per Public Resources Code Section 5097.98, and Health & Safety Code Section 7050.5. Human remains and grave/burial goods shall be treated alike per California Public Resources Code section 5097.98(d)(1) and (2). Work may continue on other parts of the Project site while evaluation and, if necessary, mitigation takes place (CEQA Guidelines Section 15064.5[f]).

13. To avoid impacts to nesting birds, construction activities and construction noise should occur outside the avian nesting season (prior to February 1 or after September 1). If construction and construction noise occurs within the avian nesting season (during the period from February 1 to September 1), areas within 100 feet of a development site shall be thoroughly surveyed for the presence of nests by a qualified biologist no more than five days before commencement of any vegetation removal. A copy of the survey shall be filed with the Development Services Department. If it is determined that the survey area is occupied by nesting birds that are covered under the Migratory Bird Treaty Act, subpart a) of this condition shall apply.
 - a) If pre-construction nesting bird survey results in the location of active nests, no grading, vegetation removal, or heavy equipment activity shall take place within an appropriate setback from occupied nests as determined by a qualified biologist. Protective measures (e.g., established setbacks) must be

required to ensure compliance with the Migratory Bird Treaty Act and California Fish and Game Code requirements. The qualified biologist must serve as a construction monitor during those periods when construction activities occur near active nest areas to ensure that no inadvertent impacts occur. A report of the findings, prepared by a qualified biologist, shall be submitted by the applicant to the CDFW prior to construction-related activities that have the potential to disturb any active nests during the nesting season.

14. A licensed Landscape Architect shall be on-site during delivery of any landscape material. The Landscape Architect shall certify that the size, type, and species of all landscaping complies with the approved landscape plan prior to the landscaping being planted. Certification shall be filed with the Development Services Department prior to the final of any permit.
15. A Master Sign Program shall be submitted and approved prior to final building permit approval.
16. Prior to the issuance of any permits, the project shall comply with the requirements set forth in Ordinance 1594 (Public Art).
17. Prior to the issuance of any permit, the applicant shall submit a detailed plan that demonstrates how all above-ground utility structures (electrical transformers, double-detector check valves, back-flow preventors, etc.) are screened from view from Pacific Coast Highway to the satisfaction of the Development Services Director. This should include:
 - a) Locating said utility structures on the east side of Building A or within the utility yard on the north side of Building B.
 - b) The combination of landscaping and painting any double-detector check valves or back-flow preventors green. This provision shall not be meant to conflict with any requirement of the Fire Department for access or color of the FDC, PIV, or other required equipment.
 - c) The use of landscaping and screen wrapping of all visible transformers.
18. Prior to the issuance of any permit on the site, the applicant shall submit a listing of all finished material and colors to be used on the facades of the structure to the Development Services Department for determination that said finished material and colors comply with this approval.
19. Although the project, as approved, shall maintain a minimum 663 parking spaces, the project is providing 1,256 parking spaces, which is comprised of 690 standard, 230 standard tandem, 106 compact, and 230 compact tandem parking spaces. Future changes in on-site uses shall ensure compliance with the parking requirements of the Municipal Code. This shall include the application of Municipal Code limitations of the

amount of compact and tandem parking spaces that can count towards meeting parking requirements.

Impact Fee Conditions

20. Pursuant to ESMC §§ 15-27 A-1, *et seq.*, prior to issuance of a building permit for new Building C, the applicant must pay a one-time library services mitigation fee. The fee amount must be based upon the adopted fee at the time the building permit is issued.
21. Pursuant to ESMC §§ 15-27 A-1, *et seq.*, prior to issuance of a building permit for new Building C, the applicant must pay a one-time fire services mitigation fee. The fee amount must be based upon the adopted fee at the time the building permit is issued.
22. Pursuant to ESMC §§ 15-27 A-1, *et seq.*, prior to issuance of a building permit new Building C, the applicant must pay a one-time police services mitigation fee. The fee amount must be based upon the adopted fee at the time the building permit is issued.
23. Pursuant to ESMC §§ 15-27 A-1, *et seq.*, prior to issuance of a building permit for new Building C, the applicant must pay a one-time park services mitigation fee. The fee amount must be based upon the adopted fee at the time the building permit is issued.
24. Pursuant to ESMC §§ 15-27 A-1, *et seq.*, prior to issuance of a building permit for new Building C, the applicant must pay a one-time traffic mitigation fee. The fee amount must be based upon the adopted fee at the time the building permit is issued.

Building Conditions

25. All construction shall comply with the 2019 California Building Standards Code (Cal. Code Regs., Title 24), including but not limited to the Building Code, Green Code and Energy Code. The applicant is hereby advised that any permit submitted to plan check after January 1, 2023 shall comply with the 2022 California Building Standards Code.
26. Prior to the issuance of any permit, the applicant shall submit the appropriate plans into plan check for verification said plans comply with all codes.
27. A soils report, which addresses shoring during the excavation, footing design, etc., shall be submitted into plan check at the same time building and/or grading plans are submitted.
28. The proposed roof decks shall comply with Section 503.1.4 of 2019 CBC or the code in effect at the time of the plan submittal.
29. The penthouse on Building A may be considered as an additional story per Section 1510 of 2019 CBC.

Recreation and Parks Conditions

30. All landscaping shall comply with Chapter 15A of Title 15 of the ESMC (Water Conservation in Landscaping).

Police Conditions

31. Prior to the issuance of any building permit, the applicant shall submit a lighting/safety plan that demonstrate the adequacy of the site lighting and safety to the satisfaction of the Chief of Police.

32. Any public retail/restaurant spaces shall incorporate security video monitoring systems into their tenant space.

Fire Conditions

33. The applicant shall comply with the applicable requirements of the 2019 California Building and Fire Codes and the 2018 International Fire Code as adopted by the City of El Segundo and El Segundo Fire Department Regulations.

34. The applicant shall submit and have approved by the Fire Department a Fire/Life Safety Plan, identifying fire safety precautions during demolition and construction, emergency site access during construction, permanent fire department access, fire hydrant locations and any existing or proposed fire sprinkler systems and fire alarm systems prior to issuance of the building permit.

35. For any buildings four or more stories in height to 75 feet from the lowest fire department access to the highest occupied floor, the applicant must comply with the City of El Segundo Mid-Rise Buildings requirements identified in the City of El Segundo adopted California Fire Code, Section 918.

36. The applicant shall provide an automatic fire sprinkler system throughout each building, installed in accordance with California Fire Code Chapter 9 and the currently adopted edition of NFPA 13.

37. The applicant must provide an automatic fire alarm system throughout each building, installed in accordance with California Fire Code Chapter 9 and the currently adopted edition of NFPA 72.

38. The building fire sprinkler systems shall have a system fire department connection on each building.

39. The site shall have a looped private underground main system, with connections at locations approved the Fire Department. A fire department connection shall be installed at each double detector check assembly.

40. The applicant must provide a fire apparatus access roadway around the property as identified in the proposed site plan. The fire apparatus access roadway must meet requirements in the adopted California Fire Code and El Segundo Fire Department Fire Prevention Regulation A-1-a.
41. The applicant must provide the following conditions for all fire features:
- a) A barrier must be provided around the fire feature to prevent accidental access into the fire feature.
 - b) The distance between the fire feature and combustible material and furnishings must meet the fire feature's listing and manufacturer's requirements.
 - c) If the fire feature's protective barrier exceeds ambient temperatures, all exit paths and occupant seating must be a minimum 36 inches from the fire feature.
42. Any private fire hydrants must be installed and maintained in accordance with El Segundo Fire Department Regulation H-2-a "Fire Hydrant and Private Fire Main System Installation".
43. If the buildings are on separate properties, able to be sold to different property owners, the applicant must install a sectional control valve in the underground fire service main at the property line between the properties.
44. The applicant must record with the Los Angeles County Register-Recorder an agreement between the parcel (property) owners to allow each property owner access to the sectional control valve and to require the property owner who shuts the sectional control valve to notify other property owner(s) when the valve is shut and restored.

Public Works - General Conditions

45. All work in the City's right-of-way or on City-owned and maintained facilities shall require review and approval of the City Engineer or his/her designee.
46. The applicant shall ensure that encroachment permits are secured from the Public Works Department/Engineering Division before commencing any and all work in the City's public right-of-way (ROW), including lane closures.
47. Construction inspection shall be coordinated with the Public Works Inspector and no construction shall deviate from the approved plans without approval of the City Engineer. If plan deviations are necessary, the applicant shall provide a revised plan or details of the proposed change for review and approval of the City Engineer prior to construction.

48. Prior to issuing of the Certificate of Occupancy, the applicant shall ensure installation of all improvements required by the Public Works Department are inspected and approved by the City Engineer.
49. All construction-related parking shall be accommodated on-site. No construction related parking shall be permitted off-site.
50. A grading and drainage plan shall be provided and stamped by a California (CA) State-licensed civil engineer as part of the Building Permit process.
51. A utility plan shall be provided that shows all existing and proposed utility lines and their sizes (sewer, water, gas, storm drain, electrical, etc.), including easements, within 200 feet of the project site boundary.
52. Easements shall be granted for all public utilities installed outside the public-right-way with 15 ft. wide minimum up to entering the public right-of-way.
53. Pacific Coast Highway is owned by Caltrans. Please contact them at (310) 609-0354, to determine if they have any particular requirements for your construction. Please note that if work on Pacific Coast Highway requires an El Segundo Public Works encroachment permit, said encroachment permit shall not be issued until Public Works staff has confirmed a Caltrans permit has been obtained by the Contractor.
54. All record drawings (PDF and CAD format) and supporting documentation shall be submitted to the Public Works Engineering Division prior to scheduling the project's final inspection.

Public Works – Street Improvements Conditions

55. Carl Jacobson Drive (formerly Lairport Avenue) requires a 9-foot dedication or, if the applicant requests it, a 9-foot irrevocable offer to dedicate executable at the City's discretion. No permanent structures shall be built in these dedications.
56. All new sidewalk, curb & gutter, driveway approaches, and curb ramps shall be constructed per the latest Standard Plans for Public Works Construction (SPPWC) "Greenbook" and City standards.
57. All existing sidewalk, curb & gutter, driveway approaches, and curb ramps that are broken or not in conformance with the latest SPPWC or City standards shall be removed and constructed per the latest SPPWC and City standards.
58. All unused driveways shall be removed and replaced with full-height curb, gutter and sidewalk per SPPWC standards and City standards.
59. The applicant shall provide a minimum 4' sidewalk clearance around any obstruction in the sidewalk i.e. posts, power poles, etc.

60. PG-64-10 tack coat and hot mix asphalt shall be used for all slot paving required next to new concrete installations. Slot paving shall be 3 feet wide and 1 foot deep, consisting of 6 inches of asphalt over 6 inches of base.
61. The applicant shall provide street signing and striping plans for the new development. All striping in the public ROW shall consist of thermoplastic paint per the latest CA Manual on Uniform Traffic Control Devices (MUTCD).
62. The applicant shall provide traffic control plans for all work requiring a lane closure.
63. The work schedule on major arterial streets shall be Monday through Friday from 9:00 a.m. to 3:00 p.m., except holidays. Work schedule in all other areas shall be Monday through Friday from 7:00 a.m. to 4:00 p.m. Contractor shall obtain prior approval from the City Engineer for performing weekend work, night work, or work on a holiday.
64. During construction, it shall be the responsibility of the applicant to provide safe pedestrian traffic control around the site. A pedestrian protection plan shall be submitted to the Public Works Department for review and approval by the City Engineer. This may include but not be limited to signs, flashing lights, barricades and flag persons.
65. Once the ROW improvements are accepted by the City Engineer, they are not to be used for staging building construction activities, including but not limited to, storage of construction materials and equipment. The street and sidewalks shall be kept free of construction debris, mud and other obstacles and shall remain open to traffic at all times. The applicant shall bear the entire cost of replacement or repair to any damage to improvements caused by its use, or its Contractors' and Subcontractors' use, of the improvements after acceptance by the City Engineer.
66. The proposed ingress/egress on Pacific Coast Highway requires a traffic study to be prepared by a State-licensed Traffic Engineer to demonstrate the driveways will be in compliance with the requirements of the General Plan, subject to the review and approval of the Public Works Director or his designee.

Public Works – Water Conditions

67. Any existing water meters, potable water service connections, fire backflow devices and potable water backflow devices must be upgraded to current City Water Division standards. These devices shall be placed or relocated onto private property.
68. The applicant must submit plans for water system upgrades to the City of El Segundo Public Works Department for review and approval.
69. Any unused water laterals shall be abandoned and properly capped at the City main. The Contractor is to obtain necessary permits and licenses and provide traffic control plans and shoring plans.

Public Works – Sewer Conditions

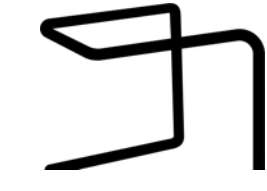
70. The proposed improvement will impact the capacity of the existing sewer main lines. The applicant must submit a sewer study to determine if there is a capacity deficiency in the affected sewer main lines and if so, sewer upgrades will be required. The sewer study shall be reviewed and approved by the City Engineer.
71. Prior to issuance of a Certificate of Occupancy, proof of payment of the sewer connection fee to the Los Angeles County Sanitation District (LACSD) must be provided to the City Engineer. LACSD can be reached at (310) 638-1161.
72. Any unused sanitary sewer laterals shall be abandoned and properly capped at the City main. The Contractor is to obtain necessary permits and licenses and provide traffic control plans and shoring plans.

Public Works – Storm Drain Conditions

73. Hydrologic and hydraulic calculations shall be submitted to size appropriate storm drain facilities to control on-site drainage and mitigate off-site impacts. Refer to the most recent Los Angeles County Hydrology Manual. Instructions and the manual are available at the County website at <http://dpw.lacounty.gov/wrd/Publication/index.cfm>. Calculations shall be signed by a registered civil engineer.
74. The project shall comply with the National Pollutant Discharge Elimination System (NPDES) requirements and shall provide Best Management Practices (BMPs) for sediment control, construction material control and erosion control.

Public Works – Landscape and Irrigation Conditions

75. Irrigation plans shall be submitted to the Public Works Department for review and approval. All irrigation meters and mechanical equipment shall meet the City Water Division standards.
76. All public landscape improvements shall be designed to City standards and approved by the Parks & Recreation Department.
77. The property owner shall maintain all landscaping and irrigation in the public ROW fronting the property.
78. The applicant shall coordinate any tree removals in the public right-of-way with the Parks & Recreation Department prior to the start of construction.



650-700 PCH

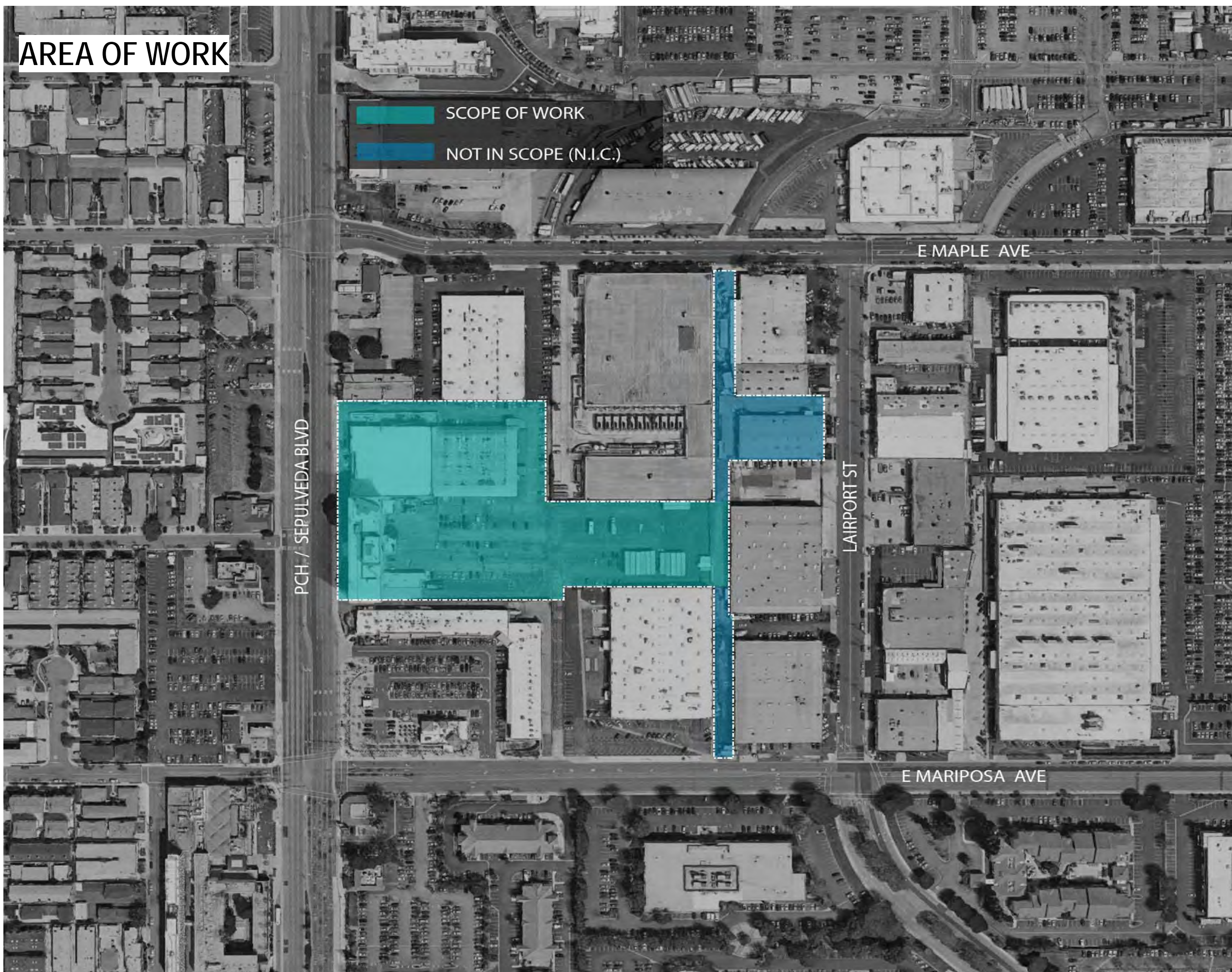
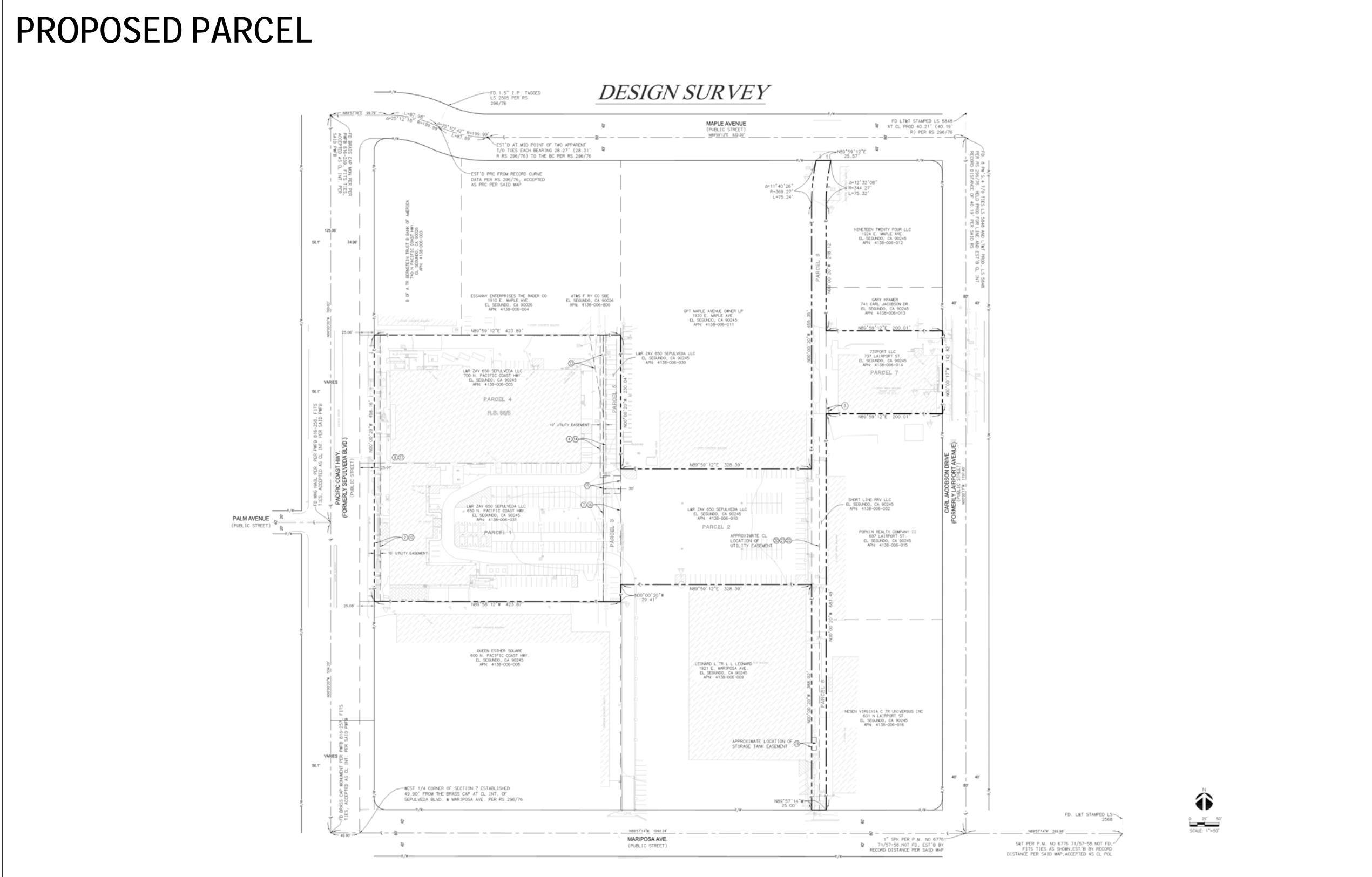
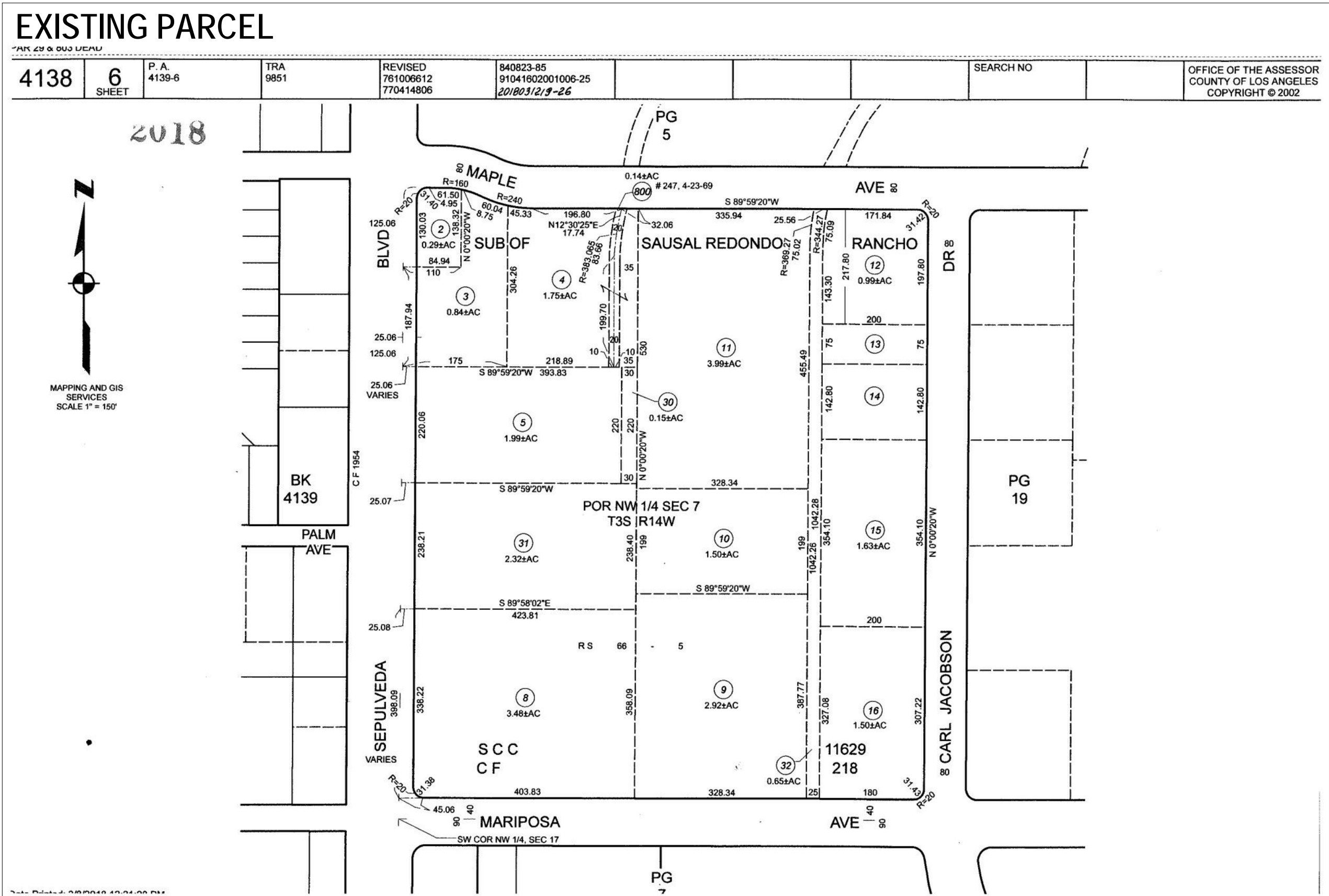
650 N PACIFIC COAST HIGHWAY
EL SEGUNDO, CA 90245

SHUBINDONALDSON ARCHITECTS

LOS ANGELES OFFICE
3751 ROBERTSON BOULEVARD
CULVER CITY, CA 90232
310.204.0688

PROJECT PHASE: ENTITLEMENT PACKAGE

3/23/2021
2:52:20 PM



PROPERTY ADDRESS AND DATA

CLIENT CONTACT
 13721C 650 SEPULVEDA LLC
 8445 SANTA MONICA BLVD., SUITE 5,
 WEST HOLLYWOOD, CA 90069
 ZACK VELLA
 310-319-2300
 ZACH@VELLAGROUP.COM

PROJECT ADDRESS BUILDING A
 650 N PACIFIC COAST HIGHWAY EL SEGUNDO, CA
 ASSESSOR PARCEL NO. (APN): 4138-006-031
 REGION CLUSTER: 23 / 23998
 TRA: 09851
 MAP SHEET: 4138 / SHEET 6

PROJECT ADDRESS BUILDING B
 700 N PACIFIC COAST HIGHWAY EL SEGUNDO, CA
 ASSESSOR PARCEL NO. (APN): 4138-006-005
 REGION CLUSTER: 25 / 23821
 TRA: 09851
 MAP SHEET: 4138 / SHEET 6

PROJECT ADDRESS BUILDING C
 ASSESSOR PARCEL NO. (APN): 4138-006-010
 REGION CLUSTER: 23 / 23998
 TRA: 09851
 MAP SHEET: 4138 / SHEET 6

PLANNING & ZONING INFORMATION
 ZONE: CORPORATE OFFICE ZONE (CO)
 GENERAL PLAN LAND USE CATEGORY: GENERAL COMMERCIAL

LEGAL DESCRIPTION
 REFER TO SURVEY SHEET EN0-04

ENTITLEMENT_PROJECT DESCRIPTION

650 PCH BUILDING A
 CORE AND SHELL SCOPE OF WORK CONSISTS OF FACADE IMPROVEMENTS, EXISTING OPENINGS TO BE ENLARGED TO FULL-HEIGHT WINDOW WALLS. PENTHOUSE RENOVATION & EXPANSION WITH ROOF DECK ADJACENT. A NEW DOUBLE-HEIGHT LOBBY AT THE BUILDING'S CENTER ON GROUND LEVEL 1 AND LEVEL 2.

700 PCH BUILDING B
 CORE AND SHELL SCOPE CONSISTS OF NEW OPENINGS ON FACADE AND RE-OPENING OF EXISTING INFILLED KNOCKOUT PANELS. NEW GLAZING ALONG PCH, NEW SKYLIGHTS AND A DOUBLE HEIGHT SPACE FOR THE TWO STORY PORTION OF THE BUILDING.

NEW BUILDING C & PARKING STRUCTURE
 CORE AND SHELL SCOPE OF WORK CONSISTS OF A NEW 5-LEVEL OFFICE BUILDING AND 7-LEVEL PARKING STRUCTURE. THE OFFICE PORTION WILL PROVIDE TERRACED SPACES AS PRIVATE PATIOS AND BALCONIES.

ENTITLEMENT_BUILDING INFORMATION

650 PCH BUILDING A
 NUMBER OF STORIES: 8+ PENTHOUSE (EXISTING)
 0 (NO CHANGE PROPOSED)

TYPE OF CONSTRUCTION
 TYPE I (NON RATED, FULLY SPRINKLERED BUILDING WITH NFPA 13 SPRINKLER SYSTEM (SEC. 903.2.11.3))

USE
 COMMERCIAL OFFICE (NO CHANGE PROPOSED)

OCCUPANCY GROUP CLASSIFICATION
 MAJOR USE: COMMERCIAL OFFICE - GROUP B

700 PCH BUILDING B
 NUMBER OF STORIES: 7 (EXISTING)
 0 (NO CHANGE PROPOSED)

TYPE OF CONSTRUCTION
 TYPE II (NON RATED, FULLY SPRINKLERED BUILDING WITH NFPA 13 SPRINKLER SYSTEM (SEC. 903.2.11.3))

USE
 COMMERCIAL OFFICE (NO CHANGE PROPOSED)

OCCUPANCY GROUP CLASSIFICATION
 MAJOR USE: COMMERCIAL OFFICE - GROUP B

NEW BUILDING C & PARKING STRUCTURE
 NUMBER OF STORIES: 0 (EXISTING)
 4 (PROPOSED FOR OFFICE)
 7 (PROPOSED FOR PARKING)

TYPE OF CONSTRUCTION
 TYPE I (NON RATED, FULLY SPRINKLERED BUILDING WITH NFPA 13 SPRINKLER SYSTEM (SEC. 903.2.11.3))

USE
 COMMERCIAL OFFICE

OCCUPANCY GROUP CLASSIFICATION
 MAJOR USE: COMMERCIAL OFFICE - GROUP B

BUILDING AREA SUMMARY

ZONING REQUIREMENTS

FAR: 0.8
 MAX HEIGHT: 200'-0"
 SET BACKS:
 -FRONT YARD 20' MINIMUM
 -SIDE YARD 10' MINIMUM
 -REAR YARD 10' MINIMUM

PROPERTY AREA

ADDRESS	PARCEL	AREA	ACRES
650 PCH	PARCEL 1	93,836 SF	2.155
INTERIOR LOT	PARCEL 2	65,359 SF	1.500
INTERIOR LOT	PARCEL 3	7,153 SF	0.164
700 N PCH	PARCEL 4	86,666 SF	1.980
INTERIOR LOT	PARCEL 5	6,601 SF	0.152
RAIL SPIUR	PARCEL 6	27,942 SF	0.641
737 CARL JACOBSON DR	PARCEL 7	28,995 SF	0.666
TOTAL		316,142 SF	7.288

FAR RATIO: 0.8
ALLOWABLE NET AREA: 252,913.6 SF

FAR RATIO: 0.8
TOTAL NET AREA PROVIDED: 252,609 SF

NET AREAS

BUILDING A ITEMIZED FLOOR AREAS NSF
 650 PCH

LEVELS	EXISTING	PROPOSED
FIRST FLOOR	14,605 SF	11,859 SF (-2,746 SF)
SECOND FLOOR PCH	10,750 SF	9,612 SF (-1,138 SF)
THIRD FLOOR	12,410 SF	12,550 SF (+140 SF)
FOURTH	12,410 SF	12,550 SF (+140 SF)
FIFTH	12,410 SF	12,550 SF (+140 SF)
SIXTH	12,410 SF	12,550 SF (+140 SF)
SEVENTH	12,410 SF	12,550 SF (+140 SF)
EIGHTH	10,922 SF	11,174 SF (+252 SF)
PENTHOUSE / NINTH	358 SF	4,521 SF (+4,163 SF BUILDING ADDITION)
TOTAL NET	98,662 SF	99,916 SF

BUILDING A HEIGHT
 TYPE I CONSTRUCTION - B OCCUPANCY

BUILDING HEIGHT	EXISTING	PROPOSED
(MAX 200'-0")	137'-0" T.O. MECH ROOM	137'-0" T.O. MECH ROOM (NO CHANGE PROPOSED)
	8 LEVELS + PENTHOUSE	8 LEVELS + PENTHOUSE (NO CHANGE PROPOSED)

BUILDING B ITEMIZED FLOOR AREAS NSF
 700 PCH

LEVELS	EXISTING	PROPOSED
FIRST FLOOR	OFFICE PARKING 47,324 SF	45,697 SF (-1,627 SF BUILDING REMOVAL)
SECOND FLOOR PCH	OFFICE PARKING 22,389 SF	18,453 SF (-3,936 SF BUILDING REMOVAL)
TOTAL NET	69,713 SF	65,150 SF

BUILDING B HEIGHT
 TYPE III CONSTRUCTION - B OCCUPANCY

BUILDING HEIGHT	EXISTING	PROPOSED
(MAX 200'-0")	36'-6"	36'-6" T.O. PARAPET (NO CHANGE PROPOSED)
	2 LEVELS	2 LEVELS (NO CHANGE PROPOSED)

BUILDING C ITEMIZED FLOOR AREAS NSF
 (N) BUILDING

OFFICE LEVELS	PROPOSED
FIRST FLOOR	3,829 SF
SECOND FLOOR PCH	0 (PARKING)
THIRD FLOOR	0 (PARKING)
FOURTH FLOOR	21,750 SF
FIFTH FLOOR	20,440 SF
SIXTH FLOOR	15,188 SF
SEVENTH FLOOR	8,714 SF
TOTAL NET	70,921 SF

BUILDING C HEIGHT
 TYPE I CONSTRUCTION - B OCCUPANCY

BUILDING HEIGHT	EXISTING	PROPOSED
(MAX 200'-0")	112'-8" T.O. ELEVATOR SHAFT	112'-8" T.O. ELEVATOR SHAFT
	7 LEVELS (WITH 2 LEVELS OF PARKING INCLUDED)	7 LEVELS (WITH 2 LEVELS OF PARKING INCLUDED)

BUILDING D ITEMIZED FLOOR AREAS NSF (N.I.C.)
 737 CARL JACOBSON DR

LEVELS	EXISTING	PROPOSED
FIRST FLOOR	16,652 SF	16,652 SF (N.I.C. NO CHANGE PROPOSED)
TOTAL NET	16,652 SF	16,652 SF

BUILDING D HEIGHT
 TYPE III CONSTRUCTION - B OCCUPANCY

BUILDING HEIGHT	EXISTING	PROPOSED
(MAX 200'-0")	17'-0"	17'-0"
	1 LEVEL	1 LEVEL

GROSS AREAS

BUILDING A ITEMIZED FLOOR AREAS GSF
 650 PCH

LEVELS	EXISTING	PROPOSED
FIRST FLOOR	20,305 SF	15,944 SF (-4,361 SF)
SECOND FLOOR PCH	15,760 SF	15,018 SF (-742 SF)
THIRD FLOOR	15,044 SF	15,399 SF (+355 SF)
FOURTH	15,044 SF	15,044 SF (0 SF)
FIFTH	15,044 SF	15,044 SF (0 SF)
SIXTH	15,044 SF	15,044 SF (0 SF)
SEVENTH	15,044 SF	15,044 SF (0 SF)
EIGHTH	15,044 SF	15,044 SF (0 SF)
PENTHOUSE / NINTH	1,986 SF	8,759 SF (+6,769 SF INCLUDES ROOF TERRACE)
ELEVATOR SHAFT	228 SF	228 SF (0 SF)
TOTAL GROSS	128,544 SF	130,528 SF

BUILDING B ITEMIZED FLOOR AREAS GSF
 700 PCH

LEVELS	EXISTING	PROPOSED
FIRST FLOOR	53,396 SF	53,131 SF (-265 SF)
SECOND FLOOR PCH	25,117 SF	24,178 SF (-939 SF)
TOTAL GROSS	78,513 SF	77,309 SF

BUILDING C ITEMIZED FLOOR AREAS GSF
 (N) BUILDING

LEVELS	EXISTING	PROPOSED
FIRST FLOOR	17,203 SF	17,203 SF
SECOND FLOOR PCH	0 (PARKING)	0 (PARKING)
THIRD FLOOR	0 (PARKING)	0 (PARKING)
FOURTH FLOOR	33,307 SF	33,307 SF
FIFTH FLOOR	28,501 SF	28,501 SF
SIXTH FLOOR	25,916 SF	25,916 SF
SEVENTH FLOOR	20,261 SF	20,261 SF
TOTAL GROSS	122,156 SF	122,156 SF

BUILDING D ITEMIZED FLOOR AREAS GSF (N.I.C.)
 737 CARL JACOBSON DR

LEVELS	EXISTING	PROPOSED
FIRST FLOOR	17,000 SF	17,000 SF (N.I.C. NO CHANGE PROPOSED)
TOTAL GROSS	17,000 SF	17,000 SF

PARKING SUMMARY

REQUIRED PARKING

1 SPACE PER 300 SF FOR 1ST 25,000 SF
 1 SPACE PER 350 SF FOR 2ND 25,000 SF
 1 SPACE PER 400 SF IN EXCESS OF 50,000 SF

REQUIRED PARKING / PROVIDED AREA: 252,609 SF

1ST 25,000 SF = 84 SPACES
 2ND 25,000 SF = 72 SPACES
 GREATER 50,000 SF = 507 SPACES

TOTAL REQUIRED = 663 SPACES

PROJECT PARKING SUMMARY

- SURFACE PARKING EXISTING	= 51	(TOTAL STND STALLS PROVIDED)
- SURFACE PARKING NEW / MODIFIED TO CODE	= 20	EXCEEDS TOTAL REQUIRED PARKING
- TOTAL SELF-PARK STANDARD INCLUDING AS.EV.CAV	= 619	
		TOTAL STND = 690
- ADDITIONAL PARKING - COMPACT	= 106	
- ADDITIONAL PARKING - COMPACT TANDEM	= 230	
- ADDITIONAL PARKING - STANDARD TANDEM	= 230	
TOTAL NUMBER OF SPACES PROVIDED	1,266 SPACES	1,266 SPACES

PARKING BREAKDOWN

B = 8'-0" D = 9'-0" BUILDING SIZE = 50'X 142'

AREA	SLAB (SF)	ELEVATED	STND	TANDEM	INCLUDED IN STD	COMP	INCLUDES IN COMP	AS	EV	C.A.V	TOTAL	SF / SPACE
GA	19,158								6	37	47	407.62
GB	16,356	13,747	42		(28)	31			(28)	4	6	362.89
GC	13,747									10	10	352.49
2A		32,272	25						(4)	19	23	408.51
2B		39,817	76		(46)	49			(46)	2	48	313.92
3A		32,272	83						(4)	4	8	338.71
3B		39,817	76		(46)	50			(46)	2	48	311.07
4A		18,256	52						(29)	9	38	299.28
4B		22,517	50						(29)	36	65	261.63
5A		18,256	52						(29)	9	38	299.28
5B		22,517	50						(29)	36	65	261.63
6A		18,256	52						(29)	9	38	299.28
6B		22,517	50						(29)	37	66	258.82
7A		18,256	52						(29)	9	38	299.28
7B		13,272	31		(15)	5			(15)	5	20	368.67
7C		11,269	29							29	29	236.00
Totals =	49,261	323,052	732		(230)	336			(230)	22	72	1,185

Gross Floor Area (SF) = 372,313
 Total Spaces = 1,185
 Design Efficiency = 372,313 / 1,185 = 314.19
 Percent of Compact to Total = 28.4%
 Total Tandem Spaces = 460
 Percent of Tandem to Total (includes some compact spaces) = 39%
 Additional site Surface parking provided (not included above) = 20 (New to code), 51 (Existing)

BICYCLE PARKING

REQUIRED BICYCLE PARKING - CALGREEN
 BIKE SPACES REQUIRED: 5% OF (N) VEHICULAR PROVIDED SPACES
 (N) VEHICULAR PROVIDED SPACES: 1185

REQUIRED BICYCLE PARKING SPACES:
 -LONG TERM =59
 -SHORT TERM =69

PROVIDED BICYCLE PARKING SPACES:
 -LONG TERM =60 (30 2-TIER BIKE RACKS - STACKED)
 -SHORT TERM =68 (34 DOUBLE BIKE RACKS)

ShubinDonaldson

LOS ANGELES OFFICE
 3751 ROBERTSON BOULEVARD
 CULVER CITY, CA 90230
 310.241.0488

650-700 PCH
 650 N PACIFIC COAST HIGHWAY
 EL SEGUNDO, CA 90245

ENTITLEMENT PACKAGE
 SCALE: 1/2" = 1'-0"
 DATE: XXXX.XXXX

PROJECT SUMMARY
EN0-02

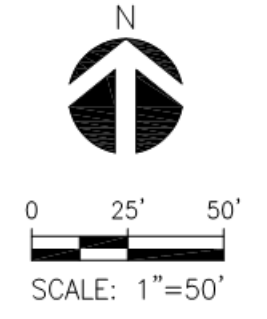
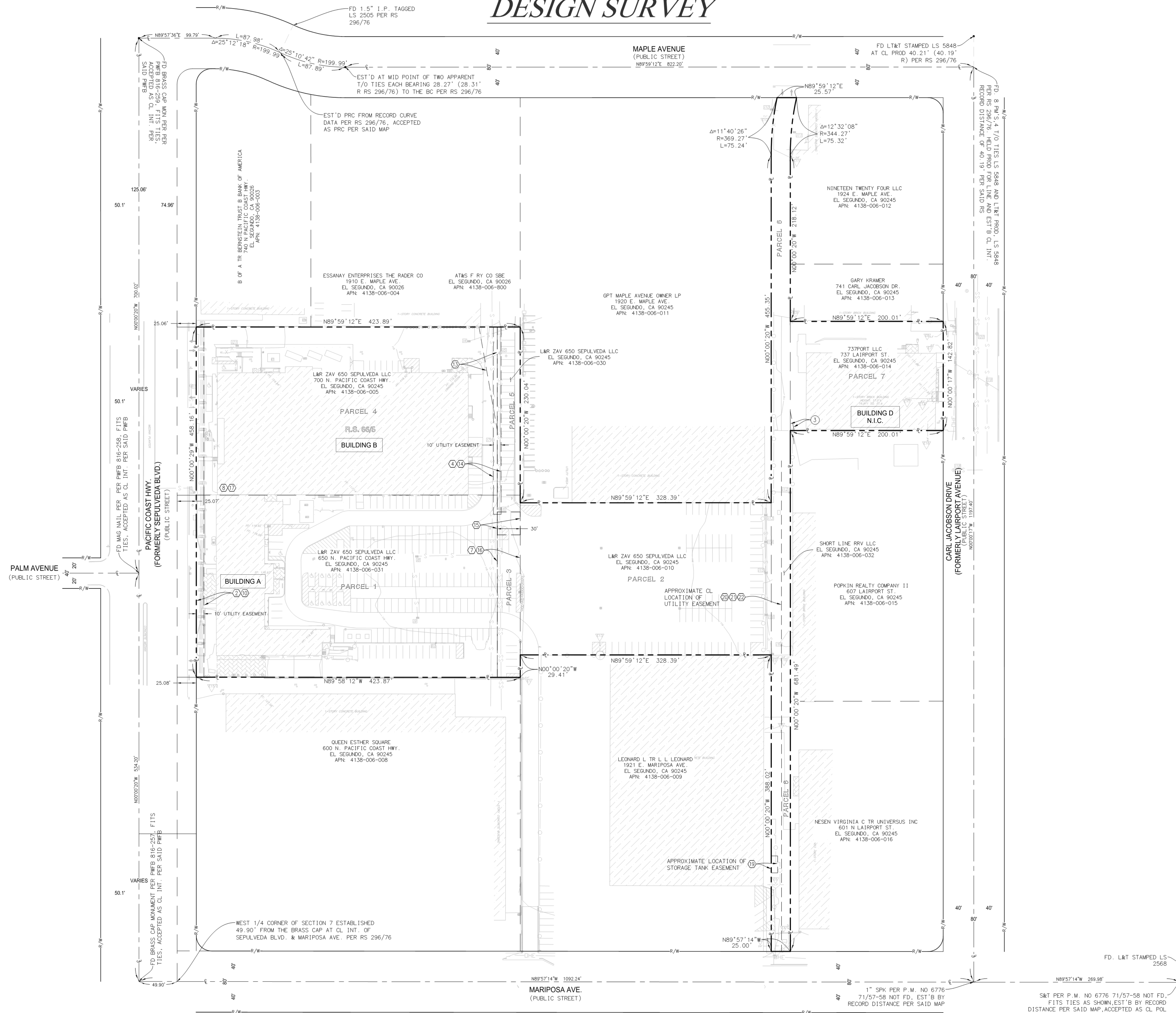


650-700 PCH
 650 N PACIFIC COAST HIGHWAY
 EL SEGUNDO, CA 90245
 JOB NO. 1803
 ENTITLEMENT PACKAGE
 SCALE:
 DATE: XXXX.XXXX

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EXISTING
 CONDITIONS
EN-03

DESIGN SURVEY



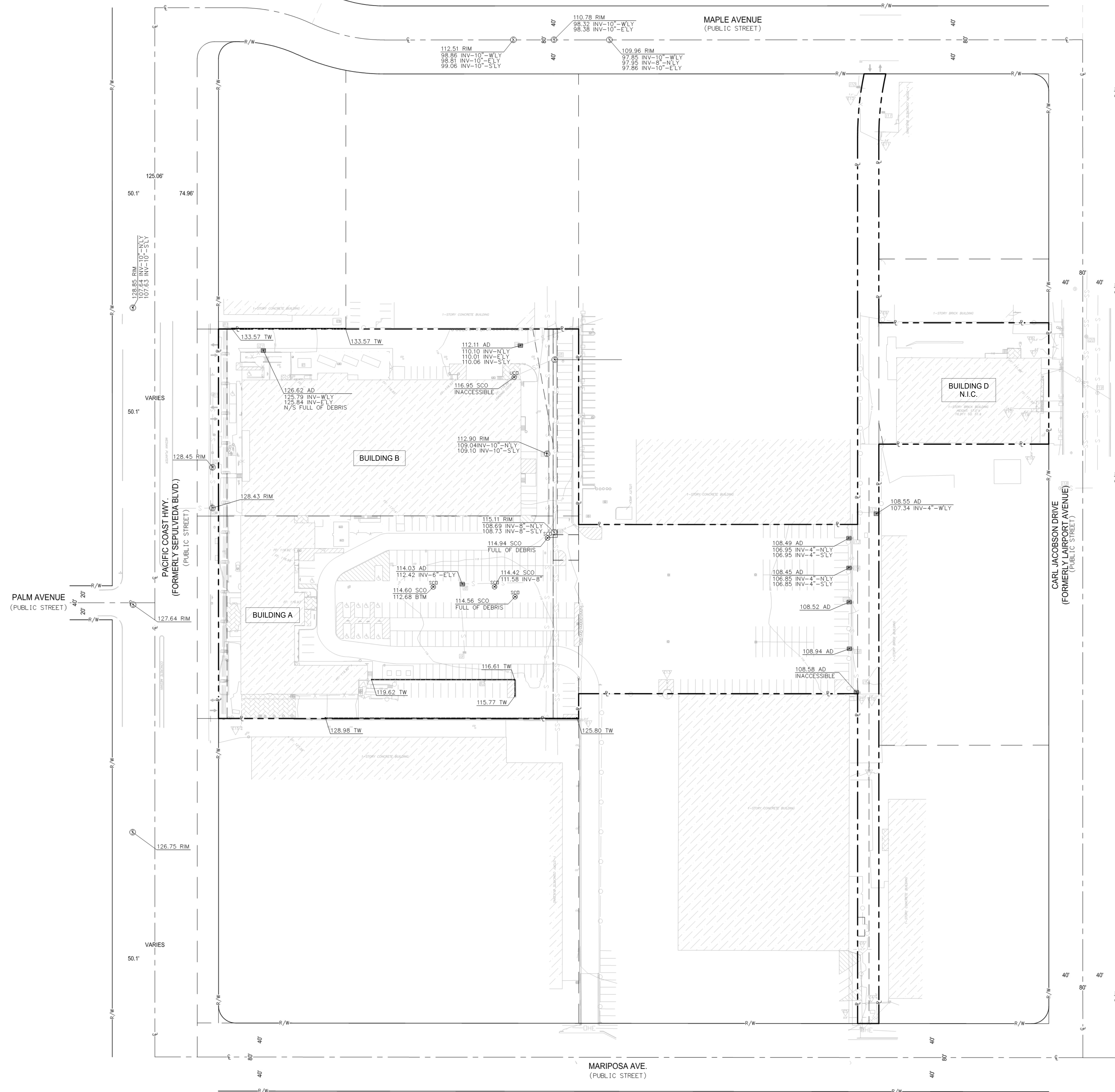
NO.	DATE	REVISIONS
6		
5		
4		
3		
2		
1		

PROJECT #	200086
DATE PREPARED	05/27/2020
DRAWN BY	BN
CHECKED BY	CJ

650-700 PCH
 PREPARED FOR:
MR. SPENCER KALLICK
 LMR ZAV 650 SEPULVEDA LLC
 1901 AVENUE OF THE STARS, SUITE 1800
 LOS ANGELES, CA 90067



DESIGN SURVEY



LINETYPES

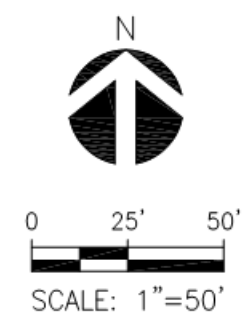
[Symbol]	BUILDING LINE/HATCH
[Symbol]	BUILDING OVERHANG
[Symbol]	BRICK LINE/HATCH
[Symbol]	CONC LINE/HATCH
[Symbol]	CHAINLINK FENCE
[Symbol]	CURB FACE WITH BACK OF CURB (0.5' O/S)
[Symbol]	FLOWLINE
[Symbol]	GRADEBREAK
[Symbol]	WALL
[Symbol]	WIRE FENCE
[Symbol]	WROUGHT IRON FENCE
[Symbol]	PROPERTY LINE
[Symbol]	LOT LINE
[Symbol]	RIGHT OF WAY LINE
[Symbol]	POTENTIAL RIGHT OF WAY LINE
[Symbol]	CENTERLINE
[Symbol]	EASEMENT LINE
[Symbol]	OVERHEAD UTILITY LINES
[Symbol]	FIBER OPTIC LINE
[Symbol]	ELECTRICAL LINE
[Symbol]	TRAFFIC SIGNAL LINE
[Symbol]	TELECOMMUNICATIONS LINE
[Symbol]	STORM DRAIN LINE
[Symbol]	SANITARY SEWER LINE
[Symbol]	WATER LINE
[Symbol]	GAS LINE
[Symbol]	CATV LINE

ABBREVIATIONS

AC	ASPHALT CONCRETE	NTS	NOT TO SCALE
APR	APRON	R	PROPERTY LINE
ARV	AIR VENT	PCL	PARCEL
ASPH	ASPHALT	PLNT	PLANTER
AD	AREA DRAIN	R/W	RIGHT-OF-WAY
BFP	BACK FLOW PREVENTER	RCP	REINFORCED CONC. PIPE
BL	BOLLARD	RET WALL	RETAINING WALL (CONCRETE)
BTM	BOTTOM	SCO	SEWER CLEANOUT
CL	CENTERLINE	SD	STORM DRAIN
CATV	CABLE TV	SDMH	STORM DRAIN MANHOLE
CD	CURB DRAIN	SLPB	STREET LIGHT PULLBOX
CB	CATCH BASIN	SS	SANITARY SEWER
CSW	CONCRETE BLOCK WALL	SSMH	SANITARY SEWER MANHOLE
CLF	CHAIN LINK FENCE	SSM	STANDARD SURVEY MONUMENT WELL
CMP	CORRUGATED METAL PIPE	SWK	SIDEWALK
COL	COLUMN	TC	TOP OF CURB
COM.	COMMUNICATIONS	TB	SEWER CLEANOUT
CONC.	CONCRETE	TOE	TOE OF SLOPE
D/W	DRIVEWAY APRON	TE	TRASH ENCLOSURE
DI	DROP INLET	TR	TRASH RECEPTACLE
EG	EDGE OF GUTTER	TG	TOP OF GRATE
ELEV	ELEVATION	TW	TREE WELL
ELEC.	ELECTRICAL	TS	TRAFFIC SIGNAL
ELP	ELECTRICAL PANEL	TSCB	TRAFFIC SIGNAL CABINET
ELV	ELECTRICAL VAULT	TW	TOP OF WALL
ESC	METRO ESCAPE ACCESS PORTAL	TYP.	TYPICAL
FDC	FIRE DEPARTMENT CONNECTION	UNK	UNKNOWN
FF	FINISHED FLOOR	VCP	VITRIFIED CLAY PIPE
FL	FLOW LINE	VLT	VAULT
FS	FINISHED SURFACE	WF	WROUGHT IRON FENCE
GB	GRADE BREAK	WL	WALL
GI MH	GREASE INTERCEPTOR MANHOLE	WVLT	WATER VAULT
GV	GAS VALVE	WV	WATER VALVE
HCR	HANDICAP RAMP	WDF	WOOD FENCE
INV	INVERT OF PIPE	XMR	TRANSFORMER
JB	JUNCTION BOX	NE'LY	NORTHEASTERLY
LACo	LOS ANGELES COUNTY	NW'LY	NORTHWESTERLY
LA	LANDSCAPE AREA	SE'LY	SOUTHEASTERLY
LIP	LIP OF GUTTER	SW'LY	SOUTHWESTERLY
MH	MANHOLE		

LEGEND

[Symbol]	AERIAL TARGET	[Symbol]	ELECTRIC CABINET
[Symbol]	AIR RELEASE VALVE	[Symbol]	ELECTRIC MANHOLE
[Symbol]	AREA DRAIN (SQUARE)	[Symbol]	ELECTRIC METER
[Symbol]	AREA DRAIN (CIRCLE)	[Symbol]	UTILITY POLE
[Symbol]	BACKFLOW PREVENTER	[Symbol]	ELECTRIC PULLBOX
[Symbol]	BOLLARD	[Symbol]	ROOF DRAIN
[Symbol]	BENCHMARK	[Symbol]	SEWER CLEAN OUT
[Symbol]	BLOW-OFF VALVE	[Symbol]	SEWER MANHOLE
[Symbol]	CURB DRAIN	[Symbol]	HANDICAP PARKING
[Symbol]	CONTROL POINT	[Symbol]	SIGN
[Symbol]	CABLE TV PULLBOX	[Symbol]	SPRINKLER
[Symbol]	COMMUNICATIONS PULLBOX	[Symbol]	STORM DRAIN MANHOLE
[Symbol]	ELECTRONIC TEST STATION	[Symbol]	STREET LIGHT
[Symbol]	FIRE DEPARTMENT CONNECTION	[Symbol]	STREET LIGHT PULLBOX
[Symbol]	FIRE HYDRANT	[Symbol]	TELEPHONE BOX
[Symbol]	FLAG POLE	[Symbol]	TELEPHONE CABINET
[Symbol]	FIBER OPTIC PULLBOX	[Symbol]	TELEPHONE MANHOLE
[Symbol]	GROUND LIGHT	[Symbol]	TRAFFIC PULLBOX
[Symbol]	GAS MANHOLE	[Symbol]	TRAFFIC SIGNAL CABINET
[Symbol]	GAS VALVE	[Symbol]	TRAFFIC SIGNAL
[Symbol]	GAS METER	[Symbol]	TREE
[Symbol]	GUY WIRE	[Symbol]	UNIDENTIFIED PULLBOX
[Symbol]	GREASE INTERCEPTOR	[Symbol]	UNIDENTIFIED CABINET
[Symbol]	HOSE BIB	[Symbol]	UNIDENTIFIED CLEAN OUT
[Symbol]	IRRIGATION CONTROL BOX	[Symbol]	UNIDENTIFIED MANHOLE
[Symbol]	IRRIGATION CONTROL VALVE	[Symbol]	UNIDENTIFIED CONTROL VALVE
[Symbol]	AREA LIGHT	[Symbol]	VENT
[Symbol]	MAILBOX	[Symbol]	WATER MANHOLE
[Symbol]	MONITORING WELL	[Symbol]	WATER METER
[Symbol]	PALM	[Symbol]	WATER VALVE
[Symbol]	PARKING METER	[Symbol]	RISER
[Symbol]	POST INDICATOR VALVE	[Symbol]	DETECTOR CHECK VALVE
[Symbol]		[Symbol]	DRINKING FOUNTAIN



NO.	DATE	REVISIONS
6		
5		
4		
3		
2		
1		

PROJECT #	200086
DATE PREPARED	05/27/2020
DRAWN BY	BN
CHECKED BY	CJ

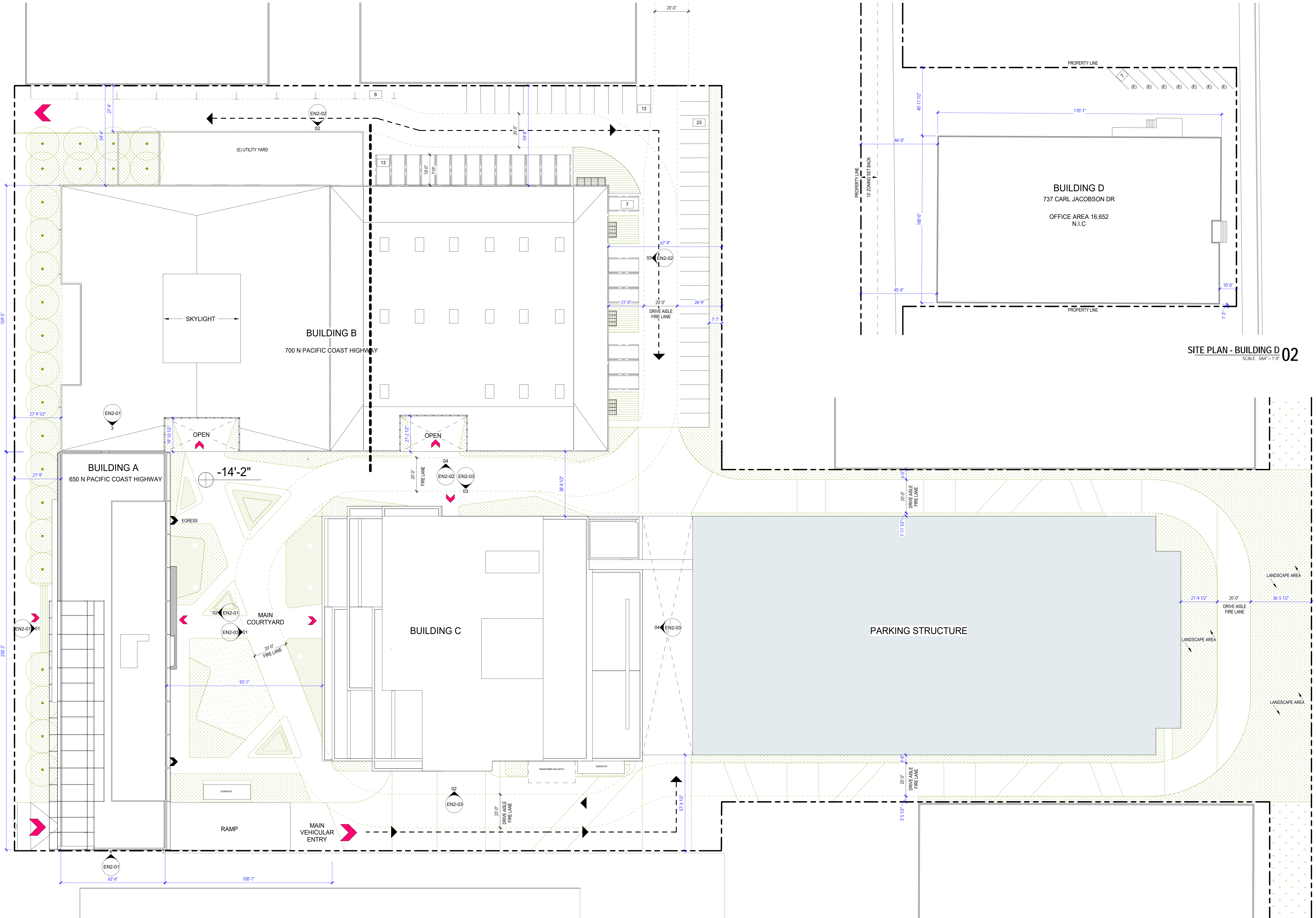
650-700 PCH
 PREPARED FOR:
MR. SPENCER KALLICK
 LAR 24V 650 SEPULVEDA LLC
 1901 AVENUE OF THE STARS, SUITE 1800
 LOS ANGELES, CA 90067



700 FLOWER ST., Suite 2100
 Los Angeles, CA 90017
 P: 213.418.0201
 F: 213.206.5294
 www.kpff.com

SHEET 3 OF 3

P:\2020\200086-650-700 PCH - Survey\Survey\Drawings\Survey\200086-650-700.dwg 5/27/2020



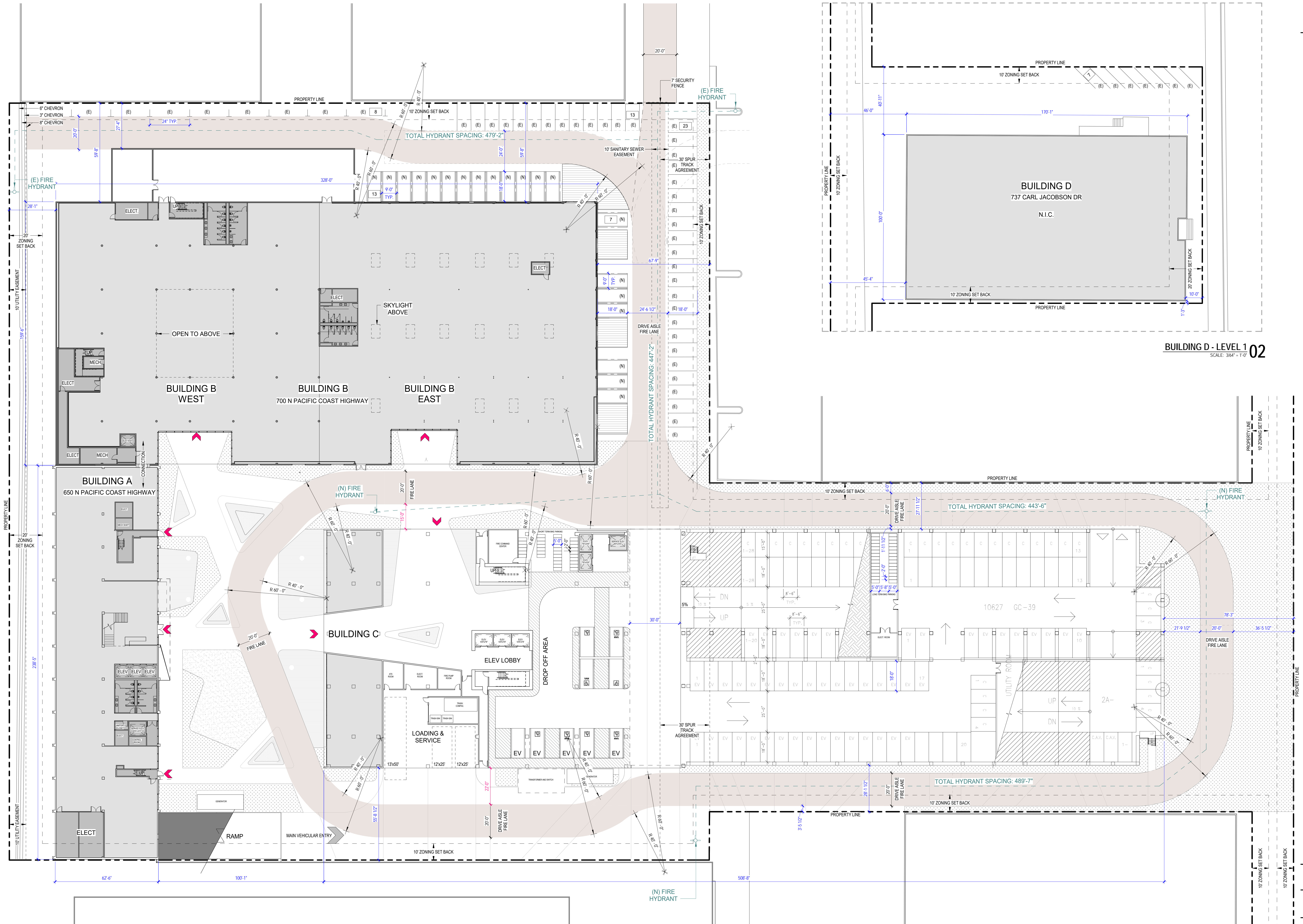
SITE PLAN - BUILDING D 02
 SCALE: 3/64" = 1'-0"

650-700 PCH
 650 N PACIFIC COAST HIGHWAY
 EL SEGUNDO, CA 90245
 JOB NO. 1033
ENTITLEMENT PACKAGE
 SCALE: 3/64" = 1'-0"
 DATE: XXXX.XXXX

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SITE PLAN 01
 SCALE: 3/64" = 1'-0"

SITE PLAN
EN0-10



650-700 PCH
 650 N PACIFIC COAST HIGHWAY
 EL SEGUNDO, CA 90245
 JOB NO. 1033
 ENTITLEMENT PACKAGE
 SCALE: 3/64" = 1'-0"
 DATE: XXXX.XXXX

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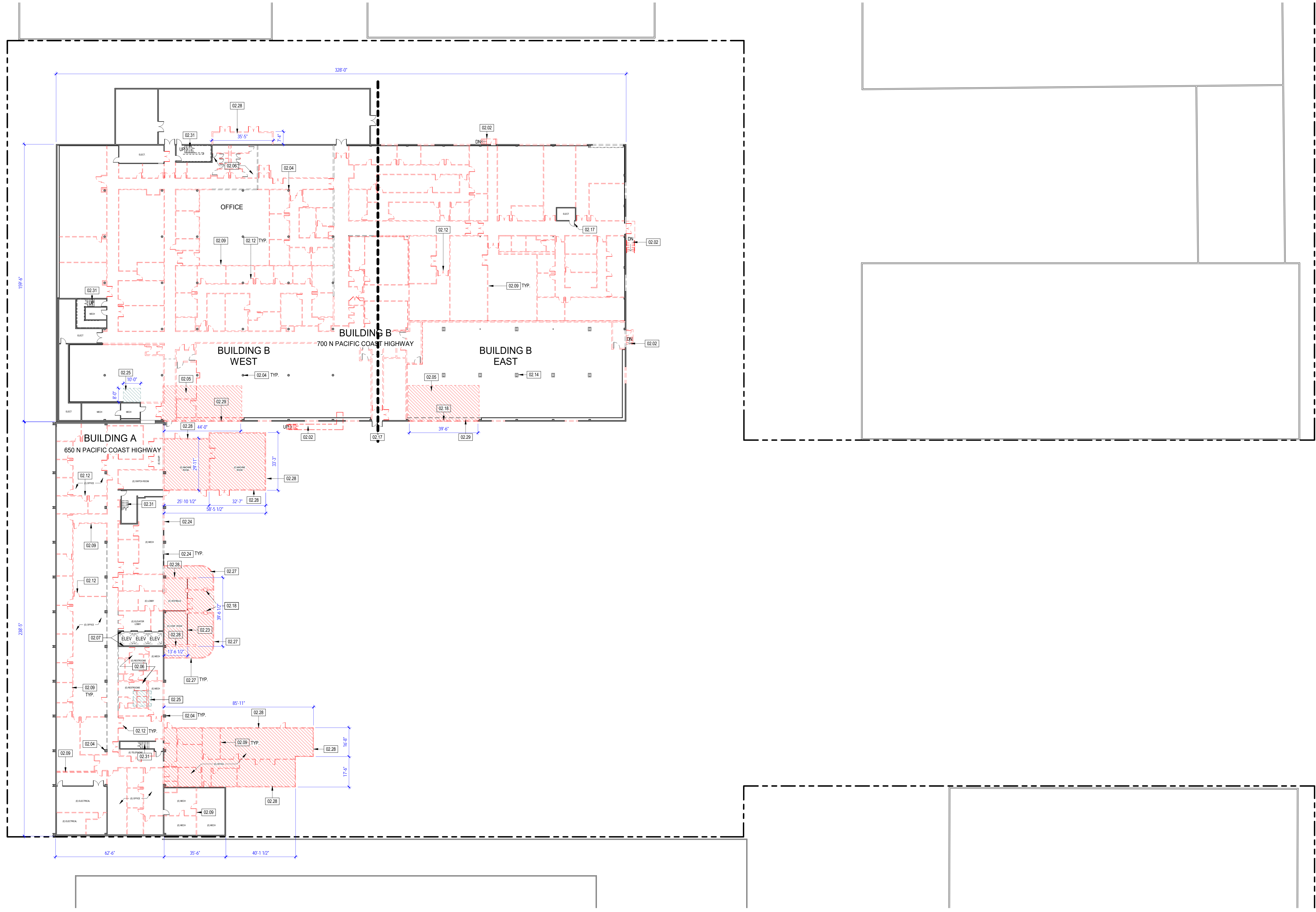
FIRE ACCESS SITE PLAN
EN0-11

DEMOLITION LEGEND

- (E) WALL / COLUMN TO REMAIN
- WALL TO BE REMOVED
- ITEM TO BE REMOVED
- WINDOW TO BE REMOVED
- (E) DOOR AND FRAME TO BE REMOVED
- (E) DOOR AND FRAME TO REMAIN
- (E) AREA TO BE REMOVED. FLOOR SLAB, ROOF ASSEMBLY AND ASSOCIATED STRUCTURE TO BE REMOVED ENTIRELY.
- (E) SLAB AND ROOF ASSEMBLY TO BE PARTIALLY REMOVED TO ACCOMMODATE NEW SKYLIGHT, NATURAL LIGHTING PENETRATION, ELEVATOR SHAFT, NEW STAIRS AND/OR MECH. SHAFT.

KEYNOTE LEGEND

KEY	DESCRIPTION
02.02	(E) STAIRS TO BE DEMOLISHED AND REMOVED
02.04	(E) COLUMNS TO REMAIN, TYP.
02.05	(E) PORTION OF FLOOR SLAB AND ASSOCIATED STRUCTURE TO BE REMOVED, SEE STRUCTURAL.
02.06	(E) PLUMBING FIXTURES TO BE REMOVED. CAP ALL LINES BEHIND WALLS OR BELOW FLOOR. PREPARE AS REQUIRED FOR (N) CONSTRUCTION.
02.07	(E) ELEVATOR SHAFT TO REMAIN.
02.09	DEMO ALL (E) NON BEARING INTERIOR DEMISING WALLS AND ASSOCIATED MILLWORK. CLEAN (E) CONCRETE SURFACES AS REQUIRED.
02.12	REMOVE (E) DOORS WHERE INDICATED INCLUDING JAMBS, TYP.
02.14	REMOVE COLUMN FURRINGS AT ALL (E) COLUMNS, TYP.
02.17	(E) DOOR TO REMAIN IN PLACE
02.18	(E) COLUMN TO BE REMOVED. SEE STRUCTURAL.
02.24	(E) GLAZING TO BE REMOVED. PREPARE AREA FOR NEW CURTAIN WALL, TYP.
02.25	(E) PORTION OF FLOOR SLAB AND ASSOCIATED STRUCTURE TO BE REMOVED. PREPARE TO RECEIVE NEW ELEVATOR SHAFT AND ELEVATOR PIT WHERE OCCURS. SEE STRUCTURAL.
02.27	(E) CURB TO BE REMOVED.
02.28	(E) EXTERIOR WALL TO BE REMOVED.
02.29	(E) PORTION OF BRICK WALL TO BE REMOVED. SEE STRUCTURAL FOR BALANCE OF INFO.
02.31	(E) STAIRS TO REMAIN.



650-700 PCH
 650 N PACIFIC COAST HIGHWAY
 EL SEGUNDO, CA 90245
 JOB NO. 1933

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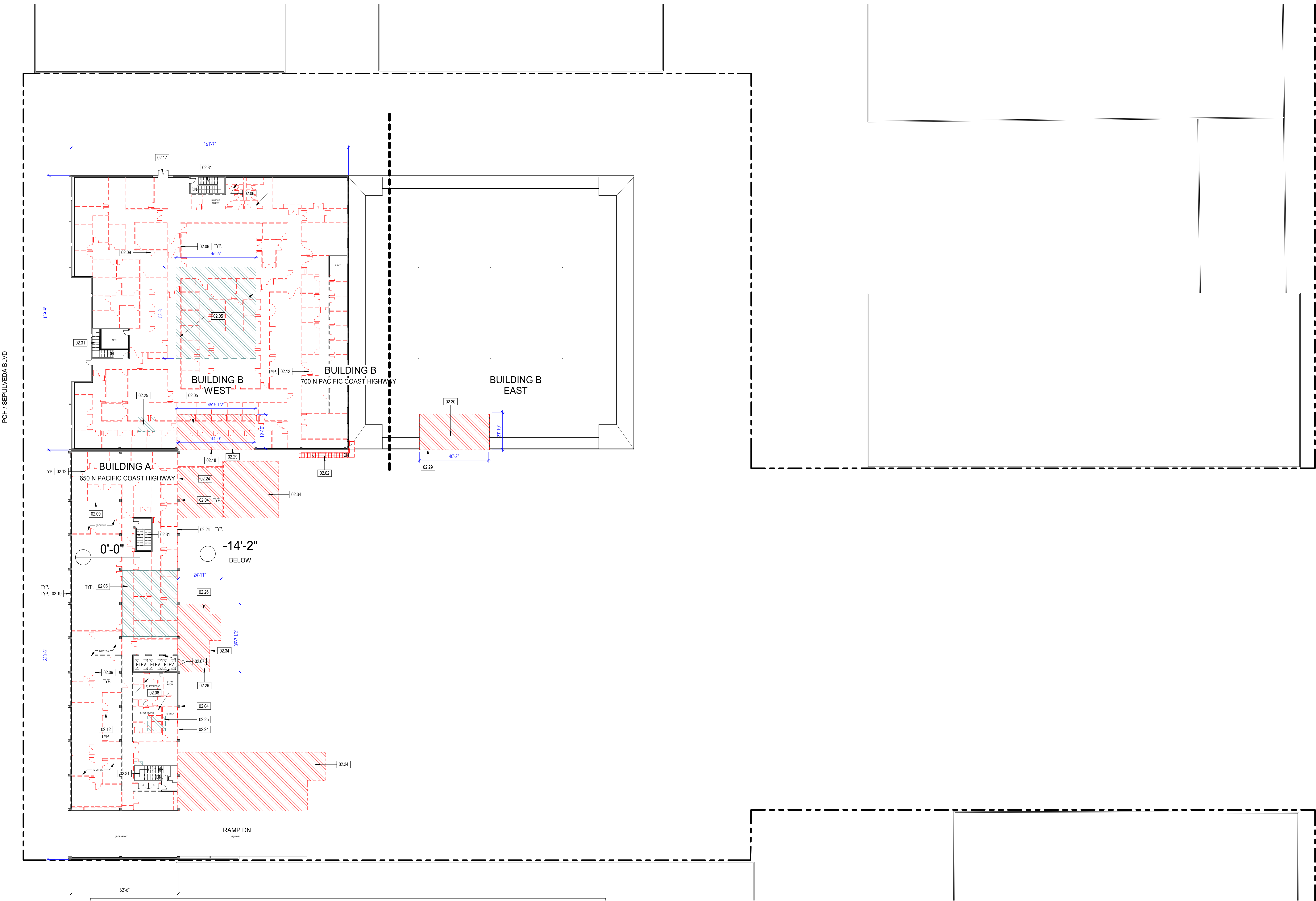
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DEMOLITION LEGEND

- (E) WALL / COLUMN TO REMAIN
- WALL TO BE REMOVED
- ITEM TO BE REMOVED
- WINDOW TO BE REMOVED
- (E) DOOR AND FRAME TO BE REMOVED
- (E) DOOR AND FRAME TO REMAIN
- (E) AREA TO BE REMOVED. FLOOR SLAB, ROOF ASSEMBLY AND ASSOCIATED STRUCTURE TO BE REMOVED ENTIRELY.
- (E) SLAB AND ROOF ASSEMBLY TO BE PARTIALLY REMOVED TO ACCOMMODATE NEW SKYLIGHT, NATURAL LIGHTING PENETRATION, ELEVATOR SHAFT, NEW STAIRS AND/OR MECH. SHAFT.

KEYNOTE LEGEND

KEY	DESCRIPTION
02.02	(E) STAIRS TO BE DEMOLISHED AND REMOVED
02.04	(E) COLUMNS TO REMAIN, TYP.
02.05	(E) PORTION OF FLOOR SLAB AND ASSOCIATED STRUCTURE TO BE REMOVED. SEE STRUCTURAL.
02.06	(E) PLUMBING FIXTURES TO BE REMOVED. CAP ALL LINES BEHIND WALLS OR BELOW FLOOR. PREPARE AS REQUIRED FOR (N) CONSTRUCTION.
02.07	(E) ELEVATOR SHAFT TO REMAIN.
02.09	DEMO ALL (E) NON BEARING INTERIOR DEMISING WALLS AND ASSOCIATED MILLWORK. CLEAN (E) CONCRETE SURFACES AS REQUIRED.
02.12	REMOVE (E) DOORS WHERE INDICATED INCLUDING JAMBS, TYP.
02.17	(E) DOOR TO REMAIN IN PLACE
02.18	(E) COLUMN TO BE REMOVED. SEE STRUCTURAL.
02.19	(E) CONCRETE SPANDREL TO BE REMOVED. TYP.
02.24	(E) GLAZING TO BE REMOVED. PREPARE AREA FOR NEW CURTAIN WALL, TYP.
02.25	(E) PORTION OF FLOOR SLAB AND ASSOCIATED STRUCTURE TO BE REMOVED. PREPARE TO RECEIVE NEW ELEVATOR SHAFT AND ELEVATOR PIT WHERE OCCURS. SEE STRUCTURAL.
02.26	(E) CANOPY TO BE DEMOLISHED AND REMOVED.
02.29	(E) PORTION OF BRICK WALL TO BE REMOVED. SEE STRUCTURAL FOR BALANCE OF INFO.
02.30	(E) PORTION OF ROOF AND ASSOCIATED STRUCTURE TO BE REMOVED. SEE STRUCTURAL FOR BALANCE OF INFO.
02.31	(E) STAIRS TO REMAIN.
02.34	(E) ROOF AND ASSOCIATED STRUCTURE TO BE REMOVED.



650-700 PCH
 650 N PACIFIC COAST HIGHWAY
 EL SEGUNDO, CA 90245
 JOB NO. 1933

ENTITLEMENT PACKAGE
 SCALE: As indicated
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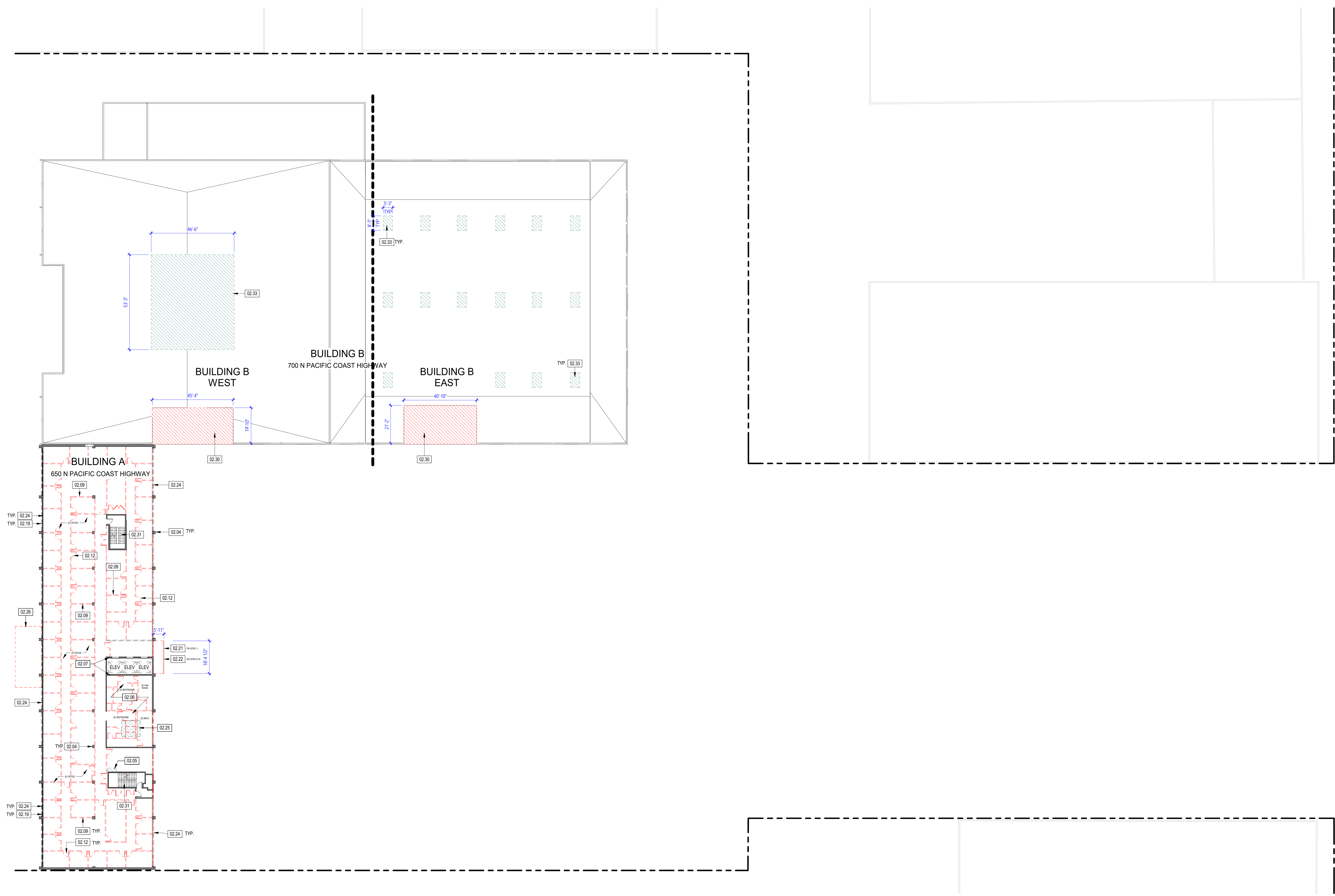
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DEMOLITION LEGEND

- (E) WALL / COLUMN TO REMAIN
- WALL TO BE REMOVED
- ITEM TO BE REMOVED
- WINDOW TO BE REMOVED
- (E) DOOR AND FRAME TO BE REMOVED
- (E) DOOR AND FRAME TO REMAIN
- (E) AREA TO BE REMOVED. FLOOR SLAB, ROOF ASSEMBLY AND ASSOCIATED STRUCTURE TO BE REMOVED ENTIRELY.
- (E) SLAB AND ROOF ASSEMBLY TO BE PARTIALLY REMOVED TO ACCOMMODATE NEW SKYLIGHT, NATURAL LIGHTING PENETRATION, ELEVATOR SHAFT, NEW STAIRS AND/OR MECH. SHAFT.

KEYNOTE LEGEND

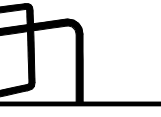
KEY	DESCRIPTION
02.04	(E) COLUMNS TO REMAIN, TYP.
02.05	(E) PORTION OF FLOOR SLAB AND ASSOCIATED STRUCTURE TO BE REMOVED. SEE STRUCTURAL.
02.06	(E) PLUMBING FIXTURES TO BE REMOVED. CAP ALL LINES BEHIND WALLS OR BELOW FLOOR. PREPARE AS REQUIRED FOR (N) CONSTRUCTION.
02.07	(E) ELEVATOR SHAFT TO REMAIN.
02.09	DEMO ALL (E) NON BEARING INTERIOR DEMISING WALLS AND ASSOCIATED MILLWORK. CLEAN (E) CONCRETE SURFACES AS REQUIRED.
02.12	REMOVE (E) DOORS WHERE INDICATED INCLUDING JAMBS, TYP.
02.19	(E) CONCRETE SPANDREL TO BE REMOVED. TYP.
02.21	(E) PLANTER TO BE REMOVED. PATCH AND REPAIR AS REQUIRED.
02.22	(E) PLANTER TO REMAIN WHERE INDICATED.
02.24	(E) GLAZING TO BE REMOVED. PREPARE AREA FOR NEW CURTAIN WALL, TYP.
02.25	(E) PORTION OF FLOOR SLAB AND ASSOCIATED STRUCTURE TO BE REMOVED. PREPARE TO RECEIVE NEW ELEVATOR SHAFT AND ELEVATOR PIT WHERE OCCURS. SEE STRUCTURAL.
02.26	(E) CANOPY TO BE DEMOLISHED AND REMOVED.
02.30	(E) PORTION OF ROOF AND ASSOCIATED STRUCTURE TO BE REMOVED. SEE STRUCTURAL FOR BALANCE OF INFO.
02.31	(E) STAIRS TO REMAIN.
02.33	(E) PORTION OF ROOF ASSEMBLY TO BE REMOVED. MAINTAIN EXISTING STRUCTURE. PREPARE TO RECEIVE (N) SKYLIGHT.



650-700 PCH
 650 N PACIFIC COAST HIGHWAY
 EL SEGUNDO, CA 90245
 JOB NO. 1933

ENTITLEMENT PACKAGE
 SCALE: As indicated
 DATE: XXXX.XXXX

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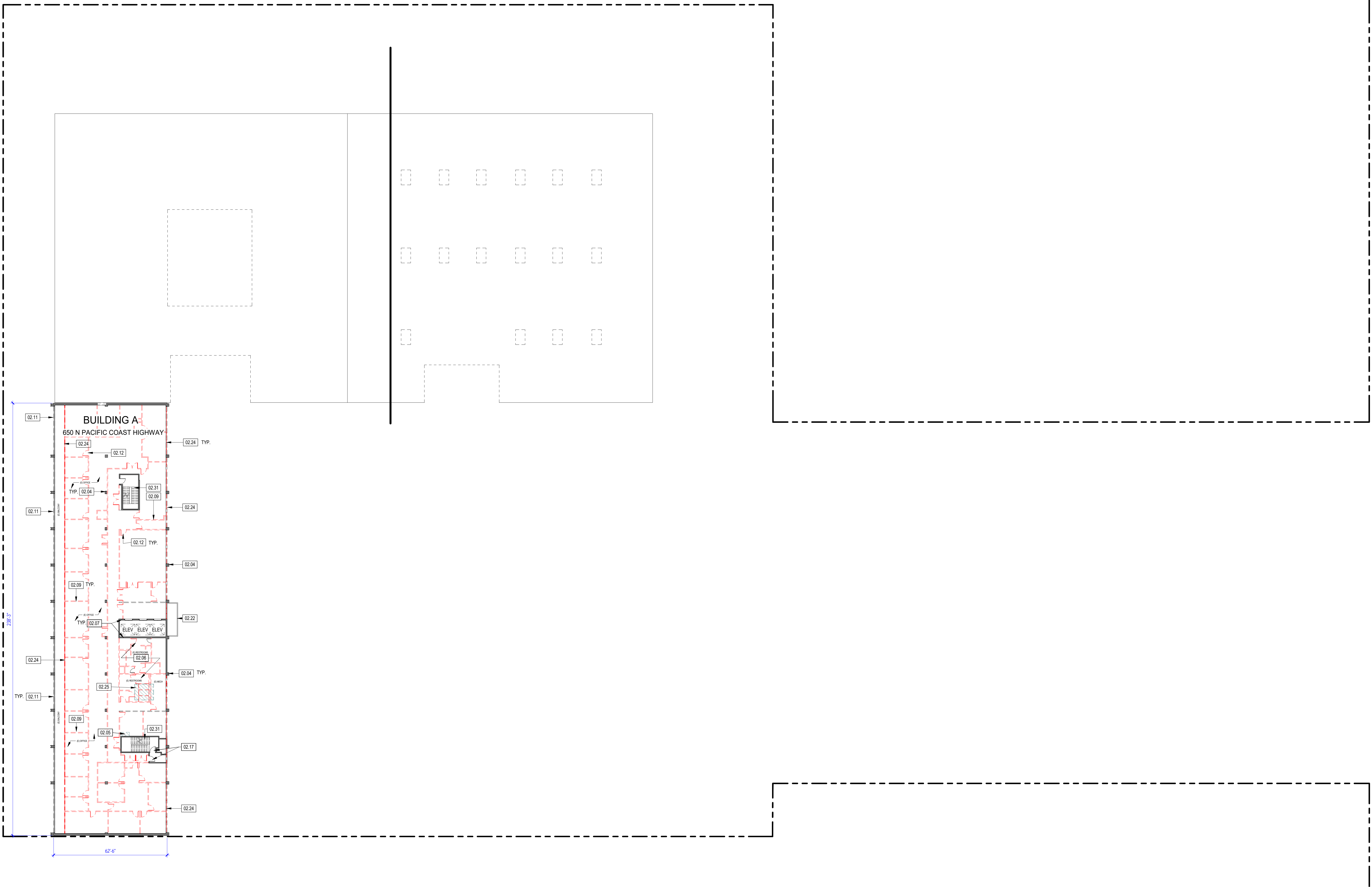


DEMOLITION LEGEND

- (E) WALL / COLUMN TO REMAIN
- WALL TO BE REMOVED
- ITEM TO BE REMOVED
- WINDOW TO BE REMOVED
- (E) DOOR AND FRAME TO BE REMOVED
- (E) DOOR AND FRAME TO REMAIN
- (E) AREA TO BE REMOVED. FLOOR SLAB, ROOF ASSEMBLY AND ASSOCIATED STRUCTURE TO BE REMOVED ENTIRELY.
- (E) SLAB AND ROOF ASSEMBLY TO BE PARTIALLY REMOVED TO ACCOMMODATE NEW SKYLIGHT, NATURAL LIGHTING PENETRATION, ELEVATOR SHAFT, NEW STAIRS AND/OR MECH. SHAFT.

KEYNOTE LEGEND

KEY	DESCRIPTION
02.04	(E) COLUMNS TO REMAIN, TYP.
02.05	(E) PORTION OF FLOOR SLAB AND ASSOCIATED STRUCTURE TO BE REMOVED. SEE STRUCTURAL.
02.06	(E) PLUMBING FIXTURES TO BE REMOVED. CAP ALL LINES BEHIND WALLS OR BELOW FLOOR. PREPARE AS REQUIRED FOR (N) CONSTRUCTION.
02.07	(E) ELEVATOR SHAFT TO REMAIN.
02.09	DEMO ALL (E) NON BEARING INTERIOR DEMISING WALLS AND ASSOCIATED MILLWORK. CLEAN (E) CONCRETE SURFACES AS REQUIRED.
02.11	REMOVE (E) GUARDRAIL, HANDRAIL
02.12	REMOVE (E) DOORS WHERE INDICATED INCLUDING JAMBS, TYP.
02.17	(E) DOOR TO REMAIN IN PLACE
02.22	(E) PLANTER TO REMAIN WHERE INDICATED.
02.24	(E) GLAZING TO BE REMOVED. PREPARE AREA FOR NEW CURTAIN WALL, TYP.
02.25	(E) PORTION OF FLOOR SLAB AND ASSOCIATED STRUCTURE TO BE REMOVED. PREPARE TO RECEIVE NEW ELEVATOR SHAFT AND ELEVATOR PIT WHERE OCCURS. SEE STRUCTURAL.
02.31	(E) STAIRS TO REMAIN.







