



CITY *of* CLOVIS

AGENDA • CITY COUNCIL MEETING

Council Chamber, 1033 Fifth Street, Clovis, CA 93612 (559) 324-2060
www.cityofclovis.com

June 5, 2023

6:00 PM

Council Chamber

In compliance with the Americans with Disabilities Act, if you need special assistance to access the City Council Chamber to participate at this meeting, please contact the City Clerk or General Services Director at (559) 324-2060 (TTY – 711). Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to the Council Chamber.

The Clovis City Council meetings are open to the public at the physical address listed above. There are numerous ways to participate in the City Council meetings: you are able to attend in person; you may submit written comments as described below; you may participate by calling in by phone (see “Verbal Comments” below); and you may view the meeting which is webcast and accessed at www.cityofclovis.com/agendas.

Written Comments

- Members of the public are encouraged to submit written comments at: www.cityofclovis.com/agendas at least two (2) hours before the meeting (4:00 p.m.). You will be prompted to provide:

- Council Meeting Date
- Item Number
- Name
- Email
- Comment



- Please submit a separate form for each item you are commenting on.
- A copy of your written comment will be provided to the City Council noting the item number. If you wish to make a verbal comment, please see instructions below.
- Please be aware that any written comments received that do not specify a particular agenda item will be marked for the general public comment portion of the agenda.
- If a written comment is received after 4:00 p.m. on the day of the meeting, efforts will be made to provide the comment to the City Council during the meeting. However, staff cannot guarantee that written comments received after 4:00 p.m. will be provided to City Council during the meeting. All written comments received prior to the end of the meeting will be made part of the record of proceedings.

Verbal Comments

- If you wish to speak to the Council on an item by telephone, you should contact the City Clerk at (559) 324-2060 no later than 4:00 p.m. the day of the meeting.
- You will be asked to provide your name, phone number, and your email. You will be emailed instructions to log into Webex to participate in the meeting. Staff recommends participants log into the Webex at 5:30 p.m. the day of the meeting to perform an audio and mic check.
- All callers will be placed on mute, and at the appropriate time for your comment your microphone will be unmuted.
- In order for everyone to be heard, please limit your comments to 5 minutes or less, or 10 minutes per topic

Webex Participation

- Reasonable efforts will be made to allow written and verbal comment from a participant communicating with the host of the virtual meeting. To do so, a participant will need to chat with the host and request to make a written or verbal comment. The host will make reasonable efforts to make written and verbal comments available to the City Council. Due to the new untested format of these meetings, the City cannot guarantee that these written and verbal comments initiated via chat will occur. Participants wanting to make a verbal comment via call will need to ensure that they accessed the WebEx meeting with audio and microphone transmission capabilities.

CALL TO ORDER

FLAG SALUTE - Councilmember Bessinger

ROLL CALL

PRESENTATIONS/PROCLAMATIONS

1. Presentation of Proclamation honoring Fire Chief John Binaski upon his retirement and commending him for his overall 32 years of fire service and 10 years of service to the Clovis Community.
2. Presentation of Proclamation honoring City Engineer Mike Harrison upon his retirement and commending him for 39 years of service to the Clovis Community.

PUBLIC COMMENTS - This is an opportunity for the members of the public to address the City Council on any matter within the City Council's jurisdiction that is not listed on the Agenda. In order for everyone to be heard, please limit your comments to 5 minutes or less, or 10 minutes per topic. Anyone wishing to be placed on the Agenda for a specific topic should contact the City Manager's office and submit correspondence at least 10 days before the desired date of appearance.

ORDINANCES AND RESOLUTIONS - With respect to the approval of resolutions and ordinances, the reading of the title shall be deemed a motion to waive a reading of the complete resolution or ordinance and unless there is a request by a Councilmember that the resolution or ordinance be

read in full, further reading of the resolution or ordinance shall be deemed waived by unanimous consent of the Council.

CONSENT CALENDAR - Items considered routine in nature are to be placed upon the Consent Calendar. They will all be considered and voted upon in one vote as one item unless a Councilmember requests individual consideration. A Councilmember's vote in favor of the Consent Calendar is considered and recorded as a separate affirmative vote in favor of each action listed. Motions in favor of adoption of the Consent Calendar are deemed to include a motion to waive the reading of any ordinance or resolution on the Consent Calendar. For adoption of ordinances, only those that have received a unanimous vote upon introduction are considered Consent items.

- [3.](#) Administration - Approval - Minutes from the May 8, 2023, Council Meeting.
- [4.](#) Administration - Adopt - Ord. 23-03, R2023-003, A request to establish rezoning classifications for approximately 333 acres of property and to modify rezoning classifications on approximately 35 acres within the overall 500-acre project area, located within the area generally bound by Shepherd Avenue on the south, Willow Avenue on the west, the Enterprise Canal on the north and the Peach Avenue alignment on the east. City of Clovis, applicant. (Vote: 5-0)
- [5.](#) Administration - Receive and File – Economic Development Corporation Serving Fresno County Quarterly Report, January - March 2023.
- [6.](#) Administration - Receive and File – Business Organization of Old Town (BOOT) Third Quarter Report, January through March 2023.
- [7.](#) Administration - Approval – Authorize the City Manager to enter into an agreement with Pro Ag Management, Inc. on the lease of 1625 Shaw Ave., Suite 101, for \$116,000 per year.
- [8.](#) Administration – Approval – Waive Formal Bidding Requirements and Authorize a Service Contract with The Lew Edwards Group to Conduct Polling and Feasibility Analysis of Revenue Options for \$49,400.
- [9.](#) Finance – Receive and File – Investment Report for the Month of February 2023.
- [10.](#) Finance – Receive and File – Treasurer's Report for the Month of February 2023.
- [11.](#) General Services – Approval - Claim Rejection of the General Liability Claim on behalf of Phorum Sheth.
- [12.](#) Planning and Development Services – Approval – Final Acceptance for Final Map for Tract 6367, located at southeast area of Armstrong Avenue and Nees Avenue (Gleneagles Homes, a California Corp DBA Gary McDonald Homes, a California corporation).
- [13.](#) Planning and Development Services – Approval – Bid Award for CIP 19-11 Bullard Avenue Rehabilitation; and authorize the City Manager to execute the contract on behalf of the City with Dave Christian Construction Company in the amount of \$761,162.25.
- [14.](#) Police - Approval – Res. 23-____, Authorizing the Police Chief and the Police Department to Execute an MOU and Grant Cooperative Agreement between MARJAREE MASON CENTER, INC., a California nonprofit corporation (MMC), and Approval - Res. 23-____, Amending the Police Department Budget to reflect the award of \$25,000.
- [15.](#) Public Utilities – Approval – Award Non-Exclusive Franchise Agreements for Hauling of Construction and Demolition Debris, and Update the City's Approved Hauler List.

PUBLIC HEARINGS - A public hearing is an open consideration within a regular or special meeting of the City Council, for which special notice has been given and may be required. When a public hearing is continued, noticing of the adjourned item is required as per Government Code 54955.1.

- [16.](#) Consider Introduction – Ord. 23-__ An ordinance of the City Council of the City of Clovis adding Chapter 4.14 to Title 4 of the Clovis Municipal Code prohibiting spectators at vehicle sideshows in the City of Clovis.

Staff: Iri Guerra, Police Lieutenant
Recommendation: Approve

- [17.](#) Consider Approval – Res. 23-___, A resolution revising the Master Development Fee Schedule and Providing a Description of Fees to be Requested for County Adoption. (Continued from the May 8, 2023, meeting.)

Staff: Sean Smith, Supervising Civil Engineer
Recommendation: Approve

- [18.](#) Consider Approval - Res. 23-___, 2023-2024 City of Clovis Annual Budget, Five Year Capital Improvement Program, and Information regarding the Clovis Successor Agency. (Continued from the May 15, 2023, meeting)

Staff: John Holt, City Manager
Recommendation: Approve

COUNCIL ITEMS

- [19.](#) Consider Approval – Change of Council Meeting Schedule.

Staff: John Holt, City Manager
Recommendation: Approve

CITY MANAGER COMMENTS

COUNCIL COMMENTS

CLOSED SESSION - A “closed door” (not public) City Council meeting, allowed by State law, for consideration of pending legal matters and certain matters related to personnel and real estate transactions.

20. Government Code Section 54956.9(d)(4)
CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION
Deciding whether to initiate litigation
One potential case
21. Government Code Section 54957
PUBLIC EMPLOYEE EVALUATION
Title: City Manager

ADJOURNMENT

FUTURE MEETINGS

Regular City Council Meetings are held at 6:00 P.M. in the Council Chamber. The following are future meeting dates:

June 12, 2023 (Mon.) (To be Cancelled)

June 19, 2023 (Mon.)

July 3, 2023 (Mon.) (To be Cancelled)

July 10, 2023 (Mon.)

July 11 (Tue.) - Aug. 6 (Mon.) Summer Recess

August 7, 2023 (Mon.)

August 14, 2023 (Mon.)

August 21, 2023 (Mon.)

CITY of CLOVIS
PROCLAMATION

Honoring Fire Chief John Binaski for 32 Years of Fire Service and
10 Years of Service to the Clovis Community

WHEREAS, Fire Chief John Binaski has served the City of Clovis, CA with distinction for the previous 10 years, where he has served the last seven years as Fire Chief and is now retiring from his position; and

WHEREAS, during his long and distinguished career, Fire Chief Binaski has demonstrated exceptional leadership, dedication, and commitment to the City and its residents, earning the respect of his colleagues and the community at large with a reputation for continuous quality improvement within the fire service; and

WHEREAS, Fire Chief Binaski has worked tirelessly to ensure the safety and well-being of the citizens of Clovis, leading the Fire Department with professionalism, integrity, and a deep sense of duty and teamwork with other City of Clovis Departments; and

WHEREAS, Fire Chief Binaski has served the fire service by being a board member for Cal Cities, California Fire Chiefs Association, Central Valley Fire Chiefs and California State Training and Education Advisory Committee; and

WHEREAS, Fire Chief Binaski has been instrumental in developing and implementing innovative programs and best practices to enhance the safety of the firefighters and improve the department's operations; and

WHEREAS, during his time as Fire Chief, the Fire Department was able to build and staff Fire Station 6, secure funding for the replacement of Fire Station 2, replace all front-line fire engines, and expand the department's training center all while staying within budget; and

WHEREAS, Fire Chief Binaski missed many family activities and school events because of work, and he would not have be able to accomplish such a successful and distinguished career without the support of his wife Katie and two daughters Lauren and Madelyn; and

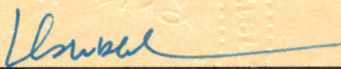
WHEREAS, Fire Chief Binaski's many accomplishments and contributions to the California Fire Service and the City of Clovis were supported and exemplified through the outstanding work of the men and women of the Clovis Fire Department.

NOW, THEREFORE, BE IT RESOLVED, that the Clovis City Council does hereby recognize and honor

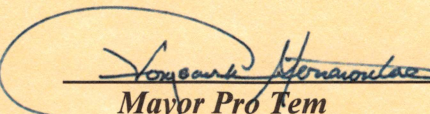
Fire Chief John Binaski

for his outstanding career and personal accomplishments, and his many years of dedicated service to the City and the fire service. On behalf of the City Council and the entire Clovis community, I extend our heartfelt thanks and appreciation to Fire Chief Binaski for his selfless service, and in wishing him a happy and fulfilling retirement.

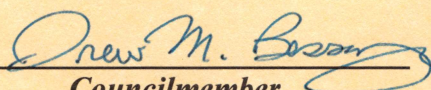
IN WITNESS THEREFORE, I hereunto set my hand and cause the official seal of the City of Clovis to be affixed the 5th day of June, 2023.



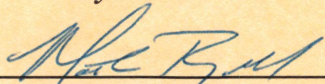
Mayor



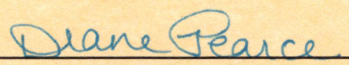
Mayor Pro Tem



Councilmember



Councilmember



Councilmember

CITY of CLOVIS
Proclamation

**Recognizing City Engineer Mike Harrison for
 39 Years of Dedicated Service**

WHEREAS, Mike Harrison has served the Engineering Division for the City of Clovis for 39 years and as the City Engineer for the last six years, providing exceptional leadership and dedication to the City, development community, and its residents; and

WHEREAS, Mike Harrison has played an instrumental role in the development and growth of the City, contributing to the design and construction of numerous public works projects, such as the Research and Technology Business Park infrastructure improvements, development of Harlan Ranch, Sierra Vista Mall, Dry Creek Preserve Master Plan, and Landmark Square, as well as the current Police and Fire Headquarters facility, that have improved the quality of life for residents and visitors alike; and

WHEREAS, Mike Harrison has been a trusted advisor to the City Council, providing expert guidance on a wide range of engineering and traffic issues and ensuring that the City's infrastructure is safe, reliable, and efficient; and

WHEREAS, Mike Harrison has been a valued member of the City staff, earning the respect and admiration of his colleagues and the building industry for his professionalism, work ethic, and commitment to public service; and

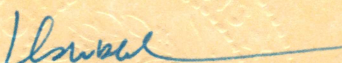
WHEREAS, Mike Harrison will retire from his position as City Engineer on June 15, 2023, leaving a lasting legacy of excellence and dedication to the City of Clovis.

NOW, THEREFORE, BE IT RESOLVED, that the Clovis City Council does hereby recognize and honor

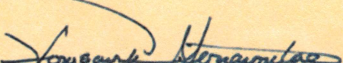
Mike Harrison

For 39 years of dedicated service to the City and its residents. On behalf of the City Council and the entire Clovis community, I extend our sincere gratitude to Mike Harrison for his outstanding contributions to the City of Clovis and wish him a happy and fulfilling retirement.

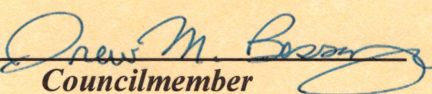
IN WITNESS THEREOF, I hereunto set my hand and cause the official seal of the City of Clovis to be affixed this 5th day of June, 2023.



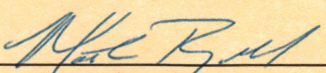
 Mayor



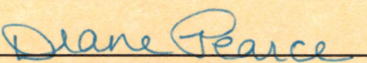
 Mayor Pro Tem



 Councilmember



 Councilmember



 Councilmember

CLOVIS CITY COUNCIL MEETING

May 8, 2023

6:00 P.M.

Council Chamber

Meeting called to order by Mayor Ashbeck at 6:01 p.m.
Flag Salute led by Councilmember Pearce

Roll Call: Present: Councilmembers Basgall, Bessinger, Mouanoutoua, Pearce
Mayor Ashbeck

PUBLIC COMMENTS – 6:02

Zoie McColm, resident, shared concerns regarding development impact fees

CONSENT CALENDAR – 6:06

Motion by Councilmember Bessinger, seconded by Councilmember Basgall, that the items on the Consent Calendar be approved. Motion carried by unanimous vote.

1. Administration – Approved – Updated Program Guidelines for Clovis’ Home Rehabilitation Grant Program.
2. General Services - Approved – Award of Workers’ Compensation Claims Administration Services Contract to Acclamation Insurance Management Services, Incorporated in the amount of \$870,552 over the next three (3) years.
3. General Services - Approved – **Res. 23-32**, Authorizing Amendments to the City’s Classification and Compensation Plans to Adopt the Finance Manager Classification with a Salary Range of \$10,635 to \$12,927 per month, and Approved – **Res. 23-33**, Amending the City’s FY 22-23 Position Allocation Plan.
4. General Services – Approved - Claim Rejection of the General Liability Claim of Edgar Lawson, Jr.
5. General Services – Approved - Claim Rejection of the General Liability Claim on behalf of Christian Perez.
6. Public Utilities – Approved – Final Acceptance for SPR 1987-048A, 79 N. Sunnyside Avenue Site Improvements.

PUBLIC HEARINGS – 6:07

6:07 ITEM 7 - APPROVED – **RES. 23-36**, ADOPTION OF THE CITY OF CLOVIS 2023-2024 ANNUAL ACTION PLAN FOR THE EXPENDITURE OF COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS.