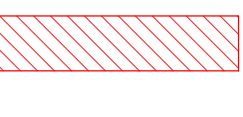



650-700 PCH
650 N PACIFIC COAST HIGHWAY
EL SEGUNDO, CA 90245
JOB NO. 1933

ENTITLEMENT PACKAGE
SCALE: As indicated
DATE: XXXX.XXXX

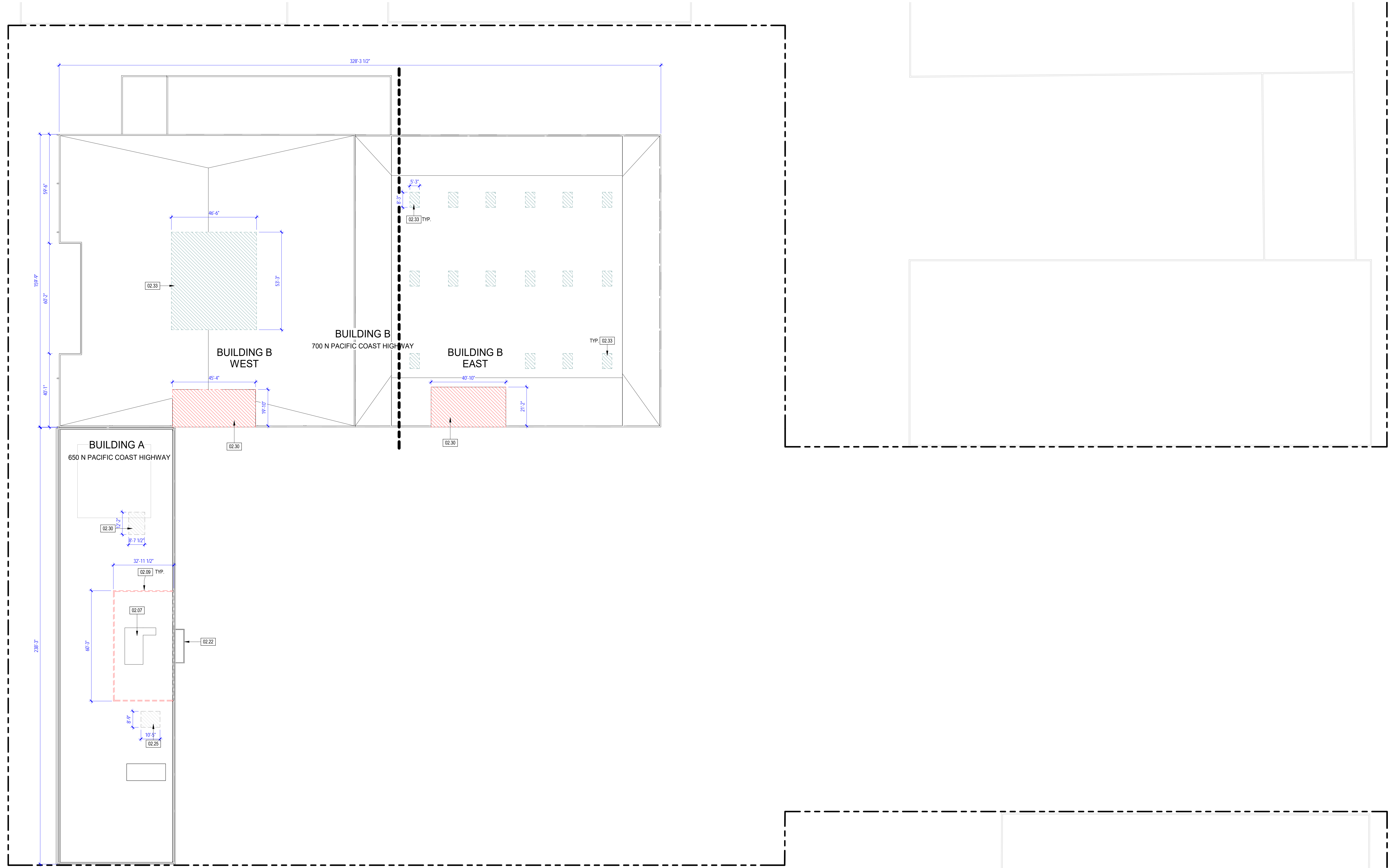
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DEMOLITION LEGEND

-  (E) WALL / COLUMN TO REMAIN
-  WALL TO BE REMOVED
-  ITEM TO BE REMOVED
-  WINDOW TO BE REMOVED
-  (E) DOOR AND FRAME TO BE REMOVED
-  (E) DOOR AND FRAME TO REMAIN
-  (E) AREA TO BE REMOVED: FLOOR SLAB, ROOF ASSEMBLY AND ASSOCIATED STRUCTURE TO BE REMOVED ENTIRELY.
-  (E) SLAB AND ROOF ASSEMBLY TO BE PARTIALLY REMOVED TO ACCOMMODATE NEW SKYLIGHT, NATURAL LIGHTING PENETRATION, ELEVATOR SHAFT, NEW STAIRS AND/OR MECH. SHAFT.

KEYNOTE LEGEND

KEY	DESCRIPTION
02.07	(E) ELEVATOR SHAFT TO REMAIN.
02.09	DEMO ALL (E) NON BEARING INTERIOR DEMISING WALLS AND ASSOCIATED MILLWORK. CLEAN (E) CONCRETE SURFACES AS REQUIRED.
02.22	(E) PLANTER TO REMAIN WHERE INDICATED.
02.25	(E) PORTION OF FLOOR SLAB AND ASSOCIATED STRUCTURE TO BE REMOVED. PREPARE TO RECEIVE NEW ELEVATOR SHAFT AND ELEVATOR PIT WHERE OCCURS, SEE STRUCTURAL.
02.30	(E) PORTION OF ROOF AND ASSOCIATED STRUCTURE TO BE REMOVED. SEE STRUCTURAL FOR BALANCE OF INFO.
02.33	(E) PORTION OF ROOF ASSEMBLY TO BE REMOVED. MAINTAIN EXISTING STRUCTURE. PREPARE TO RECEIVE (N) SKYLIGHT.



650-700 PCH
 650 N PACIFIC COAST HIGHWAY
 EL SEGUNDO, CA 90245
 JOB NO. 1933

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BUILDING AREAS_NSIF

650 N PCH-TOWER BUILDING A	
LEVEL 1	11,859
LEVEL 2 PCH	9,612
LEVEL 3 TO 7 (12,550 EA)	62,750
LEVEL 8	11,174
LEVEL 9 BALCONY	1,330
PENTHOUSE	4,521
ROOF TERRACE	3,011
TOTAL BUILDING A	99,916
TOTAL OUTDOOR AREA A	4,369

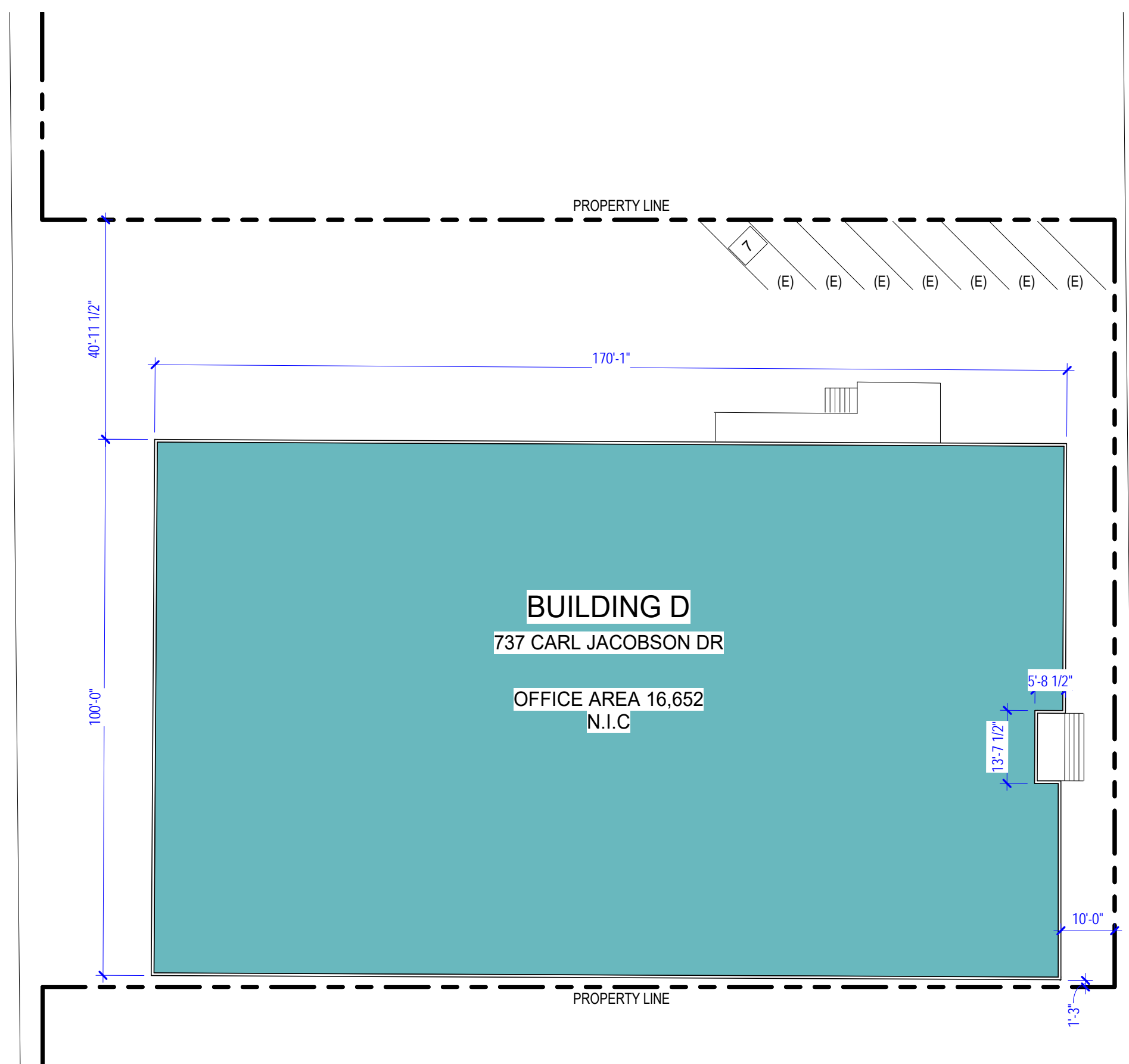
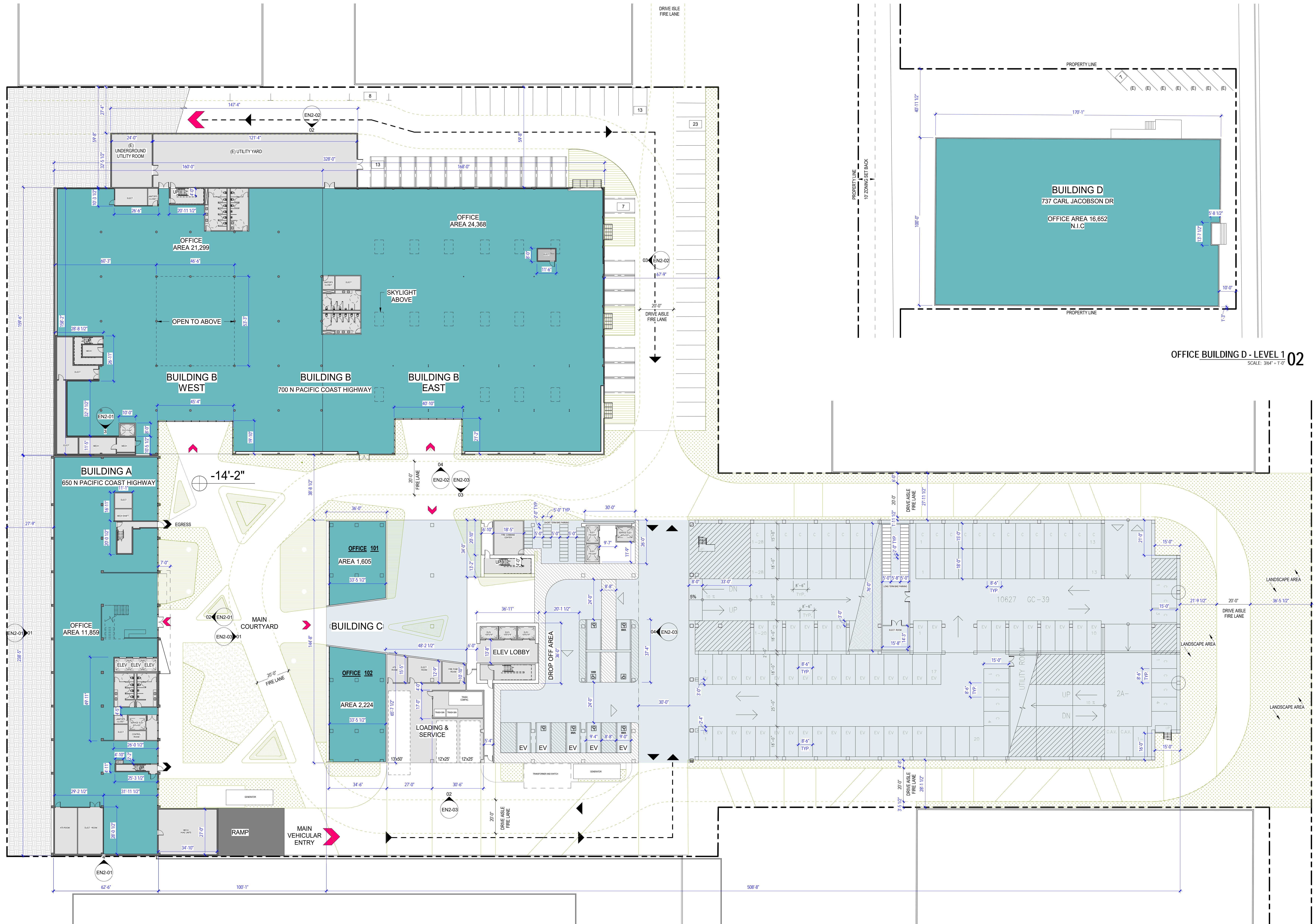
700 N PCH BUILDING B	
LEVEL 1 (21,299+24,368)	45,667
L1 COURTYARDS	N/A
LEVEL 2 PCH	19,433
TOTAL BUILDING B	65,100
TOTAL OUTDOOR AREA B	0

NEW OFFICE BUILDING BUILDING C

LEVEL 1 (1,605+2,224)	3,829
LEVEL 1 PATIOS (PER LANDSCAPE)	
LEVEL 2 PARKING	
LEVEL 3 PARKING	
LEVEL 4	21,780
LEVEL 4 BALCONIES	4,785
LEVEL 5	20,440
LEVEL 5 BALCONIES	1,463
LEVEL 6	15,188
LEVEL 6 BALCONIES	4,876
LEVEL 7	9,214
LEVEL 7 BALCONIES	5,363
TOTAL BUILDING C	70,821
TOTAL OUTDOOR AREA C	16,507

737 CARL JACOBSON DR BUILDING D

LEVEL 1	16,652
TOTAL BUILDING D	16,652
TOTAL BUILDING A,B,C,D	282,609
TOTAL OUTDOOR AREAS	20,876



OFFICE BUILDING D - LEVEL 1 02
 SCALE: 3/4" = 1'-0"

650-700 PCH
 650 N PACIFIC COAST HIGHWAY
 EL SEGUNDO, CA 90245
 JOB NO. 1033

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OFFICE / PARKING PLAZA LEVEL 1 01
 SCALE: 3/4" = 1'-0"

LEVEL 1 PLAN
EN1-01

BUILDING AREAS_NSF

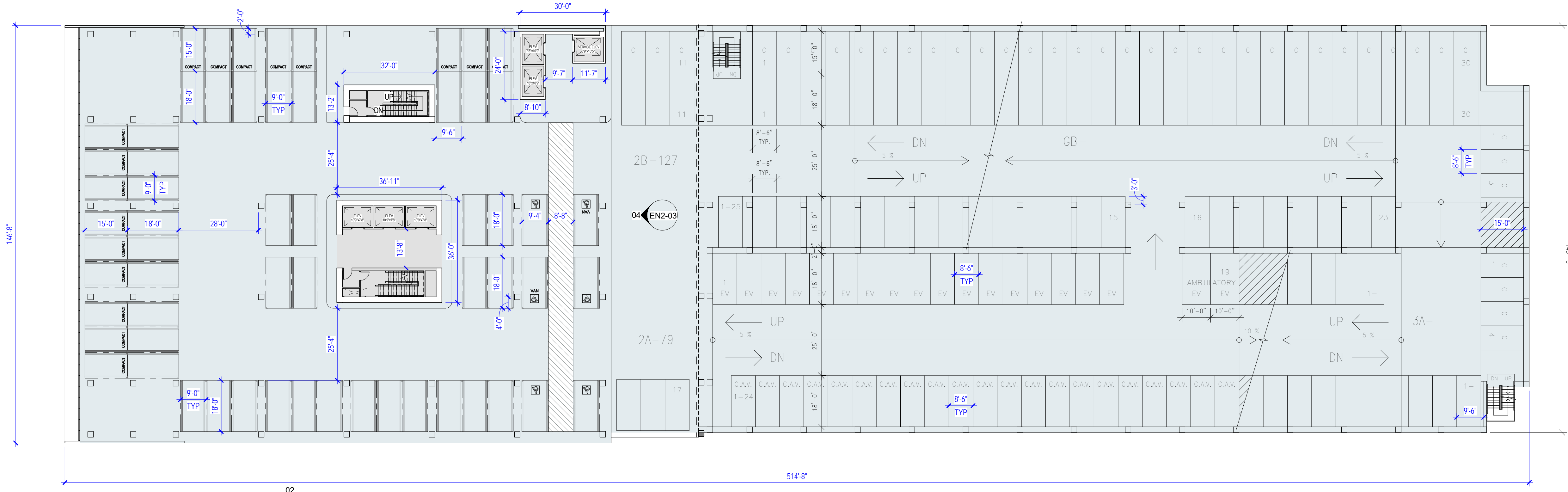
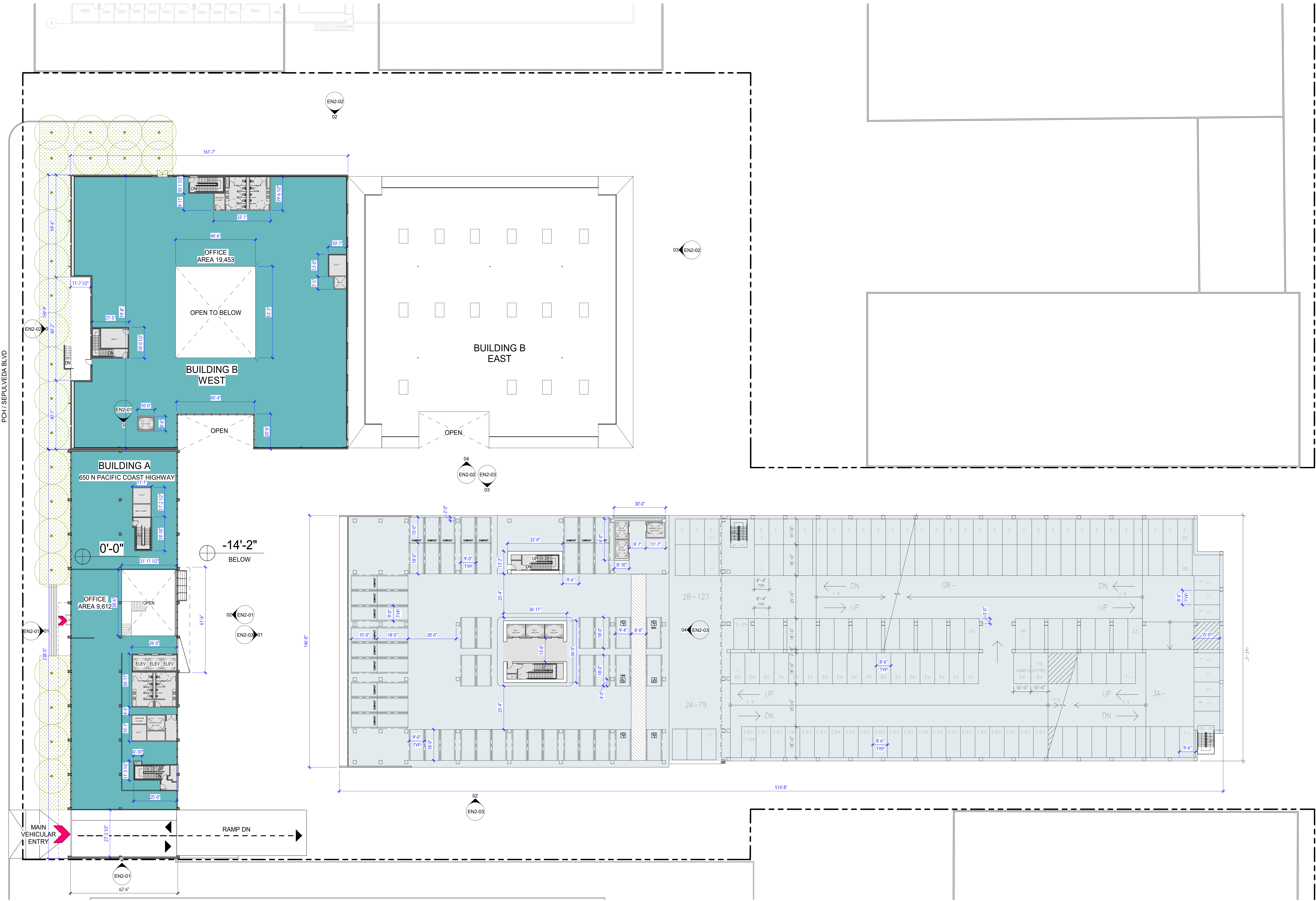
650 N PCH-TOWER_BUILDING A	
LEVEL 1	11,859
LEVEL 2 PCH	9,612
LEVEL 3 TO 7 (12,550 EA)	62,750
LEVEL 8	11,374
LEVEL 9 BALCONY	1,330
PENTHOUSE	4,521
ROOF TERRACE	3,011
TOTAL BUILDING A	99,916
TOTAL OUTDOOR AREA A	4,369

700 N PCH_BUILDING B	
LEVEL 1 (21,299+24,368)	45,667
L1 COURTYARDS	N/A
LEVEL 2 PCH	19,453
TOTAL BUILDING B	65,120
TOTAL OUTDOOR AREA B	0

NEW OFFICE BUILDING_BUILDING C	
LEVEL 1 (1,605+2,224)	3,829
LEVEL 1 PATIOS (PER LANDSCAPE)	
LEVEL 2 PARKING	
LEVEL 3 PARKING	
LEVEL 4	21,750
LEVEL 4 BALCONIES	4,785
LEVEL 5	20,440
LEVEL 5 BALCONIES	1,463
LEVEL 6	15,188
LEVEL 6 BALCONIES	4,876
LEVEL 7	9,714
LEVEL 7 BALCONIES	5,363
TOTAL BUILDING C	70,821
TOTAL OUTDOOR AREA C	16,507

737 CARL JACOBSON DR_BUILDING D	
LEVEL 1	16,652
TOTAL BUILDING D	16,652

TOTAL BUILDING A,B,C,D	
TOTAL BUILDING A,B,C,D	282,609
TOTAL OUTDOOR AREAS	20,876



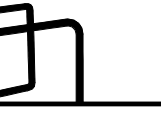
OFFICE / PARKING- STREET LEVEL 2 01
SCALE: 3/8" = 1'-0"

LEVEL 2 PLAN
EN1-02

650-700 PCH
650 N PACIFIC COAST HIGHWAY
EL SEGUNDO, CA 90245
JOB NO. 1003

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BUILDING AREAS_NSF

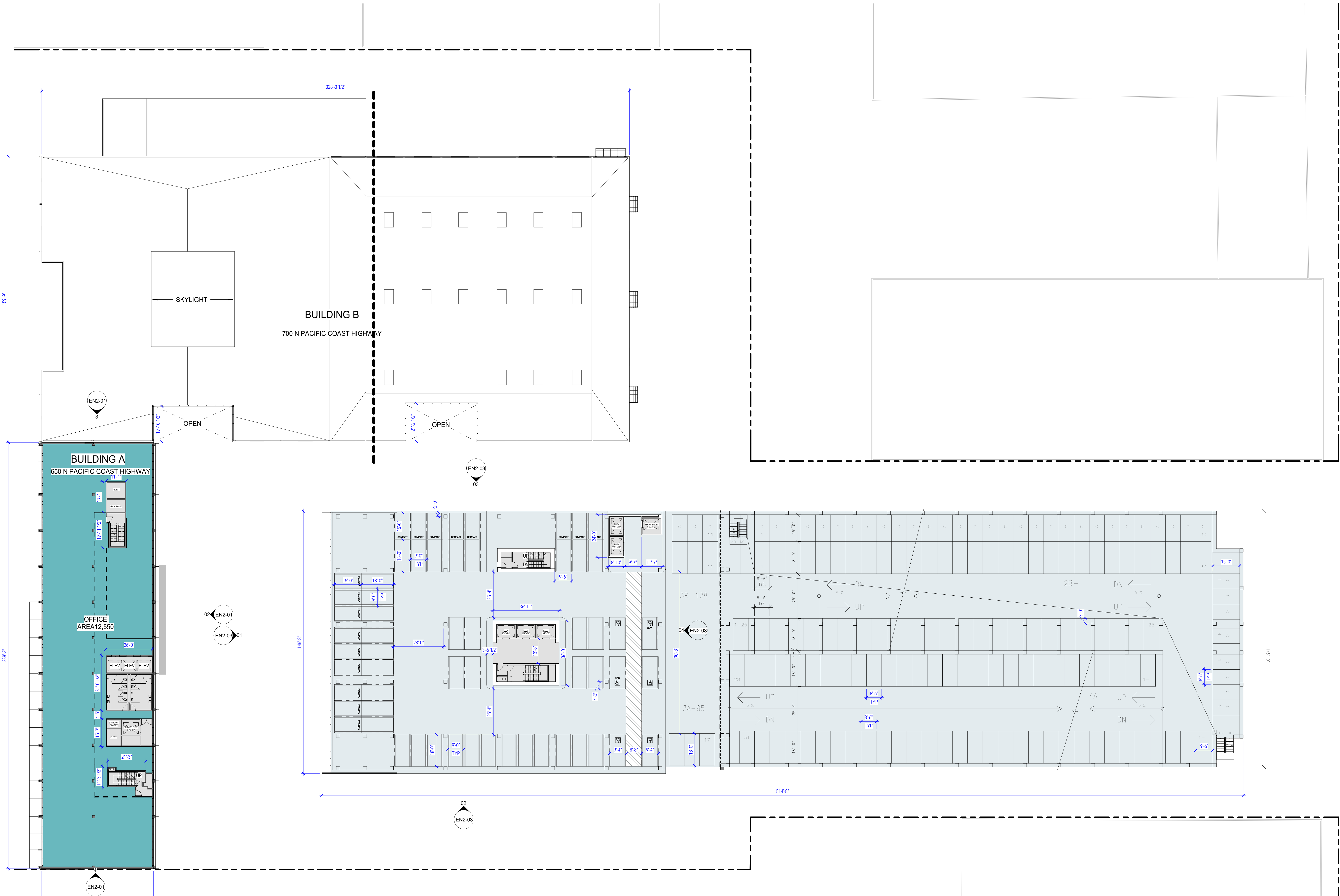
650 N PCH-TOWER_BUILDING A	
LEVEL 1	11,859
LEVEL 2 PCH	9,612
LEVEL 3 TO 7 (12,550 EA)	62,750
LEVEL 8	11,374
LEVEL 9 BALCONY	1,330
PENTHOUSE	4,521
ROOF TERRACE	3,011
TOTAL BUILDING A	99,916
TOTAL OUTDOOR AREA A	4,369

700 N PCH_BUILDING B	
LEVEL 1 (21,299+24,368)	45,667
L1 COURTYARDS	N/A
LEVEL 2 PCH	19,453
TOTAL BUILDING B	65,120
TOTAL OUTDOOR AREA B	0

NEW OFFICE BUILDING_BUILDING C	
LEVEL 1 (1,605+2,224)	3,829
LEVEL 1 PATIOS (PER LANDSCAPE)	
LEVEL 2 PARKING	
LEVEL 3 PARKING	
LEVEL 4	21,750
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TOTAL OUTDOOR AREA C	16,507

737 CARL JACOBSON DR_BUILDING D	
LEVEL 1	16,652
TOTAL BUILDING D	16,652

TOTAL BUILDING A,B,C,D	
TOTAL BUILDING A,B,C,D	282,609
TOTAL OUTDOOR AREAS	20,876



BUILDING AREAS_NSF

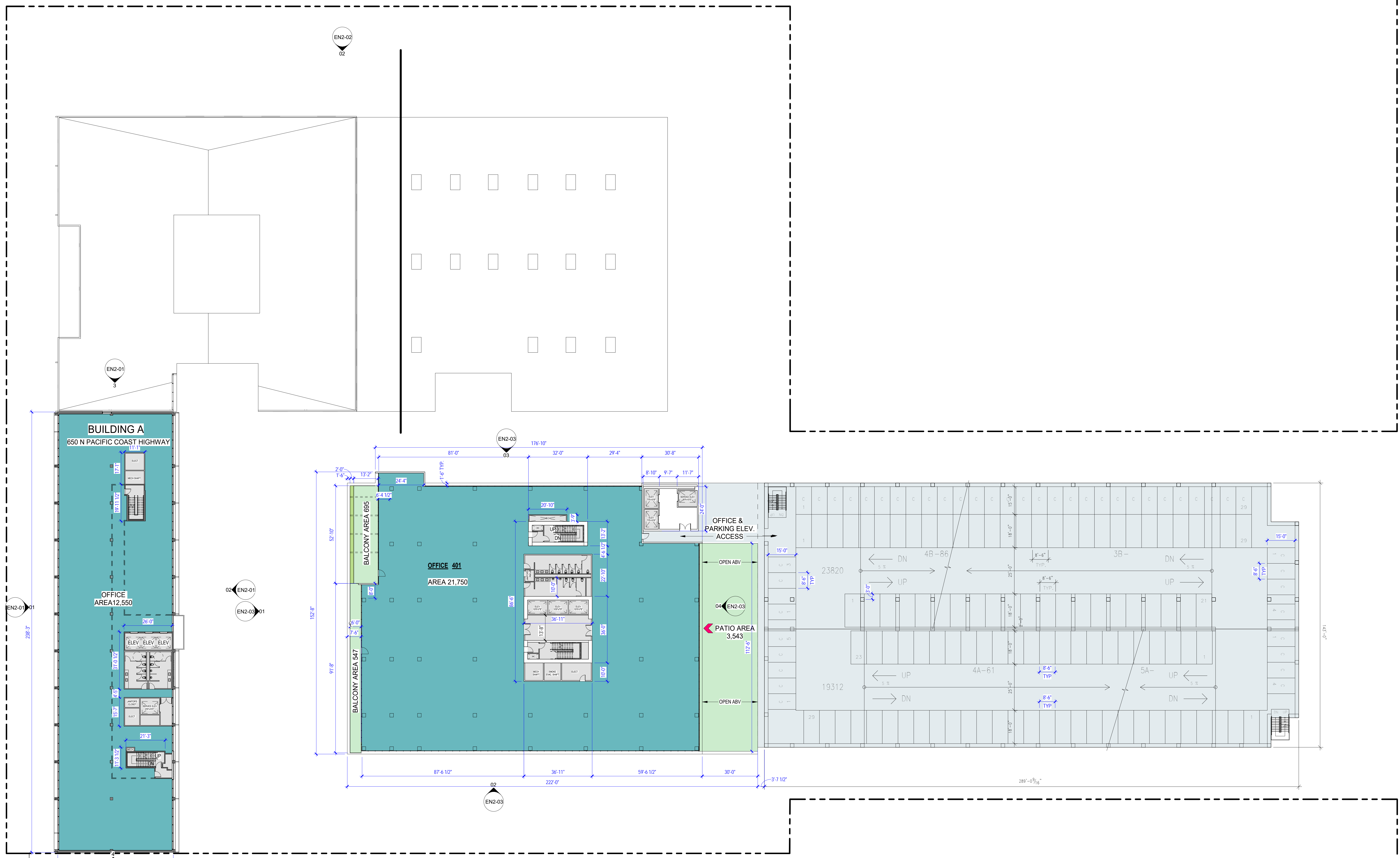
650 N PCH-TOWER_BUILDING A	
LEVEL 1	11,859
LEVEL 2 PCH	9,612
LEVEL 3 TO 7 (12,550 EA)	62,750
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ROOF TERRACE	3,011
TOTAL BUILDING A	99,916
TOTAL OUTDOOR AREA A	4,369

700 N PCH_BUILDING B	
LEVEL 1 (21,299+24,368)	45,667
L1 COURTYARDS	N/A
LEVEL 2 PCH	19,453
TOTAL BUILDING B	65,120
TOTAL OUTDOOR AREA B	0

NEW OFFICE BUILDING_BUILDING C	
LEVEL 1 (1,695+2,224)	3,929
LEVEL 1 PATIOS (PER LANDSCAPE)	
LEVEL 2 PARKING	
LEVEL 3 PARKING	
LEVEL 4	21,750
LEVEL 4 BALCONIES	4,785
LEVEL 5	20,440
LEVEL 5 BALCONIES	1,463
LEVEL 6	15,188
LEVEL 6 BALCONIES	4,876
LEVEL 7	9,214
LEVEL 7 BALCONIES	5,363
TOTAL BUILDING C	70,821
TOTAL OUTDOOR AREA C	16,607

737 CARL JACOBSON DR_BUILDING D	
LEVEL 1	16,652
TOTAL BUILDING D	16,652

TOTAL BUILDING A,B,C,D	
TOTAL BUILDING A,B,C,D	282,609
TOTAL OUTDOOR AREAS	20,876



650-700 PCH
650 N PACIFIC COAST HIGHWAY
EL SEGUNDO, CA 90245

ENTITLEMENT PACKAGE
SCALE: As indicated
DATE: XXXX.XXXX

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BUILDING AREAS_NSF

650 N PCH-TOWER_BUILDING A	
LEVEL 1	11,859
LEVEL 2 PCH	9,612
LEVEL 3 TO 7 (12,550 EA)	62,750
LEVEL 8	11,374
LEVEL 9 BALCONY	1,330
PENTHOUSE	4,521
ROOF TERRACE	3,011
TOTAL BUILDING A	99,916
TOTAL OUTDOOR AREA A	4,369

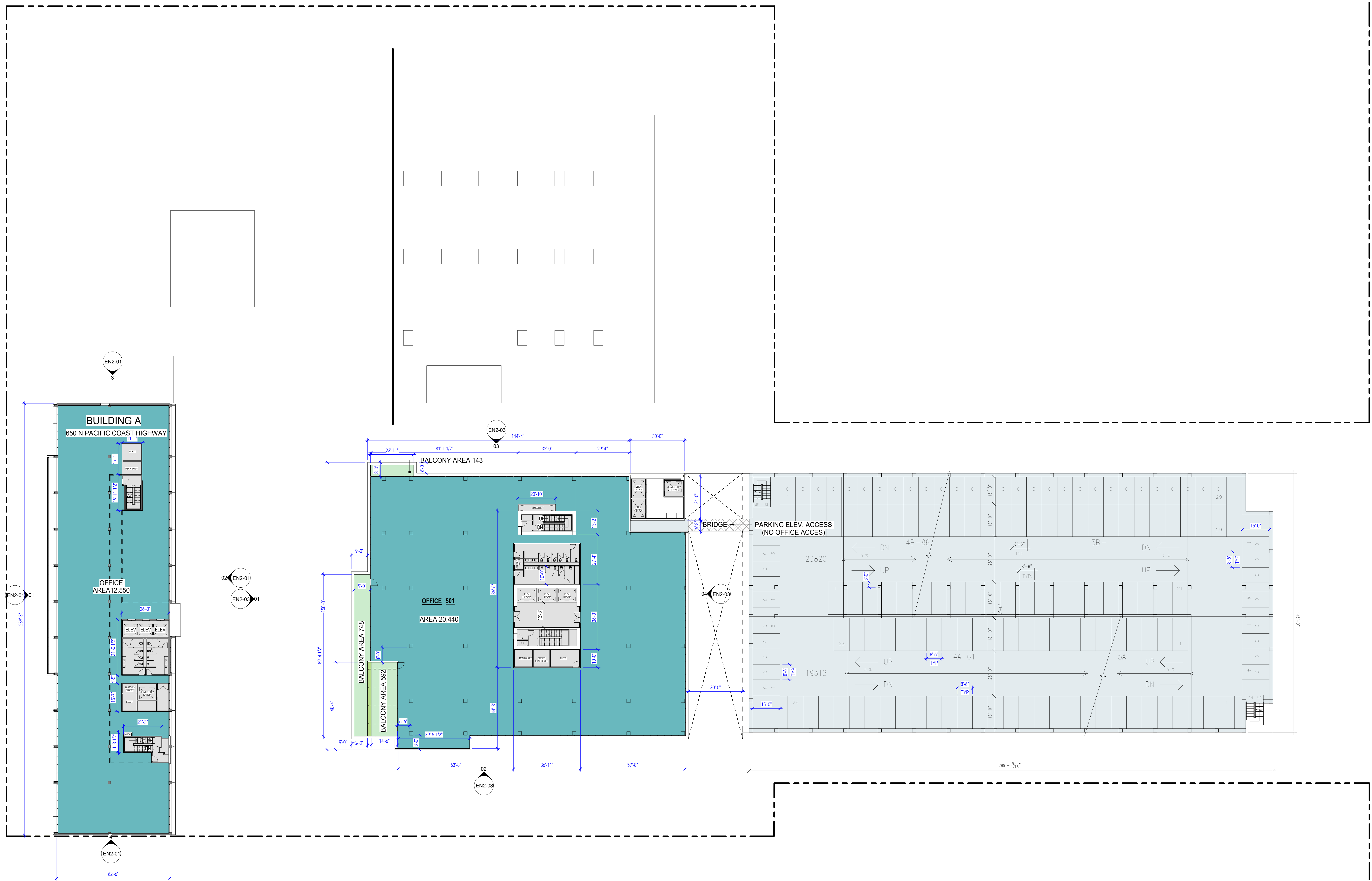
700 N PCH_BUILDING B	
LEVEL 1 (21,299+24,368)	45,667
L1 COURTYARDS	N/A
LEVEL 2 PCH	19,453
TOTAL BUILDING B	65,120
TOTAL OUTDOOR AREA B	0

NEW OFFICE BUILDING_BUILDING C

LEVEL 1 (1,695+2,224)	
LEVEL 1 PATIOS (PER LANDSCAPE)	3,829
LEVEL 2 PARKING	21,750
LEVEL 3 PARKING	4,785
LEVEL 4 BALCONIES	20,440
LEVEL 5 BALCONIES	1,463
LEVEL 6	15,188
LEVEL 6 BALCONIES	4,876
LEVEL 7	9,214
LEVEL 7 BALCONIES	5,363
TOTAL BUILDING C	70,821
TOTAL OUTDOOR AREA C	16,507

737 CARL JACOBSON DR_BUILDING D	
LEVEL 1	16,652
TOTAL BUILDING D	16,652

TOTAL BUILDING A,B,C,D	
TOTAL BUILDING A,B,C,D	282,609
TOTAL OUTDOOR AREAS	20,876



BUILDING AREAS_NSF

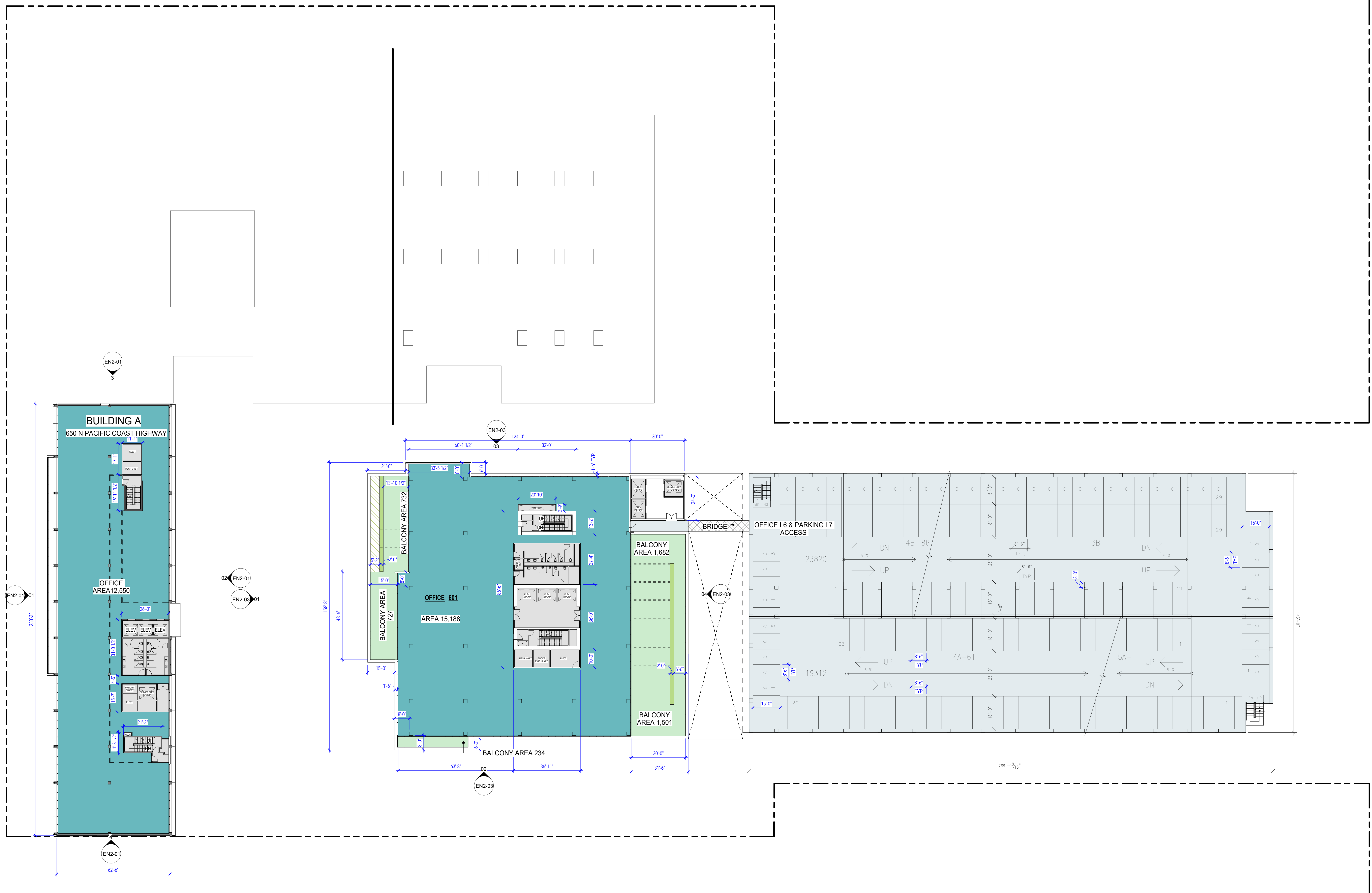
650 N PCH-TOWER_BUILDING A	
LEVEL 1	11,859
LEVEL 2 PCH	9,612
LEVEL 3 TO 7 (12,550 EA)	62,750
LEVEL 8	11,374
LEVEL 9 BALCONY	1,330
PENTHOUSE	4,521
ROOF TERRACE	3,011
TOTAL BUILDING A	99,916
TOTAL OUTDOOR AREA A	4,369

700 N PCH_BUILDING B	
LEVEL 1 (21,299+24,368)	45,667
L1 COURTYARDS	N/A
LEVEL 2 PCH	19,453
TOTAL BUILDING B	65,120
TOTAL OUTDOOR AREA B	0

NEW OFFICE BUILDING_BUILDING C	
LEVEL 1 (1,695+2,224)	3,929
LEVEL 1 PATIOS (PER LANDSCAPE)	
LEVEL 2 PARKING	
LEVEL 3 PARKING	
LEVEL 4	21,750
LEVEL 4 BALCONIES	4,785
LEVEL 5	20,440
LEVEL 5 BALCONIES	1,463
LEVEL 6	15,188
LEVEL 6 BALCONIES	4,876
LEVEL 7	9,214
LEVEL 7 BALCONIES	5,363
TOTAL BUILDING C	70,821
TOTAL OUTDOOR AREA C	16,507

737 CARL JACOBSON DR_BUILDING D	
LEVEL 1	16,652
TOTAL BUILDING D	16,652

TOTAL BUILDING A,B,C,D	
TOTAL BUILDING A,B,C,D	282,609
TOTAL OUTDOOR AREAS	20,876



650-700 PCH
650 N PACIFIC COAST HIGHWAY
EL SEGUNDO, CA 90245
JOB NO. 1933

ENTITLEMENT PACKAGE
SCALE: As indicated
DATE: XXXX.XXXX

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BUILDING AREAS_NSF

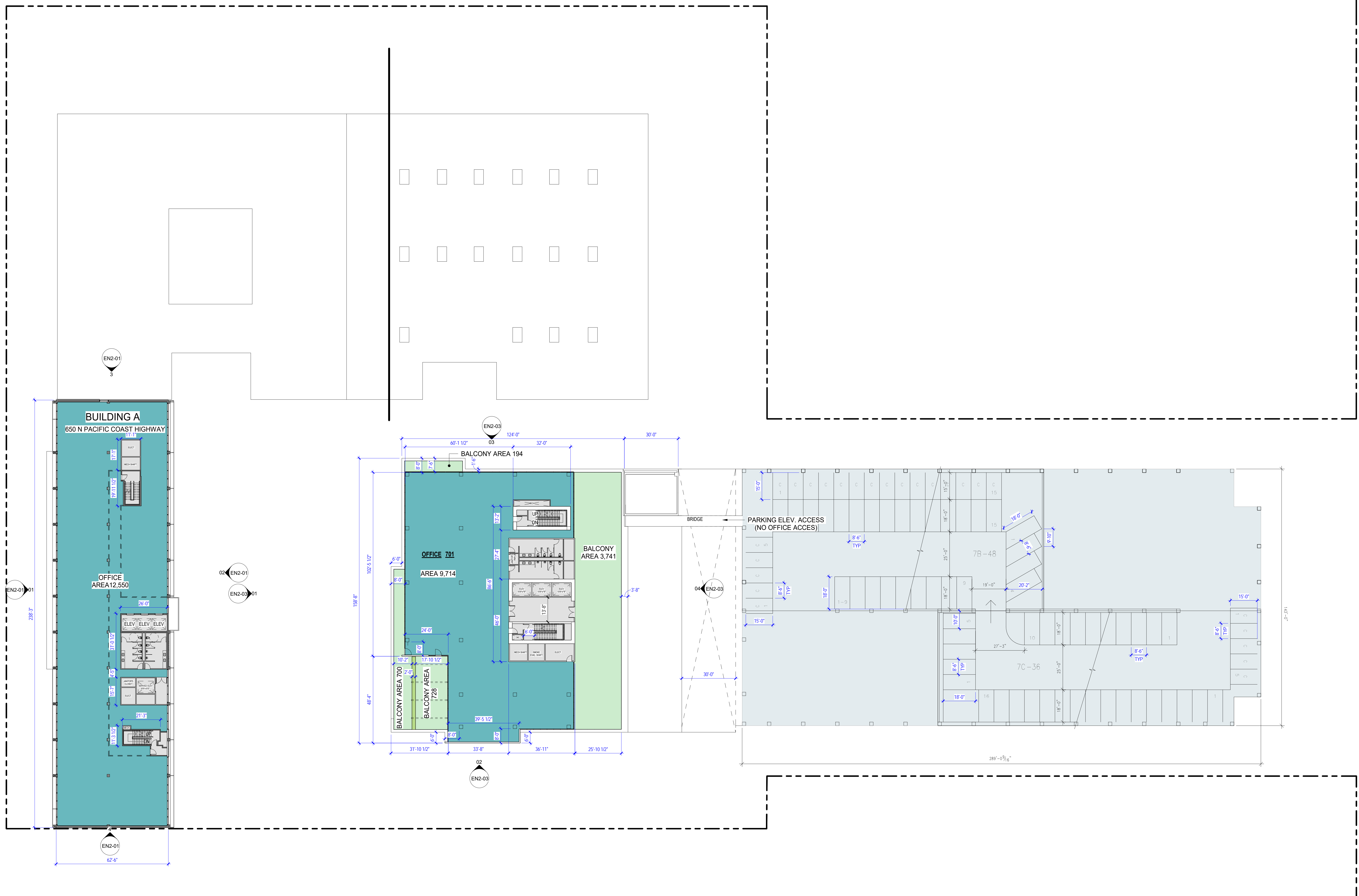
650 N PCH-TOWER_BUILDING A	
LEVEL 1	11,859
LEVEL 2 PCH	9,612
LEVEL 3 TO 7 (12,550 EA)	62,750
LEVEL 8	11,374
LEVEL 9 BALCONY	1,330
PENTHOUSE	4,521
ROOF TERRACE	3,011
TOTAL BUILDING A	99,916
TOTAL OUTDOOR AREA A	4,369

700 N PCH_BUILDING B	
LEVEL 1 (21,299+24,368)	45,667
L1 COURTYARDS	N/A
LEVEL 2 PCH	19,453
TOTAL BUILDING B	65,120
TOTAL OUTDOOR AREA B	0

NEW OFFICE BUILDING_BUILDING C	
LEVEL 1 (1,605+2,224)	3,829
LEVEL 1 PATIOS (PER LANDSCAPE)	
LEVEL 2 PARKING	21,750
LEVEL 3 PARKING	
LEVEL 4 BALCONIES	4,785
LEVEL 5 BALCONIES	20,440
LEVEL 6 BALCONIES	1,463
LEVEL 7 BALCONIES	15,188
LEVEL 8 BALCONIES	4,876
LEVEL 9 BALCONIES	9,214
LEVEL 10 BALCONIES	5,363
TOTAL BUILDING C	70,821
TOTAL OUTDOOR AREA C	16,507

737 CARL JACOBSON DR_BUILDING D	
LEVEL 1	16,652
TOTAL BUILDING D	16,652

TOTAL BUILDING A,B,C,D	282,609
TOTAL OUTDOOR AREAS	20,876



650-700 PCH
650 N PACIFIC COAST HIGHWAY
EL SEGUNDO, CA 90245
JOB NO. 1933

ENTITLEMENT PACKAGE
SCALE: As indicated
DATE: XXXX.XXXX

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BUILDING AREAS_NSF

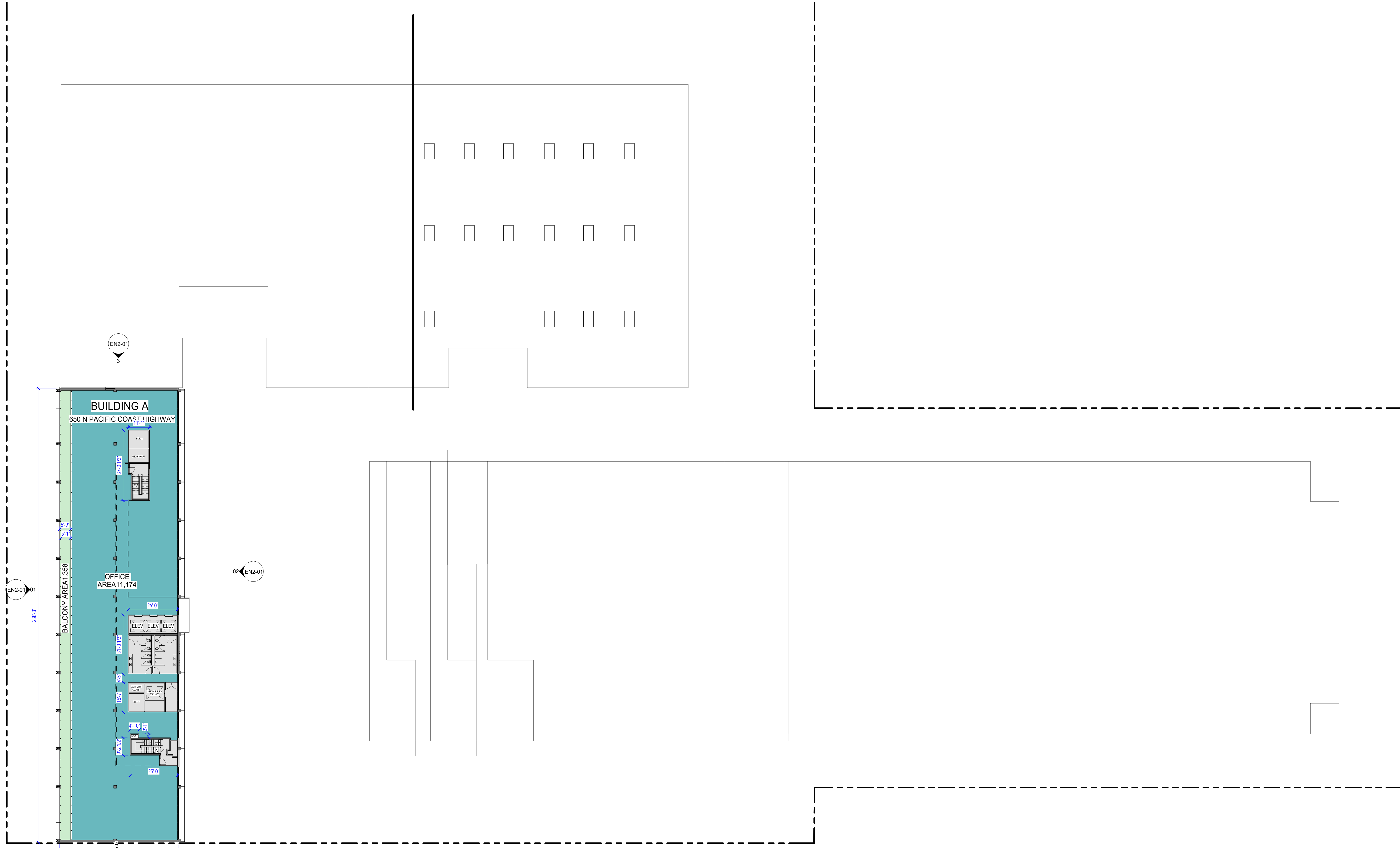
650 N PCH-TOWER_BUILDING A	
LEVEL 1	11,859
LEVEL 2 PCH	9,612
LEVEL 3 TO 7 (12,550 EA)	62,750
LEVEL 8	11,374
LEVEL 9 BALCONY	1,339
PENTHOUSE	4,521
ROOF TERRACE	3,011
TOTAL BUILDING A	99,916
TOTAL OUTDOOR AREA A	4,369

700 N PCH_BUILDING B	
LEVEL 1 (21,299+24,368)	45,667
L1 COURTYARDS	N/A
LEVEL 2 PCH	19,453
TOTAL BUILDING B	65,120
TOTAL OUTDOOR AREA B	0

NEW OFFICE BUILDING_BUILDING C	
LEVEL 1 (1,695+2,224)	3,929
LEVEL 1 PATIOS (PER LANDSCAPE)	
LEVEL 2 PARKING	
LEVEL 3 PARKING	
LEVEL 4	21,750
LEVEL 4 BALCONIES	4,785
LEVEL 5	20,440
LEVEL 5 BALCONIES	1,483
LEVEL 6	15,188
LEVEL 6 BALCONIES	4,876
LEVEL 7	9,214
LEVEL 7 BALCONIES	5,363
TOTAL BUILDING C	70,921
TOTAL OUTDOOR AREA C	16,507

737 CARL JACOBSON DR_BUILDING D	
LEVEL 1	16,652
TOTAL BUILDING D	16,652

TOTAL BUILDING A,B,C,D	282,609
TOTAL OUTDOOR AREAS	20,876

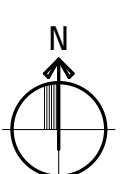


650-700 PCH
650 N PACIFIC COAST HIGHWAY
EL SEGUNDO, CA 90245
JOB NO. 1003

ENTITLEMENT PACKAGE
SCALE: As indicated
DATE: XXXX.XXXX

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OFFICE LEVEL 8 01
SCALE: 3/4" = 1'-0"



LEVEL 8 PLAN
EN1-08



BUILDING AREAS_NSF

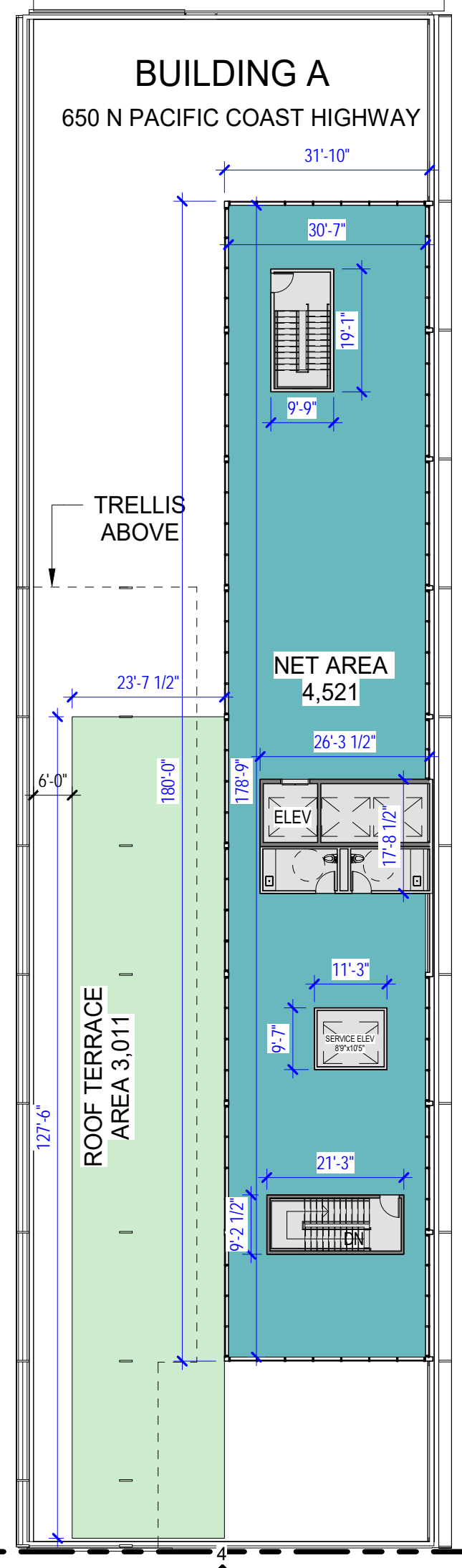
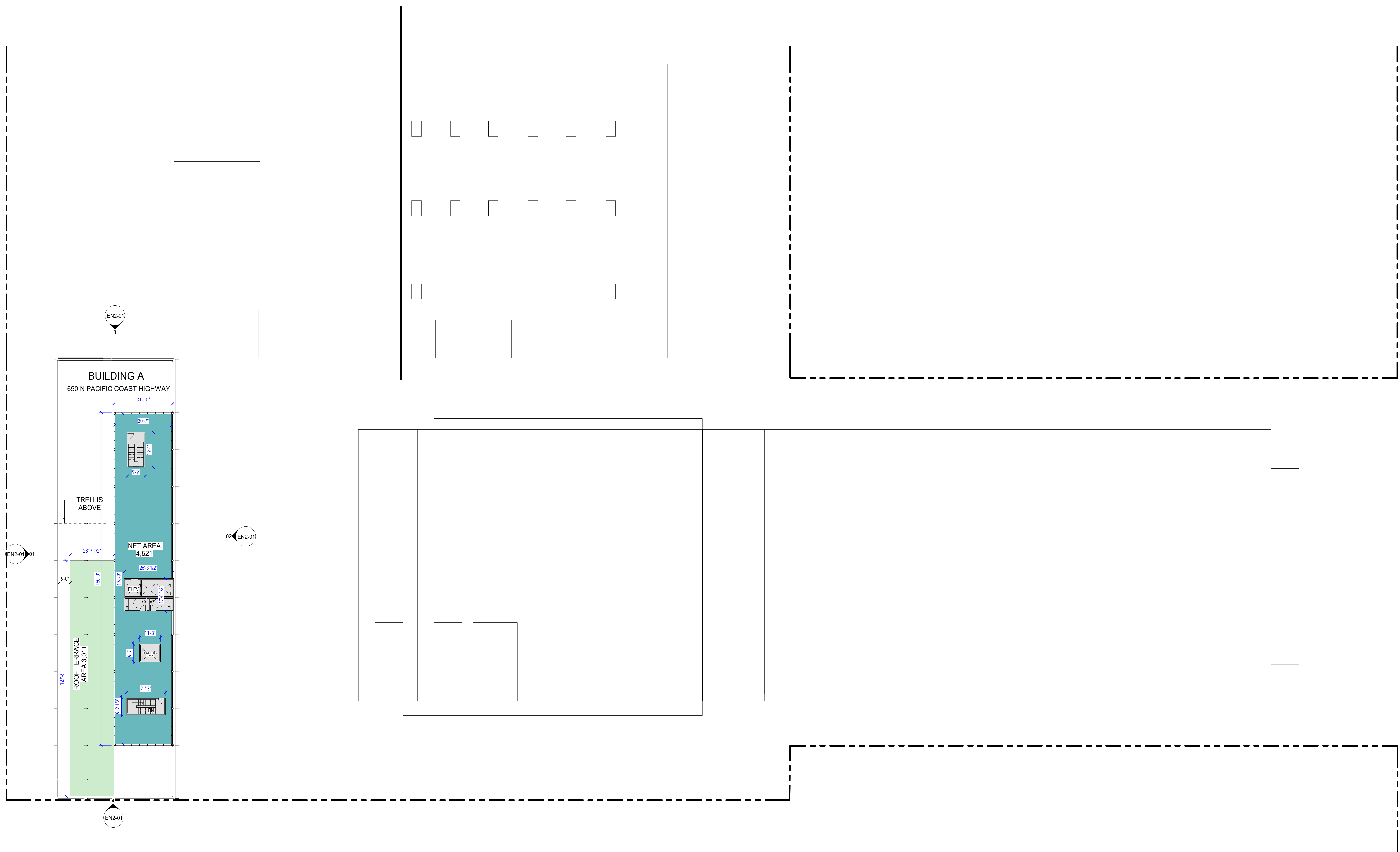
650 N PCH-TOWER_BUILDING A	
LEVEL 1	11,859
LEVEL 2 PCH	9,612
LEVEL 3 TO 7 (12,550 EA)	62,750
LEVEL 8	11,374
LEVEL 9 BALCONY	1,339
PENTHOUSE	4,521
ROOF TERRACE	3,011
TOTAL BUILDING A	99,916
TOTAL OUTDOOR AREA A	4,369

700 N PCH_BUILDING B	
LEVEL 1 (21,299+24,368)	45,667
L1 COURTYARDS	N/A
LEVEL 2 PCH	19,453
TOTAL BUILDING B	65,120
TOTAL OUTDOOR AREA B	0

NEW OFFICE BUILDING_BUILDING C	
LEVEL 1 (1,695+2,224)	3,929
LEVEL 1 PATIOS (PER LANDSCAPE)	
LEVEL 2 PARKING	
LEVEL 3 PARKING	
LEVEL 4	21,750
LEVEL 4 BALCONIES	4,785
LEVEL 5	20,440
LEVEL 5 BALCONIES	1,483
LEVEL 6	15,188
LEVEL 6 BALCONIES	4,876
LEVEL 7	9,214
LEVEL 7 BALCONIES	5,363
TOTAL BUILDING C	70,921
TOTAL OUTDOOR AREA C	16,507

737 CARL JACOBSON DR_BUILDING D	
LEVEL 1	16,652
TOTAL BUILDING D	16,652

TOTAL BUILDING A,B,C,D	282,609
TOTAL OUTDOOR AREAS	20,876



650-700 PCH
650 N PACIFIC COAST HIGHWAY
EL SEGUNDO, CA 90245

JOB NO. 1933

ENTITLEMENT PACKAGE

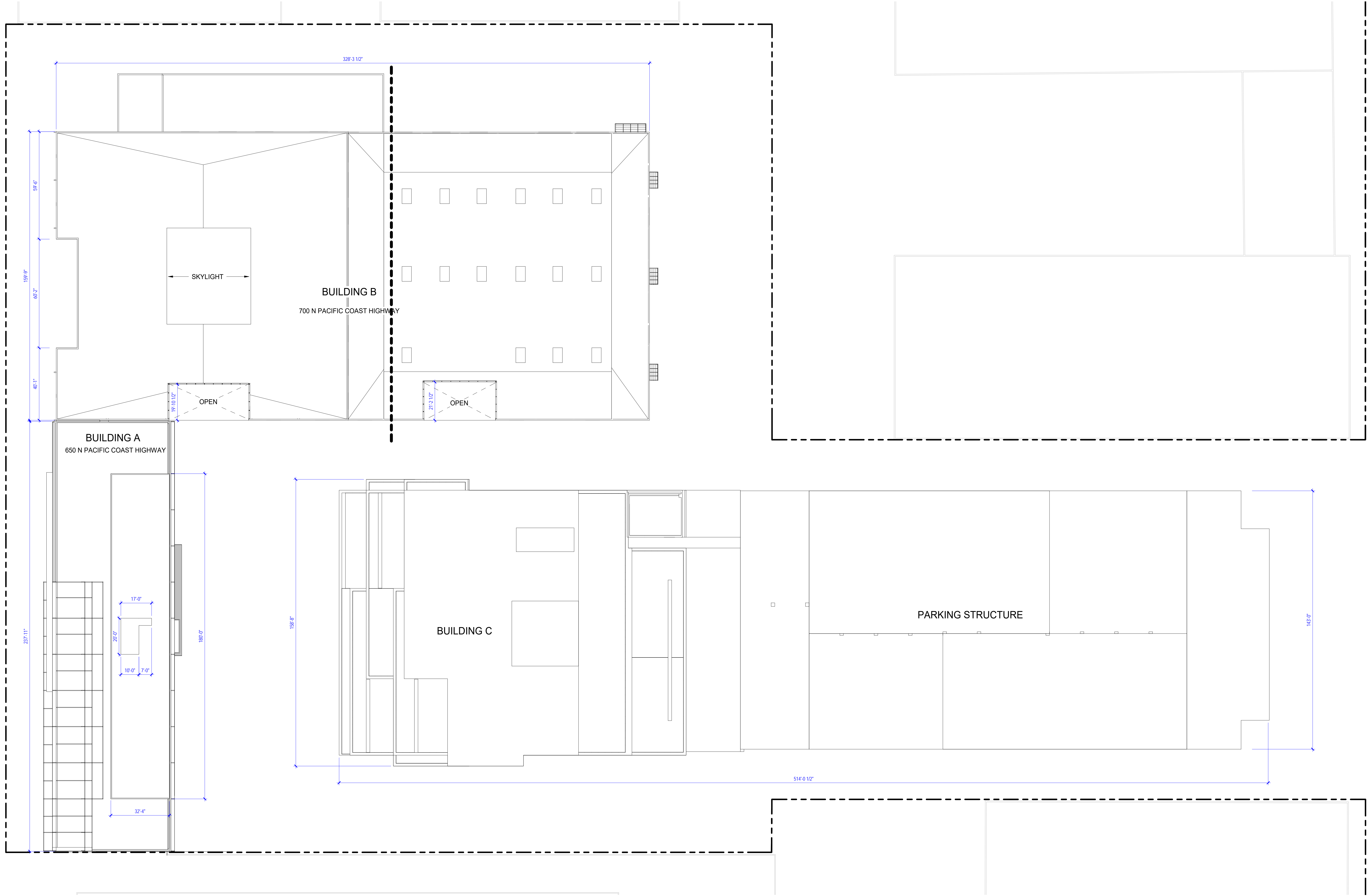
SCALE: As indicated
DATE: XXXX.XXXX

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OFFICE LEVEL 9 (PENTHOUSE) / ROOF DECK 01

SCALE: 3/8" = 1'-0"

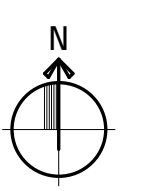
LEVEL 9 / PENTHOUSE
EN1-09

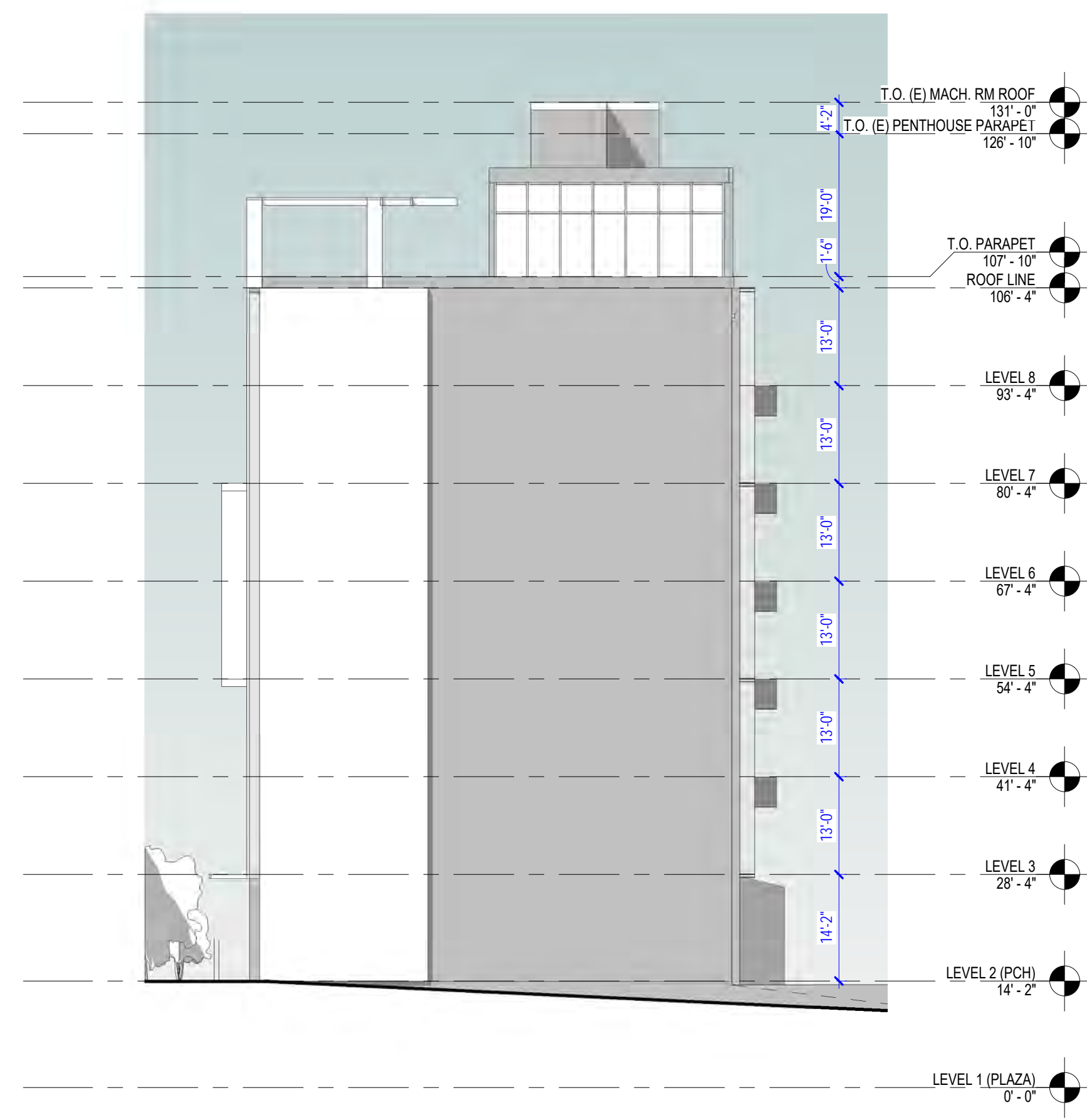


650-700 PCH
 650 N PACIFIC COAST HIGHWAY
 EL SEGUNDO, CA 90245
 JOB NO. 1003
ENTITLEMENT PACKAGE
 SCALE: 3/64" = 1'-0"
 DATE: XXXX.XXXX

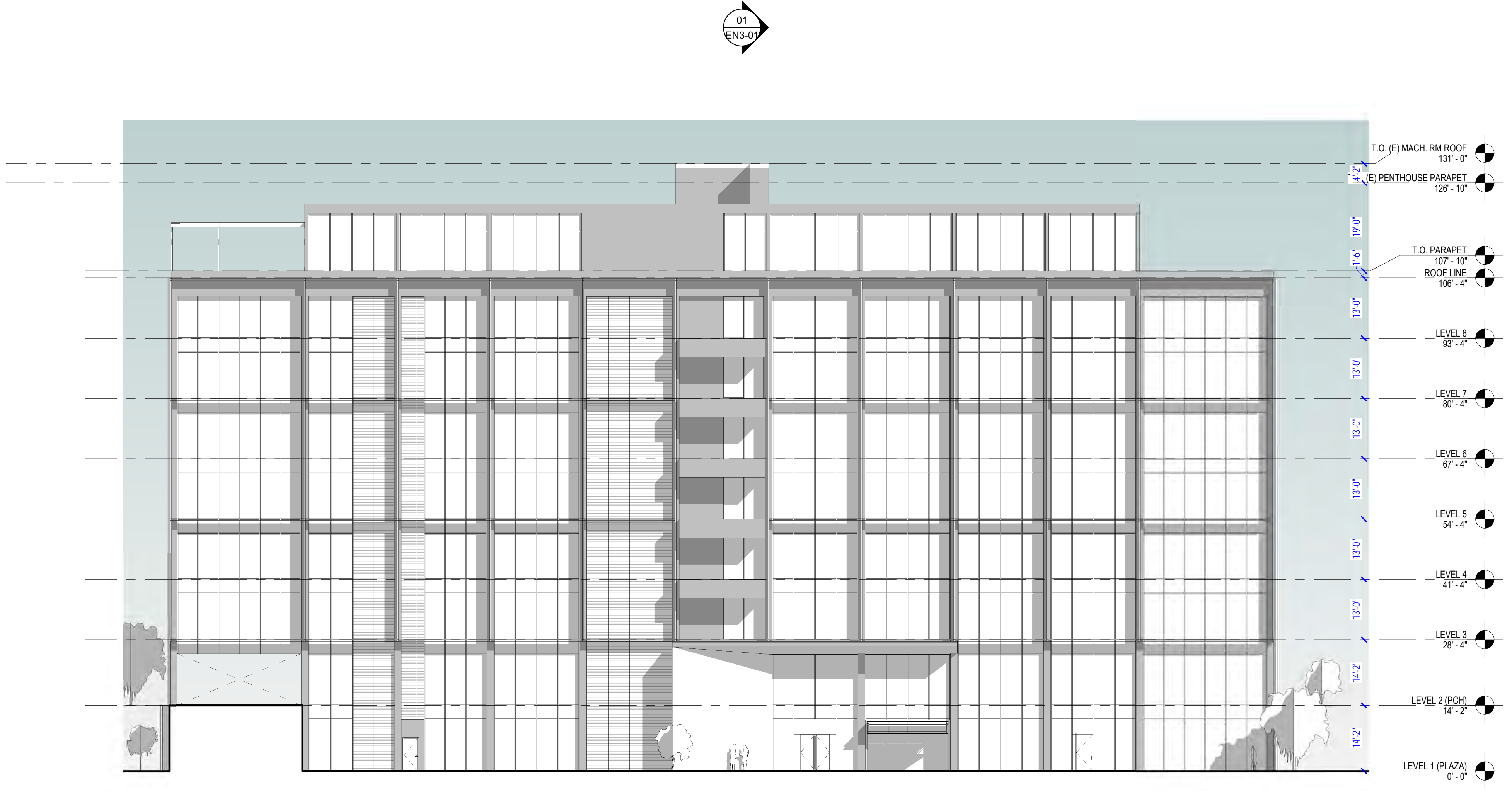
ROOF PLAN
EN1-10

OFFICE ROOF PLAN 01
 SCALE: 3/64" = 1'-0"

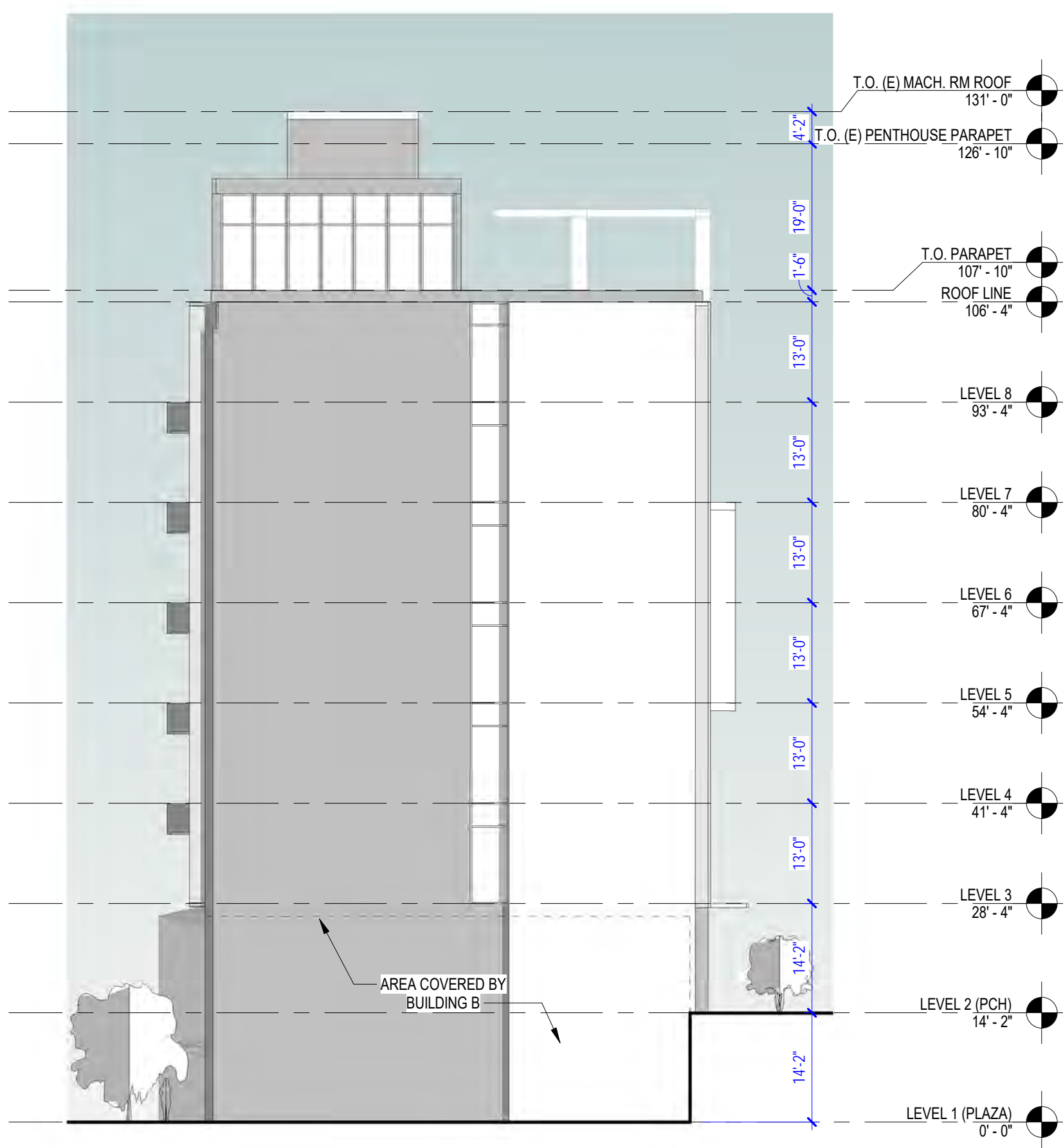




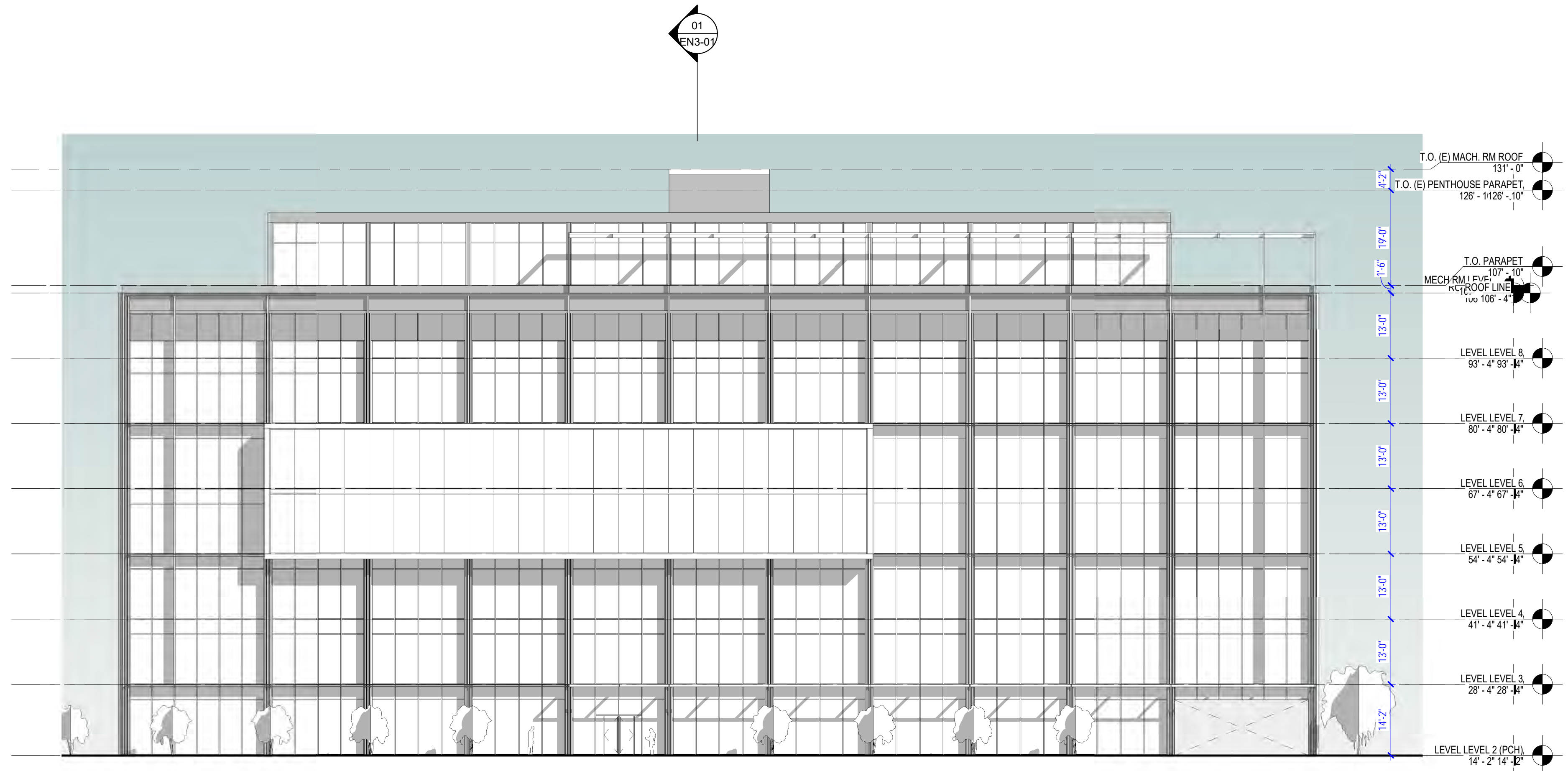
BUILDING A - SOUTH ELEVATION 4
 SCALE: 1/16" = 1'-0"



BUILDING A - EAST ELEVATION 02
 SCALE: 1/16" = 1'-0"



BUILDING A - NORTH ELEVATION 3
 SCALE: 1/16" = 1'-0"

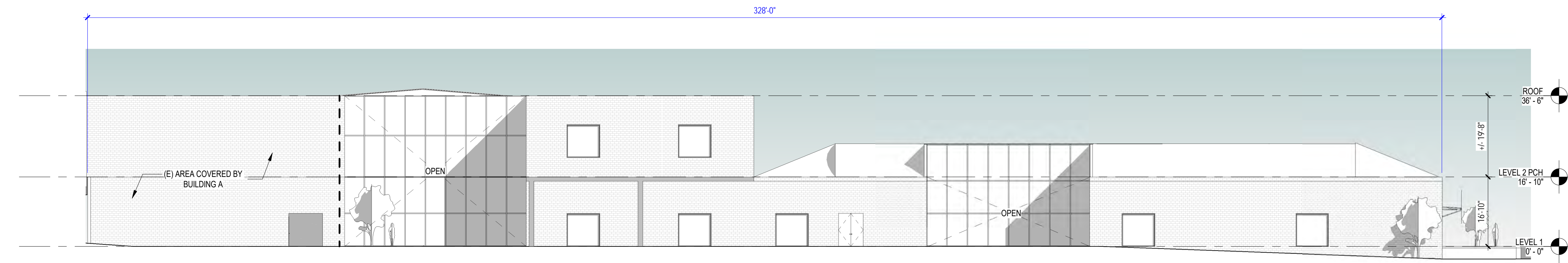


BUILDING A - WEST ELEVATION 01
 SCALE: 1/16" = 1'-0"

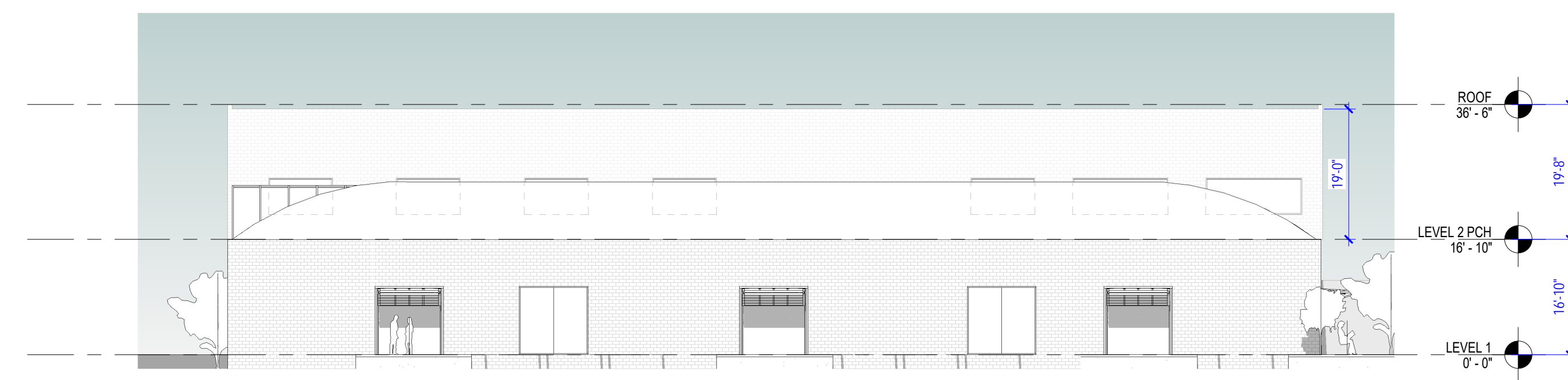
650-700 PCH
 650 N PACIFIC COAST HIGHWAY
 EL SEGUNDO, CA 90245
 JOB NO. 1003
ENTITLEMENT PACKAGE
 SCALE: 1/16" = 1'-0"
 DATE: XXXX.XXXX

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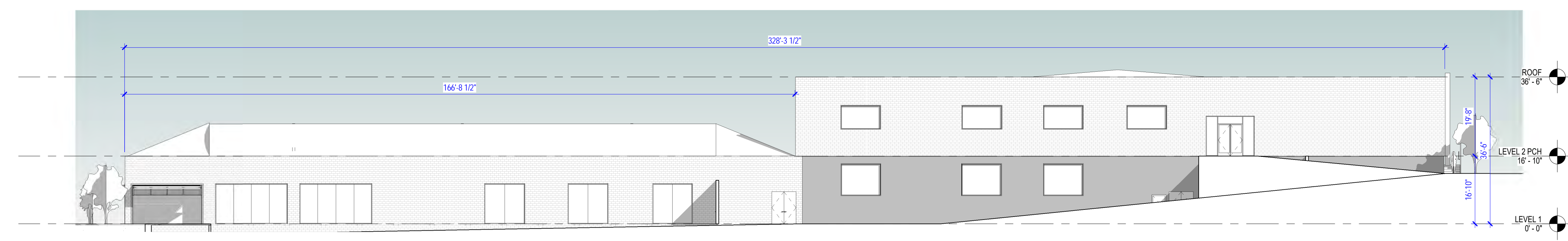
ELEVATIONS_BUILDING A
EN2-01



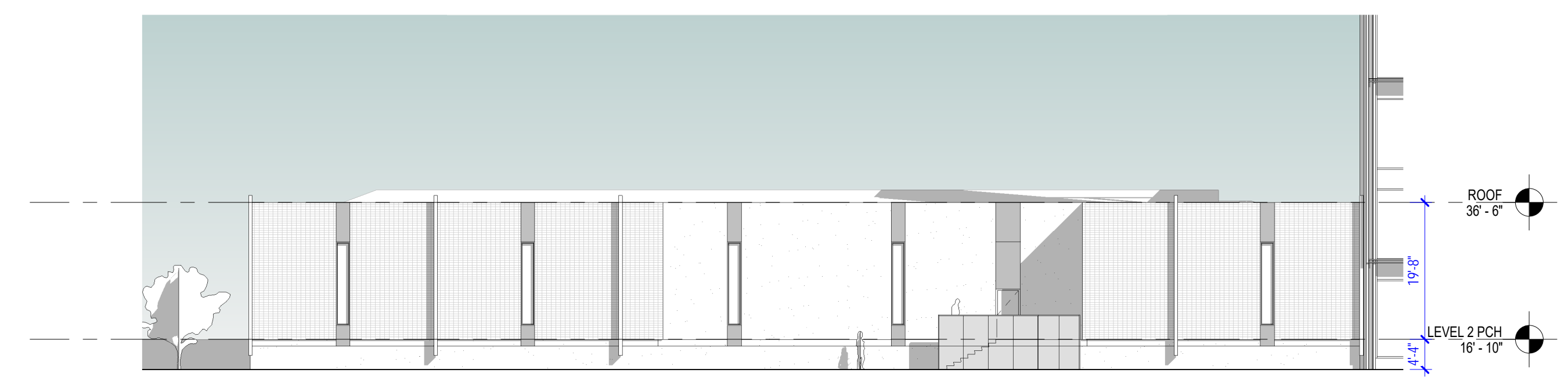
BUILDING B - SOUTH ELEVATION 04
 SCALE: 1/16" = 1'-0"



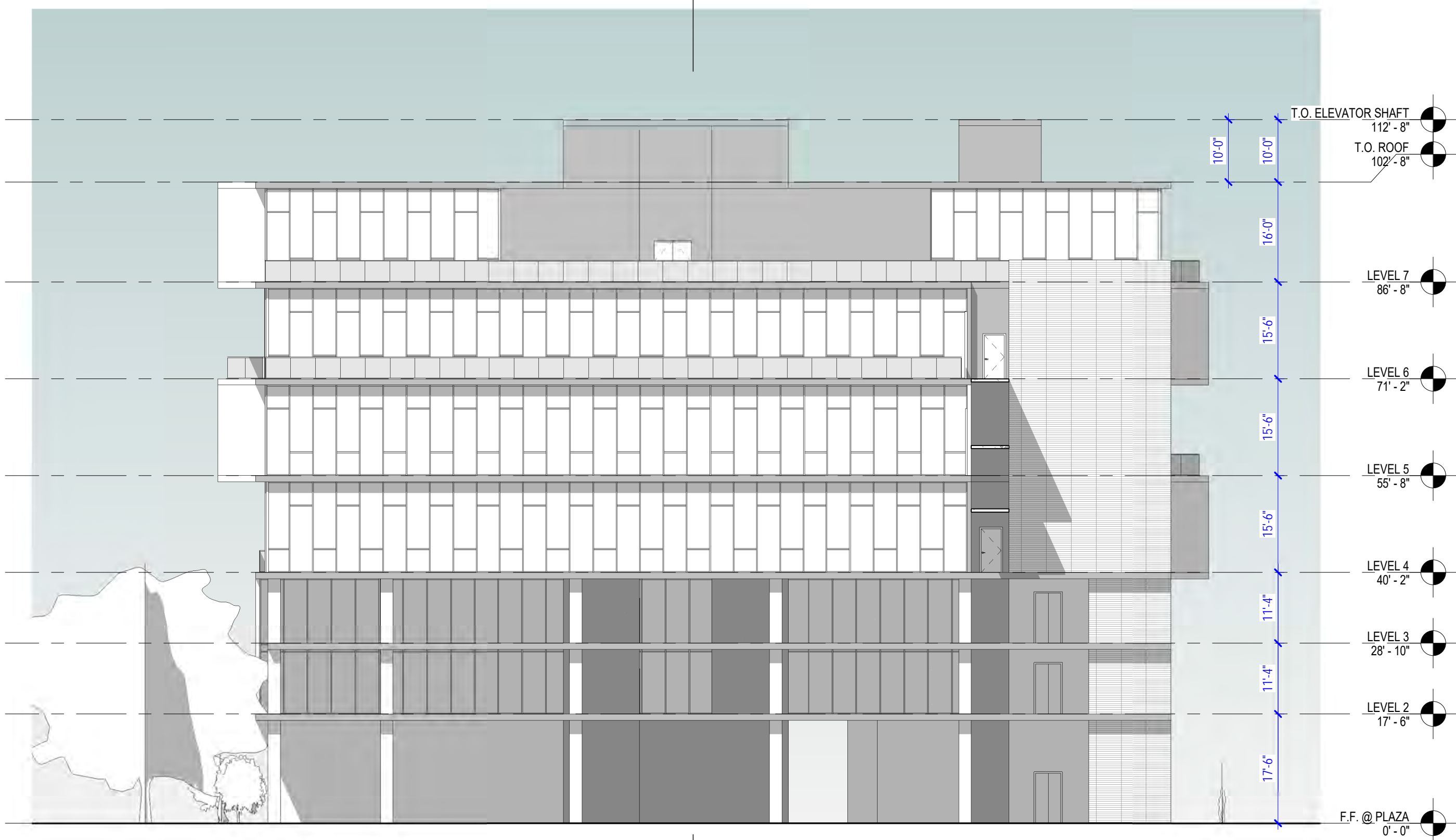
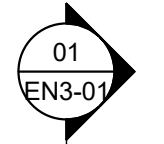
BUILDING B - EAST ELEVATION 03
 SCALE: 1/16" = 1'-0"



BUILDING B - NORTH ELEVATION 02
 SCALE: 1/16" = 1'-0"



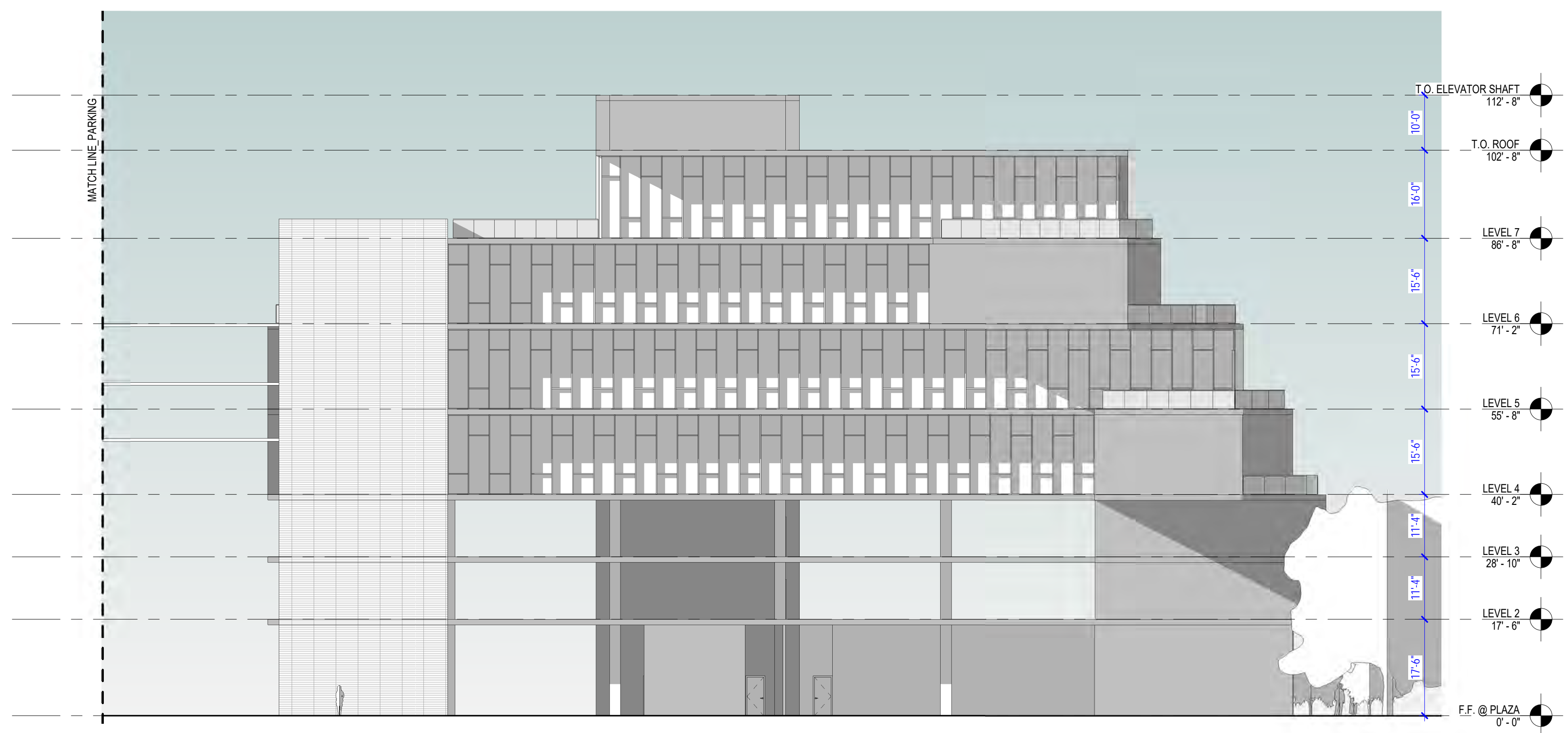
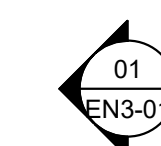
BUILDING B - WEST ELEVATION 01
 SCALE: 1/16" = 1'-0"



BUILDING C - EAST ELEVATION 04
 SCALE: 1/16" = 1'-0"



BUILDING C - SOUTH ELEVATION 02
 SCALE: 1/16" = 1'-0"



BUILDING C - NORTH ELEVATION 03
 SCALE: 1/16" = 1'-0"

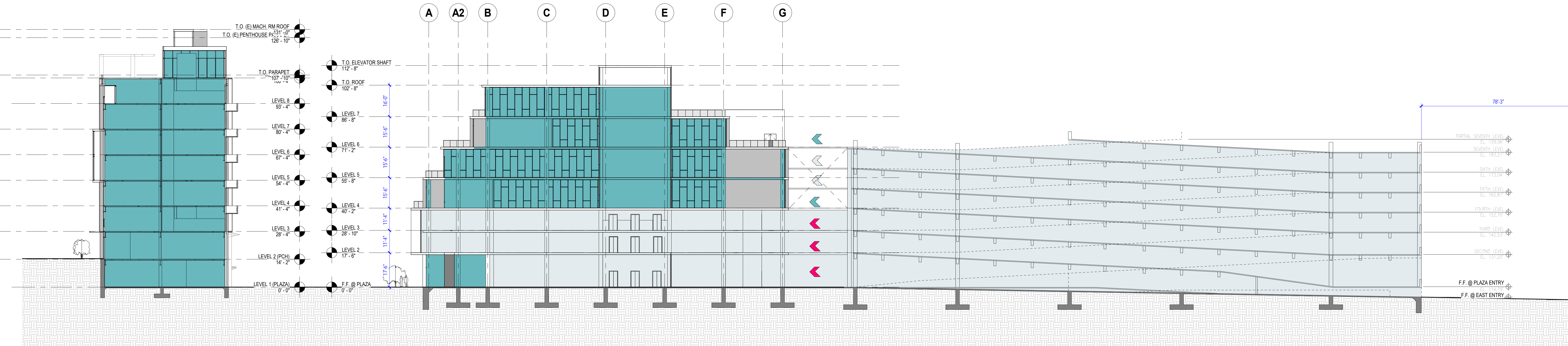


BUILDING C - WEST ELEVATION 01
 SCALE: 1/16" = 1'-0"

650-700 PCH
 650 N PACIFIC COAST HIGHWAY
 EL SEGUNDO, CA 90245
 JOB NO. 1803
 ENTITLEMENT PACKAGE
 SCALE: 1/16" = 1'-0"
 DATE: XXXX.XXXX

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ELEVATIONS_BUILDING C
 EN2-03



EN_BUILDING SECTION HI-LOW POINTS 01
 SCALE: 3/64" = 1'-0"

650-700 PCH
 650 N PACIFIC COAST HIGHWAY
 EL SEGUNDO, CA 90245
 JOB NO. 1803

ENTITLEMENT PACKAGE
 SCALE: 3/64" = 1'-0"
 DATE: XXXX.XXXX

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SECTIONS
EN3-01





650-700 PCH
 650 N PACIFIC COAST HIGHWAY
 EL SEGUNDO, CA 90245
 JOB NO. 1933
 ENTITLEMENT PACKAGE
 SCALE:
 DATE: XXXX.XXXX

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RENDERINGS
EN4-02



650-700 PCH
 650 N PACIFIC COAST HIGHWAY
 EL SEGUNDO, CA 90245
 JOB NO. 1033
 ENTITLEMENT PACKAGE
 SCALE:
 DATE: XXXX.XXXX

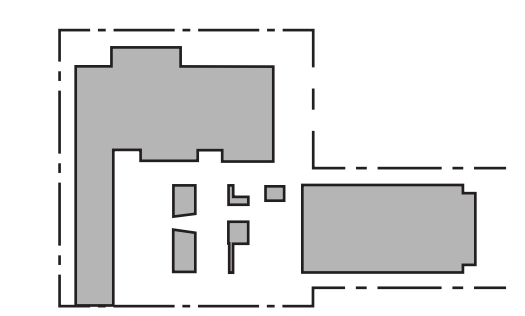
ALL DESIGN, ANNOTATIONS AND REPRESENTED BY THESE DRAWINGS ARE OWNED BY AND ARE PROPERTY OF SHUBIN + DONALDSON INC. AND THESE DRAWINGS ARE TO BE USED ONLY FOR THE PROJECT AND SITE SPECIFICALLY IDENTIFIED HEREIN. NO PARTS OF THESE DRAWINGS SHALL BE REPRODUCED OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, INCLUDING PHOTOCOPYING, RECORDING, OR BY ANY INFORMATION STORAGE AND RETRIEVAL SYSTEM, WITHOUT THE WRITTEN PERMISSION OF SHUBIN + DONALDSON INC. © 2019 SHUBIN + DONALDSON INC.