Paul Williams, Resident, spoke in support of the CDBG program and various services provided by the City.

Motion for approval by Councilmember Bessinger, seconded by Councilmember Mouanoutoua. Motion carried by unanimous vote.

6:37 ITEM 8 – APPROVED – UPDATE ON COMMUNITY SERVICES FEE POLICY.

Motion to approve the update on the Community Services Fee Policy with the condition that staff return to the City Council approval before implementing changes and to engage the seniors for feedback. Motion for approval by Councilmember Mouanoutoua, seconded by Councilmember Bessinger. Motion carried 4-1, with Mayor Ashbeck voting no.

7:16 ITEM 9 - CONSIDER ITEMS ASSOCIATED WITH VARIOUS FEES UNDER THE PLANNING AND DEVELOPMENT SERVICES DEPARTMENT AND FIND THAT THE PROJECT IS EXEMPT FROM FURTHER ENVIRONMENTAL REVIEW UNDER SECTION 15061(B)(3) OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT GUIDELINES. CITY OF CLOVIS, APPLICANT.

9A. APPROVED - **RES. 23-34**, A REQUEST TO APPROVE A RESOLUTION AMENDING PLAN CHECK, INSPECTION SERVICES, ENCROACHMENT PERMITS, AND COMMUNITY INVESTMENT PROGRAM RATES.

Motion for approval by Councilmember Basgall, seconded by Councilmember Bessinger. Motion carried by unanimous vote.

9B. APPROVED - **RES. 23-35**, A REQUEST TO APPROVE THE 2023 CITY OF CLOVIS PLANNING DIVISION FEE SCHEDULE.

Motion for approval by Councilmember Bessinger, seconded by Councilmember Basgall. Motion carried by unanimous vote.

9C. APPROVED INTRODUCTION - **ORD. 23-02**, A REQUEST TO APPROVE AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CLOVIS AMENDING SECTION 8.1.01.1 OF CHAPTER 8.1 OF TITLE 8 RELATING TO AMENDMENTS TO UNIFORM ADMINISTRATIVE CODE TO ADD PHOTOVOLTAIC AND ENERGY STORAGE SYSTEMS FEE TABLE S-1.

Motion for approval by Councilmember Bessinger, seconded by Councilmember Mouanoutoua. Motion carried by unanimous vote.

7:26 ITEM 10 - CONTINUED – **RES. 23-XX**, A RESOLUTION REVISING THE MASTER DEVELOPMENT FEE SCHEDULE AND PROVIDING A DESCRIPTION OF FEES TO BE REQUESTED FOR COUNTY ADOPTION.

Sayre Miller, shared concerns regarding water and the fees charged to property owners within the Fresno Irrigation District.

Mike Prandini, proposed for the City Council to approve the proposal submitted by the BIA for a 4.6% increase (CCI).

Arakel Arisian, spoke in support of the BIA's proposal and encouraged the City to further research and evaluate other options for development impact fees.

Darius Assemi, spoke in support evaluating more options for development impact fees and possibly conducting a workshop.

Drew Phelps, spoke in support evaluating more options for development impact fees.

Motion to continue this item to a date uncertain to review all development impact fees except for the water fee. Motion by Councilmember Bessinger, seconded by Councilmember Pearce. Motion carried by unanimous vote.

9:32 ITEM 11 - APPROVED – **RES. 23-37**, A RESOLUTION REVISING THE MASTER DEVELOPMENT FEE SCHEDULE AND PROVIDING A DESCRIPTION OF FEES TO BE REQUESTED FOR COUNTY ADOPTION.

- 2395 BEVERLY AVENUE, CLOVIS, CA 93611, APN NO.: 551-211-23
- 607 COVENTRY AVENUE, CLOVIS, CA 93611, APN NO.: 554-105-01
- 2951 PURVIS AVENUE, CLOVIS, CA 93611, APN NO.: 554-073-05S
- 101 N. POLLASKY AVENUE, CLOVIS, CA 93612, APN NO.: 491-133-01
- 1495 FOURTH STREET, CLOVIS, CA 93612, APN NO.: 491-191-10
- 982 ROSEBROOK DRIVE, CLOVIS, CA 93612, APN NO.: 498-082-08
- 3155 WINERY AVENUE, CLOVIS, CA 93612, APN NO.: 430-491-03
- 1419 CHENNAULT AVENUE, CLOVIS, CA 93611, APN NO.: 563-101-02
- ~~339 W. ASHCROFT AVENUE, CLOVIS, CA 93612, APN NO.: 499-322-17~~
- 660 BARSTOW AVENUE, CLOVIS, CA 93612, APN NO.: 497-150-32

Alex Renteria, Representing Janie Dominguez, Requested for the City Council to dismiss the lien on 339 W. Ashcroft as the property has been restored.

Brady Steward, Requested for the City Council to dismiss the lien on 2951 Purvis.

Motion for approval, except 339 W. Ashcroft, by Councilmember Basgall, seconded by Councilmember Bessinger. Motion carried 4-1 with Councilmember Mouanoutoua voting no.

CITY MANAGER COMMENTS – 10:01

COUNCIL COMMENTS – 10:01

CLOSED SESSION – 10:14

ITEM 12 - GOVERNMENT CODE SECTION 54956.8 CONFERENCE WITH REAL PROPERTY NEGOTIATOR PROPERTY: 1625 SHAW AVENUE, #101, CLOVIS, CA AGENCY NEGOTIATOR(S): ANDY HAUSSLER, ASSISTANT CITY MANAGER; JOHN HOLT, CITY MANAGER NEGOTIATING PARTY: PRO AG MANAGEMENT, INC. & JAMISON FAMILY COMMUNITY PROPERTY TRUST UNDER NEGOTIATION: PRICE AND TERMS OF PAYMENT

ITEM 13 - GOVERNMENT CODE SECTION 54956.8 CONFERENCE WITH REAL PROPERTY NEGOTIATOR PROPERTY: 1011 FIFTH STREET, CLOVIS, CA AGENCY NEGOTIATOR(S): ANDY HAUSSLER, ASSISTANT CITY MANAGER; JOHN HOLT, CITY MANAGER NEGOTIATING PARTY: JUDICIAL COUNCIL OF CALIFORNIA UNDER NEGOTIATION: PRICE AND TERMS OF PAYMENT

ITEM 14 - GOVERNMENT CODE SECTION 54956.9(D)(1) CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION CASE NAME: DESIREE MARTINEZ V. CITY OF CLOVIS, ET AL., CASE NO. F082914

No action was taken by the City Council during the closed session.

Mayor Ashbeck adjourned the meeting of the Council to May 15, 2023

Meeting adjourned: 10:38 p.m.

Mayor

City Clerk



CITY *of* CLOVIS

REPORT TO THE CITY COUNCIL

TO: Mayor and City Council

FROM: Administration

DATE: June 5, 2023

SUBJECT: Administration - Adopt - Ord. 23-03, R2023-003, A request to establish rezoning classifications for approximately 333 acres of property and to modify rezoning classifications on approximately 35 acres within the overall 500-acre project area, located within the area generally bound by Shepherd Avenue on the south, Willow Avenue on the west, the Enterprise Canal on the north and the Peach Avenue alignment on the east. City of Clovis, applicant. (Vote: 5-0)

ATTACHMENTS: None

This item was approved for introduction on May 15, 2023, with a unanimous vote.

Please direct questions to the City Manager's office at 559-324-2060.



CITY *of* CLOVIS

REPORT TO THE CITY COUNCIL

TO: Mayor and City Council

FROM: Administration

DATE: June 5, 2023

SUBJECT: Administration - Receive and File – Economic Development Corporation Serving Fresno County Quarterly Report, January - March 2023.

ATTACHMENTS: 1. EDC Third Quarter Report, January 1 – March 31, 2023

CONFLICT OF INTEREST

Councilmembers should consider recusal if a campaign contribution exceeding \$250 has been received from the project proponent (developer, applicant, agent, and/or participants) since January 1, 2023 (Government Code 84308).

RECOMMENDATION

That the City of Clovis receive and file the Third Quarter Report, January - March 2023, from the Economic Development Corporation Serving Fresno County.

EXECUTIVE SUMMARY

The Economic Development Corporation serving Fresno County (EDC) has submitted their Third Quarter Report of activities for the City Council to receive and file, as required per the 2022-2023 Agreement with the City.

BACKGROUND

In the summer of 2022, the City of Clovis and the EDC entered into a contract for the 2022-2023 fiscal year to provide regional marketing and business services to Clovis businesses. The contract provides for \$40,000 in baseline funding and provides \$10,000 for a medical attraction study implementation plan to be completed. This allows Clovis to be part of a regional effort in attracting commercial and industrial businesses to Clovis. Attached is a report detailing the progress of their activities to provide information to industrial/commercial representatives not currently located in Clovis for recruiting purposes, and to continue to assist existing Clovis businesses with informational and/or technical assistance to access statewide business support programs.

Highlights of the EDC quarterly report include:

Q3 Snapshot

The EDC team conducts outreach marketing business expansion and retention services by:

- Providing an operational analysis to evaluate the health of the business. This tool offers us a thorough understanding of the appropriate referrals or resources needed for business growth or retention;
- Connecting businesses to labor subsidy programs;
- Providing education on federal/state/local tax Incentives; and
- Providing referrals and information on financing assistance.

Stemming from direct outreach, workshops, one-on-one meetings, and marketing efforts, the areas of interest and number of referrals generated are reflected below:

	Q3 FY23	FY23 YTD
Businesses Served	30	53
Business Referrals	1	27

Type	Goal	Q3	FY22-23	Completion
Top 50 Business List	1	1	1	100%
Economic Profile Update	1	1	1	100%
Comparative Healthcare Analysis Enhancement	1	1	1	100%
Broker Events	2	0	0	-
New Business Leads	40	12	41	100%
Targeted Healthcare Engagements	20	30	30	100%

FISCAL IMPACT

The City will forward the third quarter installment payment to EDC. The funds were budgeted in the 2022-2023 fiscal year budget.

REASON FOR RECOMMENDATION

The attached report meets the requirement established in the 2022-2023 Agreement between the EDC and the City of Clovis.

ACTIONS FOLLOWING APPROVAL

Staff will file the report.

Prepared by: Chad McCollum, Economic Development, Housing and Communications Director

Reviewed by: City Manager *AA*



INVOICE

1060 Fulton Street, 4th Floor
 Fresno, CA 93721
 (559) 476-2500

Date: 03/31/2023
 Inv. No.: 9591
 Account No.: 517

Remit To:

City of Clovis
 ATTN:Mr. Andrew Haussler
 1033 5th Street
 Clovis, CA 93612

Fresno County EDC
 1060 Fulton St., 4th Floor
 Fresno, CA 93721

Membership Level	Contact	Terms
DIAMOND	Mr. Andrew Haussler	1 Year
	Description	Total
	City of Clovis Q3 January - March 2023	\$12,500.00

Total:	\$12,500.00
Paid/Credited:	\$0.00
Balance Due:	\$12,500.00



City of Clovis
Quarterly Activity Report
Quarter 3
Fiscal Year 2022-2023
January 1, 2023 – March 31, 2023

Lee Ann Eager	President/CEO
Sherry Neil	Chief Operating Officer
Paul Thorn	Controller
Will Oliver	VP of Business Services
Julian Ramos	Client Services Manager
Chris Zeitz	Director of Special Projects
Spencer Bremer	Research Analyst
Jackie Cuevas	Business Expansion and Retention Coordinator
Danielle Dixon-Oglesby	Workforce Training Coordinator
Darian Galindo	Business Retention Specialist
Cody Laird	Economic Development Specialist
Marcella Lara	Business Retention Specialist
Andrea Lee	Economic Development Specialist
Tiffany Louk	Business Attraction Specialist
Kaila Lugo	Office Administrator
Merritt Pacini	Executive Assistant to the CEO
Miguel Ruelas	Business Attraction Specialist
Mai See Vang	Program Coordinator
Malee Vang	Social Care Coordinator
Ross Williams	Research Analyst

City of Clovis Quarterly Activity Report

This report summarizes the agreement requirements between the City of Clovis and the Fresno County Economic Development Corporation (EDC).

Division Mission

To market Fresno County as the premier location for business prosperity.

Fresno County EDC Services

The Economic Development Corporation serving Fresno County is a nonprofit organization established to market Fresno County as the premier location for business prosperity. We facilitate site selection for new businesses within Fresno County, and assist in the retention and expansion of businesses through our alliance with collaborative partners and resources.

The EDC agrees to the following services:

1. Provide information to the industrial and office representatives not located in the City of Clovis for recruiting new businesses and industries;
2. Assist in the development of marketing materials to attract new investments, commercial and industrial brokers, developers, and site selectors. Assist in utilizing online marketing to advance economic and community development efforts;
3. Assist existing businesses and industries that contact the EDC with information and technical assistance through the BEAR Action Network;
4. Work to foster a closer working relationship with local business associations to enhance the EDC services provided to Clovis area employers;
5. Continue acting in a leadership role in promotion of high-speed rail and promote the Clovis area for related development;
6. Inform Clovis of legislation important to the economic and community development of the region and act on their behalf;
7. Assist in identifying economic development projects on the City's behalf for the inclusion in the County of Fresno's Comprehensive Economic Development Strategy (CEDS) for possible grant funding; and
8. Provide administrative staffing at all Executive Committee, Board, and related events.

Q3 Snapshot

The EDC team conducts outreach marketing business expansion and retention services by:

- Providing an operational analysis to evaluate the health of the business. This tool offers us a thorough understanding of the appropriate referrals or resources needed for business growth or retention;
- Connecting businesses to labor subsidy programs;
- Providing education on federal/state/local tax Incentives; and
- Providing referrals and information on financing assistance.

Stemming from direct outreach, workshops, one-on-one meetings, and marketing efforts, the areas of interest and number of referrals generated are reflected below:

	Q3 FY23	FY23 YTD
Businesses Served	30	53
Business Referrals	1	27

Type	Goal	Q3	FY22-23	Completion
Top 50 Business List	1	1	1	100%
Economic Profile Update	1	1	1	100%
Comparative Healthcare Analysis Enhancement	1	1	1	100%
Broker Events	2	0	0	-
New Business Leads	40	12	41	100%
Targeted Healthcare Engagements	20	30	30	100%

Clients and Businesses Served

A Mind Above, A Professional Psychology Corporation
 Accounting America
 AMA Management, Inc.
 Anjaleoni Enterprises Inc
 Bob Warner Insurance Agency
 Cabinet Connection
 CALBEC Group
 Catuira Home 2
 Clovis Chamber of Commerce
 Clovis Crossfire Soccer League
 Clovis Insurance Agency
 Comfort Suites
 Denny's #9549
 Facelogic Spa
 Gilbert K. Moran, M.D. F.A.C.O.G. INC.

High Performance Academy
 Hilton Garden Inn Clovis
 Huckleberry's
 HuckleBerry's Clovis
 Jackson Young Drywall
 Kuppa Joy - Clovis
 La Quinta Inn & Suites by Wyndham Clovis
 Michael Angelo Custom Painting Inc
 Philip Call State Farm Insurance Agent
 Sandys Country Junction
 SMS Services Inc.
 The 500 Club Casino
 The Body Building
 Tri-Valley Plastering, Inc
 United States Postal Service

City of Clovis Economic Snapshot

Quarter 3, FY22-23

Industrial, Office, and Retail Vacancy

This quarter in the City of Clovis, the industrial vacancy rate increased to 0.2% from zero, the office vacancy rate decreased from 5.7% to 3.0%, and the retail vacancy rate dropped from 4.7% to 4.3%.

Q3 FY22-23	Industrial	Office	Retail
Fresno County	2.4%	8.7%	4.0%
City of Clovis	0.2%	3.0%	4.3%

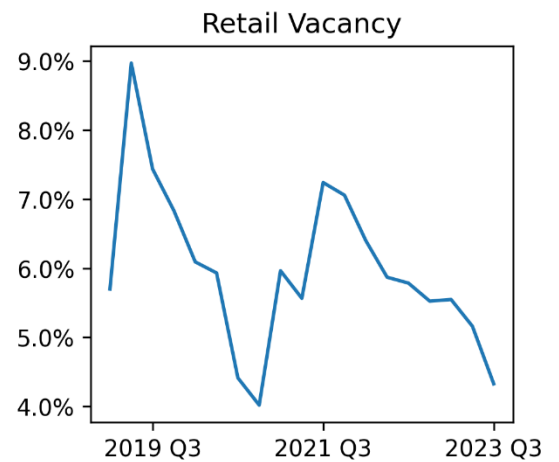
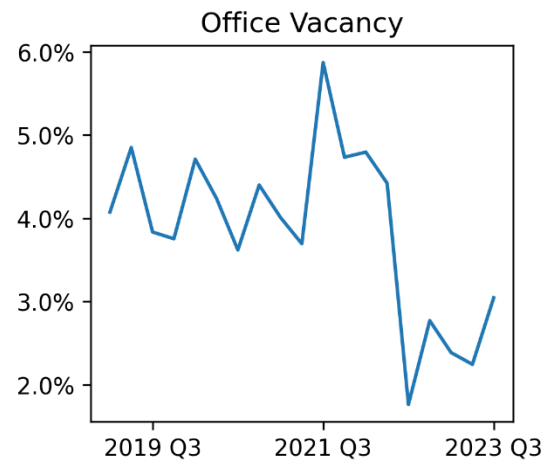
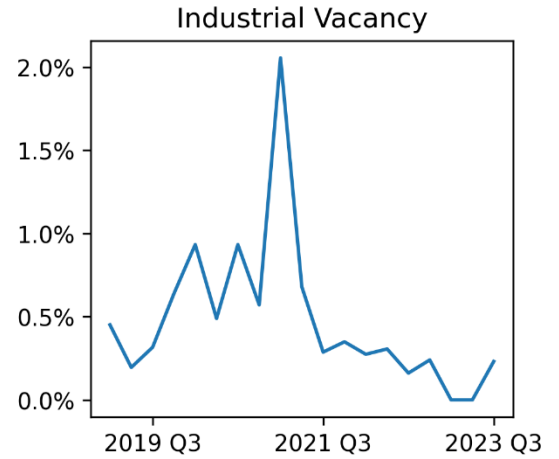
Source: CoStar.com

February 2023 Unemployment Rates

The preliminary unemployment rate in Clovis was 3.8% in February 2023, an increase from 3.3% in November 2022. This compares with a non-seasonally adjusted unemployment rate of 4.8% for California and 3.6% for the nation during the same period.

Area	Labor Force	Unemployment Rate
Fresno County	466,800	8.1%
City of Clovis	58,500	3.8%

Source: State of California Employment Development Department



Business Attraction and Expansion Activity

AGENDA ITEM NO. 5.

During the third quarter, the EDC generated **15** new business leads, and responded to **4** requests for information.

New Leads

MONTH	CLIENT NUMBER	SOURCE	INDUSTRY	JOBS	SITE REQUIREMENTS	PARTICIPATING CITIES
JANUARY	230105A1	Valley Ventures Outreach	Computer Software	TBD	TBD	Fresno
	230117A2	Valley Ventures Outreach	AgTech	TBD	TBD	All
	230120A1	Valley Ventures Outreach	Water Purification	TBD	TBD	All
	230124A1	Team CA	Solar Manufacturing	150	150,000-250,000 SF 16 Loading Docks 30' Clearance	All
	230126A1	Valley Ventures Outreach	AgTech	5	TBD	All
	230130A1	Referral	Mineral Wool Manufacturing	TBD	2,000 SF 20ft ceiling height	All
FEBRUARY	PROJECT MAYFLOWER	GO-Biz Lead	Electrical Manufacturing	218	25 AC Industrial 45' Clearance	All
	PROJECT KALMEX	GO-Biz Lead	Hemp Product Manufacturing	110	TBD	All
	230210A1	Direct Lead	Biotechnology	10	TBD	East Side
	230213A1	Direct Lead	Marketing and Advertising	15	2,000 – 5,000 SF Office	All
MARCH	230310	Direct/Company	Wholesale	10+	50,000 SF Light Industrial	All
	230309	Direct/Company	Electric Vehicle Repair/Delivery	10	15,000 SF	All
	230316A1 - PROJECT 2306	CCVEDC Lead	Lithium-Ion Battery Manufacturing	TBD	50,000 - 200,000 SF	All
	PROJECT EAGLE	GO-Biz Lead	Lithium-Ion Battery Manufacturing	266	TBD	All
	PROJECT 52	GO-Biz Lead	Defense Contractor	TBD	TBD	All

Requests For Information

MONTH	CLIENT NUMBER	SOURCE	INDUSTRY	DETAILS
JANUARY	RFI 230118	Local Partner Lead	Management Consulting	Food processor data management company seeking assistance in establishing client base.
	RFI 230118A1	Real Estate Agent/Broker	Real Estate	Client is seeking assistance on next steps regarding Opportunity Zone property.
	RFI 230110	Local Partner Lead	B2B	Organizing B2B meetings during delegation's visit April 2023.
FEBRUARY	RFI 230222	City Lead	Waste Processing	Client designs and operates Anaerobic Digesters for use in organic waste disposal. Currently seeking feedstock partners and location within Fresno.

Partnership with Department of Social Services

The EDC has been contracted to assist the Fresno County Department of Social Services in marketing the New Employment Opportunities (NEO) program, Ready2Hire, and identify prospective employers to hire from the pool of eligible NEO job seekers.

NEW EMPLOYMENT OPPORTUNITIES (NEO) 2022-2023		To be completed by 9/30/2023
METRIC	Actual	Contract Goal
PARTICIPATING BUSINESSES	86	150
JOB PLACEMENTS	82	200
JOB POSTINGS	736	500
JOB FAIRS	4	4
EMPLOYER TRAINING	5	4

Customized Workforce Trainings

Realizing the current labor demands among our local businesses, the EDC, Department of Social Services and educational partners have worked with industry stakeholders to develop customized trainings to fulfill today’s workforce needs. Utilizing input from various industry practitioners, each training curriculum is developed to create career pathways to meet tomorrow’s industry needs, help businesses grow, and put individuals back to work. Below is a list of customized training programs underway:

Valley Apprenticeship Connections

Pre-Apprenticeship Program. The partnership between Fresno County EDC, the Department of Social Services, and Fresno EOC will provide a 12-week program comprised of classroom and construction-based training.

John Lawson Truck Driving

Class A Truck Driving Class. The 10-week training is a partnership between Fresno County EDC, the Department of Social Services, West Hills Community College, and Lawson Rock and Oil.

Central Valley Training Center

Pre-Apprenticeship Program. The partnership between Fresno County EDC, the City of Selma, and High-Speed Rail Authority will provide a 12-week program comprised of classroom and construction-based training.

Highlights

January 2023

Relyion | All

Since initially meeting at the Valley View presentation, the EDC has continued to work with Relyion, introducing them to potential partners that can help their business succeed. They have expressed interest in locating in Fresno in hopes of growing their company with the contacts Fresno EDC made.

California Government Inauguration | All

EDC President & CEO Lee Ann Eager traveled to Sacramento to attend the inauguration for Governor Gavin Newsom. She also participated in the march to the event. While there she was able to attend the inauguration of Lieutenant Governor Eleni Kounalkis and State Controller Malia M. Cohen. Each event was well attended, and Lee Ann was able to network with many. The Governor delivered his inaugural address, underscoring California's commitment to continue leading the way forward to prosperity and progress for all.



CART Showcase | Fresno & Clovis

EDS Andrea Lee attended the Center for Advanced Research and Technology (CART) showcase and interacted with the student’s presentations. The students did a fantastic job with their projects. It was a great experience to support the next generation of thinkers and leaders.



January Clovis Chamber of Commerce Mixer | City of Clovis

EDS Andrea Lee attended the January Clovis Chamber of Commerce Mixer at The Painted Table and networked with Clovis business owners and professionals.



CTC Transportation Research Board Annual Meeting | All

As California Transportation Commission Chair, President & CEO Lee Ann Eager was invited to attend the Transportation Research Board’s Annual Meeting in Washington DC. She attended sessions that included *The Case for Inland Ports* and *Growing Demand for Warehousing: Why It Is Happening & Effects on Communities & Truck Drivers*.

Clovis Chamber Salute to Business Luncheon | City of Clovis

EDC Staff were delighted to attend the Clovis Chamber of Commerce Salute to Business Luncheon on January 26th. We look forward to working with the Chamber and honored businesses to continue making Fresno County the premier location for business prosperity.



Fresno County Women’s Chamber of Commerce Member Connect | All

EDS Andrea Lee attended the Fresno County Women’s Chamber of Commerce Member Connect. There were multiple female business owners and professionals that she connected with.



February 2023

High Speed Rail 10,000 jobs Press conference | All

Workforce Training Coordinator Danielle Dixon-Oglesby attended the press conference that celebrated the creation of more than 10,000 construction jobs since the start of the high-speed rail construction. Several leaders spoke and emphasized the ability to provide opportunities for those who are from disadvantaged communities and how the jobs are changing those lives in a positive way. Those leaders included Mayor Jerry Dyer, Chuck Riojas, Administrator Amir Bose, California Transportation Secretary Toms Omishakin, and Andrew Meredith. A current worker spoke about how she has worked on the project for 6 years and has enjoyed her experience thus far.



NEO Program | Fresno County

The BEAR team has successfully enrolled four new businesses, including Rise and Shine Services, Brother Collision and Auto Repair, Central California Asthma Collaborative, and Alert-O-Lite Inc., into the NEO program to address their workforce needs. These businesses are currently seeking to hire full-time employees. The NEO program is an exceptional opportunity for businesses to fulfill their hiring needs, as it provides wage subsidy reimbursement for up to one year for each eligible new hire. Additionally, the program assists individuals in the Welfare to Work program to reintegrate into the workforce.

SelectUSA | Fresno County

Fresno EDC is serving as the fiduciary for the Governor's Office of Business and Economic Development for SelectUSA, the premier Foreign Direct Investment conference in the United States, taking place May 1-4, 2023. Business Attraction Specialist Tiffany Louk and Controller Paul Thorn have been closely collaborating with Maria Onorato, Foreign Direct Investment Program Manager at GO-Biz, to gather sponsorships as well as invoice and register an extensive list of participants who will be attending as part of the California Delegation. For more information on the SelectUSA Investment Summit, please visit: <https://www.selectusasummit.us/>



Food Processing Expo | All

Business Attraction Specialist Miguel Ruelas attended the Food Processing Expo in Sacramento on 2/14 and 2/15. The Expo attracts a wide variety of attendees, including CLFP food processor members, non-member food processors, those with ideas for new food products, university personnel and students, food processing industry vendors, suppliers and more. At the expo, Miguel was able to connect with several businesses that Fresno EDC has worked with in the past and / or is currently assisting. Sierra Agra and Tropical Food Machining held a booth and Fresno EDC provided additional assistance to their efforts at the expo. Additionally, new business contacts were made, and follow-up meetings are being scheduled.

SJVMA First Quarterly Members Meeting | All

Director of Special Projects Chris Zeitz and Program Coordinator Mai See Vang attended the San Joaquin Valley Manufacturing Alliance (SJVMA) members meeting. SJVMA is a partner under the Good Jobs Challenge as the backbone of the manufacturing sector. The first quarterly meeting of the year was held on February 15, 2023, at Keiser Corporation, which specializes in the manufacturing of exercise equipment for personal and commercial buyers. Members of SJVMA consist of manufacturing employers, educators, and other organizations in support of the manufacturing industry. At the meeting, Chris and Mai See presented on the Good Jobs Challenge award EDC secured and provided a survey to collect more information on employer hiring needs. They connected with Keiser's HR to learn more about their hiring needs and extended their support to provide information about an existing maintenance mechanic training program to help upskill one of their employees.



World Ag Expo | All

On February 15th-16th, 2023, Business Attraction Specialist Tiffany Louk and Client Services Manager Julian Ramos attended the Tulare World Ag Expo. Tiffany established contact with a business delegation from Northern Ireland that the UK Consul mentioned was in attendance. She will assist the companies with in-region business networking. She also coordinated and led a meeting between a UK FDI Business Ag Tech lead and the City of Fresno Economic Development Team in order to establish contact and connect the company with sites, incentives, and other resources.

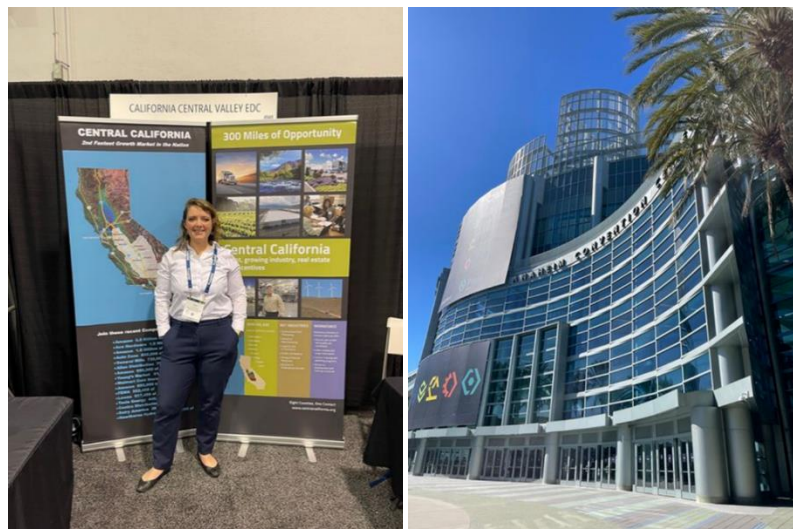
UK Deputy Consul General Meeting | All

Fresno EDC President and CEO Lee Ann Eager was thrilled to host United Kingdom Deputy Consul General Tammy Sandhu MBE, UK Head of Politics, Press and Public Affairs Chris Cambises, and UK Economic and Trade Policy Liz Venn alongside Fresno County Supervisor Steve Brandau, Fresno Mayor Jerry Dyer, Clovis Mayor Pro Tem Vong Mouanoutoua, Clovis Assistant City Manager Andy Haussler and CSU Fresno VP of Student Affairs Dr. Kent L. Willis. All parties were enthusiastic to discuss areas of collaboration, including economic exchange, business development, and academic exchange. We look forward to continuing this collaboration to make Fresno the premier global location for business prosperity!



Westpack and Medical Design and Manufacturing Conference | Fresno County, City of Clovis

Tiffany Louk and Julian Ramos represented the California Central Valley Economic Development Corporation at the WestPack Tradeshow in Anaheim Feb 7th-9th. Tiffany also networked with medical device wholesale and manufacturing companies at the adjacent Medical Design and Manufacturing Conference. She cross-referenced the list of attendees with EDC’s Clovis Healthcare Analysis and initiated conversations and presented tailored marketing packets to matching company representatives.



“Go Golden” Initiative Awardee Press Conference | All

On February 24, 2023, EDC Chief Operating Officer Sherry Neil and Client Services Manager Julian Ramos attended California Department of Water Resources press conference in which it was announced that \$15 million has been awarded to eight local water resilience projects, including the City of Parlier. The EDC would like to thank California Natural Resources Secretary Wade Crowfoot and congratulate Kings Basin Water Authority Chair Mayor Mary Fast of Reedley, City of Parlier Mayor Alma Beltran, and other awardees for their outstanding efforts in water conservation and sustainability.

Tour of Caltrans and PG&E Training Centers | All

EDC President & CEO Lee Ann Eager and COO Sherry Neil traveled to the Bay Area to tour the Caltrans Training Center in Oakland, as well as the PG&E Training Center in Livermore. These tours were not only a chance to learn more about the individual training programs offered at each center, but also to explore opportunities for the EDC to partner with them in the future.