RENDERINGS
EN4-03



LEGEND

- 1 STREETSCAPE
- 2 STEPS
- 3 MAIN COURTYARD
- 4 TERRACES
- 5 RAMP
- 6 DRIVEWAY



650-700 PCH
650 PACIFIC COAST HIGHWAY
EL SEGUNDO, CA 90245

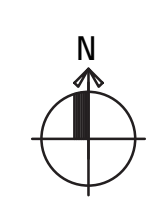
Landscape Entitlement Package
SCALE: As indicated
DATE: 05.08.2020

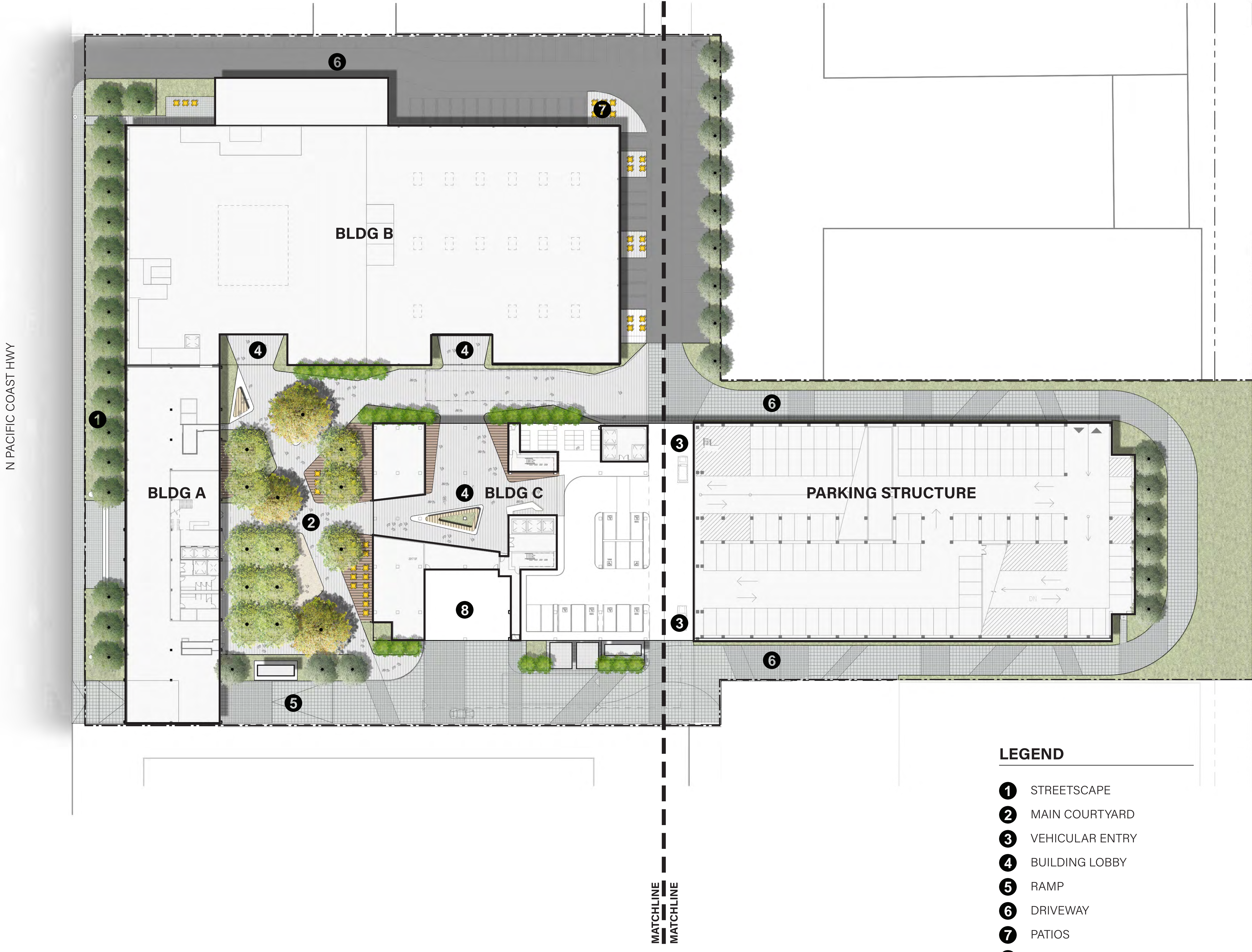
ALL IDEAS, DESIGNS, AND PLANS INDICATED OR REPRESENTED BY THESE DRAWINGS ARE OWNED BY AND ARE PROPERTY OF SHUBIN + DONALDSON INC. AND ARE TO BE USED ONLY FOR THE PROJECT AND SITE SPECIFICALLY IDENTIFIED HEREIN. NO PART OF THESE DRAWINGS SHALL BE REPRODUCED, COPIED, OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, WITHOUT THE WRITTEN PERMISSION OF SHUBIN + DONALDSON INC. © 2019 SHUBIN + DONALDSON INC.

ILLUSTRATIVE ROOF PLAN

L1.00

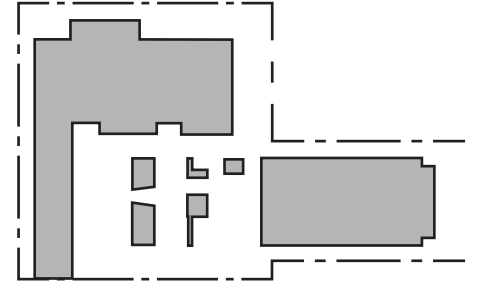
ILLUSTRATIVE ROOF PLAN 1
SCALE: 1/64" = 1'-0"





LEGEND

- ① STREETSCAPE
- ② MAIN COURTYARD
- ③ VEHICULAR ENTRY
- ④ BUILDING LOBBY
- ⑤ RAMP
- ⑥ DRIVEWAY
- ⑦ PATIOS
- ⑧ SERVICE ENTRY

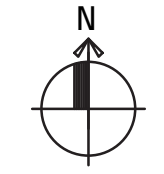


650-700 PCH
 650 PACIFIC COAST HIGHWAY
 EL SEGUNDO, CA 90245
 JOB NO. 1983

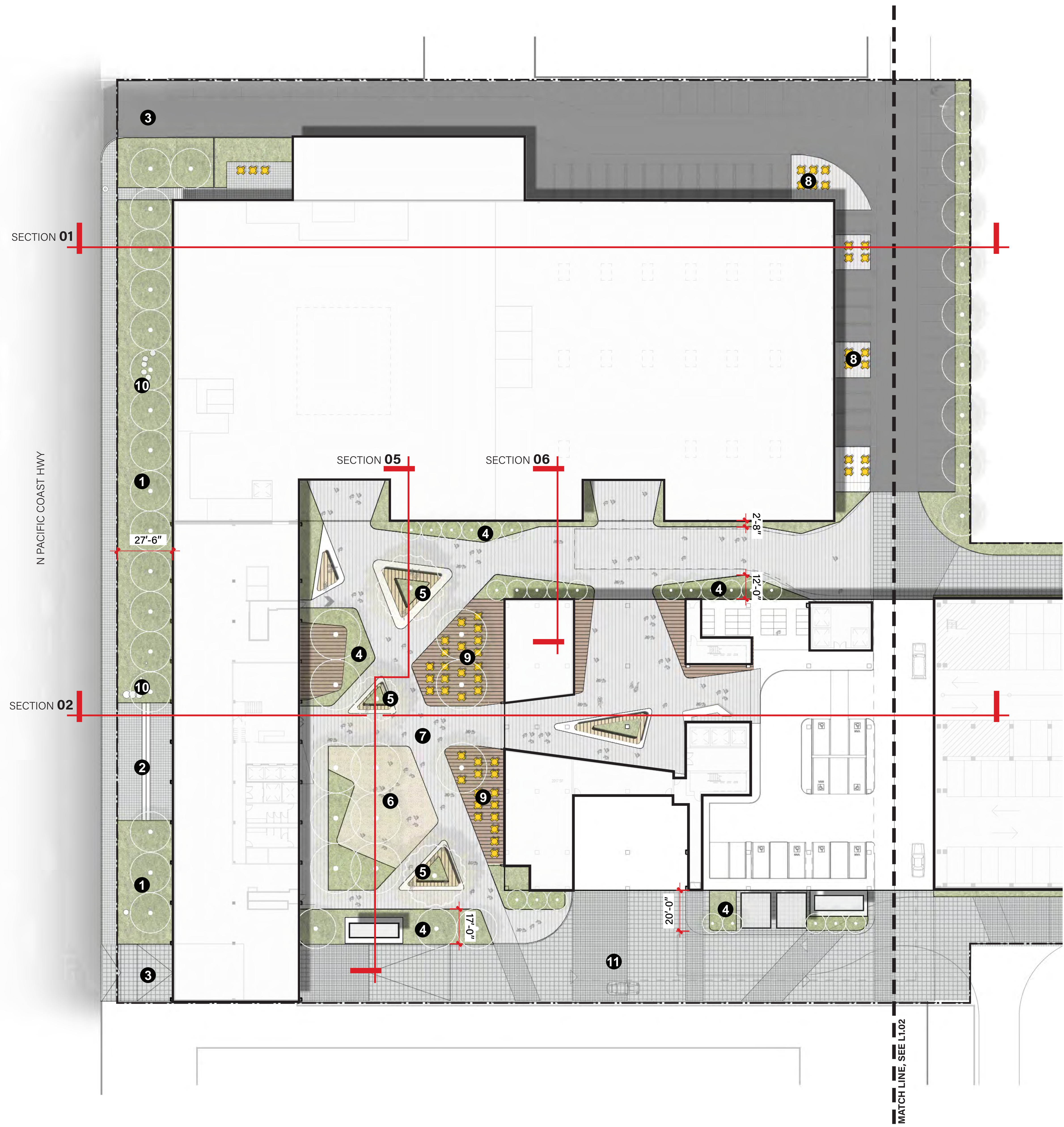
Landscape Entitlement Package
 SCALE: As indicated
 DATE: 05.08.2020

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ILLUSTRATIVE GROUND LEVEL PLAN 1
 SCALE: 1/64" = 1'-0"

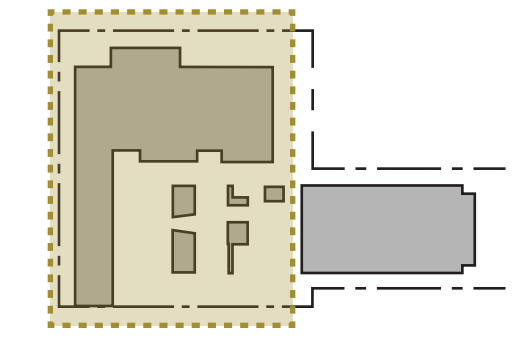


ILLUSTRATIVE GROUND LEVEL PLAN
L1.00A



LEGEND

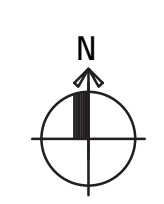
- 1 (N) STREETScape PLANTING
- 2 (N) ENTRY STEPS
- 3 (E) ENTRY DRIVE
- 4 PLANTING AREA
- 5 SEATING ELEMENT/ PLANTER
- 6 LAWN
- 7 PEDESTRIAN PAVING
- 8 ENTRY PATIOS
- 9 RESTAURANT PATIO
- 10 ABOVE GROUND UTILITY
- 11 ENHANCED CONCRETE DRIVEWAY PAVING



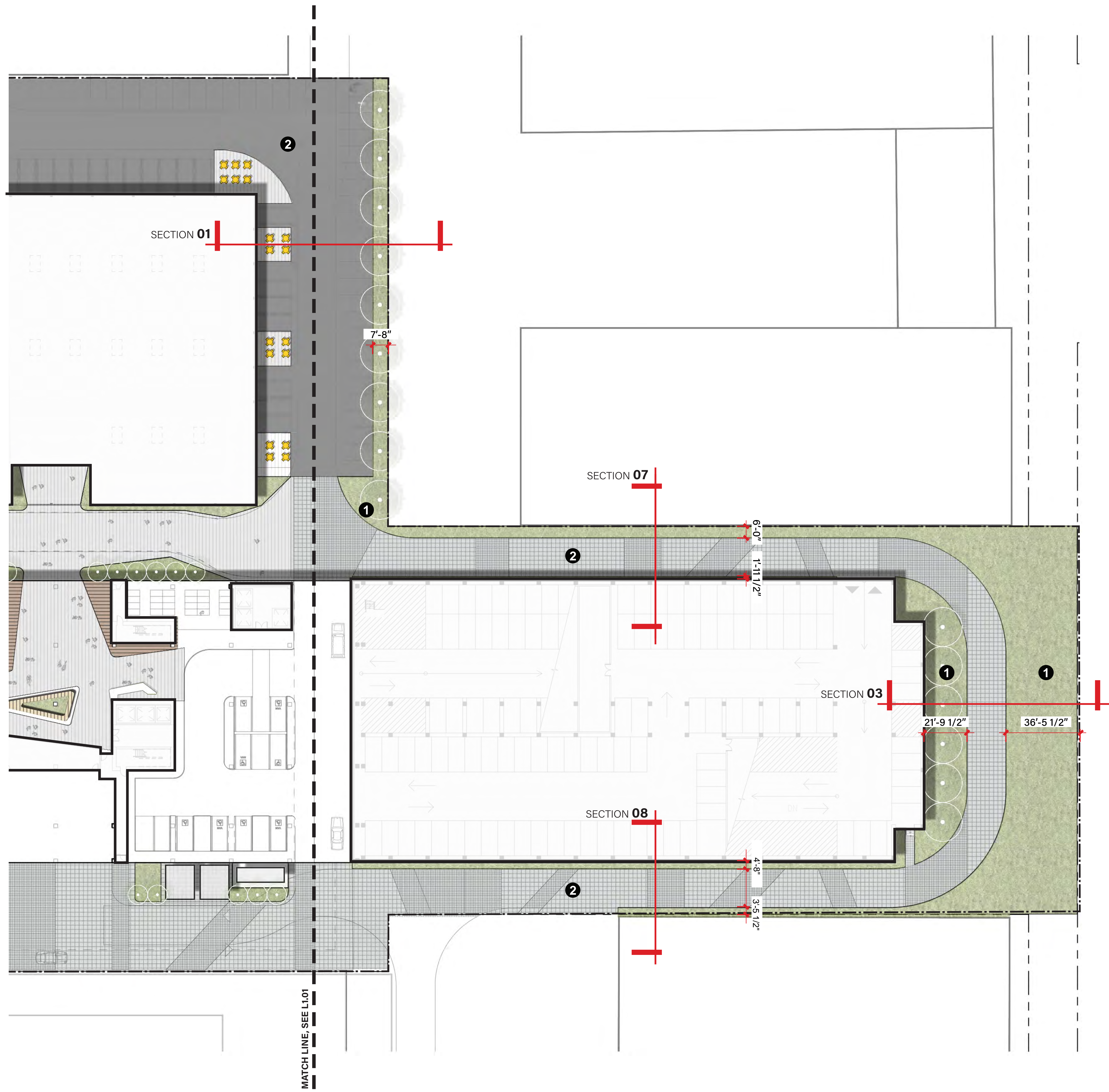
650-700 PCH
 650 PACIFIC COAST HIGHWAY
 EL SEGUNDO, CA 90245
 JOB NO. 1983
 Landscape Entitlement Package
 SCALE: As indicated
 DATE: 05.08.2020

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ILLUSTRATIVE PLAN - LEVEL 01 WEST 1
 SCALE: 3/64" = 1'-0"

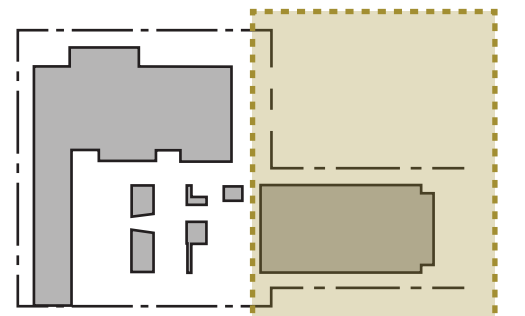


ILLUSTRATIVE PLAN - LEVEL 01_W
L1.01



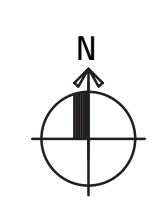
LEGEND

- ① PARAMETER PLANTING
- ② ENHANCED CONCRETE DRIVEWAY PAVING



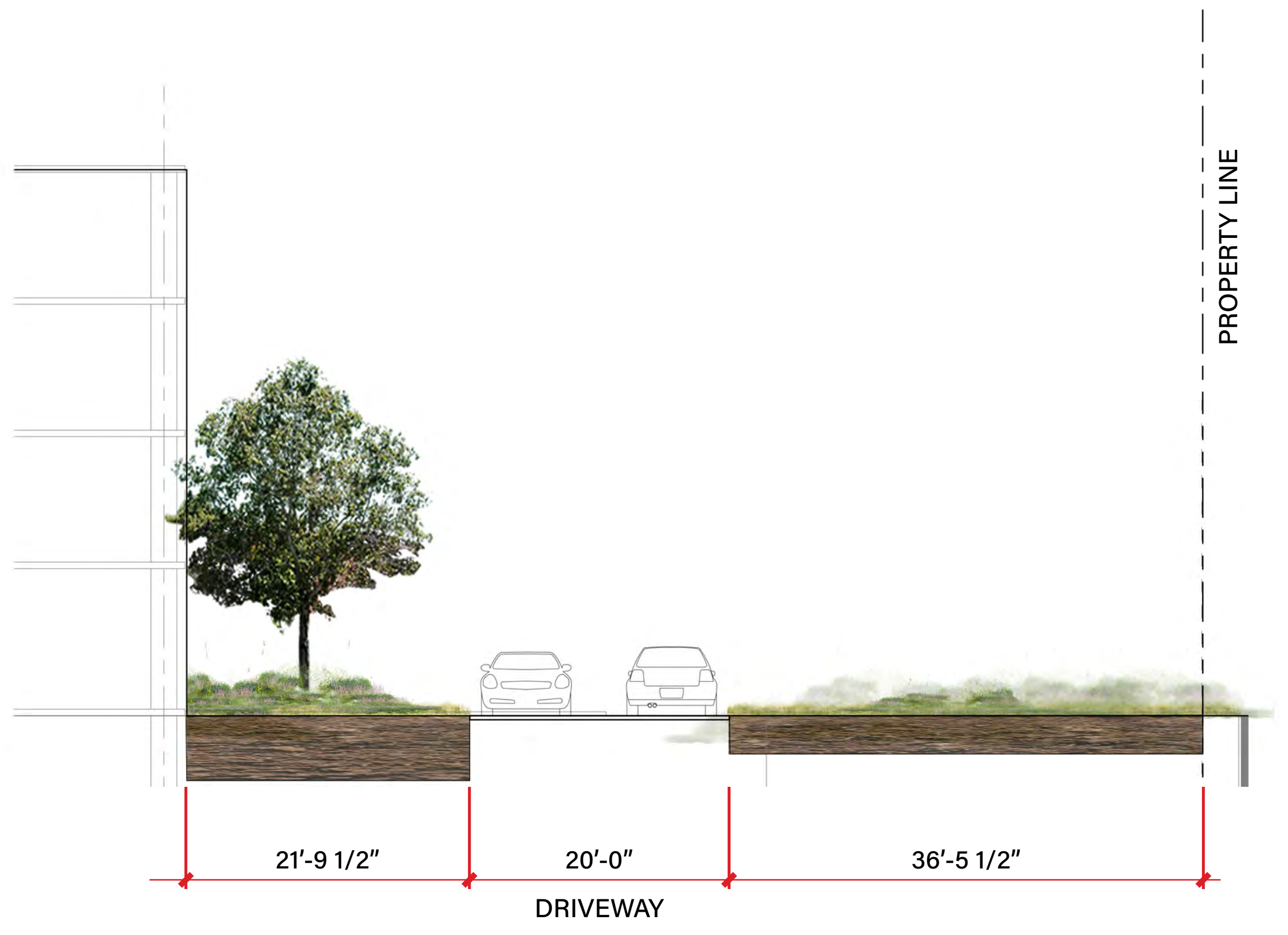
650-700 PCH
 650 PACIFIC COAST HIGHWAY
 EL SEGUNDO, CA 90245
 JOB NO. 1983
 Landscape Entitlement Package
 SCALE: As indicated
 DATE: 05.08.2020

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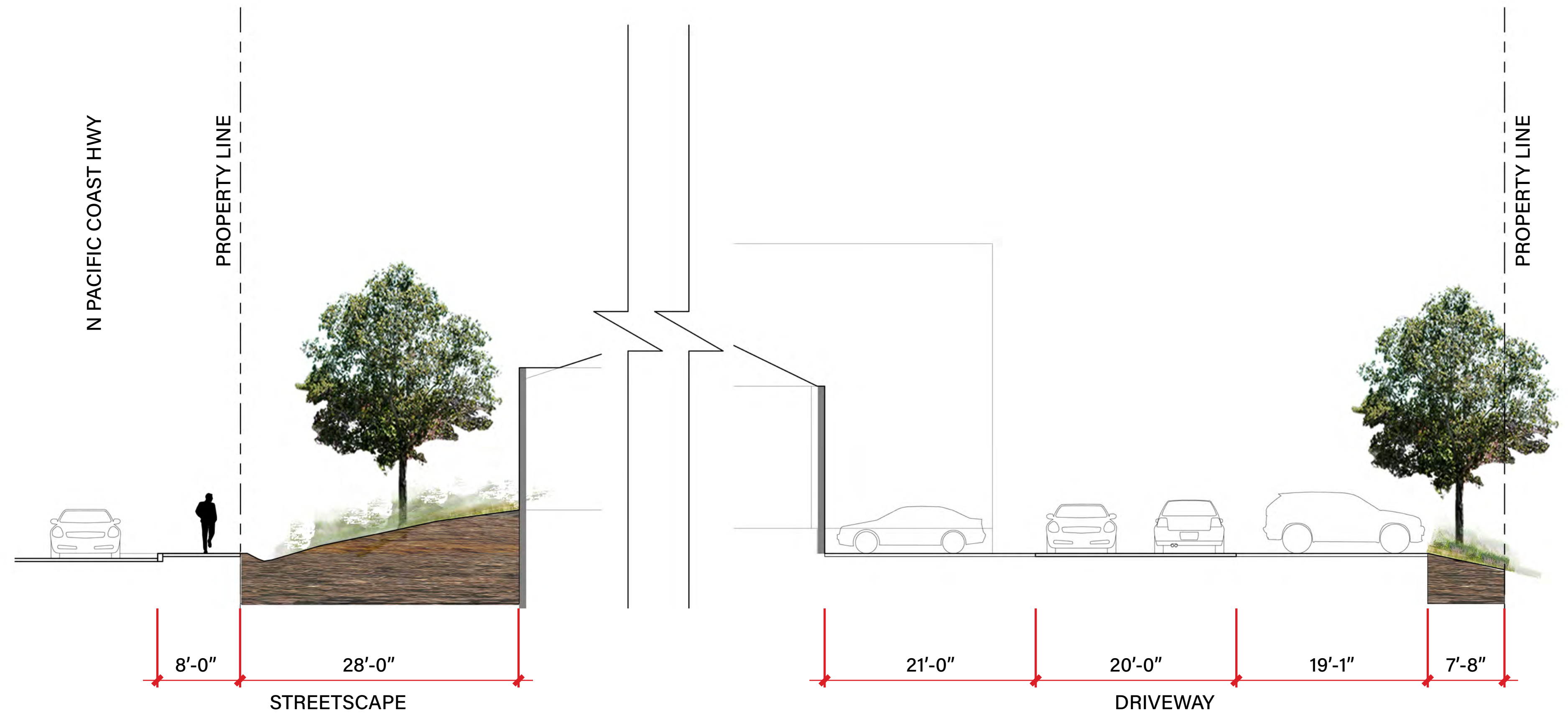




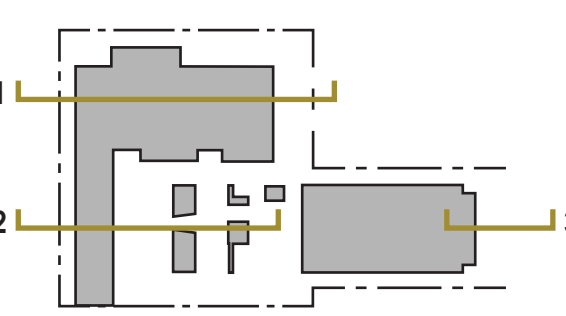
SECTION 2
 SCALE: 1/8" = 1'-0"



SECTION 3
 SCALE: 1/8" = 1'-0"

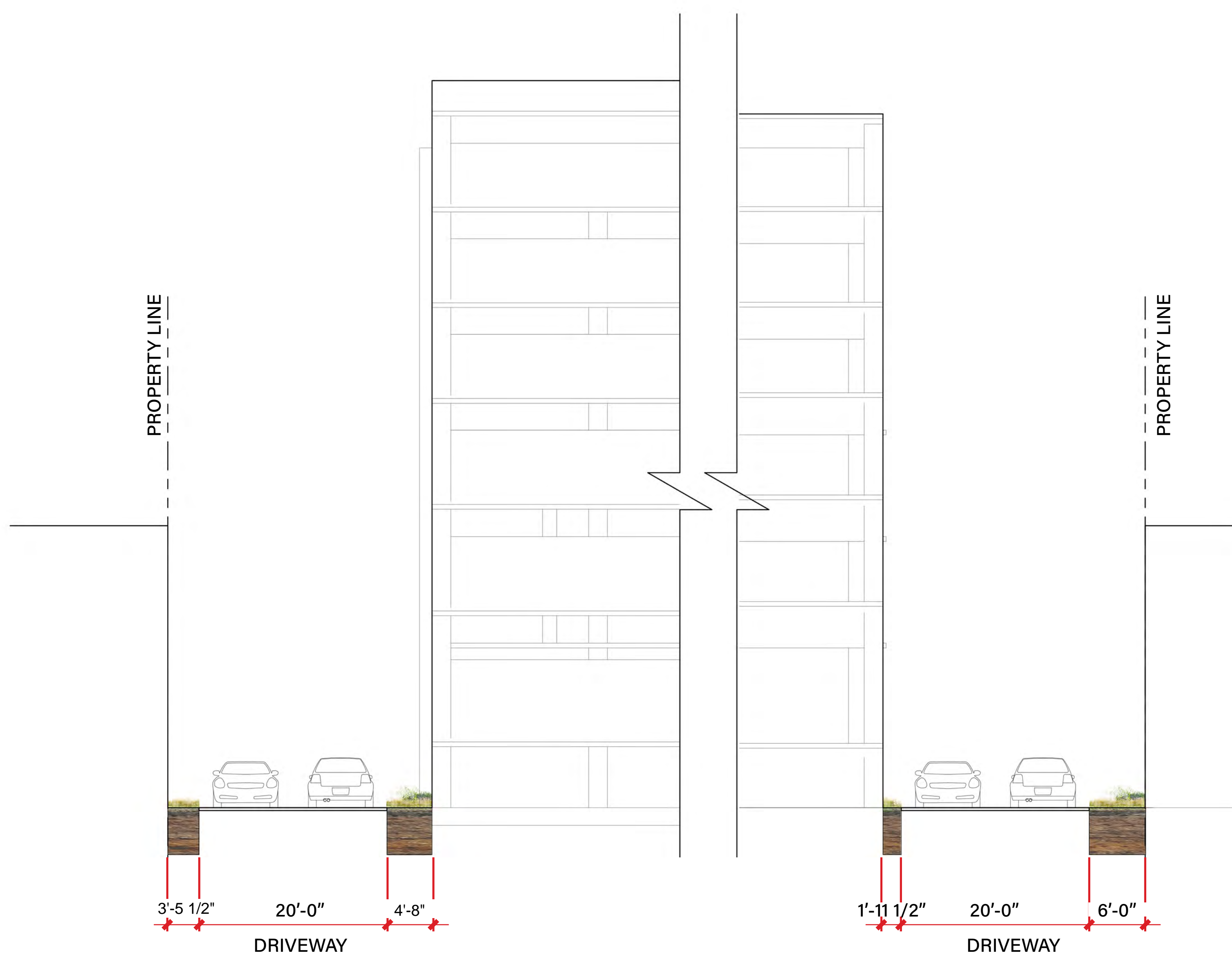


SECTION 1
 SCALE: 1/8" = 1'-0"



650-700 PCH
 650 PACIFIC COAST HIGHWAY
 EL SEGUNDO, CA 90245
 Landscape Entitlement Package
 SCALE: As indicated
 DATE: 05.08.2020

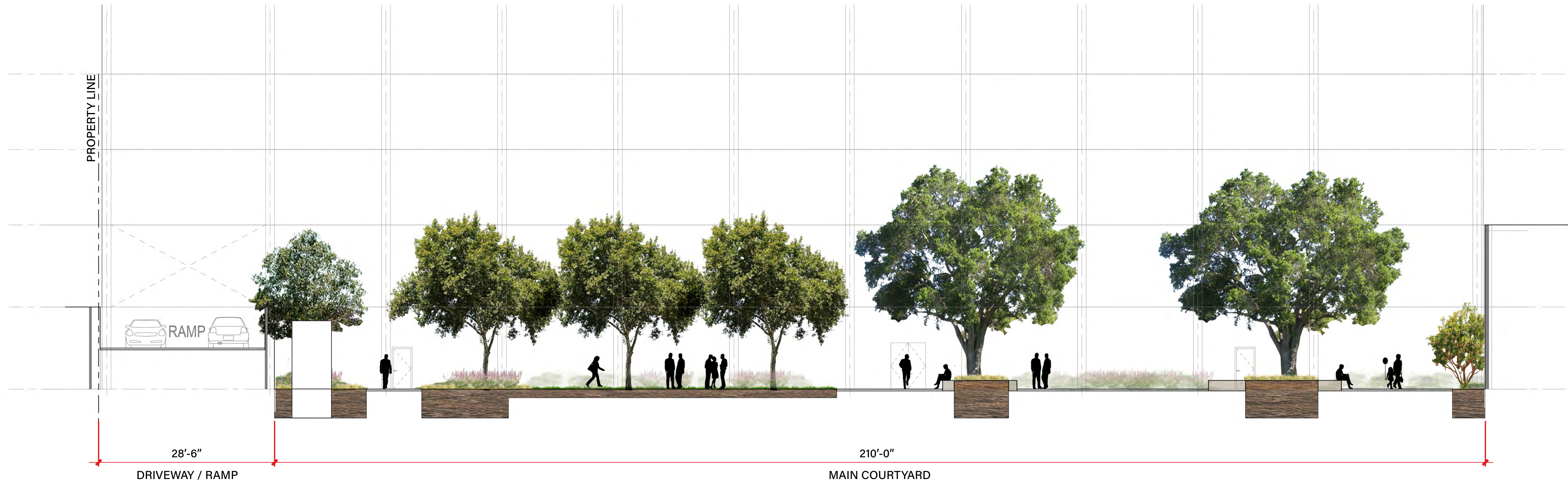
ALL IDEAS, DESIGNS, AND PLANS INDICATED OR REPRESENTED BY THESE DRAWINGS ARE OWNED BY AND ARE PROPERTY OF SHUBIN + DONALDSON INC. AND WILL BE CREATED AND DEVELOPED FOR THE PROJECT WITH THE SPECIFIC PROJECT. NONE OF SUCH IDEAS, DESIGNS, OR PLANS SHALL BE USED FOR ANY PURPOSE WHATSOEVER WITHOUT THE WRITTEN PERMISSION OF SHUBIN + DONALDSON INC. © 2019 SHUBIN + DONALDSON INC.



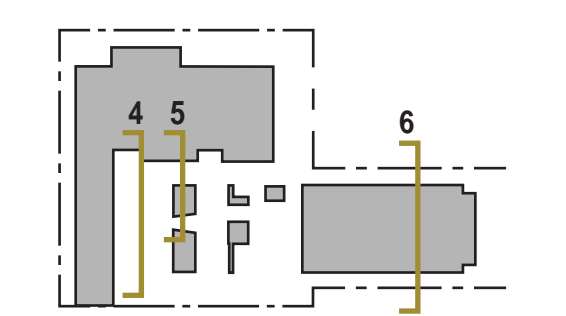
SECTION 6
 SCALE: 1/8" = 1'-0"



SECTION 5
 SCALE: 1/8" = 1'-0"

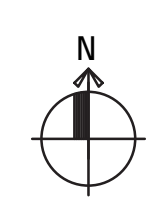


SECTION 4
 SCALE: 1/8" = 1'-0"



650-700 PCH
 650 PACIFIC COAST HIGHWAY
 EL SEGUNDO, CA 90245
 JOB NO. 1993
 Landscape Entitlement Package
 SCALE: As indicated
 DATE: 05.08.2020

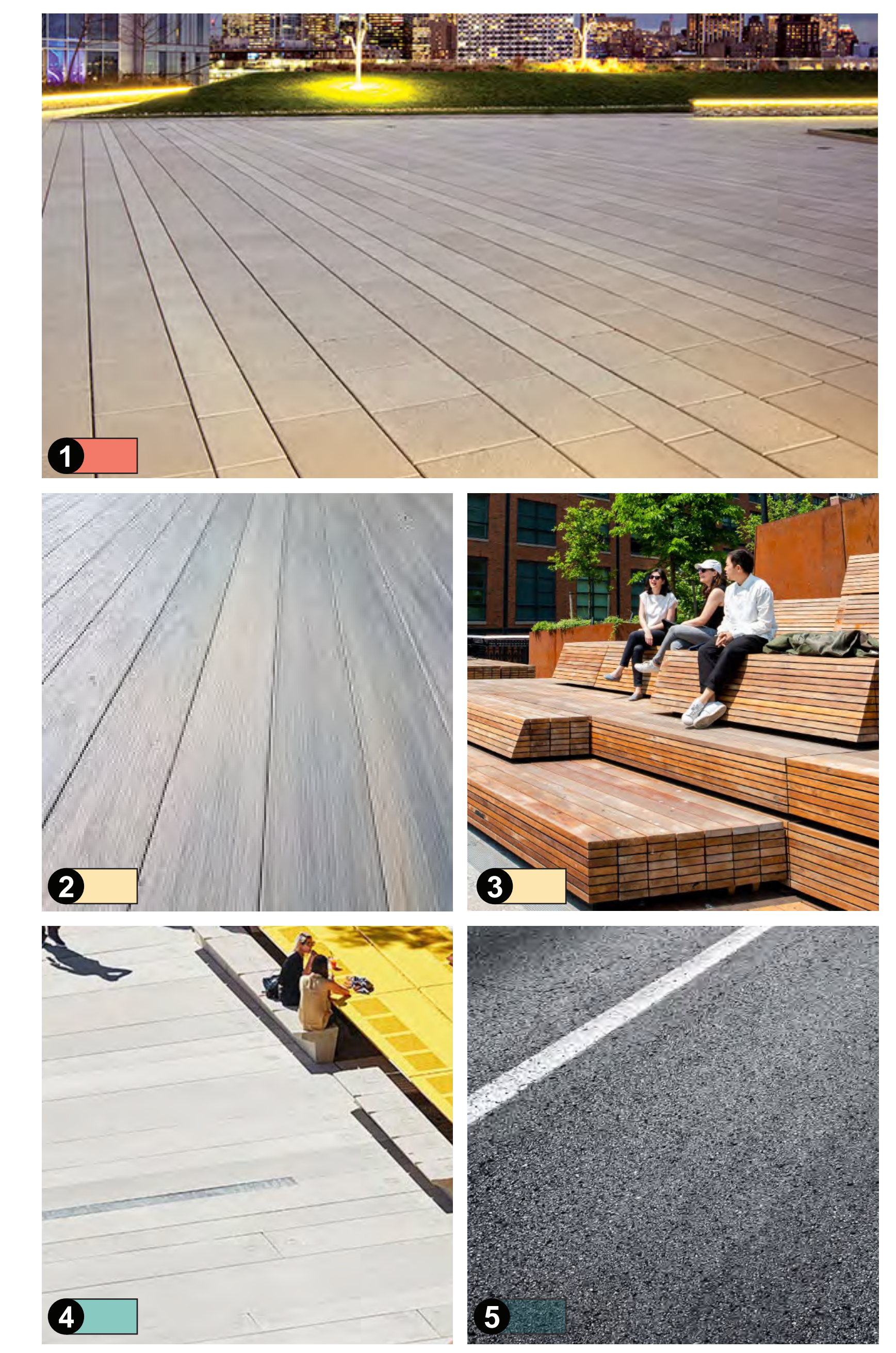
ALL IDEAS, DESIGNS, AND PLANS INDICATED OR REPRESENTED BY THESE DRAWINGS ARE OWNED BY AND ARE PROPERTY OF SHUBIN + DONALDSON INC. AND HAVE BEEN CREATED AND DEVELOPED FOR THE PROJECT AND FOR THE SPECIFIC PROJECT. NONE OF SUCH IDEAS, DESIGNS, OR PLANS SHALL BE USED FOR ANY PURPOSE WITHOUT THE WRITTEN PERMISSION OF SHUBIN + DONALDSON INC. © 2019 SHUBIN + DONALDSON INC.



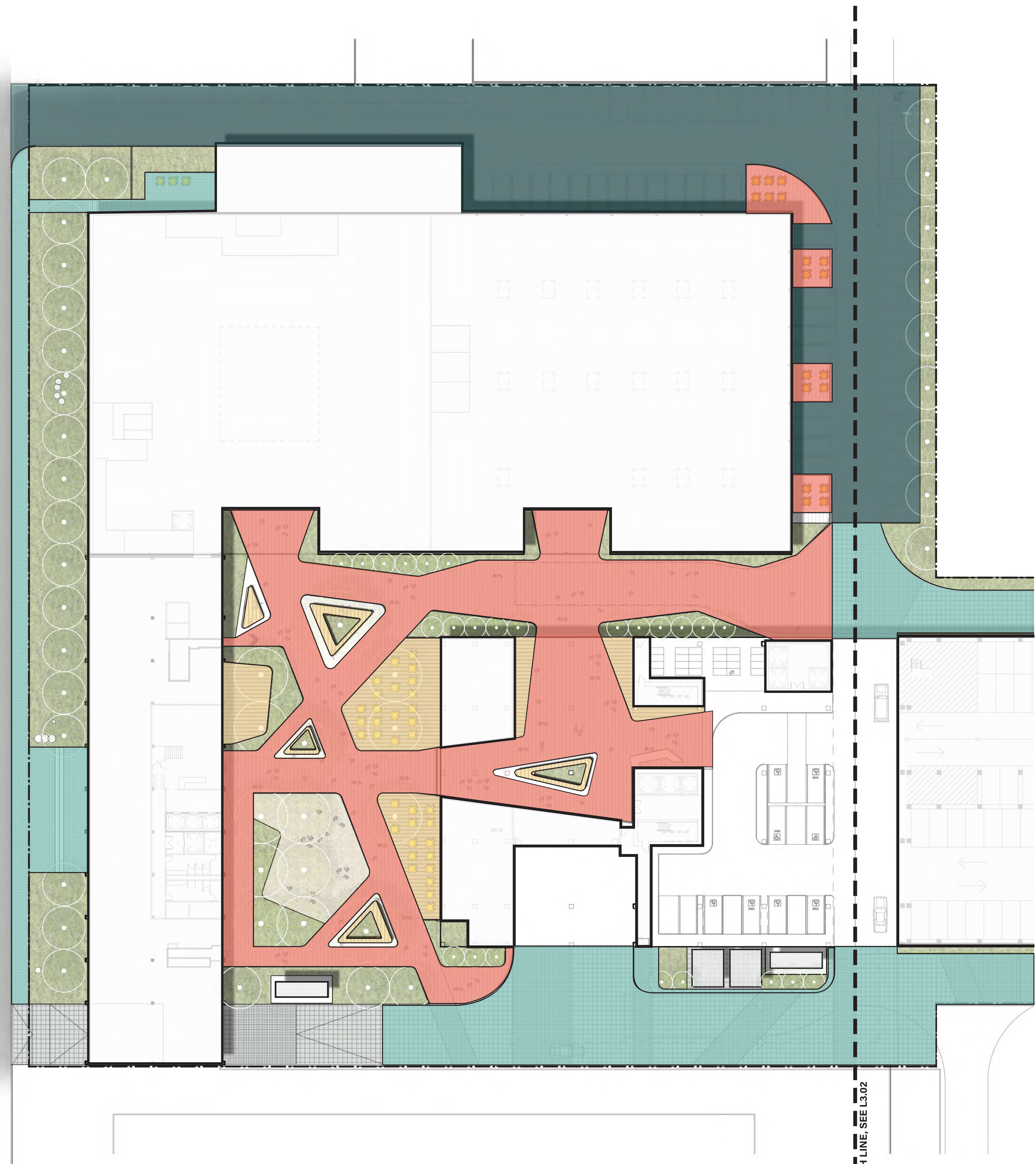
LEGEND

- ENHANCED PAVING
- WOOD DECK / SEATING
- CIP CONCRETE
- EXISTING ASPHALT TO REMAIN (25,436 SQFT)

TOTAL HARDSCAPE AREA:
109,757 SQFT

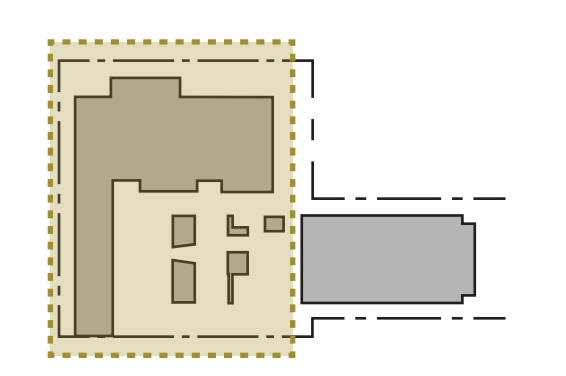
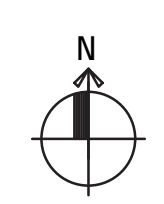


N PACIFIC COAST HWY



MATCH LINE - SEE L3.02

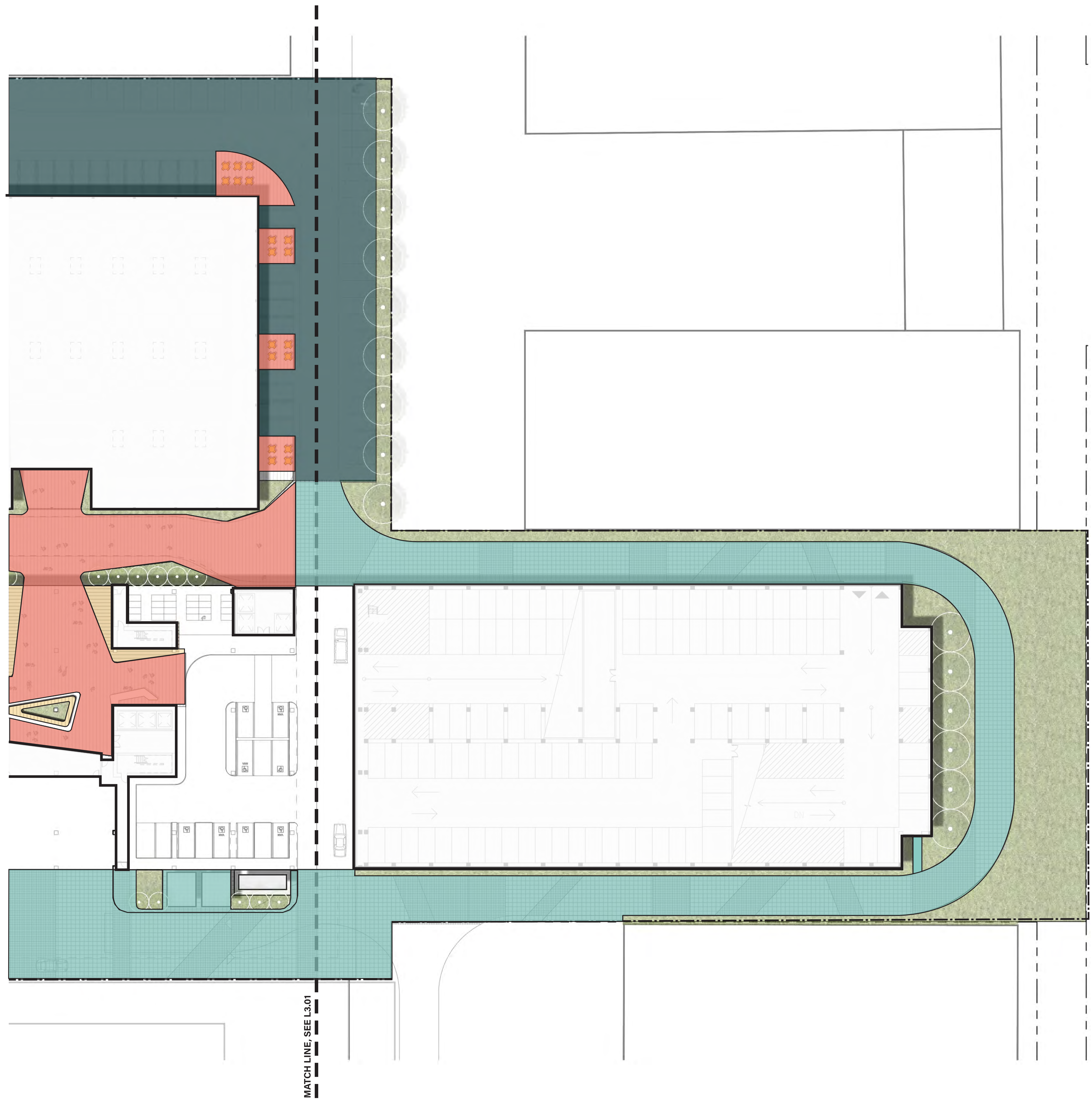
MATERIALS PLAN - LEVEL 01 WEST 1
 SCALE: 3/64" = 1'-0"



650-700 PCH
 650 PACIFIC COAST HIGHWAY
 EL SEGUNDO, CA 90245
 JOB NO. 1983
 Landscape Entitlement Package
 SCALE: As indicated
 DATE: 05.08.2020

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MATERIALS PLAN - LEVEL 01_W
L3.01

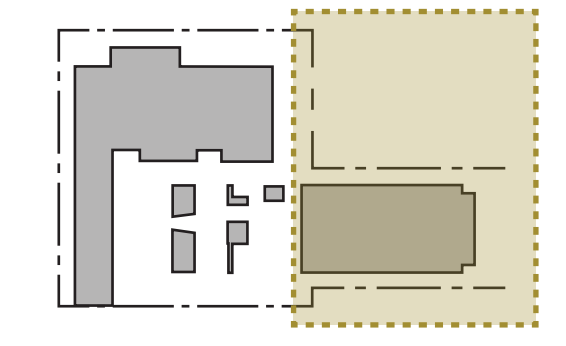
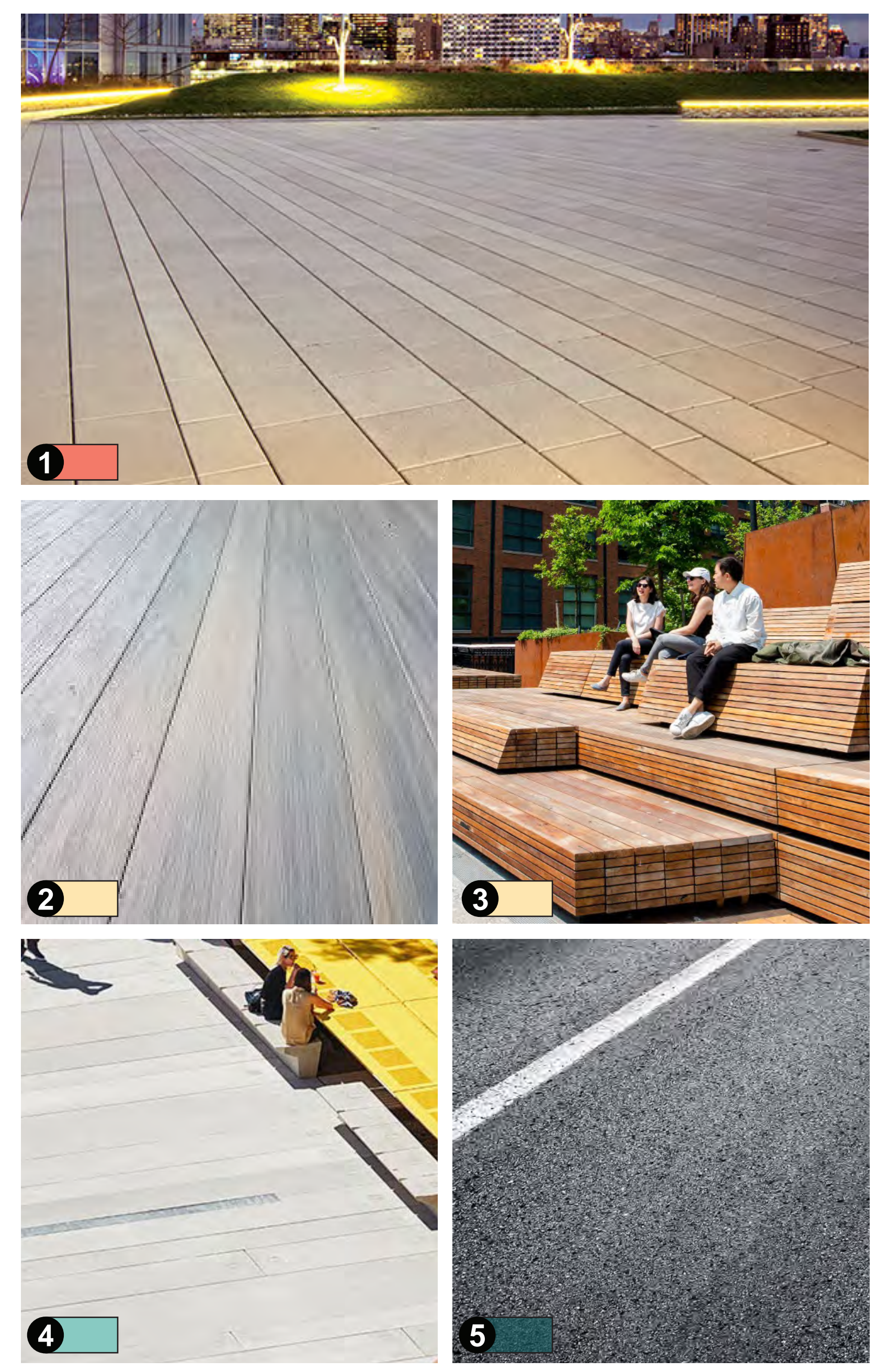


MATCH LINE, SEE L3.01

LEGEND

- ENHANCED PAVING
- WOOD DECK / SEATING
- CIP CONCRETE
- EXISTING ASPHALT TO REMAIN (25,436 SQFT)

TOTAL HARDSCAPE AREA:
109,757 SQFT

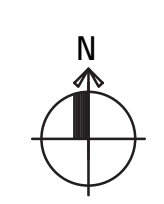


650-700 PCH
650 PACIFIC COAST HIGHWAY
EL SEGUNDO, CA 90245

Landscape Entitlement Package
SCALE: As indicated
DATE: 05.08.2020

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MATERIALS PLAN - LEVEL 01 EAST 1
SCALE: 3/64"=1'-0"



MATERIALS PLAN - LEVEL 01_E
L3.02

LEGEND

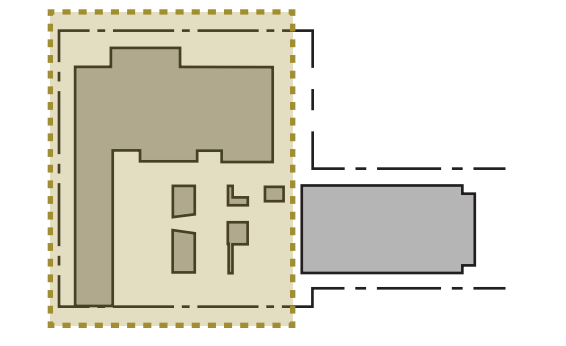
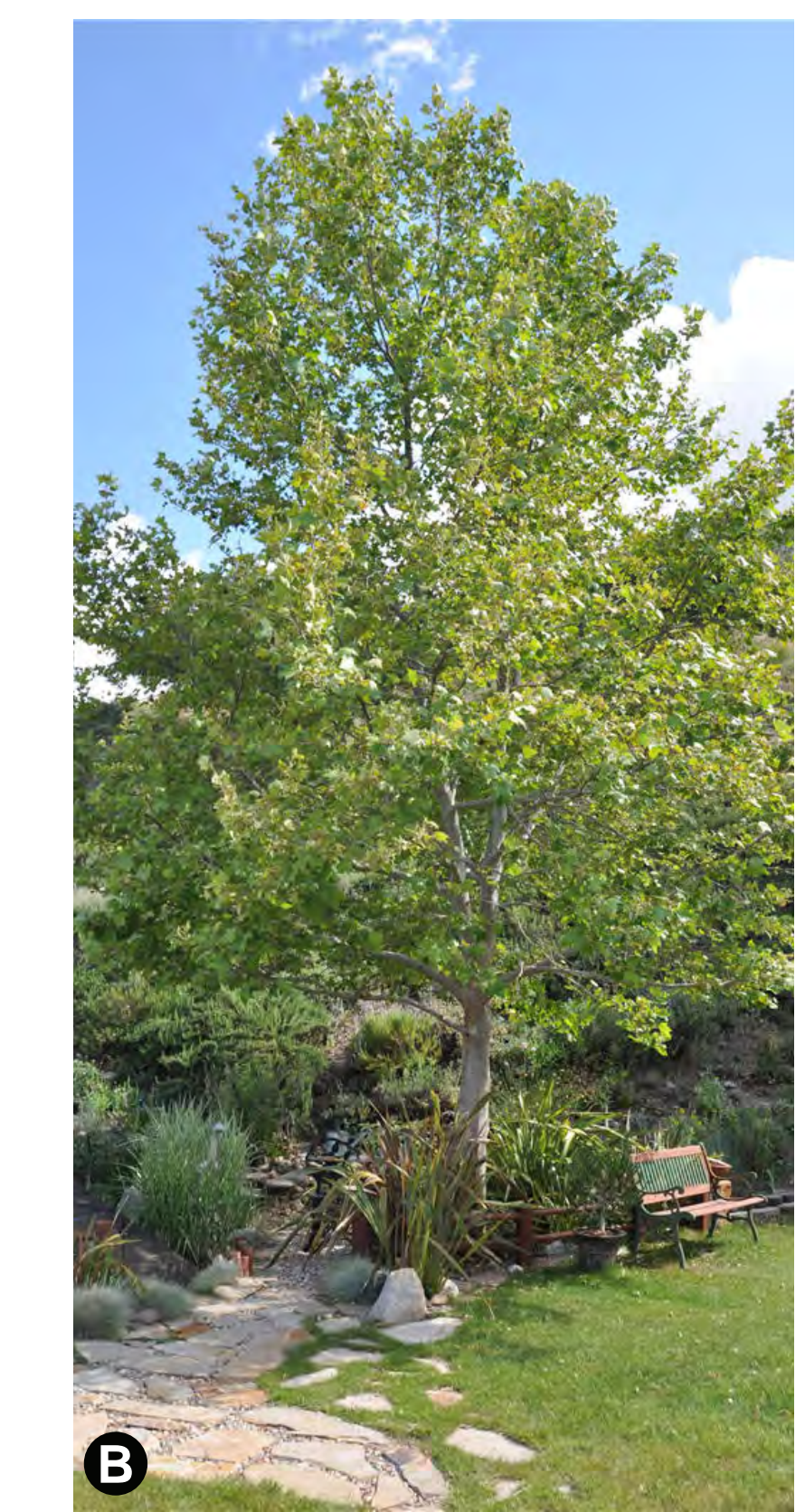
PROPOSED STREET TREES **18**
 457 LF Street Frontage / 1 Tree per 25 LF = 18 Street Tree Required

SPECIES	SIZE	QTY	WUCOLS	NOTES
I <i>Tristania conferta</i> Brisbane Box	36" box	18	M	Evergreen, Attractive bark, Seacoast Conditions

OTHER PROPOSED TREES **57**

SPECIES	SIZE	QTY	WUCOLS	NOTES
A <i>Quercus agrifolia</i> Coast Live Oak	60" box	3	VL	California native evergreen, habitat value, shade
B <i>Platanus racemosa</i> California sycamore	36" box	11	M	California native evergreen, habitat value, shade
C <i>Arbutus x 'Marina'</i> Marina Madrone	24" box	25	L	Multi-Trunk, habitat value, sculptural
D <i>Tristania conferta</i> Brisbane Box	36" box	18	M	Evergreen, Attractive bark, Seacoast Conditions

TOTAL PROPOSED TREES **75**
 PROPOSED SIZES **34% @ 24" box ; 62% @ 36" box ; 4% @ 60" box**

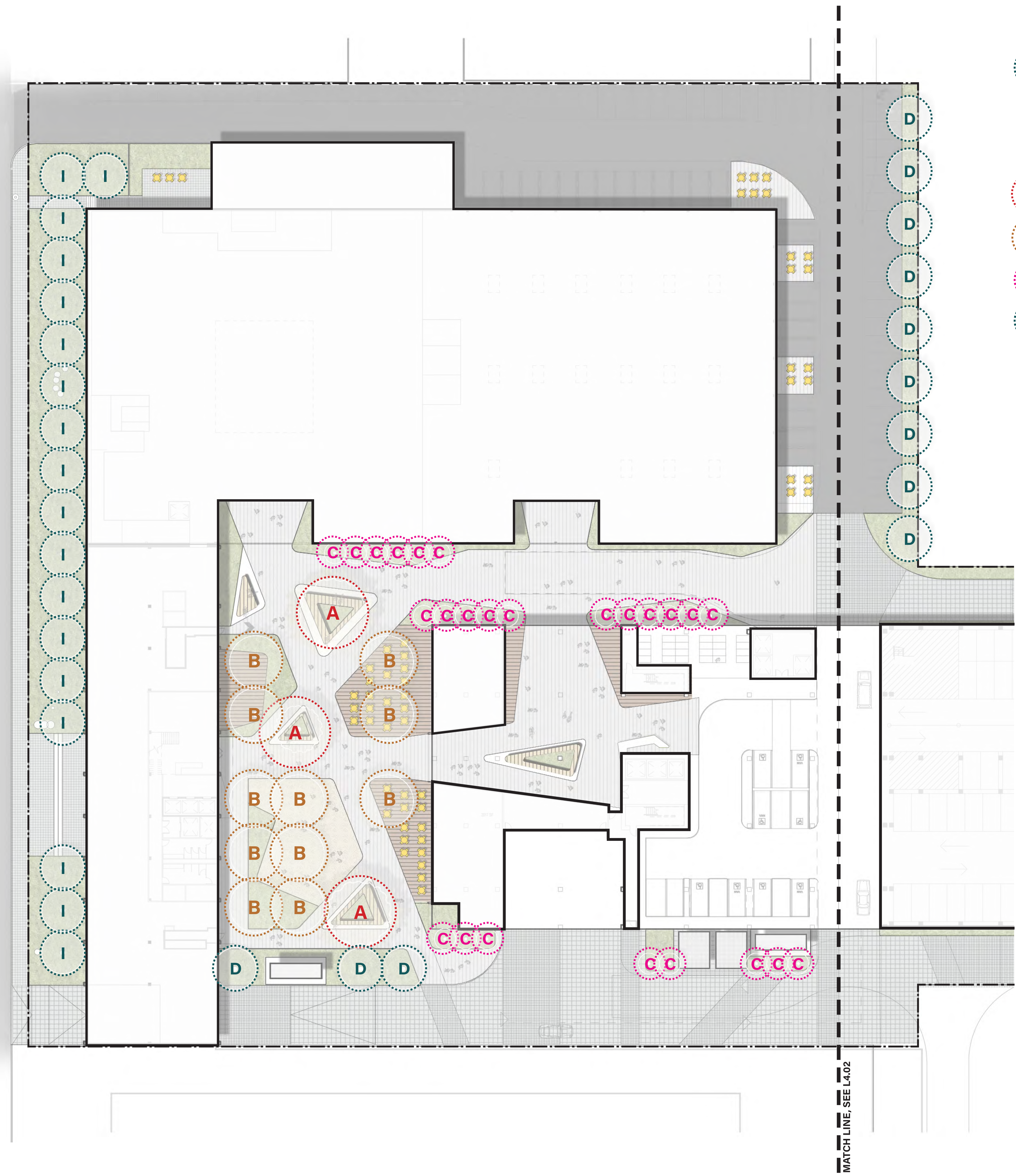


650-700 PCH
 650 PACIFIC COAST HIGHWAY
 EL SEGUNDO, CA 90245
 JOB NO. 1983
 Landscape Entitlement Package
 SCALE: As indicated
 DATE: 05.08.2020

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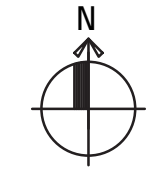
TREE PLAN_W
L4.01
© Shubin + Donaldson Architects Inc. 4/13/2020 12:13:08 PM

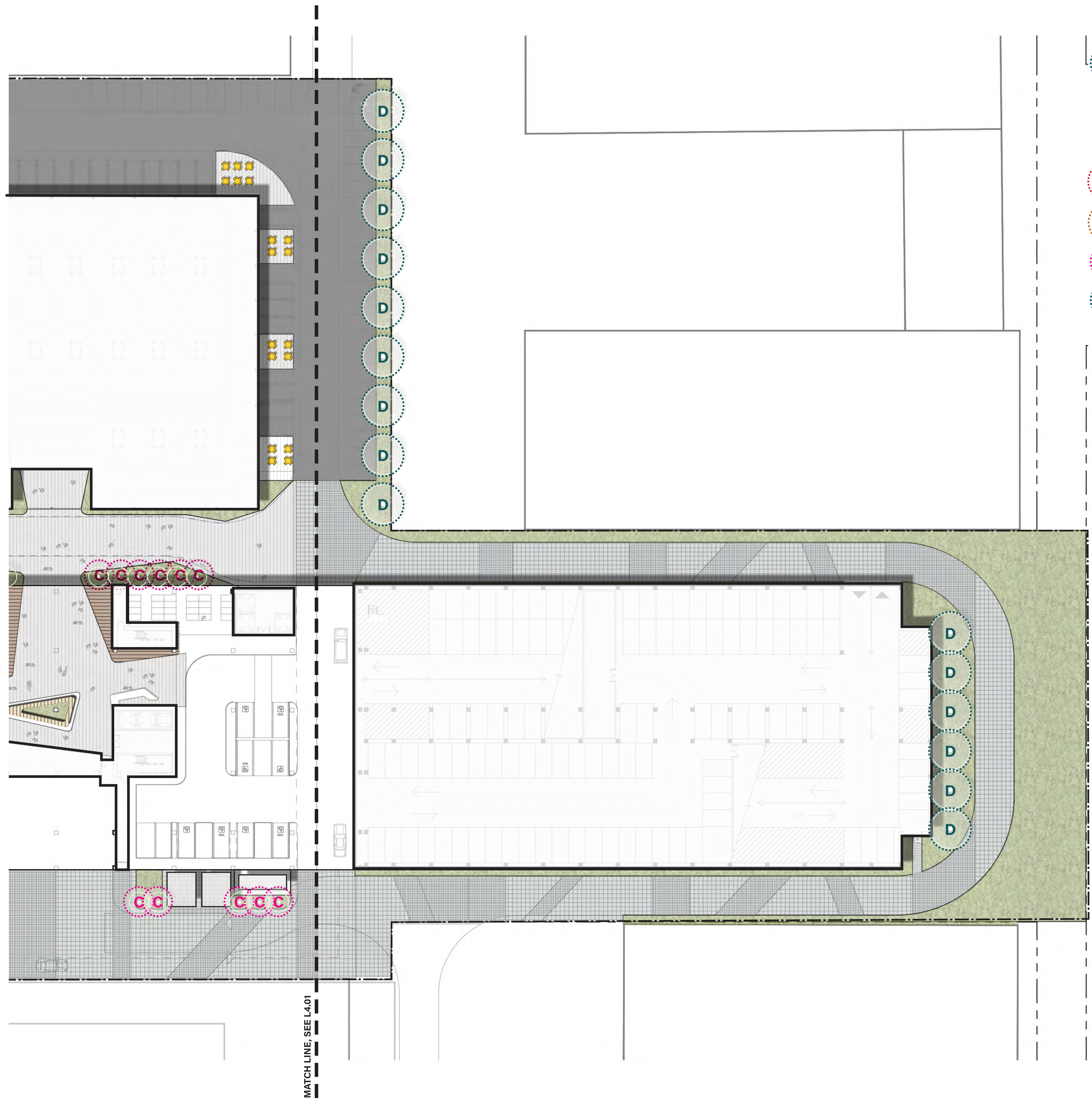
N PACIFIC COAST HWY



MATCH LINE - SEE L4.02

TREE PLAN WEST 1
 SCALE: 3/64" = 1'-0"





LEGEND

PROPOSED STREET TREES **18**
 457 LF Street Frontage / 1 Tree per 25 LF = 18 Street Tree Required

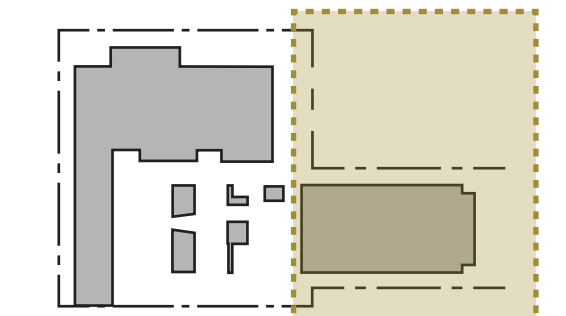
SPECIES	SIZE	QTY	WUCOLS	NOTES
I <i>Tristania conferta</i> Brisbane Box	36" box	18	M	Evergreen, Attractive bark, Seacoast Conditions

OTHER PROPOSED TREES **57**

SPECIES	SIZE	QTY	WUCOLS	NOTES
A <i>Quercus agrifolia</i> Coast Live Oak	60" box	3	VL	California native evergreen, habitat value, shade
B <i>Platanus racemosa</i> California sycamore	36" box	11	M	California native evergreen, habitat value, shade
C <i>Arbutus x 'Marina'</i> Marina Madrone	24" box	25	L	Multi-Trunk, habitat value, sculptural
D <i>Tristania conferta</i> Brisbane Box	36" box	18	M	Evergreen, Attractive bark, Seacoast Conditions

TOTAL PROPOSED TREES **75**

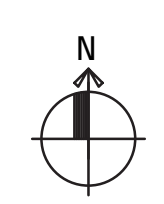
PROPOSED SIZES **34% @ 24" box ; 62% @ 36" box ; 4% @ 60" box**



650-700 PCH
 650 PACIFIC COAST HIGHWAY
 EL SEGUNDO, CA 90245
 Landscape Entitlement Package
 SCALE: As indicated
 DATE: 05.08.2020

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TREE PLAN EAST 1
 SCALE: 3/64" = 1'-0"



TREE PLAN_E
L3.02

LEGEND

COURTYARD PLANTING **7,217 SQFT**

SPECIES	SIZE	QTY	WUCOLS	NOTES
Eriogonum parvifolium Coast Buckwheat	5 gal	25% @ 36" o.c.	vL	CA native, habitat, bee pollinator plant
Salvia clevelandii Blue Sage	5 gal	25% @ 36" o.c.	L	CA native, habitat, bee pollinator plant
Eriogonum giganteum St. Catherine's Lace	5 gal	25% @ 48" o.c.	VL	CA native, habitat and butterfly plant
Arctostaphylos Pacific Mist Manzanita	5 gal	25% @ 36" o.c.	L	CA native, habitat



EDGE PLANTING **29,230 SQFT**

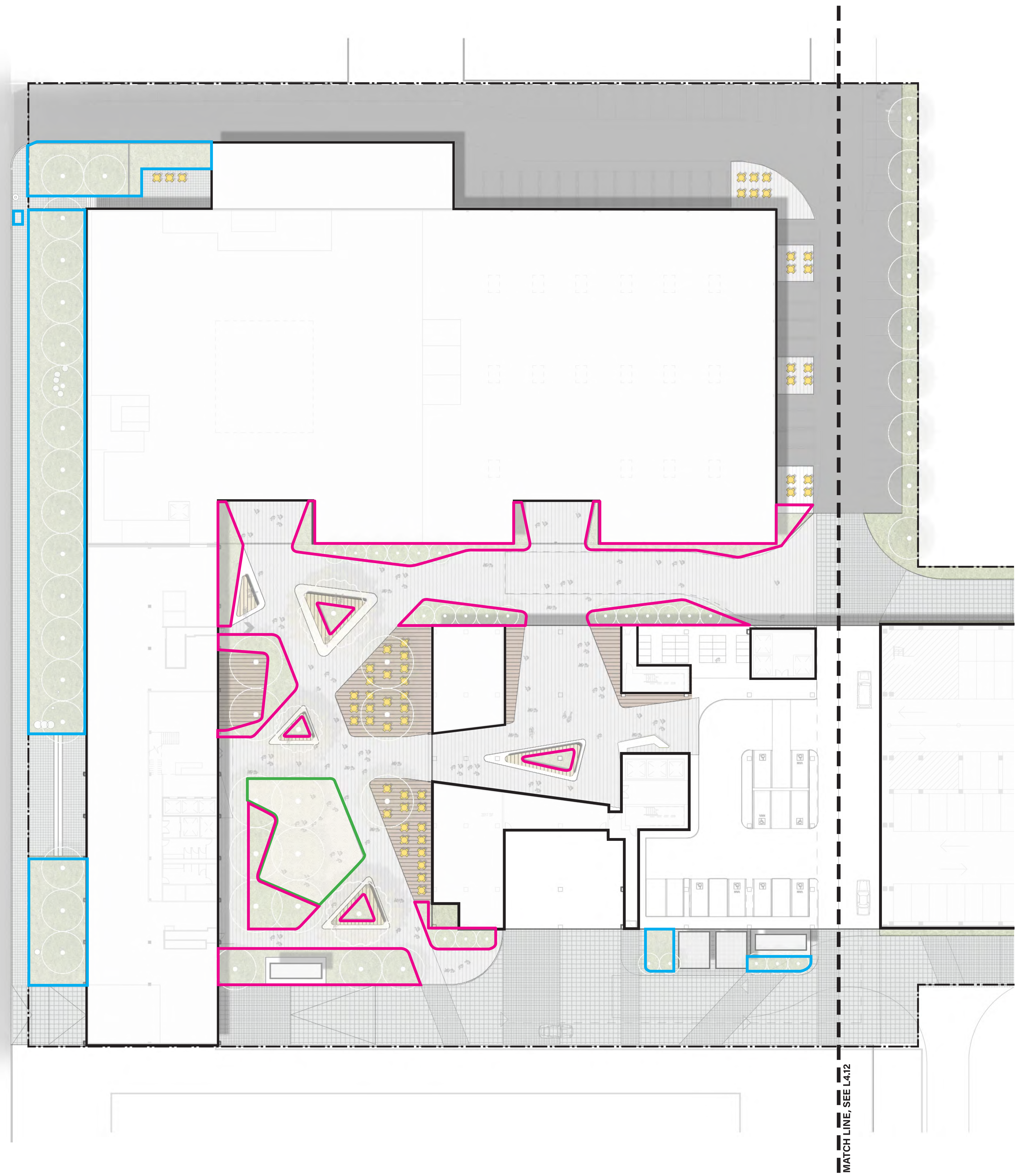
SPECIES	SIZE	QTY	WUCOLS	NOTES
Salvia leucophylla Purple Leaf Sage	5 gal	20% @ 36" o.c.	L	CA native, habitat, bee pollinator plant
Arctostaphylos Pacific Mist Manzanita	5 gal	30% @ 36" o.c.	L	CA native, habitat
Rhamnus californica Coffeeberry	5 gal	20% @ 36" o.c.	VL	CA native, evergreen
Ceanothus griseus Horizontalis Carmel Creeper	5 gal	50% @ 36" o.c.	VL	CA native, evergreen, bee pollinator



LAWN **2,284 SQFT**

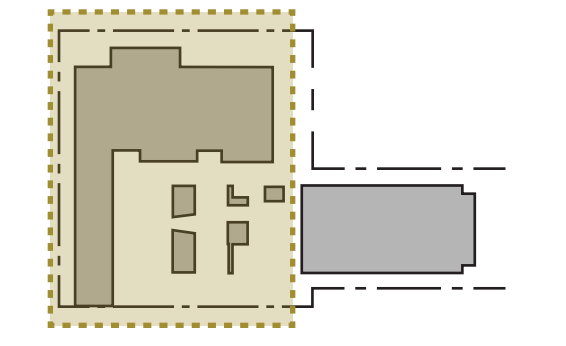
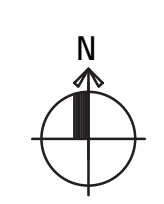
TOTAL PLANTED AREA 38,731 SQFT

N PACIFIC COAST HWY



MATCH LINE - SEE L4.12

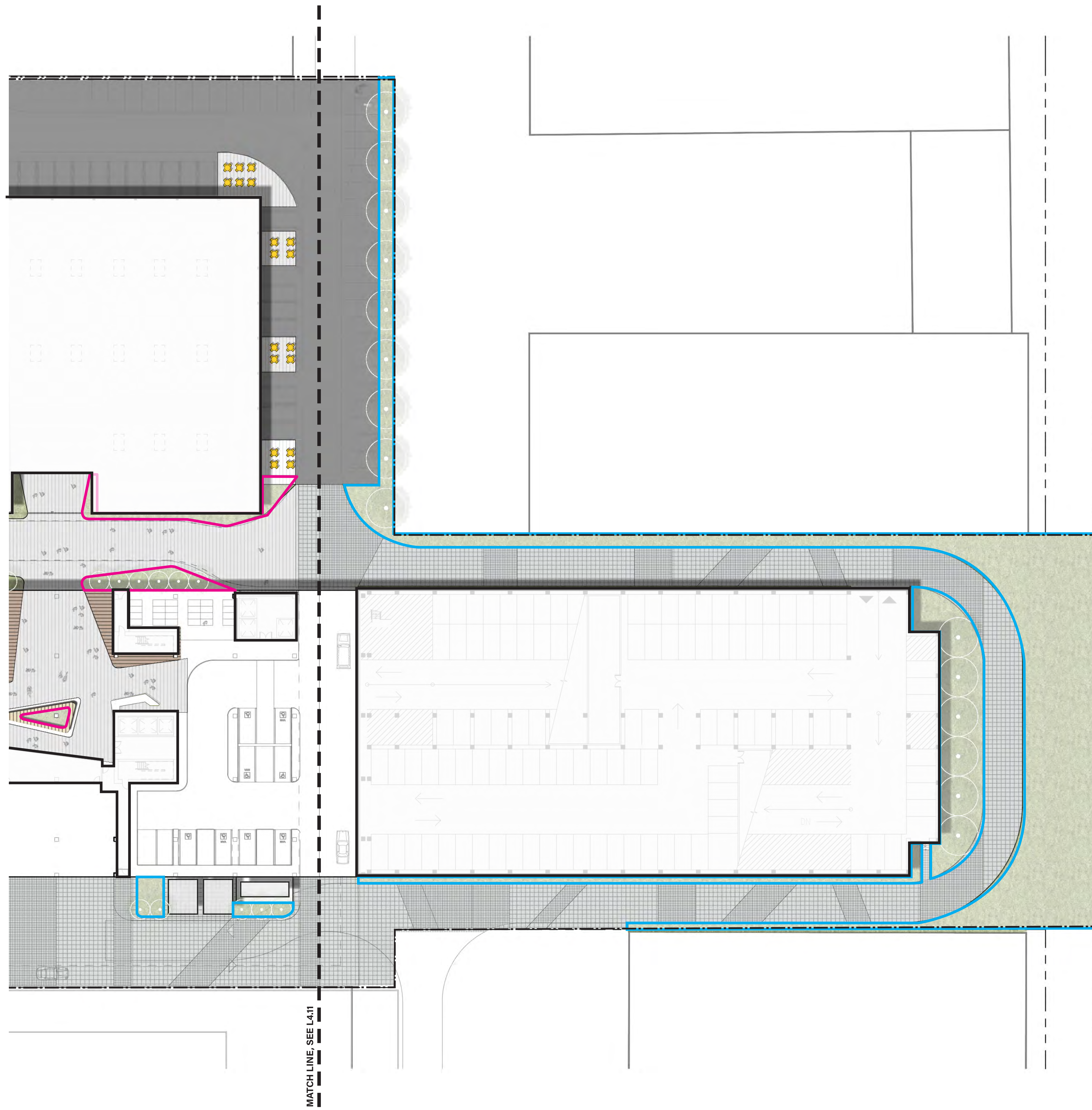
UNDERSTORY PLAN WEST 1
 SCALE: 3/64" = 1'-0"



650-700 PCH
 650 PACIFIC COAST HIGHWAY
 EL SEGUNDO, CA 90245
 JOB NO. 1983
 Landscape Entitlement Package
 SCALE: As indicated
 DATE: 05.08.2020

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UNDERSTORY PLAN_W
L4.11



LEGEND

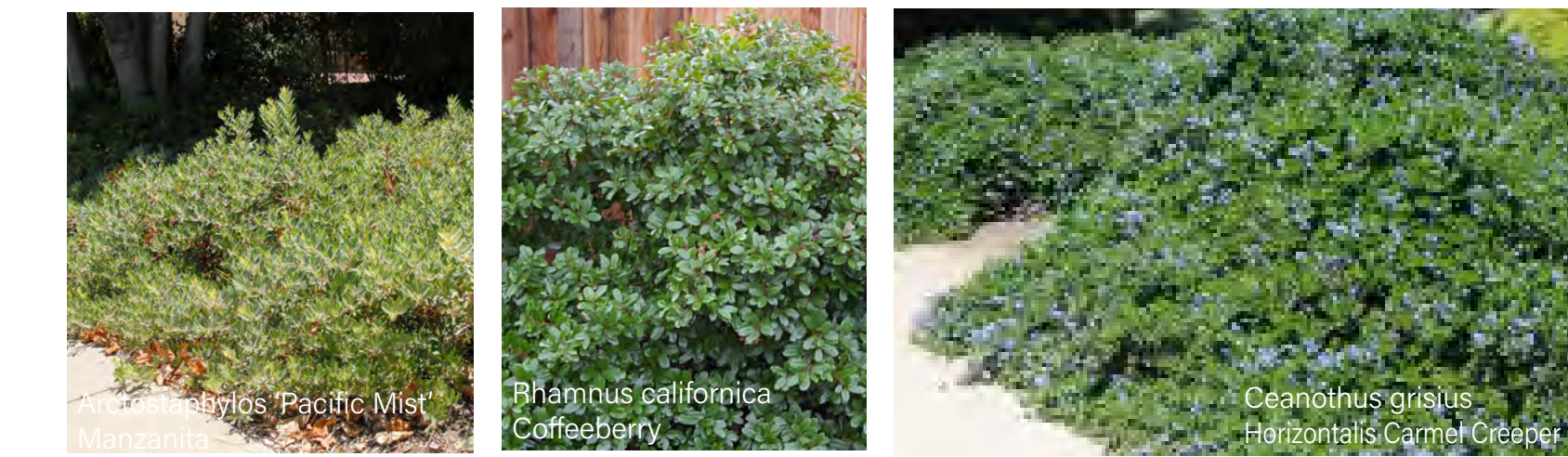
COURTYARD PLANTING **7,217 SQFT**

SPECIES	SIZE	QTY	WUCOLS	NOTES
Eriogonum parvifolium Coast Buckwheat	5 gal	25% @ 36" o.c.	vL	CA native, habitat, bee pollinator plant
Salvia clevelandii Blue Sage	5 gal	25% @ 36" o.c.	L	CA native, habitat, bee pollinator plant
Eriogonum giganteum St. Catherine's Lace	5 gal	25% @ 48" o.c.	VL	CA native, habitat and butterfly plant
Arctostaphylos Pacific Mist Manzanita	5 gal	25% @ 36" o.c.	L	CA native,, habitat



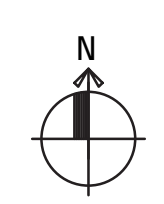
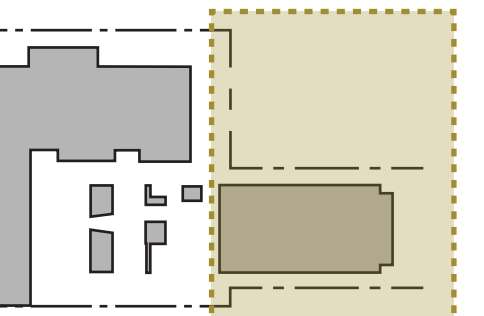
EDGE PLANTING **29,230 SQFT**

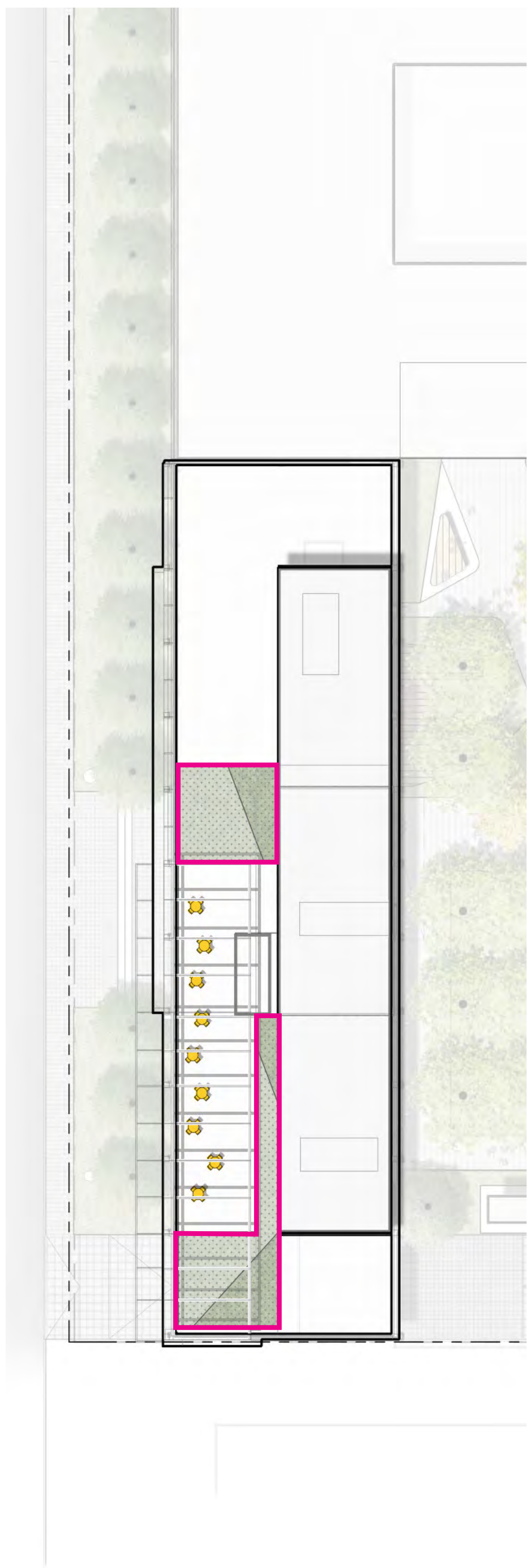
SPECIES	SIZE	QTY	WUCOLS	NOTES
Salvia leucophylla Purple Leaf Sage	5 gal	20% @ 36" o.c.	L	CA native, habitat, bee pollinator plant
Arctostaphylos Pacific Mist Manzanita	5 gal	30% @ 36" o.c.	L	CA native, habitat
Rhamnus californica Coffeeberry	5 gal	20% @ 36" o.c.	VL	CA native, evergreen
Ceanothus griseus Horizontalis Carmel Creeper	5 gal	50% @ 36" o.c.	VL	CA native, evergreen, bee pollinator