Workshops / Webinars Attended

- **Roadmap to Building Registered Apprenticeship Programs**
 - Hosted by Foundation for California Community Colleges attended by Good Jobs Team
- **Inflation Reduction Act Briefing**
 - Hosted by Accelerator for America attended by Special Projects Team

March 2023

World Agri-Tech Summit | All

From recruiting innovative businesses and technologies to our region, to collaborating with representatives of the F3 initiative, to attracting domestic and foreign investment to Fresno County, Tiffany Louk has had an exciting (and busy) time at the World Agri-Tech Innovation Summit in San Francisco! As Business Attraction Specialist and FDI lead, she is proud to represent Fresno EDC, forging connections for Fresno County at this cutting-edge conference.



2023 Mayor’s Leadership Round Table | City of Clovis

Will Oliver, the Vice President of Business Services, participated in the 2023 Mayor's Leadership Roundtable hosted by Mayor Lynne Ashbeck in Clovis. The main objective of the workshop was to discuss trends affecting the local community and generate innovative ideas to be included in Clovis' strategic plan. The community leaders engaged in a dynamic conversation that focused on preserving the city's quality of life, maintaining educational excellence, and managing growth in a sustainable manner. Various challenges related to workforce and business were brought up, including the need to protect Old Town, attract small businesses, and develop a skilled workforce capable of meeting the needs of various industries. The EDC emphasized the lack of industrial land availability, which hinders Clovis' ability to showcase itself to exciting companies with advanced technologies, sustainable practices, and higher-paying jobs. The EDC also highlighted the Good Jobs Challenge program, which provides job seekers with short-term training, support services, and pre-apprenticeship opportunities, to bridge the gap between job seekers and employers.

A dark blue invitation graphic with white and red text. At the top, it says "YOU ARE INVITED:" in white. Below that, "MAYOR'S LEADERSHIP ROUND TABLE" is written in large white letters. "2023" is written in white below the title. On the left is the City of Clovis logo, which features a circular emblem with a rider on a horse and the text "CITY OF CLOVIS CALIFORNIA 1912". On the right, there is a red calendar icon, the date "MARCH 24, 2023" in red, and the time "7:00 AM - 8:30 AM" in white. Below the time, the location "Classic Catering at 625 4th St. Clovis, CA 93612" is listed in white. At the bottom, a paragraph of text in white reads: "Mayor Lynne Ashbeck requests your participation at a strategic planning workshop with other community leaders. Please come prepared with three trends impacting your sector which will be important for the City of Clovis to understand as we look ahead and plan for the future."

Central Valley Career Fair | Clovis

Andrea Lee, Economic Development Specialist, attended the Central Valley Career Fair to promote the New Employment Opportunities program to employers. She interacted with over 20 employers, with over a dozen expressing interest in the program.

Leveraging Federal Infrastructure Funding via the Catalyze Registry | All

On March 12, 2023, Fresno EDC Director of Special Projects Chris Zeitz presented on an invite-only webinar to approximately 20 major foundations interested in supporting workforce and economic development projects highlighted by the Federal Government for maximum impact. The Fresno area's Good Jobs Challenge was one of two projects discussed in the webinar, which was organized by America Achieves and included two advisors to the White House as well. The EDC Good Jobs Team has met with one foundation that was in attendance already to discuss service gaps in the Good Jobs project that result from federal regulations and how philanthropy can step in to address those gaps.

Fresno DRIVE - REDF Meeting | All

On March 15, 2023, Fresno EDC Director of Special Projects Chris Zeitz attended a meeting held by Fresno DRIVE and Every Neighborhood Partnership to be introduced to REDF's (The Roberts Enterprise Development Fund) regional team in the valley. REDF supports social enterprises, organizations that are run as a business but provide community benefits. REDF is interested in supporting the organizational and business development of more social enterprises in the region and this meeting was a first introduction to organizations that could facilitate these connections.

Valley Apprenticeship Connections Graduation | Fresno County

On Friday, March 24, 2023, Danielle Dixon-Oglesby and Mai See Vang were present at the VAC graduation ceremony, which took place at the new EOC building located at 1371 Stanislaus Street. A total of 23 graduates were honored during the event. The atmosphere was uplifting as VAC staff motivated the students to embrace their future journeys and utilize the skills they acquired. Several students delivered heartfelt speeches, sharing their personal experiences and expressing gratitude to VAC for positively transforming their lives. Notably, one student, who was learning English, tearfully expressed appreciation to her fellow cohort members for their acceptance and support despite her limited English proficiency. She credited the class for boosting her self-confidence and instilling excitement for her future prospects. The EDC will be assisting the graduating students with retention services for a year post graduation.



California Partnership for the San Joaquin Valley Quarterly Meeting | All

On March 10, 2023, Fresno EDC President & CEO Lee Ann Eager and the EDC's Good Jobs Team presented the Good Jobs project, a four-county workforce development grant from the US Economic Development Administration, to the quarterly meeting of the California Partnership for the San Joaquin Valley Board (CPSJV). During the meeting, the Good Jobs Team reviewed the current status of the program and described how regional approaches to workforce and economic development were producing results in the Central San Joaquin Valley area. CPSJV invited the team to continue attending quarterly meetings to provide ongoing updates.

H2B2 | All

Fresno EDC assisted H2B2 submit a Cal Competes application for \$500,000 towards their hydrogen production facility located just outside of Kerman. This is not the first time that the company has applied for tax credits, and it demonstrates their ongoing commitment to maximizing their financial benefits. Overall, the submission of this tax credit application highlights H2B2's focus on financial optimization and their willingness to take advantage of available tax benefits.

Workshops / Webinars Attended

- **Advancing Equitable Outcomes: A Roadmap for Investors** hosted by the NY Fed Community Development Team attended by Ross Williams
- **CAL OPR Training Series: Maximizing Federal Funds** hosted by California Governor's Office of Planning and Research attended by Chris Zeitz
- **CAL OPR Training Series: American Rescue Plan Compliance Supplement Addendum** hosted by California Governor's Office of Planning and Research attended by Chris Zeitz

FY 22-23 Overview of Work Product	Deliverables	FY 2022 – 2023 Target Outcomes	Q3 2023
<p>Economic Development Corporation Serving Fresno County</p> <p>Contract: \$40,000</p> <p>Comparative Healthcare Analysis Phase 3: \$10,000</p> <ul style="list-style-type: none"> - Marketing & Recruitment Plan - Healthcare Company Engagement <p>Staff:</p> <p>President & CEO Lee Ann Eager</p> <p>Chief Operating Officer Sherry Neil</p> <p>Vice President of Business Services Will Oliver</p>	<p>Business Retention: Staff will continue to analyze Clovis businesses impacted by COVID-19 and incorporate into the Top 50 Analysis. Targeted businesses will be contacted by a variety of methods to educate Clovis businesses on available retention resources, such as utility rate reductions, rehiring incentives and low-cost emergency relief funding.</p> <ul style="list-style-type: none"> • Conduct Analysis to determine Top 50 companies in Clovis that should be focused on for retention and expansion. <p>New Business Recruitment: Facilitate information and conduct tours for company representatives not currently located in Clovis for the purpose of recruiting new businesses to the City of Clovis. Assist the City of Clovis in promoting future industrial areas and existing industrial sites to new clients.</p> <ul style="list-style-type: none"> • Coordinate virtual and in-person site tours for the purpose of business attraction and expansion. • Create and update marketing materials. • Support in-person or virtual commercial and industrial broker events for the City of Clovis. 	<p>Top 50 targeted business analysis for expansion/retention</p>	<p>Complete</p>
		<p>Respond to all City of Clovis business inquires and connect them to appropriate resources</p>	<p>53 Businesses contacted and 27 Referrals provided YTD in 2023.</p>
		<p>Comparative Healthcare Analysis (HCA) Enhancement & Recruitment Plan</p>	<p>Completed</p>
		<p>2 Broker Events</p>	<p>No Broker Events held YTD</p>
		<p>40 new business leads</p>	<p>41 New Business Leads in FY23 YTD.</p>
		<p>20 targeted healthcare company engagements from HCA</p>	<p>Completed</p>
		<p>Economic Profile Update</p>	<p>Completed</p>

	<ul style="list-style-type: none">• Communicate leads status during monthly EDC - City of Clovis meeting. <p>Comparative Healthcare Analysis:</p> <ul style="list-style-type: none">• EDC has completed a Comparative Healthcare Analysis (CHA) and draft marketing collateral to conduct proactive company engagement. 20 unique businesses have been identified for direct engagement between the City and EDC. Engagements in FY22-23 shall include preparation of detailed marketing materials based on the CHA analysis including City demographics, labor data, available Clovis real estate, anchor assets, clovis4business.com website promotion and other pertinent data and information as approved by the City of Clovis. EDC staff shall work in coordination with the City of Clovis on delivery of materials, company contacts and planning and logistics for subsequent site visits.		
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ATTACHMENT 1



CITY *of* CLOVIS

REPORT TO THE CITY COUNCIL

TO: Mayor and City Council

FROM: Administration

DATE: June 5, 2023

SUBJECT: Administration - Receive and File – Business Organization of Old Town (BOOT) Third Quarter Report, January through March 2023.

ATTACHMENTS: 1. Business Organization of Old Town (BOOT) Third Quarter Report, January through March 2023.

CONFLICT OF INTEREST

Councilmembers should consider recusal if a campaign contribution exceeding \$250 has been received from the project proponent (developer, applicant, agent, and/or participants) since January 1, 2023 (Government Code 84308).

RECOMMENDATION

That the City Council receive and file the BOOT Third Quarter Report, January through March 2023.

EXECUTIVE SUMMARY

According to the 2022–2023 agreement between the City of Clovis and the Business Organization of Old Town, BOOT is to submit quarterly reports to the City Manager and City Council. The amount to be funded is \$15,000.

BACKGROUND

According to the 2022-2023 agreement between the City of Clovis and the Business Organization of Old Town, BOOT is to submit quarterly reports to the City Manager and City Council detailing progress of BOOT's promotional and marketing activity. Attached, as Attachment 1, is the Third Quarter Report covering January through March 2023 activities. The amount to be funded is \$15,000.

FISCAL IMPACT

The amount to be funded is \$15,000, which is called out in the 2022-2023 Budget.

REASON FOR RECOMMENDATION

The attached report meets the requirement established in the 2022-2023 agreement between the City of Clovis and the Business Organization of Old Town.

ACTIONS FOLLOWING APPROVAL

Staff will process payment to BOOT.

Prepared by: Shawn Miller, Business Development Manager

Reviewed by: City Manager *AM*

Boot Quarterly Report: Quarter 3 January 1 – March 31, 2023

In accordance with the Agreement between City of Clovis/community & Economic Development Department and the Business Organization of Old Town Clovis for the fiscal year 2022-2023, the following items have been accomplished to date.

Goal #1:

Maintain a viable organization with membership reflective of the diversity of Old Town Clovis.

Objective:

- To maintain current level of membership and seek new members each year.
- To unite the merchants of Old Town as a group of businesses working together for the betterment of the whole downtown district.

Strategy:

- Provide information on the website about B.O.O.T., B.O.O.T. membership, benefits of membership and application forms year-round.
- Personal visits to businesses in the PBIA to recruit and retain memberships.
- Contact with businesses outside the PBIA to recruit and retain Associate Memberships, AKA "Friends of B.O.O.T."
- Allow members to pay dues in full or on a payment plan based on their finances.
- Created a membership benefit package to attract both regular and associate members as well as soliciting new members.
- Design benefits that will be exclusive to B.O.O.T. membership.
- Provide information to merchants of Old Town regarding activities conducted in and around Old Town through the BOOT social media accounts & email blasts.
- Communicate information to merchants on activities at the monthly B.O.O.T. membership meetings, our exclusive Facebook member page and through weekly E-Blasts. Post events for all organizations in Clovis on B.O.O.T. Website and ensure that if someone searches for an event, B.O.O.T.'s website is in the top results.
- Plan and post meeting notices via email for monthly B.O.O.T. membership meetings.
- Advertise frequently to promote Old Town Clovis on behalf of all merchants.
- Enhance existing programs to draw more people to Old Town Clovis.

Results:

- A membership and organization characteristic of Old Town Clovis.
- Created a member only page on Facebook in August 2021 and created a weekly member e-blasts in July 2022 to keep the merchants involved and active in our events. We have over 12k subscribers in our e-blast database.
- Members are sought throughout the year and new businesses are invited to join.

- Members meet at American Legion on the 4th Wednesday of each month. We continue to offer zoom as an alternative to attending in person so the member can still be involved and interactive during the meeting.
- Board of Directors meet monthly at Noon, on the 3rd Wednesday of each month to discuss issues pertinent to the organization, i.e. past and future events, review finances and other pertinent information to the organization.
- Board members represent our diverse merchant groups: office professional, property owners, restaurants, bars, antique, gift, and specialty stores. The 2023 Board of Directors is as follows:

- *Cora Shipley, Director at Large (through 2024)
- * Mark Smith, Director at Large (through 2023)
- * Tom Frost, Director at Large (through 2023)
- * Dave Shivers, Director at Large (through 2024)
- * Julie Glenn, Director at Large (through 2023)
- * Jennifer Green, Director at Large (through 2024)
- * Ronnie Silva, Director a Large (through 2024)

* The Marketing/Events Committee continue to improve existing events, create new events and activities specifically designed to bring customers directly into the businesses.

Goal #2

Maintain Old Town Clovis' promotional activities

Objective:

- Successfully manage, promote, and operate events in Old Town Clovis, as well as create new events on an ongoing basis that attract visitors to Old Town Clovis. We strategized, planned, and executed our 2023 season during January and February. As well as retaining 99% of our B.O.O.T. membership for 2023. We partnered up with the City of Clovis in a very successful promotion using our Old Town Clovis Restaurant Bucks. We kicked off our first event of the season which was our Craft Beer Crawl on March 19th. We had a record-breaking merchant participation as well as the breweries that attended as well. The next weekend we had our Vintage Market and Antique Show that included 100 vendors and thousands of attendees in attendance. From what I heard from vendors and merchants that it was the biggest turnout we have had in years. We terminated the Old Town Clovis Gift Card but replaced the program with Old Town Clovis Bucks'. It has been a huge hit with the B.O.O.T. members, participants, and recipients of the bucks.
- To provide a quality event giving people a reason to visit the downtown district.
- To develop marketing strategies to keep Old Town competitive with malls and other shopping areas.
- To attract customers and visitors, both old and new to the downtown district.
- To present Old Town Clovis as an attractive, appealing, friendly and inviting business community.

Strategy:

- Develop, operate, promote, maintain, and pay for events that bring people to Old Town Clovis.

- Establish and maintain events that highlight Old Town Clovis locally, nationally, and internationally.
- Meet all requirements set by City, State and other agencies for activities, events, and attractions.
- Develop new events and activities to help bring visitors to Old Town Clovis while maintaining a safe and inviting atmosphere.
- Create and pay for multi-media advertising campaigns for general advertising such as generic "Shop Local in Old Town Clovis."
- Continue to evolve events so they continue to attract new people.

Results

- This quarters events included the Year-Round Saturday Morning Farmers Market, Membership Drive, Craft Beer Crawl, Vintage Market and Antique Show and Old Town Clovis Bucks.

- **Goal #3**

Maintain marketing strategies, including safety and appearance and advertising techniques to position the Image of Clovis through Old Town Clovis' unique character.

Objective:

- Create a broad awareness of Old Town Clovis.
- Establish Old Town Clovis as an immediate, intermediate and end destination.
- Retain the established customer base.
- Reach out to Central California so that more people become aware of what Clovis offers.
- Work with City Officials to maintain a safe, crime free area where people feel safe and like bringing their families to Old Town Clovis.

Strategy:

- Secure multi-media advertising campaigns to promote Old Town Clovis along with event generated promotions
- Submit calendar of events to community and online calendars
- Use Website, Instagram, Pinterest, Facebook to promote Old Town Clovis in general, as well as merchant businesses and specific events.
- Ongoing outreach to businesses outside of the PBIA to relocate to Old Town Clovis.
- Work with City of Clovis Police Department to create a safe atmosphere in Old Town Clovis.
- Work with City of Clovis staff to create a clean, well-maintained streetscape in Old Town Clovis.