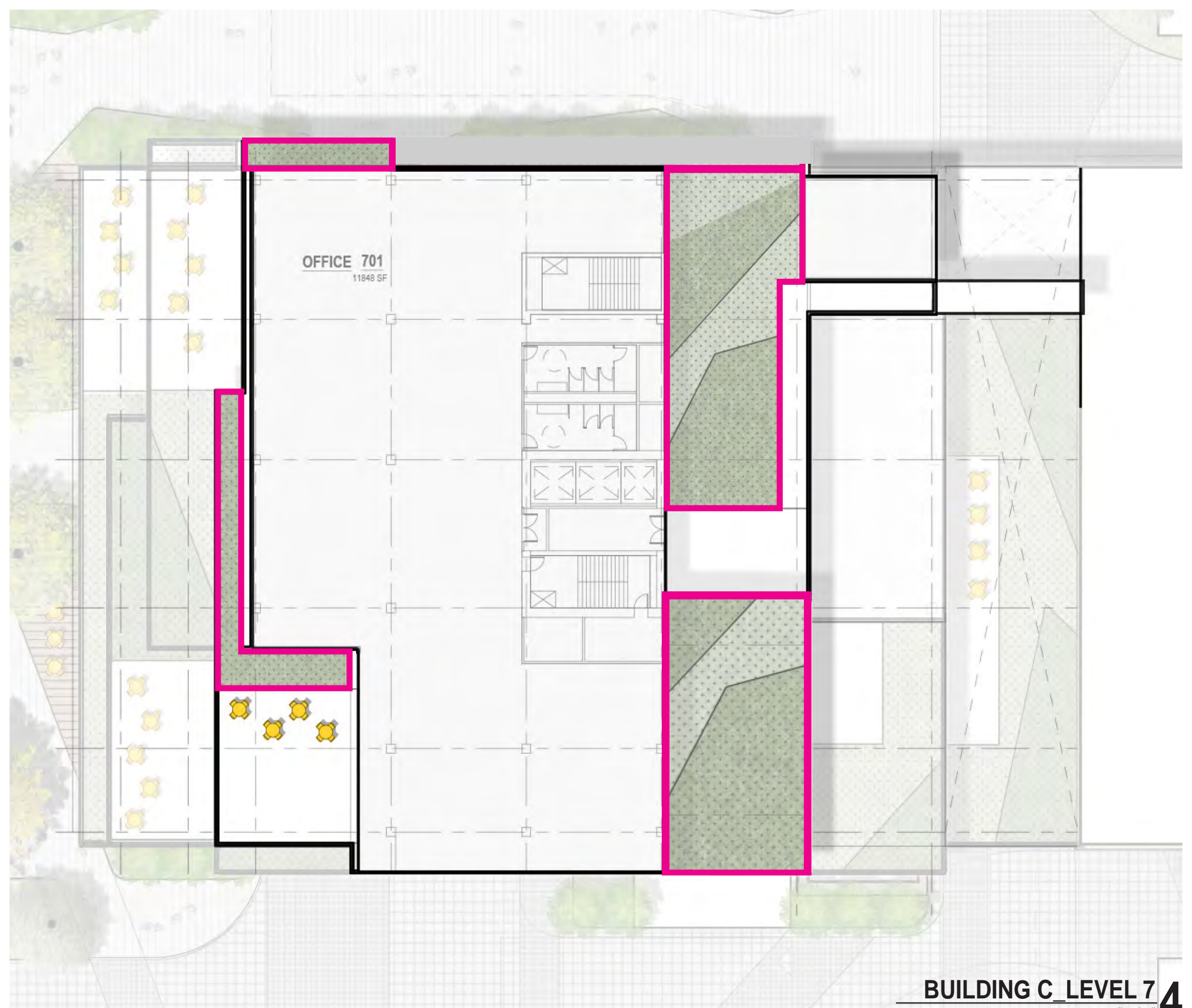
LAWN **2,284 SQFT**

TOTAL PLANTED AREA **38,731 SQFT**

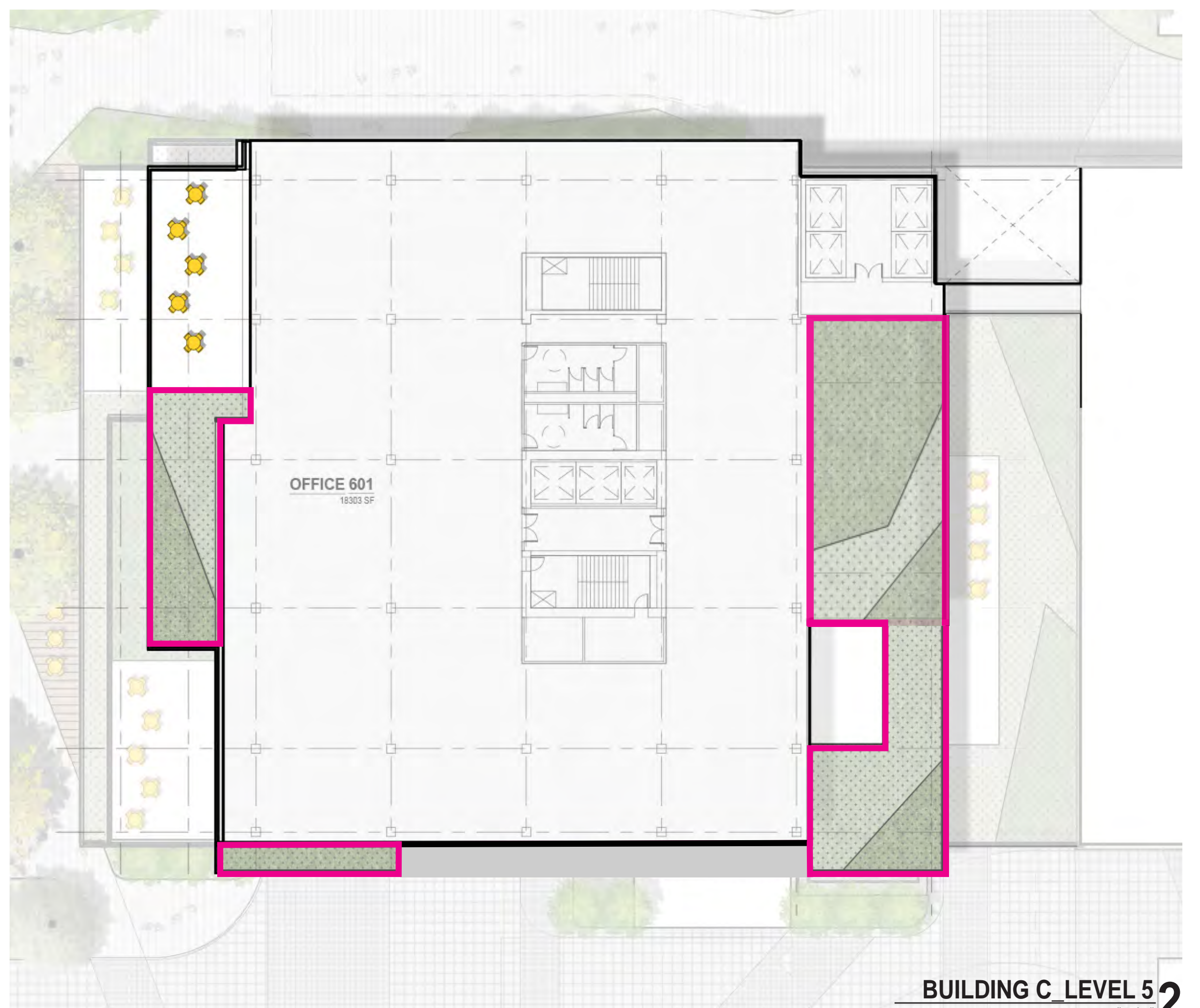




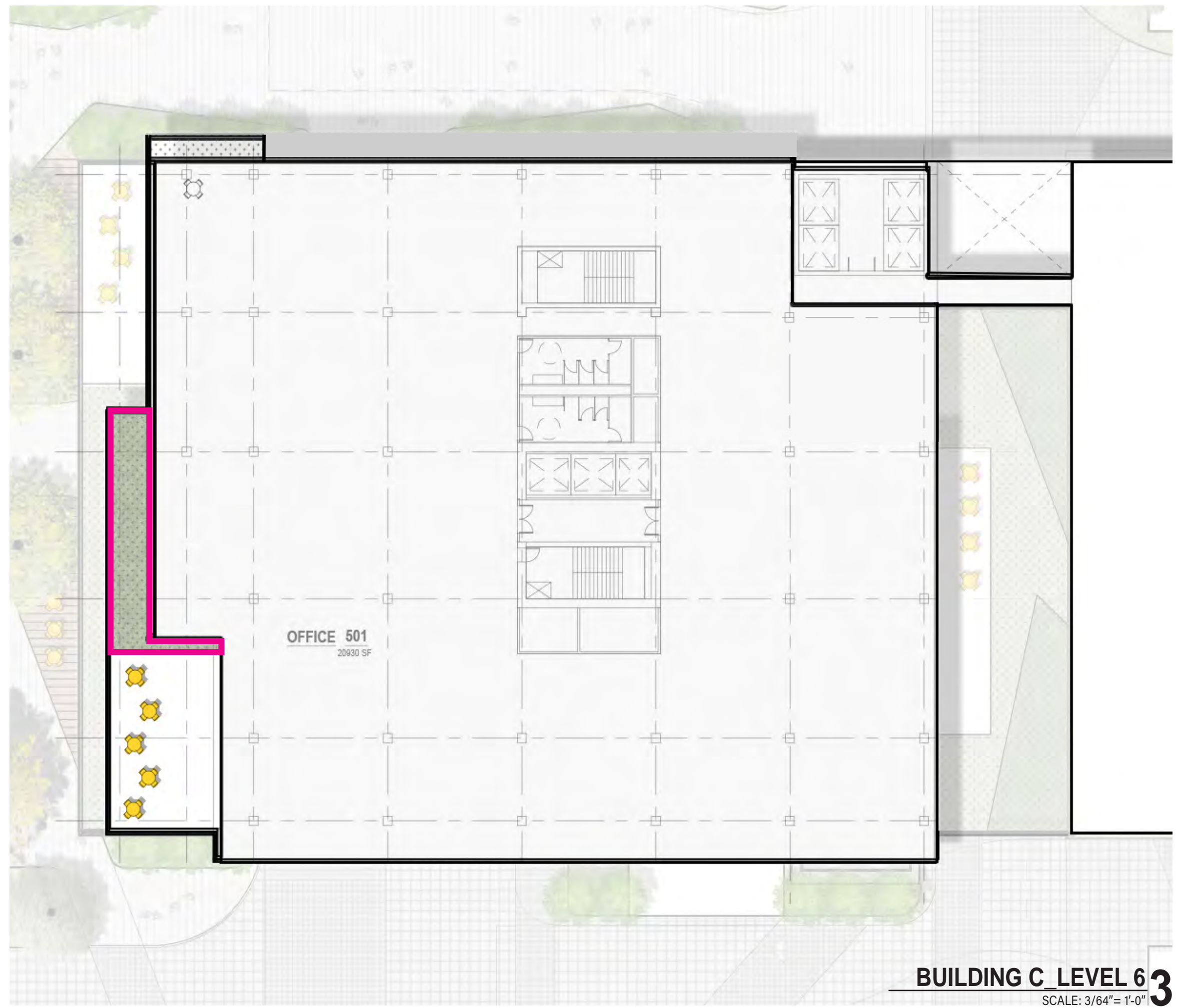
BUILDING A ROOF TOP 5
 SCALE: 3/64"= 1'-0"



BUILDING C LEVEL 7 4
 SCALE: 3/64"= 1'-0"



BUILDING C LEVEL 5 2
 SCALE: 3/64"= 1'-0"



BUILDING C LEVEL 6 3
 SCALE: 3/64"= 1'-0"

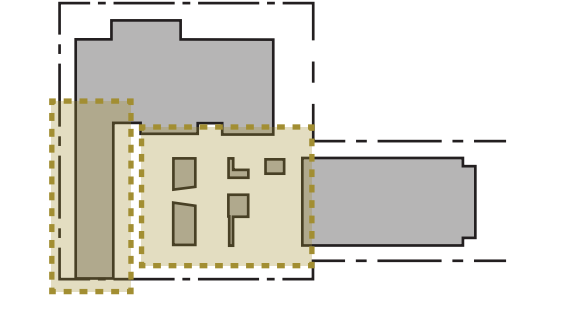


BUILDING C LEVEL 4 1
 SCALE: 3/64"= 1'-0"

LEGEND

TERRACE PLANTING **13,109 SQFT**

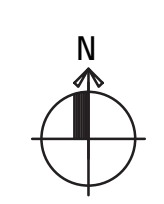
SPECIES	SIZE	QTY	WUCOLS	NOTES
Eriogonum parvifolium Coast Buckwheat	5 gal	25% @ 36" o.c.	vL	CA native, habitat, bee pollinator plant
Salvia clevelandii Blue Sage	5 gal	25% @ 36" o.c.	L	CA native, habitat, bee pollinator plant
Eriogonum giganteum St. Catherine's Lace	5 gal	25% @ 48" o.c.	VL	CA native, habitat and butterfly plant
Arctostaphylos Pacific Mist Manzanita	5 gal	25% @ 36" o.c.	L	CA native, habitat



650-700 PCH
 650 PACIFIC COAST HIGHWAY
 EL SEGUNDO, CA 90245
 JOB NO. 1983
 Landscape Entitlement Package
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 DATE: 05.08.2020

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UNDERSTORY PLAN _ PODIUMS
L4.13



LEGAL DESCRIPTION:

(PER CHICAGO TITLE INSURANCE COMPANY FILE NO. 00119524-994-LT2-DB DATED OCTOBER 2, 2019)

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF EL SEGUNDO, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL 1: (PORTION OF 4138-006-031)

THAT CERTAIN REAL PROPERTY SITUATE IN THE CITY OF EL SEGUNDO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, BEING A PORTION OF THAT CERTAIN 68.970-ACRE PARCEL NO. 2 AS SHOWN ON RECORD OF SURVEY MAP OF A PORTION OF THE NORTH HALF OF SECTION 7, TOWNSHIP 3 SOUTH, RANGE 14 WEST, IN THE RANCHO SAUSAL REDONDO, FILED IN BOOK 66, PAGE 5, RECORD OF SURVEYS OF SAID COUNTY, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE WESTERLY LINE OF SAID PARCEL NO. 2 DISTANT NORTH 0° 00' 20" WEST 398.09 FEET FROM THE SOUTHWEST CORNER OF SAID PARCEL NO. 2, SAID POINT BEING ALSO THE NORTHWEST CORNER OF THAT CERTAIN 3.4435-ACRE PARCEL OF LAND DESCRIBED IN DEED DATED APRIL 30, 1956 FROM SANTA FE LAND IMPROVEMENT COMPANY TO ROBERT LEONARD, JR., RECORDED JUNE 15, 1956 IN BOOK 51468, PAGE 151, OFFICIAL RECORDS OF SAID COUNTY; THENCE NORTH 0° 00' 20" WEST ALONG SAID WESTERLY LINE 458.08 FEET TO A POINT IN A LINE THAT IS PARALLEL WITH AND DISTANT SOUTHERLY 300.00 FEET, MEASURED AT RIGHT ANGLES, FROM THAT CERTAIN COURSE (AND PROLONGATION THEREOF) IN THE NORTHERLY LINE OF SAID PARCEL NO. 2, SHOWN ON SAID RECORD OF SURVEY MAP AS HAVING A BEARING OF NORTH 89° 59' 20" EAST AND A LENGTH OF 2352.16 FEET; THENCE NORTH 89° 59' 20" EAST ALONG SAID PARALLEL LINE 418.89 FEET TO A POINT IN A LINE THAT IS PARALLEL WITH AND DISTANT WESTERLY 30.00 FEET, MEASURED AT RIGHT ANGLES, FROM THE WESTERLY LINE OF THAT CERTAIN 3.00 ACRE PARCEL OF LAND DESCRIBED IN DEED DATED OCTOBER 24, 1956 FROM SANTA FE LAND IMPROVEMENT COMPANY TO DOUGLAS BUILDING CORPORATION, RECORDED JANUARY 5, 1956 IN BOOK 49965, PAGE 441, OFFICIAL RECORDS OF SAID COUNTY; THENCE SOUTH 0° 00' 20" EAST ALONG LAST SAID PARALLEL LINE (AND PROLONGATION THEREOF) 458.40 FEET TO A POINT IN THE NORTHERLY LINE OF SAID 3.4435-ACRE PARCEL, THENCE NORTH 89° 58' 02" WEST ALONG LAST SAID NORTHERLY LINE 418.89 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

EXCEPT THE NORTHERLY 220 FEET OF THE ABOVE DESCRIBED LAND.

ALSO EXCEPT THAT PORTION THEREOF LYING IN SEPULVEDA BOULEVARD AS SHOWN IN FINAL ORDER OF CONDEMNATION, RECORDED NOVEMBER 26, 1973, AS INSTRUMENT NO. 1384, OFFICIAL RECORDS.

EXCEPT ALL NATURAL GAS CONTAINED IN OR UNDER OR THAT MAY BE PRODUCED FROM SAID LAND, TOGETHER WITH THE EXCLUSIVE RIGHT TO DRILL FOR AND PRODUCE SUCH NATURAL GAS FROM SAID LAND BY WHIPSTOCKING OR DIRECTIONAL DRILLING OR OTHER SUBSURFACE OPERATIONS CONDUCTED FROM SURFACE LOCATIONS ON OTHER LAND, AND THE EXCLUSIVE RIGHT TO USE THE SUBSURFACE OF SAID LAND FOR THE PURPOSE OF INJECTING NATURAL GAS THEREIN FOR STORAGE AND FOR PRESSURING THE FORMATIONS UNDERLYING SAID LAND BUT WITHOUT THE RIGHT OF SURFACE ENTRY IN ANY MANNER FOR THE PURPOSE OF DISCOVERING OR EXTRACTING SUCH NATURAL GAS AS CONVEYED TO STANDARD OIL COMPANY OF CALIFORNIA, A CORPORATION BY DEED RECORDED JULY 27, 1943, IN BOOK 20145, PAGE 298 OF OFFICIAL RECORDS.

ALSO EXCEPT ALL OIL, HYDROCARBON AND MINERAL SUBSTANCES, IF ANY, EXCEPT NATURAL GAS, CONTAINED IN OR UNDER OR THAT MAY BE PRODUCED FROM SAID LAND TOGETHER WITH ALL THOSE CERTAIN RIGHTS RESERVED BY AND UNTO THE FIRST PARTY IN THAT CERTAIN DEED RECORDED IN BOOK 20145, PAGE 298 OF OFFICIAL RECORDS, BUT WITHOUT THE RIGHT OF SURFACE ENTRY FOR THE PURPOSE OF EXTRACTING ANY SUCH OIL, HYDROCARBON AND MINERAL SUBSTANCES NOR FOR ANY OTHER PURPOSE, AS CONVEYED TO CHANSLOR-CANFIELD MIDWAY OIL COMPANY, A CORPORATION, BY DEED RECORDED SEPTEMBER 7, 1945, IN BOOK 22243, PAGE 336 OF OFFICIAL RECORDS.

PARCEL 2: (4138-006-010)

THAT PORTION OF PARCEL 2 IN THE CITY OF EL SEGUNDO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON RECORD OF SURVEY FILED IN BOOK 66, PAGE 5 OF RECORD OF SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF A LINE THAT IS PARALLEL WITH AND DISTANT 448.89 FEET EASTERLY, MEASURED AT RIGHT ANGLES, FROM THE WESTERLY LINE OF SAID PARCEL 2, WITH A LINE THAT IS PARALLEL WITH AND DISTANT 530.00 FEET SOUTHERLY, MEASURED AT RIGHT ANGLES, FROM THAT CERTAIN NORTHERLY LINE OF SAID PARCEL 2 SHOWN ON SAID RECORD OF SURVEY MAP AS HAVING A BEARING OF NORTH 89° 59' 20" EAST AND A LENGTH OF 2352.16 FEET; SAID POINT OF INTERSECTION BEING ALSO THE SOUTHWEST CORNER OF THE PARCEL OF LAND DESCRIBED IN THE DEED TO THE DOUGLAS BUILDING CORPORATION, A CORPORATION, RECORDED ON FEBRUARY 13, 1957, AS INSTRUMENT NO. 790, IN BOOK 53622, PAGE 288 OF OFFICIAL RECORDS OF SAID COUNTY; THENCE ALONG THE SOUTHERLY LINE OF SAID LAND MENTIONED LAND, NORTH 89° 59' 20" EAST 328.34 FEET TO A LINE THAT IS PARALLEL WITH AND DISTANT 777.23 FEET EASTERLY, MEASURED AT RIGHT ANGLES SAID WESTERLY LINE OF PARCEL 2; THENCE ALONG SAID LAST MENTIONED PARALLEL LINE, SOUTH 0° 00' 20" EAST 199.00 FEET; THENCE PARALLEL WITH THE SOUTHERLY LINE OF THE LAND DESCRIBED IN SAID ABOVE MENTIONED DEED, SOUTH 89° 59' 20" WEST 328.34 FEET TO A LINE THAT IS PARALLEL WITH THE WESTERLY LINE OF SAID PARCEL 2 AND PASSES THROUGH THE POINT OF BEGINNING; THENCE ALONG SAID LAST MENTIONED PARALLEL LINE, NORTH 0° 00' 20" WEST 199.00 FEET TO THE POINT OF BEGINNING.

EXCEPT ALL NATURAL GAS CONTAINED IN OR UNDER OR THAT MAY BE PRODUCED FROM SAID LAND, TOGETHER WITH THE EXCLUSIVE RIGHT TO DRILL FOR AND PRODUCE SUCH NATURAL GAS FROM SAID LAND BY WHIPSTOCKING OR DIRECTIONAL DRILLING OR OTHER SUBSURFACE OPERATIONS CONDUCTED FROM SURFACE LOCATIONS ON OTHER LAND, AND THE EXCLUSIVE RIGHT TO USE THE SUBSURFACE OF SAID LAND FOR THE PURPOSE OF INJECTING NATURAL GAS THEREIN FOR STORAGE AND FOR PRESSURING THE FORMATIONS UNDERLYING SAID LAND BUT WITHOUT THE RIGHT OF SURFACE ENTRY IN ANY MANNER FOR THE PURPOSE OF DISCOVERING OR EXTRACTING SUCH NATURAL GAS AS CONVEYED TO STANDARD OIL COMPANY OF CALIFORNIA, A CORPORATION BY DEED RECORDED JULY 27, 1943, IN BOOK 20145, PAGE 298 OF OFFICIAL RECORDS.

ALSO EXCEPT ALL OIL, HYDROCARBON AND MINERAL SUBSTANCES, IF ANY, EXCEPT NATURAL GAS, CONTAINED IN OR UNDER OR THAT MAY BE PRODUCED FROM SAID LAND TOGETHER WITH ALL THOSE CERTAIN RIGHTS RESERVED BY AND UNTO THE FIRST PARTY IN THAT CERTAIN DEED RECORDED IN BOOK 20145, PAGE 298 OF OFFICIAL RECORDS, BUT WITHOUT THE RIGHT OF SURFACE ENTRY FOR THE PURPOSE OF EXTRACTING ANY SUCH OIL, HYDROCARBON AND MINERAL SUBSTANCES NOR FOR ANY OTHER PURPOSE, AS CONVEYED TO CHANSLOR-CANFIELD MIDWAY OIL COMPANY, A CORPORATION, BY DEED RECORDED SEPTEMBER 7, 1945, IN BOOK 22243, PAGE 336 OF OFFICIAL RECORDS.

PARCEL 3: (PORTION OF 4138-006-031)

THAT CERTAIN RECTANGULAR SHAPED PARCEL OF LAND IN THE CITY OF EL SEGUNDO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, BEING A PORTION OF THAT CERTAIN 0.7689 OF AN ACRE PARCEL OF LAND AS DESCRIBED IN PARCEL "C" OF DEED TO THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY, RECORDED FEBRUARY 15, 1957, IN BOOK 53662, PAGE 115 OF OFFICIAL RECORDS OF SAID COUNTY, IN THE NORTH HALF OF SECTION 7, TOWNSHIP 3 SOUTH, RANGE 14 WEST, IN THE RANCHO SAUSAL REDONDO, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE WESTERLY LINE OF SAID PARCEL "C" WITH THE NORTHERLY LINE OF THAT CERTAIN 4.3951 ACRE PARCEL DESCRIBED IN DEED RECORDED OCTOBER 8, 1956, IN BOOK 52683, PAGE 123, OFFICIAL RECORDS OF SAID COUNTY, SAID INTERSECTION BEING DISTANT SOUTH 0° 00'20" EAST (BEARING ASSUMED FOR PURPOSE OF THIS DESCRIPTION) ALONG SAID WESTERLY LINE 300.00 FEET FROM THE SOUTHERLY LINE OF MAPLE AVENUE 80 FEET WIDE AS DESCRIBED IN DEED TO THE CITY OF EL SEGUNDO, RECORDED JULY 7, 1952, IN BOOK 39314, PAGE 415, OFFICIAL RECORDS OF SAID COUNTY; THENCE NORTH 89° 59' 20" EAST ALONG THE EASTERLY PROLONGATION OF SAID NORTHERLY LINE 30 FEET TO A POINT IN THE EASTERLY LINE OF SAID PARCEL "C"; THENCE SOUTH 0° 00' 20" EAST ALONG SAID EASTERLY LINE 458.42 FEET TO A POINT IN THE EASTERLY PROLONGATION OF THE SOUTHERLY LINE OF SAID 4.3951 ACRE PARCEL; THENCE NORTH 89° 58' 02" WEST ALONG LAST SAID PROLONGATION 30 FEET TO A POINT IN SAID WESTERLY LINE; THENCE NORTH 0° 00' 20" WEST ALONG SAID WESTERLY LINE, ALSO BEING THE EASTERLY LINE OF SAID 4.3951 ACRE PARCEL, 458.40 FEET TO THE POINT OF BEGINNING.

EXCEPT THEREFROM THE NORTHERLY 220 FEET OF THE ABOVE DESCRIBED LAND.

ALSO EXCEPT ALL NATURAL GAS CONTAINED IN OR UNDER OR THAT MAY BE PRODUCED FROM SAID LAND, TOGETHER WITH THE EXCLUSIVE RIGHT TO DRILL FOR AND PRODUCE SUCH NATURAL GAS FROM SAID LAND BY WHIPSTOCKING OR DIRECTIONAL DRILLING OR OTHER SUBSURFACE OPERATIONS CONDUCTED FROM SURFACE LOCATIONS ON OTHER LAND, AND THE EXCLUSIVE RIGHT TO USE THE SUBSURFACE OF SAID LAND FOR THE PURPOSE OF INJECTING NATURAL GAS THEREIN FOR STORAGE AND FOR PRESSURING THE FORMATIONS UNDERLYING SAID LAND BUT WITHOUT THE RIGHT OF SURFACE ENTRY IN ANY MANNER FOR THE PURPOSE OF DISCOVERING OR EXTRACTING SUCH NATURAL GAS AS CONVEYED TO STANDARD OIL COMPANY OF CALIFORNIA, A CORPORATION BY DEED RECORDED JULY 27, 1943, IN BOOK 20145, PAGE 298 OF OFFICIAL RECORDS.

ALSO EXCEPT ALL OIL, HYDROCARBON AND MINERAL SUBSTANCES, IF ANY, EXCEPT NATURAL GAS, CONTAINED IN OR UNDER OR THAT MAY BE PRODUCED FROM SAID LAND TOGETHER WITH ALL THOSE CERTAIN RIGHTS RESERVED BY AND UNTO THE FIRST PARTY IN THAT CERTAIN DEED RECORDED IN BOOK 20145, PAGE 298 OF OFFICIAL RECORDS, BUT WITHOUT THE RIGHT OF SURFACE ENTRY FOR THE PURPOSE OF EXTRACTING ANY SUCH OIL, HYDROCARBON AND MINERAL SUBSTANCES NOR FOR ANY OTHER PURPOSE, AS CONVEYED TO CHANSLOR-CANFIELD MIDWAY OIL COMPANY, A CORPORATION, BY DEED RECORDED SEPTEMBER 7, 1945, IN BOOK 22243, PAGE 336 OF OFFICIAL RECORDS.

PARCEL 4: (4138-006-005)

THE NORTHERLY 220 FEET OF THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY OF EL SEGUNDO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, BEING A PORTION OF THAT CERTAIN 68.970 ACRE PARCEL NO. 2, AS SHOWN ON RECORD OF SURVEY MAP OF A PORTION OF THE NORTH HALF OF SECTION 7, TOWNSHIP 3 SOUTH, RANGE 14 WEST, IN THE RANCHO SAUSAL REDONDO, FILED IN BOOK 66 PAGE 5, RECORD OF SURVEYS, OF SAID COUNTY, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE WESTERLY LINE OF SAID PARCEL NO. 2, DISTANT NORTH 0° 00' 20" WEST 398.09 FEET FROM THE SOUTHWEST CORNER OF SAID PARCEL NO. 2, SAID POINT BEING ALSO THE NORTHWEST CORNER OF THAT CERTAIN 3.4435 ACRE PARCEL OF LAND DESCRIBED IN DEED DATED APRIL 30, 1956 FROM SANTA FE LAND IMPROVEMENT COMPANY, TO ROBERT LEONARD, JR., RECORDED JUNE 15, 1956 IN BOOK 51468 PAGE 151, OFFICIAL RECORDS OF SAID COUNTY; THENCE NORTH 0° 00' 20" WEST ALONG SAID WESTERLY LINE 458.08 FEET TO A POINT IN A LINE THAT IS PARALLEL WITH AND DISTANT SOUTHERLY 300.00 FEET MEASURED AT RIGHT ANGLES, FROM THAT CERTAIN COURSE (AND PROLONGATION THEREOF) IN THE NORTHERLY LINE OF SAID PARCEL NO. 2, SHOWN ON SAID RECORD OF SURVEY MAP AS HAVING A BEARING OF NORTH 89° 59' 20" EAST AND A LENGTH OF 2352.16 FEET; THENCE NORTH 89° 59' 20" EAST ALONG SAID PARALLEL LINE 418.89 FEET TO A POINT IN A LINE THAT IS PARALLEL WITH AND DISTANT WESTERLY 30.00 FEET, MEASURED AT RIGHT ANGLES, FROM THE WESTERLY LINE OF THAT CERTAIN 3.00 ACRE PARCEL OF LAND DESCRIBED IN DEED DATED OCTOBER 24, 1956 FROM SANTA FE LAND IMPROVEMENT COMPANY, TO DOUGLAS BUILDING CORPORATION, RECORDED JANUARY 5, 1956 IN BOOK 49965 PAGE 441, OFFICIAL RECORDS OF SAID COUNTY; THENCE SOUTH 0° 00' 20" EAST ALONG SAID PARALLEL LINE (AND PROLONGATION THEREOF) 458.40 FEET TO A POINT IN THE NORTHERLY LINE OF SAID 3.4435 ACRE PARCEL, THENCE NORTH 89° 58' 02" WEST ALONG LAST SAID NORTHERLY LINE 418.89 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

EXCEPT THAT PORTION THEREOF LYING IN SEPULVEDA BOULEVARD AS SHOWN IN FINAL ORDER OF CONDEMNATION, RECORDED NOVEMBER 26, 1973, AS INSTRUMENT NO. 1384, OFFICIAL RECORDS.

LEGAL DESCRIPTION:

(PER CHICAGO TITLE INSURANCE COMPANY FILE NO. 00119524-994-LT2-DB DATED OCTOBER 2, 2019)

EXCEPT ALL NATURAL GAS CONTAINED IN OR UNDER OR THAT MAY BE PRODUCED FROM SAID LAND, TOGETHER WITH THE EXCLUSIVE RIGHT TO DRILL FOR AND PRODUCE SUCH NATURAL GAS FROM SAID LAND, BY WHIPSTOCKING OR DIRECTIONAL DRILLING OR OTHER SUBSURFACE OPERATIONS CONDUCTED FROM SURFACE LOCATIONS ON OTHER LAND, AND THE EXCLUSIVE RIGHT TO USE THE SUBSURFACE OF SAID LAND FOR THE PURPOSE OF INJECTING NATURAL GAS THEREIN FOR STORAGE AND FOR PRESSURING THE FORMATIONS UNDERLYING SAID LAND, BUT WITHOUT THE RIGHT OF SURFACE ENTRY IN ANY MANNER, FOR THE PURPOSE OF DISCOVERING OR EXTRACTING SUCH NATURAL GAS, AS CONVEYED TO STANDARD OIL COMPANY OF CALIFORNIA, A CORPORATION, BY DEED RECORDED JULY 27, 1943 IN BOOK 20145 PAGE 298, OF OFFICIAL RECORDS.

ALSO EXCEPT ALL OIL, HYDROCARBON AND MINERAL SUBSTANCES, IF ANY EXCEPT NATURAL GAS, CONTAINED IN OR UNDER OR THAT MAY BE PRODUCED FROM SAID LAND TOGETHER WITH ALL THOSE CERTAIN RIGHTS, RESERVED BY AND UNTO THE FIRST PARTY IN THAT CERTAIN DEED RECORDED IN BOOK 20145 PAGE 298, OF OFFICIAL RECORDS, BUT WITHOUT THE RIGHT OF SURFACE ENTRY FOR THE PURPOSE OF EXTRACTING ANY SUCH OIL, HYDROCARBON AND MINERAL SUBSTANCES OR FOR ANY OTHER PURPOSES, AS CONVEYED TO CHANSLOR-CANFIELD MIDWAY OIL COMPANY, A CORPORATION, BY DEED RECORDED SEPTEMBER 7, 1945, IN BOOK 22243 PAGE 336, OF OFFICIAL RECORDS.

PARCEL 4A:

AN EASEMENT FOR THE CONSTRUCTION, MAINTENANCE AND OPERATION OF A SURFACE DRAIN LINE CONVEYED IN A GRANT DEED RECORDED IN BOOK 52683, PAGE 123 OF OFFICIAL RECORDS, OVER THE EASTERLY TO FEET OF THE FOLLOWING DESCRIBED LAND:

A PARCEL OF LAND SITUATED IN THE CITY OF EL SEGUNDO, SITUATED IN THE NORTH HALF OF SECTION 7, TOWNSHIP 3 SOUTH, RANGE 14 WEST, IN THE RANCHO SAUSAL REDONDO, IN THE CITY OF EL SEGUNDO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, BEING A PORTION OF THAT CERTAIN 68.970 ACRE OF PARCEL 2, AS SHOWN ON RECORD OF SURVEY MAP FILED IN BOOK 66 PAGE 5, RECORD OF SURVEYS, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTH LINE OF SAID PARCEL 2, WITH A LINE WHICH IS PARALLEL WITH AND DISTANT WESTERLY 300.00 FEET AT RIGHT ANGLES FROM THE WESTERLY LINE OF THAT CERTAIN DEED RECORDED IN BOOK 52683, PAGE 123 OF OFFICIAL RECORDS OF SAID COUNTY, TO DOUGLAS BUILDING CORPORATION, RECORDED IN BOOK 49965 PAGE 441, OFFICIAL RECORDS OF SAID COUNTY; THENCE ALONG SAID PARALLEL LINE SOUTH 0° 00' 20" EAST 300.00 FEET TO A POINT IN THE LINE WHICH IS PARALLEL WITH AND DISTANT SOUTHERLY 300.00 FEET AT RIGHT ANGLES FROM A CERTAIN COURSE IN THE NORTHERLY LINE OF SAID PARCEL 2, SHOWN ON SAID RECORD OF SURVEY MAP AS HAVING A BEARING OF NORTH 89° 59' 20" EAST AND A LENGTH OF 2352.16 FEET; THENCE SOUTH 89° 59' 20" WEST ALONG LAST SAID PARALLEL LINE 418.89 FEET TO A POINT IN THE WEST LINE OF SAID PARCEL 2; THENCE NORTH 0° 00' 20" WEST ALONG SAID WEST LINE BEING ALONG THE EASTERLY LINE OF SEPULVEDA BOULEVARD, 100 FEET IN WIDTH, A DISTANCE OF 317.84 FEET TO THE SOUTHWESTERLY CORNER OF PARCEL 3, AS SHOWN ON SAID RECORD OF SURVEY MAP; THENCE ALONG THE NORTHERLY LINE OF SAID PARCEL 2, BEING ALONG THE SOUTHERLY LINE OF SAID PARCEL 3 THE FOLLOWING COURSES AND DISTANCES: NORTHEASTERLY ALONG THE ARC OF A CURVE HAVING A RADIUS OF 317.84 FEET AND A CENTRAL ANGLE OF 70.25 FEET TO POINT OF REVERSE CURVE; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID REVERSE CURVE BEING CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 240.00 FEET, THROUGH A CENTRAL ANGLE OF 25° 09' 23"; A DISTANCE OF 105.37 FEET; THENCE NORTH 89° 59' 20" EAST, TANGENT TO LAST CURVE, A DISTANCE OF 198.86 FEET TO THE POINT OF BEGINNING.

PARCEL 5: (4138-006-030)

THE NORTHERLY 220 FEET OF THAT CERTAIN RECTANGULAR SHAPED PARCEL OF LAND IN THE CITY OF EL SEGUNDO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, BEING A PORTION OF THAT CERTAIN 0.7689 OF AN ACRE PARCEL OF LAND AS DESCRIBED IN PARCEL "C" OF DEED TO THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY, RECORDED FEBRUARY 15, 1957, IN BOOK 53662 PAGE 115 OF OFFICIAL RECORDS OF SAID COUNTY, IN THE NORTH HALF OF SECTION 7, TOWNSHIP 3 SOUTH, RANGE 14 WEST, IN THE RANCHO SAUSAL REDONDO, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE WESTERLY LINE OF SAID PARCEL "C" WITH THE NORTHERLY LINE OF THAT CERTAIN 4.3951 ACRE PARCEL DESCRIBED IN DEED RECORDED OCTOBER 8, 1956, IN BOOK 52683, PAGE 123, OFFICIAL RECORDS OF SAID COUNTY, SAID INTERSECTION BEING DISTANT SOUTH 0° 00'20" EAST (BEARING ASSUMED FOR PURPOSE OF THIS DESCRIPTION) ALONG SAID WESTERLY LINE 300.00 FEET FROM THE SOUTHERLY LINE OF MAPLE AVENUE 80 FEET WIDE AS DESCRIBED IN DEED TO THE CITY OF EL SEGUNDO, RECORDED JULY 7, 1952 IN BOOK 39314 PAGE 415, OFFICIAL RECORDS OF SAID COUNTY; THENCE NORTH 89° 59' 20" EAST ALONG THE EASTERLY PROLONGATION OF SAID NORTHERLY LINE 30 FEET TO A POINT IN THE EASTERLY LINE OF SAID PARCEL "C"; THENCE SOUTH 0° 00' 20" EAST ALONG SAID EASTERLY LINE 458.42 FEET TO A POINT IN THE EASTERLY PROLONGATION OF THE SOUTHERLY LINE OF SAID 4.3951 ACRE PARCEL; THENCE NORTH 89° 58' 02" WEST ALONG LAST SAID PROLONGATION 30 FEET TO A POINT IN SAID WESTERLY LINE; THENCE NORTH 0° 00' 20" WEST ALONG SAID WESTERLY LINE, ALSO BEING THE EASTERLY LINE OF SAID 4.3951 ACRE PARCEL, 458.40 FEET TO THE POINT OF BEGINNING.

EXCEPT ALL NATURAL GAS CONTAINED IN OR UNDER OR THAT MAY BE PRODUCED FROM SAID LAND, TOGETHER WITH THE EXCLUSIVE RIGHT TO DRILL FOR AND PRODUCE SUCH NATURAL GAS FROM SAID LAND, BY WHIPSTOCKING OR DIRECTIONAL DRILLING OR OTHER SUBSURFACE OPERATIONS CONDUCTED FROM SURFACE LOCATIONS ON OTHER LAND, AND THE EXCLUSIVE RIGHT TO USE THE SUBSURFACE OF SAID LAND FOR THE PURPOSE OF INJECTING NATURAL GAS THEREIN FOR STORAGE AND FOR PRESSURING THE FORMATIONS UNDERLYING SAID LAND BUT WITHOUT THE RIGHT OF SURFACE ENTRY IN ANY MANNER FOR THE PURPOSE OF DISCOVERING OR EXTRACTING SUCH NATURAL GAS AS CONVEYED TO STANDARD OIL COMPANY OF CALIFORNIA, A CORPORATION, BY DEED RECORDED JULY 27, 1943 IN BOOK 20145 PAGE 298, OF OFFICIAL RECORDS.

ALSO EXCEPTING ALL OIL, HYDROCARBON AND MINERAL SUBSTANCES, IF ANY EXCEPT NATURAL GAS, CONTAINED IN OR UNDER OR THAT MAY BE PRODUCED FROM SAID LAND, TOGETHER WITH ALL THOSE CERTAIN RIGHTS, RESERVED BY AND UNTO THE FIRST PARTY IN THAT CERTAIN DEED RECORDED IN BOOK 20145 PAGE 298, OF OFFICIAL RECORDS, BUT WITHOUT THE RIGHT OF SURFACE ENTRY FOR THE PURPOSE OF EXTRACTING ANY SUCH OIL, HYDROCARBON AND MINERAL SUBSTANCES OR FOR ANY OTHER PURPOSES, AS CONVEYED TO CHANSLOR-CANFIELD MIDWAY OIL COMPANY, A CORPORATION, BY DEED RECORDED SEPTEMBER 7, 1945, IN BOOK 22243 PAGE 336, OF OFFICIAL RECORDS.

PARCEL 6: (4138-006-032)

THAT CERTAIN REAL PROPERTY SITUATE IN THE CITY OF EL SEGUNDO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, BEING A PORTION OF PARCEL 2 AS SHOWN ON RECORD OF SURVEY MAP OF A PORTION OF THE NORTH HALF OF SECTION 7, TOWNSHIP 3 SOUTH, RANGE 14 WEST, IN THE RANCHO SAUSAL REDONDO, FILED IN BOOK 66, AT PAGE 5, OF RECORD OF SURVEYS OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF A LINE WHICH IS PARALLEL WITH AND DISTANT NORTHERLY 40.00 FEET AT RIGHT ANGLES FROM THE SOUTHERLY LINE OF SAID PARCEL NO. 2, WITH A LINE WHICH IS PARALLEL WITH AND DISTANT EASTERLY 777.23 FEET AT RIGHT ANGLES FROM THE WESTERLY LINE OF SAID PARCEL NO. 2; THENCE NORTH 0° 00' 20" WEST ALONG LAST SAID PARALLEL LINE 1042.26 FEET TO A POINT IN THE ARC OF A CURVE CONCAVE EASTERLY AND HAVING A RADIUS OF 369.27 FEET; THENCE NORTHERLY ALONG SAID CURVE, TANGENT TO LAST CURVE, AN ARC DISTANCE OF 75.02 FEET TO A POINT IN THE NORTHERLY LINE OF SAID PARCEL NO. 2; THENCE NORTH 89° 59' 20" EAST ALONG SAID NORTHERLY LINE 25.56 FEET TO A POINT IN THE ARC OF A CURVE CONCENTRIC WITH AND DISTANT EASTERLY 25.00 FEET RADIIALLY FROM THE HEREBABOVE DESCRIBED CURVE HAVING A RADIUS OF 369.27 FEET; THENCE SOUTHERLY ALONG SAID CONCENTRIC CURVE CONCAVE EASTERLY AND HAVING A RADIUS OF 344.27 FEET AN ARC DISTANCE OF 75.09 FEET TO A POINT DISTANT EASTERLY 25.00 FEET RADIIALLY FROM THE BEGINNING OF SAID CURVE HAVING A RADIUS OF 369.27 FEET; THENCE SOUTH 0° 00' 20" EAST, TANGENT TO LAST SAID CURVE, ALONG A LINE WHICH IS PARALLEL WITH AND DISTANT EASTERLY 692.23 FEET AT RIGHT ANGLES FROM THE WESTERLY LINE OF SAID PARCEL NO. 2, A DISTANCE OF 1042.28 FEET TO A POINT IN SAID LINE WHICH IS PARALLEL WITH AND DISTANT NORTHERLY 40.00 FEET AT RIGHT ANGLES FROM THE SOUTHERLY LINE OF SAID PARCEL NO. 2; THENCE NORTH 89° 58' 02" WEST ALONG LAST SAID PARALLEL LINE 25.00 FEET TO THE POINT OF BEGINNING.

EXCEPT THEREFROM ALL OIL, GAS AND OTHER HYDROCARBON AND MINERAL SUBSTANCES AS CONVEYED (A) TO STANDARD OIL COMPANY OF CALIFORNIA BY DEED DATED DECEMBER 21, 1942, RECORDED JULY 27, 1943 IN BOOK 20145, PAGE 298, OF OFFICIAL RECORDS IN THE OFFICE OF THE RECORDER OF SAID COUNTY, AND (B) TO CHANSLOR-CANFIELD MIDWAY OIL COMPANY BY DEED DATED AUGUST 23, 1945, RECORDED SEPTEMBER 7, 1945, IN BOOK 22243, AT PAGE 336, OF SAID OFFICIAL RECORDS.

APN: 4138-006-030, 4138-006-031, 4138-006-010, 4138-006-005

EXCEPTIONS:

(PER CHICAGO TITLE INSURANCE COMPANY FILE NO. 00119524-994-LT2-DB DATED OCTOBER 2, 2019)

2. EASEMENT(S) FOR THE PURPOSE(S) SHOWN BELOW AND RIGHTS INCIDENTAL THERETO, AS GRANTED IN A DOCUMENT:

PURPOSE: PIPE LINES AND TELEGRAPH OR TELEPHONE LINES
RECORDING DATE: MARCH 9, 2018
RECORDING NO.: IN BOOK 4244 PAGE 230, OF OFFICIAL RECORDS
AFFECTS: PARCEL 1

3. EASEMENT(S) FOR THE PURPOSE(S) SHOWN BELOW AND RIGHTS INCIDENTAL THERETO, AS GRANTED IN A DOCUMENT:

PURPOSE: PIPE LINES
RECORDING DATE: MARCH 9, 2018
RECORDING NO.: IN BOOK 6089 PAGE 349, OF OFFICIAL RECORDS
AFFECTS: PARCEL 1

4. EASEMENT(S) FOR THE PURPOSE(S) SHOWN BELOW AND RIGHTS INCIDENTAL THERETO, AS GRANTED IN A DOCUMENT:

PURPOSE: SANITARY SEWER
RECORDING DATE: DECEMBER 5, 1956
RECORDING NO.: 3453, OF OFFICIAL RECORDS
AFFECTS: PARCELS 1 AND 3

5. THE OWNERSHIP OF SAID LAND DOES NOT INCLUDE RIGHTS OF ACCESS TO OR FROM MARIPOSA AVENUE, SUCH RIGHTS HAVING BEEN RELINQUISHED BY THE DOCUMENT,

RECORDING DATE: JANUARY 9, 1959
RECORDING NO.: 2059 IN BOOK D327 PAGE 552, OF OFFICIAL RECORDS
AFFECTS: A PORTION OF SAID LAND

VESTING TENTATIVE PARCEL MAP No. 83129

FOR MERGER AND SUBDIVISION PURPOSES

EXCEPTIONS:

(PER CHICAGO TITLE INSURANCE COMPANY FILE NO. 00119524-994-LT2-DB DATED OCTOBER 2, 2019)

6. MATTERS CONTAINED IN THAT CERTAIN DOCUMENT

ENTITLED: AGREEMENT
RECORDING DATE: OCTOBER 20, 1961
RECORDING NO.: 4754, OF OFFICIAL RECORDS

REFERENCE IS HEREBY MADE TO SAID DOCUMENT FOR FULL PARTICULARS.

AFFECTS: PARCEL 1

7. AN UNRECORDED AGREEMENT DATED APRIL 26, 1957, TO HOMEWOOD DISTRIBUTING COMPANY FOR CONSTRUCTION AND OPERATION OF A SPUR TRACK, AD DISCLOSED BY DEED FROM THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY, A KANSAS CORPORATION, RECORDED APRIL 23, 1969, AS INSTRUMENT NO. 244, OF OFFICIAL RECORDS.

AFFECTS: PARCEL 3

8. A CERTIFICATE OF COMPLIANCE

RECORDING DATE: MARCH 10, 1986
RECORDING NO.: 86-30068, OF OFFICIAL RECORDS

9. MATTERS CONTAINED IN THAT CERTAIN DOCUMENT

ENTITLED: COVENANT AND AGREEMENT REGARDING MAINTENANCE OF OFF STREET PARKING SPACE
RECORDING DATE: SEPTEMBER 18, 1986
RECORDING NO.: 86-1242814, OF OFFICIAL RECORDS

REFERENCE IS HEREBY MADE TO SAID DOCUMENT FOR FULL PARTICULARS.

THE FOLLOWING MATTERS AFFECT PARCELS 4, 4A AND 5:

10. EASEMENT(S) FOR THE PURPOSE(S) SHOWN BELOW AND RIGHTS INCIDENTAL THERETO, AS GRANTED IN A DOCUMENT:

PURPOSE: PIPE LINES AND TELEGRAPH OR TELEPHONE LINES
RECORDING DATE: IN BOOK 4244 PAGE 230, OF OFFICIAL RECORDS
AFFECTS: PARCEL 4

11. EASEMENT(S) FOR THE PURPOSE(S) SHOWN BELOW AND RIGHTS INCIDENTAL THERETO, AS GRANTED IN A DOCUMENT:

PURPOSE: PIPE LINES
RECORDING DATE: IN BOOK 6089 PAGE 349, OF OFFICIAL RECORDS
AFFECTS: PARCEL 4

12. EASEMENT(S) FOR THE PURPOSE(S) SHOWN BELOW AND RIGHTS INCIDENTAL THERETO, AS GRANTED IN A DOCUMENT:

PURPOSE: PIPE LINES
RECORDING DATE: JULY 7, 1952
RECORDING NO.: IN BOOK 39314 PAGE 415, OF OFFICIAL RECORDS
AFFECTS: A PORTION OF SAID LAND

13. EASEMENT(S) FOR THE PURPOSE(S) SHOWN BELOW AND RIGHTS INCIDENTAL THERETO, AS GRANTED IN A DOCUMENT:

PURPOSE: RAILROAD
RECORDING DATE: OCTOBER 25, 1956
RECORDING NO.: IN BOOK 52683 PAGE 123, OF OFFICIAL RECORDS
AFFECTS: A PORTION OF SAID LAND

14. EASEMENT(S) FOR THE PURPOSE(S) SHOWN BELOW AND RIGHTS INCIDENTAL THERETO, AS GRANTED IN A DOCUMENT:

PURPOSE: SANITARY SEWER LINE
RECORDING DATE: DECEMBER 5, 1956
RECORDING NO.: IN BOOK 53041 PAGE 48, OF OFFICIAL RECORDS
AFFECTS: PARCEL 5

15. EASEMENT(S) FOR THE PURPOSE(S) SHOWN BELOW AND RIGHTS INCIDENTAL THERETO, AS GRANTED IN A DOCUMENT:

PURPOSE: PRIVATE ROADWAY
RECORDING DATE: MAY 3, 1960
RECORDING NO.: 3630 IN BOOK DB34 PAGE 70, OF OFFICIAL RECORDS
AFFECTS: PARCEL 5

THE INTEREST OF ALLEN H. RABIN AND CHARLOTTE C. RABIN IN SAID EASEMENT WAS GRANTED TO AEROSPACE CENTER, A PARTNERSHIP, BY DEED RECORDED APRIL 17, 1961 AS INSTRUMENT NO. 3024 IN BOOK D1190 PAGE 959, OF OFFICIAL RECORDS.

16. AN UNRECORDED AGREEMENT DATED APRIL 26, 1957, TO HOMEWOOD DISTRIBUTING COMPANY FOR CONSTRUCTION AND OPERATION OF A SPUR TRACT, AS DISCLOSED BY DEED FROM THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY, A KANSAS CORPORATION, RECORDED APRIL 23, 1969 AS INSTRUMENT NO. 244, OF OFFICIAL RECORDS.

17. A CERTIFICATE OF COMPLIANCE

RECORDING DATE: MARCH 10, 1986
RECORDING NO.: 86-30068, OF OFFICIAL RECORDS

18. MATTERS CONTAINED IN THAT CERTAIN DOCUMENT

ENTITLED: COVENANT AND AGREEMENT REGARDING MAINTENANCE OF OFF STREET PARKING SPACE
RECORDING DATE: SEPTEMBER 18, 1986
RECORDING NO.: 86-1242814, OF OFFICIAL RECORDS

REFERENCE IS HEREBY MADE TO SAID DOCUMENT FOR FULL PARTICULARS.

THE FOLLOWING MATTERS AFFECT PARCEL 6:

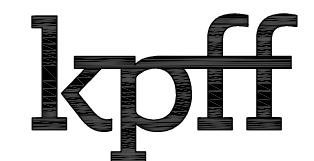
19. EASEMENT(S) FOR THE PURPOSE(S) SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS SET FORTH IN A DOCUMENT:

IN FAVOR OF: RAYTHEON COMPANY, A DELAWARE CORPORATION
PURPOSE: UTILITIES-TANK ENCROACHMENT
RECORDING DATE: MARCH 9, 2018
RECORDING NO.: 2018-0231192 OF OFFICIAL RECORDS
AFFECTS: SAID LAND PARTICULARLY DESCRIBED THEREIN

20. EASEMENT(S) FOR THE PURPOSE(S) SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS SET FORTH IN A DOCUMENT:

IN FAVOR OF: RAYTHEON COMPANY, A DELAWARE CORPORATION
PURPOSE: UTILITIES
RECORDING DATE: MARCH 9, 2018
RECORDING NO.: 2018-023

VESTING TENTATIVE PARCEL MAP No. 83129



700 FLOWER ST., Suite 2100
Los Angeles, CA 90017
O: 213.418.0201
F: 213.266.5294
www.kpff.com

EXCEPTIONS:
(PER CHICAGO TITLE INSURANCE COMPANY FILE NO. 00100348-994-X59-KD DATED APRIL 29, 2019)

3. EASEMENT(S) FOR THE PURPOSE(S) SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS SET FORTH IN A DOCUMENT:
PURPOSE: RAILROAD
RECORDING DATE: AUGUST 24, 1955
RECORDING NO.: 4138 IN BOOK 48754 PAGE 397 OF OFFICIAL RECORDS
AFFECTS: THAT PORTION OF SAID LAND AS DESCRIBED IN THE DOCUMENT ATTACHED HERETO.

4. AN UNRECORDED LEASE WITH CERTAIN TERMS, COVENANTS, CONDITIONS AND PROVISIONS SET FORTH THEREIN AS DISCLOSED BY THE DOCUMENT
ENTITLED: MEMORANDUM AND AMENDMENT TO COMMUNICATIONS SITE LEASE AGREEMENT (GROUND)
LESSOR: 737 LAIRPORT PROPERTY II, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY
LESSEE: SBA 2012 TC ASSETS, LLC, A DELAWARE LIMITED LIABILITY COMPANY
RECORDING DATE: NOVEMBER 29, 2012
RECORDING NO.: 2012-1824151, OF OFFICIAL RECORDS
THE PRESENT OWNERSHIP OF THE LEASEHOLD CREATED BY SAID LEASE AND OTHER MATTERS AFFECTING THE INTEREST OF THE LESSEE ARE NOT SHOWN HEREIN.

5. A DEED OF TRUST TO SECURE AN INDEBTEDNESS IN THE AMOUNT SHOWN BELOW.
AMOUNT: \$1,802,086.00
DATED: MARCH 18, 2014
TRUSTOR/GRANTOR: 20807BELSHAW AVENUE PARTNERS, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY
TRUSTEE: JPMORGAN CHASE BANK, N.A.
BENEFICIARY: JPMORGAN CHASE BANK, N.A.
RECORDING DATE: MARCH 21, 2014
RECORDING NO.: 2014-0285003, OF OFFICIAL RECORDS

6. DISCREPANCIES, CONFLICTS IN BOUNDARY LINES, SHORTAGE IN AREA, ENCROACHMENTS, OR ANY OTHER MATTERS INCLUDING ESTABLISHMENT OF MONUMENTS SHOWN ON
MAP: RECORD OF SURVEY
RECORDING DATE: JUNE 07, 2018
RECORDING NO.: IN BOOK 296, PAGES 76 THROUGH 79, RECORD OF SURVEY
REFERENCE IS HEREBY MADE TO SAID DOCUMENT FOR FULL PARTICULARS.

7. ANY EASEMENTS NOT DISCLOSED BY THE PUBLIC RECORDS AS TO MATTERS AFFECTING TITLE TO REAL PROPERTY, WHETHER OR NOT SAID EASEMENTS ARE VISIBLE AND APPARENT

8. DISCREPANCIES, CONFLICTS IN BOUNDARY LINES, SHORTAGE IN AREA, ENCROACHMENTS, OR ANY OTHER MATTERS WHICH A CORRECT SURVEY WOULD DISCLOSE AND WHICH ARE NOT SHOWN BY THE PUBLIC RECORDS.

9. ANY RIGHTS, CLAIMS OR INTERESTS THAT MAY EXIST OR ARISE BY REASON OF THE FOLLOWING FACTS DISCLOSED BY A MAP DATED DECEMBER 19, 2018 LAST REVISED APRIL 17, 2019 OF AN ALTA/NSPS LAND TITLE SURVEY PREPARED BY OR UNDER THE RESPONSIBLE CHARGE OF JEFFERY L. MAYES LS 6379, OF/FOR JRM CIVIL ENGINEERS, PROJECT/JOB NO. 17976.
A. THE BUILDING ON THE NORTHERLY ADJOINING PROPERTY LIES ON THE NORTH LINE OF SURVEYED PROPERTY.
B. THE BUILDING ON SURVEYED PROPERTY LIES ON THE SOUTH LINE THEREOF.
C. SUBJECT PROPERTY IS USING THE WESTERLY ADJOINING PROPERTY FOR STORAGE AS EVIDENCED BY STORAGE CONTAINERS ENCLOSED BY A CHAIN LINK FENCE THAT IS ONLY ACCESSIBLE THROUGH SUBJECT PROPERTY.
D. THERE IS A CELL TOWER AND DRAIN INLET ON THE NORTH SIDE OF SURVEYED PROPERTY.
E. THERE IS A GAS METER ON THE EAST SIDE OF SURVEYED PROPERTY.

10. ANY RIGHTS OF THE PARTIES IN POSSESSION OF A PORTION OF, OR ALL OF, SAID LAND, WHICH RIGHTS ARE NOT DISCLOSED BY THE PUBLIC RECORDS.
THE COMPANY WILL REQUIRE, FOR REVIEW, A FULL AND COMPLETE COPY OF ANY UNRECORDED AGREEMENT, CONTRACT, LICENSE AND/OR LEASE, TOGETHER WITH ALL SUPPLEMENTS, ASSIGNMENTS AND AMENDMENTS THERETO, BEFORE ISSUING ANY POLICY OF TITLE INSURANCE WITHOUT EXCEPTING THIS ITEM FROM COVERAGE.
THE COMPANY RESERVES THE RIGHT TO EXCEPT ADDITIONAL ITEMS AND/OR MAKE ADDITIONAL REQUIREMENTS AFTER REVIEWING SAID DOCUMENTS.

COMMENTS

DATES OF SURVEY JANUARY 27, 2020

SITE ADDRESSES 650 & 700 SEPULVEDA BOULEVARD AND 737 LAIRPORT STREET
EL SEGUNDO, CA 90245

APN NO'S 4138-006-031, 4138-006-010, 4138-006-005, 4138-006-030, 4138-006-032 & 4138-006-014

BOUNDARY LINES THE BOUNDARY LINES OF THE PROPERTY ARE CONTIGUOUS WITH THE BOUNDARY LINES OF ALL ADJOINING STREETS, HIGHWAYS, RIGHT-OF-WAY AND EASEMENTS, PUBLIC OR PRIVATE, AS DESCRIBED IN THEIR MOST RECENT RESPECTIVE LEGAL DESCRIPTIONS OF RECORD WITH NO GAPS OR GORES. THE PARCELS ARE CONTIGUOUS ALONG THEIR COMMON BOUNDARY LINE(S) WITH NO GAPS OR GORES.

BASIS OF BEARINGS THE BEARING OF N00°00'20"W, AS SHOWN ON THE WEST LINE OF THE SUBJECT PROPERTY, PER BOOK 66, PAGE 5, WAS USED AS THE BASIS OF BEARINGS FOR THIS SURVEY.

BENCH MARKS FOUND LA COUNTY PUBLIC WORKS BENCHMARK NOT SHOWN ON SURVEY
BM# 8710864
ELEVATION: 88.04' (NAVD88)
DESCRIPTION: DFW BM TAG IN W CB 10' N/O BCR @ NW COR LA CIENEGA BLVD. & PACIFIC CONCOURSE DR

UTILITIES ABOVEGROUND AND BELOWGROUND UTILITIES SHOWN WERE LOCATED PER ALTA/NSPS STANDARDS 5.E.iv. WHERE ADDITIONAL OR MORE DETAILED INFORMATION IS REQUIRED, THE CLIENT IS ADVISED THAT EXCAVATION AND/OR A PRIVATE UTILITY LOCATE REQUEST MAY BE NECESSARY. THE EXTENT OF UNDERGROUND UTILITY MARKINGS, IF ANY, ARE SHOWN HEREON.

FLOOD INSURANCE RATE MAP ZONE "X" AREAS DETERMINED TO BE INSIDE THE 0.2% ANNUAL CHANCE FLOOD HAZARD, AREAS OF 1% ANNUAL CHANCE FLOOD WITH AVERAGE DEPTH LESS THAN ONE FOOT OR WITH DRAINAGE AREAS OF LESS THAN ONE SQUARE MILE PER FLOOD INSURANCE RATE MAP (FIRM) MAP PANEL NO. 06037C1770F EFFECTIVE DATE SEPTEMBER 26, 2008.

ZONING INFORMATION ZONING INFORMATION WAS OBTAINED PER CITY OF EL SEGUNDO PLANNING & BUILDING SAFETY WEB MAP
GENERAL PLAN LAND USE DESIGNATION: CORPORATE OFFICE
ZONING: CORPORATE OFFICE

PARKING SPACES THERE ARE APPROXIMATELY 278 PARKING SPACES LOCATED WITHIN THE PROPERTIES IN QUESTION, 12 SPACES BEING DESIGNATED AS HANDICAP ACCESSIBLE

PROJECT NOTES

PROJECT CONSISTS OF 1 GROUND LOT.

THOMAS BROTHERS GUIDE: 732-1G

GENERAL LAND USE: COMMERCIAL AND PARKING

PROPOSED UTILITIES: SEWAGE AND DRAINAGE WILL BE PROVIDED BY THE CITY OF EL SEGUNDO INFRASTRUCTURE SYSTEMS.

THE SITE SHALL TIE INTO EXISTING SEWER INFRASTRUCTURE.

LOT CONFIGURATIONS AND SIZES ARE APPROXIMATE IN NATURE AND WILL BE FINALIZED DURING THE FINAL MAP PHASE.

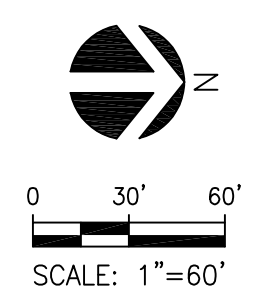
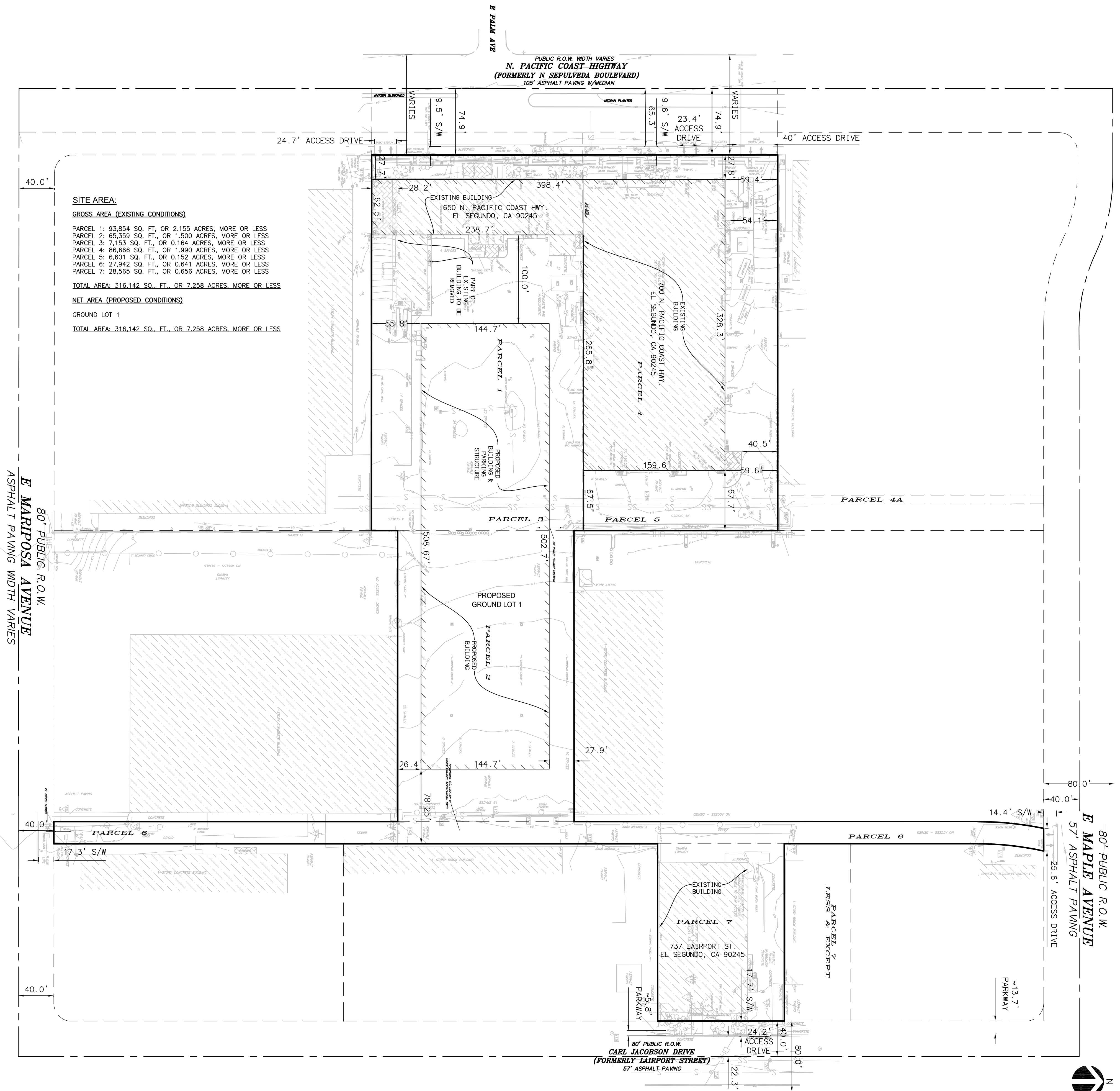
PROPOSED RECIPROCAL INGRESS/EGRESS EASEMENTS (IF ANY) ARE YET TO BE DETERMINED.



PREPARED UNDER THE DIRECTION OF:

C.A.
CHRISTOPHER JONES, PLS 8193
CHRIS.JONES@KPPF.COM

07/21/2020
DATE



REVISIONS	DATE	ISSUED FOR
1	07/21/20	UPDATE PARCEL AREAS

DATE	05/01/2020
PROJECT NUMBER	2000086
DRAWN BY	BN
CHECKED BY	CJ
SCALE	AS SPECIFIED

SHEET NUMBER

SHEET 2 OF 2

**Document available in the
City Clerk's Office
310-524-2308**

**FINAL
INITIAL STUDY/MITIGATED NEGATIVE DECLARATION**

**650 PACIFIC COAST HIGHWAY PROJECT
650 & 700 NORTH PACIFIC COAST HIGHWAY AND
737 CARL JACOBSON WAY**

LEAD AGENCY:

CITY OF EL SEGUNDO

Development Services Department

350 Main Street

El Segundo, CA 90245

Contacts: Eduardo Schonborn, AICP

(310) 524-2312



April 2021



City Council Agenda Statement
Meeting Date: May 18, 2021
Agenda Heading: STAFF PRESENTATIONS

TITLE:

Proposed Pension Obligation Bonds Preliminary Official Statement, Continuing Disclosure Certificate, and Bond Purchase Agreement.

RECOMMENDATION:

1. Adopt a resolution approving proposed Preliminary Official Statement, Continuing Disclosure Certificate, and Bond Purchase Agreement related to issuance of Pension Obligation Bonds.
2. Approve Pension Obligation Bonds issue size (Ad Hoc Pension Committee recommends using a 100% Unfunded Actuarial Liability funding amount).

FISCAL IMPACT:

If the City issues Pension Obligation Bonds (POBs) for 100% of the Unfunded Actuarial Liability (UAL), the City may potentially achieve budgetary savings of up to \$86.6 million (present value of \$62.9 million) over the life of the bond financing. The annual debt service will involve level dollar payments over the course of the life of the bonds to achieve immediate budgetary savings and predictable payments relative to the expected increasing annual UAL payments through CalPERS that would otherwise take place. This potentially reduces the UAL payment by \$1.16 million starting in FY 2021-22 and rising to a maximum reduction of up to \$7.2 million in FY 2037-38. The average annual budgetary savings over the life of the bond may equal \$4.5 million (present value of \$3.3 million). Please note that these are estimated cost savings which are based on a point in time and subject to market conditions at the time of actual bond issuance.

BACKGROUND:

On January 19, 2021, the City Council Ad Hoc Pension Committee (Mayor Pro Tem Chris Pimentel and Councilmember Scot Nicol) recommended and City Council adopted

Proposed Pension Obligation Bonds Preliminary Offi

May 18, 2021

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Resolution No. 5246 authorizing the issuance and sale of bonds to refund certain pension obligations of the City and authorized the City Manager and the Chief Financial Officer to take all administrative and budgetary actions necessary to perform the bond issuance. A copy of the January 19, 2021, staff report is attached as a reference.

DISCUSSION:

DISCUSSION:

In consultation with the City's Municipal Advisor (KNN Public Finance LLC), Bond Counsel (Orrick, Herrington & Sutcliffe LLP), Disclosure Counsel (Stradling Yocca Carlson & Rauth), and Underwriters (J.P. Morgan Securities LLC and Stifel, Nicolaus & Company, Inc.), City staff prepared the attached Preliminary Official Statement (POS) that will be used to market the proposed POBs. The POS is the City's offering document for the POBs and includes demographic, financial, disclosure, and other information about the City and POBs. Under federal securities law, this document must contain all relevant information related to the POB issuance and to City finances in general that would be material to investors. For approval purposes, the statement is preliminary and subject to minor modifications.

A proposed Continuing Disclosure Certificate is also attached. This document includes a list of annual City reporting requirements and events that, if they were to occur, would require disclosure during the life of the POBs.

The attached documents are in substantially final form; however, minor modifications may need to be made during the course of the financing, including the final terms of the pricing subject to the thresholds included in the resolution. All final documents will be approved as to form by the Bond Counsel & Disclosure Counsel. Once approved, the documents will be finalized and the sale of the POBs will take place later this month (May) or in early June.

Unfunded Actuarial Liability (UAL) & Bond Issuance Amount

The Ad Hoc Pension Committee met on May 12, 2021 to discuss the issuance amount of the POBs: 95% of UAL, 100% of UAL, or something in between. The City's Municipal Advisor, KNN Public Finance LLC, and the City's Chief Financial Officer (CFO) presented several funding scenarios to the Ad Hoc Pension Committee. These scenarios included discussion of several potential CalPERS policy changes (changes to the assumed discount rate {currently 7.0%}, inflation assumptions {currently 2.5%}, and other actuary assumptions such as longevity) that may impact additional future UAL.

Staff also discussed the 4.7% CalPERS portfolio return on June 30, 2020, which resulted in an additional investment loss of \$6.4 million in new UAL for the City. Staff further included an assumption of CalPERS ending FY 2020-2021 on June 30, 2021 with a 15% portfolio return, resulting in an investment gain of \$23.2 million. Staff

Proposed Pension Obligation Bonds Preliminary Offi

May 18, 2021

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explained how the June 30, 2021 assumed investment gain will erase the prior year investment loss and leave a net \$16.8 million in investment gains in the City's account with CalPERS with the issuance of the July 2022 CalPERS actuary report.

The anticipated \$16.8 million asset surplus is also referred to as “stranded assets.”

These stranded assets are regulated by the Public Employees Retirement Law (PERL) and are not accessible by the City to be used for any other purpose other than to address potential future UAL that may result from CalPERS not meeting its discount rate (currently set at 7.0%) or CalPERS policy changes (e.g., lowering the future discount rate, changing inflation assumptions, changing longevity assumptions, etc.).

As a result, making the UAL percentage funding determination is a one-time irreversible decision that cannot be changed after the bonds have been issued.

100% of UAL Option

If the POBs are issued for 100% of UAL, this will retain the \$16.8 million in City assets on deposit with CalPERS in FY 2022-23. This funding scenario assumes that the CalPERS discount rate of 7.0% is reduced to 6.5% starting on July 1, 2022. Under this scenario, it is anticipated that the stranded assets will be reduced to 0\$ by FY 2038-39.

Use of the 100% funding option would help reduce future interest charges/costs, if the actual CalPERS investment earnings fall below 6.5%. If actual investment earnings are low (consistently below 6.5%), this may prove to be the prudent course of action. If the annual investment returns are greater than 6.5%, the City will run the risk of accruing rising stranded assets (surplus payments and investment earnings) that cannot be used by the City for other municipal purposes.

95% of UAL Option

If the POBs are issued at 95% of UAL, this will result in stranded assets starting at \$9.2 million. This funding scenario assumes that the CalPERS discount rate of 7.0% is also reduced to 6.5% starting on July 1, 2022. Under this scenario, it is anticipated that the stranded assets will be reduced to \$0 by FY 2034-35.

Use of the 95% funding option would lower the City's annual POB payment by approximately \$600,000. This approach would lower stranded asset exposure, especially if the actual CalPERS investment earnings are over 6.5%. This approach offers greater flexibility with respect to meeting future CalPERS investment return fluctuations and provides City Council with increased funding for unmet capital improvement needs (such as The Plunge and Recreation Park projects), facility maintenance (which is needed at recreation facilities, Joceyln Center, Teen Center, streets, landscaping, etc.), and other City Strategic Plan priorities. With these goals in mind, this may prove to be the more prudent course of action.

Use of Section 115 Pension Trust Account Funds

Proposed Pension Obligation Bonds Preliminary Offi

May 18, 2021

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It is important to remember that if circumstances shift requiring additional UAL payments, the City will have access to its Section 115 Pension Trust Account balance (which will continue to rise with each year). This is one of the main reasons the City set up this trust account.

Future CalPERS Discount Rate Changes

The CalPERS Board will vote on the discount rate for the next four-year period in October 2021, with a potential new rate going into effect in July 2022. This may impact the City's stranded asset calculation. If the July 2022 discount rate is set higher than 6.5%, then the City's stranded asset amount will increase. If the July 2022 discount rate is set lower than 6.5%, then the City's stranded asset amount will decrease.

The second round of CalPERS discount rate adjustments, if any, would take place in July 2026. This may or may not impact the City's future stranded asset amount at that time.

UAL Funding Recommendation

The Ad Hoc Pension Committee and City Treasurer recommend issuing POBs at 100% of UAL.

The City's Municipal Advisor, City Manager, and CFO recommend issuing the POBs at 95% of UAL.

It is up to City Council to determine which UAL funding option to use: 100% or 95%.

Marketing of Pension Obligation Bonds

J.P. Morgan Securities LLC and Stifel, Nicolaus & Company, Inc. will serve as joint underwriters (bankers) for this debt issuance. Both firms have retail and institutional marketing channels which will ensure a successful sale of the POBs. In addition, a marketing video has been produced to inform and solicit investors of the opportunity to purchase the POBs.

Rating

Staff requested a rating review from Standard and Poor's (S&P). Staff and the City's financing team participated in a rating call held on May 10, 2021. City staff and the City's Municipal Advisor gave a presentation to S&P that supported a strong position for rating determination of AAA for the proposed 2021 Taxable Pension Obligation Bonds. A copy of the presentation presented to S&P is attached for reference. This is the first time in several decades, possibly ever, the City is being evaluated by a credit rating agency and will be assigned a credit rating. The rating is expected to be received by

Proposed Pension Obligation Bonds Preliminary Offi

May 18, 2021

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May 20, 2021. This is in advance of marketing the POBs. Staff will advise City Council upon receipt of the rating confirmation from S&P.

Legal Review

Bond Counsel and Disclosure Counsel have reviewed and approved the associated documents as to form.

Next Steps

If City Council approves the proposed Preliminary Official Statement and Continuing Disclosure Certificate related to the issuance of Pension Obligation Bonds, the next steps will include:

- Pricing of POBs – May 24 – 28, 2021

- Financing close - June 9 – 11, 2021

The anticipated savings have already been factored into the FY 2021-2022 Budget which will commence on July 1, 2021.

CITY STRATEGIC PLAN COMPLIANCE:

Goal 5: Champion Economic Development and Fiscal Sustainability

Objective 5B: El Segundo approaches its work in a financially strategic and responsible way.

PREPARED BY:

Joseph Lillio, Chief Financial Officer

REVIEWED BY:

Scott Mitnick, City Manager

APPROVED BY:

Scott Mitnick, City Manager

ATTACHED SUPPORTING DOCUMENTS:

1. Authorizing Resolution - City of El Segundo POBs Series 2021 4140-3351-3773 4
2. Official Statement - City of ES 2021 Pension Obligation Bonds_final
3. Continuing Disclosure Certificate -- City of El Segundo 2021 Pension Ob_City Edits
4. 5-10 Bond Purchase Agreement - El Segundo Pension Obligation Bonds 2021-v3

Proposed Pension Obligation Bonds Preliminary Offi

May 18, 2021

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5. Trust Agreement - City of El Segundo Taxable Pension Obligation Bonds Series 2021 4152-5857-9754 5 (1)
6. January 19_2021_POBs Staff Report

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL SEGUNDO
AUTHORIZING THE SALE OF TAXABLE PENSION OBLIGATION BONDS TO
REFUND A PORTION OF THE CITY'S OBLIGATION TO THE CALIFORNIA
PUBLIC EMPLOYEES' RETIREMENT SYSTEM, AND AUTHORIZING THE
EXECUTION AND DELIVERY OF A BOND PURCHASE CONTRACT AND A
CONTINUING DISCLOSURE CERTIFICATE AND THE PREPARATION OF AN
OFFICIAL STATEMENT AND OTHER MATTERS RELATED THERETO**

SECTION 1: The City of El Segundo (the "City") is obligated by the Public Employees' Retirement Law, Section 20000 *et seq.* of the California Government Code (the "Retirement Law"), to make payments to the California Public Employees' Retirement System ("CalPERS") relating to pension benefits accruing to City employees who are CalPERS members; and

SECTION 2: The City has entered into a contract with CalPERS with respect to the City's Miscellaneous Plan (the "Miscellaneous Plan"), the City's Safety Police First Tier Plan (the "Safety Police First Tier Plan") and the City's Safety Fire Plan (the "Safety Fire Plan"), effective January 1, 1949, and witnessed December 21, 1948, and as amended effective June 1, 1956, January 2, 1969, March 5, 1969, November 1, 1973, January 1, 1978, July 1, 1979, October 1, 1981, January 1, 1984, December 1, 1985, May 7, 1987, February 4, 1988, July 1, 1989, July 5, 1991 and June 9, 1994, and as heretofore and hereafter amended from time to time (the "CalPERS Contract"), evidencing the City's obligation to pay the City's unfunded accrued actuarial liability and its normal annual contribution to CalPERS; and

SECTION 3: The City is authorized pursuant to Articles 10 and 11 (commencing with Section 53570) of Chapter 3 of Division 2 of Title 5 of the California Government Code to issue refunding bonds for the purpose of refunding any evidence of indebtedness of the City; and

SECTION 4: As of June 30, 2019, based upon the actuarial reports of pension liability as calculated by CalPERS with respect to the Miscellaneous Plan, the Safety Police First Tier Plan and the Safety Fire Plan of the City (collectively, the "Actuarial Reports"), the City had an obligation in the amount of \$151,299,753 (consisting of \$34,576,384 for the Miscellaneous Plan, \$61,384,985 for the Police First Tier Plan, and \$55,338,384 for the Safety Fire Plan) pursuant to the CalPERS Contract and the Retirement Law as an unfunded accrued actuarial liability; and

SECTION 5: The City desires to issue, and the City Council has pursuant to Resolution No. 5246 entitled "Resolution Of The City Of El Segundo, California Providing For The Issuance Of One Or More Series Of City Of El Segundo Taxable Pension Obligation Bonds And Authorizing A Trust Agreement, A Validation Action And Other Matters Relating Thereto" adopted on January 19, 2021 (the "Initial Resolution"), authorized the issuance of, its City of El Segundo (Los Angeles County, California) Taxable Pension Obligation Bonds, Series 2021 (the "Series 2021 Bonds") in an aggregate principal amount not exceeding the sum of (a) the City's unfunded accrued actuarial liability with respect to the Miscellaneous Plan, the Safety Police First Tier Plan and the Safety Fire Plan of the City under the CalPERS Contract pursuant to the Retirement Law as of the date of issuance of the Series 2021 Bonds as determined by CalPERS, (b) any original issue discount on the Series 2021 Bonds, and (c) the costs of issuance of the Series 2021 Bonds (including underwriters' discount on the Series 2021 Bonds), for the purpose of refunding a portion of the

City's unfunded accrued actuarial liability for City employees under the CalPERS Contract and the Retirement Law and thereby providing funds to CalPERS for investment; and

SECTION 6: CalPERS estimates that the City's unfunded accrued actuarial liability for City employees with respect to the Miscellaneous Plan, the Safety Police First Tier Plan and the Safety Fire Plan of the City under the CalPERS Contract and the Retirement Law will be an amount at least equal to \$151,074,420 as of the date of issuance of the Series 2021 Bonds; and

SECTION 7: In order to provide for the authentication and delivery of the Series 2021 Bonds, to establish and declare the terms and conditions upon which the Series 2021 Bonds are to be issued and secured and to secure the payment of the principal thereof, premium, if any, and interest thereon, the City proposes to enter into a Trust Agreement with U.S. Bank National Association, as trustee (the "Trustee") (the "Trust Agreement"), and the City Council, pursuant to the Initial Resolution, has approved the form of the Trust Agreement and authorized the Mayor of the City, and such other member of the City Council as the Mayor may designate, the City Manager, the Deputy City Manager and the Director of Finance of the City, and such other officers of the City as the City Manager may designate (collectively, the "Authorized Officers"), for and in the name of the City, to execute and deliver the Trust Agreement, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Trust Agreement by such Authorized Officer, subject to the provisions of the Initial Resolution; and

SECTION 8: The City Council, in the Initial Resolution, authorized and directed the Authorized Officers, and each of them, for and in the name of the City, to bring a validation action under Section 860 of the California Code of Civil Procedure seeking a judgment determining, among other things, that the Series 2021 Bonds and the Trust Agreement will be valid, legal and binding obligations of the City; and

SECTION 9: On April 12, 2021, a default judgment (the "Validation Judgment") was entered by the Superior Court of the State of California for the County of Los Angeles in the case entitled *City of El Segundo v. All Persons Interested et al.* (Case No. 21TRCV00070); and

SECTION 10: J.P. Morgan Securities, LLC, as representative of itself and Stifel, Nicolaus & Company, Inc (together, the "Underwriters"), has presented the City with a proposal, in the form of a Bond Purchase Contract, to purchase the Series 2021 Bonds (such Bond Purchase Contract, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the "Purchase Contract"); and

SECTION 11: Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 ("Rule 15c2-12") requires that, in order to be able to purchase or sell the Series 2021 Bonds, the Underwriters must have reasonably determined that an obligated person has undertaken in a written agreement or contract for the benefit of the holders of the Series 2021 Bonds to provide disclosure of certain financial information and certain enumerated events on an ongoing basis; and

SECTION 12: In order to cause such requirement to be satisfied, the City desires to enter into a Continuing Disclosure Certificate (such Continuing Disclosure Certificate, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the "Continuing Disclosure Certificate"); and

SECTION 13: There has been prepared a Preliminary Official Statement to be distributed in connection with the public offering of the Series 2021 Bonds (such Preliminary Official Statement

in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the "Preliminary Official Statement"); and

SECTION 14: There has been prepared and submitted to this meeting a form of the Purchase Contract, the Continuing Disclosure Certificate and the Preliminary Official Statement; and

SECTION 15: All acts, conditions and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the refunding of a portion of the City's unfunded accrued actuarial liability for City employees under the CalPERS Contract and the Retirement Law authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the City is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such refunding for the purpose, in the manner and upon the terms herein provided;

Now, therefore, be it resolved by the City Council of the City of El Segundo, as follows:

SECTION 16: All of the recitals herein contained are true and correct and the City Council of the City (the "City Council") so finds.

SECTION 17: The City Council hereby finds and declares that the issuance of the Series 2021 Bonds to refund a portion of the City's unfunded accrued actuarial liability for City employees under the CalPERS Contract and the Retirement Law and the other actions contemplated hereby are in the best interests of the City and are expected, based on investment and other assumptions, to result in significant savings to the taxpayers of the City.

SECTION 18: The Purchase Contract, in substantially the form submitted to this meeting and made a part hereof as though set forth herein, be and the same is hereby approved. The Authorized Officers are, and each of them is, hereby authorized and directed, for and in the name of the City, to execute and deliver the Purchase Contract, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Purchase Contract by such Authorized Officer; provided, however, that, the aggregate underwriters' discount from the principal amount of the Series 2021 Bonds shall not exceed \$325,000.

SECTION 19: The Continuing Disclosure Certificate, in substantially the form submitted to this meeting and made a part hereof as though set forth herein, be and the same is hereby approved. The Authorized Officers are, and each of them is, hereby authorized and directed, for and in the name of the City, to execute and deliver the Continuing Disclosure Certificate, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Continuing Disclosure Certificate by such Authorized Officer.

SECTION 20: The Preliminary Official Statement, in substantially the form presented to this meeting and made a part hereof as though set forth in full herein, with such changes therein as may be approved by an Authorized Officer, be and the same is hereby approved, and the use of the Preliminary Official Statement in connection with the offering and sale of the Series 2021 Bonds is hereby authorized and approved. The Authorized Officers are, and each of them is, hereby authorized and directed, for and in the name of the City, to certify to the Underwriters that the Preliminary Official Statement has been "deemed final" for purposes of Rule 15c2-12.

SECTION 21: The preparation and delivery of a final Official Statement (the "Official Statement"), and its use in connection with the offering and sale of the Series 2021 Bonds, be and the same is hereby authorized and approved. The Official Statement shall be in substantially the form of the Preliminary Official Statement with such changes, insertions and omissions as may be approved by an Authorized Officer, such approval to be conclusively evidenced by the execution and delivery thereof. The Authorized Officers are, and each of them is, hereby authorized and directed to execute the final Official Statement, and any amendment or supplement thereto, for and in the name of the City.

SECTION 22: The Authorized Officers are, and each of them hereby is, authorized and directed to execute and deliver any and all agreements, documents, certificates and instruments and to do and cause to be done any and all acts and things which they or any of them deem necessary or advisable in order to carry out the issuance of the Series 2021 Bonds and to consummate the transactions contemplated by the Trust Agreement, the Purchase Contract, the Continuing Disclosure Certificate, the Official Statement, the Initial Resolution and this Resolution.

SECTION 23: The City Council hereby approves the execution and delivery of any and all agreements, documents, certificates and instruments referred to herein with electronic signatures as may be permitted under the California Uniform Electronic Transactions Act and digital signatures as may be permitted under Section 16.5 of the Government Code using DocuSign.

SECTION 24: All actions heretofore taken by the officers and employees of the City with respect to the issuance and sale of the Series 2021 Bonds, or in connection with or related to any of the agreements, documents, certificates or instruments referenced herein, are hereby approved, confirmed and ratified.

SECTION 25: This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED RESOLUTION NO. _____ on this ___ day of _____, 2021.

Drew Boyles, Mayor

ATTEST:

Tracy Weaver, City Clerk

APPROVED AS TO FORM:

Mark D. Hensley, City Attorney

CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS
CITY OF EL SEGUNDO)

I, Tracy Weaver, City Clerk of the City of El Segundo, California, do hereby certify that the whole number of members of the City Council of said City is five; that the foregoing Resolution No. _____ was duly passed, approved and adopted by said City Council, approved and signed by the Mayor of said City, and attested to by the City Clerk of said City, all at a regular meeting of said Council held on the _____ day of _____, 2021, and the same was so passed and adopted by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:
NOT PARTICIPATING:

ATTEST:

Tracy Weaver, City Clerk

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold, nor may offers to buy them be accepted, prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2021

NEW ISSUE—BOOK-ENTRY ONLY

**RATING: S&P: “_____”
(See “RATING” herein)**

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the City, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is exempt from State of California personal income taxes. Bond Counsel observes that interest on the Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Code. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual, or receipt of interest on, the Bonds. See “TAX MATTERS” herein.

\$ _____
*
CITY OF EL SEGUNDO
(LOS ANGELES COUNTY, CALIFORNIA)
Taxable Pension Obligation Bonds, Series 2021

Dated: Date of Delivery

Due: July 1, as shown on the inside front cover page

The City of El Segundo (the “City”) is issuing its \$ _____ aggregate principal amount of City of El Segundo (Los Angeles County, California) Taxable Pension Obligation Bonds, Series 2021 (the “Bonds”), pursuant to a Trust Agreement, dated as of _____ 1, 2021, by and between the City and U.S. Bank National Association, as trustee, and pursuant to Articles 10 and 11 (commencing with Section 53570) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the “Act”). The Bonds are being issued: (i) to refund a portion of the City’s obligations to the California Public Employees Retirement System evidenced by the CalPERS Contract (as described herein); and (ii) to pay costs of issuance of the Bonds. See the caption “PLAN OF REFINANCING.” The Bonds are obligations of the City payable from any lawfully available funds, are not limited as to payment to any special source of funds of the City. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS.”

The Bonds will be delivered in fully registered form only, and when delivered will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). See the caption “THE BONDS—General.” So long as Cede & Co. is the registered owner of the Bonds, references herein to the owners of the Bonds mean Cede & Co. and do not mean the Beneficial Owners of the Bonds.

Interest on the Bonds is payable semiannually on January 1 and July 1 of each year, commencing January 1, 2022, through the maturity date of such Bonds. The Bonds will be issued in denominations of integral multiples of \$5,000. The Bonds will be issued in such principal amounts, and will bear interest at the rates, payable on the dates as shown on the inside front cover page of this Official Statement. The City has not funded a reserve fund in connection with the issuance of the Bonds.

The Bonds are subject to optional and mandatory sinking fund redemption prior to maturity as described under the caption “THE BONDS.”

The obligations of the City under the Bonds, including the obligation to make all payments of interest and principal when due, are obligations of the City imposed by law payable from funds to be appropriated by the City pursuant to the Public Employees’ Retirement Law, commencing with Section 20000 of the California Government Code and are absolute and unconditional, without any right of set-off or counterclaim. As provided in the Trust Agreement, all of the amounts held in the Bond Fund are pledged by the City to secure the payment of the principal or redemption price of and interest on the Bonds in accordance with their terms, the provisions of the Trust Agreement and the Act. The Bond Fund shall be funded from any source of legally available funds of the City. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” herein.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

The Bonds are offered when, as and if issued and received by the Underwriter, subject to the approval of the valid, legal and binding nature of the Bonds by Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the City, and certain other conditions. Certain matters will be passed upon for the City by the Hensley Law Group, the City Attorney, and by Stradling Yocca Carlson & Rauth, a Professional Corporation, as Disclosure Counsel, for the Underwriters by their counsel, Hawkins Delafield & Wood LLP, and for the Trustee by its counsel. It is anticipated that the Bonds will be available for delivery through the facilities of The Depository Trust Company on or about _____, 2021.

J.P. Morgan

Stifel, Nicolaus & Company, Inc.

Dated: _____, 2021

* Preliminary, subject to change.

MATURITY SCHEDULE

\$ _____*
CITY OF EL SEGUNDO
(LOS ANGELES COUNTY, CALIFORNIA)
Taxable Pension Obligation Bonds, Series 2021

BASE CUSIP†: _____

<i>Maturity (July 1)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>	<i>Yield</i>	<i>Price</i>	<i>CUSIP††</i>
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\$ _____ % Term Bond due July 1, 20 __; Yield _____%; Price 100.000; CUSIP†: _____

* Preliminary, subject to change.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by S&P Capital IQ. Copyright© 2021 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. Neither the City nor the Underwriters take any responsibility for the accuracy of such numbers.

**INFORMATION CONCERNING OFFERING RESTRICTIONS
IN CERTAIN JURISDICTIONS OUTSIDE THE UNITED STATES**

ANY REFERENCES IN THIS OFFICIAL STATEMENT TO THE “ISSUER” MEAN THE CITY OF EL SEGUNDO. AND REFERENCES TO “BONDS” OR “SECURITIES” MEAN THE BONDS OFFERED HEREBY. **NEITHER THE ISSUER NOR THE UNDERWRITERS ASSUME ANY RESPONSIBILITY FOR THE CONTENTS OF THIS SECTION.**

MINIMUM UNIT SALES

THE BONDS WILL TRADE AND SETTLE ON A UNIT BASIS (ONE UNIT EQUALING ONE BOND OF \$5,000 PRINCIPAL AMOUNT). FOR ANY SALES MADE OUTSIDE THE UNITED STATES, THE MINIMUM PURCHASE AND TRADING AMOUNT IS 30 UNITS (BEING 30 BONDS IN AN AGGREGATE PRINCIPAL AMOUNT OF \$150,000).

**NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA
 (“EEA”) OR THE UNITED KINGDOM**

THE BONDS ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA. FOR THESE PURPOSES, A “RETAIL INVESTOR” MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU (AS AMENDED, “MIFID II”); (II) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE (EU) 2016/97 (THE “INSURANCE DISTRIBUTION DIRECTIVE”), WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II; OR (III) NOT A QUALIFIED INVESTOR AS DEFINED IN REGULATION (EU) 2017/1129 (THE “PROSPECTUS REGULATION”). CONSEQUENTLY, NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO. 1286/2014 (AS AMENDED, THE “PRIIPS REGULATION”) FOR OFFERING OR SELLING THE BONDS OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EEA HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE BONDS OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION.

THE BONDS ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR IN THE UNITED KINGDOM. FOR THESE PURPOSES, A “RETAIL INVESTOR” MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT, AS DEFINED IN POINT (8) OF ARTICLE 2 OF REGULATION (EU) NO 2017/565 AS IT FORMS PART OF DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 (“EUWA”); (II) A CUSTOMER WITHIN THE MEANING OF THE PROVISIONS OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (THE “FSMA”) AND ANY RULES OR REGULATIONS MADE UNDER THE FSMA TO IMPLEMENT DIRECTIVE (EU) 2016/97, WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT, AS DEFINED IN POINT (8) OF ARTICLE 2(1) OF REGULATION (EU) NO 600/2014 AS IT FORMS PART OF DOMESTIC LAW BY VIRTUE OF THE EUWA; OR (III) NOT A QUALIFIED INVESTOR AS DEFINED IN ARTICLE 2 OF REGULATION (EU) 2017/1129 AS IT FORMS PART OF DOMESTIC LAW BY VIRTUE OF THE EUWA. CONSEQUENTLY NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014 AS IT FORMS PART OF DOMESTIC LAW BY VIRTUE OF THE EUWA (THE “UK PRIIPS REGULATION”) FOR OFFERING OR SELLING THE BONDS OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE UNITED

KINGDOM HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE BONDS OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE UNITED KINGDOM MAY BE UNLAWFUL UNDER THE UK PRIIPS REGULATION.

THIS OFFICIAL STATEMENT HAS BEEN PREPARED ON THE BASIS THAT ALL OFFERS OF THE BONDS TO ANY PERSON THAT IS LOCATED WITHIN A MEMBER STATE OF THE EEA OR THE UNITED KINGDOM WILL BE MADE PURSUANT TO AN EXEMPTION UNDER ARTICLE 1(4) OF THE PROSPECTUS REGULATION OR SECTION 86 OF THE FSMA (IN EACH CASE AS APPLICABLE) FROM THE REQUIREMENT TO PRODUCE A PROSPECTUS FOR OFFERS OF THE BONDS. ACCORDINGLY, ANY PERSON MAKING OR INTENDING TO MAKE ANY OFFER IN THE EEA OR THE UNITED KINGDOM OF THE BONDS SHOULD ONLY DO SO IN CIRCUMSTANCES IN WHICH NO OBLIGATION ARISES FOR THE ISSUER OR ANY OF THE UNDERWRITERS TO PROVIDE A PROSPECTUS FOR SUCH OFFER. NEITHER THE ISSUER NOR THE UNDERWRITERS HAVE AUTHORIZED, NOR DO THEY AUTHORIZE, THE MAKING OF ANY OFFER OF BONDS THROUGH ANY FINANCIAL INTERMEDIARY, OTHER THAN OFFERS MADE BY THE UNDERWRITERS, WHICH CONSTITUTE THE FINAL PLACEMENT OF THE BONDS CONTEMPLATED IN THIS OFFICIAL STATEMENT.

FOR THE PURPOSES OF THIS PROVISION, THE EXPRESSION AN “OFFER OF SECURITIES TO THE PUBLIC” IN RELATION TO THE BONDS IN ANY MEMBER STATE OF THE EEA OR THE UNITED KINGDOM MEANS THE COMMUNICATION IN ANY FORM AND BY ANY MEANS OF SUFFICIENT INFORMATION ON THE TERMS OF THE OFFER AND THE BONDS TO BE OFFERED SO AS TO ENABLE AN INVESTOR TO DECIDE TO PURCHASE THE BONDS OR SUBSCRIBE FOR THE BONDS.

EACH SUBSCRIBER FOR OR PURCHASER OF THE BONDS IN THE OFFERING LOCATED WITHIN A MEMBER STATE OF THE EEA OR THE UNITED KINGDOM WILL BE DEEMED TO HAVE REPRESENTED, ACKNOWLEDGED AND AGREED THAT IT IS A “QUALIFIED INVESTOR” AS DEFINED IN THE PROSPECTUS REGULATION AND IN ARTICLE 2 OF REGULATION (EU) 2017/1129 AS IT FORMS PART OF DOMESTIC LAW BY VIRTUE OF THE EUWA. THE ISSUER AND EACH UNDERWRITER AND OTHERS WILL RELY ON THE TRUTH AND ACCURACY OF THE FOREGOING REPRESENTATION, ACKNOWLEDGEMENT AND AGREEMENT.

ADDITIONAL NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM

THIS OFFICIAL STATEMENT HAS NOT BEEN APPROVED FOR THE PURPOSES OF SECTION 21 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (“FSMA”) AND DOES NOT CONSTITUTE AN OFFER TO THE PUBLIC IN ACCORDANCE WITH THE PROVISIONS OF SECTION 85 OF THE FSMA. THIS OFFICIAL STATEMENT IS FOR DISTRIBUTION ONLY TO, AND IS DIRECTED SOLELY AT, PERSONS WHO (I) ARE OUTSIDE THE UNITED KINGDOM, (II) ARE INVESTMENT PROFESSIONALS, AS SUCH TERM IS DEFINED IN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE “FINANCIAL PROMOTION ORDER”), (III) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) OF THE FINANCIAL PROMOTION ORDER, OR (IV) ARE PERSONS TO WHOM AN INVITATION OR INDUCEMENT TO ENGAGE IN INVESTMENT ACTIVITY (WITHIN THE MEANING OF SECTION 21 OF THE FSMA) IN CONNECTION WITH THE ISSUE OR SALE OF ANY SECURITIES MAY OTHERWISE BE LAWFULLY COMMUNICATED OR CAUSED TO BE COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS “RELEVANT PERSONS”). THIS OFFICIAL STATEMENT IS DIRECTED ONLY AT RELEVANT PERSONS AND MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS.

ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS OFFICIAL STATEMENT RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. ANY PERSON WHO IS NOT A RELEVANT PERSON SHOULD NOT ACT OR RELY ON THIS OFFICIAL STATEMENT OR ANY OF ITS CONTENTS.

NOTICE TO PROSPECTIVE INVESTORS IN SWITZERLAND

THIS OFFICIAL STATEMENT IS NOT INTENDED TO CONSTITUTE AN OFFER OR A SOLICITATION TO PURCHASE OR INVEST IN THE BONDS. THE BONDS MAY NOT BE PUBLICLY OFFERED, DIRECTLY OR INDIRECTLY, IN SWITZERLAND WITHIN THE MEANING OF THE SWISS FINANCIAL SERVICES ACT (“**FINSA**”) AND NO APPLICATION HAS OR WILL BE MADE TO ADMIT THE BONDS TO TRADING ON ANY TRADING VENUE (EXCHANGE OR MULTILATERAL TRADING FACILITY) IN SWITZERLAND. NEITHER THIS OFFICIAL STATEMENT NOR ANY OTHER OFFERING OR MARKETING MATERIAL RELATING TO THE BONDS CONSTITUTES A PROSPECTUS PURSUANT TO (I) THE FINSA OR (II) THE LISTING RULES OF THE SIX SWISS EXCHANGE AG OR ANY OTHER REGULATED TRADING VENUE IN SWITZERLAND AND NEITHER THIS OFFICIAL STATEMENT NOR ANY OTHER OFFERING OR MARKETING MATERIAL RELATING TO THE BONDS MAY BE PUBLICLY DISTRIBUTED OR OTHERWISE MADE PUBLICLY AVAILABLE IN SWITZERLAND. THIS OFFICIAL STATEMENT WILL NOT BE REVIEWED NOR APPROVED BY A REVIEWING BODY FOR PROSPECTUSES (*PRÜFSTELLE*).

NONE OF THIS OFFICIAL STATEMENT OR ANY OTHER OFFERING OR MARKETING MATERIAL RELATING TO THE OFFERING, THE ISSUER OR THE BONDS HAVE BEEN OR WILL BE FILED WITH OR APPROVED BY ANY SWISS REGULATORY AUTHORITY. IN PARTICULAR, THIS OFFICIAL STATEMENT WILL NOT BE FILED WITH, AND THE OFFER OF THE BONDS WILL NOT BE SUPERVISED BY, THE SWISS FINANCIAL MARKET SUPERVISORY AUTHORITY (“**FINMA**”), AND THE OFFER OF BONDS HAS NOT BEEN AND WILL NOT BE AUTHORIZED UNDER THE SWISS FEDERAL ACT ON COLLECTIVE INVESTMENT SCHEMES (“**CISA**”). ACCORDINGLY, INVESTORS DO NOT HAVE THE BENEFIT OF THE SPECIFIC INVESTOR PROTECTION PROVIDED UNDER THE CISA.

THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE INVESTMENT ADVICE. IT MAY ONLY BE USED BY THOSE PERSONS TO WHOM IT HAS BEEN HANDED OUT IN CONNECTION WITH THE BONDS AND MAY NEITHER BE COPIED NOR DIRECTLY OR INDIRECTLY DISTRIBUTED OR MADE AVAILABLE TO OTHER PERSONS.

NOTICE TO PROSPECTIVE INVESTORS IN HONG KONG

THE CONTENTS OF THIS OFFICIAL STATEMENT HAVE NOT BEEN REVIEWED BY ANY REGULATORY AUTHORITY IN HONG KONG. YOU ARE ADVISED TO EXERCISE CAUTION IN RELATION TO THE BONDS. IF YOU ARE IN ANY DOUBT ABOUT ANY OF THE CONTENTS OF THIS OFFICIAL STATEMENT, YOU SHOULD OBTAIN INDEPENDENT PROFESSIONAL ADVICE.

THIS OFFICIAL STATEMENT HAS NOT BEEN REGISTERED BY THE REGISTRAR OF COMPANIES IN HONG KONG PURSUANT TO THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE (CHAPTER 32) OF THE LAWS OF HONG KONG (“**C(WUMP)O**”).

ACCORDINGLY: (I) THE BONDS MAY NOT BE OFFERED OR SOLD IN HONG KONG BY MEANS OF ANY DOCUMENT OTHER THAN TO PERSONS WHO ARE “PROFESSIONAL INVESTORS” AS DEFINED IN THE SECURITIES AND FUTURES ORDINANCE (CHAPTER 571) OF

THE LAWS OF HONG KONG (“SFO”) AND ANY RULES MADE UNDER THE SFO, OR IN OTHER CIRCUMSTANCES WHICH DO NOT RESULT IN THE DOCUMENT BEING A “PROSPECTUS” AS DEFINED IN SECTION 2(1) OF THE C(WUMP)O OR WHICH DO NOT CONSTITUTE AN OFFER TO THE PUBLIC WITHIN THE MEANING OF THE C(WUMP)O; AND (II) NO PERSON MAY ISSUE OR HAVE IN ITS POSSESSION FOR THE PURPOSES OF ISSUE, WHETHER IN HONG KONG OR ELSEWHERE, ANY ADVERTISEMENT, INVITATION OR DOCUMENT RELATING TO THE BONDS, WHICH IS DIRECTED AT, OR THE CONTENTS OF WHICH ARE LIKELY TO BE ACCESSED OR READ BY, THE PUBLIC OF HONG KONG (EXCEPT IF PERMITTED TO DO SO UNDER THE SECURITIES LAWS OF HONG KONG) OTHER THAN WITH RESPECT TO BONDS WHICH ARE OR ARE INTENDED TO BE DISPOSED OF ONLY TO PERSONS OUTSIDE HONG KONG OR ONLY TO “PROFESSIONAL INVESTORS” AS DEFINED IN THE SFO AND ANY RULES MADE UNDER THE SFO.

NOTICE TO PROSPECTIVE INVESTORS IN JAPAN

THE BONDS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE FINANCIAL INSTRUMENTS AND EXCHANGE ACT OF JAPAN (ACT NO. 25 OF 1948, AS AMENDED, THE “FIEA”). NEITHER THE BONDS NOR ANY INTEREST THEREIN MAY BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, IN JAPAN OR TO, OR FOR THE BENEFIT OF, ANY RESIDENT OF JAPAN (AS DEFINED UNDER ITEM 5, PARAGRAPH 1, ARTICLE 6 OF THE FOREIGN EXCHANGE AND FOREIGN TRADE ACT (ACT NO. 228 OF 1949, AS AMENDED)), OR TO OTHERS FOR RE-OFFERING OR RESALE, DIRECTLY OR INDIRECTLY, IN JAPAN OR TO, OR FOR THE BENEFIT OF, ANY RESIDENT OF JAPAN, EXCEPT PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF, AND OTHERWISE IN COMPLIANCE WITH, THE FIEA AND ANY OTHER APPLICABLE LAWS, REGULATIONS AND MINISTERIAL GUIDELINES OF JAPAN.

THE PRIMARY OFFERING OF THE BONDS AND THE SOLICITATION OF AN OFFER FOR ACQUISITION THEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER PARAGRAPH 1, ARTICLE 4 OF THE FIEA. AS IT IS A PRIMARY OFFERING, IN JAPAN, THE BONDS MAY ONLY BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY TO, OR FOR THE BENEFIT OF CERTAIN QUALIFIED INSTITUTIONAL INVESTORS AS DEFINED IN THE FIEA (“QIIS”) IN RELIANCE ON THE QIIS-ONLY PRIVATE PLACEMENT EXEMPTION AS SET FORTH IN ITEM 2(I), PARAGRAPH 3, ARTICLE 2 OF THE FIEA. A QII WHO PURCHASED OR OTHERWISE OBTAINED THE BONDS CANNOT RESELL OR OTHERWISE TRANSFER THE BONDS IN JAPAN TO ANY PERSON EXCEPT ANOTHER QII.

NOTICE TO PROSPECTIVE INVESTORS IN TAIWAN

THE OFFER OF THE BONDS HAS NOT BEEN AND WILL NOT BE REGISTERED OR FILED WITH, OR APPROVED BY, THE FINANCIAL SUPERVISORY COMMISSION OF TAIWAN AND/OR OTHER REGULATORY AUTHORITY OF TAIWAN PURSUANT TO RELEVANT SECURITIES LAWS AND REGULATIONS, AND THE BONDS MAY NOT BE OFFERED, ISSUED OR SOLD IN TAIWAN THROUGH A PUBLIC OFFERING OR IN CIRCUMSTANCES WHICH CONSTITUTE AN OFFER WITHIN THE MEANING OF THE SECURITIES AND EXCHANGE ACT OF TAIWAN THAT REQUIRES THE REGISTRATION OR FILING WITH OR APPROVAL OF THE FINANCIAL SUPERVISORY COMMISSION OF TAIWAN. THE BONDS MAY BE MADE AVAILABLE OUTSIDE TAIWAN FOR PURCHASE BY INVESTORS RESIDING IN TAIWAN (EITHER DIRECTLY OR THROUGH PROPERLY LICENSED TAIWAN INTERMEDIARIES), BUT MAY NOT BE OFFERED OR SOLD IN TAIWAN EXCEPT TO QUALIFIED INVESTORS VIA A TAIWAN LICENSED INTERMEDIARY, TO THE EXTENT PERMITTED UNDER APPLICABLE LAWS AND REGULATIONS. ANY SUBSCRIPTIONS OF BONDS SHALL ONLY BECOME EFFECTIVE UPON ACCEPTANCE BY THE ISSUER OR THE RELEVANT DEALER OUTSIDE TAIWAN AND SHALL BE DEEMED A CONTRACT ENTERED INTO IN THE JURISDICTION OF INCORPORATION OF THE ISSUER OR RELEVANT DEALER, AS THE CASE MAY

BE, UNLESS OTHERWISE SPECIFIED IN THE SUBSCRIPTION DOCUMENTS RELATING TO THE BONDS SIGNED BY THE INVESTORS.

NOTICE TO PROSPECTIVE INVESTORS IN CANADA

THE BONDS MAY BE SOLD ONLY TO PURCHASERS PURCHASING, OR DEEMED TO BE PURCHASING, AS PRINCIPAL THAT ARE ACCREDITED INVESTORS, AS DEFINED IN NATIONAL INSTRUMENT 45-106 PROSPECTUS EXEMPTIONS OR SUBSECTION 73.3(1) OF THE SECURITIES ACT (ONTARIO), AND ARE PERMITTED CLIENTS, AS DEFINED IN NATIONAL INSTRUMENT 31-103 REGISTRATION REQUIREMENTS, EXEMPTIONS AND ONGOING REGISTRANT OBLIGATIONS. ANY RESALE OF THE BONDS MUST BE MADE IN ACCORDANCE WITH AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE PROSPECTUS REQUIREMENTS OF APPLICABLE SECURITIES LAWS.

SECURITIES LEGISLATION IN CERTAIN PROVINCES OR TERRITORIES OF CANADA MAY PROVIDE A PURCHASER WITH REMEDIES FOR RESCISSION OR DAMAGES IF THIS OFFICIAL STATEMENT (INCLUDING ANY AMENDMENT THERETO) CONTAINS A MISREPRESENTATION, PROVIDED THAT THE REMEDIES FOR RESCISSION OR DAMAGES ARE EXERCISED BY THE PURCHASER WITHIN THE TIME LIMIT PRESCRIBED BY THE SECURITIES LEGISLATION OF THE PURCHASER'S PROVINCE OR TERRITORY. THE PURCHASER SHOULD REFER TO ANY APPLICABLE PROVISIONS OF THE SECURITIES LEGISLATION OF THE PURCHASER'S PROVINCE OR TERRITORY FOR PARTICULARS OF THESE RIGHTS OR CONSULT WITH A LEGAL ADVISOR.

PURSUANT TO SECTION 3A.3 (OR, IN THE CASE OF SECURITIES ISSUED OR GUARANTEED BY THE GOVERNMENT OF A NON-CANADIAN JURISDICTION, SECTION 3A.4) OF NATIONAL INSTRUMENT 33-105 UNDERWRITING CONFLICTS (NI 33-105), THE UNDERWRITERS ARE NOT REQUIRED TO COMPLY WITH THE DISCLOSURE REQUIREMENTS OF NI 33-105 REGARDING UNDERWRITER CONFLICTS OF INTEREST IN CONNECTION WITH THIS OFFERING.

**CITY OF EL SEGUNDO
COUNTY OF LOS ANGELES, CALIFORNIA**

CITY COUNCIL

*Drew Boyles, Mayor
Chris Pimentel, Mayor Pro Tem
Carol Pirsztuk, Council Member
Scot Nicol, Council Member
Lance Giroux, Council Member*

CITY OFFICIALS

*Matthew Robinson, City Treasurer
Tracy Weaver, City Clerk
Scott Mitnick, City Manager
Joseph Lillio, CFO
Wei Cao, Management Analyst*

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Bond Counsel

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Irvine, California

Disclosure Counsel

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Newport Beach, California

City Attorney

Hensley Law Group
Los Angeles, California

Municipal Advisor

KNN Public Finance LLC
Los Angeles, California

Trustee

U.S. Bank National Association
Los Angeles, California

No dealer, broker, salesperson or other person has been authorized by the City, the Fiscal Agent or the Underwriters to give any information or to make any representations in connection with the offer or sale of the Bonds other than those contained herein and, if given or made, such other information or representations must not be relied upon as having been authorized by the City, the Fiscal Agent or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers or Owners of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. This Official Statement, including any supplement or amendment hereto, is intended to be deposited with a nationally recognized municipal securities depository.

The Underwriters have provided the following sentence for inclusion in this Official Statement:

The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

The information set forth herein which has been obtained by the City from third party sources is believed to be reliable but is not guaranteed as to accuracy or completeness by the City or the Fiscal Agent. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City, the landowners within the City or any other parties described herein since the date hereof. All summaries of the Trust Agreement or other documents are made subject to the provisions of such documents respectively and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the City for further information in connection therewith.

While the City maintains an internet website for various purposes, none of the information on that website is incorporated by reference herein or intended to assist investors in making any investment decision or to provide any continuing information with respect to the Bonds or any other bonds or obligations of the City.

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “project,” “budget” or other similar words. Such forward-looking statements include, but are not limited to, certain statements contained in the information under the caption “THE ASSESSMENT DISTRICT.”

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE CITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THE FORWARD-LOOKING STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED IN SUCH ACT. THE BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.

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§ _____ *

**CITY OF EL SEGUNDO
(LOS ANGELES COUNTY, CALIFORNIA)
Taxable Pension Obligation Bonds, Series 2021**

INTRODUCTION

This Introduction contains only a brief summary of certain of the terms of the Bonds being offered and a brief description of the Official Statement. All statements contained in this Introduction are qualified in their entirety by reference to the entire Official Statement. References to, and summaries of, provisions of the Constitution and laws of the State of California (the "State") and any documents referred to herein do not purport to be complete, and such references are qualified in their entirety by the complete documents. This Official Statement speaks only as of its date, and the information contained herein is subject to change.

General

This Official Statement provides certain information concerning the issuance, sale and delivery of the City of El Segundo (Los Angeles County, California) Taxable Pension Obligation Bonds, Series 2021 (the "Bonds"), in the aggregate principal amount of \$ _____*. The Bonds are being issued pursuant to the Trust Agreement, dated as of _____ 1, 2021 (the "Trust Agreement"), by and between the City of El Segundo (the "City") and U.S. Bank National Association, Los Angeles, California, as trustee (the "Trustee"). For definitions of certain words and terms which are used herein but not otherwise defined, see Appendix B.

The Bonds are being issued: (i) to refund a portion of the City's obligations (the "Pension Liability") to the California Public Employees Retirement System ("CalPERS") evidenced by the CalPERS Contract (as described herein); and (ii) to pay costs of issuance of the Bonds. See the caption "PLAN OF REFINANCING."

The Bonds

The City is a member of CalPERS, an agent multiple-employer public employee defined benefit pension plan. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California (the "State"), including the City. As such, the City is obligated by the Public Employees' Retirement Law, constituting Part 3 of Division 5 of Title 2 of the California Government Code (the "Retirement Law"), and the contract, dated August 25, 1943 (as amended, the "CalPERS Contract"), by and between the City Council of the City (the "City Council") and the Board of Administration of CalPERS, to make contributions to CalPERS: (a) to fund pension benefits for City employees who are members of CalPERS; (b) to amortize the unfunded actuarial liability with respect to such pension benefits; and (c) to appropriate funds for such purposes.

The City is authorized pursuant to Articles 10 and 11 (commencing with Section 53570) of Chapter 3 of Division 2 of Title 5 of the California Government Code (the "Act"), to issue bonds for the purpose of refunding obligations evidenced by the CalPERS Contract. The Bonds are authorized and issued pursuant to the Trust Agreement and a resolution adopted by the City Council on January 19, 2021 (the "Resolution"). The proceeds of the sale of the Bonds (exclusive of amounts applied to pay costs of issuance) will be used to refund a portion of the City's obligations evidenced by the CalPERS Contract, representing the Pension Liability with respect to certain pension benefits under the Retirement Law.

* Preliminary, subject to change.

Security and Sources of Payment for the Bonds

The obligations of the City under the Bonds, including the obligation to make all payments of interest and principal when due, are obligations of the City imposed by law payable from funds to be appropriated by the City pursuant to the Public Employees' Retirement Law, commencing with Section 20000 of the California Government Code (the "Retirement Law") and are absolute and unconditional, without any right of set-off or counterclaim. The Trust Agreement provides for the establishment and maintenance in trust a special fund designated the "Bond Fund." Subject only to the provisions of the Trust Agreement permitting the application thereof for the purposes and on the terms and conditions set forth therein, all of the amounts held in the Bond Fund are pledged by the City to secure the payment of the principal or redemption price of and interest on the Bonds in accordance with their terms, the provisions of the Trust Agreement and the Act. As described herein, the Bond Fund shall be funded pursuant to the terms of the Trust Agreement from any source of legally available funds of the City.

Pursuant to the Trust Agreement, not later than five (5) Business Days prior to each Interest Payment Date, the City is obligated to deposit or cause to be deposited with the Trustee for deposit into the Bond Fund the amount which will equal the amount of the principal of and interest on the Bonds coming due on such Interest Payment Date. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" herein.

THE OBLIGATIONS OF THE CITY UNDER THE BONDS, INCLUDING THE OBLIGATION TO MAKE ALL PAYMENTS OF INTEREST AND PRINCIPAL WHEN DUE, ARE OBLIGATIONS OF THE CITY IMPOSED BY LAW AND ARE ABSOLUTE AND UNCONDITIONAL, WITHOUT ANY RIGHT OF SET-OFF OR COUNTERCLAIM. EXCEPT TO THE EXTENT OF THE PENSION TAX OVERRIDE AS PROVIDED IN THE TRUST AGREEMENT, THE BONDS DO NOT CONSTITUTE AN OBLIGATION OF THE CITY FOR WHICH THE CITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION. NEITHER THE BONDS NOR THE OBLIGATION OF THE CITY TO MAKE PAYMENTS ON THE BONDS CONSTITUTE AN INDEBTEDNESS OF THE CITY, THE STATE, OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

Validation

On February 2, 2021, the City filed a complaint in the Superior Court of the State of California for the County of Los Angeles (the "Court") in a matter entitled *City of El Segundo v. All Persons Interested et al.* (Case No. 21TRCV00070) (the "Validation Petition"). The City filed the Validation Petition in order to seek judicial validation of the issuance of the Bonds and any future bonds issued to refund the Bonds. On April 12, 2021, the Court entered a default judgment (the "Validation Judgment") in favor of the City with respect to the Validation Petition. See the caption "VALIDATION."

Continuing Disclosure

The City has covenanted for the benefit of the Holders of the Bonds to provide, or to cause to be provided, to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System certain annual financial information and operating data and, in a timely manner, notice of certain enumerated events. These covenants have been made in order to assist the Underwriters in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time ("Rule 15c2-12"). See the caption "CONTINUING DISCLOSURE" and Appendix D for a description of the specific nature of the annual report and notices of enumerated events.

Miscellaneous

The information and expressions of opinion herein speak only as of their date and are subject to change without notice. Neither the delivery of this Official Statement nor any sale made hereunder nor any future use

of this Official Statement will, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof.

Included herein are brief summaries of the Trust Agreement and certain documents and reports, which summaries do not purport to be complete or definitive, and reference is made to such documents and reports for full and complete statements of the contents thereof. See Appendix B. Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or Holders of the Bonds. Copies of the documents are on file and available for inspection at the corporate trust office of the Trustee in Los Angeles, California. All capitalized terms used in this Official Statement and not otherwise defined have the meanings given to such terms in the Trust Agreement.

THE BONDS

General

The Bonds will be issued in fully registered form only and, when delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as Securities Depository for the Bonds. Ownership interests in the Bonds may be purchased in book-entry form only, in the denominations hereinafter set forth. Principal, premium, if any, and interest on the Bonds will be payable by the Trustee to DTC, which is obligated in turn to remit such principal and interest to DTC Participants for subsequent disbursement to Beneficial Owners of the Bonds. See Appendix E.

The Bonds will be dated the date of delivery, mature on the dates and in the principal amounts and bear interest at the rates set forth on the inside front cover page of this Official Statement. The Bonds will be delivered in denominations equal to \$5,000 or any integral multiple thereof. Interest on the Bonds will be payable on each July 1 and January 1, commencing January 1, 2022 (each, an “Interest Payment Date”).

Payment of interest on the Bonds due on or before the maturity or prior redemption thereof will be made to the person whose name appears in the registration books kept by the Trustee as the Owner thereof as of the close of business on the Record Date for an Interest Payment Date, whether or not such day is a Business Day, such interest to be paid by check mailed on the Interest Payment Date by first class mail to such Owner at the address as it appears in such books; provided that upon the written request of an Owner of \$1,000,000 or more in aggregate principal amount of Bonds received by the Trustee prior to the applicable Record Date, interest will be paid by wire transfer in immediately available funds. “Record Date” means the 15th calendar day of the month preceding each Interest Payment Date, whether or not such day is a Business Day. For a further description of the Bonds, see “– Redemption Provisions” below and APPENDIX D — “SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT.”

Optional Redemption of the Bonds

Optional Redemption. The Bonds are subject to optional redemption prior to their maturity at the option of the City, in whole or in part, on any date on or after July 1, 20__, from any source of available funds, at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed, plus unpaid, accrued interest thereon to the date of redemption, without premium.

Make-Whole Optional Redemption. [From the date of issuance of the Bonds to but not including July 1, 20__, the Bonds are subject to redemption prior to their respective stated maturities, at the option of the City, from lawfully available funds deposited in the Optional Redemption Account, as a whole or in part (in such order of maturity as shall be selected by the City in a written order of the City filed with the Trustee and if the Bonds are held in full book entry form with DTC, by *pro rata* pass-through distribution of principal), on any date, at a redemption price equal to the greater of:

(1) 100% of the principal amount of such Bonds to be redeemed; or

(2) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date or dates of such Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which such Bonds are to be redeemed, discounted to the date on which such Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, [(i) with respect to the Bonds maturing on July 1, 20__ through and including July 1, 20__, at the Treasury Rate, and (ii) with respect to the Bonds maturing on July 1, 20__ through and including July 1, 20__, at the Treasury Rate, plus __ basis points],

plus, in each case, accrued interest on such Bonds to be redeemed to the redemption date.

“Treasury Rate” means, with respect to any redemption date for a particular Bond, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days, but no more than 45 calendar days, prior to the redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to the maturity date of the Bond to be redeemed (taking into account any sinking fund installments for such Bond); provided, however, that if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

The redemption price of the Bonds to be redeemed at the option of the City pursuant to the Make-Whole Optional Redemption provisions shall be determined by an independent accounting firm, investment banking firm or financial advisor retained by the City at the City’s expense to calculate such redemption price. The City and the Trustee shall be furnished the redemption price by such independent accounting firm, investment banking firm or financial advisor prior to the redemption date giving the Trustee sufficient time to process payment of the redemption price and the City and the Trustee may conclusively rely on the determination of such redemption price by such independent accounting firm, investment banking firm or financial advisor and will not be liable for such reliance.]

Mandatory Sinking Fund Redemption of the Bonds

The Bonds maturing July 1, 20__ (the “20__ Term Bonds”) are subject to mandatory sinking fund redemption at a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium. The 20__ Term Bonds will be so redeemed on the following dates and in the following amounts:

<i>Redemption Date (July 1)</i>	<i>Principal Amount</i>
-------------------------------------	-----------------------------

*

* Final maturity.

Selection of Bonds to Be Redeemed

[Redemption payments on the Bonds being redeemed in part will be made in Authorized Denominations from among maturities as the City shall direct the Trustee in writing or on a pro rata basis to each Owner in whose name such Bonds are registered on the Record Date immediately preceding a redemption date. “Pro rata” is determined, in connection with any mandatory sinking fund redemption or any optional redemption, in part, by multiplying the principal amount of the Bonds of such maturity to be redeemed on the applicable redemption

date by a fraction, the numerator of which is equal to the principal amount of the Bonds of such maturity owned by an Owner, and the denominator of which is equal to the total amount of the Bonds of such maturity then Outstanding immediately prior to such redemption date, and then rounding the product down to the next lower integral multiple of \$5,000, provided that the portion of any Bonds to be redeemed shall be in Authorized Denominations and all Bonds of a maturity to remain outstanding following any redemption shall be in Authorized Denominations.

If the Bonds are in book-entry form at the time of such redemption, the Trustee shall provide written notice to DTC in accordance with the Trust Agreement and the pro rata reduction in principal provision included in the DTC Letter of Representations of the City on file with DTC. The particular Bonds within a maturity to be redeemed shall be redeemed on a “Pro-Rata Pass-Through Distribution of Principal” basis in accordance with DTC procedures, provided that such redemption is made in accordance with the operational arrangements of DTC then in effect. The Underwriters have advised the Trustee and the City that the Bonds will be made eligible for partial redemption to be treated by DTC in accordance with its rules and procedures as a “pro rata pass-through distribution of principal.” The Trustee will send notice to DTC in accordance with such rules and procedures to effect a pro rata reduction of principal of all affected outstanding Bonds to accomplish the optional and mandatory sinking account redemptions described above using a pass-through distribution of principal. In connection with each such redemption, the Trustee will include in the written notice of redemption described above the dollar amount per \$1,000 principal amount payable on account of principal and accrued interest to effect a pro rata reduction through a pass-through distribution of principal on the related redemption date. DTC will be responsible for distributing the principal and accrued interest among its Direct Participants, as applicable, pro rata in accordance with its rules and procedures for a pro rata pass-through distribution of principal based upon the beneficial interest in the Bonds being redeemed that DTC records list as owned by each DTC Direct Participant as of the record date for such payment. Any failure of the Trustee to provide such notice, or of DTC or its participants or any other intermediary to make such selection or proportional allocation, for whatever reason, will not affect the sufficiency or the validity of the redemption of the Bonds. In addition, if DTC’s prevailing operational arrangements do not allow for allocation of a redemption on a pro rata pass-through distribution of principal basis, the portion of the Bonds to be redeemed on such redemption date will be selected in accordance with DTC’s then existing rules and procedures, and may be by lot.]

Notice of Redemption

Notice of redemption will be mailed by first-class mail by the Trustee, not less than 20 nor more than 60 days prior to the redemption date to the respective Owners of the Bonds designated for redemption at their addresses appearing on the registration books of the Trustee. Each notice of redemption will state the date of such notice, the redemption price, if any, (including the name and appropriate address of the Trustee), the CUSIP number (if any) and ISIN number (if any) of the maturity or maturities, and, if less than all of any such maturity is to be redeemed, the distinctive certificate numbers of the Bonds of such maturity, to be redeemed and, in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice will also state that on said date there will become due and payable on each of said Bonds the redemption price, if any, thereof and in the case of a Bond to be redeemed in part only, the specified portion of the principal amount thereof to be redeemed, together with interest accrued thereon to the redemption date, and that from and after such redemption date interest thereon will cease to accrue, and will require that such Bonds be then surrendered at the address of the Trustee specified in the redemption notice; provided, however, that any such notice of redemption may be cancelled and annulled by a Written Request of the City given to the Trustee at least five days prior to the date fixed for redemption, whereupon the Trustee will forthwith give appropriate notice of such cancellation and annulment to all the recipients of such notice of redemption. The failure of any Owner to receive notice pursuant to the Trust Agreement or any defect therein shall not invalidate any of the proceedings taken in connection with such redemption.

With respect to any notice of any optional redemption of Bonds, such notice may state that such redemption is conditional upon receipt by the Trustee, on or prior to the date fixed for such redemption, of moneys that, together with other available amounts held by the Trustee, are sufficient to pay the redemption

price of, and accrued interest on, the Bonds to be redeemed, and that if such moneys is not so received, such notice will be of no force and effect and the City will not be required to redeem such Bonds. In the event a notice of redemption of Bonds contains such a condition and such moneys are not so received, the redemption of Bonds as described in the conditional notice of redemption will not be made and the Trustee will, within a reasonable time after the date on which such redemption was to occur, give notice to the persons and in the manner in which the notice of redemption was given, that such moneys were not so received and that there will be no redemption of Bonds pursuant to such notice of redemption.

If notice of redemption has been duly given as aforesaid and money for the payment of the redemption price of the Bonds called for redemption is held by the Trustee, then on the redemption date designated in such notice Bonds so called for redemption shall become due and payable, and from and after the date so designated interest on such Bonds shall cease to accrue, and the Owners of such Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof.

All Bonds redeemed pursuant to the provisions of the Trust Agreement will be canceled by the Trustee upon surrender thereof and destroyed.

SECURITY AND SOURCE OF PAYMENT FOR THE BONDS

General

The City is a member of CalPERS, an agent multiple-employer public employee defined benefit pension plan. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State, including the City. As such, the City is obligated by the Retirement Law and the CalPERS Contract, to make contributions to CalPERS to (a) fund pension benefits for City employees who are members of CalPERS, (b) amortize the unfunded actuarial liability with respect to such pension benefits, and (c) appropriate funds for such purposes. The City is authorized pursuant to the Act to issue bonds for the purpose of refunding obligations evidenced by the CalPERS Contract. The proceeds from the sale of the Bonds (exclusive of costs of issuance) will be used to refund the City's obligations to CalPERS pursuant to the CalPERS Contract and representing the current unfunded actuarial accrued liability with respect to certain pension benefits under the Retirement Law. The authorization by the City of the issuance of the Bonds as obligations of the City imposed by law, and as to the validity and conformity of the Bonds with all applicable provisions of law, were validated by a judgment of the Superior Court of the State of California in and for the County of Los Angeles entered on April 12, 2021. See "VALIDATION" herein.

Bond Payments

The obligations of the City under the Bonds, including the obligation to make all payments of interest and principal when due, are obligations of the City imposed by law payable from funds to be appropriated by the City pursuant to the Retirement Law and are absolute and unconditional, without any right of set-off or counterclaim. The Trust Agreement provides for the establishment and maintenance in trust a special fund designated the "Bond Fund." Subject only to the provisions of the Trust Agreement permitting the application thereof for the purposes and on the terms and conditions set forth therein, all of the amounts held in the Bond Fund are pledged by the City to secure the payment of the principal or redemption price of and interest on the Bonds in accordance with their terms, the provisions of the Trust Agreement and the Act. Said pledge shall constitute a first lien on such assets.

The Trust Agreement provides that not later than five (5) Business Days prior to each Interest Payment Date, the City is obligated to deposit or cause to be deposited with the Trustee for deposit into the Bond Fund an amount of the principal of and interest on the Bonds coming due on such Interest Payment Date. The Bond Fund shall be funded pursuant to the terms of the Trust Agreement first, from Pension Tax Override Revenues

up to the Secured Amount (each as defined herein) and second, from any other source of legally available funds of the City.

In the event that, on the fourth Business Day prior to each Interest Payment Date, amounts in the Bond Fund are insufficient to pay the principal, if any, of and interest on the Bonds due and payable on such Interest Payment Date, the Trustee shall immediately notify the City of the amount of such insufficiency. Upon being so notified, the City shall, prior to the close of business on the Business Day immediately preceding such Interest Payment Date, deliver or cause to be delivered to the Trustee immediately available funds in an amount equal to the amount of such insufficiency. Immediately upon receipt thereof, the Trustee shall deposit such funds in the Bond Fund.

On each Interest Payment Date, the Trustee shall withdraw from the Bond Fund for payment to the Owners of the Bonds the principal, if any, of and interest on the Bonds then due and payable. If there are insufficient funds in the Bond Fund to pay the principal, if any, of and interest on the Bonds, the Trustee shall apply the available funds first to the payment of interest on the Bonds, then to the payment of principal of the Bonds.

The Bonds do not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation. Neither the Bonds nor the obligation of the City to make payments on the Bonds constitute an indebtedness of the City, the State, or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction. See “CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS” herein.

Limited Obligations

THE BONDS ARE GENERAL OBLIGATIONS OF THE CITY PAYABLE FROM ANY LAWFULLY AVAILABLE FUNDS OF THE CITY AND ARE NOT LIMITED AS TO PAYMENT TO ANY SPECIAL SOURCE OF FUNDS OF THE CITY. THE OBLIGATIONS OF THE CITY UNDER THE BONDS, INCLUDING THE OBLIGATION TO MAKE ALL PAYMENTS OF INTEREST AND PRINCIPAL WHEN DUE, ARE OBLIGATIONS OF THE CITY IMPOSED BY LAW AND ARE ABSOLUTE AND UNCONDITIONAL, WITHOUT ANY RIGHT OF SET-OFF OR COUNTERCLAIM. THE BONDS DO NOT CONSTITUTE AN OBLIGATION OF THE CITY FOR WHICH THE CITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION. NEITHER THE BONDS NOR THE OBLIGATION OF THE CITY TO MAKE PAYMENTS ON THE BONDS CONSTITUTE AN INDEBTEDNESS OF THE CITY, THE STATE, OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

Additional Bonds

The City may from time to time issue additional bonds for (i) the purpose of satisfying any obligation of the City to make payments to CalPERS pursuant to the Retirement Law relating to pension benefits accruing to CalPERS’ members, and/or for payment of all costs incidental to or connected with the issuance of additional bonds for such purpose, and/or (ii) the purpose of refunding any Bonds then Outstanding, including payment of all costs incidental to or connected with such refunding. Such additional bonds may be issued on a parity with the Bonds without the consent of any Owner. For more information regarding the issuance of additional bonds, see APPENDIX D – “SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT – Additional Bonds.”

No Reserve Fund

The City has not funded a reserve fund in connection with the issuance of the Bonds.

PLAN OF REFINANCING

Plan of Refinancing

The Bonds are being issued: (i) to refund a portion of the City's Pension Liability consisting of 100% of the City's unfunded actuarial accrued liability to CalPERS as of June 30, 2021 with respect to the City's Miscellaneous Plan, Safety Police 1st Tier Plan and Safety Fire Plan (the "Unfunded Liability"); and (ii) to pay costs of issuance of the Bonds. See "ESTIMATED SOURCES AND USES OF FUNDS" herein.

CalPERS has notified the City as to the amount of the Unfunded Liability based on the June 30, 2019 actuarial valuations, which are the most recent actuarial valuations performed by CalPERS for the City's Miscellaneous Plan, Safety Police 1st Tier Plan and Safety Fire Plan. Based on the June 30, 2019 actuarial valuation as reported by CalPERS to the City, CalPERS has projected the City's total unfunded actuarial accrued liability to be \$151,663,248 as of June 30, 2021, consisting of \$34,407,895 with respect to the City's Miscellaneous Plan, \$61,677,695 with respect to the City's Safety 1st Tier Police Plan and \$55,577,658 with respect to the Safety Fire Plan. The Bonds are being issued to refund 100% of the Unfunded Liability. With this deposit, the City will have fully funded of its Unfunded Liability and will not be required to make any further payments to CalPERS with respect to the Unfunded Liability refinanced by the Bonds. It is possible that CalPERS will determine at a future date that an additional unfunded liability exists that is attributable to the City if actual plan experience differs from the current actuarial estimates.

The City also contributes to a Safety Police 2nd Tier Plan, a PEPRSA Safety Police Plan and a PEPRSA Safety Fire Plan. The proceeds of the Bonds will not be used to refund any unfunded actuarial accrued liability to CalPERS for such plans. On March 29, 2021, the City prepaid its share of the unfunded actuarial accrued liability with respect to the Safety Police 2nd Tier Plan, the PEPRSA Safety Police Plan, and the PEPRSA Safety Fire Plan. See the caption "THE CITY—City Employees Retirement Program" for information with respect to such plans.

Policies for Addressing Unfunded Retirement Costs

On March 16, 2021, the City Council adopted an Unfunded Actuarial Liability Policy (the "UAL Policy") to provide guidance on the development and adoption of a funding plan for any unfunded actuarial liabilities that are calculated annually by CalPERS, or for any unfunded actuarial liabilities remaining immediately after the issuance of the Bonds. The purpose of the UAL Policy is to establish a framework for funding the City's defined benefit pension plan, taking into account factors that are relevant to the plan and the City. The UAL Policy provides that the City's overall objective is to fund its CalPERS plans near 100% of the total actuarial liability, and no less than 80% whenever possible. The UAL Policy provided guidance with respect to the issuance of the Bonds. The UAL Policy provides that it should be reviewed on an annual basis, during the strategic planning session or the budget study session, to ensure compliance and to consider potential updates to the UAL Policy.

The City has also established two Section 115 Trusts to prefund certain pension costs and other post-employment costs. See "THE CITY – City Employees Retirement Program."

See the caption "THE CITY—Financial Management Policies" for more information with respect to other financial management policies adopted by the City Council.

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds to be received from the sale of the Bonds are estimated to be applied as set forth below.

Sources

Principal Amount of Bonds	\$ _____
Total Sources	\$ _____

Uses

Funding of Unfunded Liability ⁽¹⁾	\$ _____
Costs of Issuance ⁽²⁾	_____
Total Uses	\$ _____

⁽¹⁾ Deposit to CalPERS Payment Fund. See the caption "PLAN OF REFINANCING."

⁽²⁾ Includes Underwriters' discount, fees of the rating agency, Municipal Advisor, Bond Counsel, Disclosure Counsel and Trustee, printing costs and other costs of issuance.

ANNUAL DEBT SERVICE REQUIREMENTS

The following table sets forth scheduled debt service on the Bonds, assuming no optional redemptions prior to maturity.

**City of El Segundo
Debt Service Schedule**

<i>Fiscal Year</i>			
<i>Ending</i>			
<i>June 30</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>

Total

Source: Underwriter.

THE CITY

History

The City of El Segundo is a general law city located in the South Bay area of Los Angeles County on the coast of the Pacific Ocean. The City is located 14 miles southwest of downtown Los Angeles, adjacent to the City of Los Angeles International Airport. The City provides a full range of municipal services, including police and fire protection; highway, street and infrastructure maintenance and construction; water and wastewater operations; solid waste operations; library services; planning, zoning and code enforcement; recreational and cultural activities; and general administration.

The City celebrated its centennial anniversary in 2017, commemorating 100 years of innovation, leadership, and growth. In 1911, Standard Oil (Chevron) opened its second refinery in California in what is now the City. The City was incorporated 1917 with its foundation as home to workers in the petroleum industry. Over the last 100 years, the City has become a thriving business center, home to AT&T, the Los Angeles Times, the Los Angeles Lakers and the Los Angeles Kings, DaVita Healthcare and Mattel.

Los Angeles Air Force Base and the Aerospace Corporation are located in the City, and the City has a longstanding tradition of innovation in aerospace. Boeing, Northrop Grumman, Lockheed Martin and Raytheon are among the many prestigious Fortune 500 companies with facilities in the City. Global Positioning Satellite Systems, Global Hawk's unmanned aerial vehicle surveillance aircraft, and the FA-18 were also developed and conceived in the City. The United States Air Force also recently announced that Los Angeles Air Force Base will become home to the Space Systems Command, a field command of the United States Space Force.

Population and Employment

The City has a population of approximately 17,000 residents and is basically “built-out.” The City’s day-time population increases to around 60,000.

Major employers in the City include Boeing Satellite Systems, Raytheon Space & Airborne Systems, Aerospace Corporation, Northrop Grumman Corporation, Mattel Inc., Chevron Products Company/USA Inc., Internet Brands Inc., Karl Storz Endoscopy America Inc., Infineon Technologies Americas Corp. and Big 5 Sporting Goods. In recent years the City has drawn in businesses including plant-based meat maker Beyond Meat as well as news outlet Los Angeles Times, recreation and entertainment venue Topgolf and electronics maker Belkin. The City has become among the Los Angeles region’s most active locations for tech and upstart companies. In addition to aerospace and petroleum, the local economy is comprised of many high-growth industries, including: bioscience, emerging technology, creative services, sports, entertainment, and professional services. The City is also home to inventive and growing companies that will shape the future economy, such as Kite Pharma, JustFab, Beyond Meat, Millenium Space Systems, and WPromote.

The following table shows the unemployment rate within the City, the County and State and the United States.

TABLE 1
City of El Segundo
Unemployment Rates for City, County, State and United States⁽¹⁾
2016-2021

	2016	2017	2018	2019	2020	Mar-21
El Segundo	6.2%	5.6%	5.4%	5.2%	13.5%	11.5%
Los Angeles County	5.2	4.7	4.7	4.4	12.80	10.9
State of California	5.4	4.8	4.2	4.0	10.10	8.2
United States	4.9	4.4	3.9	3.7	8.10	6.2

⁽¹⁾ Data Not Seasonally Adjusted

Source: Employment Development Department Labor Market Information Division
U.S. Bureau of Labor Statistics

The following tables show the per capita income and the median household income, respectively, within the City, the County, the State and the United States for the ten most recently available years.

TABLE 2A
City of El Segundo
Per Capita Income City, County, State and United States
2010-2019

Per Capita Income	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
El Segundo	\$47,421	\$46,185	\$44,188	\$43,218	\$42,575	\$45,644	\$47,749	\$48,205	\$49,818	\$55,948
Los Angeles County	27,344	27,954	27,900	27,749	27,987	28,337	29,301	30,798	32,469	34,156
State of California	29,188	29,634	29,551	29,527	29,906	30,318	31,458	33,128	35,021	36,955
United States	27,334	27,915	28,051	28,155	28,555	28,930	29,829	31,177	32,621	34,103

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates

TABLE 2B
City of El Segundo
Median Household Income City, County, State and United States
2010-2019

Median Household Income	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
El Segundo	\$89,926	\$88,486	\$86,364	\$84,341	\$84,004	\$85,727	\$91,623	\$92,942	\$98,813	\$109,577
Los Angeles County	55,476	56,266	56,241	55,909	55,870	56,196	57,952	61,015	64,251	68,044
State of California	60,883	61,632	61,400	61,094	61,489	61,818	63,783	67,169	71,228	75,235
United States	51,914	52,762	53,046	53,046	53,482	53,889	55,322	57,652	60,293	62,843

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates

Municipal Government

The City Council, consisting of five members, City Clerk and City Treasurer are elected at large for four-year terms. The City's current elected officials are:

<i>Title</i>	<i>Member</i>	<i>Term Expires</i>
Mayor	Drew Boyles	June 2024
Mayor Pro Tem	Chris Pimentel	June 2022
Councilmember	Carol Pirsztuk	June 2024
Councilmember	Scot Nicol	June 2022
Councilmember	Lance Giroux	June 2024
City Clerk	Tracy Weaver	June 2024
City Treasurer	Matthew Robinson	June 2024

Appointed staff members serving the City are:

Scott Mitnick	City Manager
Mark D. Hensley	City Attorney

City Employees

There are approximately 278 budgeted, authorized full-time City employees, excluding elected officials. Additionally, the City employs part-time staff equating to approximately 86.76 full-time equivalent positions. The City generally enjoys positive relations with its employees. Approximately 18% of the City's full-time employees are not represented, while the remaining 82% are represented by employee organizations within six bargaining units. The six bargaining units are: General Employees Association, Supervisory & Professional Employees, Firefighters Association, Police Officers Association, Police Support Services, and Management Police. City Manager, Directors/Executives, Fire Management and Mid-Management & Confidential are unrepresented. The labor agreements for all bargaining units are effective from October 1, 2018 through the time range between September 30, 2021 and September 30, 2023.

The following summarizes the membership of the City's unrepresented unit and employee associations:

TABLE 3
City of El Segundo
Unrepresented Unit and Employee Associations
Fiscal Year Ending September 30, 2020

Employee Unit	Number of Full Time Employees⁽²⁾	Percent of Workforce	Contract Expiration
City Manager ⁽¹⁾	1	0.4%	N/A
Directors/Executives ⁽¹⁾	9	3.7	N/A
Firefighters Association	37	15.2	9/30/2021
General Employees Association	60	24.6	9/30/2023
Mid-Management & Confidential ⁽¹⁾	32	13.1	N/A
Management Fire ⁽¹⁾	3	1.2	N/A
Management Police	6	2.5	9/30/2023
Police Officers Association	47	19.3	9/30/2021
Police Support Services	15	6.1	9/30/2022
Supervisory & Professional Employees	34	13.9	9/30/2022
Total	244	100.0%	

⁽¹⁾ Unrepresented employees.

⁽²⁾ Excludes elected officials.

Source: City of El Segundo

City General Fund Budget Process

The fiscal year of the City historically began on the first day of October of each year and ended on the thirtieth day of September the following year. With the City’s Fiscal Year 2020-21 Operating Budget, the City began the process to shift from using the October 1 to September 30 fiscal year cycle to a more traditional July 1 to June 30 cycle. As a result, Fiscal Year 2020-21 will operate within an abbreviated nine-month budget cycle from October 1, 2020 to June 30, 2021. This will allow the Fiscal Year 2021-22 year to run for a full 12 months from July 1, 2021 to June 30, 2022.

As the Budget is developed, requests are submitted by department heads to the City Manager for review. The City Manager, the Finance Director and department heads meet to review the requests and establish program objectives for the coming year, including a proposed multi-year Capital Improvement Plan. The City Manager then prepares his recommendations to the City Council and the Finance Director submits the financing plan to fund the recommended budget.

Historically, the City Council typically received the proposed budget by the second week of July (expected to be May commencing with the Fiscal Year 2021-22 Budget) and thereafter scheduled two or more public study sessions to review the recommendations with the City Manager and department heads. Tentative approvals are made by the City Council, pending determination of final fund balance and revenue figures. The Finance Director usually submits the City Council approved budget for final public hearing and adoption in mid-September (expected to be early June commencing with the Fiscal Year 2021-22 Budget).

Early in the calendar year, the finance department presents a mid-year review of the budget performance. At that time, mid-year results are presented to the City Council with a special emphasis placed on the financial performance to date and the state of the economy. A projection of fund balances through the end of the fiscal year is presented as well as key performance measures to assist in tracking operational goals.

From the effective date of the budget, the amounts adopted as expenditures become appropriated to the several departments, offices and agencies for the projects and purposes named. All appropriations (except appropriations for capital projects which are in effect until the project is completed) lapse at the end of the fiscal year to the extent that they have not been expended or lawfully encumbered. At any public meeting after the

adoption of the budget, the City Council may amend or supplement the adopted budget with a majority vote of the members of the Council.

At the beginning of each fiscal year the City Council employs an independent certified public accounting firm which, at such times as specified by the City Council, but not less than annually, examines the financial statements. As soon as practicable after the end of each fiscal year, these financial statements and an accountant's report are submitted by the accounting firm to the City Council.

COVID-19 Outbreak

The COVID-19 pandemic, and local, state and federal actions in response to the COVID-19 pandemic, are having a significant impact on the City's operations and finances. In response to COVID-19, from time to time since the onset of the pandemic in March 2020 governments mandated a variety of responses ranging from travel bans and social distancing practices to complete shut-downs of certain services and facilities. Many school districts across the State temporarily closed some or all school campuses (including the El Segundo Unified School District schools within the City) in response to local and State directives or guidance. Restrictions on personal and commercial activities were imposed and have been subsequently revised by the City, Los Angeles County and the State throughout the COVID-19 pandemic based on the then-current status of infection rates and hospitalizations and other factors.

The COVID-19 pandemic materially impacted economic activity throughout the world. It resulted in increased costs and challenges to the public health system in and around the City, cancellations of public events and disruption of the regional and local economy with corresponding decreases in the City's revenues, including transient occupancy tax revenue, sales tax revenue and other revenues.

On March 27, 2020, the President signed the \$2.2 trillion Coronavirus Aid, Relief, and Economic Stabilization Act (the "CARES Act") which provides, among other measures, \$150 billion in financial assistance to states, tribal governments and local governments to provide emergency assistance to those most significantly impacted by COVID-19. Under the CARES Act, local governments are eligible for reimbursement of certain costs which are expended to address the impacts of the pandemic. However, any funds received by the City under the CARES Act are not available for payment of debt service on the Bonds and cannot be used to backfill City revenue losses related to COVID-19. The City has received approximately \$518,663 in reimbursements under the CARES Act to date, and expects to receive an additional approximately \$2.76 million in reimbursements under the CARES Act.

On March 11, 2021, the President signed the \$1.9 trillion American Rescue Plan Act of 2021 (the "American Rescue Plan"). Approximately \$130 billion of these funds are dedicated to local aid for relief to cities and counties. The City currently expects to receive approximately \$3.2 million in funds under the American Rescue Plan, with half expected in Fiscal Year 2020-21 and half expected in Fiscal Year 2021-22.

In December 2020, two vaccines were approved for emergency use in the United States and vaccinations began in California. A third vaccine was approved for emergency use in February 2021. Vaccine distribution is ongoing, limitations on business activity have begun to be relaxed, and schools have reopened for limited in-person learning.

The City cannot predict future events relating to the pandemic. There can be no assurances that COVID-19 will not materially adversely impact the City's financial condition in the future.

General Economic Condition and Outlook of the City

Fiscal Year 2019-20 Results. The Fiscal Year 2019-20 General Fund, which ended September 30, 2020 and therefore reflected almost seven months of impacts of the COVID-19 pandemic, had a year-end deficit (expenditures in excess of revenues) of approximately \$2.1 million. Notable revenue categories include transient

occupancy tax receipts approximately \$6.9 million (or approximately 45.5%) below budgeted amounts and charges for services approximately \$1.2 million (or approximately 23.6%) below budgeted amounts, each of which the City attributes largely to the impacts of COVID-19.

During Fiscal Year 2019-20, which ran from October 1, 2019 through September 30, 2020, the City made additional discretionary payments to CalPERS in the total amount of \$44,831 and contributed \$1,560,000 to its Section 115 Trust. As described under the caption “—Financial Management Policies,” the City by policy maintains reserves equal to 20% of General Fund expenditures, which the City maintained in Fiscal Year 2019-20.

Change in Fiscal Year End. With the City’s Fiscal Year 2020-21 Operating Budget, the City began the process to shift from using the October 1 to September 30 fiscal year cycle to a more traditional July 1 to June 30 cycle. As a result, Fiscal Year 2020-21 will operate within an abbreviated nine-month budget cycle from October 1, 2020 to June 30, 2021. This will allow the Fiscal Year 2021-22 year to run for a full 12 months from July 1, 2021 to June 30, 2022.

Fiscal Year 2020-21 Adopted Budget. The City Council adopted a balanced Operating Budget for Fiscal Year 2020-21, with recurring operating revenues sufficient to cover recurring operating expenditures, projecting General Fund revenues and appropriations to be \$59,051,732. The Operating Budget for Fiscal Year 2020-21 calls for the one-time use of funds from the City’s Economic Uncertainty Reserve for one-time capital improvement projects to partially maintain deteriorating facilities and aging public infrastructure, in compliance with the City’s financial policies. The Fiscal Year 2020-21 Budget is described in Table 4 and reflected the continuing impact of the COVID-19 pandemic.

Fiscal Year 2020-21 Mid-Year Budget Update. On April 20, 2021, the City Council approved a mid-year amendment to the City’s Fiscal Year 2020-21 Operating Budget, with an increase to General Fund expenditures of \$1,638,107 due to (i) a higher number of retirements than anticipated, resulting in an increase in accrued leaves being paid out to retiring employees; (ii) an increase in the City’s LAX mitigation efforts, resulting in increased professional services costs, and (iii) an increase in unemployment claims paid to part-time City employees due to the impacts of COVID-19. The mid-year budget amendment also included an increase in revenues of \$1,672,283, which is largely attributable to \$1,563,235 the City expects to receive under the American Rescue Plan and an expected \$688,107 in FEMA reimbursements related to the impacts of COVID-19.

As described under the caption “—Financial Management Policies,” the City by policy maintains a \$2,000,000 Economic Uncertainty Reserve. In the mid-year budget update for Fiscal Year 2020-21, the City reports that it expects to use \$923,708 of the funds received under the American Rescue Plan to increase amounts in the Economic Uncertainty Reserve from approximately \$1,000,000 included in the City’s Fiscal Year 2020-21 operating budget to the \$2,000,000 level prescribed by City policy.

Fiscal Year 2021-22 City Manager’s Recommended Budget. On May 4, 2021, the City Manager made a presentation regarding the recommended Fiscal Year 2021-22 Budget (the “City Manager’s Recommended Budget”) during a City Council Budget Study Session. The City Manager’s Recommended Budget identified a budget shortfall (absent corrective actions) of approximately \$9 million, attributed primarily to an approximately \$7 million decline in transient occupancy tax revenues (as compared to recent historical levels) due to the continuing impacts of the COVID-19 pandemic, increasing pension costs and increased costs associated with labor contracts which are set to expire during Fiscal Year 2021-22.

The City Manager’s Recommended Budget proposes several strategies for addressing the budget shortfall, including the use of approximately \$2,400,000 from the City’s Section 115 OPEB Trust, the use of General Fund reserves of approximately \$2,200,000 (after fully funding the 20% policy reserve described under the caption –Financial Management Policies”), freezing 18 vacant staff positions for an estimated savings of

approximately \$2,000,000, a reduction in operations and maintenance items for a savings of approximately \$1,500,000 and a reduction in the Equipment Replacement Fund contribution of approximately \$900,000.

The City expects that the City Council will adopt a Fiscal Year 2021-22 Budget on June 15, 2021. However, there can be no assurance that the City Council will follow the recommendations set forth in the City Manager’s Recommended Budget to address the expected budget shortfall.

Table 2 below compares the Adopted Fiscal Year 2019-20 General Fund Budget, Actual Fiscal Year 2019-20 Results and the Adopted Fiscal Year 2020-21 Budget.

TABLE 4
City of El Segundo
Adopted General Fund Budget Comparison
October 1, 2020 through June 30, 2021

General Fund	2019-20 12 Months Adopted	2019-20 12 Months Actual	2020-21 9 Months Adopted	Variance from 2019-20 Actual prorated to 9 months⁽¹⁾	%⁽²⁾
REVENUES					
Transient Occupancy Tax	\$15,200,000	\$8,283,596	\$7,524,570	\$1,311,873	21%
Sales Tax	11,500,000	12,006,731	8,373,683	(631,365)	-7
Property Tax	8,816,500	9,771,825	9,645,025	2,316,156	32
Utility Users Tax	6,450,000	6,488,837	4,494,047	(372,581)	-8
Chevron Tax Resolution Agreement ⁽³⁾	5,600,000	5,902,063	6,000,000	1,573,453	36
Charges for Service	5,307,168	4,307,599	3,415,836	185,137	6
Other Revenues	2,500,795	2,548,226	1,916,964	5,795	0
Franchise Tax	3,200,000	3,350,323	2,250,000	(262,742)	-10
Intergovernmental Revenues	2,561,367	1,855,899	1,942,770	550,846	40
License & Permits	14,198,358	14,234,600	11,643,129	967,179	9
Interest & Rentals	824,000	3,392,762	603,000	(1,941,572)	-76
Fines & Forfeitures	412,020	273,083	294,000	89,188	44
Transfers-In	140,000	140,000	948,708	843,708	804
Developer Fees	0	110,876	0	(83,157)	-100
Transfers & Reimbursements	0	71,454	0	(53,591)	-100
TOTAL REVENUES	\$76,710,208	\$72,737,874	\$59,051,732	\$4,498,327	8%
EXPENDITURES					
Personnel Services	\$60,019,674	\$58,991,871	\$45,569,935	\$1,326,032	3%
Materials & Services	17,995,626	15,610,448	12,218,297	510,461	4
Capital Outlay	11,490	45,591	13,500	(20,693)	-61
Debt Service	-	118	-	(89)	-100
Transfers	2,749,000	1,249,000	1,250,000	313,250	33
Intergovernmental	15,000	14,520	-	(10,890)	-100
TOTAL EXPENDITURES	\$80,790,790	\$75,911,548	\$59,051,732	\$2,118,071	4%
SURPLUS/(DEFICIT)	(4,080,582)	(3,173,674)	0		

(1) Calculated using 3/4 of “2019-20 12 Months Actual” values and comparing to “2020-21 9 Months Adopted” values.

(2) Positive variance indicates the Fiscal Year 2020-21 Adopted is higher than the prior year Actual. Negative variance indicates the Fiscal Year 2020-21 Adopted is lower than the prior year Actual.

(3) See “—Sources of General Fund Revenues—Chevron Tax Resolution Agreement and “RISK FACTORS—Certain Risks Associated with Chevron Tax Resolution Agreement.”

Source: City of El Segundo

Financial Management Policies

Reserves. City Council policy is to maintain reserves equal to 20% of General Fund expenditures. For Fiscal Year 2020-21, the amount budgeted to be reserved as of June 30, 2021 totals \$15.7 million. Additionally, the City Council has maintained an Economic Uncertainty Reserve totaling \$2 million for several years. In Fiscal Year 2020-21 the Economic Uncertainty Reserve totaled \$1 million because approximately \$1 million of the reserve was used for one-time capital expenditures in Fiscal Year 2020-21. The Economic Uncertainty Reserve is expected to be replenished to its historical balance of approximately \$2.0 million through the Fiscal Year 2021-22 budget process using funds received under the American Rescue Plan which the City expects to receive in June 2021. These reserves, plus \$15.7 million in unreserved fund balance, equal 21% of budgeted expenditures in Fiscal Year 2020-21. See “—General Economic Condition and Outlook of the City—*Fiscal Year 2020-21 Mid-Year Budget Update.*”

Investment Policy. The City has an investment policy (the “Investment Policy”) which establishes the cash management and investment guidelines for the City Treasurer. The Investment Policy provides that the City invests public funds in a prudent manner with the primary objectives of, in priority order, safety of principal, adequate liquidity and investment return, in conformance with State law and local statutes governing the investment of public funds. The Investment Policy provides that the City Treasurer will prepare a quarterly report to the City Council, City Manager and Director of Finance listing investment transactions made during the report period pursuant to State law. For more information regarding the Investment Policy and the investment of City funds, see the caption “—Investment of City Funds” herein.

Debt Management Policy. The City has also adopted a Debt Management Policy to provide guidelines and parameters for the effective governance, management and administration of debt and other financing obligations issued by the City and its related entities.

Unfunded Actuarial Liability Policy. As described under the caption “PLAN OF REFINANCING—Policies for Addressing Unfunded Retirement Costs,” on March 16, 2021 the City Council adopted the UAL Policy.

City Financial Information

Fund Types. The City maintains three main governmental fund types into which its revenues are deposited: General Fund, Special Revenue Fund and Capital Projects Fund.

General Fund. The General Fund is the general operating fund of the City. All general revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. Expenditures of this fund include the general operating expenses and capital improvement costs which are not paid through other funds.

Special Revenue Funds. The Special Revenue Funds are used to account for revenues derived from specific sources which are usually required by law or administrative regulation to be accounted for in a separate fund.

Capital Projects Fund. The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Financial Statements. All governmental funds, including the General Operating Funds and, the Capital Projects Funds, are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. Taxpayer-assessed taxes are considered “measurable” when in the hands of intermediary collecting governments and are recognized as revenue at that

time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt which is recognized when due.

The City employs an independent certified public accounting firm to annually audit the City's financial statements in conformity with generally accepted accounting principles for governmental entities and to review internal financial controls. The audited Comprehensive Annual Financial Report of the City has been awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association for fiscal year 2019. The City has consistently been awarded the Certificate for sixteen years. The annual audit report is generally available by April 1 of the succeeding fiscal year.

The following tables show the General Fund Statement of Revenues, Expenditures and Changes in Fund Balance and the General Fund balance sheet for Fiscal Year 2015-16 through Fiscal Year 2019-20.

TABLE 5
City of El Segundo
General Fund Statement of Revenues, Expenditures and Changes in Fund Balance
September 30, 2016 through September 30, 2020

	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>
Revenues					
Taxes	\$43,383,276	\$49,956,068	\$53,092,545	\$54,976,589	\$47,730,728
Licenses and permits	13,989,221	13,131,485	13,695,476	14,547,206	14,234,600
Intergovernmental	20,525	7,461	-	-	-
Charges for services	5,212,998	5,533,202	5,744,333	5,587,521	4,307,599
Use of money and property	575,599	432,685	555,735	2,171,633	3,392,762
Fines and forfeitures	343,582	356,142	451,366	564,631	273,083
Developer Fees	296,427	329,474	262,346	106,723	110,876
Other revenues	1,366,676	1,955,143	2,111,483	2,588,236	2,548,226
Total revenues	\$65,188,304	\$71,701,660	\$75,913,284	\$80,542,539	\$72,597,874
Expenditures					
Current					
General government	\$14,167,994	\$14,876,989	\$15,491,127	\$18,157,380	\$18,945,367
Public safety	33,091,296	34,550,633	37,489,644	37,771,901	39,958,597
Public works	6,324,157	6,237,983	6,325,231	7,166,267	7,233,202
Community and cultural	7,130,317	7,776,114	8,004,156	8,756,927	8,315,678
Total operating expenditures	\$60,713,764	\$63,441,719	\$67,310,158	\$71,852,475	\$74,452,844
Capital outlay	-	\$59,463	\$64,673	\$108,801	\$15,704
Debt service					
Principal retirement	-	-	47,402	50,727	54,286
Interest and fiscal charges	-	-	39,620	143,273	139,714
Total Non-Operating expenditures	-	59,463	151,695	302,801	209,704
Excess of revenues over expenditures	\$4,474,540	\$8,200,478	\$8,451,431	\$8,387,263	\$(2,064,674)
Other Financing Sources (Uses)					
Transfers in	\$105,079	-	\$346,446	-	\$140,000
Transfers out	(1,927,343)	\$(2,502,345)	(3,541,121)	\$(3,350,000)	(1,249,000)
Total other financing sources (uses)	\$(1,822,264)	\$(2,502,345)	\$(3,194,675)	\$(3,350,000)	\$(1,109,000)
Net change in fund balances	\$2,652,276	\$5,698,133	\$5,256,756	\$5,037,263	\$(3,173,674)
Fund Balances, Beginning of Year	\$20,292,126	\$22,944,402	\$28,642,535	\$33,899,291	\$38,936,554
Fund Balances, End of Year	\$22,944,402	\$28,642,535	\$33,899,291	\$38,936,554	\$35,762,880

Source: City of El Segundo

TABLE 6
City of El Segundo
General Fund Balance Sheet
September 30, 2016 through September 30, 2020

	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>
Assets:					
Cash and investments	\$19,037,738	\$18,648,406	\$24,050,707	\$27,382,430	\$22,110,069
Restricted cash	-	-	1,000,000	2,643,380	4,482,363
Receivables:					
Taxes	3,689,983	5,115,526	4,578,726	5,358,485	4,566,739
Accounts	910,640	350,068	532,735	680,132	552,739
Interest	129,858	176,678	270,638	343,028	290,487
Notes and loans	48,265	40,609	46,387	46,544	17,500
Due from other funds	1,747,532	1,182,658	1,511,964	491,964	409,361
Due from other governments	25,746	204,334	15,071	23,249	646,269
Advances to other funds	1,762,421	2,020,316	-	-	-
Inventories	76,363	85,106	120,737	110,931	100,264
Prepays:	130,297	5,227,078	6,089,517	6,847,294	7,819,879
Total Assets	\$27,558,843	\$33,050,779	\$38,216,482	\$43,927,437	\$40,995,670
Liabilities, Deferred Inflows and Fund Balances:					
Liabilities:					
Accounts payable	\$1,819,104	\$1,843,080	\$1,577,558	\$2,252,357	\$1,266,119
Accrued payables	1,812,157	1,644,753	2,036,987	2,115,542	2,265,341
Retentions payable	833	744	15	4,382	2,336
Due to other funds	-	-	27,181	-	-
Due to other governments	-	-	-	-	-
Unearned revenue	30,868	30,868	30,868	30,868	30,868
Deposits payable	608,831	731,550	644,582	587,734	648,796
Total Liabilities	\$4,271,793	\$4,250,995	\$4,317,191	\$4,990,883	\$4,213,460
Deferred Inflow of Resources:					
Unavailable revenues	\$342,648	\$157,249	-	-	\$1,019,330
Total deferred inflows of resources	\$342,648	\$157,249	-	-	\$1,019,330
Fund Balances (deficit)					
Nonspendable	\$2,017,346	\$7,373,109	\$6,256,640	\$7,004,769	\$7,937,643
Restricted	-	-	1,000,000	2,643,380	4,482,363
Assigned	2,939,325	3,608,509	2,210,602	2,663,037	2,534,891
Unassigned	17,987,731	17,660,917	24,432,049	26,625,368	20,807,983
Total Fund Balances (deficits)	\$22,944,402	\$28,642,535	\$33,899,291	\$38,936,554	\$35,762,880
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$27,558,843	\$33,050,779	\$38,216,482	\$43,927,437	\$40,995,670

Source: City of El Segundo

Sources of General Fund Tax Revenues

General. The City intends to make debt service payments on the Bonds from moneys held in the General Fund. The General Fund accounts for resources traditionally associated with governments which are not required to be accounted for in another fund. See “APPENDIX A - CITY OF EL SEGUNDO COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED SEPTEMBER 30, 2020” herein. See Notes to Financial Statements for additional obligations of the City. General Fund revenues for fiscal years ended September 30, 2016 through 2020, are shown below, compiled from the City’s audited financial statements.

The following table shows a breakdown of particular General Fund tax revenues.

TABLE 7
City of El Segundo
General Fund Tax Revenues
September 30, 2016 through September 30, 2020

Source:	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Sales Tax	\$9,854,210	\$12,201,208	\$10,794,018	\$13,023,091	\$12,006,731
Property Tax, levied for general purposes	7,467,281	7,642,088	8,816,248	9,244,457	9,771,825
Transient Occupancy Tax ⁽¹⁾	7,597,007	12,876,631	13,885,312	14,598,200	8,283,596
Utility User Tax	6,394,482	6,173,892	7,724,282	7,421,219	6,488,837
Chevron Tax Resolution Agreement ⁽²⁾	5,381,035	6,589,528	6,330,422	6,171,627	5,902,063
Franchise Tax	3,063,819	2,865,581	3,823,851	2,709,760	3,350,323
Intergovernmental Revenues	1,390,099	1,423,717	1,597,050	1,705,443	1,855,899
Sales Tax in Lieu	2,235,342	-	-	-	-
Transfers & Reimbursements	-	183,422	121,361	102,792	71,454
Total Tax Revenues	<u>\$43,383,276</u>	<u>\$49,956,068</u>	<u>\$53,092,545</u>	<u>\$54,976,589</u>	<u>\$47,730,728</u>

⁽¹⁾ See the caption “—*Transient Occupancy Tax*,” below.

⁽²⁾ See the caption “—*Chevron Tax Resolution Agreement*,” below.

Source: City of El Segundo

Transient Occupancy Tax. Transient occupancy tax (“TOT”) accrues to the City at a rate of 12% of room charges from the 15 hotels, inns, motels, tourists’ homes or other lodging facilities within the City. TOT has historically been the largest or second-largest General Fund tax revenue source, and has been the revenue source most impacted by the effects of the COVID-19 pandemic due to the stay-at-home orders. Declines in transient occupancy tax resulted from the shelter-in-place orders related to the COVID-19 pandemic, which began in March of 2020. None of the hotels in the City are currently closed.

The City received TOT receipts of \$8,283,596 in Fiscal Year 2019-20, representing approximately 11.4% of total General Fund revenues. TOT receipts were approximately 46% less than originally budgeted amounts. The City’s adopted Operating Budget for Fiscal Year 2020-21 budgeted for \$7,524,570 in TOT receipts, representing approximately 13% of total General Fund revenues. In its mid-year budget updated in April 2021, the City reported that TOT receipts are projected to be approximately 38.9% less than budgeted amounts.

As the U.S. population, as well as populations outside of the U.S., become more vaccinated and local, state, and federal governments lift travel restrictions, the City expects leisure and business travel (and related TOT receipts) will begin to see a recovery. Being in close proximity to Los Angeles World Airport and SoFi Stadium, the City expects hotel occupancy rates will increase. The City currently anticipates TOT revenues returning to pre-COVID levels in mid-to-late 2022. However, the City can provide no assurance that leisure and business travel, and associated City TOT revenues, will return to levels seen prior to the impacts of COVID-19.

Chevron Tax Resolution Agreement. In 2011, the City considered submitting a ballot measure to the voters of the City which, if passed by the voters, could have resulted in the taxes owed by Chevron being increased. In consideration for not submitting such a ballot measure to the voters for a certain period of time, the City and Chevron entered into a Tax Resolution Agreement (the “Chevron Tax Resolution Agreement”) in 2013. Pursuant to the Chevron Tax Resolution Agreement, Chevron makes certain payments to the City annually (the “Resolution Payments”) which consist of the difference between a base payment amount (initially \$11,100,000 in 2014, adjusted annually based on the consumer price index) and the amount of taxes paid by Chevron which are received by the City (such as the City’s share of *ad valorem* property taxes, the utility users tax, business license taxes, sales and use taxes and franchise fees).

In fiscal year 2020, the Resolution Payments totaled approximately \$5,902,063 and represented approximately 12.4% of the City’s General Fund revenues. The Chevron Tax Resolution Agreement is currently set to expire in fiscal year 2028, and the City currently expects the Chevron Tax Resolution Agreement will be extended into the foreseeable future under substantially similar terms. Chevron also has the right to terminate the Chevron Tax Resolution Agreement early under certain circumstances. If the Chevron Tax Resolution Agreement is terminated, either by its current terms or pursuant to Chevron’s early termination rights, or if Chevron were unable or unwilling to make the Resolution Payments when due, there could be a material adverse impact on the City’s finances. See “RISK FACTORS—Certain Risks Associated with the Chevron Tax Agreement.”

City Assessed Valuation. The County assesses property values and collects and distributes secured and unsecured property taxes to the County, cities, school districts- and other special districts within the County area.

Set forth in the table below is a listing of the assessed valuations on taxable property in the City of El Segundo.

TABLE 8
City of El Segundo
Net Taxable Assessed Value History
June 30, 2012 Through June 30, 2021

Fiscal Year Ended June 30	Secured	Unsecured	SBE Nonunitary	Net Total Assessed Value	Percentage Change
2011-12	\$ 8,048,755,437	\$ 1,364,904,647	\$ 33,916,548	9,447,576,632	N/A
2012-13	8,212,042,763	1,423,109,696	66,092,396	9,701,244,855	2.69%
2013-14	8,422,193,698	1,862,068,112	24,374,386	10,308,636,196	6.26
2014-15 ⁽¹⁾	8,420,569,971	1,604,574,429	13,289,373	10,038,433,773	-2.62
2015-16	8,881,342,698	1,736,530,165	37,902,192	10,655,775,055	6.15
2016-17	9,381,520,297	1,565,766,888	26,509,174	10,973,796,359	2.98
2017-18	10,734,607,722	1,480,972,901	26,412,903	12,241,993,526	11.56
2018-19	11,512,562,734	1,556,763,904	13,885,735	13,083,212,373	6.87
2019-20	12,640,966,136	1,551,504,304	8,424,647	14,200,895,087	8.54
2020-21	13,721,349,276	1,681,684,566	15,610,462	15,418,644,304	8.58
				Average % Change	6.62

⁽¹⁾ Negative growth in Fiscal Year 2014-15 is due to the correction of a misallocation of SpaceX unsecured value which continued to be allocated to the City for several years after SpacEx moved to the City of Hawthorne.

Source: City of El Segundo.

Tax Levies and Delinquencies. The basic tax rate for all taxing entities within a particular tax code area is \$1 per \$100 of assessed valuation in accordance with Article XIII A of the State Constitution. To this may be added whatever tax rates are necessary to meet debt service on indebtedness approved by the voters.

The City uses the services of the County for the assessment and collection of taxes. City taxes are collected at the same time and on the same tax rolls as are County, school district and special district taxes.

Taxes are levied for each fiscal year on taxable real and personal property which is situated in the City as of the preceding January 1. For assessment and collection purposes, property is classified either as “secured” or “unsecured,” and is listed accordingly on separate parts of the assessment roll, The “secured roll” is that part of the assessment roll containing State assessed property and property secured by a lien on real property which is sufficient, in the opinion of the assessor, to secure payment of the taxes. Other property is assessed on the “unsecured roll.” Taxes on the secured roll are payable in two installments on November 1 and February 1 of

each fiscal year and become delinquent after December 10 and April 10 respectively. Taxes on unsecured property are assessed and payable March 1 and become delinquent on August 31 in the next fiscal year. A 10% penalty attaches to delinquent taxes on property on the unsecured roll, and an additional penalty of 1-1/2% of the delinquent taxes per month begins to accrue beginning November 1 of the fiscal year.

Commencing in June 1982, a 10% penalty was added to delinquent taxes which have been levied on property on the secured roll (a 6% penalty is charged on property taxes that became delinquent prior to June 1982). In addition, property on the secured roll with respect to which taxes are delinquent is declared to -be tax-defaulted on or about June 30 of the fiscal year. Such property may thereafter be redeemed by payment of the delinquent taxes and the delinquency penalty, plus a redemption penalty of 1-1/2% per month to the time of redemption. If taxes are unpaid for a period of five years or more the tax-defaulted property is declared to be subject to the County Tax Collector’s power of sale and may be subsequently sold within two years by the County Tax Collector.

The following table shows the property tax levies and collections for the ten most recently available fiscal years.

TABLE 9
City of El Segundo
Property Tax Levies and Collections
June 30, 2010 Through June 30, 2020

<u>Fiscal Year⁽¹⁾</u>	<u>Taxes Levied</u>	<u>Collections Amount</u>	<u>% of Levy</u>	<u>Subsequent Collections</u>	<u>Total Collections</u>	<u>% of Levy</u>
2009-10	\$6,345,073	\$6,117,416	96.41%		\$6,117,416	96.41%
2010-11	6,172,420	6,005,643	97.30		6,005,643	97.30
2011-12	6,006,864	5,990,455	99.73		5,990,455	99.73
2012-13	6,277,523	6,144,309	97.88		6,144,309	97.88
2013-14	6,680,795	6,558,427	98.17		6,558,427	98.17
2014-15	6,538,375	6,438,118	98.47	\$55,500	6,493,618	99.32
2015-16	6,728,811	6,637,510	98.64	59,028	6,696,538	99.52
2016-17	6,853,422	6,773,927	98.84	39,950	6,813,877	99.42
2017-18	7,672,612	7,659,388	99.83	-4,958	7,654,430	99.76
2018-19	8,185,486	8,169,815	99.81	610,801	8,780,616	107.27
2019-20 ⁽²⁾	8,929,004	8,183,987	91.66		8,183,987	91.66

⁽¹⁾ Fiscal Year ending June 30.

⁽²⁾ Fiscal Year 2019-20 information shows delinquencies as of April 10, 2020; however, certain taxpayers did not pay property taxes until after the April 10, 2020 deadline due to COVID-19 and the City has received approximately 99% of its share of Fiscal Year 2019-20 property taxes.

Source: City of El Segundo Comprehensive Annual Financial Report for the Year Ending September 30, 2020.

Major Property Taxpayers. The following table sets forth a list of the top ten principal taxpayers within the City as of September 30, 2020, the net valuation of their property and the percentage which such taxpayer’s property represents of the total assessed valuation of the taxable property in the City.

TABLE 10
City of El Segundo
Principal Property Taxpayers
Fiscal Year Ending June 30, 2021

<i>Taxpayer</i>	<i>Taxable Value</i>	<i>Percentage of Total City Taxable Value</i>
Chevron USA Inc. ⁽¹⁾	\$ 2,599,235,317	16.86%
Raytheon Company/Hughes	641,014,630	4.16
Sof-Xi Pct Two Tower Owner LLC	631,376,670	4.09
The Boeing Company	438,918,088	2.85
Aerospace Corporation	331,393,318	2.15
2120 Park Place Fee Owner California LLC	221,747,049	1.44
Northrop Grumman Systems Corporation	209,975,482	1.36
Sfii Flyte LLC	174,299,900	1.13
Pes Partners LLC	174,022,673	1.13
LVA5 El Segundo 777 Aviation LP	173,400,000	1.12
Total Top 10 Taxpayers	\$ 5,595,383,127	36.29
Total Taxable Value	\$ 15,418,644,304	100.00%

⁽¹⁾ See “—Sources of General Fund Revenues—*Chevron Tax Resolution Agreement* and “RISK FACTORS—Certain Risks Associated with Chevron Tax Resolution Agreement.”

Source: Los Angeles County Assessor 2020-21 Combined Tax Rolls and the SBE Non Unitary Tax Roll.

Construction

The following table shows construction activity in the City for each of the last five fiscal years. The City estimates that approximately 90% of the project valuation relates to commercial development.

TABLE 11
City of El Segundo
Large Commercial Construction Values
September 30, 2016 Through September 30, 2020

<i>Fiscal Year</i>	<i>Large Commercial Construction</i>		<i>Other Projects</i>		<i>Totals</i>	
	<i>Number of Permits</i>	<i>Total Project Value</i>	<i>Number of Permits</i>	<i>Total Project Value</i>	<i>Number of Permits</i>	<i>Total Project Value</i>
2016	5	\$ 90,305,385	1080	\$ 90,651,221	1085	\$ 180,956,606
2017	10	75,021,210	982	169,069,044	992	244,090,254
2018	8	109,047,358	1051	179,334,432	1059	288,381,790
2019	15	202,868,692	868	150,102,568	883	352,971,260
2020	3	53,638,500	581	139,010,539	584	192,649,039

Source: City of El Segundo Development Services Department.

The City estimates there is currently over \$1 billion in new construction taking place within the City. Ongoing commercial developments within the City include construction of a new Top Golf facility to replace the City’s existing nine-hole golf course and construction of a new global headquarters for Beyond Meat, Inc. within the City.

The following table shows the number of sales, average sales price and median sales prices for detached single-family residential homes within the City by quarter for calendar year 2018 through the first quarter of calendar year 2021.

TABLE 12
City of El Segundo
Sales Value History for Detached Single Family Homes
January 1, 2018 Through March 31, 2021

Year	Full Value Sales	Average Price	Median Price	Median % Change
2018 Q1	19	\$1,632,263	\$1,525,000	
2018 Q2	29	1,335,517	1,270,000	-16.72%
2018 Q3	27	1,436,389	1,390,000	9.45
2018 Q4	15	1,248,400	1,187,500	-14.57
2019 Q1	18	1,387,750	1,359,500	14.48
2019 Q2	28	1,379,000	1,267,000	-6.80
2019 Q3	21	1,489,667	1,445,000	14.05
2019 Q4	19	1,650,526	1,585,000	9.69
2020 Q1	20	1,302,700	1,318,750	-16.80
2020 Q2	14	1,405,143	1,319,500	0.06
2020 Q3	28	1,774,196	1,765,000	33.76
2020 Q4	26	1,828,000	1,831,000	3.74
2021 Q1	24	1,646,646	1,552,500	-15.21

Source: City of El Segundo.

Taxable Transactions

Revenues from taxable sales have ebbed and flowed with the economy over the last five years. The most consistent revenue generating business types include Chevron, a variety of retail stores, including electronics/appliances, and certain medical device and other manufacturers. The following table sets forth the taxable sales in the City for the last five calendar years for which data is available. See also the caption “— Sources of General Fund Tax Revenues” for a five-year history of sales tax receipts by the City.

TABLE 13
City of El Segundo
Taxable Sales
December 31, 2015 Through December 31, 2019
(In Thousands)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Apparel Stores	\$36,695	\$42,319	\$38,013	\$39,113	\$37,460
Food Stores	26,195	25,820	27,582	26,943	23,290
Eating and Drinking Places	146,056	162,428	172,069	184,145	183,985
Building Materials	6,154	6,422	4,752	5,092	4,667
Auto Dealers and Supplies	4,284	4,794	4,725	5,030	8,896
Other Retail Stores	<u>354,409</u>	<u>381,607</u>	<u>345,964</u>	<u>310,388</u>	<u>278,375</u>
Total Retail & Food Services	573,793	623,390	593,106	570,712	536,674
All Other Outlets	538,755	695,049	549,387	577,592	699,081
Total	<u>\$1,112,548</u>	<u>\$1,318,439</u>	<u>\$1,142,493</u>	<u>\$1,148,304</u>	<u>\$1,235,755</u>

Source: State Board of Equalization, California Department of Taxes and Fees Administration, State Controller's Office, The HdL Companies

Direct and Overlapping Bonded Debt. The Debt Report includes only such information as has been reported by the issuers of the debt described therein and by others. The Debt Report is included for general information purposes only. The City takes no responsibility for its completeness or accuracy.

TABLE 14
City of El Segundo
Direct and Overlapping Debt
(As of February 1, 2021)

CITY OF EL SEGUNDO

2020-21 Assessed Valuation: \$15,418,644,304

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable Debt 2/1/21</u>	
Metropolitan Water District	0.472%	\$
152,126		
El Camino Community College District	12.141	54,499,772
El Segundo Unified School District	100.	84,955,859
Manhattan Beach Unified School District	0.002	3,774
Wiseburn Unified School District	72.617	84,067,094
Centinela Valley Union High School District	35.198	79,996,591
Centinela Valley Union High School District School Facilities Improvement District No. 2016-1	39.704	<u>72,485,608</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		\$376,160,824

<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>		
Los Angeles County General Fund Obligations	0.902%	\$23,741,927
Los Angeles County Superintendent of Schools Certificates of Participation	0.902	41,180
Los Angeles County Sanitation District No. 5 Authority	6.545	268,357
Los Angeles County Sanitation District South Bay Cities Authority	0.040	280
City of El Segundo	100.	<u>8,179,238</u>
(1)		
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$32,230,982

COMBINED DIRECT DEBT \$408,391,806
(2)

- (1) Excludes issue to be sold.
- (2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2020-21 Assessed Valuation:

Total Overlapping Tax and Assessment Debt.....	2.44%
Total Direct Debt.....	0.05%
Combined Total Debt	2.65%

Source: California Municipal Statistics, Inc.

Outstanding General Fund Debt and Lease Obligations. The City currently has outstanding general fund debt and lease obligations described below. The City has never defaulted on the payment, principal of, or interest on any of its indebtedness.

Following is a summary of the principal amounts of the City’s outstanding long-term obligations payable from the General Fund as of September 30, 2020.

TABLE 15
City of El Segundo
Scheduled Principal Payments of
Outstanding Long Term General Fund Obligations
(As of September 30, 2020)

	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>	<i>2025</i>	<i>2026- 2030</i>	<i>2031- 2035</i>	<i>2036- 2039</i>	<i>Total</i>
Capital Lease – 2003									
Parking Structure Lease	\$58,095	\$62,171	\$66,533	\$71,201	\$76,196	\$469,078	\$544,864	\$676,765	\$2,024,903
Facility Lease – Douglas									
Street Gap Closure Project ⁽¹⁾	\$335,351	\$344,975	\$354,876	\$365,061	\$375,538	\$2,045,683	\$2,356,580	N/A	\$6,178,064

⁽¹⁾ While this lease is a general obligation of the City, the City has historically made payments under this lease from traffic mitigation fees, and expects to continue to do so in the future.

Source: City of El Segundo Comprehensive Annual Financial Report for the Year Ending September 30, 2020.

Capital Improvements and Construction Funds

The City’s adopted General Fund Fiscal Year 2020-21 Capital Improvement Program Budget totals \$5,597,057, consisting of \$4,347,057 of unspent funds from prior fiscal years and \$1,250,000 of new funding from the Fiscal Year 2020-21 budget. The City’s adopted General Fund Fiscal Year 2020-21 Capital Improvement Program Budget contains a total of 24 projects which will either be active during Fiscal Year 2020-21 or will continue to accumulate funding for future activation.

Capital improvement projects which are paid for from funds other than the General Fund, such as the Water Fund, the Wastewater Fund, the Golf Fund and the Solid Waste Fund, are accounted for in the budgets for such funds.

The City is in the process of developing a 5-year Capital Improvement Program, which will be incorporated into the City’s Fiscal Year 2021-22 budget.

Potential Costs Related to Storm Water Improvements

In connection with increasing regulatory focus on mitigating storm water runoff and resulting discharge of pollutants into the Pacific Ocean, in April 2016, the City, in cooperation with the cities of Santa Monica and Los Angeles, and the County of Los Angeles, along with the Los Angeles County Flood Control District (collectively, the “Jurisdictional Groups 2 and 3 of the Santa Monica Bay Watershed” or “Santa Monica Bay JG2/JG3 Watershed”) submitted an Enhanced Watershed Management Program (“EWMP”) for the Santa Monica Bay watershed portion of the City, as part of the City’s compliance with the City’s National Pollution Discharge Elimination System Permit (“NPDES Permit”). Similarly, the City, in cooperation with the cities of Los Angeles, Carson, Hawthorne, Inglewood, Lawndale and Lomita, and the County of Los Angeles, along with Los Angeles County Flood Control District (collectively, the “Dominguez Channel Watershed”) submitted an EMWP for the Dominguez Channel watershed portion of the City.