Results:

- We continue to work with traditional TV opportunities with "stories" that were carried by local TV and Radio social media and Print. We partnered up with 105.5 The Legend along with 4 other B.O.O.T. merchants and produced a TV ad that is still currently running on KSEE 24. Our commercial aired during the Grammy's.
- Facilitated wide exposure for Old Town Clovis, it's events, character, and appeal
- The Clovis Appliance/General Electric Skycam with ABC/30 Action News reaches approximately 684,700 people every week and approximately 400,000 monthly unique visitors online at abc30.com. Old Town Clovis is mentioned a minimum of 3 to 4 times per day on the news program during weather reports.
- Stimulated customer and visitor traffic in Old Town Clovis, as evidence as we have seen an increased number of customers in town and attendees for all our events.
- Been promoting individual B.O.O.T. Member businesses, created event pages on Facebook & Instagram for upcoming events in Old Town, thereby giving excellent exposure since August 2021.
- Communicate information to sources essential for tourism opportunities, capturing disposable money from customers who have an option to spend it elsewhere.
- Completed a complete web-site overhaul in March 2021 with new members page, event information, and Old Town Clovis resources.

Goal #4:**Provide information on activities to the Tourism Advisory Committee**Strategy:

- Participate as an active member of the Tourism Advisory Committee -
- Supply the Clovis Visitors Center with information regarding events, activities and leads for tour groups.
- Provide event information for visitclovis.com
- Actively promote Old Town Clovis and Member Businesses on Facebook, Instagram, Pinterest and B.O.O.T.'s website.

Results:

- Ensured Old Town Clovis is recognized as a tourism destination.
- Businesses in Old Town showcased Old Town as a friendly and inviting throughout the spring and summer months.
- B.O.O.T. works directly with the Visitors Center to be sure they have current event information, including Event Cards with all street events listed

Goal #5:

Obtain and maintain Workers Compensation, State Disability and Directors and Officers Policy as well as any other insurance coverage as required by law.

Objective:

- Qualify for Workers Compensation, State Disability coverage, General Liability, and all required Insurances.

Strategy:

- To meet all requirements of renewal; indemnify, hold harmless and defend the City of Clovis, Community and Economic Development Department, its officers, agents or employees.
- Completed and submit for renewal the State Fund Compensation Insurance Fund policy information update to Valley Regional Insurance Services, Agent Ron Petersen.

Results:

- Obtained General Liability Policy coverage period April 21, 2022 to April 21, 2023.
- State Fund Compensation Policy renewed for period April 1, 2022 to March 31, 2023.
- Directors and Officers Policy will renew for period August 4, 2022 to August 4, 2023.
- Certificates of Insurance with Endorsements provided to the City of Clovis.

Goal #6:**Annual Compliance Audit****Objective**

- To successfully complete a compliance audit conducted by an independent auditor - We will be providing a quarterly P&L statement and an annual complete P&L report prepared by Krikorian & Company, 1715 N. Fine Avenue, Fresno, CA 93727.

Strategy:

- Efficiently maintain and preserve all records needed to demonstrate full compliance.

Results:**Financial Status:**

- Waiting on Q4 2022 financial report that is currently being prepared by CPA Firm Krikorian & Co.

Summary:

Old Town Clovis plays a significant role in creating a favorable image for the City of Clovis. Growth within Old Town Clovis is one of the more important priorities to ensure the future and well-being of Clovis' Redevelopment Project Area. In order to continue the economic vitality of the central trading district, considerable time and effort has been invested in an effort to encourage new businesses to locate and expand in Old Town Clovis. Old Town Clovis has seen many new businesses come into the area in the past few years and many more that are looking for space.

Updates to the PBIA:

- The Business Organization of Old Town represents many business and property owners and operators, within the central business district, who will be affected directly or indirectly by future business promotion efforts and seeks to strengthen the promotion of Old Town Clovis thereby assuring its continued influence on economic growth in both Old Town Clovis and the City as a whole.
- Garbage and recycling needs must be addressed as more people in Old Town equals more garbage and recycling. Inadequate garbage/recycling cans are having an impact on Old Town.
- There are always changes taking place in Old Town Clovis. The following details most of these changes:
 - **New Businesses within Old Town Clovis:**
I am Boudoir
 - **Business Closures within the PBIA:**
Dolls & More
- **Properties that remain vacant:**
 - 339 Pollasky Avenue, the former Quilters Paradise is sitting still – no activity.
 - 305 Pollasky Avenue, the former Shute Optometry (he will be renting it out as an office space)

**Business Organization of Old Town
Profit & Loss
January 2023**

	Jan 23
Ordinary Income/Expense	
Income	
Vendor Fees	1,500.00
Merchant Fee	850.00
Farmer's Market	369.00
FM Annual Membership	150.00
Membership	12,855.00
Total Income	15,524.00
Gross Profit	15,524.00
Expense	
Advertising & Marketing	4,980.50
Bank Fees	5.00
Business License & Taxes	473.80
Dues & Subscriptions	533.88
Equipment Rentals	91.78
Fee Refunds	925.00
Health Insurance	405.87
Legal & Professional Fees	800.00
Meals	253.61
Merchant Fees	140.97
Office Supplies	74.99
Payroll Fees	163.00
Promotional	500.00
Rent	950.00
Salaries & Wages	9,251.27
Supplies	158.57
Taxes - Payroll	1,096.30
Telephone	100.00
Utilities	342.05
Website Maintenance	490.25
Total Expense	21,738.84
Net Ordinary Income	-6,212.84
Other Income/Expense	
Other Income	
Other Income	2,186.62
Total Other Income	2,186.62
Net Other Income	2,186.62
Net Income	-4,026.22

No assurance is provided on these financial statements.



CITY *of* CLOVIS

REPORT TO THE CITY COUNCIL

TO: Mayor and City Council

FROM: Administration

DATE: June 5, 2023

SUBJECT: Administration - Approval – Authorize the City Manager to enter into an agreement with Pro Ag Management, Inc. on the lease of 1625 Shaw Ave., Suite 101, for \$116,000 per year.

ATTACHMENTS: 1. Draft Lease Agreement

CONFLICT OF INTEREST

Councilmembers should consider recusal if a campaign contribution exceeding \$250 has been received from the project proponent (developer, applicant, agent, and/or participants) since January 1, 2023 (Government Code 84308).

RECOMMENDATION

For the City Council to authorize the City Manager to enter into an agreement with Pro Ag Management, Inc. on the lease of 1625 Shaw Ave., Suite 101.

EXECUTIVE SUMMARY

The Information Technology (IT) Division has been working out of a modular building for the last 22 years. The building was initially acquired on a lease as it was meant to be a temporary home for IT staff. At that time, staff found that it was more cost effective to purchase the modular building instead of renewing the lease and it became permanent location for IT. The building is now showing signs of its age.

There have been multiple roof leaks, water damage and other issues. Rather than continuing to invest in the modular building, staff began researching for other locations to temporarily place the IT Division until a plan for a more suitable space somewhere here on the City Hall campus area can be developed. The proposed office location at 1625 Shaw Avenue, Suite 101, meets the City's needs. The initial lease is for two years with three optional one-year renewals. Staff is recommending that Council authorize the City Manager to enter in the lease agreement for this office space.

BACKGROUND

The Information Technology Division has been working out of temporary locations for the last 26.5 years. Initially, IT staff worked out of a house on Russel Avenue, which was demolished for the Public Safety Headquarters building. At the time, and since this was meant to be a temporary fix, the decision was made to lease a used-modular building (current Building H) and place it on jacks to limit construction activity and not affect the parking lots asphalt and planter box areas. After the term on the lease completed, the city purchased the unit, as staff found that purchasing it would cost less than what the vendor was asking for on the lease renewal. Unfortunately, the facility is now showing signs of age. There have been multiple roof leaks, mildew/water damage, and other issues.

Rather than continuing to invest in temporary fixes to the modular building, staff has been looking at other locations to temporarily place the IT Division. The proposed office location at 1625 Shaw Avenue, Suite 101, meets the City's needs. The initial lease agreement is for two years with three optional one-year renewals. That should provide sufficient time to develop a plan for a more suitable and permanent space for the IT Division here on the City Hall campus area. Staff is recommending that Council authorize the City Manager to enter in the lease agreement for the office space at 1625 Shaw Ave., Suite 101.

FISCAL IMPACT

The cost for leasing the office space is \$150,000 per year for two years including common area charges starting on July 1, 2023. It is included in the Information Technology Division's proposed FY23-24 budget.

REASON FOR RECOMMENDATION

The cost for maintaining the current facility is increasing and there have been multiple problems like water leaks and other issues. Additionally, once the staffing vacancies are filled, the cubicles and office spaces will be at capacity. The new leased building will provide the City an interim office space for the IT Division until a more permanent facility becomes available on or near the City Hall campus area.

ACTIONS FOLLOWING APPROVAL

The lease agreement with Pro Ag Management, Inc. will be executed and staff will begin moving on or after July 1, 2023.

Prepared by: Andrew Haussler, Assistant City Manager

Reviewed by: City Manager *AH*

SUBLEASE FOR A SINGLE SUBLESSEE

To be used if the entire space (Premises) will be subleased by a single sublessee whether or not the space (Premises) is a single tenant building or is located in a multi-tenant building.

If there will be one or more sublessees sharing the space with each other and/or the lessee, whether or not the space (Premises) is a single tenant building or is located in a multi-tenant building, use the Sublease for Multiple Tenants.

1. Basic Provisions ("Basic Provisions").

1.1 **Parties:** This Sublease ("Sublease"), dated for reference purposes only May 15, 2023, is made by and between Pro Ag Management, Inc., an Illinois Corporation ("Sublessor") and City of Clovis, a California Municipal Corporation ("Sublessee"), (collectively the "Parties", or individually a "Party").

1.2 **Premises:** That certain real property, including all improvements therein, and commonly known as (street address, city, state, zip) 1625 Shaw Avenue, Suite 101, Clovis, CA 93612 located in the County of Fresno, State of California and generally described as (describe briefly the nature of the property) _____ ("Premises").

1.3 **Term:** -- years and 23 months commencing July 1, 2023 ("Commencement Date") and ending May 31, 2025 ("Expiration Date").

1.4 **Early Possession:** If the Premises are available Sublessee may have non-exclusive possession of the Premises commencing upon lease execution ("Early Possession Date").

1.5 **Base Rent:** \$9,648.00 per month ("Base Rent"), payable on the 1st day of each month commencing July 1, 2023.

If this box is checked, there are provisions in this Sublease for the Base Rent to be adjusted.

1.6 Base Rent and Other Monies Paid Upon Execution:

(a) **Base Rent:** \$9,648.00 for the period July 1-31, 2023.

(b) **Security Deposit:** \$9,953.00 ("Security Deposit").

(c) **Association Fees:** _____ for the period _____.

(d) **Other:** \$2,691.34 for Triple Net estimates (5078 SF x \$0.53 psf per month).

(e) **Total Due Upon Execution of this Sublease:** \$22,292.34.

1.7 **Agreed Use:** The Premises shall be used and occupied only for professional office and related uses and for no other purposes.

1.8 Real Estate Brokers.

(a) **Representation:** Each Party acknowledges receiving a Disclosure Regarding Real Estate Agency Relationship, confirms and consents to the following agency relationships in this Sublease with the following real estate brokers ("Broker(s)") and/or their agents ("Agent(s)"): Sublessor's Brokerage Firm Savills and Colliers Tingey International, Inc License No. Colliers: 00452468 is the broker of (check one): the Sublessor; or both the Sublessee and Sublessor (dual agent).

Sublessor's Agent Mike Catalano/Bobby Fena, SIOR License No. BF: 00590204 is (check one): the Sublessor's Agent (salesperson or broker associate); or both the Sublessee's Agent and the Sublessor's Agent (dual agent).

Sublessee's Brokerage Firm Colliers Tingey International, Inc. License No. 00452468 is the broker of (check one): the Sublessee; or both the Sublessee and Sublessor (dual agent).

Sublessee's Agent Bobby Fena, SIOR License No. 00590204 is (check one): the Sublessee's Agent (salesperson or broker associate); or both the Sublessee's Agent and the Sublessor's Agent (dual agent).

(b) **Payment to Brokers:** Upon execution and delivery of this Sublease by both Parties, Sublessor shall pay to the Brokers the brokerage fee agreed to in a separate written agreement (or if there is no such agreement, the sum of per separate agreement or -- % of the total Base Rent) for the brokerage services rendered by the Brokers.

1.9 **Guarantor.** The obligations of the Sublessee under this Sublease shall be guaranteed by N/A ("Guarantor").

1.10 **Attachments.** Attached hereto are the following, all of which constitute a part of this Sublease:

an Addendum consisting of Paragraphs 14 through 17;

a plot plan depicting the Premises; **(Exhibit "A")**

a Work Letter;

a copy of the Master Lease and any and all amendments to such lease (collectively the "Master Lease");

other (specify): Exhibit C - Rules and Regulations.

2. Premises.

2.1 **Letting.** Sublessor hereby subleases to Sublessee, and Sublessee hereby subleases from Sublessor, the Premises, for the term, at the rental, and upon all of the terms, covenants and conditions set forth in this Sublease. While the approximate square footage of the Premises may have been used in the marketing of the Premises for purposes of comparison, the Base Rent stated herein is NOT tied to square footage and is not subject to adjustment should the actual size be determined to be different. **Note: Sublessee is advised to verify the actual size prior to executing this Sublease.**

2.2 **Condition.** Sublessor shall deliver the Premises to Sublessee broom clean and free of debris on the Commencement Date or the Early Possession Date, whichever first occurs ("Start Date"), and warrants that the existing electrical, plumbing, fire sprinkler, lighting, heating, ventilating and air conditioning systems ("HVAC"), and any items which the Sublessor is obligated to construct pursuant to the Work Letter attached hereto, if any, other than those constructed by Sublessee, shall be in good operating condition on said date. If a non-compliance with such warranty exists as of the Start Date, or if one of such systems or elements should malfunction or fail within the appropriate warranty period, Sublessor shall, as Sublessor's sole obligation with respect to such matter, except as otherwise provided in this Sublease, promptly after receipt of written notice from Sublessee setting forth with specificity the nature and extent of such non-compliance, malfunction or failure, rectify same at Sublessor's expense. The warranty periods shall be as follows: (i) 6 months as to the HVAC systems, and (ii) 30 days as to the remaining systems and other elements. If Sublessee does not give Sublessor the required notice within the appropriate warranty period, correction of any such non-compliance, malfunction or failure shall be the obligation of Sublessee at Sublessee's sole cost and expense.

2.3 **Compliance.** Sublessor warrants that any improvements, alterations or utility installations made or installed by or on behalf of Sublessor to or on the Premises comply with all applicable covenants or restrictions of record and applicable building codes, regulations and ordinances ("Applicable Requirements") in effect on the date that they were made or installed. Sublessor makes no warranty as to the use to which Sublessee will put the Premises or to modifications which may be required by the Americans with Disabilities Act or any similar laws as a result of Sublessee's use. **NOTE: Sublessee is responsible for determining whether or not the zoning and other Applicable Requirements are appropriate for Sublessee's intended use, and acknowledges that past uses of the Premises may no longer be allowed.** If the Premises do not comply with said warranty, Sublessor shall, except as otherwise provided, promptly after receipt of written notice from Sublessee setting forth with specificity the nature and extent of such non-compliance, rectify the same.

2.4 **Acknowledgements.** Sublessee acknowledges that: (a) it has been given an opportunity to inspect and measure the Premises, (b) it has been advised by Sublessor and/or Brokers to satisfy itself with respect to the size and condition of the Premises (including but not limited to the electrical, HVAC and fire sprinkler systems, security, environmental aspects, and compliance with Applicable Requirements and the Americans with Disabilities Act), and their suitability for Sublessee's

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intended use, (c) Sublessee has made such investigation as it deems necessary with reference to such matters and assumes all responsibility relate to its occupancy of the Premises, (d) it is not relying on any representation as to the size of the Premises made by Brokers or Sublessor, (e) the square footage of the Premises was not material to Sublessee's decision to sublease the Premises and pay the Rent stated herein, and (f) neither Sublessor, Sublessor's agents, nor Brokers have made any oral or written representations or warranties with respect to said matters other than as set forth in this Sublease. In addition, Sublessor acknowledges that: (i) Brokers have made no representations, promises or warranties concerning Sublessee's ability to honor the Sublease or suitability to occupy the Premises, and (ii) it is Sublessor's sole responsibility to investigate the financial capability and/or suitability of all proposed tenants.

2.5 **Americans with Disabilities Act.** In the event that as a result of Sublessee's use, or intended use, of the Premises the Americans with Disabilities Act or any similar law requires modifications or the construction or installation of improvements in or to the Premises, Building, Project and/or Common Areas, the Parties agree that such modifications, construction or improvements shall be made at: Sublessor's expense Sublessee's expense.

3. Possession.

3.1 **Early Possession.** Any provision herein granting Sublessee Early Possession of the Premises is subject to and conditioned upon the Premises being available for such possession prior to the Commencement Date. Any grant of Early Possession only conveys a non-exclusive right to occupy the Premises. If Sublessee totally or partially occupies the Premises prior to the Commencement Date, the obligation to pay Base Rent shall be abated for the period of such Early Possession. All other terms of this Sublease (including but not limited to the obligations to pay Sublessee's Share of Common Area Operating Expenses, Real Property Taxes and insurance premiums and to maintain the Premises) shall, however, be in effect during such period. Any such Early Possession shall not affect the Expiration Date.

3.2 **Delay in Commencement.** Sublessor agrees to use its best commercially reasonable efforts to deliver possession of the Premises by the Commencement Date. If, despite said efforts, Sublessor is unable to deliver possession as agreed, the rights and obligations of Sublessor and Sublessee shall be as set forth in Paragraph 3.3 of the Master Lease (as modified by Paragraph 6.3 of this Sublease).

3.3 **Sublessee Compliance.** Sublessor shall not be required to tender possession of the Premises to Sublessee until Sublessee complies with its obligation to provide evidence of insurance. Pending delivery of such evidence, Sublessee shall be required to perform all of its obligations under this Sublease from and after the Start Date, including the payment of Rent, notwithstanding Sublessor's election to withhold possession pending receipt of such evidence of insurance. Further, if Sublessee is required to perform any other conditions prior to or concurrent with the Start Date, the Start Date shall occur but Sublessor may elect to withhold possession until such conditions are satisfied.

4. Rent and Other Charges.

4.1 **Rent Defined.** All monetary obligations of Sublessee to Sublessor under the terms of this Sublease (except for the Security Deposit) are deemed to be rent ("Rent"). Rent shall be payable in lawful money of the United States to Sublessor at the address stated herein or to such other persons or at such other places as Sublessor may designate in writing.

4.2 **Utilities.** Sublessee shall pay for all water, gas, heat, light, power, telephone, trash disposal and other utilities and services supplied to the Premises, together with any taxes thereon.

5. **Security Deposit.** The rights and obligations of Sublessor and Sublessee as to said Security Deposit shall be as set forth in Paragraph 5 of the Master Lease (as modified by Paragraph 6.3 of this Sublease).

6. Master Lease.

6.1 Sublessor is the lessee of the Premises by virtue of the "Master Lease", wherein Jamison Family Community Property Trust established by the Jamison Family Trust dated March 17, 2013, William O. Jamison and Cinda L. Jamison, husband and wife, as community property and Elizabeth Anne Cardoza, a married woman as her sole and separate property. is the lessor, hereinafter the "Master Lessor".

6.2 This Sublease is and shall be at all times subject and subordinate to the Master Lease.

6.3 The terms, conditions and respective obligations of Sublessor and Sublessee to each other under this Sublease shall be the terms and conditions of the Master Lease except for those provisions of the Master Lease which are directly contradicted by this Sublease in which event the terms of this Sublease document shall control over the Master Lease. Therefore, for the purposes of this Sublease, wherever in the Master Lease the word "Lessor" is used it shall be deemed to mean the Sublessor herein and wherever in the Master Lease the word "Lessee" is used it shall be deemed to mean the Sublessee herein.

6.4 During the term of this Sublease and for all periods subsequent for obligations which have arisen prior to the termination of this Sublease, Sublessee does hereby expressly assume and agree to perform and comply with, for the benefit of Sublessor and Master Lessor, each and every obligation of Sublessor under the Master Lease except for the following paragraphs which are excluded therefrom:

6.5 The obligations that Sublessee has assumed under paragraph 6.4 hereof are hereinafter referred to as the "Sublessee's Assumed Obligations". The obligations that sublessee has not assumed under paragraph 6.4 hereof are hereinafter referred to as the "Sublessor's Remaining Obligations".

6.6 Sublessee shall hold Sublessor free and harmless from all liability, judgments, costs, damages, claims or demands, including reasonable attorneys fees, arising out of Sublessee's failure to comply with or perform Sublessee's Assumed Obligations.

6.7 Sublessor agrees to maintain the Master Lease during the entire term of this Sublease, subject, however, to any earlier termination of the Master Lease without the fault of the Sublessor, and to comply with or perform Sublessor's Remaining Obligations and to hold Sublessee free and harmless from all liability, judgments, costs, damages, claims or demands arising out of Sublessor's failure to comply with or perform Sublessor's Remaining Obligations.

6.8 Sublessor represents to Sublessee that the Master Lease is in full force and effect and that no default exists on the part of any Party to the Master Lease.

7. Assignment of Sublease and Default.

7.1 Sublessor hereby assigns and transfers to Master Lessor the Sublessor's interest in this Sublease, subject however to the provisions of Paragraph 8.2 hereof.

7.2 Master Lessor, by executing this document, agrees that until a Default shall occur in the performance of Sublessor's Obligations under the Master Lease, that Sublessor may receive, collect and enjoy the Rent accruing under this Sublease. However, if Sublessor shall Default in the performance of its obligations to Master Lessor then Master Lessor may, at its option, receive and collect, directly from Sublessee, all Rent owing and to be owed under this Sublease. In the event, however, that the amount collected by Master Lessor exceeds Sublessor's obligations any such excess shall be refunded to Sublessor. Master Lessor shall not, by reason of this assignment of the Sublease nor by reason of the collection of the Rent from the Sublessee, be deemed liable to Sublessee for any failure of the Sublessor to perform and comply with Sublessor's Remaining Obligations.

7.3 Sublessor hereby irrevocably authorizes and directs Sublessee upon receipt of any written notice from the Master Lessor stating that a Default exists in the performance of Sublessor's obligations under the Master Lease, to pay to Master Lessor the Rent due and to become due under the Sublease. Sublessor agrees that Sublessee shall have the right to rely upon any such statement and request from Master Lessor, and that Sublessee shall pay such Rent to Master Lessor without any obligation or right to inquire as to whether such Default exists and notwithstanding any notice from or claim from Sublessor to the contrary and Sublessor shall have no right or claim against Sublessee for any such Rent so paid by Sublessee.

7.4 No changes or modifications shall be made to this Sublease without the consent of Master Lessor.

8. Consent of Master Lessor.

8.1 In the event that the Master Lease requires that Sublessor obtain the consent of Master Lessor to any subletting by Sublessor then, this Sublease shall not be effective unless, within 10 days of the date hereof, Master Lessor signs this Sublease thereby giving its consent to this Subletting.

8.2 In the event that the obligations of the Sublessor under the Master Lease have been guaranteed by third parties, then neither this Sublease, nor the Master Lessor's consent, shall be effective unless, within 10 days of the date hereof, said guarantors sign this Sublease thereby giving their consent to this Sublease.

8.3 In the event that Master Lessor does give such consent then:

(a) Such consent shall not release Sublessor of its obligations or alter the primary liability of Sublessor to pay the Rent and perform and comply with all of the obligations of Sublessor to be performed under the Master Lease.

(b) The acceptance of Rent by Master Lessor from Sublessee or anyone else liable under the Master Lease shall not be deemed a waiver by Master Lessor of any provisions of the Master Lease.

(c) The consent to this Sublease shall not constitute a consent to any subsequent subletting or assignment.

(d) In the event of any Default of Sublessor under the Master Lease, Master Lessor may proceed directly against Sublessor, any guarantors or any one else liable under the Master Lease or this Sublease without first exhausting Master Lessor's remedies against any other person or entity liable thereon to Master Lessor.

(e) Master Lessor may consent to subsequent sublettings and assignments of the Master Lease or this Sublease or any amendments or modifications thereto without notifying Sublessor or any one else liable under the Master Lease and without obtaining their consent and such action shall not relieve such persons from liability.

(f) In the event that Sublessor shall Default in its obligations under the Master Lease, then Master Lessor, at its option and without being obligated to do so, may require Sublessee to attorn to Master Lessor in which event Master Lessor shall undertake the obligations of Sublessor under this Sublease from the time of

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the exercise of said option to termination of this Sublease but Master Lessor shall not be liable for any prepaid Rent nor any Security Deposit shall Master Lessor be liable for any other Defaults of the Sublessor under the Sublease.

(g) Unless directly contradicted by other provisions of this Sublease, the consent of Master Lessor to this Sublease shall not constitute an agreement to allow Sublessee to exercise any options which may have been granted to Sublessor in the Master Lease (see Paragraph 39.2 of the Master Lease).

8.4 The signatures of the Master Lessor and any Guarantors of Sublessor at the end of this document shall constitute their consent to the terms of this Sublease.

8.5 Master Lessor acknowledges that, to the best of Master Lessor's knowledge, no Default presently exists under the Master Lease of obligations to be performed by Sublessor and that the Master Lease is in full force and effect.

8.6 In the event that Sublessor Defaults under its obligations to be performed under the Master Lease by Sublessor, Master Lessor agrees to deliver to Sublessee a copy of any such notice of default. Sublessee shall have the right to cure any Default of Sublessor described in any notice of default if Sublessee does so within the same number of days set forth in the notice of default given to Sublessor. If such Default is cured by Sublessee then Sublessee shall have the right of reimbursement and offset from and against Sublessor.

9. Additional Brokers Commissions.

9.1 Sublessor agrees that if Sublessee exercises any option or right of first refusal as granted by Sublessor herein, or any option or right substantially similar thereto, either to extend the term of this Sublease, to renew this Sublease, to purchase the Premises, or to lease or purchase adjacent property which Sublessor may own or in which Sublessor has an interest, then Sublessor shall pay to Broker a fee in accordance with the schedule of Broker in effect at the time of the execution of this Sublease. Notwithstanding the foregoing, Sublessor's obligation under this Paragraph is limited to a transaction in which Sublessor is acting as a Sublessor, lessor or seller.

9.2 If a separate brokerage fee agreement is attached then Master Lessor agrees that if Sublessee shall exercise any option or right of first refusal granted to Sublessee by Master Lessor in connection with this Sublease, or any option or right substantially similar thereto, either to extend or renew the Master Lease to purchase the Premises or any part thereof, or to lease or purchase adjacent property which Master Lessor may own or in which Master Lessor has an interest, or if Broker is the procuring cause of any other lease or sale entered into between Sublessee and Master Lessor pertaining to the Premises, any part thereof, or any adjacent property which Master Lessor owns or in which it has an interest, then as to any of said transactions, Master Lessor shall pay to Broker a fee, in cash, in accordance with the schedule attached to such brokerage fee agreement.

9.3 Any fee due from Sublessor or Master Lessor hereunder shall be due and payable upon the exercise of any option to extend or renew, upon the execution of any new lease, or, in the event of a purchase, at the close of escrow.

9.4 Any transferee of Sublessor's interest in this Sublease, or of Master Lessor's interest in the Master Lease, by accepting an assignment thereof, shall be deemed to have assumed the respective obligations of Sublessor or Master Lessor under this Paragraph 9. Broker shall be deemed to be a third-party beneficiary of this paragraph 9.

10. Representations and Indemnities of Broker Relationships. The Parties each represent and warrant to the other that it has had no dealings with any person, firm, broker, agent or finder (other than the Brokers and Agents, if any) in connection with this Sublease, and that no one other than said named Brokers and Agents is entitled to any commission or finder's fee in connection herewith. Sublessee and Sublessor do each hereby agree to indemnify, protect, defend and hold the other harmless from and against liability for compensation or charges which may be claimed by any such unnamed broker, finder or other similar party by reason of any dealings or actions of the indemnifying Party, including any costs, expenses, attorneys' fees reasonably incurred with respect thereto.

11. Attorney's fees. If any Party or Broker brings an action or proceeding involving the Premises whether founded in tort, contract or equity, or to declare rights hereunder, the Prevailing Party (as hereafter defined) in any such proceeding, action, or appeal thereon, shall be entitled to reasonable attorneys' fees. Such fees may be awarded in the same suit or recovered in a separate suit, whether or not such action or proceeding is pursued to decision or judgment. The term, "**Prevailing Party**" shall include, without limitation, a Party or Broker who substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, or the abandonment by the other Party or Broker of its claim or defense. The attorneys' fees award shall not be computed in accordance with any court fee schedule, but shall be such as to fully reimburse all attorneys' fees reasonably incurred. In addition, Sublessor shall be entitled to attorneys' fees, costs and expenses incurred in the preparation and service of notices of Default and consultations in connection therewith, whether or not a legal action is subsequently commenced in connection with such Default or resulting Breach (\$200 is a reasonable minimum per occurrence for such services and consultation).

12. No Prior or Other Agreements; Broker Disclaimer. This Sublease contains all agreements between the Parties with respect to any matter mentioned herein, and no other prior or contemporaneous agreement or understanding shall be effective. Sublessor and Sublessee each represents and warrants to the Brokers that it has made, and is relying solely upon, its own investigation as to the nature, quality, character and financial responsibility of the other Party to this Sublease and as to the use, nature, quality and character of the Premises. Brokers have no responsibility with respect thereto or with respect to any default or breach hereof by either Party. The liability (including court costs and attorneys' fees), of any Broker with respect to negotiation, execution, delivery or performance by either Sublessor or Sublessee under this Sublease or any amendment or modification hereto shall be limited to an amount up to the fee received by such Broker pursuant to this Sublease; provided, however, that the foregoing limitation on each Broker's liability shall not be applicable to any gross negligence or willful misconduct of such Broker. Signatures to this Sublease accomplished by means of electronic signature or similar technology shall be legal and binding.

13. Accessibility; Americans with Disabilities Act.

(a) The Premises:

have not undergone an inspection by a Certified Access Specialist (CASp). Note: A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.

have undergone an inspection by a Certified Access Specialist (CASp) and it was determined that the Premises met all applicable construction-related accessibility standards pursuant to California Civil Code §55.51 et seq. Lessee acknowledges that it received a copy of the inspection report at least 48 hours prior to executing this Lease and agrees to keep such report confidential.

have undergone an inspection by a Certified Access Specialist (CASp) and it was determined that the Premises did not meet all applicable construction-related accessibility standards pursuant to California Civil Code §55.51 et seq. Lessee acknowledges that it received a copy of the inspection report at least 48 hours prior to executing this Lease and agrees to keep such report confidential except as necessary to complete repairs and corrections of violations of construction related accessibility standards.

In the event that the Premises have been issued an inspection report by a CASp the Lessor shall provide a copy of the disability access inspection certificate to Lessee within 7 days of the execution of this Lease.

(b) Since compliance with the Americans with Disabilities Act (ADA) and other state and local accessibility statutes are dependent upon Lessee's specific use of the Premises, Lessor makes no warranty or representation as to whether or not the Premises comply with ADA or any similar legislation. In the event that Lessee's use of the Premises requires modifications or additions to the Premises in order to be in compliance with ADA or other accessibility statutes, Lessee agrees to make any such necessary modifications and/or additions at Lessee's expense.