The most significant component of the EWMPs was the development of a list of projects that would achieve the desired pollutant reduction levels as required by the Los Angeles Regional Water Quality Control Board (the “Regional Board”). Preliminary estimates of the total construction cost (for all of Santa Monica Bay

JG2/JG3 Watershed) is \$649 million with estimated annual operating costs ranging from \$12.2 million to \$15.8 million. Preliminary estimates of the total construction costs (for Dominguez Channel Watershed) is \$1.25 billion with estimated annual operating cost of approximately \$14.3 million.

The watershed agencies' individual contributions would be based on their relative proportional geographic tributary area. Preliminary estimated lifecycle construction costs through 2035 for the City for the Santa Monica Bay JG2/JG3 Watershed is \$22 million, with estimated annual operations and maintenance costs ranging from \$960,000 to \$1,100,000. Preliminary estimated lifecycle construction costs through 2035 for the City for the Dominguez Channel Watershed is \$23.7 million, with estimated annual operations and maintenance cost of approximately \$220,000. Therefore, after combining the cost of both watershed areas in the City, the estimated construction cost for the City is \$45.7 million, and the estimated annual operating and maintenance costs ranging from \$1,180,000 to \$1,320,000.

The Watershed agencies (including the City) do not have sufficient funds to implement the listed projects. Since a funding plan is not required as a NPDES Permit requirement, the development of the EWMP in 2015 kept the City in compliance with the NPDES Permit. However, funding remains a large issue that must be resolved to comply with the pollutant reduction deadlines identified in the EWMP. In November 2018, Measure W, the Safe, Clean Water Program was successfully passed with more than two thirds of the Los Angeles County vote. The revenue collected is calculated from the Los Angeles County property tax assessment role. The allocation of Measure W funds to the City for Fiscal Year 2020-21 is estimated to be \$850,000. Measure W has no sunset provision and will provide the City with an annual allocation to be used for improving storm water quality and mitigation efforts. In addition to Measure W funds, the City is exploring various grants and evaluating alternative lower cost capital improvement projects to fulfill the regulatory requirements.

There can be no assurances that compliance with the EWMP (or potential penalties resulting from failure to comply) and the NPDES Permit will not require expenditures of significant amounts from the General Fund in the future.

Investment of City Funds

The City and its component units are generally authorized under its investment policy and Section 53601 of the California Government Code, bond indentures and local resolutions to invest in demand deposits with financial institutions; savings accounts; certificates of deposit; U.S. Treasury securities; federal agency securities; State of California notes or bonds; medium term corporate notes; commercial paper; Joint Powers Authority Pool; Supranational Obligations; and the Local Agency Investment Fund of the State of California. The City's investment policy allows for the purchase of most of the investment vehicles authorized under Section 53601 of the California Government Code.

The City and its component units have also established guidelines for security purchases with investment limitations as follows: Local agency bonds cannot exceed 10% of the City's portfolio or a five-year maturity and must be rated at least "A." U.S. Treasury and agency obligations cannot exceed a five-year maturity. California state and local obligations and California agency obligations cannot exceed 10% of the City's total portfolio or a five-year maturity. Commercial paper may not exceed 270 days maturity or 10% of the City's total portfolio, with an additional limit of 3% per issuer. Negotiable certificates of deposits may not exceed 30% of the City's total portfolio. Placement service deposits and placement service certificates of deposit may not exceed 10% of the City's total portfolio. Medium term corporate notes may not exceed 15% of the City's total portfolio (with an additional limit of 3% per issuer), cannot exceed a five-year term and must be issued by a U.S. corporation with assets in excess of \$500 million with at least an "A" rating. Mutual funds and money market funds may not exceed 5% of the City's total portfolio. Collateralized bank deposits cannot exceed a five-year maturity. A joint powers authority pool cannot exceed 30% of the City's total portfolio. Supranational obligations cannot exceed 10% of the City's total portfolio or a five-year maturity and must be rated "AAA." The City's investment policy specifically prohibits investments in bankers' acceptances,

repurchase agreements and reverse repurchase agreements, mortgage pass-through securities, county pooled investment funds and the Voluntary Investment Program Fund. Investments in the Local Agency Investment Fund are permitted up to the legal limit.

Under the California Government Code, a financial institution is required to secure deposits made by state or local governmental units by pledging securities held in the form of an undivided collateral pool. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of March 31, 2021, 9.6% of the portfolio consisted of federal agency notes and U.S. Treasury securities, 37.2% invested in liquid state investment pools, 7.2% in high grade corporate notes, 1.2% in SUPRAS, 6.1% in Municipal Agency Bonds, 19.1% in Cash and 19.5% in certificates of deposit. The average maturity of the portfolio was 350 days. As of March 31, 2021, the market value of the City’s investment portfolio was \$106,451,322 and the investment portfolio’s book value was \$105,005,770. The following table summarizes certain information relating to the City’s investment portfolio as of March 31, 2021:

TABLE 16
City of El Segundo
Investment Portfolio Summary
(as of March 31, 2021)

<i>Type of Investment</i>	<i>Book Value</i>
Cash	
Local Government Fund	\$ 39,052,567
US Treasury and Agency Note	10,091,675
Medium Term Notes & Supranationals	8,856,931
Certificates of Deposit	20,472,268
Municipal Agency Bonds	6,453,622
Total	\$105,005,770

The portfolio represents cash and investments across several funds. The General Fund represents approximately 28% of the total portfolio and the general Capital Improvement Project Fund approximately 5%; the Insurance Reserve Fund, approximately 8%; the Water, Stormwater and Wastewater Utility Funds approximately 38%; and various Street and Road Funds (e.g. Gas Tax, Prop A, Prop C, and Measure R) together total about 5%. The remaining funds comprise 0% to 5% of the total..

City Employees Retirement Program

The City contributes to CalPERS, an agent multiple-employer defined benefit pension plan for miscellaneous employees and a cost-sharing multiple-employer defined benefit plan for safety employees. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. All permanent City employees are eligible to participate in CalPERS. Participants in the plan vest after 5 years of employment. The City has a two-tiered (“Classic” and “New”) retirement plan with benefits varying by plan. All plans provide retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries.

For “Classic” employees, the City has three defined benefit plans: Police 1st Tier (“3% at 50”), Police 2nd Tier (“3% at 55), Fire (“3% at 55”), Miscellaneous 1st Tier (“2% at 55”) and Miscellaneous 2nd Tier (“2% at 60”). Employees receive annual retirement benefits calculated based on age at retirement, years of membership service and the amount of earnings based on the highest consecutive 12 months average.

“New” members are defined by the California Public Employees’ Pension Reform Act (PEPRA), which took effect in January 2013. “New” members to the safety service (Police and Fire) are subject to a 2.7% at 57 formula, while non-safety “New” members receive a 2% at 62 plan. Employees receive annual retirement benefits calculated based on age at retirement, years of membership service and the amount of earnings based on the highest annual average during a consecutive three-year period. Mandatory employee pension contributions are also included in the formulae for the “New” employee tier.

Effective during fiscal year 2012-2013, City employees commenced payment of the employee portion of pension contributions, which were previously paid by the City on the employees’ behalf. Additionally, “Classic” members of the Firefighters Association, Police Officers’ Association and Police Management Association commenced cost sharing 3% of the Employer portion of the pension contribution (the cost sharing contributions are reflected in the Employer payments in Table 17).

Section 115 Retirement Trusts. In 2008, the City established a Section 115 trust fund through CalPERS dedicated to prefunding OPEB costs (the “OPEB 115 Trust”). In Fiscal Year 2019-20, the City made a voluntary contribution of \$548,000 to the OPEB 115 Trust. As of March 31, 2021, the balance in the OPEB 115 Trust was approximately \$31.1 million. The City’s total OPEB liability was \$55,862,000 as of September 30, 2020. The liability is 56% funded.

The City has also established a Section 115 trust fund dedicated to fund pension costs (the “Pension 115 Trust”). In Fiscal Year 2019-20, the City made a voluntary contribution of \$1.56 million to the Pension 115 Trust. The City also made discretionary contributions to the Pension 115 Trust in the amounts of \$1,000,000 for Fiscal Year 2017-18 and \$1,455,000 for Fiscal Year 2018-19. As of September 30, 2020, the balance in the Pension 115 Trust was approximately \$4.5 million.

City Contributions. The following table shows City contributions to CalPERS for Fiscal Years 2016-17 through 2019-20, as well as expected contributions for Fiscal Year 2020-21. The following table does not include discretionary payments which the City has made to CalPERS in the amount of \$1,901,141 for Fiscal Year 2017-18, \$1,500,000 for Fiscal Year 2018-19, \$44,831 for Fiscal Year 2019-20 and \$56,757 for Fiscal Year 2020-21.

TABLE 17
City of El Segundo
Historical and Projected Payments to CalPERS
Fiscal Year Ending June 30

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u> <i>(Estimated)</i>
<u>Police</u>					
Employee	\$ 190,009	\$ 703,541	\$ 703,355	\$ 932,188	\$ 998,037
Employer	<u>4,160,101</u>	<u>5,023,795</u>	<u>5,325,564</u>	<u>5,205,985</u>	<u>6,158,123</u>
Subtotal	\$ 4,350,109	\$ 5,727,337	\$ 6,028,919	\$ 6,138,173	\$ 7,156,160
<u>Fire</u>					
Employee	\$ 490,246	\$ 517,926	\$ 530,598	\$ 702,816	\$ 717,643
Employer	<u>2,667,013</u>	<u>4,308,009</u>	<u>4,392,235</u>	<u>4,201,570</u>	<u>5,053,862</u>
Subtotal	\$ 3,157,259	\$ 4,825,935	\$ 4,922,832	\$ 4,904,386	\$ 5,771,505
<u>Miscellaneous</u>					
Employee	\$ 835,390	\$ 857,953	\$ 849,628	\$ 933,527	\$ 971,376
Employer	<u>2,371,879</u>	<u>3,290,328</u>	<u>3,592,804</u>	<u>3,583,473</u>	<u>3,755,336</u>
Subtotal	\$ 3,207,269	\$ 4,148,281	\$ 4,442,433	\$ 4,517,000	\$ 4,726,712
Total	\$ 10,714,637	\$ 14,701,553	\$ 15,394,184	\$ 15,559,559	\$ 17,654,376

Note: Includes both "Classic" and "New" tiers.
Source: City of El Segundo.

These costs have significantly increased in the past several years due to a variety of reasons, including the investment performance of CalPERS being less than the actuarially assumed rate. CalPERS recently began implementing risk mitigation strategies that will result in large increases in annual pension costs to public agencies, due to changes in actuarial smoothing and mortality assumptions to help ensure the pension plans are financially sound and that they become fully funded.

Funded Status and Funding Progress. The following table shows the City's historical funding progression for 2016 through 2019, as of a June 30 actuarial valuation date.

Fire Plan. The funding history below shows the plan's actuarial accrued liability, share of the pool's market value of assets, share of the pool's unfunded liability, funded ratio, and annual covered payroll. A portion of the Bonds will be used to refund the City's projected share of the Unfunded Liability with respect to the classic Safety Fire Plan as of June 30, 2021. On March 29, 2021, the City prepaid its share of the unfunded actuarial accrued liability with respect to the PEPRA Safety Fire Plan.

TABLE 18A
Funding History – Safety Fire Plan

Valuation Date	Accrued Liability (AL)	Share of Pool's Market Value of Assets (MVA)	Plan's Share of Pool's Unfunded Liability	Funded Ratio	Annual Covered Payroll
6/30/2016	\$123,910,094	\$75,587,182	\$48,322,912	61.00%	\$5,848,307
6/30/2017	127,536,454	78,069,645	49,466,809	61.20	5,135,365
6/30/2018	135,324,593	81,271,255	54,053,338	60.10	5,027,033
6/30/2019	139,980,915	84,642,531	55,338,384	60.50	4,635,653

TABLE 18B
Funding History – PEPR Safety Fire Plan

Valuation Date	Accrued Liability (AL)	Share of Pool's Market Value of Assets (MVA)	Plan's Share of Pool's Unfunded Liability	Funded Ratio	Annual Covered Payroll
6/30/2016	\$126	\$117	\$9	92.70%	\$69,355
6/30/2017	58,990	59,256	-266	100.50	394,591
6/30/2018	184,878	173,752	11,126	94.00	443,661
6/30/2019	374,547	359,546	15,001	96.00	709,002

Source: CalPERS Actuarial Valuation for the Fiscal Year ended June 30, 2019.

Police Plan. The funding history below for the Police Plan shows the plan's actuarial accrued liability, share of the pool's market value of assets, share of the pool's unfunded liability, funded ratio, and annual covered payroll. A portion of the Bonds will be used to refund the City's projected share of the Unfunded Liability with respect to the classic Safety Police First Tier Plan as of June 30, 2021. On March 29, 2021, the City prepaid its share of the unfunded actuarial accrued liability with respect to the classic Safety Police Second Tier Plan and the PEPR Safety Police Plan.

TABLE 18C
Funding History – Safety Police First Tier Plan

Valuation Date	Accrued Liability (AL)	Share of Pool's Market Value of Assets (MVA)	Plan's Share of Pool's Unfunded Liability	Funded Ratio	Annual Covered Payroll
6/30/2016	\$136,795,167	\$83,442,435	\$53,352,732	61.00%	\$7,453,262
6/30/2017	142,685,849	88,089,481	54,596,368	61.70	6,837,618
6/30/2018	154,043,676	94,231,910	59,811,766	61.20	6,224,875
6/30/2019	159,445,368	98,060,383	61,384,985	61.50	5,788,244

TABLE 18D
Funding History – Safety Police Second Tier Plan

Valuation Date	Accrued Liability (AL)	Share of Pool's Market Value of Assets (MVA)	Plan's Share of Pool's Unfunded Liability	Funded Ratio	Annual Covered Payroll
6/30/2016	\$125,583	\$76,815	\$48,768	61.20%	\$115,461
6/30/2017	176,387	126,222	50,165	71.60	120,719
6/30/2018	356,925	305,370	51,555	85.60	350,252
6/30/2019	540,878	487,118	53,760	90.10	367,441

TABLE 18E
Funding History – PEPRA Safety Police Plan

Valuation Date	Accrued Liability (AL)	Share of Pool's Market Value of Assets (MVA)	Plan's Share of Pool's Unfunded Liability	Funded Ratio	Annual Covered Payroll
6/30/2016	\$34,417	\$20,937	\$13,480	60.80%	\$115,929
6/30/2017	98,489	84,635	13,854	85.90	355,591
6/30/2018	246,001	228,060	17,941	92.70	617,158
6/30/2019	479,755	456,275	23,480	95.10	1,058,935

Source: CalPERS Actuarial Valuation for the Fiscal Year ended June 30, 2019.

Miscellaneous Plan. The table below shows the recent history of the actuarial accrued liability, the market value of assets, the funded ratio and the annual covered payroll. A portion of the Bonds will be used to refund the City's Unfunded Liability with respect to the Miscellaneous Plan as of June 30, 2021.

TABLE 18F
Funding History – Miscellaneous Plan

Valuation Date	Accrued Liability (AL)	Market Value of Assets (MVA)	Unfunded Liability	Funded Ratio	Annual Covered Payroll
6/30/2011	\$85,636,534	\$62,932,580	\$22,703,954	73.50%	\$12,060,572
6/30/2012	88,576,580	61,098,674	27,477,906	69.00	12,893,586
6/30/2013	92,232,744	67,308,516	24,924,228	73.00	12,779,651
6/30/2014	99,490,182	77,455,103	22,035,079	77.90	12,746,683
6/30/2015	102,755,845	77,033,230	25,722,615	75.00	12,604,956
6/30/2016	107,397,803	74,830,156	32,567,647	69.70	12,628,772
6/30/2017	112,779,110	80,505,505	32,273,605	71.40	12,452,471
6/30/2018	119,367,106	85,063,117	34,303,989	71.30	12,689,829
6/30/2019	122,659,578	88,083,194	34,576,384	71.80	13,240,098

Source: CalPERS Actuarial Valuation for the Fiscal Year ended June 30, 2019.

Post Employment Benefits. The City also provides postretirement medical benefits (“OPEBs”) under an agent multiple-employer plan to employees who retire directly from the City under CalPERS, with age and service requirements that vary by bargaining unit. For eligible retirees, the City contributes a portion of the premiums for the medical plans selected by retirees, generally consisting of total payments of approximately \$245,000 to \$250,000 per month paid directly to the employees. Benefit provisions for CalPERS are established and amended through negotiations between the City and the various bargaining units.

The City contracts with CalPERS to participate in the Public Employee Medical and Hospital Care Act (“PEMHCA”). Under this contract, both active employees and retirees are provided access to health insurance. The City makes a contribution to retirees who elect to purchase insurance through CalPERS. This contribution is mandated by Assembly Bill 2544 and is adjusted annually by CalPERS. The plan is financed via actuarially determined contributions deposited into the California Employees’ Retirement Benefit Trust (“CERBT”) managed by CalPERS.

The contribution requirements to the City’s OPEB plan are established and may be amended by the City Council, and the annual City’s annual contribution is based on the actuarially determined contribution. For the measurement period ending June 30, 2020, the City’s contributions were \$548,000 to the CERBT Trust, \$3,374,434 in premium payments, administrative expense of \$9,028 and the estimated implicit subsidy was \$494,250, resulting in total payments of \$4,425,721.

In order to comply with Government Accounting Standards Board Statement 75, the City regularly conducts an actuarial valuation of its OPEB obligations to determine its Net OPEB Liability. As described in Note 9 in in “APPENDIX A - CITY OF EL SEGUNDO COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED SEPTEMBER 30, 2020,” the City’s Net OPEB liability as of September 30, 2020 (using a June 30, 2020 measurement date) was \$29,126,015.

For a detailed description of the City’s pension and OPEB obligations, see Notes 8 and 9 in “APPENDIX A - CITY OF EL SEGUNDO COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED SEPTEMBER 30, 2020.”

City Insurance Program

The City is subject to a variety of workers’ compensation and liability claims from time to time. The City maintains various insurance as described below.

The City adopted a self-insured workers’ compensation program that is administered by a third party administrator. The City is self-insured for the first \$500,000 on each claim (Self-Insured Retention or “SIR”). Insurance coverage in excess of the self-insured amount is provided by the Independent Cities Risk Management Authority (“ICRMA”) pool for the first \$1,500,000 in excess of the SIR. The amount in excess of \$1,500,000 is insured by a private insurance company up to statutory limits. The City is also self-insured for the first \$750,000 on each general liability claim against the City. Insurance coverage in excess of the self-insured amount is provided by Independent Cities Risk Management Authority (“ICRMA”) up to a limit of \$2,000,000, and by multiple private insurance companies for an additional \$33,000,000. ICRMA is considered a self-sustaining risk pool. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. At September 30, 2020, the amount of these liabilities was \$12,926,000. The amount represents an estimate of \$6,787,000 for reported claims through September 30, 2020, and \$6,139,000 of estimated incurred but not reported claims.

The City is a member of the ICRMA, a public entity risk pool currently operating as a common risk management and insurance program for 16 cities. The City pays an annual premium to the pool for its excess general liability insurance coverage. The City carries commercial companies for all other risks of loss, including property insurance including earthquake and flood, auto physical damage insurance and special events insurance.

For information concerning the City’s insurance program, see Note 10 in “APPENDIX A - CITY OF EL SEGUNDO COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED SEPTEMBER 30, 2020.”

Public Safety

The City provides police and fire services to the community. There are two fire stations within the City and 30 sworn positions. There is one police station serving the City with 65 sworn personnel.

Street and highway maintenance is under the supervision of the City's Public Works department. Building inspection and code enforcement services are provided by the City.

RISK FACTORS

Prospective purchasers of the Bonds should carefully consider all possible factors that may affect the ability of the City to pay principal of and interest on the Bonds. The Bonds may not be a suitable investment for all prospective purchasers.

The following factors, along with the other information in this Official Statement, should be considered by potential investors in evaluating the purchase of the Bonds. However, the following does not purport to be an exhaustive listing of risks and other considerations which may be relevant to an investment in the Bonds and there can be no assurance that other risk factors will not become material in the future. In addition, the order in which the following factors are presented is not intended to reflect the relative importance of any such risks.

City Obligations

The City has other obligations payable from its General Fund and other lawfully available funds of the City, including but not limited to debt obligations, lease obligations and certain other liabilities. The Trust Agreement does not prohibit the County from incurring additional debt, lease or other obligations payable from the City's General Fund and other lawfully available funds in the future (including Additional Bonds to finance Pension Liability), which may reduce City moneys available to pay the Bonds.

In addition, although the Bonds are payable from all lawfully available funds of the City, the City has no obligation to levy taxes in order to raise sufficient revenues to pay the Bonds. See the caption "CITY FINANCIAL INFORMATION—Other Indebtedness" for a description of the City's current obligations.

Certain Risks Associated with Sales Tax and Other Local Tax Revenues

For the past several Fiscal Years, sales tax revenues have been the second largest source of General Fund revenues to the City.

Sales and use tax revenues are based upon the gross receipts of retail sales of tangible goods and products by retailers with taxable transactions in the City, which could be impacted by a variety of factors. For example, in times of economic recession, the gross receipts of retailers often decline, and such a decline would cause the sales tax revenues received by the City to decline. An economic recession would also be expected to affect hotel occupancy within the City, and consequently, the City's receipt of transient occupancy taxes. In particular, the City's transient occupancy tax receipts experienced significant reductions Fiscal Year 2019-20 due to the COVID-19 outbreak. See the captions "THE CITY—COVID-19 Outbreak" and "—City Financial Information."

In addition, changes or amendments in the laws applicable to the City's receipt of sales tax revenues or other local taxes, whether implemented by State legislative action or voter initiative, including any initiative by City voters under Article XIII C of the California Constitution, could have an adverse effect on sales tax revenues received by the City. See the caption "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS."

Finally, many categories of transactions are exempt from the Statewide sales tax, and additional categories could be added in the future. Currently, most sales of food products for human consumption are exempt; this exemption, however, does not apply to liquor or to restaurant meals. The rate of sales tax levied on taxable transactions in the City or the fee charged by the State Board of Equalization for administering the City's sales tax could also be changed.

Certain Risk Factors Associated With Chevron Tax Resolution Agreement

As described under the caption "THE CITY—Sources of General Fund Revenues—*Chevron Tax Resolution Agreement*," in 2013 the City entered into a Tax Resolution Agreement with Chevron pursuant to which Chevron pays certain Resolution Payments to the City. In the past five fiscal years, the Resolution Payments have ranged from \$5,381,035 to \$6,589,528 and have averaged approximately 12.2% of the City's total General Fund revenues each year.

The Tax Resolution Agreement provides both the City and Chevron with the right to terminate the Tax Resolution Agreement early, and the Tax Resolution Agreement is currently scheduled to expire in fiscal year 2028.

If the Chevron Tax Resolution Agreement is terminated, either by its current terms or pursuant to Chevron's early termination rights, or if Chevron were unable or unwilling to make the Resolution Payments when due, there could be a material adverse impact on the City's finances. There is no assurance the Tax Resolution Agreement will be extended under substantially similar terms. Moreover, the City can provide no assurance Chevron will continue to make the Resolution Payments when due.

Assessed Value of Taxable Property

Property taxes are the largest source of the City's General Fund revenues. Natural and economic forces can affect the assessed value of taxable property within the City. The City is located in a seismically active region, and damage from an earthquake in or near the area could cause extensive damage to taxable property. Other natural or manmade disasters, such as flood, fire, wildfire, ongoing drought, toxic dumping, erosion or acts of terrorism, could cause a reduction in the assessed value of taxable property within the City. See the captions "—Natural Disasters" and "—Hazardous Substances."

In addition, economic and market forces, such as a downturn in the regional economy, could affect assessed values, particularly as these forces might reverberate in the residential housing and commercial property markets as has been experienced in the past. In addition, the total assessed value can be reduced through the reclassification of taxable property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes).

Reductions in the market values of taxable property may cause property owners to appeal assessed values and may also be associated with an increase in delinquency rates for property taxes. Section 2(b) of Article XIII A of the State Constitution and Section 51 of the State Revenue and Taxation Code, which were adopted pursuant to Proposition 8, which was adopted in 1978, require the County assessor to annually enroll either a property's adjusted base year value (the "Proposition 13 Value") or its current market value, whichever is less. When the current market value replaces the higher Proposition 13 Value on the assessor's roll, such lower value is referred to as the "Proposition 8 Value."

Although the annual increase for a Proposition 13 Value is limited to no more than 2%, the same restriction does not apply to a Proposition 8 Value. The Proposition 8 Value of a property is reviewed annually as of January 1; the current market value must be enrolled as long as the Proposition 8 Value falls below the Proposition 13 Value. Thus, any subsequent increase or decrease in market value is enrolled regardless of any percentage increase or decrease. Only when a current Proposition 8 Value exceeds the Proposition 13 Value

attributable to a piece of property (adjusted for inflation) does a county assessor reinstate the Proposition 13 Value.

Decreases in the assessed value of taxable property within the City resulting from a natural disaster or other calamity, economic recession, reclassification by ownership or use or as a result of the implementation of Proposition 8 all may have an adverse impact on property tax collections by the City, and consequently, the General Fund revenues that are available to make debt service payments on the Bonds.

Increasing Retirement-Related Costs

The City is required to make contributions to CalPERS for City employees and retirees and made the last annual required contribution to the OPEB Benefit plan in Fiscal Year 2019 for City employees and retirees. The City has an OPEB trust that is 52% funded and requires no new City contributions after FY 2019. The CalPERS obligations are a significant financial obligation of the City and could increase in the future. Actual contribution rates will depend on a variety of factors, including but not limited to actual investment returns and future changes to benefits or actuarial assumptions. The City notes that pension contributions in future years may increase as a result of losses in CalPERS' portfolio resulting from stock market declines in the wake of the COVID-19 outbreak. See the captions "THE CITY—COVID-19 Outbreak" and "RISK FACTORS—Impacts and Potential Impacts of COVID-19 on the City." There can be no assurances that actual increases in required contributions will not be higher than the amounts which are currently projected by the City. See the captions "CITY PENSION PLANS" and "CITY FINANCIAL INFORMATION—Other Post-Employment Benefits."

Dependence on State for Certain Revenues

A number of the City's revenues are collected and dispersed by the State (such as sales taxes and the VLF) or allocated in accordance with State law (most importantly, property taxes). Therefore, State budget decisions can have an impact on City finances. In the event of a material economic downturn in the State, including as a result of the COVID-19 outbreak that is discussed under the captions "THE CITY—COVID-19 Outbreak" and "RISK FACTORS—Impacts and Potential Impacts of COVID-19 on the City," there can be no assurance that any resulting revenue shortfalls to the State will not reduce revenues to local governments (including the City) or shift financial responsibility for programs to local governments as part of the State's efforts to address any such related State financial difficulties. See the caption "STATE OF CALIFORNIA BUDGET INFORMATION."

No Reserve Fund

The City has not funded a reserve fund in connection with the issuance of the Bonds.

Litigation

The City may be or become a party to litigation that has an impact on the General Fund. Although the City maintains certain insurance policies that provide liability coverage under certain circumstances and with respect to certain types of incidents (as discussed under the caption "THE CITY—Risk Management"), the City cannot predict what types of liabilities may arise in the future. See the caption "LITIGATION."

Natural Disasters

The occurrence of any natural disaster in the City, including, without limitation, earthquake, wildfire, drought, high winds, landslide or flood, which results in significant damage within the City or otherwise significantly impacts the economy of the City could materially adversely affect the financial condition of the City. See the caption "THE CITY—Risk Management."

The occurrence of a natural disaster affecting the City, such as an earthquake or tsunami, could materially adversely effect the financial condition of the City. The City, like much of California, frequently experiences seismic activity. The Inglewood fault line is near the City.

An earthquake along one of the faults in the vicinity of the City, either known or unknown, could cause a number of casualties and extensive property damage, particularly to residential buildings, older wooden or unreinforced masonry buildings and mobile homes. The effects of such an earthquake could be aggravated by aftershocks and secondary effects such as fires, landslides, dam failure, liquefaction, floods and other threats to public health, safety and welfare. The potential direct and indirect consequences of a major earthquake could easily exceed the resources of the City and would require a high level of self-help, coordination and cooperation.

The occurrence of natural disasters in the City could result in substantial damage to the City which, in turn, could substantially affect the City's economy and reduce General Fund revenues, which could affect the payment of the principal of and interest on the Bonds. In particular, if a natural disaster were to result in reduced assessed valuations of property within the City, the amount of property tax revenues (which constitute the City's largest source of General Fund revenues) could be reduced. See the caption "CITY FINANCIAL INFORMATION—Property Taxes."

The City maintains liability insurance and property casualty insurance (including limited earthquake coverage) for City infrastructure. See the caption "THE CITY—Risk Management." However, there can be no assurance that specific losses will be covered by insurance or, if covered, that claims will be paid in full by the applicable insurers.

Climate Change

The State has historically been susceptible to wildfires and hydrologic variability. As greenhouse gas emissions continue to accumulate in the atmosphere as a result of economic activity, climate change is expected to intensify, increasing the frequency, severity and timing of extreme weather events such as coastal storm surges, drought, wildfires, floods and heat waves, and raising sea levels. The future fiscal impact of climate change on the City is difficult to predict, but it could be significant and it could have a material adverse effect on the General Fund by requiring greater expenditures to counteract the effects of climate change or by changing the operations and activities of City residents and business establishments.

In 2017, the City adopted a Climate Action Plan through the South Bay Cities Council of Governments to identify community-wide strategies to lower greenhouse gas emissions from a range of sources within the City, including transportation, land use, energy generation and consumption, water and waste.

Cybersecurity

Municipal agencies, like other business entities, face significant risks relating to the use and application of computer software and hardware. Recently, there have been significant cybersecurity incidents affecting municipal agencies, including a freeze affecting computer systems of the City of Atlanta, an attack on the City of Baltimore's 911 system, an attack on the Colorado Department of Transportation's computers and an attack that resulted in the temporary closure of the Port of Los Angeles' largest terminal. In July 2019, the City experienced a ransomware attack. The City refused to pay the ransom, and successfully restored all systems after a limited period of disruption. The costs of thwarting the attack were covered by cybersecurity insurance maintained by the City.

The City employs a multi-level cyber protection scheme that includes network firewalls, server- and personal computer- level anti-virus software, anti-spam/malware software, Barracuda Email Security Gateway for email protection as well as intrusion protection and domain name system filtering software. The City is currently in the process of developing and implementing a comprehensive Cyber Security Risk Management Program, which is expected to be approved by the City Council in June 2021. To date, the City has not

experienced an attack on its computer operating systems. However, there can be no assurance that a future attack or attempted attack would not result in disruption of City operations, particularly given that employee access of City computer systems from home in light of the COVID-19 pandemic may increase the risks of intrusion by third parties. The City employs high-level intrusions protection and expects that any such disruptions would be temporary in nature.

Limitation on Sources of Revenues

Although the Bonds are payable from all lawfully available funds of the City, the City has no obligation to levy taxes, assessments, fees or charges in order to raise sufficient revenues to pay the Bonds. In the event that the City were to choose to do so, the State Constitution contains significant limitations and imposes significant procedural requirements which affect the City's ability to increase City revenues. See the caption "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS."

In addition, under the State Constitution, voters of the State have the ability to initiate legislation and require a public vote on legislation passed by the State Legislature through the powers of initiative and referendum, respectively. The City is unable to predict whether any such initiatives or referenda might be submitted to or approved by the voters, the nature of such initiatives or referenda or their potential impact on the City and its operations.

Impacts and Potential Impacts of COVID-19

On March 4, 2020, the Governor declared a state of emergency to help the state prepare and respond to the novel coronavirus identified as COVID-19. On March 11, 2020, the World Health Organization declared the COVID-19 outbreak a global pandemic and on March 13, 2020 the President declared a national state of emergency. Since then, tens of millions of cases of COVID-19 have been diagnosed throughout the country, resulting in hundreds of thousands of deaths. In response to the COVID-19 pandemic, governmental authorities, including the State of California, the County of Los Angeles and the City, have implemented, and revised from time to time, restrictions on mass gatherings and widespread closings and modifications of the operations of businesses, universities and schools. The severe drop in economic activity commencing in spring 2020 caused by the COVID-19 pandemic resulted in a recession that ended the nation's record-long economic expansion in February 2020.

In December 2020, two vaccines were approved for emergency use in the United States and vaccinations began in California. Health care workers and residents in long-term care facilities were initially given priority to receive the COVID-19 vaccine, followed by essential workers and Californians based on age. Supplies of the vaccines are currently limited and dependent on federal distribution.

The COVID-19 pandemic has disrupted, and continues to disrupt, large sectors of the state economy and remains a significant risk. A continued spread of the COVID-19 virus, future outbreak of the COVID-19 virus or another infectious disease, or the fear of any such outbreak, and measures taken to prevent or reduce it, could adversely impact State, national and global economic activities and, accordingly, adversely impact the financial condition and operations of the City, and the extent of impact could be material. The City cannot predict the duration of COVID-19, the duration or expansion of travel restrictions and warnings, whether additional countries or destinations will be added to the travel restrictions or warnings, and what effect such travel restrictions and warnings may have on tourism-related revenues. Additionally, the City cannot predict what impact COVID-19 may have on the City's general financial condition or operations, or the assessed values of property within the City.

There are many variables that will continue to contribute to the economic impact of the COVID-19 outbreak and the recovery therefrom, including the length of time social distancing measures are in place, the effectiveness of State and Federal governments' relief programs and the timing for the containment and treatment of COVID-19.

Notwithstanding the foregoing, the City does not currently believe that the COVID-19 outbreak will materially adversely affect its ability to pay debt service on the Bonds. See the captions “CITY FINANCIAL INFORMATION—COVID-19 Outbreak” and “—General Economic Condition and Outlook of the City” for more information with respect to the impacts of COVID-19 on the City and its finances.

Economy of City and State

A deterioration in the level of economic activity in the City, the State or the United States, including as a result of the COVID-19 outbreak that is discussed under the caption “THE CITY—COVID-19 Outbreak” could have a material adverse effect on the City’s general revenues and on the ability of the City to pay principal of and interest on the Bonds. In particular, the City’s transient occupancy tax receipts experienced significant reductions Fiscal Year 2019-20 due to the COVID-19 outbreak. See the captions “THE CITY—COVID-19 Outbreak” and “—City Financial Information” For information about the State’s economy and State budget, see the caption “STATE OF CALIFORNIA BUDGET INFORMATION.”

Limitation on Remedies; Bankruptcy

General. The enforcement of any remedies that are provided for in the Trust Agreement could prove both expensive and time consuming. The rights and remedies that are provided in the Trust Agreement may be limited by and are subject to: (i) the limitations on legal remedies against cities in the State, including State Constitutional limits on expenditures and limitations on the enforcement of judgments against funds that are needed to serve the public welfare and interest; (ii) federal bankruptcy laws, as now or later enacted, as discussed in detail under the caption “—Bankruptcy” below; (iii) applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors’ rights generally, now or later in effect; (iv) equity principles which may limit the specific enforcement under State law of certain remedies; (v) the exercise by the United States of America of the powers delegated to it by the Constitution; and (vi) the reasonable and necessary exercise, in certain exceptional situations, of the police powers that are inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose. Bankruptcy proceedings, or the exercise of powers by the federal or State government, if initiated, could subject the Owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation or modification of their rights.

The legal opinions that will be delivered concurrently with the delivery of the Bonds will be qualified, as to the enforceability of the Bonds, the Trust Agreement and other related documents, by bankruptcy, insolvency, reorganization, moratorium, arrangement, fraudulent conveyance and other laws relating to or affecting creditors’ rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases, and to the limitations on legal remedies against cities in the State.

Failure by the City to pay principal of or interest on the Bonds or failure to observe and perform any other terms, covenants or conditions of the Trust Agreement for a period of 60 days after written notice of such failure and request that it be remedied has been given to the City by the Trustee, constitute events of default under the Trust Agreement and permit the Trustee to pursue the remedies that are described in the Trust Agreement. In the event of a default, there is no right under any circumstances to accelerate payment of the Bonds or otherwise declare any Bonds that are not then in default to be immediately due and payable.

Any suit for money damages against the City would be subject to limitations on legal remedies against cities in the State, including a limitation on enforcement of judgments against funds needed to serve the public welfare and interest.

Bankruptcy. Enforceability of the rights and remedies of the Owners of the Bonds, and the obligations incurred by the City, may become subject to the provisions of Title 11 of the United States Code (the “Bankruptcy Code”) and applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting the enforcement of creditors’ rights generally, now or later in effect, equity principles which may

limit the specific enforcement under State law of certain remedies, the exercise by the United States of America of the powers delegated to it by the federal Constitution, the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose and the limitations on remedies against cities in the State. Bankruptcy proceedings, or the exercise of powers by the federal or State government, if initiated, could subject the Owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation or modification of their rights. Under Chapter 9 of the Bankruptcy Code, which governs the bankruptcy proceedings for public agencies such as the City, involuntary petitions are not permitted. If the City were to file a petition under Chapter 9 of the Bankruptcy Code, the Owners of the Bonds and the Trustee could be prohibited from taking any steps to enforce their rights under the Trust Agreement or from taking any steps to collect amounts due from the City on the Bonds.

In particular, if the City were to become a debtor under the Bankruptcy Code, the City would be entitled to all of the protective provisions of the Bankruptcy Code as applicable in a Chapter 9 case. Among the adverse effects of such a bankruptcy might be: (i) the application of the automatic stay provisions of the Bankruptcy Code, which, until relief is granted, would prevent collection of payments from the City or the commencement of any judicial or other action for the purpose of recovering or collecting a claim against the City, and which could prevent the Trustee from making payments from funds in its possession; (ii) the avoidance of preferential transfers occurring during the relevant period prior to the filing of a bankruptcy petition; (iii) the existence of unsecured or secured debt which may have a priority of payment that is superior to that of Owners of the Bonds; and (iv) the possibility of the adoption of a plan (an "Adjustment Plan") for the adjustment of the City's various obligations over the objections of the Trustee or all of the Owners of the Bonds and without their consent, which Adjustment Plan may restructure, delay, compromise or reduce the amount of any claim of the Owners if the Bankruptcy Court finds that such Adjustment Plan is "fair and equitable" and in the best interests of creditors.

The Bonds are not secured by any property other than the funds that the City has actually deposited with the Trustee. If the City is in bankruptcy, it may not be obligated to make any further deposits with the Trustee, it may not be obligated to make any further allocations to the Bonds and it may not be obligated to turn over to the Trustee any moneys that have been allocated to the Bonds in the City treasury. As a result, the Bonds would likely be treated as unsecured obligations of the City in the bankruptcy case. Under such circumstances, the Owners of the Bonds could suffer substantial losses.

The Adjustment Plans approved by the bankruptcy courts in connection with the bankruptcies of the Cities of Stockton and San Bernardino, among others, resulted in significant reductions in the amounts payable by such city under pension obligation bonds that were substantially identical or similar to the Bonds. Specifically, in the Stockton bankruptcy, the court held that CalPERS was an unsecured creditor of the city with a claim on parity with those of other unsecured creditors. Additionally, in the San Bernardino bankruptcy, the court held that in the event of a municipal bankruptcy, payments on pension obligation bonds, such as the Bonds, were unsecured obligations and not entitled to the same priority of payments made to CalPERS. The City can provide no assurances about the outcome of the bankruptcy cases of other municipalities or the nature of any Adjustment Plan if it were to file for bankruptcy.

The City may be able, without the consent and over the objection of the Trustee or the Owners of the Bonds, to alter the priority, interest rate, payment terms, maturity dates, payment sources, covenants and other terms or provisions of the Trust Agreement and the Bonds, as long as the bankruptcy court determines that the alterations are fair and equitable.

There may be delays in payments on the Bonds while the court considers any of these issues. There may be other possible effects of a bankruptcy of the City that could result in delays or reductions in payments on the Bonds, or result in losses to the Owners of the Bonds. Regardless of any specific adverse determinations in a City bankruptcy proceeding, the fact that a City bankruptcy proceeding has occurred could have an adverse effect on the liquidity and value of the Bonds.

Limitation on Trustee's Obligations

The Trustee has no obligation to advance its own funds to pursue any remedies. As a consequence, the Trustee's willingness and ability to pursue any of the remedies provided in the Trust Agreement may be dependent upon the availability of funds from an interested party. There can be no assurance that the Trustee will be willing and able to perform its duties under the Trust Agreement.

Limited Secondary Market

Investment in the Bonds poses certain economic risks which may not be appropriate for certain investors, and only persons with substantial financial resources who understand the risks of investment in the Bonds should consider such investment. There can be no guarantee that there will be a secondary market for purchase or sale of the Bonds or, if a secondary market exists, that the Bonds can or could be sold for any particular price.

Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary marketing in connection with a particular issue is suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon the then prevailing circumstances. Such prices could be substantially different from the original purchase price.

In addition, the City will enter into a continuing disclosure undertaking pursuant to Rule 15c2-12 in connection with the issuance of the Bonds. Any material failure to comply with such undertaking and Rule 15c2-12 in the future may adversely affect the liquidity of the affected Bonds and their market price in the secondary market. See the caption "CONTINUING DISCLOSURE."

Changes in Law

There can be no assurance that the electorate of the State will not adopt additional initiatives or that the State Legislature will not enact legislation that will amend the laws or the Constitution of the State in a manner that results in a reduction of General Fund revenues of the City and consequently, has an adverse effect on the security for the Bonds.

CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS

Article XIII A of the State Constitution

On June 6, 1978, State voters approved an amendment (commonly known as both Proposition 13 and the Jarvis-Gann Initiative) to the State Constitution. The amendment, which added Article XIII A to the State Constitution, among other things affects the valuation of real property for the purpose of taxation in that it defines the full cash property value to mean "the county assessor's valuation of real property as shown on the 1975/76 tax bill under 'full cash value', or thereafter, the appraised value of real property newly constructed, or when a change in ownership has occurred after the 1975 assessment." The full cash value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or a reduction in the consumer price index or comparable local data at a rate not to exceed 2% per year, or reduced in the event of declining property value caused by damage, destruction or other factors including a general economic downturn. The amendment further limits the amount of any *ad valorem* tax on real property to 1% of the full cash value, except that additional taxes may be levied to pay debt service on indebtedness approved by the voters prior to December 1, 1978 and bonded indebtedness for the acquisition or improvement of real property approved on or after December 1, 1978 by two-thirds of the votes cast by the voters voting on the proposition (55% in the case of certain school facilities). Property taxes that are subject to Proposition 13 are a significant source of the City's General Fund revenues. See the caption "CITY FINANCIAL INFORMATION—Property Taxes."

Legislation enacted by the State Legislature to implement Article XIII A provides that all taxable property is shown at full assessed value as described above. Tax rates for voter approved bonded indebtedness are also applied to 100% of assessed value.

Future assessed valuation growth allowed under Article XIII A (for new construction, change of ownership or 2% annual value growth) is allocated on the basis of “situs” among the jurisdictions that serve the tax rate area within which the growth occurs. Local agencies and school districts share the growth of “base” revenue from the tax rate area. Each year’s growth allocation becomes part of each agency’s allocation the following year. Article XIII A effectively prohibits the levying of any other *ad valorem* property tax above the 1% limit except for taxes to support indebtedness approved by the voters as described above.

Article XIII A has subsequently been amended to permit reduction of the “full cash value” base in the event of declining property values caused by damage, destruction or other factors, and to provide that there would be no increase in the “full cash value” base in the event of reconstruction of property damaged or destroyed in a disaster and in certain other limited circumstances.

Article XIII B of the State Constitution

On November 6, 1979, State voters approved an initiative entitled “Limitation on Government Appropriations,” which added Article XIII B to the State Constitution. Under Article XIII B, State and local government entities have an annual “appropriations limit” which limits the ability to spend certain moneys which are called “appropriations subject to limitation” (consisting of tax revenues and investment proceeds thereof, certain State subventions and regulatory license fees, user charges and user fees to the extent that the proceeds thereof exceed the costs of providing such services, together called “proceeds of taxes,” and certain other funds) in an amount higher than the “appropriations limit.” Article XIII B does not affect the appropriation of moneys which are excluded from the definition of “appropriations limit,” including debt service on indebtedness existing or authorized as of October 1, 1979 or bonded indebtedness subsequently approved by the voters. In general terms, the “appropriations limit” is to be based on certain 1978-79 expenditures and is to be adjusted annually to reflect changes in the consumer price index, population and services provided by these entities. Among other provisions of Article XIII B, if those entities’ revenues in any year exceed the amounts permitted to be spent, the excess would have to be returned by revising tax rates or fee schedules over the subsequent two years. Increases in appropriations by a governmental entity are permitted: (i) if financial responsibility for providing services is transferred to a governmental entity; or (ii) for emergencies so long as the appropriations limits for the three years following the emergency are reduced accordingly to prevent any aggregate increase above the Constitutional limit. Decreases are required where responsibility for providing services is transferred from the government entity.

Article XIII B permits any government entity to change the appropriations limit by vote of the electorate in conformity with statutory and Constitutional voting requirements, but any such voter-approved change can only be effective for a maximum of four years.

The City’s appropriations have never exceeded the limitation on appropriations under Article XIII B of the State Constitution.

Proposition 62

On November 4, 1986, State voters approved an initiative (“Proposition 62”) which: (a) requires that any tax for general governmental purposes imposed by local governmental entities be approved by resolution or ordinance adopted by two-thirds vote of the governmental agency’s legislative body and by a majority of the electorate of the governmental entity; (b) requires that any special tax (defined as taxes levied for other than general governmental purposes) imposed by a local governmental entity be approved by a two-thirds vote of the voters within the jurisdiction; (c) restricts the use of revenues from a special tax to the purposes or for the service for which the special tax is imposed; (d) prohibits the imposition of *ad valorem* taxes on real property by local

governmental entities except as permitted by Article XIII A; (e) prohibits the imposition of transaction taxes and sales taxes on the sale of real property by local governmental entities; and (f) requires that any tax that is imposed by a local governmental entity on or after August 1, 1985 be ratified by a majority vote of the electorate within two years of the adoption of the initiative or be terminated by November 15, 1988. The requirements imposed by Proposition 62 were upheld by the State Supreme Court in *Santa Clara County Local Transportation Authority v. Guardino*, 11 Cal.4th 220 (1995).

Following the *Guardino* decision upholding Proposition 62, several actions were filed challenging taxes imposed by public agencies since the adoption of Proposition 62. In 2001, the State Supreme Court released its decision in one of these cases, *Howard Jarvis Taxpayers Association v. City of La Habra, et al.*, 25 Cal.4th 809 (2001). In *La Habra*, the court held that a public agency's continued imposition and collection of a tax is an ongoing violation upon which the statute of limitations period begins anew with each collection. The court also held that, unless another statute or constitutional rule provided differently, the statute of limitations for challenges to taxes subject to Proposition 62 is three years. Accordingly, a challenge to a tax subject to Proposition 62 may only be made for those taxes received within three years of the date the action is brought.

The City believes that all of the taxes that the City currently collects comply with the requirements of Proposition 62. However, the requirements of Proposition 62 are largely subsumed by the requirements of Proposition 218 for the imposition of any taxes or the effecting of any tax increases after November 5, 1996. See the caption "—Proposition 218" below.

Proposition 218

On November 5, 1996, State voters approved Proposition 218, an initiative measure entitled the "Right to Vote on Taxes Act." Proposition 218 added Articles XIII C and XIII D to the State Constitution, imposing certain vote requirements and other limitations on the imposition of new or increased taxes, assessments (meaning any levy or charge upon real property for a special benefit conferred upon the real property) and property-related fees and charges. Proposition 218 states that all taxes which are imposed by local governments are deemed to be either general taxes or special taxes. Special purpose districts, including school districts, have no power to levy general taxes. No local government may impose, extend or increase any general tax unless and until such tax is submitted to the electorate and approved by a majority vote. No local government may impose, extend or increase any special tax unless and until such tax is submitted to the electorate and approved by a two-thirds vote.

Proposition 218 also provides that no tax, assessment, fee or charge may be assessed by any agency upon any parcel of property or upon any person as an incident of property ownership except: (a) the *ad valorem* property tax imposed pursuant to Articles XIII and XIII A of the State Constitution; (b) any special tax receiving a two-thirds vote pursuant to the State Constitution; and (c) assessments, fees and charges for property-related services as provided in Proposition 218. Proposition 218 then goes on to add voter requirements for assessments and fees and charges imposed as an incident of property ownership, other than fees and charges for sewer, water, and refuse collection services. In addition, all assessments and fees and charges imposed as an incident of property ownership, including sewer, water and refuse collection services, are subjected to various additional procedures, such as hearings and stricter and more individualized benefit requirements and findings. The effect of such provisions is to increase the difficulty a local agency will have in imposing, increasing or extending such assessments, fees and charges.

In the case of assessments, fees and charges, in most instances, in the event that the City is unable to collect revenues relating to specific programs as a consequence of Proposition 218, the City will curtail such services rather than use amounts in the General Fund to finance such programs. However, no assurance can be given that the City may or will be able to reduce or eliminate such services to avoid new costs for the City General Fund in the event that the assessments, fees or charges which presently finance them are reduced or repealed.

Proposition 218 also extends the initiative power to reducing or repealing any local taxes, assessments, fees and charges. This extension of the initiative power is not limited to taxes imposed on or after November 6, 1996, the effective date of Proposition 218, and is not limited to property-related taxes or other charges, and could result in retroactive repeal or reduction in any existing taxes, assessments, fees and charges, subject to overriding federal constitutional principles relating to the impairments of contracts. Legislation implementing Proposition 218 provides that the initiative power provided for in Proposition 218 “shall not be construed to mean that any owner or beneficial owner of a municipal security, purchased before or after (the effective date of Proposition 218) assumes the risk of, or in any way consents to, any action by initiative measure that constitutes an impairment of contractual rights” protected by the United States Constitution. However, no assurance can be given that the voters of the City will not, in the future, approve an initiative which reduces or repeals local taxes, assessments, fees or charges that currently are deposited into the City’s General Fund.

Although a portion of the City’s General Fund revenues are derived from general taxes purported to be governed by Proposition 218, as discussed under the caption “CITY FINANCIAL INFORMATION,” the City believes that all of such taxes were imposed in accordance with the requirements of Proposition 218.

Proposition 1A

As part of former Governor Schwarzenegger’s agreement with local jurisdictions, Senate Constitutional Amendment No. 4 was enacted by the State Legislature and subsequently approved by the voters as Proposition 1A (“Proposition 1A”) at the November 2, 2004 general election. Proposition 1A amended the State Constitution to, among other things, reduce the State Legislature’s authority over local government revenue sources by placing restrictions on the State’s access to local governments’ property, sales, and VLF revenues as of November 3, 2004. Beginning with Fiscal Year 2009, the State was entitled to borrow up to 8% of local property tax revenues, but only if the Governor proclaimed that such action was necessary due to a severe State fiscal hardship and two-thirds of both houses of the State Legislature approved the borrowing. The amount borrowed was required to be paid back within three years with interest. The State also was not able to borrow from local property tax revenues for more than two Fiscal Years within a period of ten Fiscal Years. In addition, the State could not reduce the local sales tax rate or restrict the authority of local governments to impose or change the distribution of the Statewide local sales tax.

The Fiscal Year 2010 State budget included a Proposition 1A diversion of \$1.935 billion in local property tax revenues from cities, counties, and special districts to the State to offset State General Fund spending. Such diverted revenues were required to be repaid, with interest, by no later than June 30, 2013. Many provisions of Proposition 1A were superseded by Proposition 22. See the caption “—Proposition 22.”

Proposition 22

On November 2, 2010, State voters approved Proposition 22, which eliminates the State’s ability to borrow or shift local revenues and certain State revenues that fund transportation programs. It restricts the State’s authority over a broad range of tax revenues, including property taxes allocated to cities (including the City), counties and special districts, the VLF, State excise taxes on gasoline and diesel fuel, the State sales tax on diesel fuel and the former State sales tax on gasoline. It also makes a number of significant other changes, including restricting the State’s ability to use motor vehicle fuel tax revenues to pay debt service on voter-approved transportation bonds. Proposition 22 superseded certain provisions of Proposition 1A. See the captions “—Proposition 1A” and “CITY FINANCIAL INFORMATION—Property Taxes.”

Proposition 26

On November 2, 2010, State voters approved Proposition 26. Proposition 26 amended Article XIIC of the State Constitution to expand the definition of “tax” to include “any levy, charge, or exaction of any kind imposed by a local government” except the following: (a) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the

reasonable costs to the local government of conferring the benefit or granting the privilege; (b) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (c) a charge imposed for the reasonable regulatory costs of a local government for issuing licenses and permits, performing investigations, inspections and audits, enforcing agricultural marketing orders and the administrative enforcement and adjudication thereof; (d) a charge imposed for entrance to or use of local government property, or the purchase, rental or lease of local government property; (e) a fine, penalty or other monetary charge imposed by the judicial branch of government or a local government as a result of a violation of law; (f) a charge imposed as a condition of property development; and (g) assessments and property-related fees imposed in accordance with the provisions of Article XIII D. Proposition 26 provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity. The City does not believe that Proposition 26 will adversely affect its General Fund revenues.

Future Initiatives

Articles XIII A and XIII B and Propositions 62, 218, 1A, 22 and 26 were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. The limitations imposed upon the City by these provisions hinder the City's ability to raise revenues through taxes or otherwise and may therefore prevent the City from meeting increased expenditure requirements. From time to time other initiative measures could be adopted, further affecting the City's current revenues or its ability to raise and expend revenues. Any such future initiatives could have a material adverse effect on the City's financial condition.

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP, bond counsel to the City ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is exempt from State of California personal income taxes. Bond Counsel observes that interest on the Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Code. Bond Counsel expresses no opinion regarding any other tax consequences relating to the ownership or disposition of, or the amount, accrual, or receipt of interest on, the Bonds. The proposed form of opinion of Bond Counsel is contained in Appendix C hereto.

The following discussion summarizes certain U.S. federal tax considerations generally applicable to holders of the Bonds that acquire their Bonds in the initial offering. The discussion below is based upon laws, regulations, rulings, and decisions in effect and available on the date hereof, all of which are subject to change, possibly with retroactive effect. Prospective investors should note that no rulings have been or are expected to be sought from the U.S. Internal Revenue Service (the "IRS") with respect to any of the U.S. federal tax consequences discussed below, and no assurance can be given that the IRS will not take contrary positions. Further, the following discussion does not deal with U.S. tax consequences applicable to any given investor, nor does it address the U.S. tax considerations applicable to all categories of investors, some of which may be subject to special taxing rules (regardless of whether or not such investors constitute U.S. Holders), such as certain U.S. expatriates, banks, REITs, RICs, insurance companies, tax-exempt organizations, dealers or traders in securities or currencies, partnerships, S corporations, estates and trusts, investors that hold their Bonds as part of a hedge, straddle or an integrated or conversion transaction, or investors whose "functional currency" is not the U.S. dollar. Furthermore, it does not address (i) alternative minimum tax consequences, (ii) the net investment income tax imposed under Section 1411 of the Code, or (iii) the indirect effects on persons who hold equity interests in a holder. This summary also does not consider the taxation of the Bonds under state, local or non-U.S. tax laws. In addition, this summary generally is limited to U.S. tax considerations applicable to investors that acquire their Bonds pursuant to this offering for the issue price that is applicable to such Bonds (*i.e.*, the

price at which a substantial amount of the Bonds is sold to the public) and who will hold their Bonds as “capital assets” within the meaning of Section 1221 of the Code.

As used herein, “U.S. Holder” means a beneficial owner of a Bond that for U.S. federal income tax purposes is an individual citizen or resident of the United States, a corporation or other entity taxable as a corporation created or organized in or under the laws of the United States or any state thereof (including the District of Columbia), an estate the income of which is subject to U.S. federal income taxation regardless of its source or a trust where a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons (as defined in the Code) have the authority to control all substantial decisions of the trust (or a trust that has made a valid election under U.S. Treasury Regulations to be treated as a domestic trust). As used herein, “Non-U.S. Holder” generally means a beneficial owner of a Bond (other than a partnership) that is not a U.S. Holder. If a partnership holds Bonds, the tax treatment of such partnership or a partner in such partnership generally will depend upon the status of the partner and upon the activities of the partnership. Partnerships holding Bonds, and partners in such partnerships, should consult their own tax advisors regarding the tax consequences of an investment in the Bonds (including their status as U.S. Holders or Non-U.S. Holders).

Notwithstanding the rules described below, it should be noted that certain taxpayers that are required to prepare certified financial statements or file financial statements with certain regulatory or governmental agencies may be required to recognize income, gain and loss with respect to the Bonds at the time that such income, gain or loss is recognized on such financial statements instead of under the rules described below (in the case of original issue discount, such requirements are only effective for tax years beginning after December 31, 2018).

Prospective investors should consult their own tax advisors in determining the U.S. federal, state, local or non-U.S. tax consequences to them from the purchase, ownership and disposition of the Bonds in light of their particular circumstances.

U.S. Holders

Interest. Interest on the Bonds generally will be taxable to a U.S. Holder as ordinary interest income at the time such amounts are accrued or received, in accordance with the U.S. Holder’s method of accounting for U.S. federal income tax purposes.

Bonds purchased for an amount in excess of the principal amount payable at maturity (or, in some cases, at their earlier call date) will be treated as issued at a premium. A U.S. Holder of a Bond issued at a premium may make an election, applicable to all debt securities purchased at a premium by such U.S. Holder, to amortize such premium, using a constant yield method over the term of such Bond.

Sale or Other Taxable Disposition of the Bonds. Unless a nonrecognition provision of the Code applies, the sale, exchange, redemption, retirement (including pursuant to an offer by the City) or other disposition of a Bond will be a taxable event for U.S. federal income tax purposes. In such event, in general, a U.S. Holder of a Bond will recognize gain or loss equal to the difference between (i) the amount of cash plus the fair market value of property received (except to the extent attributable to accrued but unpaid interest on the Bond, which will be taxed in the manner described above) and (ii) the U.S. Holder’s adjusted U.S. federal income tax basis in the Bond (generally, the purchase price paid by the U.S. Holder for the Bond, decreased by any amortized premium. Any such gain or loss generally will be capital gain or loss. In the case of a non-corporate U.S. Holder of the Bonds, the maximum marginal U.S. federal income tax rate applicable to any such gain will be lower than the maximum marginal U.S. federal income tax rate applicable to ordinary income if such U.S. holder’s holding period for the Bonds exceeds one year. The deductibility of capital losses is subject to limitations.

Defeasance of the Bonds. If the City defeases any Bond, the Bond may be deemed to be retired and “reissued” for U.S. federal income tax purposes as a result of the defeasance. In that event, in general, a holder

will recognize taxable gain or loss equal to the difference between (i) the amount realized from the deemed sale, exchange or retirement (less any accrued qualified stated interest which will be taxable as such) and (ii) the holder's adjusted tax basis in the Bond.

Information Reporting and Backup Withholding. Payments on the Bonds generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate U.S. Holder of the Bonds may be subject to backup withholding at the current rate of 24% with respect to "reportable payments," which include interest paid on the Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against the U.S. Holder's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain U.S. holders (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. A holder's failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

Non-U.S. Holders

Interest. Subject to the discussions below under the headings "Information Reporting and Backup Withholding" and "Foreign Account Tax Compliance Act," payments of principal of, and interest on, any Bond to a Non-U.S. Holder, other than (1) a controlled foreign corporation, a such term is defined in the Code, which is related to the City through stock ownership and (2) a bank which acquires such Bond in consideration of an extension of credit made pursuant to a loan agreement entered into in the ordinary course of business, will not be subject to any U.S. federal withholding tax provided that the beneficial owner of the Bond provides a certification completed in compliance with applicable statutory and regulatory requirements, which requirements are discussed below under the heading "Information Reporting and Backup Withholding," or an exemption is otherwise established.

Disposition of the Bonds. Subject to the discussions below under the headings "Information Reporting and Backup Withholding" and "FATCA," any gain realized by a Non-U.S. Holder upon the sale, exchange, redemption, retirement (including pursuant to an offer by the City or a deemed retirement due to defeasance of the Bond) or other disposition of a Bond generally will not be subject to U.S. federal income tax, unless (i) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business within the United States; or (ii) in the case of any gain realized by an individual Non-U.S. Holder, such holder is present in the United States for 183 days or more in the taxable year of such sale, exchange, redemption, retirement (including pursuant to an offer by the City) or other disposition and certain other conditions are met.

U.S. Federal Estate Tax. A Bond that is held by an individual who at the time of death is not a citizen or resident of the United States will not be subject to U.S. federal estate tax as a result of such individual's death, provided that, at the time of such individual's death, payments of interest with respect to such Bond would not have been effectively connected with the conduct by such individual of a trade or business within the United States.

Information Reporting and Backup Withholding. Subject to the discussion below under the heading "FATCA," under current U.S. Treasury Regulations, payments of principal and interest on any Bonds to a holder that is not a United States person will not be subject to any backup withholding tax requirements if the beneficial owner of the Bond or a financial institution holding the Bond on behalf of the beneficial owner in the ordinary course of its trade or business provides an appropriate certification to the payor and the payor does not have actual knowledge that the certification is false. If a beneficial owner provides the certification, the certification must give the name and address of such owner, state that such owner is not a United States person, or, in the

case of an individual, that such owner is neither a citizen nor a resident of the United States, and the owner must sign the certificate under penalties of perjury. The current backup withholding tax rate is 24%.

Foreign Account Tax Compliance Act (“FATCA”) — U.S. Holders and Non-U.S. Holders

Sections 1471 through 1474 of the Code impose a 30% withholding tax on certain types of payments made to foreign financial institutions, unless the foreign financial institution enters into an agreement with the U.S. Treasury to, among other things, undertake to identify accounts held by certain U.S. persons or U.S.-owned entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these and other reporting requirements, or unless the foreign financial institution is otherwise exempt from those requirements. In addition, FATCA imposes a 30% withholding tax on the same types of payments to a non-financial foreign entity unless the entity certifies that it does not have any substantial U.S. owners or the entity furnishes identifying information regarding each substantial U.S. owner. Under current guidance, failure to comply with the additional certification, information reporting and other specified requirements imposed under FATCA could result in the 30% withholding tax being imposed on payments of interest on the Bonds. In general, withholding under FATCA currently applies to payments of U.S. source interest (including OID) and, under current guidance, will apply to certain “passthru” payments no earlier than the date that is two years after publication of final U.S. Treasury Regulations defining the term “foreign passthru payments.” Prospective investors should consult their own tax advisors regarding FATCA and its effect on them.

The foregoing summary is included herein for general information only and does not discuss all aspects of U.S. federal taxation that may be relevant to a particular holder of Bonds in light of the holder’s particular circumstances and income tax situation. Prospective investors are urged to consult their own tax advisors as to any tax consequences to them from the purchase, ownership and disposition of Bonds, including the application and effect of state, local, non-U.S., and other tax laws.

VALIDATION

On February 2, 2021, the City, acting pursuant to the provisions of Section 860 *et seq.* of the California Code of Civil Procedure, filed the Validation Petition in the Court seeking judicial validation of the transactions relating to the CalPERS Contract and the Bonds and certain other matters. On April 12, 2021, the court entered the Validation Judgment to the effect, among other things that: (i) the Trust Agreement will be a valid, legal and binding obligation of the City and the approval thereof was in conformity with applicable provisions of law; and (ii) the City has the authority under State law to provide for the refunding of its Pension Liability by issuing the Bonds and applying the proceeds of the Bonds to the retirement of its Pension Liability. Pursuant to Section 870 of the California Code of Civil Procedure, the last day to timely file a notice of appeal to the Validation Judgment was May 12, 2021. On May 12, 2021, the judgment became binding and conclusive in accordance with State law. The City is unaware of any threatened challenge to the Validation Judgment. In issuing its approving opinion, Bond Counsel will rely, among other things, upon the Validation Judgment.

FINANCIAL STATEMENTS

The City’s financial statements for the fiscal year ended September 30, 2020, which are included as Appendix A hereto, have been audited by CliftonLarsonAllen LLP, Irvine, California, an independent auditor, as stated in their report appearing in Appendix A hereto. CliftonLarsonAllen LLP has not undertaken to update its reports or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement, and no opinion is expressed by CliftonLarsonAllen LLP with respect to any event subsequent to its report.

CONTINUING DISCLOSURE

The City has covenanted for the benefit of holders and beneficial owners of the Bonds to provide or cause to be provided certain financial information and operating data relating to the City (the “Annual Report”) by not later than the last day of the end of the ninth month after the end of each fiscal year of the City (presently such fiscal year ends June 30), commencing March 31, 2022 with respect to the Annual Report for Fiscal Year 2020-21, and to provide notices of the occurrence of certain enumerated events. The Annual Report and notices of enumerated events will be filed by the City with the Municipal Securities Rulemaking Board, through its Electronic Municipal Market Access (“EMMA”) system. The specific nature of the information to be contained in the Annual Report or the notices of material events is set forth under the caption APPENDIX D - “FORM OF CONTINUING DISCLOSURE CERTIFICATE.” These covenants are made in order to assist the Underwriters in complying with Securities and Exchange Commission (“S.E.C.”) Rule 15c2-12(b)(5).

The City’s obligations under the Continuing Disclosure Certificate (the “Disclosure Certificate”) shall terminate upon a legal defeasance, prior prepayment or payment in full of all of the Bonds. The provisions of the Disclosure Certificate are intended to be for the benefit of the owners of the Bonds and in order to assist the participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5) and shall be enforceable by the owners of Bonds, provided that any enforcement action by any such person shall be limited to a right to obtain specific enforcement of the City’s obligations under the Disclosure Certificate and any failure by the City to comply with the provisions thereof shall not be an event of default under the Trust Agreement.

The City has not been subject to a continuing disclosure undertaking pursuant to S.E.C. Rule 15c2-12(b)(5) in the last five years.

RATING

Standard & Poor’s Global Ratings, a business unit of Standard & Poor’s Financial Services LLC (“S&P”) has assigned a rating of “___” to the Bonds. Such rating reflects only the views of S&P, and explanation of the significance of such rating may be obtained from S&P. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by S&P, if in the judgment of S&P circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

MUNICIPAL ADVISOR

The City has retained KNN Public Finance, LLC, Los Angeles, California, as municipal advisor (the “Municipal Advisor”) in connection with the delivery of the Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement.

UNDERWRITING

J.P. Morgan Securities, LLC (the “Representative”) on behalf of itself and as representative of Stifel, Nicolaus & Company, Inc. (collectively, the “Underwriters”) has agreed to purchase all of the Bonds for an aggregate purchase price of \$ _____ (representing the principal amount of the Bonds of \$ _____, less an Underwriters’ discount of \$ _____) subject to certain conditions set forth in the Purchase Contract between the City and the Representative. The Purchase Contract provides that the Underwriters will purchase all of the Bonds if any are purchased, the obligation to make such a purchase being subject to certain terms and conditions set forth in the Purchase Contract, the approval of certain legal matters by counsel and certain other conditions.

The initial offering prices stated on the inside cover of this Official Statement may be changed from time to time by the Underwriters. The Underwriters may offer and sell the Bonds to certain dealers (including

dealers depositing Bonds into investment trusts), dealer banks, banks acting as agent and others at prices lower than said public offering prices.

The following paragraphs have been provided by the Underwriters for inclusion in the Official Statement.

The Underwriters and their affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. In the various course of its various business activities, the Underwriters and their affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the City (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the City. The Underwriters and their affiliate may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

J.P. Morgan Securities LLC (“JPMS”), one of the Underwriters of the Bonds, has entered into negotiated dealer agreements (each, a “Dealer Agreement”) with each of Charles Schwab & Co., Inc. (“CS&Co.”) and LPL Financial LLC (“LPL”) for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement, each of CS&Co. and LPL may purchase Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Bonds that such firm sells.

MISCELLANEOUS

Any statement in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or Owners of any of the Bonds.

The execution and delivery of this Official Statement has been duly authorized by the City.

CITY OF EL SEGUNDO

By: _____
City Manager

APPENDIX A

AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT

APPENDIX C

FORM OF BOND COUNSEL OPINION

_____, 2021

City of El Segundo
El Segundo, California

City of El Segundo
(Los Angeles County, California)
Taxable Pension Obligation Bonds, Series 2021
(Final Opinion)

Ladies and Gentlemen:

We have acted as bond counsel to the City of El Segundo (the “City”) in connection with the issuance by the City of \$ _____ aggregate principal amount of City of El Segundo (Los Angeles County, California) Taxable Pension Obligation Bonds, Series 2021 (the “Series 2021 Bonds”), pursuant to Articles 10 and 11 of Chapter 3 of Division 2 of Title 5 of the California Government Code and the Trust Agreement, dated as of June 1, 2021 (the “Trust Agreement”), by and between the City and U.S. Bank National Association, as trustee (the “Trustee”). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Trust Agreement.

In such connection, we have reviewed the Trust Agreement, opinions of counsel to the City, the Trustee and others, certificates of the City, the Trustee and others and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions, including the default judgment rendered on April 12, 2021, by the Superior Court of the State of California for the County of Los Angeles in the action entitled *City of El Segundo v. All Persons Interested, etc.*, Case No. 21TRCV00070, and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after original delivery of the Series 2021 Bonds on the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after original delivery of the Series 2021 Bonds on the date hereof. Accordingly, this letter speaks only as of its date and is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events or matters. Our engagement with respect to the Series 2021 Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures provided to us and the due and legal execution and delivery thereof by, and validity against, any parties other than the City. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions, referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Trust Agreement.

We call attention to the fact that the rights and obligations under the Series 2021 Bonds and the Trust Agreement and their enforceability may be subject to bankruptcy, insolvency, receivership, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors’ rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against cities in the State of California. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute or having

the effect of a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents, nor do we express any opinion with respect to the state or quality of title to or interest in any of the assets described in or as subject to the lien of the Trust Agreement or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such property. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement, dated _____, 2021, or other offering material relating to the Series 2021 Bonds and express no opinion with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Series 2021 Bonds constitute valid and binding obligations of the City.
2. The Trust Agreement has been duly executed and delivered by, and constitutes a valid and binding agreement of, the City.
3. The Series 2021 Bonds do not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation. Neither the Series 2021 Bonds nor the obligation of the City to make payments on the Series 2021 Bonds constitutes an indebtedness of the City, the State of California, or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction.
4. Interest on the Series 2021 Bonds is exempt from State of California personal income taxes. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Series 2021 Bonds.

Faithfully yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

per

APPENDIX D
FORM OF CONTINUING DISCLOSURE CERTIFICATE

APPENDIX E

BOOK-ENTRY SYSTEM AND GLOBAL CLEARANCE PROCEDURES

This Appendix E describes how ownership of the Bonds is to be transferred and how the principal of and interest on the Bonds are to be paid to and credited by DTC while the Bonds are registered in its nominee's name.

The information in this Appendix E concerning DTC, Euroclear Bank SA/NV, as operator of the Euroclear System ("Euroclear") and Clearstream Banking, S.A., Luxembourg ("Clearstream Banking") (DTC, Euroclear and Clearstream Banking together, the "Clearing Systems"), and DTC's book-entry-only system has been provided by DTC, Euroclear and Clearstream Banking for use in disclosure documents such as this Official Statement.

DTC will act as the initial securities depository for the Bonds. Euroclear and Clearstream Banking are participants of DTC and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders.

The information set forth below is subject to any change in or reinterpretation of the rules, regulations and procedures of the Clearing Systems currently in effect and the City expressly disclaims any responsibility to update this Official Statement to reflect any such changes. The information herein concerning the Clearing Systems has been obtained from sources that the City believes to be reliable, but neither the City nor the Underwriters take any responsibility for the accuracy or completeness of the information set forth herein. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. The City and the Underwriters will not have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Bonds held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

The City cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to participants of the Clearing Systems ("Participants") (2) Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC or the other Clearing Systems will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants (hereinafter defined) are on file with DTC.

DTC Book-Entry-Only System. DTC will act initially as Securities Depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest Securities Depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates

the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company of DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction.

Transfers of beneficial ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their beneficial ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co., or such other DTC nominee, does not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of notices be provided directly to them.

Redemption notices will be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed, unless other arrangements are made between the City and DTC.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

All payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt

of funds and corresponding detail information from the City or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the City or the Trustee. Under such circumstances, in the event that a successor Securities Depository is not obtained, Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor Securities Depository). In that event, Bonds will be printed and delivered in accordance with the Trust Agreement.

In reading this Official Statement it should be understood that while the Bonds are in the Book-Entry-Only System, references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Bonds, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above, notices that are to be given to registered owners under the Trust Agreement will be given only to DTC.

Euroclear and Clearstream Banking. Euroclear and Clearstream Banking have advised as follows:

Euroclear and Clearstream Banking each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream Banking provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream Banking also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream Banking have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream Banking customers are worldwide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream Banking is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system, either directly or indirectly.

Clearing and Settlement Procedures. Any Bonds sold in offshore transactions will be initially issued to investors through the book-entry facilities of DTC, for the account of its participants, including but not limited to Euroclear and Clearstream Banking. If the investors are participants in Clearstream Banking and Euroclear in Europe, or indirectly through organizations that are participants in the Clearing Systems, Clearstream Banking and Euroclear will hold omnibus positions on behalf of their participants through customers' securities accounts in Clearstream Banking's and Euroclear's names on the books of their respective depositories. In all cases, the record holder of the Bonds will be DTC's nominee and not Euroclear or Clearstream Banking. The depositories, in turn, will hold positions in customers' securities accounts in the depositories' names on the books of DTC. Because of time zone differences, the securities account of a Clearstream Banking or Euroclear participant as a result of a transaction with a participant, other than a depository holding on behalf of Clearstream Banking or Euroclear, will be credited during the securities settlement processing day, which must be a business day for Clearstream Banking or Euroclear, as the case may be, immediately following the DTC settlement date. These credits or any transactions in the securities settled during the processing will be reported to the relevant Euroclear participant or Clearstream Banking participant on that business day. Cash received in Clearstream Banking or

Euroclear as a result of sales of securities by or through a Clearstream Banking participant or Euroclear participant to a DTC Participant, other than the depository for Clearstream Banking or Euroclear, will be received with value on the DTC settlement date but will be available in the relevant Clearstream Banking or Euroclear cash account only as of the business day following settlement in DTC.

Transfers between participants will occur in accordance with DTC rules. Transfers between Clearstream Banking participants or Euroclear participants will occur in accordance with their respective rules and operating procedures. Cross-market transfers between persons holding directly or indirectly through DTC, on the one hand, and directly or indirectly through Clearstream Banking participants or Euroclear participants, on the other, will be effected in DTC in accordance with DTC rules on behalf of the relevant European international clearing system by the relevant depositories; however, cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in the system in accordance with its rules and procedures and within its established deadlines in European time. The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to its depository to take action to effect final settlement on its behalf by delivering or receiving securities in DTC, and making or receiving payment in accordance with normal procedures for same day funds settlement applicable to DTC. Clearstream Banking participants or Euroclear participants may not deliver instructions directly to the depositories.

The City will not impose any fees in respect of holding the Bonds; however, holders of book-entry interests in the Bonds may incur fees normally payable in respect of the maintenance and operation of accounts in the Clearing Systems.

Initial Settlement. Interests in the Bonds will be in uncertified book-entry form. Purchasers electing to hold book-entry interests in the Bonds through Euroclear and Clearstream Banking accounts will follow the settlement procedures applicable thereto and applicable to DTC. Book-entry interests in the Bonds will be credited by DTC to Euroclear and Clearstream Banking participants' securities clearance accounts on the business day following the date of delivery of the Bonds against payment (value as on the date of delivery of the Bonds). DTC participants acting on behalf of purchasers electing to hold book-entry interests in the Bonds through DTC will follow the delivery practices applicable to securities eligible for DTC's Same Day Funds Settlement system. DTC participants' securities accounts will be credited with book-entry interests in the Bonds following confirmation of receipt of payment to the City on the date of delivery of the Bonds.

Secondary Market Trading. Secondary market trades in the Bonds will be settled by transfer of title to book-entry interests in the Clearing Systems. Title to such book-entry interests will pass by registration of the transfer within the records of Euroclear, Clearstream Banking or DTC, as the case may be, in accordance with their respective procedures. Book-entry interests in the Bonds may be transferred within Euroclear and within Clearstream Banking and between Euroclear and Clearstream Banking in accordance with procedures established for these purposes by Euroclear and Clearstream Banking. Book-entry interests in the Bonds may be transferred within DTC in accordance with procedures established for this purpose by DTC. Transfer of book-entry interests in the Bonds between Euroclear or Clearstream Banking and DTC shall be effected in accordance with procedures established for this purpose by Euroclear, Clearstream Banking and DTC.

Special Timing Considerations. Investors should be aware that investors will only be able to make and receive deliveries, payments and other communications involving the Bonds through Euroclear or Clearstream Banking on days when those systems are open for business. In addition, because of time-zone differences, there may be complications with completing transactions involving Clearstream Banking and/or Euroclear on the same business day as in the United States. U.S. investors who wish to transfer their interests in the Bonds, or to receive or make a payment or delivery of Bonds, on a particular day, may find that the transactions will not be performed until the next business day in Luxembourg if Clearstream Banking is used, or Brussels if Euroclear is used.

Clearing Information. The City and the Underwriters expect that the Bonds will be accepted for clearance through the facilities of Euroclear and Clearstream Banking. The international securities identification

number, common code and CUSIP number for the Bonds are set out on the inside cover page of this Official Statement.

General. None of Euroclear, Clearstream Banking or DTC is under any obligation to perform or continue to perform the procedures referred to above, and such procedures may be discontinued at any time.

Neither the City, the Underwriters nor any of their agents will have any responsibility for the performance by Euroclear, Clearstream Banking or DTC or their respective direct or indirect participants or account holders of their respective obligations under the rules and procedures governing their operations or the arrangements referred to above.

Limitations. For so long as the Bonds are registered in the name of DTC or its nominee, Cede & Co., the City and the Trustee will recognize only DTC or its nominee, Cede & Co., as the registered owner of the Bonds for all purposes, including payments, notices and voting. So long as Cede & Co. is the registered owner of the Bonds, references in this Official Statement to registered owners of the Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the Bonds.

Because DTC is treated as the owner of the Bonds for substantially all purposes, Beneficial Owners may have a restricted ability to influence in a timely fashion remedial action or the giving or withholding of requested consents or other directions. In addition, because the identity of Beneficial Owners is unknown to the City or DTC, it may be difficult to transmit information of potential interest to Beneficial Owners in an effective and timely manner. Beneficial Owners should make appropriate arrangements with their broker or dealer regarding distribution of information regarding the Bonds that may be transmitted by or through DTC.

The City will have no responsibility or obligation with respect to:

- the accuracy of the records of DTC, its nominee or any Direct Participant or Indirect Participant with respect to any Beneficial Ownership interest in any Bonds;
- the delivery to any Direct Participant or Indirect Participant or any other person, other than a registered owner as shown in the bond register kept by the Trustee, of any notice with respect to any Bonds including, without limitation, any notice of redemption with respect to any Bonds;
- the payment to any Direct Participant or Indirect Participant or any other person, other than a registered owner as shown in the bond register kept by the Trustee, of any amount with respect to the principal of, premium, if any, or interest on, any Bonds; or
- any consent given by DTC or its nominee as registered owner.

Prior to any discontinuation of the book entry only system hereinabove described, the City and the Trustee may treat Cede & Co. (or such other nominee of DTC) as, and deem Cede & Co. (or such other nominee) to be, the absolute registered owner of the Bonds for all purposes whatsoever, including, without limitation:

- the payment of principal, premium, if any, and interest on the Bonds;
- giving notices of redemption and other matters with respect to the Bonds;
- registering transfers with respect to the Bonds; and
- the selection of Bonds for redemption.

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the City of El Segundo (the “City”) in connection with the issuance of \$ _____ City of El Segundo (Los Angeles County, California) Taxable Pension Obligation Bonds, Series 2021 (the “Bonds”). The Bonds are being issued pursuant to a Trust Agreement, dated as of _____ 1, 2021 (the “Trust Agreement”), by and between the City and U.S. Bank National Association, as trustee (the “Trustee”). The City covenants as follows:

1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with the Rule.

2. Definitions. In addition to the definitions set forth in the Trust Agreement, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Beneficial Owner” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Disclosure Representative” shall mean the City Manager or the Director of Finance, or their respective designees, or such other officer or employee as the City shall designate in writing from time to time.

“Dissemination Agent” shall mean the City, or any successor Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation.

“EMMA” means the MSRB’s Electronic Municipal Market Access system.

“Listed Events” shall mean any of the events listed in Section 5 of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board.

“Official Statement” shall mean the Official Statement relating to the Bonds, dated _____, 2021.

“Participating Underwriters” shall mean the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” shall mean the State of California.

3. Provision of Annual Reports.

(a) The City shall, or, upon delivery of the Annual Report to the Dissemination Agent, shall cause the Dissemination Agent to, not later than the last day of the ninth month after the end of the City's fiscal year (presently such fiscal year ends June 30), commencing with the report for the fiscal year ending June 30, 2021, provide to the MSRB through the EMMA system, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the City's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5.

(b) Not later than fifteen (15) Business Days prior to said date, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). If the City is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the City shall send a notice to the MSRB in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall (if the Dissemination Agent is other than the City), file a report with the City certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided.

4. Content of Annual Reports. The City's Annual Report shall contain or include by reference the audited financial statements of the City for the most recent fiscal year of the City then ended. If the audited financial statements are not available by the time the Annual Report is required to be filed, the Annual Report shall contain unaudited financial statements of the City in a format similar to the financial statements, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available. Audited financial statements of the City shall be audited by such auditor as shall then be required or permitted by State law. Audited financial statements shall be prepared in accordance with generally accepted accounting principles as prescribed for governmental units by the Governmental Accounting Standards Board; provided, however, that the City may from time to time, if required by federal or state legal requirements, modify the basis upon which its financial statements are prepared. In the event that the City shall modify the basis upon which its financial statements are prepared, the City shall provide a notice of such modification to the MSRB, including a reference to the specific federal or state law or regulation specifically describing the legal requirements for the change in accounting basis.

In addition, to the extent not included in the information in the audited financial statements, the Annual Report shall contain an annual updating of the tables and information of the type contained in the Official Statement identified below. Such updating shall consist of updating of information as of the end of the fiscal year to which the Annual Report relates unless noted otherwise; projections do not have to be updated.

- (i) "Unrepresented Unit and Employee Associations" (Table 1)
- (ii) "General Fund Statement of Revenues, Expenditures and Changes in Fund Balance" (Table 3)

- (iii) “General Fund Tax Revenues” (Table 5)
- (iv) “City-Wide Assessed Value and Estimated Actual Value of Taxable Property” (Table 6)
- (v) “Principal Property Taxpayers” (Table 7)
- (vi) “Taxable Sales” (for the most recent available calendar year) (Table 9)
- (vii) “Direct and Overlapping Debt” (Table 10)
- (viii) “Scheduled Principal Payments of Outstanding Long Term General Fund Obligations” (Table 11)
- (ix) “Investment Portfolio Summary” (Table 12)
- (x) “Historical and Projected Payments to PERS” (projected payments need not be updated) (Table 13)
- (xi) “Funding History” (Table 14A through 14F)

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which have been submitted to the MSRB or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB. The City shall clearly identify each such other document so included by reference.

5. Reporting of Significant Events. (a) Pursuant to the provisions of this Section 5, the City shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not more than ten (10) business days after the event:

1. Principal and interest payment delinquencies;
2. Unscheduled draws on debt service reserves reflecting financial difficulties;
3. Unscheduled draws on credit enhancements reflecting financial difficulties;
4. Substitution of credit or liquidity providers, or their failure to perform;
5. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);
6. Tender offers;
7. Defeasances;
8. Rating changes; or
9. Bankruptcy, insolvency, receivership or similar event of the obligated person.

10. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation, any of which reflect financial difficulties.

Note: for the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) Pursuant to the provisions of this Section 5, the City shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

1. Unless described in paragraph 5(a)(5), adverse tax opinions or other notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
2. Modifications to rights of Bond holders;
3. Optional, unscheduled or contingent Bond calls;
4. Release, substitution, or sale of property securing repayment of the Bonds;
5. Non-payment related defaults;
6. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; or
7. Appointment of a successor or additional trustee or the change of name of a trustee.
8. Incurrence of a financial obligation, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation, any of which affect Bond holders.

(c) Whenever the City obtains knowledge of the occurrence of a Listed Event described in subsection 5(b), the City shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If the City determines that knowledge of the occurrence of a Listed Event under Section 5(b) would be material under applicable federal securities laws, the City shall file a notice of such occurrence with EMMA in a timely manner not more than ten (10) business days after occurrence of the event.

(e) For purposes of the events identified in subparagraphs (a)(10) and (b)(8), the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

6. Termination of Reporting Obligation. The City’s obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the City shall give notice of such termination in the same manner as for a Listed Event under Section 5.

7. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the City pursuant to this Disclosure Certificate. The Dissemination Agent may resign by providing thirty days written notice to the City and the Trustee. The Dissemination Agent shall not be responsible for the content of any report or notice prepared by the City and shall have no duty to review any information provided to it by the City. The Dissemination Agent shall have no duty to prepare any information report nor shall the Dissemination Agent be responsible for filing any report not provided to it by the City in a timely manner and in a form suitable for filing.

8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that, in the opinion of nationally recognized bond counsel, such amendment or waiver is permitted by the Rule; provided, the Dissemination Agent shall have first consented to any amendment that modifies or increases its duties or obligations hereunder. In the event of any amendment or waiver of a provision of this Disclosure Certificate, the City shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5, and (ii) the Annual Report for the year in which the change is made shall present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

10. Default. In the event of a failure of the City to comply with any provision of this Disclosure Certificate, any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Trust Agreement, and the sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

No Bond holder or Beneficial Owner may institute such action, suit or proceeding to compel performance unless they shall have first delivered to the City satisfactory written evidence of their status as such, and a written notice of and request to cure such failure, and the City shall have refused to comply therewith within a reasonable time.

11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the City agrees, to the extent permitted by law, to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct, The Dissemination Agent shall be paid compensation by the City for its services provided hereunder in accordance with its schedule of fees as amended from time to time and all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. In performing its duties hereunder, the Dissemination Agent shall not be deemed to be acting in any fiduciary capacity for the City, the Bond holders, or any other party. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

12. Notices. Any notices or communications to or among any of the parties to this Disclosure Certificate may be given as follows:

To the City: City of El Segundo
350 Main Street
El Segundo, California 90245
Attention: Chief Financial Officer
Ref: 2021 Pension Obligation Bonds
Telephone: (310) 524-2318

To the Trustee: U.S. Bank National Association
633 W. Fifth Street, 24th Floor
Los Angeles, CA 90071
Attention: Corporate Trust Services
Ref: City of El Segundo
Telephone: (213) 615-6023

13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriters and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

14. Signature. This Disclosure Certificate has been executed by the undersigned on the date hereof, and such signature binds the City to the undertaking herein provided.

Dated: _____, 2021

CITY OF EL SEGUNDO,
CALIFORNIA

By: _____
Director of Finance

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: City of El Segundo, California

Name of Issue: City of El Segundo (Los Angeles County, California) Taxable Pension
Obligation Bonds, Series 2021

Date of Issuance: _____, 2021

NOTICE IS HEREBY GIVEN that the above-named Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate dated _____, 2021. The Issuer anticipates that the Annual Report will be filed by _____

Dated:

[ISSUER/DISSEMINATION AGENT]

By: _____

[\$[Principal Amount]
CITY OF EL SEGUNDO
(LOS ANGELES COUNTY, CALIFORNIA)
TAXABLE PENSION OBLIGATION BONDS, SERIES 2021

BOND PURCHASE AGREEMENT

[Pricing Date]

City of El Segundo
350 Main Street
El Segundo, California 90245

Ladies and Gentlemen:

The undersigned, J.P. Morgan Securities LLC (the “Representative”), acting on behalf of and as the representative of itself and Stifel, Nicolaus & Company, Inc. (collectively, the “Underwriters”), and not as an agent or representative of you, offers to enter into this Bond Purchase Agreement (the “Bond Purchase Agreement”) with the City of El Segundo (the “City”). Upon the City’s acceptance, this Bond Purchase Agreement will be binding upon the City and upon the Underwriters. This offer is made subject to the City’s written acceptance hereof on or before 11:59 p.m., California time, on the date hereof, or such other time as the parties hereto mutually agree upon in writing and, if not so accepted, will be subject to withdrawal by the Representative upon written notice (by telecopy or otherwise) delivered to the City at any time prior to the acceptance hereof by the City. Capitalized terms used herein not otherwise defined shall have meanings ascribed to such terms in the hereinafter referenced Trust Agreement.

1. Purchase. Sale and Delivery of the Bonds.

(a) Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriters hereby agree to purchase from the City, and the City hereby agrees to sell to the Underwriters, all (but not less than all) of the \$[Principal Amount] aggregate principal amount of City of El Segundo (Los Angeles County, California) Taxable Pension Obligation Bonds, Series 2021 (the “Bonds”). The Bonds shall be dated their date of delivery and shall mature on the dates and bear interest at the rates as set forth on Exhibit A attached hereto.

The Bonds shall be purchased at an aggregate purchase price equal to \$[Purchase Price] (representing the aggregate principal amount of the Bonds of \$[Principal Amount].00, less an underwriting discount of \$[UW Discount]).

The Bonds shall be substantially in the form described in, shall be issued and secured under the provisions of, and shall be payable as provided in the Trust Agreement, dated as of June 1, 2021 (the “Trust Agreement”), each by and between the City and U.S. Bank National Association, as trustee (the “Trustee”). The Bonds are subject to redemption as provided in the respective Trust Agreement and set forth in Exhibit A attached hereto. The Bonds are being issued (i) to refund a portion of the City’s obligations to the California Public Employees Retirement System

(“CalPERS”) evidenced by that certain CalPERS Contract and (ii) to pay costs of issuance of the Bonds.

(b) The Underwriters agree to make a bona fide public offering of all the Bonds at prices not in excess of the initial offering prices or yields not less than the yields set forth on Exhibit A attached hereto and on the inside cover page of the Official Statement. The Underwriters reserve the right to make concessions to dealers and to change such initial public offering price or yield as the Underwriters reasonably deems necessary in connection with the marketing of the Bonds. The Underwriters also reserve the right (i) to over-allot or effect transactions that stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market and (ii) to discontinue such stabilizing, if commenced, at any time. Following the initial public offering of the Bonds, the offering prices may be changed from time to time by the Underwriters.

2. Closing. At 8:00 a.m., California time, on [June 9, 2021] or at such earlier or later time or date as shall be mutually agreed upon by the City and the Representative (such time and date being herein referred to as the “date of Closing”), the City will deliver or cause to be delivered the Bonds to The Depository Trust Company (“DTC”) in New York, New York (or such other location as may be designated by the Representative and approved by the City) in the form of a separate single fully registered Bond (which may be typewritten) for each of the maturities of the Bonds (all Bonds to bear CUSIP numbers), and subject to the terms and conditions hereof, the Representative will accept delivery of the Bonds in definitive form, duly executed by the City and authenticated by the Trustee, and the Representative will accept delivery and pay the purchase price of the Bonds as set forth in paragraph (a) of this Section 1 by Federal Funds wire (such delivery and payment being herein referred to as “Closing”). Sale, delivery and payment as aforesaid shall be made at the offices of Orrick, Herrington & Sutcliffe LLP (“Bond Counsel”) in Los Angeles, California, or at such other place as shall have been mutually agreed upon by the City and the Representative, except that the Bonds shall be delivered to the Underwriters via F.A.S.T. delivery through the book entry system of The Depository Trust Company.

3. Use and Preparation of Documents.

(a) The City has delivered or caused to be delivered to the Underwriters prior to the execution of this Bond Purchase Agreement, the Preliminary Official Statement dated [POS Date] relating to the Bonds (the “Preliminary Official Statement”) in “designated electronic format” (as defined in Rule G-32 of the Municipal Securities Rulemaking Board (the “MSRB”). Such Preliminary Official Statement is the official statement deemed final by the City for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934 (the “Rule”) and approved for distribution by the Underwriters by resolution of the governing board of the City. The City hereby ratifies and confirms its authorization of the use by the Underwriters before the date hereof of the Preliminary Official Statement.

(b) Within seven (7) business days from the date hereof, and in any event not later than one (1) business day before the date of Closing, the City shall deliver to the Underwriters a final Official Statement dated [Pricing Date] (including the cover pages, the appendices thereto and all information incorporated therein by reference, the “Official Statement”), executed on behalf of the City by one of its authorized representatives and in “designated electronic format” (as defined in

Rule G-32 of the MSRB), and which shall include information permitted to be omitted from the Preliminary Official Statement by paragraph (b)(1) of the Rule and with such other amendments or supplements as shall have been approved by the City and the Underwriters, to permit the Underwriters to comply with the Rule and the rules of the MSRB and to meet potential customer requests for copies of the Official Statement. Electronic copies of the Official Statement shall be filed and posted on the MSRB's Electronic Municipal Market Access System ("EMMA") in connection with the offer and sale of the Bonds as provided herein (an "EMMA Filing"). The City hereby authorizes the Underwriters to use and distribute in hard copy and/or electronic form the Preliminary Official Statement and the Official Statement and the information contained therein in connection with the offering and sale of the Bonds.