ATTENTION: NO REPRESENTATION OR RECOMMENDATION IS MADE BY AIR CRE OR BY ANY REAL ESTATE BROKER AS TO THE LEGAL SUFFICIENCY, LEGAL EFFECT, OR TAX CONSEQUENCES OF THIS SUBLEASE OR THE TRANSACTION TO WHICH IT RELATES. THE PARTIES ARE URGED TO:

1. SEEK ADVICE OF COUNSEL AS TO THE LEGAL AND TAX CONSEQUENCES OF THIS SUBLEASE.

2. RETAIN APPROPRIATE CONSULTANTS TO REVIEW AND INVESTIGATE THE CONDITION OF THE PREMISES. SAID INVESTIGATION SHOULD INCLUDE BUT NOT BE LIMITED TO: THE POSSIBLE PRESENCE OF HAZARDOUS SUBSTANCES, THE ZONING OF THE PROPERTY, THE STRUCTURAL INTEGRITY, THE CONDITION OF THE ROOF AND OPERATING SYSTEMS, AND THE SUITABILITY OF THE PREMISES FOR SUBLESSEE'S INTENDED USE.

WARNING: IF THE SUBJECT PROPERTY IS LOCATED IN A STATE OTHER THAN CALIFORNIA, CERTAIN PROVISIONS OF THE SUBLEASE MAY NEED TO BE REVISED TO COMPLY WITH THE LAWS OF THE STATE IN WHICH THE PROPERTY IS LOCATED.

As an independently owned and operated member of Colliers, Colliers Tingey International, Inc. is

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solely responsible for any liability from this agreement.

Executed At: _____
On: _____

By Sublessor:
Pro Aq Management, Inc., an Illinois Corporation

By: _____
Name Printed: Alexander Ludlow
Title: Vice President & Secretary
Phone: 713-996-1219
Fax: 800-852-4497
Email: dpound@proaq.com (Debbie Pound)

By: _____
Name Printed: _____
Title: _____
Phone: _____
Fax: _____
Email: _____

Address: 13403 Northeast Freeway, Houston, TX 77040
Federal ID No.: _____

BROKER
Savills and Colliers Tingey International, Inc

Attn: Mike Catalano/Bobby Fena, SIOR
Title: Vice Chairman/SVP & Principal

Address: 7485 N. Palm Avenue, Suite 110, Fresno, CA 93711
Phone: 559-221-1271
Fax: 559-222-8744
Email: bobby.fena@colliers.com
Federal ID No.: _____
Broker DRE License #: Colliers: 00452468
Agent DRE License #: BF: 00590204

Consent to the above Sublease is hereby given.

Executed At: _____
Executed On: _____

By Master Lessor:
Jamison Family Community Property Trust established by the Jamison Family Trust dated March 17, 2013, William O. Jamison and Cinda L. Jamison, husband and wife, as community property and Elizabeth Anne Cardoza, a married woman as her sole and separate property.

By: _____
Name Printed: William O. Jamison
Title: Co-Trustee
Phone: 559-240-5586
Fax: _____
Email: _____

By: _____
Name Printed: Cinda L. Jamison
Title: Co-Trustee
Phone: _____
Fax: _____
Email: _____

By _____

Name Printed: Elizabeth Anne Cardoza

Title: Owner

Phone: 559-999-9510

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Executed At: Clovis, CA
On: _____

By Sublessee:
City of Clovis, a California Municipal Corporation

By: _____
Name Printed: John Holt
Title: City Manager
Phone: _____
Fax: _____
Email: _____

By: _____
Name Printed: _____
Title: _____
Phone: _____
Fax: _____
Email: _____

Address: 1033 Fifth Street, Clovis, CA 93612
Federal ID No.: _____

BROKER
Colliers Tingey International, Inc.

Attn: Bobby Fena, SIOR
Title: SVP & Principal

Address: 7485 N. Palm Avenue, Suite 110, Fresno, CA 93711
Phone: 559-221-1271
Fax: 559-222-8744
Email: bobby.fena@colliers.com
Federal ID No.: _____
Broker DRE License #: 00452468
Agent DRE License #: 00590204

Executed At: _____
Executed On: _____

By Guarantor:

By: _____
Name Printed: _____
Title: _____
Address: _____

By: _____
Name Printed: _____
Title: _____
Address: _____

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Address: _____
Federal ID No.: _____

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DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP

(As required by the Civil Code)

When you enter into a discussion with a real estate agent regarding a real estate transaction, you should from the outset understand what type of agency relationship or representation you wish to have with the agent in the transaction.

SELLER'S AGENT

A Seller's agent under a listing agreement with the Seller acts as the agent for the Seller only. A Seller's agent or a subagent of that agent has the following affirmative obligations:

To the Seller: A fiduciary duty of utmost care, integrity, honesty and loyalty in dealings with the Seller.

To the Buyer and the Seller:

- (a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
- (b) A duty of honest and fair dealing and good faith.
- (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.

An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

BUYER'S AGENT

A Buyer's agent can, with a Buyer's consent, agree to act as agent for the Buyer only. In these situations, the agent is not the Seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller. An agent acting only for a Buyer has the following affirmative obligations:

To the Buyer: A fiduciary duty of utmost care, integrity, honesty and loyalty in dealings with the Buyer.

To the Buyer and the Seller:

- (a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
- (b) A duty of honest and fair dealing and good faith.
- (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.

An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

AGENT REPRESENTING BOTH SELLER AND BUYER

A real estate agent, either acting directly or through one or more salesperson and broker associates, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer.

In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer:

- (a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either the Seller or the Buyer.
- (b) Other duties to the Seller and the Buyer as stated above in their respective sections.

In representing both Seller and Buyer, a dual agent may not, without the express permission of the respective party, disclose to the other party confidential information, including, but not limited to, facts relating to either the Buyer's or Seller's financial position, motivations, bargaining position, or other personal information that may impact price, including the Seller's willingness to accept a price less than the listing price or the Buyer's willingness to pay a price greater than the price offered.

SELLER AND BUYER RESPONSIBILITIES

Either the purchase agreement or a separate document will contain a confirmation of which agent is representing you and whether that agent is representing you exclusively in the transaction or acting as a dual agent. Please pay attention to that confirmation to make sure it accurately reflects your understanding of your agent's role. The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect his or her own interests. You should carefully read all agreements to assure that they adequately express your understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional. If you are a Buyer, you have the duty to exercise reasonable care to protect yourself, including as to those facts about the property which are known to you or within your diligent attention and observation. Both Sellers and Buyers should strongly consider obtaining tax advice from a competent professional because the federal and state tax consequences of a transaction can be complex and subject to change.

Throughout your real property transaction you may receive more than one disclosure form, depending upon the number of agents assisting in the transaction. The law requires each agent with whom you have more than a casual relationship to present you with this disclosure form. You should read its contents each time it is presented to you, considering the relationship between you and the real estate agent in your specific transaction. **This disclosure form includes the provisions of Sections 2079.13 to 2079.24, inclusive, of the Civil Code set forth on page 2. Read it carefully. I/WE ACKNOWLEDGE RECEIPT OF A COPY OF THIS DISCLOSURE AND THE PORTIONS OF THE CIVIL CODE PRINTED ON THE BACK (OR A SEPARATE PAGE).**

Buyer Seller **Sub** Lessor Lessee Date: _____

Buyer Seller Lessor **Sub** Lessee Date: _____

Agent: Colliers Tingey International, Inc. DRE Lic. #: 00452468
Real Estate Broker (Firm)

By: _____ DRE Lic. #: 00590204 Date: _____
(Salesperson or Broker-Associate) **Bobby Fena,**

SIOR

Broker: Savills

By _____
Mike Catalano

Date: _____

THIS FORM HAS BEEN PREPARED BY AIR CRE. NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ADEQUACY OF THIS FORM FOR ANY SPECIFIC TRANSACTION. PLEASE SEEK LEGAL COUNSEL AS TO THE APPROPRIATENESS OF THIS FORM.

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DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP
CIVIL CODE SECTIONS 2079.13 THROUGH 2079.24 (2079.16 APPEARS ON THE FRONT)

2079.13. As used in Sections 2079.7 and 2079.14 to 2079.24, inclusive, the following terms have the following meanings:

(a) "Agent" means a person acting under provisions of Title 9 (commencing with Section 2295) in a real property transaction, and includes a person who is licensed as a real estate broker under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code, and under whose license a listing is executed or an offer to purchase is obtained. The agent in the real property transaction bears responsibility for that agent's salespersons or broker associates who perform as agents of the agent. When a salesperson or broker associate owes a duty to any principal, or to any buyer or seller who is not a principal, in a real property transaction, that duty is equivalent to the duty owed to that party by the broker for whom the salesperson or broker associate functions. (b) "Buyer" means a transferee in a real property transaction, and includes a person who executes an offer to purchase real property from a seller through an agent, or who seeks the services of an agent in more than a casual, transitory, or preliminary manner, with the object of entering into a real property transaction. "Buyer" includes vendee or lessee of real property. (c) "Commercial real property" means all real property in the state, except (1) single-family residential real property, (2) dwelling units made subject to Chapter 2 (commencing with Section 1940) of Title 5, (3) a mobile home, as defined in Section 798.3, (4) vacant land, or (5) a recreational vehicle, as defined in Section 799.29. (d) "Dual agent" means an agent acting, either directly or through a salesperson or broker associate, as agent for both the seller and the buyer in a real property transaction. (e) "Listing agreement" means a written contract between a seller of real property and an agent, by which the agent has been authorized to sell the real property or to find or obtain a buyer, including rendering other services for which a real estate license is required to the seller pursuant to the terms of the agreement. (f) "Seller's agent" means a person who has obtained a listing of real property to act as an agent for compensation. (g) "Listing price" is the amount expressed in dollars specified in the listing for which the seller is willing to sell the real property through the seller's agent. (h) "Offering price" is the amount expressed in dollars specified in an offer to purchase for which the buyer is willing to buy the real property. (i) "Offer to purchase" means a written contract executed by a buyer acting through a buyer's agent that becomes the contract for the sale of the real property upon acceptance by the seller. (j) "Real property" means any estate specified by subdivision (1) or (2) of Section 761 in property, and includes (1) single-family residential property, (2) multi-unit residential property with more than four dwelling units, (3) commercial real property, (4) vacant land, (5) a ground lease coupled with improvements, or (6) a manufactured home as defined in Section 18007 of the Health and Safety Code, or a mobile home as defined in Section 18008 of the Health and Safety Code, when offered for sale or sold through an agent pursuant to the authority contained in Section 10131.6 of the Business and Professions Code. (k) "Real property transaction" means a transaction for the sale of real property in which an agent is retained by a buyer, seller, or both a buyer and seller to act in that transaction, and includes a listing or an offer to purchase. (l) "Sell," "sale," or "sold" refers to a transaction for the transfer of real property from the seller to the buyer and includes exchanges of real property between the seller and buyer, transactions for the creation of a real property sales contract within the meaning of Section 2985, and transactions for the creation of a leasehold exceeding one year's duration. (m) "Seller" means the transferor in a real property transaction and includes an owner who lists real property with an agent, whether or not a transfer results, or who receives an offer to purchase real property of which he or she is the owner from an agent on behalf of another. "Seller" includes both a vendor and a lessor of real property. (n) "Buyer's agent" means an agent who represents a buyer in a real property transaction.

2079.14. A seller's agent and buyer's agent shall provide the seller and buyer in a real property transaction with a copy of the disclosure form specified in Section 2079.16, and shall obtain a signed acknowledgment of receipt from that seller and buyer, except as provided in Section 2079.15, as follows: (a) The seller's agent, if any, shall provide the disclosure form to the seller prior to entering into the listing agreement. (b) The buyer's agent shall provide the disclosure form to the buyer as soon as practicable prior to execution of the buyer's offer to purchase. If the offer to purchase is not prepared by the buyer's agent, the buyer's agent shall present the disclosure form to the buyer not later than the next business day after receiving the offer to purchase from the buyer.

2079.15. In any circumstance in which the seller or buyer refuses to sign an acknowledgment of receipt pursuant to Section 2079.14, the agent shall set forth, sign, and date a written declaration of the facts of the refusal.

2079.16 Reproduced on Page 1 of this AD form.

2079.17(a) As soon as practicable, the buyer's agent shall disclose to the buyer and seller whether the agent is acting in the real property transaction as the buyer's agent, or as a dual agent representing both the buyer and the seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller, the buyer, and the buyer's agent prior to or coincident with execution of that contract by the buyer and the seller, respectively. (b) As soon as practicable, the seller's agent shall disclose to the seller whether the seller's agent is acting in the real property transaction as the seller's agent, or as a dual agent representing both the buyer and seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller and the seller's agent prior to or coincident with the execution of that contract by the seller.

(C) CONFIRMATION: The following agency relationships are confirmed for this transaction.

Seller's Brokerage Firm DO NOT COMPLETE, SAMPLE ONLY License Number
Is the broker of (check one): [] the seller; or [] both the buyer and seller. (dual agent)
Seller's Agent DO NOT COMPLETE, SAMPLE ONLY License Number
Is (check one): [] the Seller's Agent. (salesperson or broker associate); or [] both the Buyer's Agent and the Seller's Agent. (dual agent)
Buyer's Brokerage Firm DO NOT COMPLETE, SAMPLE ONLY License Number
Is the broker of (check one): [] the buyer; or [] both the buyer and seller. (dual agent)
Buyer's Agent DO NOT COMPLETE, SAMPLE ONLY License Number
Is (check one): [] the Buyer's Agent. (salesperson or broker associate); or [] both the Buyer's Agent and the Seller's Agent. (dual agent)

(d) The disclosures and confirmation required by this section shall be in addition to the disclosure required by Section 2079.14. An agent's duty to provide disclosure and confirmation of representation in this section may be performed by a real estate salesperson or broker associate affiliated with that broker.

2079.18 (Repealed pursuant to AB-1289, 2017-18 California Legislative session)

2079.19 The payment of compensation or the obligation to pay compensation to an agent by the seller or buyer is not necessarily determinative of a particular agency relationship between an agent and the seller, or buyer. A listing agent and a selling agent may agree to share any compensation or commission paid, or any right to any compensation or commission for which an obligation arises as the result of a real estate transaction, and the terms of any such agreement shall not necessarily be determinative of a particular relationship.

2079.20 Nothing in this article prevents an agent from selecting, as a condition of the agent's employment, a specific form of agency relationship not specifically prohibited by this article if the requirements of Section 2079.14 and Section 2079.17 are complied with.

2079.21 (a) A dual agent may not, without the express permission of the seller, disclose to the buyer any confidential information obtained from the seller. (b) A dual agent may not, without the express permission of the buyer, disclose to the seller any confidential information obtained from the buyer. (c) "Confidential information" means facts relating to the client's financial position, motivations, bargaining position, or other personal information that may impact price, such as the seller is willing to accept a price less than the listing price or the buyer is willing to pay a price greater than the price offered. (d) This section does not alter in any way the duty or responsibility of a dual agent to any principal with respect to confidential information other than price.

2079.22 Nothing in this article precludes a seller's agent from also being a buyer's agent. If a seller or buyer in a transaction chooses to not be represented by an agent, that does not, of itself, make that agent a dual agent.

2079.23 (a) A contract between the principal and agent may be modified or altered to change the agency relationship at any time before the performance of the act which is the object of the agency with the written consent of the parties to the agency relationship. (b) A lender or an auction company retained by a lender to control aspects of a transaction of real property subject to this part, including validating the sales price, shall not require, as a condition of receiving the lender's approval of the transaction, the homeowner or listing agent to defend or indemnify the lender or auction company from any liability alleged to result from the actions of the lender or auction company. Any clause, provision, covenant, or agreement purporting to impose an obligation to defend or indemnify a lender or an auction company in violation of this subdivision is against public policy, void, and unenforceable.

2079.24 Nothing in this article shall be construed to either diminish the duty of disclosure owed buyers and sellers by agents and their associate licensees, subagents, and employees or to relieve agents and their associate licensees, subagents, and employees from liability for their conduct in connection with acts governed by this article or for any breach of a fiduciary duty or a duty of disclosure.