(c) To enable the Underwriters to comply with the Rule, the City will execute a Continuing Disclosure Certificate concurrently with issuance of the Bonds substantially in the form attached as APPENDIX D to the Preliminary Official Statement and the Official Statement (the "Continuing Disclosure Certificate").

4. Representations, Warranties and Agreements of the City.

The City represents, warrants and agrees as follows with the Underwriters:

(a) The City is a general law city and municipal corporation of the State of California (the "State"), duly organized and validly existing pursuant to the Constitution and laws of the State, and has, and at the date of the Closing will have, full legal right, power and authority to (i) issue the Bonds pursuant to the Articles 10 and 11 (commencing with Section 53570) of Chapter 3 of Division 2 of Title 5 of the Government Code of the State, the resolution of the Council of the City (the "City Council") entitled "Resolution of the City Of El Segundo, California Providing for the Issuance of One or More Series of City of El Segundo Taxable Pension Obligation Bonds and Authorizing a Trust Agreement, a Validation Action and Other Matters Relating thereto" (the "Initial Resolution"), the resolution of the City Council authorizing the issuance of the Bonds (the "Bond Resolution" and, together with the Initial Resolution, the "Resolutions"), and the Trust Agreement; (ii) execute, deliver and perform its obligations under the Bonds, this Bond Purchase Agreement, the Trust Agreement and the Continuing Disclosure Certificate (collectively, the "City Documents"); and (iii) to carry out and consummate all transactions contemplated by each of the City Documents, the Preliminary Official Statement and the Official Statement;

(b) By all necessary official action of the City prior to or concurrently with the acceptance hereof, the City has duly authorized and approved the execution, delivery and performance by the City of the obligations in connection with the issuance of the Bonds on its part contained in the City Documents and as of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded, and when executed and delivered, each City Document and the Bonds will constitute the legally valid and binding obligation of the City enforceable in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or similar laws or equitable principles relating to or affecting creditors' rights generally or by the exercise of judicial discretion in appropriate cases or by limitations on legal remedies against public agencies in the State;

(c) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter that are required for the due authorization by or that would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the City of its obligations under the City Documents have been duly obtained, except for such approvals, consents and orders as may be required under the blue sky or securities laws of any state in connection with the offering and sale of the Bonds;

(d) Except as disclosed in the Preliminary Official Statement and in the Official Statement, there is no action, suit or proceeding, inquiry or investigation is pending, or to the best knowledge of the City, threatened against the City to (i) in any way questioning the corporate existence of the City or the titles of the officers of the City to their respective officers, (ii) restrain or enjoin the issuance of the Bonds or the execution or delivery of the City Documents, (iii) in any way contesting or affecting the validity or enforceability of the Bonds, the City Documents, the Resolution or the authority of the City to enter into the City Documents, (iv) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, (v) in any way contesting or affecting the powers of the City in connection with any action contemplated by the Official Statement, the Resolution or the City Documents, or (vi) which may result in any material adverse change to the financial condition of the City or to its ability to pay principal of or interest on the Bonds when due, and there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (i) through (v) of this sentence;

(e) The City is not in default, nor has it been in default, as to principal or interest with respect to an obligation issued or secured by the City, and the City is not, in any manner which would materially adversely affect the transactions contemplated hereby and by the City Documents, in breach of or in default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment or decree or under the City Documents or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the City is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute, in any manner which would materially adversely affect the transactions contemplated hereby and by the City Documents, a default or event of default under any such instrument; and the authorization, execution and delivery of the City Documents and compliance with the provisions of each of such agreements or instruments do not in any manner which would materially adversely affect the transactions contemplated by the City Documents, conflict with or constitute a breach of or default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment, decree, license, permit, trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the City (or any of its officers in their respective capacities as such) is subject, or by which it or any of its properties is bound, nor will any such authorization, execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of its assets or properties or under the terms of any such law, regulation or instrument, except as may be provided by the City Documents;

(f) (i) The Preliminary Official Statement (excluding statements and information contained under the caption “UNDERWRITING” and relating to DTC and the Global Clearance

Procedures, including as set forth under APPENDIX E – “PROVISIONS FOR BOOK-ENTRY ONLY SYSTEM AND GLOBAL CLEARANCE PROCEDURES”), as of its date, did not, and as of the date hereof does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; and

(ii) The Official Statement (excluding statements and information contained under the caption “UNDERWRITING” and relating to DTC and the Global Clearance Procedures, including as set forth under APPENDIX E – “PROVISIONS FOR BOOK-ENTRY ONLY SYSTEM AND GLOBAL CLEARANCE PROCEDURES”) does not as of its date and as of the date of Closing will not, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading;

(g) If, between the date of the Official Statement and the date which is 25 days following the End of the Underwriting Period (which shall mean for purposes of the Bonds, the earlier of (i) the date of Closing, unless the City shall have been notified in writing to the contrary by the Representative on or prior to the date of Closing, or (ii) the date on which the End of the Underwriting Period for the Bonds has occurred under Rule 15c2-12, provided, however, that the City may treat as the End of the Underwriting Period for the Bonds as the date specified as such in a notice from the Representative stating the date which is the End of the Underwriting Period), an event occurs that would cause the information contained in the Official Statement, as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make such information therein, in the light of the circumstances under which it was presented, not misleading, the City will notify the Representative and the City, and, if, in the opinion of the Representative or its counsel, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the City will cooperate in the preparation of an amendment or supplement to the Official Statement in a form and manner approved by the Representative and shall pay all expenses thereby incurred; provided further, for the purposes of this subsection, between the date hereof and the date of Closing, the City will furnish such information with respect to itself as the Representative may from time to time reasonably request;

(h) If the information contained in the Official Statement is amended or supplemented pursuant to paragraph (g) hereof, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subparagraph) at all times subsequent thereto up to and including the date twenty-five (25) days after the End of the Underwriting Period, the Official Statement as so supplemented or amended (including any financial and statistical data contained therein) will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the information therein, in the light of the circumstances under which it was made, not misleading;

(i) The City will furnish such information, execute such instruments and take such other action in cooperation with the Underwriters as the Representative may reasonably request in order (i) to qualify the Bonds for offer and sale under the blue sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Representative may designate and (ii) to determine the eligibility of the Bonds for investment under the laws of such

states and other jurisdictions and will use its best efforts to continue such qualifications in effect so long as required for the distribution of the Bonds; provided, however, that the City shall not be required to qualify to do business or consent to service of process in connection with any such qualification or determination in any jurisdiction;

(j) For purposes of the Rule, the City has heretofore deemed final the Preliminary Official Statement prior to its use and distribution by the Underwriter, except for the information specifically permitted to be omitted by paragraph (b)(1) of the Rule;

(k) Except as set forth in the Preliminary Official Statement and the Official Statement, there has not been any material adverse change since September 30, 2020 in the results of operations or financial condition of the City, other than changes in the ordinary course of business which would not adversely affect the course of business or the operation of the City and which changes would not have a material adverse effect on the ability of the City to pay principal of and interest on the Bonds;

(l) Except as disclosed in the Preliminary Official Statement and the Official Statement, the City has not within the last five years failed to comply in any material respect with any continuing disclosure undertakings with regard to Rule 15c2-12 to provide annual reports or notices of enumerated events specified in such rule; and

(m) As of the date hereof and at the time of Closing, the City will be in compliance in all respects with the material covenants and agreements contained in the City Documents and no event of default and no event has occurred and is continuing which, with the passage of time or giving of notice, or both, would constitute an event of default thereunder shall have occurred and be continuing; and

(n) Any certificate by any official of the City and delivered to the Underwriters shall be deemed to be a representation and warranty by the City to the Underwriters as to the statements made therein;

(o) Between the date hereof and the time of the Closing, the City shall not, without the prior written consent of the Representative, offer or issue in any material amount any bonds, notes or other obligations for borrowed money payable from the General Fund, except in the course of normal business operations of the City or except for such borrowings as may be described in or contemplated by the Official Statement and the Resolutions; and

(p) Any certificate by any official of the City and delivered to the Underwriters shall be deemed to be a representation and warranty by the City to the Underwriters as to the statements made therein.

5. Right to Terminate.

Between the date hereof and the date of Closing, the Underwriters shall have the right to terminate their obligations hereunder to accept delivery of and make any payment for the Bonds if the market price or marketability, or the ability of the Underwriters to enforce contracts for the sale, at the initial offering price set forth in the Official Statement, of the Bonds shall have been

materially adversely affected in the judgment of the Representative (evidenced by a written notice to the City) by reason of any of the following:

(a) an amendment to the Constitution of the State shall have been passed or legislation shall have been introduced in or enacted by the State legislature, or legislation shall have been recommended to the State, or a ruling shall have been made or a regulation or temporary regulation shall have been proposed or made, or any other release or announcement shall have been made by the State authority with respect to State taxation upon revenues or other income of the general character to be derived by the City or upon interest received on obligations of the general character of the Bonds that, in the reasonable judgment of the Representative, materially and adversely affects the tax status of the City, its property or income, its securities (including the Bonds) or the interest thereon, or any tax exemption granted or authorized by State legislation;

(b) legislation enacted, introduced in the Congress or recommended for passage by the President of the United States, or a decision rendered by a court established under Article III of the Constitution of the United States or by the Tax Court of the United States, or an order, ruling, regulation (final, temporary or proposed) or official statement issued or made by or on behalf of the Securities and Exchange Commission or by any other governmental agency having jurisdiction of the subject matter shall have been made or issued to the effect that obligations of the general character of the Bonds, including any or all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended, or that the Trust Agreement is not exempt from qualification under the Trust Indenture Act of 1939, as amended;

(c) there shall have occurred (i) any new outbreak or escalation of hostilities, declaration by the United States of or any escalation of a national emergency or war or other calamity or crisis in financial markets (ii) a downgrade of the sovereign debt rating of the United States by any major credit rating agency or payment default on United States Treasury obligations, or (iii) a default with respect to the debt obligations of, or the institution of proceedings under any federal bankruptcy laws by or against any state of the United States or any city, county or other political subdivision located in the United States having a population of over 1,000,000;

(d) the declaration of a general banking moratorium by federal, New York or California authorities, or a major financial crisis or a material disruption in commercial banking or securities settlement or clearances services shall have occurred or the general suspension of trading on any national securities exchange;

(e) the imposition by the New York Stock Exchange or other national securities exchange or any governmental authority of any material restrictions not now in force with respect to the Bonds or obligations of the general character of the Bonds or securities generally or the material increase of any such restrictions now in force, including those relating to the extension of credit by or the charge to the net capital requirements of, the Underwriters;

(f) an order, decree or injunction of any court of competent jurisdiction or order, ruling, regulation or official statement by the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds or the issuance, offering or sale of the Bonds, including any or all underlying obligations, as contemplated hereby

or by the Official Statement, is or would be in violation of the federal securities laws as amended and then in effect;

(g) the withdrawal or downgrading of any rating of the Bonds or other debt securities of the City by S&P Global Ratings (“S&P”) or any formal statement shall be published, such as being placed on “credit watch” with negative implications or “negative outlook” or similar qualification, with respect to the Bonds or other debt securities of the City;

(h) any event occurring, or information becoming known that, in the judgment of the Representative, makes untrue in any material respect any statement or information contained in the Official Statement or has the effect that the Official Statement contains any untrue statement of material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; or

(i) any litigation or proceedings shall be pending or threatened contesting the completeness or accuracy of the Official Statement or any supplement or amendment thereto or asserting that the Official Statement contained any untrue statement of material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which there were made, not misleading.

6. Conditions to the Obligations of the Underwriters.

The Underwriters have entered into this Purchase Contract in reliance upon the representations, warranties and agreements of the City contained herein and in the City Documents and in reliance upon the representations, warranties and agreements to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the City of its obligations hereunder, both as of the date hereof and as of the date of Closing. Accordingly, the Underwriters’ obligations under this Purchase Contract to purchase, to accept delivery of and to pay for the Bonds shall be conditioned, at the option of the Underwriters upon the performance by the City of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing and also shall be subject to the following additional conditions:

(a) The Representative shall have received a copy of the Official Statement, manually signed by the City Manager, and any amendments or supplements as have been approved by the Representative;

(b) The representations and warranties of the City contained herein shall be true, complete and correct on and as of the date hereof and on and as of the date of Closing, as if made on the date of Closing;

(c) At the time of the Closing, the City Documents shall have been duly authorized, executed and delivered by the respective parties thereto, all in substantially the forms heretofore submitted to the Underwriters, with only such changes as shall have been agreed to in writing by the Representative, and the Official Statement shall have been duly authorized, executed and delivered by the City, in substantially the forms submitted to the Underwriters prior to the date of Closing as provided herein, with only such changes as shall have been agreed to in writing by the Representative, and each of the City Documents shall be in full force and effect; the Resolutions

shall be in full force and effect and will not have been amended, modified or supplemented, and there shall be in full force and effect any other documents or resolutions as, in the opinion of Bond Counsel, shall be necessary or appropriate in connection with the transactions contemplated hereby;

(d) At or prior to the date of Closing, the Representative shall have received the following documents, in each case satisfactory in form and substance to the Representative:

(i) Certified copies of the Resolutions;

(ii) One copy of each of the City Documents each duly executed and delivered by the respective parties thereto;

(iii) A copy of the final judgments entered in favor of the City in connection with the complaints for validation filed in the Superior Court of California, County of Los Angeles;

(iv) The approving opinion of Bond Counsel, dated the date of Closing and addressed to the City in substantially the form attached to the Official Statement as Appendix C, and a letter of such counsel, dated the date of Closing and addressed to the Representative, to the effect that such opinion may be relied upon by the Representative to the same extent as if such opinion were addressed to it;

(v) The supplemental opinion of Bond Counsel addressed to the Underwriters, in form and substance acceptable to the Representative, and dated the date of Closing substantially to the following effect:

(A) the Bond Purchase Agreement has each been duly authorized, executed and delivered by the City and the Bond Purchase Agreement is a valid and binding agreement of the City enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws affecting creditors' rights, to the application of equitable principals if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State;

(B) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act");

(C) [the statements contained in the Preliminary Official Statement on the cover page and under the captions (or captions containing such information), "INTRODUCTION," "THE BONDS," "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS," "CONSTITUTIONAL LIMITATIONS ON TAXES AND APPROPRIATIONS," and "TAX MATTERS" and in the appendices entitled (or containing such information) "APPENDIX B –SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT" and "APPENDIX

C – FORM OF BOND COUNSEL OPINION” thereto, insofar as such statements purport to summarize certain provisions of the Bonds, the Trust Agreement, State law and Bond Counsel’s opinions concerning certain federal tax matters relating to the Bonds, are accurate, as of its date and as of the date of the Bond Purchase Agreement; and]

(D) the statements contained in the Official Statement on the cover page and under the captions (or captions containing such information), “INTRODUCTION,” “THE BONDS,” “SECURITY AND SOURCE OF PAYMENT FOR THE BONDS,” “CONSTITUTIONAL LIMITATIONS ON TAXES AND APPROPRIATIONS,” and “TAX MATTERS” and in the appendices entitled (or containing such information) “APPENDIX B – SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT” and “APPENDIX C – FORM OF BOND COUNSEL OPINION” thereto, insofar as such statements purport to summarize certain provisions of the Bonds, the Trust Agreement, State law and Bond Counsel’s opinions concerning certain federal tax matters relating to the Bonds, are accurate, as of its date and as of the date of Closing;

(vi) The opinion of the City Attorney dated the date of Closing and addressed to the City and the Representative, to the effect that:

(A) the City is a general law city and municipal corporation of the State, duly organized and validly existing pursuant to the Constitution and laws of the State

(B) the Resolutions were duly adopted at meetings of the governing body of the City which were called and held pursuant to law and with all public notice required by law and at which quorums were present and acting throughout, and the resolutions are now in full force and effect and have not been amended or superseded in any way;

(C) the City Documents have been duly authorized, executed and delivered by the City and, assuming due authorization, execution and delivery by the other parties thereto, constitute legal, valid and binding agreements of the City enforceable in accordance with the respective terms, subject to laws relating to bankruptcy, insolvency or other laws affecting the enforcement of creditors, rights generally and the application of equitable principles if equitable remedies are sought;

(D) upon information and belief, no action, suit or proceeding, inquiry or investigation is pending, or to the best knowledge of the City, threatened against the City to (i) in any way questioning the corporate existence of the City or the titles of the officers of the City to their respective officers, (ii) restrain or enjoin the issuance of the Bonds or the execution or delivery of the City Documents, (iii) in any way contesting or affecting the validity or enforceability of the Bonds, the City Documents, the Resolutions or the authority of the City to enter into the City

Documents, (iv) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, (v) in any way contesting or affecting the powers of the City in connection with any action contemplated by the Official Statement, the Resolution or the City Documents, or (vi) which may result in any material adverse change to the financial condition of the City or to its ability to pay principal of or interest on the Bonds when due, and there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (i) through (v) of this sentence;

(E) the adoption of the Resolutions and execution and delivery of the City Documents and compliance with the provisions thereof, do not and will not in any material respect conflict with or constitute on the part of the City a breach of or default under any note, bond, resolution, indenture, contract, agreement or other instrument to which the City is a party or by which it is bound or any existing law, rule, regulation, court order or consent decree to which the City is subject, which breach or default has or may have a material adverse effect on the ability of the City to perform its obligations under the City Documents;

(F) upon information and belief, the City is not in breach of or in default under any applicable law or administrative rule or regulation of the State of California or the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, trust agreement, contract, agreement or other instrument to which the City is a party or is otherwise subject or bound, a consequence of which could be to materially and adversely affect the performance by the City under the City Documents; and

(G) no authorization, approval, consent, or other order of the State or any other governmental body within the State is required for the valid authorization, execution and delivery of the City Documents or the consummation by the City of the transactions on its part contemplated therein, except such as have been obtained and are in full force and effect, except such as may be required under state securities or blue sky laws, and securities laws and offering restrictions in jurisdictions outside of the United States, as applicable, in connection with the purchase and distribution of the Bonds by the Underwriters;

(vii) The opinion of Counsel to the Trustee, dated the date of Closing and addressed to the City and the Representative, to the effect that: (A) the Trustee is a national banking association duly organized and existing under the laws of the United States, with trust powers, and has the corporate power and authority to carry on its business as presently conducted; and (B) the Trust Agreement have been duly authorized, executed and delivered by the Trustee and constitute the valid and binding obligations of the Trustee enforceable against it in accordance with the respective terms thereof, subject to applicable bankruptcy, insolvency, moratorium, reorganization, arrangement and other similar laws affecting the rights of creditors (including creditors of national and state banks) generally or by the application of general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law) and the effect of judicial decisions which have held that

certain provisions are unenforceable where their enforcement would violate the implied covenant of good faith and fair dealing, or would be commercially unreasonable and the effect of judicial decisions permitting the introduction of extrinsic evidence to modify the terms or the interpretation of the Documents;

(viii) A letter of Stradling Yocca Carlson & Rauth, a Professional Corporation, as Disclosure Counsel to the City (“Disclosure Counsel”), dated the date of Closing and addressed to the City and the Underwriters, to the effect that, based upon their participation in the preparation of the Preliminary Official Statement and the Official Statement as Disclosure Counsel, without assuming any responsibility for the accuracy, completeness or fairness of any of the statements contained in the Preliminary Official Statement and the Official Statement nor making any representation regarding independent verification of the accuracy, completeness or fairness of any of the statements contained in the Preliminary Official Statement and the Official Statement, such counsel advises that during the course of such representation of the City as Disclosure Counsel on the matter, no information has come to the attention of the attorneys in the firm rendering legal services in connection with the matter which would lead them to believe that the Preliminary Official Statement as of its date and as of the date of this Purchase Contract and the Official Statement as of its date and as of the date of Closing (except for any financial, statistical or economic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, the information in Appendix A, B, C and E, information under the caption “INFORMATION CONCERNING OFFERING RESTRICTIONS IN CERTAIN JURISDICTIONS OUTSIDE THE UNITED STATES,” information regarding DTC and its book-entry only system and the Global Clearance Procedures included therein, or, with respect to the Preliminary Official Statement, information permitted to be omitted therefrom pursuant to the Rule, as to which no opinion or view need be expressed) contained or contains any untrue statement of a material fact or omitted or omits to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(ix) an opinion, dated the date of Closing and addressed to the Representative, of Hawkins Delafield & Wood LLP, as Representative’s Counsel, substantially to the effect that:

(A) in its opinion, the Bonds are exempt from registration pursuant to the Securities Act and the Trust Agreement is issued are exempt from qualification pursuant to the Trust Indenture Act;

(B) in its opinion, assuming the due and valid authorization, execution and delivery of the Continuing Disclosure Certificate by, and the validity of the Continuing Disclosure Certificate with respect to, the City, the Continuing Disclosure Certificate complies with paragraph (b)(5) of the Rule; and

(C) subject to the limitations expressed in the letter, as of the date of Closing such firm had no reason to believe that the Preliminary Official Statement as of its date and as of date of the Bond Purchase Agreement, or the Official Statement as of its date and as of the Closing (except for (a) with respect to the

Preliminary Official Statement, any information marked as preliminary, subject to change, any permitted omissions allowed pursuant to Rule 15c2-12 of the Securities and Exchange Commission), and (b) with respect to both the Preliminary Official Statement and the Official Statement, (i) any CUSIP numbers or other identification numbers; (ii) any financial statements contained in the Preliminary Official Statement or the Official Statement (including the basic financial statements, the letter of transmittal, the management's discussion and analysis, the required supplementary information, the statistical section and any other any component of the audit report of the City); (iii) any financial, demographic, statistical or economic data, estimates, projections, numbers, assumptions, charts, graphs, tables, or expressions of opinion contained in the Preliminary Official Statement or the Official Statement; (iv) information relating to the DTC and its book-entry-only system or the Global Clearance Procedures, including information in Appendix E – "PROVISIONS FOR BOOK-ENTRY ONLY SYSTEM AND GLOBAL CLEARANCE PROCEDURES" and (v) information under the caption "INFORMATION CONCERNING OFFERING RESTRICTIONS IN CERTAIN JURISDICTIONS OUTSIDE THE UNITED STATES," as to all of which such firm expresses no opinion) contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(x) A certificate dated the date of Closing, signed by a duly authorized official of the City, in form and substance satisfactory to the Representative, to the effect that, to the best of such official's knowledge: (A) the representations and warranties of the City contained in the Bond Purchase Agreement are true and correct in all material respects on and as of the date of Closing with the same effect as if made on the date of Closing; (B) the City has complied with the requirements of the City Documents required to be complied with on and as of the date of Closing; (C) since September 30, 2020, no material adverse change has occurred in the financial condition, assets, properties or results of operation of the City which is not described in the Preliminary Official Statement and the Official Statement; and (D) no event affecting the City has occurred since the date of the Official Statement which has not been disclosed therein or in any supplement or amendment thereto which event should be disclosed in the Official Statement in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(xi) A certificate, dated the date of Closing, signed by a duly authorized official of the Trustee, satisfactory in form and substance to the Representative, to the effect that: (A) the Trustee is a national banking association organized and existing under and by virtue of the laws of the United States, having the full power and being qualified to enter into and perform its duties under the Trust Agreement and to authenticate and deliver the Bonds to the Representative; (B) the Trustee is duly authorized to enter into the Trust Agreement and to authenticate and deliver the Bonds to the Representative pursuant to the Trust Agreement; (C) when delivered to and paid for by the Representative at the Closing, the Bonds will have been duly authenticated and delivered by the Trustee; (D) the execution and delivery of the Trust Agreement and compliance with the provisions on the Trustee's part contained therein, will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, note,

resolution, agreement or other instrument to which the Trustee is a party or is otherwise subject (except that no representation or warranty is made with respect to any federal or state securities or blue sky laws or regulations), nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets held by the Trustee pursuant to the lien created by the Trust Agreement under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided by the Trust Agreement; and (E) to the best of the knowledge of the Trustee, it has not been served with any action, suit, proceeding, inquiry or investigation in law or in equity, before or by any court, governmental agency, public board or body, nor is any such action or other proceeding threatened against the Trustee, affecting the existence of the Trustee, or the titles of its officers to their respective offices or seeking to prohibit, restrain, or enjoining the execution and delivery of the Bonds or the collection of revenues to be applied to pay the principal, premium, if any, and interest with respect to the Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Trust Agreement, or contesting the powers of the Trustee or its authority to enter into, adopt or perform its obligations under any of the foregoing to which it is a party, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Bonds or the Trust Agreement, or the power and authority of the Trustee to enter into and perform its duties under the Trust Agreement and to authenticate and deliver the Bonds to the Representative;

(xii) A copy of the Official Statement, executed on behalf of the City by an authorized Representative of the City;

(xiii) A certified copy of the general resolution of the Trustee authorizing the execution and delivery of the Trust Agreement;

(xiv) Evidence of a rating of “___” by S&P being in full force and effect with respect to the Bonds as of the date of Closing;

(xv) A copy of the Notices of Sale required to be delivered to the California Debt and Investment Advisory Commission pursuant to Section 8855(g) and 53583 of the California Government Code;

(xvi) A preliminary blue sky memorandum and a final blue sky memorandum;
and

(xvii) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter, Bond Counsel or Underwriters’ Counsel reasonably may request to evidence the truth and accuracy, as of the date hereof and as of the date of Closing, of the City’s representations and warranties contained herein and of the statements and information contained in the Official Statement and of the due performance or satisfaction by the City and the Trustee on or prior to the date of Closing of all material agreements then to be performed and conditions then to be satisfied by any of them in

connection with the transactions contemplated hereby and by the Indenture and the Escrow Agreements.

All of the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Bond Purchase Agreement will be deemed to be in compliance with the provisions hereof if and only if they are in form and substance satisfactory to the Representative.

If the City shall be unable to satisfy the conditions to the Underwriters' obligations contained in this Bond Purchase Agreement or if the Underwriters' obligations shall be terminated for any reason permitted herein, all obligations of the Underwriters' hereunder may be terminated by the Representative at, or at any time prior to, the date of Closing by written notice to the City and none of the Underwriters' or the City shall have any further obligations hereunder, except that the respective obligations of the parties set forth in Section 5.

7. Expenses.

(a) The Underwriters shall be under no obligation to pay, and the City shall pay, any expenses incident to the performance of the City's obligations hereunder, including but not limited to: (i) the cost of preparation, printing and distribution of the Trust Agreement, the Continuing Disclosure Certificate, the Preliminary Official Statement, the Official Statement and any supplements or amendments thereto; (ii) the cost of preparing and printing the Bonds; (iii) the fees and disbursements of Bond Counsel and the fees and expenses of counsel to the City; (iv) the fees and disbursements of any engineers, accountants and other experts, consultants or advisors retained by the City; (v) fees for municipal bond ratings; (vi) Trustee fees; (vii) [CUSIP Service Bureau fees and charges;] and (viii) expenses (included in the expense component of the underwriting spread) incurred on behalf of the City's employees which are incidental to implementing this Bond Purchase Agreement, including, but not limited to, meals, transportation, and lodging of those employees, if any.

The Underwriters are required to pay fees to the California Debt and Investment Advisory Commission in connection with the Bond offering. [Notwithstanding that such fees are solely the legal obligation of the Underwriters, the City agrees to reimburse the Underwriters for such fees.]

(b) The Underwriters shall pay (from the expense component of the underwriting spread): (i) the cost of preparation and printing of this Bond Purchase Agreement and the preliminary blue sky memorandum and final blue sky memorandum; (ii) all advertising expenses and blue sky filing fees in connection with the public offering of the Bonds; and (iii) the fees of Digital Assurance Certification, L.L.C. for a continuing disclosure undertaking compliance review; and (iv) all other expenses incurred by the Underwriters in connection with the public offering of the Bonds, including the fees and disbursements of Underwriters' Counsel.

8. Notices.

Any notice or other communication to be given to the City under this Bond Purchase Agreement may be given by delivering the same in writing at the address of the City as set forth above and any such notice or other communication to be given to the Representative may be delivered at the following address: J.P. Morgan Securities LLC, 2029 Century Park East, Suite 4140, Los Angeles, California 90067, Attention: Tyler Old.

9. Parties in Interest.

This Bond Purchase Agreement is made solely for the benefit of the City and the Representative (including the successors or assigns of the Representative) and no other person shall acquire or have any right hereunder or by virtue hereof. All the representations and warranties of the parties hereto contained in this Bond Purchase Agreement shall remain operative and in full force and effect, regardless of (a) any investigations made by or on behalf of the Representative or the City or (b) delivery of and payment for the Bonds. The agreements contained in Section 6 herein shall survive any termination of this Bond Purchase Agreement.

10. Counterparts.

This Bond Purchase Agreement may be executed in any number of counterparts, each of which shall be an original, and all of which shall constitute but one and the same instrument. The parties further agree that facsimile signatures or signatures scanned into PDF format (or signatures in another electronic format designated by the City) and sent by e-mail shall be deemed original signatures.

11. Effectiveness.

This Bond Purchase Agreement shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by a duly authorize Representative of the City and shall be valid and enforceable as of the time of such acceptance.

12. Choice of Law.

The validity, interpretation and performance of this Bond Purchase Agreement shall be governed by the laws of the State.

13. Severability.

In the event any provision of this Bond Purchase Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

14. Entire Agreement.

This Bond Purchase Agreement, when accepted by the City in writing as heretofore specified, shall constitute the entire agreement between the City and the Representative.

15. Headings.

The headings of the section of this Bond Purchase Agreement are inserted for convenience only and shall not be deemed to be part hereof.

16. Arm's Length Commercial Transaction.

The Underwriters and the City acknowledge and agree that (i) the primary role of the Underwriters, as Underwriters, is to purchase securities, for resale to investors, in an arm's-length commercial transaction between the City, on the one hand, and the Underwriters, on the other hand, and each Underwriters has financial and other interests that differ from those of the City (ii) in connection with such transaction, each Underwriters is acting solely as a principal and is not acting as an agent, municipal advisor, financial advisor or fiduciary to the City, (iii) each Underwriters has not assumed any advisory or fiduciary responsibility in favor of the City with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (whether or not the Underwriters, or any affiliate of the Underwriters, provided other services or is currently providing other services to the City on other matters) or any other obligation to the City except the obligations expressly set forth in this Bond Purchase Agreement and those required by law, if any, and (iv) the City and the Underwriters have consulted with their respective legal, financial and/or municipal, accounting, tax and other advisors to the extent they deemed appropriate. Neither of the Underwriters is acting as a Municipal Advisor (as defined in Section 15B of the Exchange Act of 1934, as amended) in connection with the matters contemplated by this Bond Purchase Agreement.

Very truly yours,

J.P. MORGAN SECURITIES LLC, as
Representative of itself and
Stifel, Nicolaus & Company, Inc.

By: _____
Authorized Signatory

Accepted this June __, 2021:

CITY OF EL SEGUNDO

By: _____
Name:
Title:

Approved as to Form:

CITY ATTORNEY

By: _____
Name:
Title:

EXHIBIT A
MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, PRICES,
YIELDS AND REDEMPTION PROVISIONS

[\$[PRINCIPAL AMOUNT]
CITY OF EL SEGUNDO
(LOS ANGELES COUNTY, CALIFORNIA)
TAXABLE PENSION OBLIGATION BONDS, SERIES 2021

Maturity Date (July 1)	Principal Amount	Interest Rate	Yield	Price
-----------------------------------	-----------------------------	----------------------	--------------	--------------

\$ _____ % Term Bond due July 1, 20__; Yield ___%

REDEMPTION PROVISIONS

Optional Redemption. The Bonds are subject to optional redemption prior to their maturity at the option of the City, in whole or in part, on any date on or after July 1, 20__, from any source of available funds, at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed, plus unpaid, accrued interest thereon to the date of redemption, without premium

Make-Whole Optional Redemption. From the date of issuance of the Bonds to but not including July 1, 20__, the Bonds are subject to redemption prior to their respective stated maturities, at the option of the City, from lawfully available funds deposited in the Optional Redemption Account, as a whole or in part (in such order of maturity as shall be selected by the City in a written order of the City filed with the Trustee and if the Bonds are held in full book entry form with DTC, by pro rata pass-through distribution of principal), on any date, at a redemption price equal to the greater of:

- (1) 100% of the principal amount of such Bonds to be redeemed; or
- (2) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date or dates of such Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which such Bonds are to be redeemed, discounted to the date on which such Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, [(i) with respect to the Bonds maturing on July 1, 20__ through and including July 1, 20__, at the Treasury Rate, and (ii) with respect to the Bonds maturing on July 1, 20__ through and including July 1, 20__, at the Treasury Rate, plus __ basis points],

plus, in each case, accrued interest on such Bonds to be redeemed to the redemption date.

“Treasury Rate” means, with respect to any redemption date for a particular Bond, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days, but no more than 45 calendar days, prior to the redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to the maturity date of the Bond to be redeemed (taking into account any sinking fund installments for such Bond); provided, however, that if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

The redemption price of the Bonds to be redeemed at the option of the City pursuant to the Make-Whole Optional Redemption provisions shall be determined by an independent accounting firm, investment banking firm or financial advisor retained by the City at the City’s expense to calculate such redemption price. The City and the Trustee shall be furnished the redemption price by such independent accounting firm, investment banking firm or financial advisor prior to the redemption date giving the Trustee sufficient time to process payment of the redemption price and the City and the Trustee may conclusively rely on the determination of such redemption price by

such independent accounting firm, investment banking firm or financial advisor and will not be liable for such reliance.

Mandatory Sinking Fund Redemption of the Bonds. The Bonds maturing July 1, 20__ (the “20__ Term Bonds”) are subject to mandatory sinking fund redemption at a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium. The 20__ Term Bonds will be so redeemed on the following dates and in the following amounts:

<i>Redemption Date (July 1)</i>	<i>Principal Amount</i>
--	------------------------------------

*

* Final maturity.

TRUST AGREEMENT

by and between

CITY OF EL SEGUNDO

and

**U.S. BANK NATIONAL ASSOCIATION
as Trustee**

Dated as of _____ 1, 2021

**City of El Segundo
(Los Angeles County, California)
Taxable Pension Obligation Bonds**

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TRUST AGREEMENT

THIS TRUST AGREEMENT (this “Trust Agreement”), dated as of _____ 1, 2021, by and between the CITY OF EL SEGUNDO (the “City”), a municipal corporation and general law city duly organized and existing under and by virtue of the Constitution and laws of the State of California, and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as trustee (the “Trustee”),

WITNESSETH:

WHEREAS, the City is obligated by the Public Employees’ Retirement Law, Section 20000 *et seq.* of the California Government Code (the “Retirement Law”), to make payments to the California Public Employees’ Retirement System (the “System”) relating to pension benefits accruing to City employees who are System members; and

WHEREAS, the City has entered into a contract with the System with respect to the City’s Miscellaneous Plan, Safety Police First Tier Plan, and Safety Fire Plan, effective January 1, 1949, and witnessed December 21, 1948, and as amended effective June 1, 1956, January 2, 1969, March 5, 1969, November 1, 1973, January 1, 1978, July 1, 1979, October 1, 1981, January 1, 1984, December 1, 1985, May 7, 1987, February 4, 1988, July 1, 1989, July 5, 1991 and June 9, 1994, and as heretofore and hereafter amended from time to time (the “CalPERS Contract”), evidencing the City’s obligation to pay the City’s unfunded accrued actuarial liability and its normal annual contribution to the System; and

WHEREAS, the City is authorized pursuant to Articles 10 and 11 (commencing with Section 53570) of Chapter 3 of Division 2 of Title 5 of the California Government Code (the “Act”) to issue bonds for the purpose of refunding any evidence of indebtedness of the City; and

WHEREAS, for the purpose of refunding the City’s obligations to the System evidenced by the CalPERS Contract, the City has determined to issue from time to time its City of El Segundo (Los Angeles County, California) Taxable Pension Obligation Bonds (the “Bonds”); and

WHEREAS, for the purpose of refunding a portion of the City’s obligations to the System evidenced by the CalPERS Contract, the City has determined to issue its City of El Segundo (Los Angeles County, California) Taxable Pension Obligation Bonds, Series 2021 (the “Series 2021 Bonds”), in the aggregate principal amount of \$ _____; and

WHEREAS, in order to provide for the authentication and delivery of the Bonds, to establish and declare the terms and conditions upon which the Bonds are to be issued and to secure the payment of the principal thereof, premium, if any, and interest thereon, the City has authorized the execution and delivery of this Trust Agreement; and

WHEREAS, the City has determined that all acts and proceedings required by law necessary to make the Bonds, when executed by the City and authenticated and delivered by the Trustee hereunder, valid, binding and legal obligations of the City payable in accordance with their terms, and to constitute this Trust Agreement a valid and binding agreement of the parties hereto for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of this Trust Agreement have been in all respects duly authorized;

NOW, THEREFORE, THIS TRUST AGREEMENT WITNESSETH, that in order to secure the payment of the principal of, premium, if any, and the interest on all Bonds at any time issued and outstanding under this Trust Agreement, according to their tenor, and to secure the performance and

observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the owners thereof, and for other valuable considerations, the receipt whereof is hereby acknowledged, the City does hereby covenant and agree with the Trustee, for the benefit of the respective owners from time to time of the Bonds, as follows:

ARTICLE I

DEFINITIONS; EQUAL SECURITY

Section 1.01 Definitions. Unless the context otherwise requires, the terms defined in this Section shall for all purposes hereof and of any certificate, opinion, request or other document herein or therein mentioned have the meanings herein specified.

“**Act**” means Articles 10 and 11 (commencing with Section 53570) of Chapter 3 of Division 2 of Title 5 of the California Government Code.

“**Additional Bonds**” means Bonds other than Series 2021 Bonds issued hereunder in accordance with the provisions of Article IV hereof.

“**Authorized Denominations**” means (a) \$5,000 principal amount or any integral multiple thereof, and (b) any other principal amount or integral multiple thereof as provided in a Supplemental Trust Agreement.

“**Authorized Officer**” means, with respect to the City, the Mayor, the City Manager, the Deputy City Manager and the Director of Finance and any other person designated as an Authorized Officer of the City in a Written Certificate of the City filed with the Trustee.

“**Beneficial Owner**” means the beneficial owner of a Bond, determined under the rules of DTC.

“**Bond Fund**” means the fund by that name established and held by the Trustee pursuant to Section 5.02 hereof.

“**Bond Insurer**” means any issuer or issuers of a policy or policies of municipal bond insurance obtained by the City to insure the payment of principal of and interest on a Series of Bonds issued under the Trust Agreement, when due otherwise than by acceleration, and which, in fact, are at any time insuring such Series of Bonds. For the purposes of this definition, all consents, approvals or actions required by the Bond Insurer shall be by action of a majority of all Bond Insurers (based upon the aggregate principal amount of Outstanding Bonds insured by each such Bond Insurer) if there is more than a single Bond Insurer.

“**Bonds**” means the Series 2021 Bonds and all Additional Bonds.

“**Business Day**” means any day other than (a) a Saturday or a Sunday, (b) a day on which banking institutions in the city in which the Corporate Trust Office of the Trustee is located or banking institutions in New York, New York, are authorized or required by law to be closed, or (c) a day on which the New York Stock Exchange is closed.

“**City**” means the City of El Segundo, a municipal corporation and general law city duly organized and existing under and by virtue of the Constitution and laws of the State.

“Closing Date” means the date on which the Series 2021 Bonds are delivered to the original purchaser of the Series 2021 Bonds.

“Continuing Disclosure Certificate” means, as applicable, the Continuing Disclosure Certificate of the City, dated the Closing Date, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“Corporate Trust Office” means the corporate trust office of the Trustee, which at the date of execution of this Trust Agreement is that specified in Section 11.10 of this Trust Agreement, provided, however, that for transfer, registration, exchange, payment and surrender of Bonds such term means the office or agency of the Trustee at which, at any particular time, its corporate trust operations business shall be conducted, or such other office designated by the Trustee from time to time.

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the City relating to the authorization, issuance, sale and delivery of the Bonds, including but not limited to printing expenses, rating agency fees, bond insurance premiums, filing and recording fees, initial fees, expenses and charges of the Trustee and its counsel (including the Trustee’s first annual administrative fee), fees, charges and disbursements of attorneys, municipal advisors, actuaries, accounting firms, consultants and other professionals, fees and charges for preparation, execution and safekeeping of the Bonds and any other cost, charge or fee in connection with the original issuance of the Bonds.

“Costs of Issuance Fund” means the fund by that name established and held by the Trustee pursuant to Section 2.03 hereof.

“County” means the County of Los Angeles.

“Defeasance Securities” means any of the following to the extent then permitted by applicable laws of the State:

- (a) U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series -- “SLGs”).
- (b) Direct obligations of the Treasury of the United States which have been stripped by the Treasury itself, CATS, TIGRS and similar securities
- (c) Resolution Funding Corp. (REFCORP). Only the interest component of REFCORP strips which have been stripped by request to the Federal Reserve Bank of New York in book entry form are acceptable.
- (d) Pre-refunded municipal bonds rated “Aaa” by Moody’s or “AAA” by S&P. If however, the issue is only rated by S&P (i.e., there is no Moody’s rating), then the pre-refunded bonds must have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, or AAA rated pre-refunded municipals to satisfy this condition.
- (e) Obligations issued by the following agencies which are backed by the full faith and credit of the U.S.
 - (i) U.S. Export-Import Bank (Eximbank)
Direct obligations or fully guaranteed certificates of beneficial ownership

- (ii) Farmers Home Administration (FmHA)
Certificates of beneficial ownership
- (iii) Federal Financing Bank
- (iv) General Services Administration
Participation certificates
 - (i) U.S. Maritime Administration
- (vi) Guaranteed Title XI financing
- (vii) U.S. Department of Housing and Urban Development (HUD)
 - Project Notes
 - Local Authority Bonds
 - New Communities Debentures - U.S. government guaranteed debentures
 - U.S. Public Housing Notes and Bonds - U.S. government guaranteed public housing notes and bonds

“**DTC**” means The Depository Trust Company and any successor thereto or any nominee thereof.

“**Event of Default**” means an event described as such in Section 9.01.

“**Fiscal Year**” means the twelve-month period ending on June 30 of each year, or any other annual accounting period hereafter selected and designated by the City as its Fiscal Year in accordance with applicable law.

“**Fitch**” means Fitch, Inc., a corporation organized and existing under the laws of the State of New York, and its successors and assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the services of a municipal securities rating agency, then the term “Fitch” shall be deemed to refer to any other nationally recognized municipal securities rating agency selected by the City.

“**Interest Payment Date**” (a) with respect to the Series 2021 Bonds, means January 1 and July 1 of each year, commencing _____ 1, 20__, and (b) with respect to any Additional Bonds, the dates specified in the Supplemental Trust Agreement pursuant to which such Additional Bonds are issued.

“**Moody’s**” means Moody’s Investors Service, a corporation organized and existing under the laws of the State of Delaware, and its successors and assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the services of a municipal securities rating agency, then the term “Moody’s” shall be deemed to refer to any other nationally recognized municipal securities rating agency selected by the City.

“**Opinion of Counsel**” means a written opinion of counsel of recognized national standing in the field of law relating to municipal bonds, appointed and paid by the City.

“**Outstanding**” means, when used as of any particular time with reference to Bonds (subject to the provisions of Section 8.02 hereof), all Bonds theretofore or thereupon executed by the City and authenticated by the Trustee, except (a) Bonds theretofore cancelled by the Trustee or surrendered to the Trustee for cancellation in accordance herewith, (b) Bonds paid or deemed to have been paid within the meaning of Section 10.01, and (c) Bonds in lieu of or in substitution for which other Bonds shall have been executed, issued and delivered by the City pursuant hereto.

“Owner” means, with respect to any Bond, the registered owner thereof, as shown on the registration books maintained by the Trustee hereunder.

“Participant” means any entity which is recognized as a participant by DTC in the book-entry system of maintaining records with respect to book-entry bonds.

“Participating Underwriters” has the meaning ascribed thereto in the Continuing Disclosure Certificate.

“Permitted Investments” means any of the following to the extent then permitted by applicable laws of the State:

- (a) Direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury, and CATS and TIGRS) or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America.
- (b) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself):
 - (i) U.S. Export-Import Bank (Eximbank)
Direct obligations or fully guaranteed certificates of beneficial ownership
 - (ii) Farmers Home Administration (FmHA)
Certificates of beneficial ownership
 - (iii) Federal Financing Bank
 - (iv) Federal Housing Administration Debentures (FHA)
 - (v) General Services Administration
Participation certificates
 - (vi) Government National Mortgage Association (GNMA or “Ginnie Mae”)
GNMA - guaranteed mortgage-backed bonds
GNMA - guaranteed pass-through obligations
 - (vii) U.S. Maritime Administration
Guaranteed Title XI financing
 - (viii) U.S. Department of Housing and Urban Development (HUD)
Project Notes
Local Authority Bonds
New Communities Debentures - U.S. government guaranteed debentures
U.S. Public Housing Notes and Bonds - U.S. government guaranteed public housing notes and bonds

(c) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself):

- (i) Federal Home Loan Bank System
Senior debt obligations
- (ii) Federal Home Loan Mortgage Corporation (FHLMC or “Freddie Mac”)
Participation Certificates
Senior debt obligations
- (iii) Federal National Mortgage Association (FNMA or “Fannie Mae”)
Mortgage-backed securities and senior debt obligations
- (iv) Student Loan Marketing Association (SLMA or “Sallie Mae”)
Senior debt obligations
- (v) Resolution Funding Corp. (REFCORP) obligations
- (vi) Farm Credit System
Consolidated systemwide bonds and notes

(d) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating if rated by S&P of AAAm-G; AAA-m; or AA-m and if rated by Moody’s of Aaa, Aa1 or Aa2, including funds for which the Trustee, its parent holding company, if any, or any affiliates or subsidiaries of the Trustee or such holding company provide investment advisory or other management services.

(e) Certificates of deposit secured at all times by collateral described in (a) and/or (b) above. Such certificates must be issued by commercial banks, savings and loan associations or mutual savings banks, which may include the Trustee and its affiliates. The collateral must be held by a third party and the bondholders must have a perfected first security interest in the collateral.

(f) Certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by FDIC, including BIF and SAIF, which may include those of the Trustee and its affiliates.

(g) Commercial paper rated, at the time of purchase, “Prime - 1” by Moody’s and “A-1” or better by S&P.

(h) Bonds or notes issued by any state or municipality which are rated by Moody’s and S&P in one of the two highest rating categories assigned by such agencies.

(i) Federal funds, bank money market deposit accounts, and bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of “Prime - 1” or “A3” or better by Moody’s and “A-1” or “A” or better by S&P, which may include the Trustee and its affiliates.

(j) Any state administered pooled investment fund in which the City is statutorily permitted or required to invest including, but not limited to, the Local Agency Investment Fund in the treasury of the State.

(k) Investment Trust of California (CalTRUST).

(l) Repurchase agreements which have a maximum maturity of 30 days and are fully secured at or greater than 102% of the market value plus accrued interest by obligations of the United States Government, its agencies and instrumentalities, including limited to the following: (i) the Federal Home Loan Bank Board (“FHLB”); (ii) the Federal Home Loan Mortgage Corporation (“FHLMC”); (iii) the Federal National Mortgage Association (FNMA); (iv) Federal Farm Credit Bank (“FFCB”); and (v) guaranteed portions of Small Business Administration (“SBA”).

(m) Investment agreements and guaranteed investment contracts with issuers having a long-term debt rating of at least “AA-” or “Aa3” by S&P or Moody’s, respectively.

(n) Deposits with the Local Agency Investment Fund (LAIF) of the State.

(o) Corporate obligations issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States having a long-term debt rating of at least “AA-” or “Aa3” by S&P or Moody’s, respectively.

“**Principal Amount**” means, with respect to Bonds, the principal amount thereof.

“**Principal Payment Date**” means each July 1 on which principal is due on the Bonds.

“**Rating Agencies**” means Fitch, Moody’s and S&P, but in each case only to the extent that such Rating Agency is then rating the Bonds at the request of the City.

“**Record Date**” means the 15th calendar day of the month preceding each Interest Payment Date, whether or not such day is a Business Day.

“**Redemption Fund**” means the fund by that name established and held by the Trustee pursuant to Section 5.03 hereof.

“**Refunding Fund**” means the fund by that name established and held by the Trustee pursuant to Section 2.03 hereof.

“**Representation Letter**” means the Letter of Representations from the City to DTC, or any successor Securities Depository for the Bonds, in which the City makes certain representations with respect to issues of its securities for deposit by DTC or such successor depository.

“**Retirement Law**” means the Public Employees’ Retirement Law, commencing with Section 20000 of the California Government Code.

“**S&P**” means S&P Global Ratings, a division of Standard & Poor’s Financial Services LLC, a corporation organized and existing under the laws of the State of New York, and its successors or assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the functions of a municipal securities rating agency, then the term “Standard & Poor’s” shall be deemed to refer to any other nationally recognized municipal securities rating agency selected by the City.

“**Securities Depository**” means DTC and its successors and assigns or any other securities depository selected by the City which agrees to follow the procedures required to be followed by such securities depository in connection with the Bonds that are in book-entry form.

“**Series**” means all of the Bonds designated as being within a certain series, regardless of variations in maturity date, interest rate, redemption and other provisions, and any Bonds thereafter issued in transfer or exchange for such Bonds pursuant to this Trust Agreement.

“**Series 2021 Bonds**” means the City of El Segundo (Los Angeles County, California) Taxable Pension Obligation Bonds, Series 2021, issued hereunder.

“**State**” means the State of California.

“**Supplemental Trust Agreement**” means any supplemental trust agreement amendatory of or supplemental to this Trust Agreement, but only if and to the extent that such supplemental trust agreement is specifically authorized hereunder.

“**System**” means the California Public Employees’ Retirement System.

“**Term Bonds**” means Bonds which are payable on or before their specified maturity dates from sinking fund payments established for that purpose and calculated to retire such Bonds on or before their specified maturity dates.

“**Treasury Rate**” means, with respect to any redemption date for a particular Series 2021 Bond, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to the redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to the maturity date of the Series 2021 Bond to be redeemed; provided, however, that if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

“**Trust Agreement**” means this Trust Agreement, dated as of _____ 1, 2021, by and between the City and the Trustee, as originally executed and as it may from time to time be amended or supplemented by one or more Supplemental Trust Agreements.

“**Trustee**” means U.S. Bank National Association, a national banking association organized and existing under the laws of the United States of America, or any successor thereto as Trustee hereunder, appointed as provided herein.

“**Written Certificate**” and “**Written Request**” of the City mean, respectively, a written certificate or written request signed in the name of the City by an Authorized Officer. Any such certificate or request may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

Section 1.02 Trust Agreement Constitutes Contract. In consideration of the acceptance of the Bonds by the Owners thereof, the Trust Agreement shall be deemed to be and shall constitute a contract among the City, the Trustee and the Owners from time to time of all Bonds authorized, executed, issued and delivered hereunder and then Outstanding to provide for the payment of the interest on and principal of and redemption premiums, if any, on all Bonds which may from time to time be authorized, executed, issued and delivered hereunder, subject to the agreements, conditions, covenants and provisions contained herein; and all agreements and covenants set forth herein to be performed by or on behalf of the City shall be for the equal and proportionate benefit, protection and security of all Owners of the Bonds without distinction, preference or priority as to security or otherwise of any Bonds over any other Bonds by reason

of the number or date thereof or the time of authorization, sale, execution, issuance or delivery thereof or for any cause whatsoever, except as expressly provided herein or therein.

ARTICLE II

GENERAL BOND PROVISIONS; SERIES 2021 BONDS

Section 2.01 Nature of Obligation under Bonds. The obligations of the City under the Bonds, including the obligation to make all payments of interest and principal when due, are obligations of the City imposed by law and are absolute and unconditional, without any right of set-off or counterclaim. The Bonds do not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation. Neither the Bonds nor the obligation of the City to make payments on the Bonds constitute an indebtedness of the City, the State, or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction.

Section 2.02 Authorization and Terms of the Series 2021 Bonds. (a) The City has reviewed all proceedings heretofore taken relative to the authorization of the Series 2021 Bonds and has found, as a result of such review, and hereby finds and determines that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of the Series 2021 Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and that the City is now duly authorized, pursuant to each and every requirement of the Act, to issue the Series 2021 Bonds in the form and manner and for the purpose provided herein and that the Series 2021 Bonds shall be entitled to the benefit, protection and security of the provisions hereof. The Series 2021 Bonds shall be designated “City of El Segundo (Los Angeles County, California) Taxable Pension Obligation Bonds, Series 2021.” The aggregate principal amount of Series 2021 Bonds that may be issued and Outstanding under this Trust Agreement shall not exceed \$ _____, except as may be otherwise provided in Section 2.09 hereof. The Series 2021 Bonds shall be dated the date of original delivery, shall be issued only in fully registered form in Authorized Denominations, and shall mature on the dates and in the principal amounts and bear interest at the rates as set forth in the following schedule:

Maturity Date	Principal Amount	Interest Rate
July 1		

The Series 2021 Bonds shall bear interest at the rates (based on a 360-day year of twelve 30-day months) set forth above, payable on the Interest Payment Dates for the Series 2021 Bonds. The Series 2021 Bonds shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (i) a Series 2021 Bond is authenticated on or before an Interest Payment Date and after the close of business on the preceding Record Date, in which event it shall bear interest from such Interest Payment Date, or (ii) a Series 2021 Bond is authenticated on or before the first Record Date, in which event interest thereon shall be payable from the dated date thereof; provided, however, that if at the time of authentication of any Series 2021 Bond interest is then in default on the Outstanding Series 2021 Bonds, such Series 2021 Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made

available for payment on the Outstanding Series 2021 Bonds. Payment of interest on the Series 2021 Bonds due on or before the maturity or prior redemption thereof shall be made to the person whose name appears in the registration books kept by the Trustee pursuant to Section 2.08 hereof as the Owner thereof as of the close of business on the Record Date for an Interest Payment Date, whether or not such day is a Business Day, such interest to be paid by check mailed on the Interest Payment Date by first-class mail to such Owner at the address as it appears in such books; provided that upon the written request of an Owner of \$1,000,000 or more in aggregate principal amount of Series 2021 Bonds received by the Trustee prior to the applicable Record Date, interest shall be paid by wire transfer in immediately available funds. Any such written request shall remain in effect until rescinded in writing by the Owner.

The principal of the Series 2021 Bonds shall be payable in lawful money of the United States of America at the Corporate Trust Office of the Trustee. Payment of the principal of the Series 2021 Bonds shall be made upon the surrender thereof at maturity or on redemption prior to maturity at the Corporate Trust Office of the Trustee.

Section 2.03 Procedure for the Issuance of Series 2021 Bonds; Application of Series 2021 Bond Proceeds. At any time after the sale of the Series 2021 Bonds in accordance with the Act, the City shall execute the Series 2021 Bonds for issuance hereunder and shall deliver them to the Trustee, and thereupon the Series 2021 Bonds shall be authenticated and delivered by the Trustee to the purchaser thereof upon the Written Request of the City and upon receipt of payment therefor from the purchaser thereof. Upon receipt of payment for the Series 2021 Bonds from the purchaser thereof, the Trustee shall set aside and deposit the proceeds received from such sale in the following respective accounts or funds or with the following respective persons, in the following order of priority:

(a) The Trustee shall deposit \$_____ of the Series 2021 Bond proceeds in the Refunding Fund, which fund is hereby established with the Trustee. On the Closing Date, the Trustee shall promptly transfer all amounts in the Refunding Fund to the System in accordance with written instructions from the City, upon which the Trustee may conclusively rely. Thereafter, except as may be provided in a Supplemental Trust Agreement, the Refunding Fund shall be closed.

(b) The Trustee shall deposit \$_____ in the Costs of Issuance Fund, which fund is hereby created and which fund the City hereby agrees to maintain with the Trustee until six months following the Closing Date. All money in the Costs of Issuance Fund shall be used and withdrawn by the Trustee to pay or reimburse the Costs of Issuance of the Series 2021 Bonds upon receipt of a Written Request of the City filed with the Trustee, each of which shall be sequentially numbered and shall state the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund. On the date which is six months following the Closing Date for the Series 2021 Bonds or upon the earlier Written Request of the City, any remaining balance in the Costs of Issuance Fund shall be transferred to the Bond Fund. Thereafter, except as may be provided in a Supplemental Trust Agreement, the Costs of Issuance Fund shall be closed.

Section 2.04 Form of Bonds. The Series 2021 Bonds and the authentication endorsement and assignment to appear thereon shall be substantially in the form set forth in Exhibit A attached hereto.

Section 2.05 Execution of Bonds. The Mayor of the City is hereby authorized and directed to execute each of the Bonds on behalf of the City and the City Clerk of the City is hereby authorized and directed to countersign each of the Bonds on behalf of the City. The signatures of such officers of the City may be by printed, lithographed, engraved or otherwise reproduced by facsimile reproduction. In case any officer whose signature appears on the Bonds shall cease to be such officer before the delivery of the Bonds to the purchaser thereof, such signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in office until such delivery of the Bonds.

Only those Bonds bearing thereon a certificate of authentication in the form hereinbefore recited, executed manually and dated by the Trustee, shall be entitled to any benefit, protection or security hereunder or be valid or obligatory for any purpose, and such certificate of the Trustee shall be conclusive evidence that the Bonds so authenticated have been duly authorized, executed, issued and delivered hereunder and are entitled to the benefit, protection and security hereof.

Section 2.06 Transfer of Bonds. Any Bond may, in accordance with its terms, be transferred in the books required to be kept pursuant to the provisions of Section 2.08 by the person in whose name it is registered, in person or by such person's duly authorized attorney, upon surrender of such Bond for cancellation at the Corporate Trust Office of the Trustee accompanied by delivery of a duly executed written instrument of transfer in a form acceptable to the Trustee; provided, however, that the Trustee shall require the payment by the Owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer as a condition precedent to the exercise of such privilege; and provided further, that the Trustee may refuse to transfer any Bonds during the 15 day period prior to the date established by the Trustee for the selection of Bonds for redemption, or to transfer any Bonds selected by the Trustee for redemption. Whenever any Bond shall be surrendered for transfer, the City shall execute and the Trustee shall authenticate and deliver to the transferee a new Bond or Bonds of the same Series of Bonds and maturity of Authorized Denominations equal to the Principal Amount.

The City and the Trustee may deem and treat the Owner of any Bond as the absolute owner of such Bond for the purpose of receiving payment thereof and for all other purposes, whether such Bond shall be overdue or not, and neither the City nor the Trustee shall be affected by any notice or knowledge to the contrary; and payment of the principal or redemption price of and the interest due on such Bond shall be made only to such Owner, which payments shall be valid and effectual to satisfy and discharge liability on such Bond to the extent of the sum or sums so paid.

The cost of preparing the Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer of the Bonds shall be paid by the City.

Section 2.07 Exchange of Bonds. Any Bond may, in accordance with its terms, be exchanged at the Corporate Trust Office of the Trustee for a new Bond or Bonds of the same Series of Bonds and maturity of Authorized Denominations equal to the Principal Amount of the Bond surrendered; provided, however, that the Trustee shall require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange as a condition precedent to the exercise of such privilege; and provided, further, that the Trustee may refuse to exchange any Bonds during the 15 day period prior to the date established by the Trustee for the selection of Bonds for redemption, or to exchange any Bonds selected by the Trustee for redemption.

The cost of preparing the Bonds and any services rendered or expenses incurred by the Trustee in connection with any exchange shall be paid by the City.

Section 2.08 Bond Registration Books. The Trustee shall keep at its Corporate Trust Office sufficient books for the registration and transfer of the Bonds which shall during normal business hours with reasonable notice be open to inspection by the City, and upon presentation for such purpose the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer the Bonds in such books as hereinabove provided.

Section 2.09 Mutilated, Destroyed, Stolen or Lost Bonds. If any Bond shall become mutilated, the Trustee, at the expense of the Owner, shall thereupon authenticate and deliver a new Bond or Bonds of the same Series of Bonds and maturity of Authorized Denominations equal in aggregate Principal Amount to the Bond so mutilated in exchange and substitution for the Bond so mutilated, but only

upon surrender to the Trustee of the Bond so mutilated, and every mutilated Bond so surrendered to the Trustee shall be cancelled.

If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence be satisfactory to the Trustee and indemnity satisfactory to the Trustee shall be given, the Trustee, at the expense of the Owner, shall thereupon authenticate and deliver a new Bond of the same Series of Bonds and maturity of authorized denominations equal in aggregate Principal Amount to the Bond so lost, destroyed or stolen in lieu of and in substitution for the Bond so lost, destroyed or stolen.

The Trustee may require payment of a reasonable sum for each new Bond delivered under this Section and of the expenses which may be incurred by the City and the Trustee in the premises. Any Bond delivered under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall be equally and proportionately entitled to the benefits hereof with all other Bonds secured hereby, and neither the City nor the Trustee shall be required to treat both the original Bond and any replacement Bond as being Outstanding for the purpose of determining the principal amount of Bonds which may be issued hereunder or for the purpose of determining any percentage of Bonds Outstanding hereunder, but both the original and replacement Bond shall be treated as one and the same.

Section 2.10 Temporary Bonds. The Bonds issued hereunder may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery, which temporary Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the City, shall be in fully registered form and may contain such reference to any of the provisions hereof as may be appropriate. Every temporary Bond shall be executed and authenticated as authorized by the City in accordance with the terms hereof. If the City issues temporary Bonds it will execute and furnish definitive Bonds without delay and thereupon the temporary Bonds may be surrendered, for cancellation, in exchange therefor at the Corporate Trust Office of the Trustee, and the Trustee shall deliver in exchange for such temporary Bonds definitive Bonds. Until so exchanged, the temporary Bonds shall be entitled to the same benefits hereunder as definitive Bonds delivered hereunder.

Section 2.11 Book-Entry System for the Series 2021 Bonds. (a) Except as otherwise provided in subsections (b) and (c) of this Section, the Series 2021 Bonds shall initially be issued in the form of a single authenticated fully registered bond for each Principal Payment Date of the Series 2021 Bonds, and shall be registered in the name of Cede & Co., as nominee for DTC, or such other nominee as DTC shall request pursuant to the Representation Letter. Payment of the interest on any Series 2021 Bond registered in the name of Cede & Co. shall be made on each Interest Payment Date for such Series 2021 Bonds to the account, in the manner and at the address indicated in or pursuant to the Representation Letter.

(b) The Trustee and the City may treat DTC (or its nominee) as the sole and exclusive owner of the Series 2021 Bonds registered in its name for the purposes of payment of the principal or redemption price of and the interest on such Series 2021 Bonds, selecting the Series 2021 Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Owners hereunder, registering the transfer of the Series 2021 Bonds, obtaining any consent or other action to be taken by Owners of the Series 2021 Bonds and for all other purposes whatsoever, and neither the Trustee nor the City shall be affected by any notice to the contrary. Neither the Trustee nor the City shall have any responsibility or obligation to any Participant (which shall mean, for purposes of this Section, securities brokers and dealers, banks, trust companies, clearing corporations and other entities, some of whom directly or indirectly own DTC), any person claiming a beneficial ownership interest in the Series 2021 Bonds under or through DTC or any Participant, or any other person which is not shown on the registration records as being an Owner, with respect to (i) the accuracy of any records maintained by DTC or any Participant, (ii) the payment by DTC or any Participant of any amount in respect of the principal or redemption price of or the interest on

any of the Series 2021 Bonds, (iii) any notice which is permitted or required to be given to Owners of Series 2021 Bonds hereunder, or (iv) any consent given or other action taken by DTC as Owner of Series 2021 Bonds. The Trustee shall pay the principal or redemption price of and the interest on the Series 2021 Bonds only at the times, to the accounts, at the addresses and otherwise in accordance with the Representation Letter, and all such payments shall be valid and effective to satisfy fully and discharge the City's obligations with respect to the Series 2021 Bonds to the extent of the sum or sums so paid. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of its then existing nominee, the Series 2021 Bonds will be transferable to such new nominee in accordance with subsection (f) of this Section.

(c) In the event that the City determines that it is in the best interests of the Beneficial Owners of the Series 2021 Bonds that they be able to obtain definitive Series 2021 Bonds, the Trustee shall, upon receipt of a Written Request of the City, so notify DTC, whereupon DTC shall notify the Participants of the availability through DTC of definitive Series 2021 Bonds, and in such event the Series 2021 Bonds shall be transferable in accordance with subsection (f) of this Section. DTC may determine to discontinue providing its services with respect to the Series 2021 Bonds at any time by giving written notice of such discontinuance to the Trustee or the City and discharging its responsibilities with respect thereto under applicable law, and in such event the Series 2021 Bonds shall be transferable in accordance with subsection (f) of this Section. Whenever DTC requests the Trustee or the City to do so, the Trustee and the City will cooperate with DTC in taking appropriate action after reasonable notice to arrange for another Securities Depository to maintain custody of all certificates evidencing the Series 2021 Bonds then Outstanding, and in such event the Series 2021 Bonds shall be transferable to such Securities Depository in accordance with subsection (f) of this Section, and thereafter, all references in the Trust Agreement to DTC or its nominee shall be deemed to refer to such successor Securities Depository and its nominee, as appropriate.

(d) Notwithstanding any other provision hereof to the contrary, so long as all Series 2021 Bonds Outstanding are registered in the name of any nominee of DTC, all payments with respect to the principal or redemption price of and the interest on each such Series 2021 Bond and all notices with respect to each such Series 2021 Bond shall be made and given, respectively, to DTC as provided in the Representation Letter.

(e) The Trustee and the City are each hereby authorized and requested to execute and deliver the Representation Letter and, in connection with any successor nominee for DTC or any successor depository, enter into comparable arrangements, and shall have the same rights with respect to its actions thereunder as it has with respect to its actions hereunder.

(f) In the event that any transfer or exchange of Series 2021 Bonds is authorized under subsection (b) or (c) of this Section, such transfer or exchange shall be accomplished upon receipt by the Trustee from the registered owner thereof of the Series 2021 Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee, all in accordance with the applicable provisions of Sections 2.08 and 2.09 hereof. In the event that definitive Series 2021 Bonds are issued to Owners other than Cede & Co., its successor as nominee for DTC as Owner of all the Series 2021 Bonds, another Securities Depository as holder of all the Series 2021 Bonds, or the nominee of such successor Securities Depository, the provisions of Sections 2.06 and 2.07 hereof shall also apply to, among other things, the registration, exchange and transfer of the Series 2021 Bonds and the method of payment of the principal or redemption price of and the interest on the Series 2021 Bonds.

Section 2.12 Validity of Bonds. The recital contained in the Bonds that the same are issued pursuant to the Act and pursuant hereto shall be conclusive evidence of their validity and of the regularity of their issuance, and all Bonds shall be incontestable from and after their issuance. The Bonds shall be

deemed to be issued, within the meaning hereof, upon delivery of the definitive Bonds (or any temporary Bonds exchangeable therefor) and the proceeds of sale thereof received.

ARTICLE III

REDEMPTION OF SERIES 2021 BONDS

Section 3.01 Redemption of Series 2021 Bonds. (a) Optional Redemption. The Series 2021 Bonds are subject to optional redemption prior to their maturity at the option of the City, in whole or in part, on any date on or after July 1, 20__, from any source of available funds, at a redemption price equal to 100% of the principal amount of the Series 2021 Bonds to be redeemed, plus unpaid, accrued interest thereon to the date of redemption, without premium.

The City shall give the Trustee written notice of its intention to redeem Series 2021 Bonds pursuant to this subsection not less than 45 days prior to the applicable redemption date and specifying the information needed by the Trustee for purposes of providing notice in accordance with Section 3.03, or such lesser number of days acceptable to the Trustee.

(b) Make-Whole Optional Redemption. From the date of issuance of the Series 2021 Bonds to but not including July 1, 20__, the Series 2021 Bonds are subject to redemption prior to their respective stated maturities, at the option of the City, from lawfully available funds deposited in the Optional Redemption Account, as a whole or in part (in such order of maturity as shall be selected by the City in a written order of the City filed with the Trustee and if the Series 2021 Bonds are held in full book entry form with DTC, by *pro rata* pass-through distribution of principal in accordance with Section 3.02), on any date, at a redemption price equal to the greater of:

(1) 100% of the principal amount of such Series 2021 Bonds to be redeemed;

or

(2) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date or dates of such Series 2021 Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which such Series 2021 Bonds are to be redeemed, discounted to the date on which such Series 2021 Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, [(i) with respect to the Series 2021 Bonds maturing on July 1, 20__ through and including July 1, 20__, at the Treasury Rate, and (ii) with respect to the Series 2021 Bonds maturing on July 1, 20__ through and including July 1, 20__, at the Treasury Rate, plus __ basis points],

plus, in each case, accrued interest on such Series 2021 Bonds to be redeemed to the redemption date.

(c) Calculation of Make-Whole Optional Redemption Price. The redemption price of the Series 2021 Bonds to be redeemed at the option of the City pursuant to subsection (b) shall be determined by an independent accounting firm, investment banking firm or financial advisor retained by the City at the City's expense to calculate such redemption price. The City and the Trustee shall be furnished the redemption price by such independent accounting firm, investment banking firm or financial advisor prior to the redemption date giving the Trustee sufficient time to process payment of the redemption price and the City and the Trustee may conclusively rely on the determination of such redemption price by such independent accounting firm, investment banking firm or financial advisor and will not be liable for such reliance.

(d) **Mandatory Sinking Fund Redemption.** The Series 2021 Bonds maturing on July 1, 20__ shall be subject to mandatory sinking fund redemption, in part (as described in Section 3.02), on July 1 in each year, commencing July 1, 20__, at a redemption price equal to 100% of the principal amount of the Series 2021 Bonds to be redeemed, without premium, plus accrued interest thereon to the date of redemption, in the aggregate respective principal amounts in the respective years as follows:

Sinking Fund Redemption Date (July 1)	Principal Amount to be Redeemed
20__ (Maturity)	

(e) The Series 2021 Bonds maturing on July 1, 20__ shall be subject to mandatory sinking fund redemption, in part (as described in Section 3.02), on July 1 in each year, commencing July 1, 20__, at a redemption price equal to 100% of the principal amount of the Series 2021 Bonds to be redeemed, without premium, plus accrued interest thereon to the date of redemption, in the aggregate respective principal amounts in the respective years as follows:

Sinking Fund Redemption Date (July 1)	Principal Amount to be Redeemed
20__ (Maturity)	

Section 3.02 Selection of Series 2021 Bonds for Redemption. Redemption payments on the Series 2021 Bonds being redeemed in part will be made in Authorized Denominations from among maturities as the City shall direct the Trustee in writing or on a *pro rata* basis to each Owner in whose name such Series 2021 Bonds are registered on the Record Date immediately preceding a redemption date. “*Pro rata*” is determined, in connection with any mandatory sinking fund redemption or any optional redemption, in part, by multiplying the principal amount of the Series 2021 Bonds of such maturity to be redeemed on the applicable redemption date by a fraction, the numerator of which is equal to the principal amount of the Series 2021 Bonds of such maturity owned by an Owner, and the denominator of which is equal to the total amount of the Series 2021 Bonds of such maturity then Outstanding immediately prior to such redemption date, and then rounding the product down to the next lower integral multiple of \$5,000, provided that the portion of any Series 2021 Bonds to be redeemed shall be in Authorized Denominations and all Series 2021 Bonds of a maturity to remain outstanding following any redemption shall be in Authorized Denominations.

So long as there is a Securities Depository for the Series 2021 Bonds, there will be only one registered Owner and neither the City nor the Trustee will have responsibility for prorating partial redemptions among beneficial owners of the Series 2021 Bonds.

[Redemption payments on the Series 2021 Bonds being redeemed in part will be made in Authorized Denominations from among maturities as the City shall direct the Trustee in writing or on a *pro rata* basis to each Owner in whose name such Series 2021 Bonds are registered on the Record Date immediately preceding a redemption date. “*Pro rata*” is determined, in connection with any mandatory sinking fund redemption or any optional redemption, in part, by multiplying the principal amount of the Series 2021 Bonds of such maturity to be redeemed on the applicable redemption date by a fraction, the numerator of which is equal to the principal amount of the Series 2021 Bonds of such maturity owned by an Owner, and the denominator of which is equal to the total amount of the Series 2021 Bonds of such maturity then Outstanding immediately prior to such redemption date, and then rounding the product down to the next lower integral multiple of \$5,000, provided that the portion of any Series 2021 Bonds to be redeemed are required to be in Authorized Denominations and all Series 2021 Bonds of a maturity to remain outstanding following any redemption are required to be in authorized denominations.]

[Under the Trust Agreement, the Series 2021 Bonds that are subject to optional redemption may be selected for such redemption in such amounts and order of maturity or maturities of Outstanding Series 2021 Bonds as shall be selected by the City and filed with the Trustee. If less than all of a Series 2021 Term Bond is called for optional redemption, the remaining mandatory sinking fund payments for such Term Bond will be reduced *pro rata*.

If the Series 2021 Bonds are in book-entry form at the time of such redemption, the Trustee shall provide written notice to DTC in accordance with the Trust Agreement and the *pro rata* reduction in principal provision included in the DTC Letter of Representations of the City on file with DTC. The particular Series 2021 Bonds within a maturity to be redeemed shall be redeemed on a “Pro-Rata Pass-Through Distribution of Principal” basis in accordance with DTC procedures, provided that such redemption is made in accordance with the operational arrangements of DTC then in effect. The Underwriters have advised the Trustee and the City that the Series 2021 Bonds will be made eligible for partial redemption to be treated by DTC in accordance with its rules and procedures as a “*pro rata* pass-through distribution of principal.” The Trustee will send notice to DTC in accordance with such rules and procedures to effect a *pro rata* reduction of principal of all affected outstanding Series 2021 Bonds to accomplish the optional and mandatory sinking account redemptions described above using a pass-through distribution of principal. In connection with each such redemption, the Trustee will include in the written notice of redemption described above the dollar amount per \$1,000 principal amount payable on account of principal and accrued interest to effect a *pro rata* reduction through a pass-through distribution of principal on the related redemption date. DTC will be responsible for distributing the principal and accrued interest among its Direct Participants, as applicable, *pro rata* in accordance with its rules and procedures for a *pro rata* pass-through distribution of principal based upon the beneficial interest in the Series 2021 Bonds being redeemed that DTC records list as owned by each DTC Direct Participant as of the record date for such payment. Any failure of the Trustee to provide such notice, or of DTC or its participants or any other intermediary to make such selection or proportional allocation, for whatever reason, will not affect the sufficiency or the validity of the redemption of the Series 2021 Bonds. In addition, if DTC’s prevailing operational arrangements do not allow for allocation of a redemption on a *pro rata* pass-through distribution of principal basis, the portion of the Series 2021 Bonds to be redeemed on such redemption date will be selected in accordance with DTC’s then existing rules and procedures, and may be by lot.

Notwithstanding the foregoing, if less than all of the Series 2021 Bonds of any maturity are to be redeemed prior to maturity and if the Series 2021 Bonds are not then in book-entry form at the time of such redemption, on each redemption date, the Trustee shall select the specific Series 2021 Bonds for redemption on a *pro rata* basis from such maturity or mandatory sinking fund payment within such maturity of Outstanding Series 2021 Bonds. The portion of any Series 2021 Bond of a denomination of more than \$5,000 to be redeemed will be in the principal amount of \$5,000 or any integral multiple thereof. The Trustee will select such portions of Series 2021 Bonds to be redeemed on a *pro rata* basis from each

maturity or mandatory sinking fund payment of Outstanding Series 2021 Bonds, as the Trustee in his discretion may deem to be fair and appropriate.]

So long as there is a Securities Depository for the Series 2021 Bonds, there will be only one registered Owner and neither the City nor the Trustee will have responsibility for prorating partial redemptions among beneficial owners of the Series 2021 Bonds.]

Section 3.03 Notice of Redemption. Notice of redemption shall be mailed by first-class mail by the Trustee, not less than 20 nor more than 60 days prior to the redemption date to the respective Owners of the Bonds designated for redemption at their addresses appearing on the registration books of the Trustee. Each notice of redemption shall state the date of such notice, the redemption price, if any, (including the name and appropriate address of the Trustee), the CUSIP number (if any) and ISIN number (if any) of the maturity or maturities, and, if less than all of any such maturity is to be redeemed, the distinctive certificate numbers of the Bonds of such maturity, to be redeemed and, in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that on said date there will become due and payable on each of said Bonds the redemption price, if any, thereof and in the case of a Bond to be redeemed in part only, the specified portion of the principal amount thereof to be redeemed, together with interest accrued thereon to the redemption date, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered at the address of the Trustee specified in the redemption notice; provided, however, that any notice of optional redemption may be cancelled and annulled by a Written Request of the City given to the Trustee at least five days prior to the date fixed for redemption, whereupon the Trustee shall forthwith give appropriate notice of such cancellation and annulment to all the recipients of such notice of redemption. The failure of any Owner to receive notice pursuant to this Section or any defect therein shall not invalidate any of the proceedings taken in connection with such redemption.

[With respect to any notice of any optional redemption of Bonds, such notice may state that such redemption is conditional upon receipt by the Trustee, on or prior to the date fixed for such redemption, of moneys that, together with other available amounts held by the Trustee, are sufficient to pay the redemption price of, and accrued interest on, the Bonds to be redeemed, and that if such moneys is not so received, such notice will be of no force and effect and the City will not be required to redeem such Bonds. In the event a notice of redemption of Bonds contains such a condition and such moneys are not so received, the redemption of Bonds as described in the conditional notice of redemption will not be made and the Trustee will, within a reasonable time after the date on which such redemption was to occur, give notice to the persons and in the manner in which the notice of redemption was given, that such moneys were not so received and that there will be no redemption of Bonds pursuant to such notice of redemption.]

If notice of redemption has been duly given as aforesaid and money for the payment of the redemption price of the Bonds called for redemption is held by the Trustee, then on the redemption date designated in such notice Bonds so called for redemption shall become due and payable, and from and after the date so designated interest on such Bonds shall cease to accrue, and the Owners of such Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof.

All Bonds redeemed pursuant to the provisions of this Section shall be cancelled by the Trustee and shall be destroyed with a certificate of destruction furnished to the City and shall not be reissued.

ARTICLE IV

ADDITIONAL BONDS

Section 4.01 Conditions for the Issuance of Additional Bonds. The City may at any time issue Additional Bonds on a parity with the Series 2021 Bonds, but only subject to the following specific conditions, which are hereby made conditions precedent to the issuance of any such Additional Bonds:

(a) The City shall be in compliance with all agreements and covenants contained herein.

(b) The issuance of such Additional Bonds shall have been authorized pursuant to the Act and shall have been provided for by a Supplemental Trust Agreement which shall specify the following:

(i) The purpose for which such Additional Bonds are to be issued; provided that such Additional Bonds shall be applied solely for (i) the purpose of satisfying any obligation of the City to make payments to the System pursuant to the Retirement Law relating to pension benefits accruing to the System's members, and/or for payment of all costs incidental to or connected with the issuance of Additional Bonds for such purpose, and/or (ii) the purpose of refunding any Bonds then Outstanding, including payment of all costs incidental to or connected with such refunding;

(ii) The authorized principal amount and designation of such Additional Bonds;

(iii) The date and the maturity dates of and the sinking fund payment dates, if any, for such Additional Bonds;

(iv) The interest payment dates and principal payment dates for such Additional Bonds;

(v) The denomination or denominations of and method of numbering such Additional Bonds;

(vi) The redemption premiums, if any, and the redemption terms, if any, for such Additional Bonds;

(vii) The amount, if any, to be deposited from the proceeds of sale of such Additional Bonds in the Bond Fund;

(viii) Any repayment provisions including, without limitation, for reasonable expenses, including attorneys' fees and expenses, and proportionate consent rights, proportionate or Series specific rights with respect to the direction of remedies, rights of subrogation to the rights of such Owners to receive the amount of principal of and interest on such Additional Bonds from the City, and notice provisions required in order to secure municipal bond insurance for such Additional Bonds as the City determines will be advantageous to the City; and

(ix) Such other provisions (including the requirements of a book-entry Bond registration system, if any) as are necessary or appropriate and not inconsistent herewith.

Section 4.02 Procedure for the Issuance of Additional Bonds. At any time after the sale of any Additional Bonds in accordance with the Act, the City shall execute such Additional Bonds for issuance hereunder and shall deliver them to the Trustee, and thereupon such Additional Bonds shall be delivered by the Trustee to the purchaser thereof upon the Written Request of the City, but only upon receipt by the Trustee of the following documents or money or securities, all of such documents dated or certified, as the case may be, as of the date of delivery of such Additional Bonds by the Trustee:

- (a) An executed copy of the Supplemental Trust Agreement authorizing the issuance of such Additional Bonds;
- (b) A Written Request of the City as to the delivery of such Additional Bonds;
- (c) An Opinion of Counsel to the effect that (i) the City has executed and delivered the Supplemental Trust Agreement, and the Supplemental Trust Agreement is valid and binding upon the City, and (ii) such Additional Bonds are valid and binding obligations of the City;
- (d) A Written Certificate of the City stating that all requirements of this Article have been complied with and containing any other such statements as may be reasonably necessary to show compliance with the conditions for the issuance of such Additional Bonds contained herein; and
- (e) Such further documents, money or securities as are required by the provisions of the Supplemental Trust Agreement providing for the issuance of such Additional Bonds.

ARTICLE V

PLEDGE; FUNDS

Section 5.01 Pledge of Amounts in Bond Fund. In order to meet the City's obligations under the Retirement Law, the City shall deposit or cause to be deposited with the Trustee for deposit into the Bond Fund on or before the dates specified in Section 5.02 (or such other dates as provided in a Supplemental Trust Agreement) the amount which, together with moneys transferred and deposited pursuant to Section 5.03(c) hereof, is sufficient to pay the City's debt service obligations on the Bonds. Subject only to the provisions of this Trust Agreement permitting the application thereof for the purposes and on the terms and conditions set forth herein, all of the amounts held in the Bond Fund are hereby pledged by the City to secure the payment of the principal or redemption price of and interest on the Bonds in accordance with their terms, the provisions of this Trust Agreement and the Act. Said pledge shall constitute a first lien on such assets.

Section 5.02 Bond Fund. (a) The Trustee shall establish and maintain in trust a special fund designated the "Bond Fund."

(b) The City agrees and covenants that, not later than [five Business Days] prior to each Interest Payment Date, it will transfer to the Trustee an amount which, together with amount simultaneously transferred to the Trustee for deposit in the Bond Fund pursuant to Section 5.03(c) and the amount then on deposit in the Bond Fund, will equal the amount of the principal of and interest on the Bonds coming due on such Interest Payment Date. The Trustee shall, upon receipt of the amount required to be transferred by the City pursuant to this subsection, deposit such amount in the Bond Fund.

(c) In the event that, on [the fourth Business Day prior to each Interest Payment Date], amounts in the Bond Fund are insufficient to pay the principal, if any, of and interest on the Bonds due and payable on such Interest Payment Date, the Trustee shall immediately notify the City and the Bond Insurer,

if any, of the amount of such insufficiency. Upon being so notified, the City shall, prior to the close of business on the Business Day immediately preceding such Interest Payment Date, deliver or cause to be delivered to the Trustee immediately available funds in an amount equal to the amount of such insufficiency. Immediately upon receipt thereof, the Trustee shall deposit such funds in the Bond Fund.

(d) On each Interest Payment Date, the Trustee shall withdraw from the Bond Fund for payment to the Owners of the Bonds the principal, if any, of and interest on the Bonds then due and payable. If there are insufficient funds in the Bond Fund to pay the principal, if any, of and interest on the Bonds, the Trustee shall apply the available funds first to the payment of interest on the Bonds, then to the payment of principal of the Bonds.

Section 5.03 Redemption Fund. (a) The Trustee shall establish and maintain in trust a special fund designated the “Redemption Fund.”

(b) The Trustee shall deposit in the Redemption Fund amounts received from the City in connection with the City’s exercise of its rights to optionally redeem Bonds pursuant to the provisions hereof.

(c) Amounts in the Redemption Fund shall be disbursed therefrom for the payment of the redemption price of Bonds redeemed pursuant to the provisions hereof.

Section 5.04 Deposit and Investments of Money in Funds. All money held by the Trustee in any of the funds established by the Trustee pursuant hereto shall be invested in Permitted Investments at the Written Request of the City. If no Written Request of the City is received, the Trustee shall invest funds held by it in Permitted Investments described in [paragraph (d)] of the definition thereof. Such investments shall, as nearly as practicable, mature on or before the dates on which such money is anticipated to be needed for disbursement hereunder. All interest, profits and other income received from any money so invested shall be deposited in the Bond Fund. The Trustee shall have no liability or responsibility for any loss resulting from any investment made or sold in accordance with the provisions of this Article, except for any loss due to the negligence or willful misconduct of the Trustee. The Trustee may act as principal or agent in the acquisition or disposition of any investment and may impose its customary charge therefor.

The City acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the City the right to receive brokerage confirmations of security transactions as they occur, the City specifically waive receipt of such confirmations to the extent permitted by law. The Trustee will furnish the City periodic cash transaction statements which shall include detail for all investment transactions made by the Trustee hereunder.

ARTICLE VI

COVENANTS OF THE CITY

Section 6.01 Punctual Payment and Performance. The City shall punctually pay the principal or redemption price of and interest on every Bond issued hereunder in strict conformity with the terms hereof and of the Bonds, and will faithfully observe and perform all the agreements and covenants to be observed or performed by the City contained herein and in the Bonds.

Section 6.02 Extension of Payment of Bonds. The City shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest on the Bonds, and in case the maturity of any of the Bonds or the time of payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any

default hereunder, to the benefits of this Trust Agreement, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest thereon which shall not have been so extended. Nothing in this Section shall be deemed to limit the right of the City to issue bonds for the purpose of refunding any Outstanding Bonds, and such issuance shall not be deemed to constitute an extension of maturity of the Bonds.

Section 6.03 Additional Debt. The City expressly reserves the right to enter into one or more other agreements, trust agreements or indentures for any of its purposes, and reserves the right to issue other obligations for such purposes.

Section 6.04 Power to Issue Bonds. The City is duly authorized pursuant to law to issue the Bonds and to enter into this Trust Agreement. The Bonds and the provisions of this Trust Agreement are the legal, valid and binding obligations of the City in accordance with their terms. The Bonds constitute obligations imposed by law.

Section 6.05 Accounting Records and Reports. The City shall keep or cause to be kept proper books of record and accounts in which complete and correct entries shall be made of all transactions relating to the receipts, disbursements, allocation and application of moneys on deposit in the funds and accounts established hereunder and such books of record and accounts shall be open to inspection by the Trustee.

Section 6.06 Prosecution and Defense of Suits. The City shall defend against every suit, action or proceeding at any time brought against the Trustee upon any claim to the extent involving the failure of the City to fulfill its obligations hereunder; provided that the Trustee or any affected Owner at its election may appear in and defend any such suit, action or proceeding.

Section 6.07 Continuing Disclosure. The City shall comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Trust Agreement, failure of the City to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default; provided, however, that the Trustee may (and, at the written direction of any Participating Underwriter or the holders of at least 25% aggregate principal amount of Outstanding Series 2021 Bonds, and upon indemnification of the Trustee to its reasonable satisfaction, shall) or any holder or beneficial owner of the Series 2021 Bonds may, take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

Section 6.08 Waiver of Laws. The City shall not at any time insist upon or plead in any manner whatsoever, or claim or take the benefit or advantage of, any stay or extension law now or at any time hereafter in force that may affect the covenants and agreements contained in this Trust Agreement or in the Bonds, and all benefit or advantage of any such law or laws is hereby expressly waived by the City to the extent permitted by law.

Section 6.09 Further Assurances. Whenever and so often as reasonably requested to do so by the Trustee or any Owner, the City will promptly execute and deliver or cause to be executed and delivered all such other and further assurances, documents or instruments, and promptly do or cause to be done all such other and further things as may be necessary or reasonably required in order to further and more fully vest in the Owners all rights, interests, powers, benefits, privileges and advantages conferred or intended to be conferred upon them hereby.

ARTICLE VII

THE TRUSTEE

Section 7.01 The Trustee. The Trustee shall, prior to an Event of Default, and after the curing or waiver of all Events of Default that may have occurred, perform such duties and only such duties as are specifically set forth in this Trust Agreement. The Trustee shall, during the existence of any Event of Default that has not been cured or waived exercise such of the rights and powers vested in it by this Trust Agreement, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

The City may at any time, unless there exists any Event of Default, remove the Trustee initially appointed and any successor thereto and may appoint a successor or successors thereto by an instrument in writing; provided, however, that any such successor shall be a bank or trust company doing business and having a corporate trust office in Los Angeles or San Francisco, California, having a combined capital (exclusive of borrowed capital) and surplus of at least \$50,000,000 and subject to supervision or examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this Section the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. The Trustee may at any time resign by giving written notice of such resignation to the City and by mailing to the Owners notice of such resignation. Upon receiving such notice of resignation, the City shall promptly appoint a successor Trustee by an instrument in writing. Any removal or resignation of a Trustee and appointment of a successor Trustee shall become effective only upon the acceptance of appointment by the successor Trustee. If, within 30 days after notice of the removal or resignation of the Trustee no successor Trustee shall have been appointed and shall have accepted such appointment, the removed or resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee, which court may thereupon, after such notice, if any, as it may deem proper and prescribe and as may be required by law, appoint a successor Trustee having the qualifications required hereby.

Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided that such company shall meet the requirements set forth in the preceding paragraph, shall be the successor to the Trustee hereunder and vested with all of the title to the trust estate and all of the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor hereunder, without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

The Trustee is hereby authorized to pay or redeem the Bonds when duly presented for payment at maturity or on redemption prior to maturity. The Trustee shall cancel all Bonds upon payment thereof or upon the surrender thereof by the City and shall destroy such Bonds and a certificate of destruction shall be delivered to the City. The Trustee shall keep accurate records of all Bonds paid and discharged and cancelled by it.

Section 7.02 Liability of Trustee. The recitals of facts, agreements and covenants herein and in the Bonds shall be taken as recitals of facts, agreements and covenants of the City, and the Trustee assumes no responsibility for the correctness of the same or makes any representation as to the sufficiency or validity hereof or of the Bonds, or shall incur any responsibility in respect thereof other than in connection with the rights or obligations assigned to or imposed upon it herein, in the Bonds or in law or equity. The Trustee shall not be liable in connection with the performance of its duties hereunder except for its own negligence, willful misconduct or breach of duty.

The Trustee shall not be liable for any error of judgment made in good faith by a responsible officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of not less than a majority in Aggregate Principal Amount of the Bonds at the time Outstanding, relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Trust Agreement.

The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Trust Agreement at the request, order or direction of any of the Owners pursuant to the provisions of this Trust Agreement unless such Owners shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities that may be incurred therein or thereby. The Trustee has no obligation or liability to the Owners for the payment of interest on, principal of or redemption premium, if any, with respect to the Bonds from its own funds; but rather the Trustee's obligations shall be limited to the performance of its duties hereunder.

The Trustee shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements herein or of any of the documents executed in connection with the Bonds, or as to the existence of a default or event of default thereunder. The Trustee shall not be responsible for the validity or effectiveness of any collateral given to or held by it.

The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through attorneys-in-fact, agents or receivers, shall not be answerable for the negligence or misconduct or any such attorney-in-fact, agent or receiver appointed by it in accordance with the standards specified above. The Trustee shall be entitled to advice of counsel and other professionals concerning all matters of trust and its duty hereunder, but the Trustee shall not be answerable for the professional malpractice of any attorney-in-law or certified public accountant in connection with the rendering of his professional advice in accordance with the terms of this Trust Agreement, if such attorney-in-law or certified public accountant was selected by the Trustee with due care.

Whether or not therein expressly so provided, every provision of this Trust Agreement, or related documents relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Article.

The Trustee shall be protected in acting upon any notice, resolution, requisition, request (including any Written Request of the City), consent, order, certificate, report, opinion, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may be counsel of or to the City, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

Whenever in the administration of its rights and obligations hereunder the Trustee shall deem it necessary or desirable that a matter be established or proved prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of bad faith on the part of the Trustee, be deemed to be conclusively proved and established by a Written Certificate of the City, which certificate shall be full warrant to the Trustee for any action taken or suffered under the provisions hereof upon the faith thereof, but in its discretion the Trustee may in lieu thereof accept other evidence of such matter or may require such additional evidence as it may deem reasonable.

No provision of this Trust Agreement shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers.

The Trustee shall have no responsibility or liability with respect to any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Bonds.

All immunities, indemnifications and releases from liability granted herein to the Trustee shall extend to the directors, employees, officers and agents thereof.

Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided that such company shall meet the requirements set forth in Section 7.01, shall be the successor to the Trustee hereunder and vested with all of the title to the trust estate and all of the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor hereunder, without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

Section 7.03 Compensation and Indemnification of Trustee. The City shall pay to the Trustee from time to time, and the Trustee shall be entitled to, reasonable compensation for all services rendered by it in the exercise and performance of any of the powers and duties hereunder of the Trustee, and the City will pay or reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any of the provisions of this Trust Agreement (including the reasonable compensation and the expenses and disbursements of its counsel and of all persons not regularly in its employ) except any such expense, disbursement or advance as may arise from its negligence, default or willful misconduct, including the negligence or willful misconduct of any of its officers, directors, agents or employees. The City, to the extent permitted by law, shall indemnify and save the Trustee harmless against any liabilities, costs, claims or expenses, including those of its attorneys, which it may incur in the exercise and performance of its powers and duties hereunder, including the enforcement of any remedies and the defense of any suit, and which are not due to its negligence, default or willful misconduct. The duty of the City to indemnify the Trustee shall survive the termination and discharge of this Trust Agreement.

ARTICLE VIII

AMENDMENT OF THE TRUST AGREEMENT

Section 8.01 Amendment of the Trust Agreement. (a) This Trust Agreement and the rights and obligations of the City and of the Owners may be amended at any time by a Supplemental Trust Agreement which shall become binding when the written consents of the Owners of a majority in aggregate principal amount of the Outstanding Bonds, exclusive of Bonds disqualified as provided in Section 8.02 hereof, are filed with the Trustee. No such amendment shall (i) extend the maturity of or reduce the interest rate on or amount of interest on or principal or redemption price of, or extend the time of payment of, any Bond without the express written consent of the Owner of such Bond, or (ii) reduce the percentage of Bonds required for the written consent to any such amendment.

(b) The Trust Agreement and the rights and obligations of the City and of the Owners may also be amended at any time by a Supplemental Trust Agreement which shall become binding without the consent of any Owners, for any one or more of the following purposes:

(i) to add to the agreements and covenants required herein to be performed by the City other agreements and covenants thereafter to be performed by the City, to pledge or assign additional security for the Bonds (or any portion thereof), or to surrender any right or power reserved herein to or conferred herein on the City;

(ii) to make such provisions for the purpose of curing any ambiguity or of correcting, curing or supplementing any defective provision contained herein or in regard to questions arising hereunder which the City may deem desirable or necessary and not inconsistent herewith;

(iii) to provide for the issuance of any Additional Bonds and to provide the terms of such Additional Bonds, subject to the conditions and upon compliance with the procedure set forth in Article IV hereof;

(iv) to modify, amend or add to the provisions herein to permit the qualification thereof under the Trust Indenture Act of 1939, as amended, or any similar federal statutes hereafter in effect, and to add such other terms, conditions and provisions as may be permitted by such statute or similar statute; and

(v) to modify, amend or supplement this Trust Agreement in any manner that does not materially adversely affect the interest of Owners of Bonds.

Notwithstanding anything to the contrary in this subsection (b), the City shall not modify, amend or supplement this Trust Agreement in any manner that materially adversely affects the rights of any Bond Insurer without the consent of such Bond Insurer (provided, that, the consent of the Bond Insurer shall not be required in connection with modifications, amendments or additions pursuant to (iii) above). The Bond Insurer, if any, shall receive written notice of any proposed amendments pursuant to this subsection (b).

Section 8.02 Disqualified Bonds. Bonds owned or held by or for the account of the City shall not be deemed Outstanding for the purpose of any consent or other action or any calculation of Outstanding Bonds provided in this Article, and shall not be entitled to consent to or take any other action provided in this Article or otherwise under this Trust Agreement.

Section 8.03 Endorsement or Replacement of Bonds After Amendment. After the effective date of any action taken as hereinabove provided, the City may determine that the Bonds may bear a notation by endorsement in form approved by the City as to such action, and in that case upon demand of the Owner of any Outstanding Bonds and presentation of his Bond for such purpose at the Corporate Trust Office of the Trustee a suitable notation as to such action shall be made on such Bond. If the City shall so determine, new Bonds so modified as, in the opinion of the City, shall be necessary to conform to such action shall be prepared and executed, and in that case upon demand of the Owner of any Outstanding Bond a new Bond or Bonds shall be exchanged at the Corporate Trust Office of the Trustee without cost to each Owner for its Bond or Bonds then Outstanding upon surrender of such Outstanding Bonds.

Section 8.04 Amendment by Mutual Consent. The provisions of this Article shall not prevent any Owner from accepting any amendment as to the particular Bonds held by such Owner, provided that due notation thereof is made on such Bonds.

Section 8.05 Attorney's Opinion Regarding Supplemental Trust Agreements. The Trustee shall be provided an opinion of counsel that any Supplemental Trust Agreement complies with the provisions of this Article and the Trustee may conclusively rely upon such opinion.

ARTICLE IX

EVENTS OF DEFAULT AND REMEDIES

Section 9.01 Events of Default. If one or more of the following events (herein called “Events of Default”) shall happen, that is to say:

(a) if default shall be made by the City in the due and punctual payment of the interest on any Bond when and as the same shall become due and payable;

(b) if default shall be made by the City in the due and punctual payment of the principal or redemption price of any Bond when and as the same shall become due and payable, whether at maturity as therein expressed or by proceedings for redemption;

(c) if default shall be made by the City in the performance of any of the agreements or covenants required herein to be performed by the City, and such default shall have continued for a period of 60 days after the City shall have been given notice in writing of such default by the Trustee or the Owners of not less than 25% in aggregate Principal Amount of the Bonds at the time Outstanding, specifying such default and requiring the same to be remedied, provided, however, if the default stated in the notice can be corrected, but not within the applicable period, the Trustee and such Owners shall not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the City within the applicable period and diligently pursued until the default is corrected; or

(d) if the City shall file a petition or answer seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if a court of competent jurisdiction shall approve a petition filed with or without the consent of the City seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if under the provisions of any other law for the relief or aid of debtors any court of competent jurisdiction shall assume custody or control of the City or of the whole or any substantial part of its property.

Section 9.02 Institution of Legal Proceedings by the Trustee; Remedies. If an Event of Default shall occur and be continuing, the Trustee may, and upon the written request of the Owners of a majority in aggregate Principal Amount of the Bonds then Outstanding, and upon being indemnified to its satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of the Owners of the Bonds under this Trust Agreement by a suit in equity or action at law, either for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or by mandamus or other appropriate proceeding for the enforcement of any other legal or equitable remedy as the Trustee shall deem most effectual in support of any of its rights and duties hereunder. The principal of the Bonds is not subject to acceleration upon the occurrence of an Event of Default.

Section 9.03 Application of Funds After Default. If an Event of Default shall occur and be continuing, all amounts then held or thereafter received by the Trustee under any of the provisions of this Trust Agreement shall be applied by the Trustee as follows and in the following order:

(a) To the payment of any fees and expenses of the Trustee and to the payment of the charges and expenses of the Trustee (including reasonable fees and disbursements of its counsel, agents and advisors) incurred in and about the performance of its powers and duties under this Trust Agreement;

(b) To the payment of the principal and interest then due with respect to the Bonds (upon presentation of the Bonds to be paid, and stamping thereon of the payment if only partially paid, or surrender thereof if fully paid) subject to the provisions of this Trust Agreement, as follows:

First: To the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the persons entitled thereto of the unpaid principal of any Bonds which shall have become due, whether at maturity or by call for redemption, with interest on the overdue principal at the rate borne by the respective Bonds on the date of maturity or redemption and, if the amount available shall not be sufficient to pay in full all the Bonds, together with such interest, then to the payment thereof ratably, according to the amounts of principal due on such date to the persons entitled thereto, without any discrimination or preference.]

Section 9.04 Non-Waiver. Nothing in this Article or in any other provision hereof or in the Bonds shall affect or impair the obligation of the City, which is absolute and unconditional, to pay the principal or redemption price of and the interest on the Bonds to the respective Owners of the Bonds on the respective Payment Dates as provided herein, or shall affect or impair the right of such Owners, which is also absolute and unconditional, to institute suit to enforce such payment by virtue of the contract embodied herein and in the Bonds.

A waiver of any default or breach of duty or contract by the Trustee or any Owner shall not affect any subsequent default or breach of duty or contract or impair any rights or remedies on any such subsequent default or breach of duty or contract. No delay or omission by the Trustee or any Owner to exercise any right or remedy accruing upon any default or breach of duty or contract shall impair any such right or remedy or shall be construed to be a waiver of any such default or breach of duty or contract or an acquiescence therein, and every right or remedy conferred upon the Owners by the Act or by this Article may be enforced and exercised from time to time and as often as shall be deemed expedient by the Trustee or the Owners.

If any action, proceeding or suit to enforce any right or exercise any remedy is abandoned, the City, the Trustee and any Owner shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken.

Section 9.05 Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Owners is intended to be exclusive of any other remedy, and each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by the Act or any other law.

Section 9.06 Limitation on Owners' Right to Sue. No Owner of any Bond shall have the right to institute any suit, action or proceeding at law or equity, for any remedy hereunder, unless (a) such Owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default, (b) the Owners of at least a majority in aggregate Principal Amount of all the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers herein granted or to institute such suit, action or proceeding in its own name, (c) such Owners shall have tendered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities to be incurred by it in compliance with such request,

and (d) the Trustee shall have refused or omitted to comply with such request for a period of 60 days after such request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of any remedy hereunder; it being understood and intended that no one or more Owners of Bonds shall have any right in any manner whatever by his or their action to enforce any right under this Trust Agreement, except in the manner herein provided, and that all proceedings at law or in equity to enforce any provision of the Trust Agreement shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Owners of the Outstanding Bonds.

Section 9.07 Absolute Obligation of City. Nothing contained herein or in the Bonds shall affect or impair the obligation of the City, which is absolute and unconditional, to pay the principal or redemption price of and the interest on the Bonds to the respective Owners of the Bonds on their respective Payment Dates as herein provided.

ARTICLE X

DEFEASANCE

Section 10.01 Discharge of Bonds. (a) If the City shall pay or cause to be paid or there shall otherwise be paid to the Owners of all Outstanding Bonds the interest thereon and the principal thereof and the redemption premiums, if any, thereon at the times and in the manner stipulated herein and therein, and shall pay or provide for the payment of all fees and expenses of the Trustee then due, then all agreements, covenants and other obligations of the City to the Owners of such Bonds hereunder shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the City all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, the Trustee shall pay over or deliver to the City all money or securities held by it pursuant hereto which are not required for the payment of the interest on and principal of and redemption premiums, if any, on such Bonds.

(b) Any Outstanding Bonds shall prior to the maturity date or redemption date thereof be deemed to have been paid within the meaning of and with the effect expressed in subsection (a) of this Section if (i) in case any of such Bonds are to be redeemed on any date prior to their maturity date, the City shall have given to the Trustee in form satisfactory to it irrevocable instructions to provide notice in accordance with Section 3.03 hereof, (ii) there shall have been deposited with the Trustee either (A) money in an amount which shall be sufficient or (B) Defeasance Securities, the interest on and principal of which when paid will provide money which, together with the money, if any, deposited with the Trustee at the same time, shall be sufficient, in the opinion of an independent certified public accountant (addressed to the City and the Trustee), to pay when due the principal or redemption price of and the interest on such Bonds to become due on such Bonds on and prior to the maturity date or redemption date thereof, as the case may be, (iii) there shall be delivered to the Trustee an escrow agreement entered into by the City and the Trustee or other fiduciary or escrow agent, (iv) there shall be delivered to the Trustee an opinion of nationally recognized bond counsel to the effect that such Bonds have been paid within the meaning of this Section addressed to the Trustee, and (v) the City shall have given the Trustee in form satisfactory to it irrevocable instructions to mail to the Owners of such Bonds in accordance with Section 11.07 hereof notice that the deposit required by clause (ii) above has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with this Section and stating the maturity date or redemption date upon which money is to be available for the payment of the principal or redemption price of and interest on such Bonds.

Section 10.02 Unclaimed Money. Anything contained herein to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of any of the Bonds or the interest thereon which remains unclaimed for two years after the date when such Bonds or interest thereon have become due and payable, either at their stated maturity dates or by call for redemption prior to maturity, if such money was held by the Trustee at such date, or for two years after the date of deposit of such money if deposited with the Trustee after the date when such Bonds and interest shall have become due and payable, shall be repaid by the Trustee to the City as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Owners shall not look to the Trustee for the payment of such Bonds; provided, however, that before being required to make any such payment to the City, the Trustee may, and at the request of the City shall, at the expense of the City, mail to the Owners in accordance with Section 11.07 hereof a notice that such money remains unclaimed and that, after a date named in such notice, which date shall not be less than 30 days after the date of the mailing of such notice, the balance of such money then unclaimed will be returned to the City.

ARTICLE XI

MISCELLANEOUS

Section 11.01 Benefits of the Trust Agreement Limited to Parties. Nothing contained herein, expressed or implied, is intended to give to any person other than the City, the Trustee, the Bond Insurer, if any, and the Owners any right, remedy or claim under or by reason hereof. Any agreement or covenant required herein to be performed by or on behalf of the City or any member, officer or employee thereof shall be for the sole and exclusive benefit of the Trustee, and the Owners.

Section 11.02 Successor Is Deemed Included in All References to Predecessor. Whenever herein either the City or any member, officer or employee thereof or the Trustee is named or referred to, such reference shall be deemed to include the successor or assigns thereof, and all agreements and covenants required hereby to be performed by or on behalf of the City or the Trustee, or any member, officer or employee thereof, shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

Section 11.03 Execution of Documents by Owners. Any declaration, request or other instrument which is permitted or required herein to be executed by Owners may be in one or more instruments of similar tenor and may be executed by Owners in person or by their attorneys appointed in writing. The fact and date of the execution by any Owner or such Owner's attorney of any declaration, request or other instrument or of any writing appointing such attorney may be proved by the certificate of any notary public or other officer authorized to make acknowledgments of deeds to be recorded in the state or territory in which such person purports to act that the person signing such declaration, request or other instrument or writing acknowledged to such person the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer. The ownership of any Bonds and the amount, maturity, number and date of holding the same may be proved by the registration books for the Bonds maintained by the Trustee pursuant to Section 2.08 hereof.

Any declaration, request, consent or other instrument or writing of the Owner of any Bond shall bind all future Owners of such Bond with respect to anything done or suffered to be done by the Trustee or the City in good faith and in accordance therewith.

Section 11.04 Waiver of Personal Liability. No member, officer or employee of the City shall be individually or personally liable for the payment of the principal or redemption price of or the interest on the Bonds by reason of their issuance, but nothing herein contained shall relieve any officer of the City

from the performance of any official duty provided by the Act or any other applicable provisions of law or hereby.

Section 11.05 Acquisition of Bonds by City. All Bonds acquired by the City shall be surrendered to the Trustee for cancellation.

Section 11.06 Destruction of Cancelled Bonds. Whenever provision is made for the return to the City of any Bonds which have been cancelled pursuant to the provisions hereof, the Trustee shall destroy such Bonds and furnish to the City a certificate of such destruction.

Section 11.07 Notice to Owners. Any notice required to be given by the Trustee hereunder by mail to any Owners shall be given by mailing a copy of such notice, first class postage prepaid, or by giving such notice by telecopy or by an overnight delivery service, to such Owners at their addresses appearing in the registration books maintained by the Trustee pursuant to Section 2.08 hereof, except as provided in Section 3.03 hereof, not less than 30 days nor more than 45 days following the action or prior to the event concerning which notice thereof is required to be given; provided, however, that receipt of any such notice shall not be a condition precedent to the effect of such notice and neither failure of any Owner to receive any such notice nor any immaterial defect contained therein shall affect the validity of the proceedings taken in connection with the action or the event concerning which such notice was given.

Section 11.08 Content of Certificates. Every Written Certificate of the City with respect to compliance with any agreement, condition, covenant or provision provided herein shall include (a) a statement that the person or persons making or giving such certificate have read such agreement, condition, covenant or provision and the definitions herein relating thereto, (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements contained in such certificate are based, (c) a statement that, in the opinion of the signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not such agreement, condition, covenant or provision has been complied with, and (d) a statement as to whether, in the opinion of the signers, such agreement, condition, covenant or provision has been complied with.

Any Written Certificate of the City may be based, insofar as it relates to legal matters, upon an Opinion of Counsel unless the person making or giving such certificate knows that the Opinion of Counsel with respect to the matters upon which his certificate may be based, as aforesaid, is erroneous, or in the exercise of reasonable care should have known that the same was erroneous. Any Opinion of Counsel may be based, insofar as it relates to factual matters information with respect to which is in the possession of the City, upon a representation by an officer or officers of the City unless the counsel executing such Opinion of Counsel knows that the representation with respect to the matters upon which his opinion may be based, as aforesaid, is erroneous, or in the exercise of reasonable care should have known that the same was erroneous.

Section 11.09 Accounts and Funds; Business Days. Any account or fund required herein to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee either as an account or a fund, and may, for the purposes of such accounting records, any audits thereof and any reports or statements with respect thereto, be treated either as an account or a fund; but all such records with respect to all such accounts and funds shall at all times be maintained in accordance with sound accounting practice and with due regard for the protection of the security of the Bonds and the rights of the Owners. Any action required to occur hereunder on a day which is not a Business Day shall be required to occur on the next succeeding Business Day.

Section 11.10 Notices. All written notices to be given hereunder shall be given by mail to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other party in writing from time to time, namely:

If to the City: City of El Segundo
 350 Main Street
 El Segundo, California 9172390245
 Attention: [Director of Finance]

If to the Trustee: U.S. Bank National Association
 633 West Fifth Street, 24th Floor
 Los Angeles, California 90071
 Attention: Global Corporate Trust

Section 11.11 Article and Section Headings and References. The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof, and the singular and plural forms of words shall be deemed interchangeable, and words of any gender shall be deemed and construed to include all genders, and all references herein to “Articles,” “Sections,” subsections or clauses are to the corresponding articles, sections, subsections or clauses hereof; and the words “hereby,” “herein,” “hereof,” “hereto,” “herewith,” “hereunder” and other words of similar import refer to the Trust Agreement as a whole and not to any particular Article, Section, subsection or clause hereof.

Section 11.12 Partial Invalidity. If any one or more of the agreements or covenants or portions thereof required hereby to be performed by or on the part of the City or the Trustee shall be contrary to law, then such agreement or agreements, such covenant or covenants or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity hereof or of the Bonds, and the Owners shall retain all the benefit, protection and security afforded to them under the Act or any other applicable provisions of law. The City and the Trustee hereby declare that they would have executed and delivered the Trust Agreement and each and every other Article, Section, paragraph, subdivision, sentence, clause and phrase hereof and would have authorized the issuance of the Bonds pursuant hereto irrespective of the fact that any one or more articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

Section 11.13 Execution in Several Counterparts. This Trust Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the City and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

Section 11.14 Electronic Signature. Each of the parties hereto agrees that the transaction consisting of this Trust Agreement may be conducted by electronic means. Each party agrees, and acknowledges that it is such party’s intent (i) that, by signing this Trust Agreement using an electronic signature, it is signing, adopting and accepting this Trust Agreement, and (ii) that signing this Trust Agreement using an electronic signature is the legal equivalent of having placed the undersigned officer’s handwritten signature on this Trust Agreement on paper. Each party acknowledges that it is being provided with an electronic or paper copy of this Trust Agreement in a usable format.

Section 11.15 Governing Law. This Trust Agreement shall be governed by and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the City has caused this Trust Agreement to be signed in its name by its representative thereunto duly authorized, and the Trustee, in token of its acceptance of the trusts created hereunder, has caused this Trust Agreement to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

CITY OF EL SEGUNDO

By: _____

**U.S. BANK NATIONAL ASSOCIATION, as
Trustee**

By: _____
Authorized Officer

EXHIBIT A

FORM OF SERIES 2021 BOND

**CITY OF EL SEGUNDO
(LOS ANGELES COUNTY, CALIFORNIA)
TAXABLE PENSION OBLIGATION BONDS
SERIES 2021**

No. R- _____ \$ _____

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Original Issue Date</u>	<u>CUSIP</u>	<u>[ISIN]</u>
		_____, 20__		

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: DOLLARS

The City of El Segundo, a municipal corporation and general law city duly organized and existing under and by virtue of the Constitution and laws of the State of California (the “City”), for value received, hereby promises to pay to the registered owner identified above or registered assigns, on the maturity date specified above (subject to any right of prior redemption hereinafter provided for) the principal sum specified above, together with interest on such principal sum from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this Bond (unless this Bond is authenticated as of an Interest Payment Date or during the period from the first day of the month of an Interest Payment Date to such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or unless this Bond is authenticated prior to the first Interest Payment Date, in which event it shall bear interest from the original issue date specified above) until the principal hereof shall have been paid at the interest rate per annum specified above, payable on _____ 1, 20__, and semiannually thereafter on each January 1 and July 1 (each an “Interest Payment Date”). Interest due on or before the maturity or prior redemption of this Bond shall be payable only by check mailed on the Interest Payment Date by first-class mail to the registered owner hereof; provided that upon the written request of a registered owner of \$1,000,000 or more in aggregate principal amount of Bonds received by the Trustee (as hereinafter defined) prior to the applicable record date, interest shall be paid by wire transfer in immediately available funds. The principal hereof is payable in lawful money of the United States of America at the Corporate Trust Office of the Trustee.

This Bond is one of a duly authorized issue of bonds of the City designated as its “Taxable Pension Obligation Bonds, Series 2021” (the “Series 2021 Bonds”) in aggregate principal amount \$ _____ all of like tenor and date (except for variations, if any, as may be required to designate varying numbers, maturities and interest rates), and is issued under and pursuant to the provisions of Articles 10 and 11 (commencing with Section 53570) of Chapter 3 of Division 2 of Title 5 of the California Government Code (the “Act”) and under and pursuant to the provisions of a Trust Agreement, dated as of _____ 1, 2021 (the “Trust Agreement”), between the City and U.S. Bank National Association, as trustee (the “Trustee”) (copies of which are on file at the Corporate Trust Office of the Trustee). Capitalized undefined terms used herein shall have the meanings ascribed thereto in the Trust Agreement.

Under the Trust Agreement, Additional Bonds may be issued on a parity with the Series 2021 Bonds, but subject to the conditions and upon compliance with the procedures set forth in the Trust Agreement. The Series 2021 Bonds and any such Additional Bonds are collectively referred to as the “Bonds.” The Bonds are obligations imposed by law payable from funds to be appropriated by the City pursuant to the Public Employees’ Retirement Law, commencing with Section 20000 of the California Government Code (the “Retirement Law”). Reference is hereby made to the Act and to the Trust Agreement and any and all amendments thereof and supplements thereto for a description of the terms on which the Series 2021 Bonds are issued, the rights of the registered owners of the Series 2021 Bonds, security for payment of the Series 2021 Bonds, remedies upon default and limitations thereon, and amendment of the Trust Agreement (with or without consent of the registered owners of the Bonds); and all the terms of the Trust Agreement are hereby incorporated herein and constitute a contract between the City and the registered owner of this Bond, to all the provisions of which the registered owner of this Bond, by acceptance hereof, agrees and consents.

The obligations of the City under the Bonds, including the obligation to make all payments of interest and principal when due, are obligations of the City imposed by law and are absolute and unconditional, without any right of set-off or counterclaim. The Bonds do not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation. Neither the Bonds nor the obligation of the City to make payments on the Bonds constitute an indebtedness of the City, the State, or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction.

The Series 2021 Bonds are subject to redemption on the dates, at the redemption prices and pursuant to the terms set forth in the Trust Agreement. Notice of redemption of any Series 2021 Bonds or any portions thereof shall be given as set forth in the Trust Agreement.

This Bond may be transferred or exchanged pursuant to the terms set forth in the Trust Agreement. The City and the Trustee may deem and treat the registered owner of this Bond as the absolute owner of this Bond for the purpose of receiving payment hereof and for all other purposes, whether this Bond shall be overdue or not, and neither the City nor the Trustee shall be affected by any notice or knowledge to the contrary.

The rights and obligations of the City and of the owners of the Bonds may be modified or amended by a Supplemental Trust Agreement entered into by the City and the Trustee, as provided in the Trust Agreement.

This Bond shall not be entitled to any benefit, protection or security under the Trust Agreement or become valid or obligatory for any purpose until the certificate of authentication and registration hereon endorsed shall have been executed and dated by the Trustee.

It is hereby certified that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law.

Unless this Bond is presented by an authorized representative of The Depository Trust Company to the Trustee for registration of transfer, exchange or payment, and any Bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

IN WITNESS WHEREOF, the City of El Segundo has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of the Mayor of the City, and the City Clerk of the City has caused the seal of the City to be affixed hereto.

CITY OF EL SEGUNDO

By: _____
Mayor

Countersigned:

City Clerk

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Trust Agreement which has been authenticated on _____.

**U.S. BANK NATIONAL ASSOCIATION,
AS TRUSTEE**

By: _____
Authorized Officer

FORM OF ASSIGNMENT

For value received the undersigned hereby sells, assigns and transfers unto _____ (Taxpayer Identification Number: _____) the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints attorney to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Note: The signature to this Assignment must correspond with the name as written on the face of the Bond in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed: _____

Notice: Signature(s) guarantee should be made by a guarantor institution participating in the Securities Transfer Agent Medallion Program.

TITLE:

Adopt Resolution providing for the issuance and sale of taxable pension obligation bonds and authorizing the execution of a trust agreement, a validation action and other related matters; and authorize the City Manager and Chief Financial Officer to take all administrative and budgetary actions necessary to perform the bond issuance.

RECOMMENDATION:

1. Adopt Resolution providing for the issuance and sale of taxable pension obligation bonds to refund all or a portion of the City's California Public Employees' Retirement System ("CalPERS") Unfunded Accrued Liability ("UAL"); and authorizing the execution of a trust agreement and judicial validation proceedings related to the issuance of the pension obligation bonds; and,
2. Authorize the City Manager and the Chief Financial Officer to take all administrative and budgetary actions necessary to perform the bond issuance, including the negotiation and execution of agreements with Orrick, Herrington & Sutcliffe, LLP for judicial validation proceedings and bond counsel; Stradling Yocca Carlson & Rauth for disclosure counsel services; KNN Public Finance to act as municipal advisor; J.P. Morgan Securities LLC and Stifel, Nicolaus & Company, Inc to mutually act as underwriters; and US Bank National Association to act as trustee.

FISCAL IMPACT:

The issuance of pension obligation bonds for the refinancing of certain pension obligations of the City of El Segundo will reduce the annual costs related to the UAL the City currently is obligated to pay CalPERS. As of June 30, 2019, the most current actuarial valuation available from CalPERS, which was released in August 2020, the City's UAL for all citywide employees and retirees is approximately \$151.3 million (\$92,241 is related to Police 2nd Tier and PEPRAs plans for Police and Fire that will not be included in the bond issuance). Approximately 77% of the UAL is related to public safety (sworn police and fire) employees, and 23% is related to non-safety employees.

The issuance of pension obligation bonds will allow the City to prepay up to 100% of the projected UAL, based on the most recent valuation report released by CalPERS in August 2020. With lower interest rates paid on the bonds as compared to the current 7% interest rate charged by CalPERS, and an estimated 19-year bond repayment schedule (presuming call provisions are not exercised), the City could potentially achieve budgetary savings of up to \$85 million (present value of \$61.7 million) over the life of the bond financing. By issuing pension obligation bonds, the City will be contractually obligated to make annual debt service payments to the bondholders. One option would be to structure the annual debt service payments to be level dollar amount payments over the course of

the life of the bonds to achieve immediate budgetary savings and predictable payments relative to the expected increasing annual UAL payments. It potentially reduces the UAL payment by \$1.1 million for fiscal year 2021-22 to a maximum reduction of \$7.2 million in FY 2037-38. The average annual budgetary savings over the life of the bond is \$4.5 million (PV of \$3.25 million). Of note, all of these estimated cost savings are based at a point in time and subject to market conditions at the time of our actual bond issuance.

BACKGROUND:

Over the last several years, CalPERS has made significant changes to the assumptions used in the calculations of local agencies' pension liabilities. These changes have resulted in (1) an increased overall unfunded pension liability as the discount rate has been reduced from 7.5% to 7.0%, and (2) sharp increases in annual payments due to CalPERS in earlier years followed by declining payments in later years due to the method of amortizing the UAL payments.

The City has three CalPERS plans that will be included in the proposed POB issuance – Safety Police First Tier Plan, Safety Fire Plan, and a Miscellaneous Employee's plan. Each plan's UAL is comprised of multiple "amortization bases," which are positive and negative amounts generated each year based on the performance of the CalPERS Investment Fund and changes in the actuarial assumptions. Each amortization base has a separate payment schedule over a fixed period of years. Because of the CalPERS methodology, some of the payments continue to increase each year while others will drop off. This creates a significant increase in UAL payments over the next 18 years from \$10.7 million paid in 2020 to \$17.6 million in 2038 and decreases in UAL payments in the final three years.

The difficulty for the City, as well as many other local agencies, is the ability to pay these large payments to CalPERS over the next 20 years, while still trying to maintain a structurally balanced budget and provide first class services to the public. Because of the economic impacts of revenue shortfalls due to the COVID-19 pandemic, the City is focused on attempting to minimize the annual increases in the payments to CalPERS in hopes that future structurally balanced budgets can be maintained resulting in maintaining the service levels offered to the residents and businesses of El Segundo.

DISCUSSION:

At its July 22, 2020 Strategic Planning Study Session, City Council appointed Mayor Pro Team Chris Pimentel and Councilmember Scot Nicol to serve on the Ad Hoc Pension Committee to review the City's pension obligations, including conducting a review of the City's ability to exit CalPERS pension system and use of alternative retirement options. Since that time, the Committee has met four times on September 21, October 14, November 16, and November 23. Other attendees in these meetings included City Treasurer Matthew Robinson, City Manager Scott Mitnick, Chief Financial Officer Joseph Lillio, and KNN Public Finance Municipal Advisor Mark Young.

On December 1, 2020, a presentation was presented to City Council by City staff and KNN Public Finance (City's municipal advisor) which discussed options for addressing the City's growing UAL payments to ensure future structurally balanced budgets. Both City Council and the Ad Hoc Pension Committee unanimously provided staff with direction to begin the process to refinance the City's current UAL through a Pension Obligation Bond issuance.

Through the issuance of pension obligation bonds to prepay the existing UAL, the City has better control over the level of payments required to pay debt service on the bonds. These payments are anticipated to be level each year, so that the City can better plan its pension expense for budgeting purposes.

The first step in the bond issuance process is a judicial validation by the court. The only issue that the courts will consider is the legal ability of the City to issue pension obligation bonds, and whether the sale of the bonds meets the State of California constitutional requirements. Any potential financial impacts are not part of the court's analysis.

At the conclusion of the validation process, the court will more than likely enter a judgment in favor of the City that the obligation of the City (the liability owed to CalPERS), legally represents an "obligation imposed by law". Numerous prior court cases have determined that pension liabilities are obligations imposed by law, and therefore are exempt from the debt limitation requirements set forth in Article XVI, Section 18, of the California Constitution. Many other cities have followed this same process for the issuance of pension obligation bonds.

The resolution being presented to the City Council authorizes staff and bond counsel to submit the necessary documents to the Los Angeles County Superior Court to start the judicial validation process as well as approve the following:

1. The issuance of bonds in an amount not-to-exceed:
 - a. The aggregate principal amount of the Initial Series of Bonds shall not exceed the City's unfunded accrued actuarial liability under the PERS Contract pursuant to the Retirement Law as of the date of issuance of the Initial Series of Bonds (\$151.3 million as of August, 2020, as set forth in the annual actuary report issued by CalPERS), as determined by PERS, plus the underwriter's discount on the Initial Series of Bonds, plus any original issue discount on the Initial Series of Bonds, plus the costs of issuance of the Initial Series of Bonds;
 - b. The true interest cost to the City on the Initial Series of Bonds shall not exceed 4.00%; and
 - c. The Initial Series of Bonds shall mature not later July 1, 2040 (one year less than the current PERS final amortization of the City's unfunded accrued actuarial liability as set forth in the Actuarial Reports); and,

2. A draft form of the Trust Agreement for the bonds. The total bond issuance is currently estimated to be \$152.3 million, based on the most current information available from PERS and the City's financing team. The Trust Agreement identifies the duties and responsibilities of the trustee, establishes the terms and conditions for the bond issuance, as well as the security for the payment of the principal and interest on the bonds.

Upon City Council approval of this resolution, two concurrent processes will begin. The first is the validation process referred to above, which is expected to take at least 90 days. At the same time, staff and consultants will prepare other required financing documents and submit the financing to credit agencies for a credit rating on the bonds.

The final actions to be taken by the City Council will be presented in May 2021, near the conclusion of the validation proceedings. Specifically, the actions include approval of substantially final forms of the Preliminary Official Statement and Bond Purchase Agreement, as well as the underwriting discount. The estimated savings from issuing the bonds will be updated at that time based on changes in market conditions and an updated actual bond size, if all three of the City's CalPERS plans' UAL are 100% paid. A preliminary financial analysis of the cost-effectiveness of prepaying all of the City's CalPERS plans' UAL is estimated at \$61.7 million (present value). The action recommended at this meeting is to validate the maximum amount that could be required to pay all plans in full.

Staff respectfully recommends the approval of Resolution authorizing the issuance and sale of taxable pension obligation bonds to refund certain pension obligations of the City, approve the form and authorizing the execution of a trust agreement, authorizing judicial validation proceedings relating to the issuance of such bonds and authorize actions related thereto.

NEXT STEPS:

If City Council approves the Resolution and Trust Agreement:



1. City Council approval of POB Resolution and Bond Indenture -- January 19, 2021
 - File validation complaint – Judicial validation process begins (week of January 25)
 - Obtain order for publication of summons (week of February 1)
 - First publication of summons in the newspaper of general circulation (week of February 8)
 - Second publication of summons in the newspaper of general circulation (week of February 15)
 - Third publication of summons in the newspaper of general circulation (week of

February 22)

- Submit final documentation and request judgment (week of March 29)
 - Receipt of validation judgment (week of April 5)
2. Complete First Draft of POB Preliminary Official Statement (POS) – mid-February 2021
 3. Complete Second Draft of POS – mid-March 2021
 4. Complete Third Draft of POS – early April 2021
 5. Credit rating review with credit rating agency – late-April
 6. Receive credit rating – early May 2021
 7. City Council approval of POS and Bond Purchase Agreement – early May 2021
 8. Pricing of POBS – early June 2021
 9. Financing close – mid-June 2021
 10. Other transactional steps as needed
 11. City’s new fiscal year begins July 1, 2021

CITY STRATEGIC PLAN COMPLIANCE:

Goal: 5 Champion Economic Development and Fiscal Sustainability:
Objective: B El Segundo approaches its work in a financially strategic and responsible way

PREPARED BY: Joseph Lillio, Chief Financial Officer 
REVIEWED BY: Barbara Voss, Deputy City Manager 
APPROVED BY: Scott Mitnick, City Manager

ATTACHED SUPPORTING DOCUMENTS:

1. Resolution
2. Trust Agreement
3. Proposed Taxable POB Amortization Schedule

RESOLUTION NO. _____

**RESOLUTION OF THE CITY OF EL SEGUNDO, CALIFORNIA PROVIDING
FOR THE ISSUANCE OF ONE OR MORE SERIES OF CITY OF EL SEGUNDO
TAXABLE PENSION OBLIGATION BONDS AND AUTHORIZING
A TRUST AGREEMENT, A VALIDATION ACTION AND
OTHER MATTERS RELATING THERETO**

SECTION 1: Pursuant to Sections 20000 *et seq.* of the California Government Code (the "Retirement Law"), the City of El Segundo (the "City") has established three pension plans, a Miscellaneous Plan, a Safety Police First Tier Plan, and a Safety Fire Plan, with the California Public Employees' Retirement System ("CalPERS"); and

SECTION 2: The Retirement Law obligates the City (a) to make annual payments to CalPERS to fund pension benefits for City employees who are CalPERS members, and (b) to make annual payments to CalPERS to amortize the unfunded accrued actuarial liability with respect to such pension benefits over a period not exceeding 30 years; and

SECTION 3: The obligation of the City to make such payments is evidenced by a contract between the City and CalPERS (collectively, as heretofore and hereafter amended, the "CalPERS Contract"); and

SECTION 4: As of June 30, 2019, based upon the actuarial reports of pension liability as calculated by CalPERS with respect to the Miscellaneous Plan, the Safety Police First Tier Plan, and the Safety Fire Plan of the City (together, the "Actuarial Reports"), the City had an obligation in the amount of \$151,299,753 (consisting of \$34,576,384 for the Miscellaneous Plan, \$61,384,985 for the Police First Tier Plan, and \$55,338,384 for the Safety Fire Plan) pursuant to the Retirement Law as an unfunded accrued actuarial liability, based on the market value of assets; and

SECTION 5: In order to refund a portion of the CalPERS Contract by paying all or portion of such unfunded accrued actuarial liability, the City desires to issue taxable pension obligation bonds to be designated the "City of El Segundo Taxable Pension Obligation Bonds," with such series and other designations as may be approved as herein provided, in one or more series (collectively, the "Initial Series of Bonds"), in an aggregate principal amount not to exceed the sum of (a) the City's unfunded accrued actuarial liability under the CalPERS Contract pursuant to the Retirement Law as of the date of issuance of the Initial Series of Bonds (\$151,299,753 as of June 30, 2019, as set forth in the Actuarial Reports), (b) the costs of issuance of the Initial Series of Bonds (including underwriters' discount), and (c) any original issue discount on the Initial Series of Bonds; and

SECTION 6: The City desires to authorize the issuance of additional bonds (the "Additional Bonds"), in one or more series and on one or more sales dates, payable on a parity with the Initial Series of Bonds (the Initial Series of Bonds and any such Additional Bonds being collectively referred to herein as the "Bonds"), for the purpose of refunding additional obligations under the CalPERS Contract (as of the date of issuance of such Additional Bonds) to pay to CalPERS, to the extent consistent with the City's then existing local debt policy, the City's annual contribution to CalPERS to fund pension benefits for its members and their beneficiaries and the City's unfunded accrued actuarial liability pursuant to the Retirement Law; and



City Council Agenda Statement

Meeting Date: May 18, 2021

Agenda Heading: STAFF PRESENTATIONS

TITLE:

Ordinance Amending the Municipal Code to Address the Accumulation of Abandoned Items in Parkways, and Prohibit the Placement Garbage Cans in Front of Neighboring Properties

RECOMMENDATION:

1. Waive the first reading and introduce ordinance amending Chapter 7-1 of the El Segundo Municipal Code to prohibit abandoned items and junk in parkways, and to prohibit the placement of garbage cans in front of neighboring properties.
2. Schedule the second reading of the ordinance for the June 1, 2021 City Council meeting.

(This Ordinance is categorically exempt from review under the California Environmental Quality Act (California Public Resources Code §§ 21000, et seq., "CEQA") and the regulations promulgated thereunder (14 California Code of Regulations §§ 1500, et seq., the "CEQA Guidelines") because it consists of an action taken by the City to ensure the maintenance and protection of the environment. Accordingly, the Ordinance constitutes a Class 8 exemption pursuant to CEQA Guidelines § 15308. Further, it can be seen with reasonable certainty the ordinance will not have a significant effect on the environment; therefore, it is exempt from review under CEQA. (CEQA Guidelines § 15061(b)(3).)

FISCAL IMPACT:

There are no direct fiscal impacts associated with amending the Municipal Code. Indirect cost of staff time enforcing the ordinance will be absorbed via City's adopted FY 2020-2021 Annual Budget.

BACKGROUND:

Abandoned items and junk in parkways are an unsightly nuisance that degrades the

Abandoned Items and Junk in Parkways

May 18, 2021

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quality of life for residents and visitors of El Segundo. Abandoned items and junk in parkways in the City of El Segundo has been a pervasive problem for many years. Without prompt removal of the trash and other abandoned items, the volume often increases as other offenders add to the existing piles of debris. Further, recently the City has received complaints from property owners about their neighbors placing their trash containers in front of the owner's property.

DISCUSSION:

The City's code currently prohibits the accumulation of litter, trash and junk in certain areas on or around an owner's property, including walkways, patios and landscaped areas. The current code does not, however, expressly include areas such as the parkway in front of a property. In addition, the current code specifies the proper placement of garbage cans as being "on the street against the curb in front of the premises occupied by the person depositing the same." (ESMC § 5-2-4(E).) But the current code does not specify a penalty for placing garbage cans in another location, such as in front of a neighboring property.

This ordinance broadens the regulations regarding overgrown or dead trees and vegetation and litter, trash and junk to include areas such as parkways. The ordinance also defines the word "parkway" as the portion of property between the sidewalk or property line and the curb or roadway. Making the property owner responsible for maintenance of the parkway area is consistent with state law, which makes owners responsible for the maintenance of sidewalks, including a parkway between the property line and street line. (Streets & Highways Code §§ 5600, 5610.)

In addition, the ordinance makes the placement of garbage cans in an area other than in front of the premises occupied by the person depositing the same to be a public nuisance subject to citation by City Code Enforcement.

By prohibiting the accumulation of abandoned items in parkways, the proposed ordinance will help further advance the City's ongoing efforts to maximize the elimination of unsightly nuisance and will help to preserve public health and safety.

NEXT STEPS

If the ordinance is introduced at first reading of the ordinance, the proposed ordinance will be placed on the June 1, 2021 City Council agenda for second reading and adoption. If adopted on June 1, 2021, the ordinance will take effect 30 days later.

CITY STRATEGIC PLAN COMPLIANCE:

Goal 2: Support Community Safety and Preparedness

Objective: El Segundo is a safe and prepared city.

Abandoned Items and Junk in Parkways

May 18, 2021

Page 3 of 3

Goal 4: Develop and Maintain Quality Infrastructure and Technology

Objective 4A: El Segundo's physical infrastructure supports an appealing, safe and effective community.

PREPARED BY:

Jasmine Allen, Sr. Management Analyst

REVIEWED BY:

Elias Sassoon, Public Works Director

APPROVED BY:

Barbara Voss, Deputy City Manager

ATTACHED SUPPORTING DOCUMENTS:

1. Draft ES Ordinance re illegal dumping and trash cans (4-11-21)

ORDINANCE NO. _____

AN ORDINANCE AMENDING EL SEGUNDO MUNICIPAL CODE CHAPTER 7-1 TO ADDRESS THE ACCUMULATION OF ABANDONED ITEMS AND JUNK IN PARKWAYS AND THE STORING OF TRASH CARTS.

The City Council of the City of El Segundo does ordain as follows:

SECTION 1. El Segundo Municipal Code (“ESMC”) § 7-1-2 is amended by adding the following definition in proper alphabetical order:

“PARKWAY – that portion of property between the sidewalk or property line and the curb or roadway, that is available for landscaping.”

SECTION 2. ESMC § 7-1-4 is amended as follows:

7-1-4: NUISANCES; DESIGNATED:

It is unlawful and it is declared to be a public nuisance for any person owning, leasing, occupying, or having charge or possession of any property within the city to maintain such property in such a manner that any of the conditions listed below are found to exist. This section is not the exclusive definition or designation of what constitutes a nuisance within this city. It supplements and is in addition to other regulatory codes, statutes, and ordinances enacted by the city, state, or any other legal entity or agency having jurisdiction. Designated public nuisances include the following:

A. A violation of any provision of applicable law including, without limitation, the El Segundo municipal code;

B. Any land, the topography, geology, or configuration of which, whether in a natural state or as a result of grading operations, excavations, fill, or other alteration, interferes with the established drainage pattern over the property or from adjoining or other properties which does or may result in erosion, subsidence, or surface water drainage problems of such magnitude as to be injurious to public health, safety and welfare or to neighboring properties;

C. Any building or structure which is partially destroyed, damaged, abandoned, boarded up, dilapidated, or permitted to remain in a state of partial construction;

D. The failure to secure and maintain against public access all doorways, windows, and other openings into vacant or abandoned buildings or structures;

E. Painted buildings and walls, retaining walls, fences or structures that require repainting, or buildings, walls, fences, or structures upon which the condition of the paint has become so deteriorated as to permit decay, excessive checking, cracking, peeling, chalking, dry rot, warping or termite infestation;

F. Any premises, building or structure, wall, fence, pavement, or walkway which is painted in a garish manner or is out of harmony or conformity with the standards of adjacent properties;

G. Any building or structure, wall, fence, pavement, or walkway upon which any graffiti, including paint, ink, chalk, dye, or other similar marking substances, is allowed to remain for more than twenty four (24) consecutive hours;

H. Any wall, fence, gate, or hedge that is damaged, broken, or a hazard or is maintained in violation of this code;

I. Broken windows;

J. Any overgrown, dead, decayed, diseased or hazardous tree, weeds, vegetation, or debris **within areas such as planters, landscaped areas, parkways, adjoining sidewalks, and driveways, that is visible from neighboring properties or the public right of way,** which:

1. May harbor rats, vermin, or other disease carriers;
2. Is maintained so as to cause an obstruction to the vision of motorists or a hazardous condition to pedestrians or vehicle traffic;
3. Creates a danger or attractive nuisance to the public;
4. Detrimentally affects neighboring properties or property values; or
5. Constitutes a fire hazard;

K. Building exteriors, roofs, landscaping, grounds, walls, retaining and crib walls, fences, driveways, parking lots, planters, sidewalks, or walkways which are maintained in such condition so as to become defective, unsightly, cracked or no longer viable;

L. The accumulation of dirt, litter, trash, junk, **abandoned personal property,** feces, or debris **in or on areas such as** ~~in doorways,~~ adjoining sidewalks, **adjoining parkways,** walkways, courtyards, patios, parking lots, planters, landscaped or other areas **and that is visible from neighboring properties or the public right of way;**

M. Any premises upon which there is or is permitted to be,

1. Lumber, building materials, rubble, broken asphalt or concrete, containers, or other similar materials, except where construction is occurring under a valid permit;

2. Junk, solid waste, **abandoned personal property**, vegetation, salvage materials, scrap metals, hazardous waste, broken or neglected machinery, dirt or fill material deposited or stored contrary to any law, automobile parts, except within a commercial business lawfully engaged in retail sales;

3. Sinks, fixtures or equipment, appliances or furniture, except lawn furniture in residential yards and new or used furniture lawfully stored or displayed in connection with a valid business engaged in the sale or purchase of the same;

4. Inoperative vehicles, except where permitted by the zoning code;

5. Deteriorated driveways and parking lots, including those containing potholes, or cracks;

6. Abandoned, broken, unused, neglected or unprotected equipment and machinery, ponds, reservoirs and pools, whether or not the same contains any water or liquid, excavations, abandoned wells, shafts, basements, foundations, or other holes, abandoned refrigerators or other appliances, abandoned motor vehicles, any unsound structure, skateboard ramps, or accumulated lumber, solid waste, junk, or vegetation which may reasonably attract children to such abandoned or neglected conditions;

7. Temporary service bins or construction debris storage bins stored on a public street or on private property, except where permitted by this code;

8. Any garbage can, solid waste container, solid waste, packing box or junk placed or maintained so as to be visible from neighboring properties or the public right of way, except for those times scheduled for collection, in accordance with this code;

9. Any garbage can, solid waste container, or cart for collection of solid waste, organics or recyclables that is not placed on the street against the curb in front of the premises occupied by the person depositing the same in compliance with Chapter 5-2 (Solid Waste Management) of this Code;

~~9.10.~~ Any property with accumulations of grease, oil, or other hazardous material on paved or unpaved surfaces, driveways, buildings, walls, or fences, or from which any such material flows or seeps onto any public street or other public or private property, or which is likely to seep or migrate into the underground water table;

~~10.11.~~ Any front yard, parkway, or landscaped setback area which lacks turf, other planted material, decorative rock, bark, or planted ground cover or covering, so as to cause excessive dust or allow the accumulation of debris;

~~11.12.~~ Any condition of vegetation overgrowth which encroaches into, over, or upon any public right of way including, without limitation, streets,

alleys, or sidewalks, so as to constitute either a danger to the public safety or property or any impediment to public travel;

~~12.13.~~ Animals, livestock, poultry, or bees kept, bred, or maintained for any purpose and in violation of this code;

~~13.14.~~ Any property, or any building or structure thereon, maintained in such condition so that it is defective, unsightly or in such condition of deterioration or disrepair that it causes or will cause an ascertainable diminution of the property values of surrounding properties or be otherwise materially detrimental to adjacent and nearby properties and improvements;

~~14.15.~~ Any building or portion thereof maintained in a manner which constitutes a substandard building pursuant to Health and Safety Code section 17920.3.

SECTION 3. *Validity of Previous Code Sections.* If the entire Ordinance or its application is deemed invalid by a court of competent jurisdiction, any repeal of the ESMC or other regulation by this Ordinance will be rendered void and cause such ESMC provision or other regulation to remain in full force and effect for all purposes.

SECTION 4. *Enforceability.* Repeal or amendment of any previous Code Sections does not affect any penalty, forfeiture, or liability incurred before, or preclude prosecution and imposition of penalties for any violation occurring before this Ordinance's effective date. Any such repealed part will remain in full force and effect for sustaining action or prosecuting violations occurring before the effective date of this Ordinance.

SECTION 5. *Severability.* If any part of this Ordinance or its application is deemed invalid by a court of competent jurisdiction, the City Council intends that such invalidity will not affect the effectiveness of the remaining provision or application and, to this end, the provisions of this Ordinance are severable.

SECTION 6. The City Clerk, or her duly appointed deputy, is directed to certify the passage and adoption of this Ordinance; cause it to be entered into the City of El Segundo's book of original ordinances; make a note of the passage and adoption in the records of this meeting; and, within fifteen (15) days after the passage and adoption of this Ordinance, cause it to be published or posted in accordance with California law.

SECTION 7. *Effective Date.* This Ordinance will become effective on the 31st day following its passage and adoption.

PASSED AND ADOPTED this ____ day of _____, 2020.

Drew Boyles, Mayor

ATTEST:

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS
CITY OF EL SEGUNDO)

I, Tracy Weaver, City Clerk of the City of El Segundo, California, do hereby certify that the whole number of members of the City Council of said City is five; that the foregoing Ordinance No. ____ was duly introduced by said City Council at a regular meeting held on the ____ day of _____, 2020, and was duly passed and adopted by said City Council, approved and signed by the Mayor, and attested to by the City Clerk, all at a regular meeting of said Council held on the ____ day of _____, 2020, and the same was so passed and adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Tracy Weaver, City Clerk

APPROVED AS TO FORM:

Mark D. Hensley, City Attorney



City Council Agenda Statement
Meeting Date: May 18, 2021
Agenda Heading: STAFF PRESENTATIONS

TITLE:

El Segundo Boulevard Parallel Parking Pilot Project Update

RECOMMENDATION:

1. Authorize staff to remove pylons and parallel parking stalls along El Segundo Boulevard from Main Street to Sheldon Street.
2. Restripe El Segundo Boulevard to its original condition.
3. Develop an alternative pilot parking project (including the conversion of some Smoky Hollow two-way streets to one-way streets and the use of angled parking) and report back to the City Council with an implementation recommendation by October 5, 2021.

FISCAL IMPACT:

Staff time will be required to remove the pylons and restripe El Segundo Blvd. The associated costs will be absorbed in the FY 2020-2021 budget.

BACKGROUND:

On October 2, 2018, the City Council adopted the Smoky Hollow Specific Plan (Specific Plan). Chapter 3 of this Specific Plan calls for public improvements, including provision of additional on-street parking. As delineated in attachment 3, staff estimated that as many as 85 additional parking spaces could be provided on 11 north-south streets if they were reconfigured for one-way operation and angled parking. In addition, as many as 74 new parallel parking spaces could be provided along the north side of El Segundo Boulevard. At the time of the adoption of the Specific Plan, City Council directed staff to initiate a pilot parking project along El Segundo Boulevard, involving a segment extending from Main Street east to Sheldon Street. As a result, on March 5, 2019, staff brought forth an item and the City Council approved plans and specifications by consultant firm KOA Corporation (KOA) for the El Segundo Boulevard Parking Pilot

El Segundo Boulevard Parallel Parking Pilot Project Update

May 18, 2021

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Project. The pilot project was completed in November 2019 and added 12 parking spaces along El Segundo Boulevard.

DISCUSSION:

Shortly after the implementation of the pilot project, the COVID pandemic started in early 2020. As a result of the pandemic, staff has not been able to fully evaluate the pilot project. However, staff has received recurring feedback from residents and drivers regarding the lack of sight visibility at various intersections within the limits of this pilot project. Similar feedback has also been received by City Police and Fire personnel. Consequently, staff reviewed the design details and observed that the Caltrans Sight Visibility standards were not met at any of the intersections within the project area. The KOA consulting firm acknowledged that the project does not meet the Caltrans standards and suggests that the drivers should approach these intersections with added caution. Staff believes that the program has not been successful and recommends removing the pylons, eliminating the parallel parking stalls, and restriping the roadway to its original shape.

The Development Services and Public Works Departments recommend angled parking on the north-south streets in the Specific Plan as a better alternative to add parking to the Smoky Hollow area. This alternative would involve altering up to 11 of the north/south streets that intersect El Segundo from current two-way operation to one-way streets and create angled parking along those streets, as contemplated in the Smoky Hollow Specific Plan. This alternative will be safer, more cost effective, more aesthetically pleasing, and can potentially add up to 85 additional parking spaces in this Specific Plan area. Staff would like to pursue this alternative by initiating a pilot project on two of these streets initially and perform an evaluation before contemplating further expansion. Subject to the City Council approval, staff will come back in fall of this year with a separate item for this second pilot project once the scope of work, location, fee and schedule are determined.

CITY STRATEGIC PLAN COMPLIANCE:

Goal 5: Champion Economic Development and Fiscal Sustainability

Objective 5A: El Segundo promotes economic growth and vitality for business and the community.

PREPARED BY:

Lifan Xu, City Engineer

REVIEWED BY:

Elias Sassoon, Public Works Director

APPROVED BY:

Barbara Voss, Deputy City Manager

El Segundo Boulevard Parallel Parking Pilot Project Update

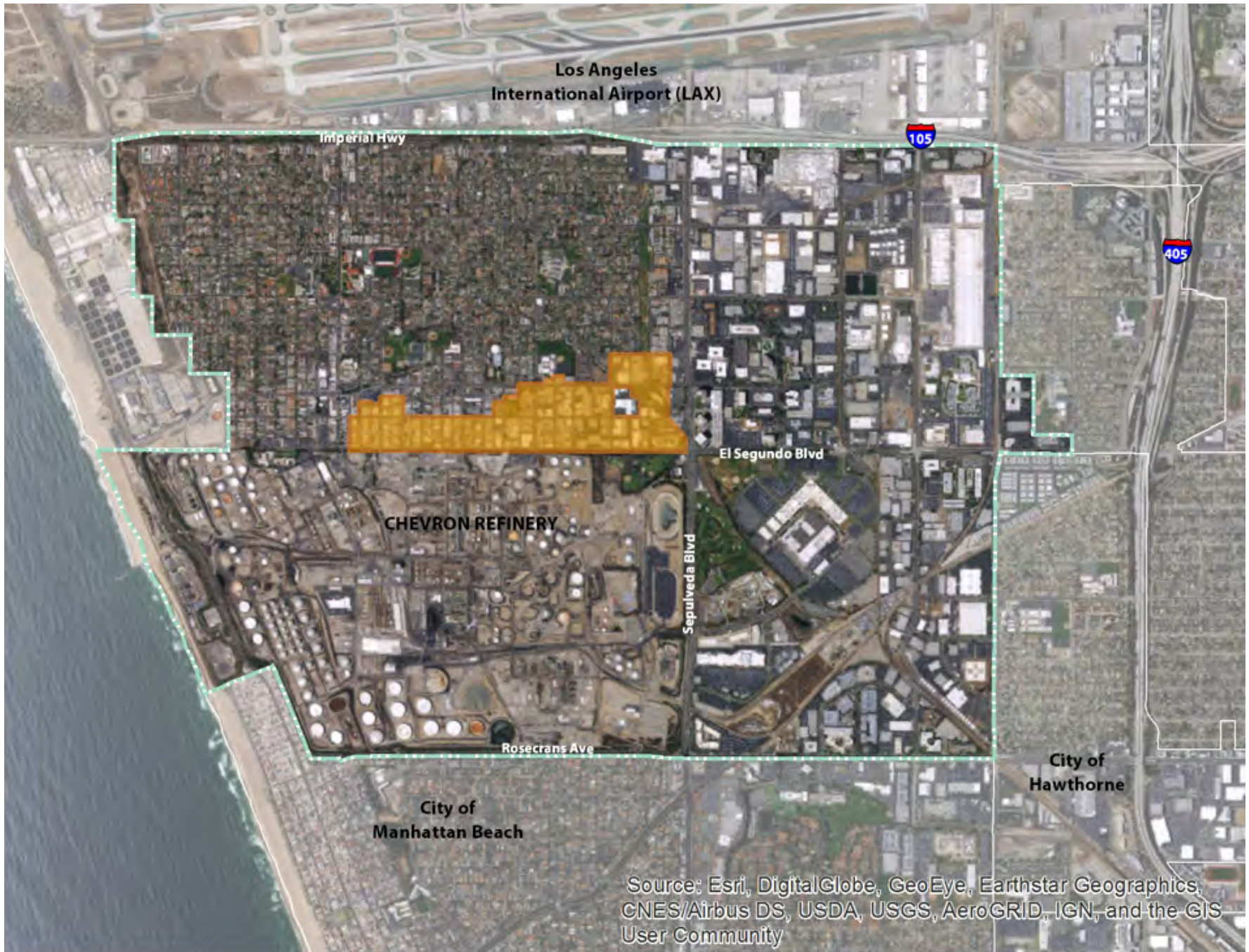
May 18, 2021

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ATTACHED SUPPORTING DOCUMENTS:

1. Smoky Hollow Specific Plan Vicinity Map
2. El Segundo Boulevard Parking Pilot Project Location Map
3. Smoky Hollow One-way Street Map and Design Concept

Smoky Hollow Specific Plan Vicinity Map



El Segundo Boulevard Parking Pilot Project Location Map

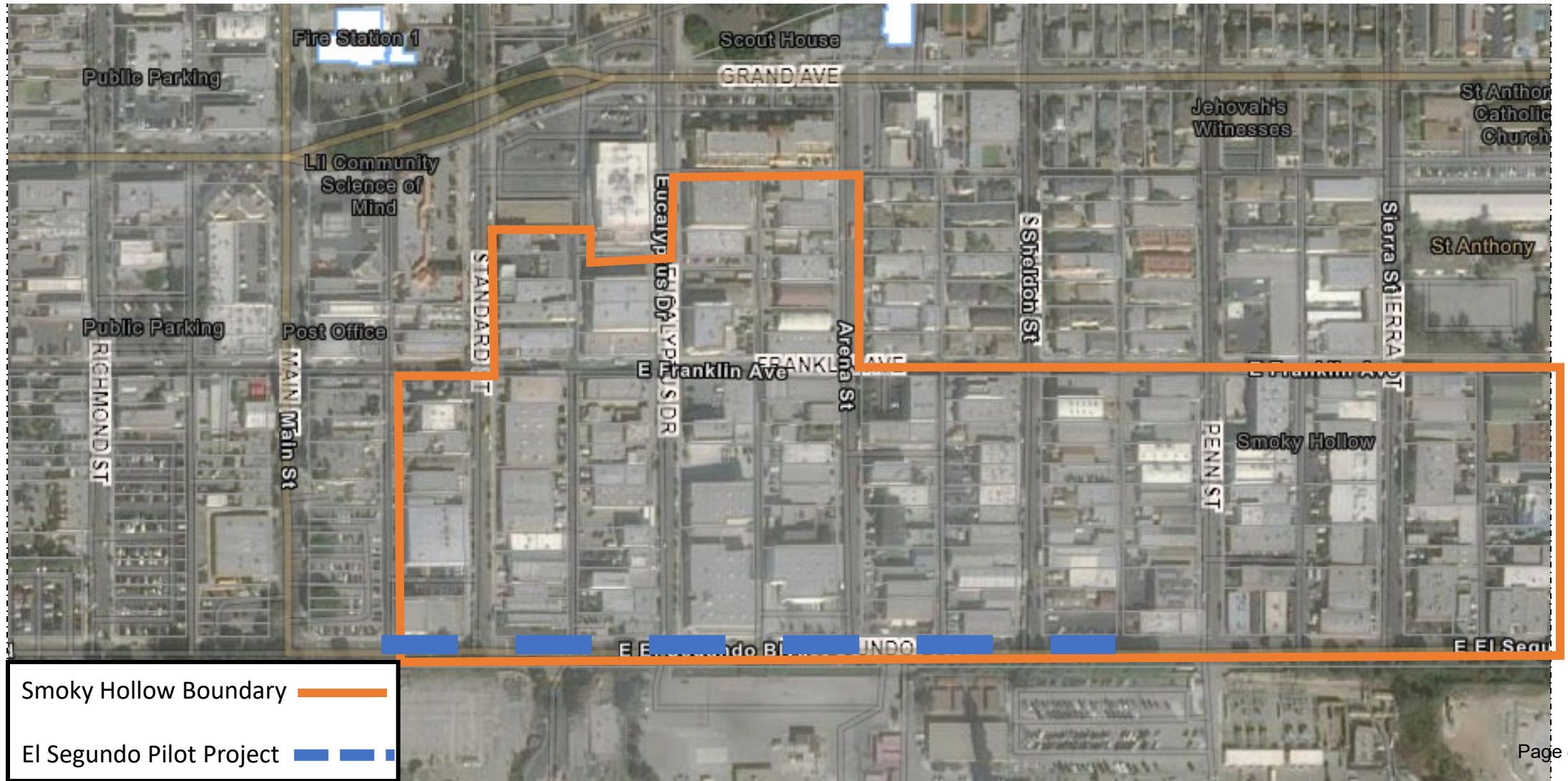
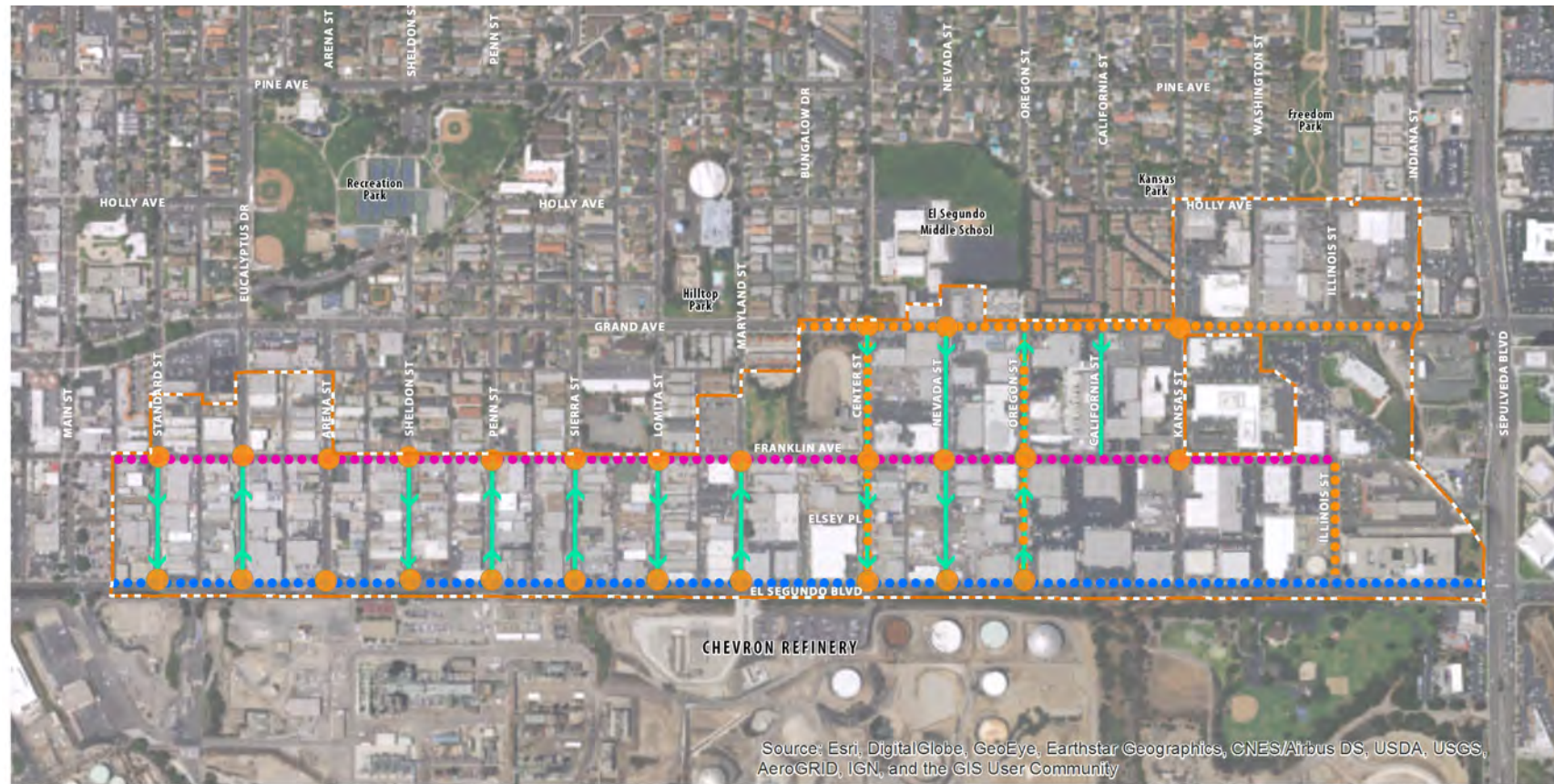


Figure 3-1: Mobility and Streetscape Improvements



Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community

Smoky Hollow Specific Plan Boundary

Mobility/Street Improvements

- New Parking Lane and Expanded Sidewalk (North Side)
- Bike/Pedestrian Friendly Street (Living Street Concept)
- Bike Friendly Street (Sharrow)
- Potential One-Way Street and Additional Parking
- Crosswalk Improvements

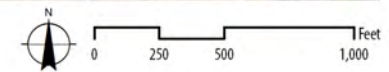
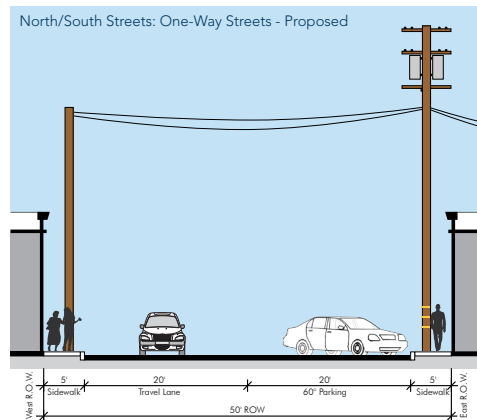
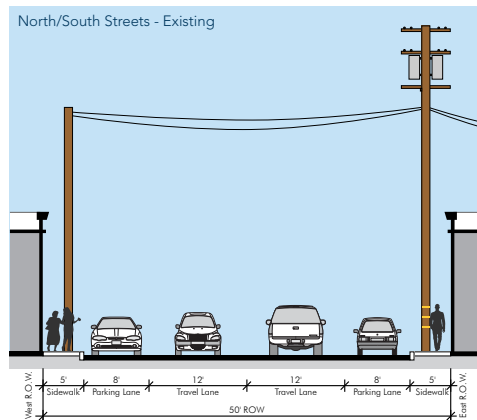
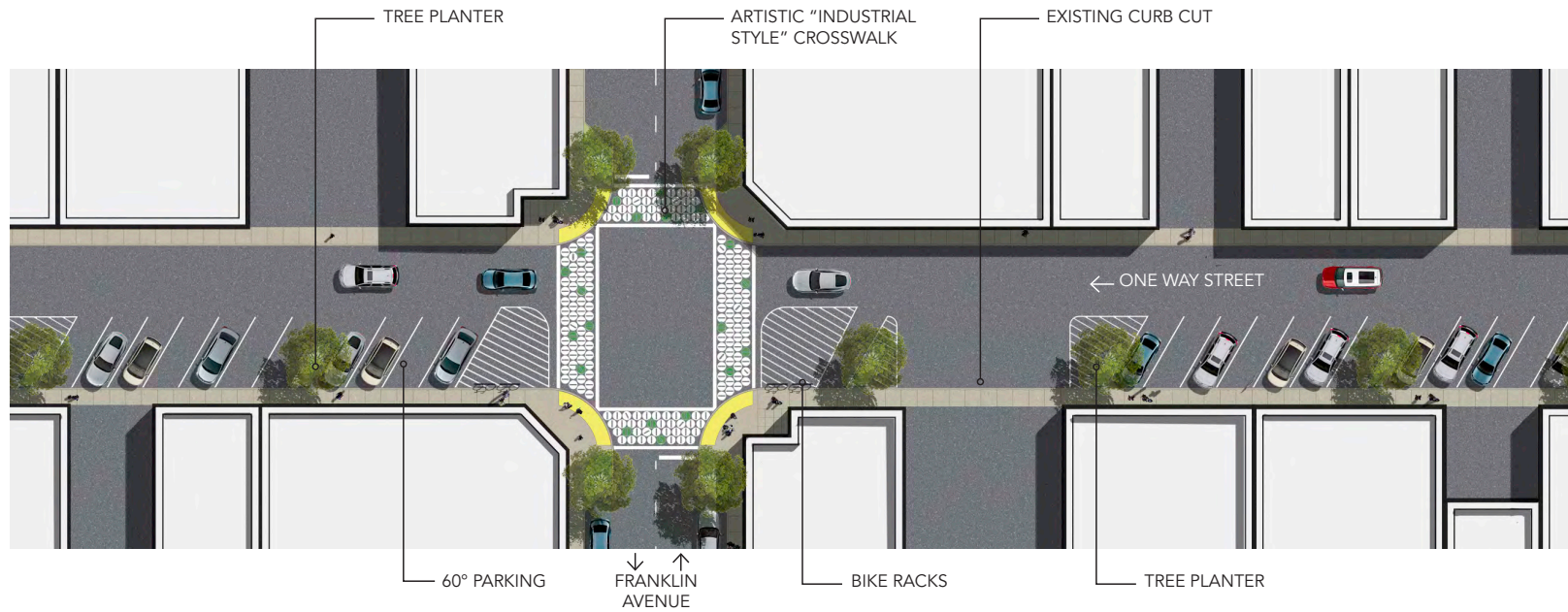


Figure 3-7: North/South Streets - Proposed Improvements





City Council Agenda Statement

Meeting Date: May 18, 2021

Agenda Heading: COMMITTEES, COMMISSIONS AND
BOARDS PRESENTATIONS

TITLE:

Diversity, Equity, and Inclusion Committee Update and Recommendations

RECOMMENDATION:

1. Receive and file update.
2. Authorize the Diversity, Equity, and Inclusion Committee to implement recommended action items.

FISCAL IMPACT:

Annual GARE membership is \$1,000 and will be absorbed in the FY 2020-2021 budget. Staff time required is to be determined.

BACKGROUND:

In response to the tragic murder of George Floyd while in the custody of a Minneapolis police officer on May 25, 2020, thousands of protests took place across the United States, including several protests in El Segundo. El Segundo residents shared their concerns about local racial diversity issues, inclusion, treatment by police, experiences at local schools, and other matters during several community rallies. Residents also spoke on these topics at the June 3, 2020 City Council meeting. City Council then discussed these issues during a June 11, 2020 closed session meeting. At its June 16, 2020 meeting, City Council directed staff to establish a new Diversity, Equity, and Inclusion (DEI) Committee to ensure that these issues are properly identified, discussed, vetted, and ultimately addressed by City Council.

City Council recommended the following study topics:

1. Public Safety (including a review of Police Department policies, practices, training, diversity, and future direction)

Diversity, Equity, and Inclusion Committee Update

May 18, 2021

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2. Citywide Organization (including a review of City government policies, practices, training, diversity, etc.)
3. Community at Large (including a review of City demographic data, history, trends, etc.)
4. Local Economy (including a review of private sector diversity policies, practices, training, etc.)

DISCUSSION:

The DEI Committee held its first meeting on October 29, 2020 and has established a monthly meeting schedule on the second Wednesday of each month, with occasional special meetings, as needed. Topics covered in these meetings include: administrative requirements to establish the committee (selection of chair and vice chair, approval of bylaws, regular meeting dates, etc.); DEI training on multiple aspects of DEI; overview of the City organization; Overview and goals of the El Segundo Police Department; established four subcommittees to focus on the City Council recommended study topics; reports of subcommittees; and discussion of DEI mission, purpose and goals. As a result of these meetings, and the subcommittee meetings (see attached subcommittee reports), the DEI Committee developed the following approach, action items and recommendations.

DIVERSITY, EQUITY, AND INCLUSION (DEI) COMMITTEE MISSION AND PURPOSE

Building a representative, inclusive and equitable El Segundo

The DEI Committee's purpose is to inspire and activate efforts to integrate diversity, equity and inclusion into City of El Segundo decisions, service-delivery and policies to improve the well-being of all our communities.

The DEI Committee is committed to listening and advising with an equity lens as we help foster a healthy, just and inclusive El Segundo, instilling a sense of understanding, healing and belonging for all who live, work and play here.

The Committee will engage the community and hold ourselves accountable to acknowledge and correct historical and current inequities and disparities, and change outdated, harmful narratives.

The Committee will move forward with urgency and purpose, allyship and collaboration, to support transparent, deliberate and actionable solutions that will remedy these inequities and serve our diverse community.

Diversity, Equity, and Inclusion Committee Update

May 18, 2021

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PHASE I: The Landscape

June-September 2021. Collecting and analyzing data, history and community stories/experiences as they relate to DEI in El Segundo.

PHASE II: Acknowledgement & Education

September-January 2022. Sharing and discussing data analysis, recommendations and next steps to address, acknowledge and atone for inequities and disparities.

PHASE III: DEI in Action

February 2022 – Ongoing. With community and key stakeholder support, moving forward with actionable, responsive solutions to increase diversity, equity, and inclusion in El Segundo.

Within and across each of these phases, there are three **primary areas of focus**:

1. **DATA.** Data collection and analysis to serve as a baseline, to identify any trends and priorities, and to inform DEI efforts and initiatives.
2. **POLICY.** Review of past and existing policy in El Segundo and beyond to understand impact on El Segundo communities. With review and analysis, explore the application of other models and best practices, make policy recommendations and build change.
3. **COMMUNITY.** Community relations and communications, exchange and sharing of information between the City and community as it relates to DEI.

OVERVIEW OF ACTION ITEMS

Below is an overview of the action items by subcommittee. The Committee will establish more detailed timelines and project plans once phase 1 is complete and further solutions and recommendations are approved by the City.

SUBCOMMITTEE	DELIVERABLE	PHASE I	PHASE II	PHASE III	ONGOING
All	GENERAL: Strategic and project plans and timeline	X			X
All	COMMUNITY: Collection and sharing of tools, trainings and resources	X			X
All	COMMUNITY: Community dialogue,		X		

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	history lessons, data-sharing				
All	GENERAL: Recommendations approved and solutions implementation			X	
Public Safety	POLICY: Community Police Academy participation	X			
Public Safety	COMMUNITY: Dialogue with ESPD (e.g. Coffee with a Cop, Community Briefings)	X			X
Public Safety	POLICY: Policy and budget review	X			
Public Safety	POLICY: Reimagine Policing Pledge review and implementation	X			X
Public Safety	DATA: ESPD personnel survey	X			
Public Safety	POLICY: Policy recommendations & implementation		X	X	X
Citywide Organization	POLICY: GARE Membership	X			
Citywide Organization	DATA: City survey, focus groups	X			
Citywide Organization	POLICY: Policy and budget review	X			
Citywide Organization	POLICY: Policy recommendations		X		
Citywide Organization	COMMUNITY: Intern/mentor programs			X	X
Local Economy	COMMUNITY: Dialogue with businesses and	X			X

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	business owners (e.g. panel discussions)				
Local Economy	DATA: Business survey	X			
Local Economy	DATA/COMMUNITY: Minority-owned business directory and resources			X	X
Local Economy	POLICY: Policy review, compile best practices	X			
Local Economy	POLICY: Policy recommendations, tools and resources for local businesses		X	X	X
Community at Large	DATA: Survey, focus groups, online form	X			
Community at Large	COMMUNITY: Online hub, email address	X			
Community at Large	COMMUNITY: Diversity calendar , draft proclamations	X			X
Community at Large	COMMUNITY: Newsletter	X			X
Community at Large	COMMUNITY: Public education/awareness initiatives and events		X	X	X

OUTCOMES

The DEI Committees results will largely depend on approved recommendations informed by the landscape analysis. That said, DEI Committee efforts will support the City in achieving the following preliminary outcomes, benefits and systems change:

1. Build increased understanding of El Segundo's history and its impact on communities today.
2. Encourage increased dialogue, openness to and understanding among El Segundo communities.

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3. Design more inclusive and responsive policies, resources and support to those experiencing inequity and disparity.
4. Attract more diverse and minority-owned businesses and leadership.
5. Cultivate a greater sense of belonging and a more welcoming and inclusive El Segundo.
6. Advance more opportunities, health, wellness and quality of life for all our communities.

RECOMMENDED INITIAL ACTION ITEMS

1. Design and implement **surveys** to serve as a baseline and help prioritize and inform DEI's efforts. This would be surveys of the community, ESPD personnel, City employees and local businesses. The DEI Committee will also partner with local schools and community organizations to gather data and information.
2. Implement a **contact form and email address** for community members to contact the DEI Committee. This form and email address are intended to provide the community opportunities to voice their concerns, share their experiences and connect/engage with the DEI committee without having to file a formal complaint, take legal action, or contact DEI members through other means (such as social media).
3. **Review ESPD policies**, protocols, data, and budget, particularly as part of the Community Police Academy. One example is to review the Automated License Plate Reader (ALPR) protocols around screening for out-of-town license plates.
4. **Review City of El Segundo policies** and strategic plans/initiatives as it relates to HR policies, practices, training, diversity and employee culture building.
5. Research and secure a one-year [GARE membership](#) for the City of El Segundo to leverage as a resource, and reassess at the end of the year.
6. Establish an **online "hub"** on the City's website to house the online contact form, diversity calendar, surveys, tools, trainings, event info and other information about DEI.
7. Distribute a regular **newsletter** and share updates and information through the Herald, El Segundo Scene, farmers markets and other communications entities in town.

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8. Host **community dialogue opportunities** with the City, ESPD, schools, local businesses and others. This includes focus groups, Q&A sessions, town hall meetings, panel discussions, teach-ins, trainings and other community events.

NEXT STEPS

With the approval of City Council, the DEI Committee will begin the implementation of the action items above and will provide progress updates to City Council at future City Council meetings.

CITY STRATEGIC PLAN COMPLIANCE:

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

Objective 1A: El Segundo Provides unparalleled service to internal and external customers.

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

PREPARED BY:

Barbara Voss, Deputy City Manager

REVIEWED BY:

Barbara Voss, Deputy City Manager

APPROVED BY:

Barbara Voss, Deputy City Manager

ATTACHED SUPPORTING DOCUMENTS:

1. DEI Committee - Subcommittee Reports and Key Definitions



DIVERSITY, EQUITY, AND INCLUSION COMMITTEE SUBCOMMITTEE REPORTS

Public Safety Subcommittee

The Public Safety subcommittee began meeting regularly (every other week) starting March 5, 2021. Here are some key notes and updates.

Community Police Academy: All four subcommittee members are confirmed to participate in this nine-week program starting April 7, 2021 as Community Police Academy's Class #10. Agenda included introductions, a tour and an overview of Community Engagement. With a small class (eight people total), we are excited by the unique opportunity to explore ESPD's culture, gather information, gain understanding of the police perspective, ask in-depth questions and have quality conversations with many different officers around partnership potential between the DEI and ESPD (such as community engagement efforts and events). For example, ESPD confirmed that once COVID restrictions ease, they will continue their community outreach programs and activities.

ESPD DEI-related Incidents: It is our committee's goal to gather information, make recommendations and mediate, as necessary and appropriate. Our subcommittee will continue to meet with members of the community as it relates to ESPD. This will involve gaining a better understanding of the concerns of the community in order to bring this to the ESPD, as well as understand their policies and procedures in order to help our community understand how to work together with the department to ensure public safety.

NEXT STEPS

1. Formalize the protocols and processes when DEI-related incidents occur. This includes but is not limited to: defining the incident types; working with Community at Large Subcommittee to formalize and implement an intake form to gather data from the community; finalizing the information-sharing process with ESPD; and develop any other tools and protocols to exchange information with ESPD to facilitate dialogue and actions.
2. Work with Community at Large Subcommittee to host regularly-scheduled opportunities for dialogue with Chief Whalen and members of the ESPD.
3. Continue to review ESPD's policies, protocols, data, and budget, particularly as part of the Community Police Academy. One example is to review the Automated License Plate Reader (ALPR) protocols around screening for out-of-town license plates.

Citywide Organization Subcommittee

Overarching Subcommittee Goal: “Review City policies, practices, training, and diversity. Provide recommendations and best practices for the City to adopt diversity, equity & inclusion practices into the organization.”

The Citywide Organization Committee began meeting regularly (once a month) starting February 17, 2021. Lauren Daniels, HR Manager is our acting City Staff Liaison in advising our subcommittee relating to existing and future recommendations for HR policies.

On March 24th. The subcommittee approved the following areas of focus in relation to the Citywide Organization:

1. City, Staff and Volunteer DEI Training
2. DEI Policy
3. Recruitment Efforts – Hiring and Retention Policies/Practices
4. Future Internships – Connecting to other organizations
5. The Government Alliance on Race and Equity (GARE) Membership Opportunity
6. Employee Culture Building – E.g. Establish Employee Resource Groups

DEI Policy – Current State

Per Lauren Daniels (HR Liaison), as of March 2021, there is no existing DEI policy in place. HR has committed to draft a DEI policy, as well as, reviewing our recruitment and training processes (TB timelines). On April 28th, HR submitted a draft DEI Policy for review during May subcommittee meeting. In addition, our HR liaison has also committed to pushing the DEI agenda forward to City employees through HR and work with the subcommittee to help support the Council’s vision.

Local City Outreach/Research

Appointed member (Lauren Abercrombie) met with city staff of Beverly Hills, CA and Santa Monica, CA to better understand what DEI initiatives are implemented within these cities. Lauren Daniels (HR) also conducted initial outreach to other cities such as Gardena, Hawthorne, Hermosa Beach, Inglewood, Manhattan Beach, and Redondo Beach, however, did not find information on DEI practices, initiatives, or committees.

GARE Research

Appointed member (Christina Vazquez-Fajardo) conducted extensive research on GARE opportunity for the City of El Segundo. The Government Alliance on Race and Equity (GARE) A national network of government working to achieve racial equity and advance opportunities for all. On Tuesday, April 27, Christina attended official GARE informational session and reported back information to subcommittee.

Recommendations

The following table outlines the following initial recommendations:

Training & Recruitment	Organization & Policies	Employee Culture
<p>-Evaluate City participation in GARE or other DEI training opportunities for the public sector.</p> <p>-Take advantage of NeoGov’s free research on Diversity in Hiring in the Public Sector report and explore partnering with NeoGov on where diverse candidates may fall off in El Segundo’s hiring process.</p> <p>-Take advantage of free educational opportunities around instilling DEI in the organization, like NeoGov and NeuroLeadership webinars.</p>	<p>-Both SM and BH have internal, cross-departmental committees focused on DEI. Evaluate how this could work for El Segundo.</p> <p>-Consider how the Public Safety DEI subcommittee can work with the community and ESPD to act as a Public Safety Advisory Commission.</p>	<p>-Evaluate staff appetite for Employee Resource Groups.</p> <p>-Make space for internal listening sessions to discuss DEI topics and learn from other perspectives.</p> <p>-Explore DEI learning opportunities for staff in conjunction with the ES Library.</p>

NEXT STEPS

1. Review additional strategic plans/initiatives as it relates to HR policies, practices, training, diversity and employee culture building.
2. HR, City Researcher and subcommittee members to meet with GARE representatives on Tuesday, May 11th for 1:1 Information Session.
3. HR to provide feedback on recommendations (see table).
4. HR & Subcommittee to review draft DEI policy during next subcommittee meeting on Tuesday, May 18th. In addition, discuss timelines for policy implementation/launch.

Local Economy Subcommittee

Goals & Deliverables of the Local Economy Subcommittee:

1. Overview/report to city council on local private sector DEI policies, practices, training etc.
 - a. What is working
 - i. Based on feedback from local company leaders and employees
 - b. What can be improved and how
 - c. How can ES support local economy with DEI
 - d. Best Practices & our recommendation
2. Local Economy + DEI panel discussion to learn from local best practices and provide an opportunity for local businesses to learn from each other
 - a. Opportunity to partner with the El Segundo Chamber of Commerce
3. Assess and provide recommendations on the City supporting a mentorship/internship program connecting diverse youth with local professionals.
4. Partner with the Communitywide Subcommittee on a way for people who work in El Segundo to flag issues/topics pertaining to DEI.
5. Assess and provide a recommendation on the option to flag businesses as minority-owned in the El Segundo Business Directory.

Community at Large Subcommittee

The Community at Large (CAL) subcommittee began meeting regularly (every other week) starting February 8, 2021 and have identified the following areas of focus.

1. Design and implement a community-wide survey to serve as a baseline and to help prioritize DEI's efforts.
2. Research and gather historical and current data, statistics, and narratives/anecdotes. This may include a process to gather information from community partners who have and are currently collecting information from the community as it relates to DEI.
3. Formalize a system and protocol for the flow of information when we are contacted. This includes vetting requests from stakeholders to make a presentation to the DEI committee that are not related to any of the other subcommittees. To date, our subcommittee has had two meetings with community members in response to racially-motivated incidents in town.
4. Offer face-to-face opportunities for dialogue, information-sharing and feedback from residents, community organizations, ESUSD and other local schools, government entities and other key stakeholders. This may include community conversations and events (by Zoom during the pandemic).
5. Identify and collaborate with partners (such as the Arts Council and ESUSD) as they relate to using the data and community feedback to inform and implement public education and awareness initiatives. This may include panel discussions and community town hall events.
6. Explore opportunities to address and recognize the complete history of El Segundo, and atone for disparities and inequities. This may include a mural or historical walking tour, partnering with the Gateway Committee on city signage, and proclamations taking a stand against racial injustice and hate crimes.
7. Implement and manage ways for community members to contact the DEI Committee (contact form, questions@ email address).
8. Distribute a regular communication to the city (newsletter, City Council meeting updates).
9. Maintain a DEI calendar of events.

Sample Contact Form

- 1) *First/last name*
- 2) *I am a concerned community member who:*
 - Lives in El Segundo*
 - Works in El Segundo*
 - Visits El Segundo*
- 3) *Phone*
- 4) *Email*
- 5) *Age*
- 6) *Gender*
- 7) *Race/Ethnicity*
- 8) *Religion*
- 9) *Socioeconomic status*
- 10) *I'm reaching out to the DEI Committee to share:*
 - an opinion and/or suggestion*
 - an experience with ESPD*
 - an experience with a local business/company*
 - an experience with a neighbor or other community member*
 - an experience with a local community organization or school*
- 11) *Summary. Include date, location, description of people involved.*

Sample Community Survey

- 1) *First/last name*
- 2) *I am a community member who:*
 - Lives in El Segundo*
 - Works in El Segundo*
- 3) *Age*
- 4) *Ethnicity*
- 5) *Gender identity*
- 6) *Sexual orientation*
- 7) *Disability status*
- 8) *Household income*
- 9) *How long have you lived in and/or worked in El Segundo?*
- 10) *On a scale from 1 (strongly disagree) to 5 (strongly agree), rate the following statements:*
 - DIVERSITY*
 - El Segundo values diversity.*
 - Diversity adds value and benefits to El Segundo.*
 - EQUITY*
 - People from all backgrounds and with a range of identities have equitable opportunities to live and contribute to El Segundo.*
 - INCLUSION*
 - My background/identity/differences are valued in El Segundo.*
 - I feel a sense of belonging in El Segundo.*
 - RACIAL JUSTICE*
 - I feel comfortable talking about issues of racism in El Segundo.*
 - I believe institutional racism exists.*
 - I know where to find resources to learn more about issues of racism.*
- 11) *I have experienced unwelcome, offensive, embarrassing and/or hurtful comments or conduct in El Segundo based on one or more aspects of my identity/background. [YES / NO]*
- 12) *I have experienced discrimination in El Segundo based on one or more aspects of my identity/background. [YES / NO]*
- 13) *How much do you know about El Segundo's history as it relates to racial injustice, diversity, equity and inclusion?*
 - Very knowledgeable and I'm interested in sharing El Segundo's history with others*
 - Somewhat knowledgeable*
 - Not very knowledgeable but I'm interested and willing to learn more*
- 14) *Feedback – Share your experiences, as well as any suggestions to improve DEI in El Segundo.*

KEY DEFINITIONS

Diversity

Physical, social and psychological differences between people and groups, including things like race, ethnicity, gender, ability, religion, sexual orientation, gender identity, national origin, tribe, socio-economic status, thinking and communication styles.

Equity

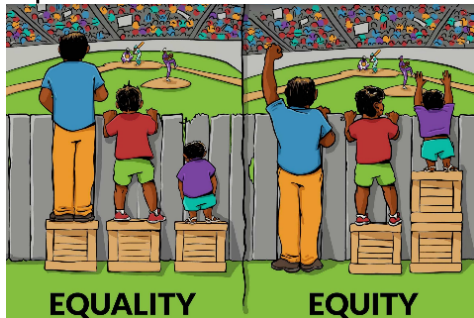
When everyone can reach their highest level of health and potential for a successful life, regardless of their background and identity.

Inclusion

Puts diversity into meaningful action and builds a culture of belonging, respect and connection by actively and authentically inviting the contribution and participation of all people.

Equity versus Equality

Equality seeks to promote fairness, but it can only work if everyone starts from the same place and needs the same things. Equity recognizes that each person has different circumstances and allocates the exact resources and opportunities needed to reach an equal outcome.



Equity Lens

Using an equity lens for the DEI Committee means we are thoughtful and inclusive in all recommendations on decisions, including policies, practices, procedures, programs and service delivery, and budgets. The lens is a transformative quality improvement tool used to improve planning, decision-making, and resource allocation leading to more equitable policies and programs. At its core, it is a set of principles, reflective questions, and processes that focuses at the individual, institutional, and systemic levels by:

- deconstructing what is not working around equity;
- reconstructing and supporting what is working;
- shifting the way we make decisions and think about this work; and
- healing and transforming our structures, our environments, and ourselves.

Atonement

Reconciliation, making amends, taking action to correct wrongdoing. Examples include providing acknowledgement and resources on the City's website; a mural celebrating

history and culture of El Segundo; or a historical walking tour to share our past and look to the future with solutions we have in place.

Racism

A system—consisting of structures, policies, practices and norms—that assigns value and determines opportunity based on the way people look, the color of their skin, their background or identity. This results in conditions that unfairly disadvantage people of color. Racism is not only a human rights and civil rights issue, it is an economic and [public health](#) issue.

Systemic Racism

This is when these structures or processes defined under Racism above are carried out by groups with power, such as governments, businesses or schools. This is evident in policies and systems such as [hiring](#), [redlining](#), [covenants](#) and [criminal sentencing](#).

Privilege

Privilege is built-in advantage, separate from one's level of income or effort. It can be defined as unearned access to social power based on membership in a dominant social group. Becoming aware of privilege should not be viewed as a burden or source of guilt, but rather an opportunity to learn and be responsible so that we may work toward a more just and inclusive world. Having privilege and recognizing it is not racist. Example: In the hiring process, white men with a criminal record are [more likely to positive response](#) over men of color with a clean record.



City Council Agenda Statement

Meeting Date: May 18, 2021

Agenda Heading: COMMITTEES, COMMISSIONS AND
BOARDS PRESENTATIONS

TITLE:

Appointments to the Library Board of Trustees

RECOMMENDATION:

Announce Library Board of Trustees appointees.

FISCAL IMPACT:

None

BACKGROUND:

Library Board of Trustees act in an advisory capacity to the City Council in all matters pertaining to the Library and cooperates with other governmental agencies and civic groups in the advancement of sound planning and programming. The board considers, reviews, edits, and issues policy recommendations on library service, recommends the adoption of standards pertaining to library services and programs and makes recommendations for the provision of adequate library services consistent with community needs. The board may administer any trust declared or created for the Library and approves the Library's Annual Report to the State Librarian.

DISCUSSION:

City Council conducted interviews on April 27, 2021 and selected the following candidates.

Library Board of Trustees	
Appointee	Term Expiration
Sara Whelan	June 30, 2023
Kristie Sherrill	June 30, 2023

Appointments to the Library Board of Trust

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CITY STRATEGIC PLAN COMPLIANCE:

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

Objective 1A: El Segundo Provides unparalleled service to internal and external customers.

PREPARED BY:

Mishia Jennings, Executive Assistant to City Council

REVIEWED BY:

Barbara Voss, Deputy City Manager

APPROVED BY:

Barbara Voss, Deputy City Manager

ATTACHED SUPPORTING DOCUMENTS:

None