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STANDARD MULTI-TENANT OFFICE LEASE - NET

1. Basic Provisions ("Basic Provisions").

- 1.1 Parties. This Lease ("Lease"), dated for reference purposes only April 23, 2018, is made by and between Jamison Family Community Property Trust established by the Jamison Family Trust dated March 17, 2013, William O. Jamison and Cinda L. Jamison, husband and wife, as community property and Elizabeth Anne Cardoza, a married woman as her sole and separate property ("Lessor") and Pro Ag Management, Inc., an Illinois Corporation ("Lessee"), collectively the "Parties", or individually a "Party".
- 1.2(a) Premises: That certain portion of the Project (as defined below), commonly known as (street address, suite, city, state): 1625 Shaw Avenue, Suite 101, Clovis, CA 93612 ("Premises"). The Premises are located in the County of Fresno, and consist of approximately 5078 rentable square feet and approximately 5078 useable square feet. In addition to Lessee's rights to use and occupy the Premises as hereinafter specified, Lessee shall have non-exclusive rights to the Common Areas (as defined in Paragraph 2.7 below) as hereinafter specified, but shall not have any rights to the roof, the exterior walls, the area above the dropped ceilings, or the utility raceways of the building containing the Premises ("Building") or to any other buildings in the Project. The Premises, the Building, the Common Areas, the land upon which they are located, along with all other buildings and improvements thereon, are herein collectively referred to as the "Project." The Project consists of approximately 8448 rentable square feet. (See also Paragraph 2)
- 1.2(b) Parking: 20 unreserved and N/A reserved vehicle parking spaces at a monthly cost of N/C per unreserved space and N/A per reserved space. (See Paragraph 2.6)
- 1.3 Term: Seven (7) years and Zero (0) months ("Original Term") commencing June 1, 2018 ("Commencement Date") and ending May 31, 2025 ("Expiration Date"). (See also Paragraph 3)
- 1.4 Early Possession: If the Premises are available Lessee may have non-exclusive possession of the Premises commencing upon lease execution ("Early Possession Date"). (See also Paragraphs 3.2 and 3.3)
- 1.5 Base Rent: \$9,140 per month ("Base Rent"), payable on the First day of each month commencing June 1, 2018. (See also Paragraph 4)
- If this box is checked, there are provisions in this Lease for the Base Rent to be adjusted. See Paragraph 50.
- 1.6 Lessee's Share of Operating Expenses: 5078 rsf / 8448 total percent (60.1%) ("Lessee's Share"). In the event that that size of the Premises and/or the Project are modified during the term of this Lease, Lessor shall recalculate Lessee's Share to reflect such modification.
- 1.7 Base Rent and Other Monies Paid Upon Execution:
- (a) Base Rent: \$9,140.00 for the period June 1-30, 2018.
 - (b) Operating Expenses: 2234.00 (\$0.44 psf) for the period June 1-30, 2018.
 - (c) Security Deposit: \$10,918.00 ("Security Deposit"). (See also Paragraph 5)
 - (d) Parking: -0- for the period -0-.
 - (e) Other: -0- for -0-.
 - (f) Total Due Upon Execution of this Lease: \$22,292.00.
- 1.8 Agreed Use: Administration/marketing services and related office uses. (See also Paragraph 6)
- 1.9 Insuring Party. Lessor is the "Insuring Party". (See also Paragraph 8)
- 1.10 Real Estate Brokers. (See also Paragraph 15 and 25)
- (a) Representation: The following real estate brokers (the "Brokers") and brokerage relationships exist in this transaction (check applicable boxes):
 - Colliers Tingey International, Inc. - Bobby Pena, SIOR represents Lessor exclusively ("Lessor's Broker");
 - Savills-Studley, Inc. - Mike Catalano represents Lessee exclusively ("Lessee's Broker"); or
 - _____ represents both Lessor and Lessee ("Dual Agency").
 - (b) Payment to Brokers. Upon execution and delivery of this Lease by both Parties, Lessor shall pay to the Brokers the brokerage fee agreed to in a separate written agreement (or if there is no such agreement, the sum of \$38,000 or _____% of the total Base Rent) for the brokerage services rendered by the Brokers.
- 1.11 Guarantor. The obligations of the Lessee under this Lease shall be guaranteed by N/A ("Guarantor"). (See also Paragraph 37)
- 1.12 Business Hours for the Building: 7:00 a.m. to 6:00 p.m., Mondays through Fridays (except Building Holidays) and 8:00 a.m. to 1:00 p.m. on Saturdays (except Building Holidays). "Building Holidays" shall mean the dates of observation of New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day, and shall have access to the Leased Premises 24 hours per day/7 day.
- 1.13 Lessor Supplied Services. Notwithstanding the provisions of Paragraph 11.1, Lessor is NOT obligated to provide the following within the Premises:
- Janitorial services
 - Electricity
 - Other (specify): gas, telephone or internet services, TV
- 1.14 Attachments. Attached hereto are the following, all of which constitute a part of this Lease:
- an Addendum consisting of Paragraphs 50 through 52;
 - a plot plan depicting the Premises;
 - a current set of the Rules and Regulations;
 - a Work Letter;
 - a janitorial schedule;
 - other (specify): Exhibits A, B, C, D, Addendum A and Lease Addendums.

2. Premises.

- 2.1 Letting. Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the Premises, for the term, at the rental, and upon all of the terms, covenants and conditions set forth in this Lease. While the approximate square footage of the Premises may have been used in the marketing of the Premises for purposes of comparison, the Base Rent stated herein is NOT tied to square footage and is not subject to adjustment should the actual size be determined to be different. **NOTE: Lessee is advised to verify the actual size prior to executing this Lease.**
- 2.2 Condition. Lessor shall deliver the Premises to Lessee in a clean condition on the Commencement Date or the Early Possession Date, whichever first occurs ("Start Date"), and warrants that the existing electrical, plumbing, fire sprinkler, lighting, heating, ventilating and air conditioning systems ("HVAC"), and all other items which the Lessor is obligated to construct pursuant to the Work Letter attached hereto, if any, other than those constructed by Lessee, shall be in good operating condition on said date, that the structural elements of the roof, bearing walls and foundation of the Unit shall be free of material defects, and that the Premises do not contain hazardous levels of any mold or fungi defined as toxic under applicable state or federal law. Lessor also warrants, that unless otherwise specified in writing, Lessor is unaware of (i) any recorded Notices of Default affecting the Premise; (ii) any delinquent amounts due under any loan secured by the Premises; and (iii) any bankruptcy proceeding affecting the Premises. **Lessor represents and warrants to Lessee that, on the Commencement Date, the Premises shall comply with all Applicable Requirements.**
- 2.3 Compliance. Lessor warrants that to the best of its knowledge the improvements on the Premises and the Common Areas comply with the building codes,

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applicable laws, covenants or restrictions of record, regulations, and ordinances ("Applicable Requirements") that were in effect at the time that each improvement, or portion thereof, was constructed. Said warranty does not apply to the use to which Lessee will put the Premises, modifications which may be required by the Americans with Disabilities Act or any similar laws as a result of Lessee's use (see Paragraph 49), or to any Alterations or Utility Installations (as defined in Paragraph 7.3(a)) made or to be made by Lessee. NOTE: Lessee is responsible for determining whether or not the zoning and other Applicable Requirements are appropriate for Lessee's intended use, and acknowledges that past uses of the Premises may no longer be allowed. If the Premises do not comply with said warranty, Lessor shall, except as otherwise provided, promptly after receipt of written notice from Lessee setting forth with specificity the nature and extent of such non-compliance, rectify the same. If the Applicable Requirements are hereafter changed so as to require during the term of this Lease the construction of an addition to or an alteration of the Premises, the remediation of any Hazardous Substance, or the reinforcement or other physical modification of the Premises ("Capital Expenditure"), Lessor and Lessee shall allocate the cost of such work as follows:

(a) Subject to Paragraph 2.3(c) below, if such Capital Expenditures are required as a result of the specific and unique use of the Premises by Lessee as compared with uses by tenants in general, Lessee shall be fully responsible for the cost thereof, provided, however, that if such Capital Expenditure is required during the last 2 years of this Lease and the cost thereof exceeds 6 months' Base Rent, Lessee may instead terminate this Lease unless Lessor notifies Lessee, in writing, within 10 days after receipt of Lessee's termination notice that Lessor has elected to pay the difference between the actual cost thereof and the amount equal to 6 months' Base Rent. If Lessee elects termination, Lessee shall immediately cease the use of the Premises which requires such Capital Expenditure and deliver to Lessor written notice specifying a termination date at least 90 days thereafter. Such termination date shall, however, in no event be earlier than the last day that Lessee could legally utilize the Premises without commencing such Capital Expenditure.

(b) If such Capital Expenditure is not the result of the specific and unique use of the Premises by Lessee (such as, governmentally mandated seismic modifications), then Lessor shall pay for such Capital Expenditure and Lessee shall only be obligated to pay, each month during the remainder of the term of this Lease or any extension thereof, on the date that on which the Base Rent is due, an amount equal to 1/144th of the portion of such costs reasonably attributable to the Premises. Lessee shall pay Interest on the balance but may prepay its obligation at any time. If, however, such Capital Expenditure is required during the last 2 years of this Lease or if Lessor reasonably determines that it is not economically feasible to pay its share thereof, Lessor shall have the option to terminate this Lease upon 90 days prior written notice to Lessee unless Lessee notifies Lessor, in writing, within 10 days after receipt of Lessor's termination notice that Lessee will pay for such Capital Expenditure. If Lessor does not elect to terminate, and fails to tender its share of any such Capital Expenditure, Lessee may advance such funds and deduct same, with interest, from Rent until Lessor's share of such costs have been fully paid. If Lessee is unable to finance Lessor's share, or if the balance of the Rent due and payable for the remainder of this Lease is not sufficient to fully reimburse Lessee on an offset basis, Lessee shall have the right to terminate this Lease upon 30 days written notice to Lessor.

(c) Notwithstanding the above, the provisions concerning Capital Expenditures are intended to apply only to non-voluntary, unexpected, and new Applicable Requirements. If the Capital Expenditures are instead triggered by Lessee as a result of an actual or proposed change in use, change in intensity of use, or modification to the Premises then, and in that event, Lessee shall either: (i) immediately cease such changed use or intensity of use and/or take such other steps as may be necessary to eliminate the requirement for such Capital Expenditure, or (ii) complete such Capital Expenditure at its own expense. Lessee shall not have any right to terminate this Lease.

2.4 Acknowledgements. Lessee acknowledges that: (a) it has been given an opportunity to inspect and measure the Premises, (b) Lessee has been advised by Lessor and/or Brokers to satisfy itself with respect to the size and condition of the Premises (including but not limited to the electrical, HVAC and fire sprinkler systems, security, environmental aspects, and compliance with Applicable Requirements), and their suitability for Lessee's intended use, (c) Lessee has made such investigation as it deems necessary with reference to such matters and assumes all responsibility therefor as the same relate to its occupancy of the Premises, (d) it is not relying on any representation as to the size of the Premises made by Brokers or Lessor, (e) the square footage of the Premises was not material to Lessee's decision to lease the Premises and pay the Rent stated herein, and (f) neither Lessor, Lessor's agents, nor Brokers have made any oral or written representations or warranties with respect to said matters other than as set forth in this Lease. In addition, Lessor acknowledges that: (i) Brokers have made no representations, promises or warranties concerning Lessee's ability to honor the Lease or suitability to occupy the Premises, and (ii) it is Lessor's sole responsibility to investigate the financial capability and/or suitability of all proposed tenants.

2.5 Lessee as Prior Owner/Occupant. The warranties made by Lessor in Paragraph 2 shall be of no force or effect if immediately prior to the Start Date, Lessee was the owner or occupant of the Premises. In such event, Lessee shall be responsible for any necessary corrective work.

2.6 Vehicle Parking. So long as Lessee is not in default, and subject to the Rules and Regulations attached hereto, and as established by Lessor from time to time, Lessee shall be entitled to rent and use the number of parking spaces specified in Paragraph 1.2(b) at the rental rate applicable from time to time for monthly parking as set by Lessor and/or its licensee.

(a) If Lessee commits, permits or allows any of the prohibited activities described in the Lease or the rules then in effect, then Lessor shall have the right, without notice, in addition to such other rights and remedies that it may have, to remove or tow away the vehicle involved and charge the cost to Lessee, which cost shall be immediately payable upon demand by Lessor.

(b) The monthly rent per parking space specified in Paragraph 1.2(b) is subject to change upon 30 days prior written notice to Lessee. The rent for the parking is payable one month in advance prior to the first day of each calendar month.

2.7 Common Areas - Definition. The term "Common Areas" is defined as all areas and facilities outside the Premises and within the exterior boundary line of the Project and interior utility raceways and installations within the Premises that are provided and designated by the Lessor from time to time for the general nonexclusive use of Lessor, Lessee and other tenants of the Project and their respective employees, suppliers, shippers, customers, contractors and invitees, including, but not limited to, common entrances, lobbies, corridors, stairwells, public restrooms, elevators, parking areas, loading and unloading areas, trash areas, roadways, walkways, driveways and landscaped areas.

2.8 Common Areas - Lessee's Rights. Lessor grants to Lessee, for the benefit of Lessee and its employees, suppliers, shippers, contractors, customers and invitees, during the term of this Lease, the non-exclusive right to use, in common with others entitled to such use, the Common Areas as they exist from time to time, subject to any rights, powers, and privileges reserved by Lessor under the terms hereof or under the terms of any commercially reasonable rules and regulations or restrictions governing the use of the Project. Under no circumstances shall the right herein granted to use the Common Areas be deemed to include the right to store any property, temporarily or permanently, in the Common Areas. Any such storage shall be permitted only by the prior written consent of Lessor or Lessor's designated agent, which consent may be revoked at any time. In the event that any unauthorized storage shall occur, then Lessor shall have the right, without notice, in addition to such other rights and remedies that it may have, to remove the property and charge the cost to Lessee, which cost shall be immediately payable upon demand by Lessor.

2.9 Common Areas - Rules and Regulations. Lessor or such other person(s) as Lessor may appoint shall have the exclusive control and management of the Common Areas and shall have the right, from time to time, to adopt, modify, amend and enforce reasonable rules and regulations ("Rules and Regulations") for the management, safety, care, and cleanliness of the grounds, the parking and unloading of vehicles and the preservation of good order, as well as for the convenience of other occupants or tenants of the Building and the Project and their invitees. The Lessee agrees to abide by and conform to all such Rules and Regulations, and shall use its best efforts to cause its employees, suppliers, shippers, customers, contractors and invitees to so abide and conform. Lessor shall not be responsible to Lessee for the noncompliance with said Rules and Regulations by other tenants of the Project.

2.10 Common Areas - Changes. Lessor shall have the right, in Lessor's sole discretion, from time to time:

- (a) To make changes to the Common Areas, including, without limitation, changes in the location, size, shape and number of the lobbies, windows, stairways, air shafts, elevators, escalators, restrooms, driveways, entrances, parking spaces, parking areas, loading and unloading areas, ingress, egress, direction of traffic, landscaped areas, walkways and utility raceways;
- (b) To close temporarily any of the Common Areas for maintenance purposes so long as reasonable access to the Premises remains available;
- (c) To designate other land outside the boundaries of the Project to be a part of the Common Areas;
- (d) To add additional buildings and improvements to the Common Areas;
- (e) To use the Common Areas while engaged in making additional improvements, repairs or alterations to the Project, or any portion thereof; and
- (f) To do and perform such other acts and make such other changes in, to or with respect to the Common Areas and Project as Lessor may, in the exercise of sound business judgment, deem to be appropriate.

3. Term.

3.1 Term. The Commencement Date, Expiration Date and Original Term of this Lease are as specified in Paragraph 1.3.

3.2 Early Possession. Any provision herein granting Lessee Early Possession of the Premises is subject to and conditioned upon the Premises being available for such possession prior to the Commencement Date. Any grant of Early Possession only conveys a non-exclusive right to occupy the Premises. If Lessee totally or partially occupies the Premises prior to the Commencement Date, the obligation to pay Base Rent shall be abated for the period of such Early Possession. All other terms of this Lease (including but not limited to the obligations to pay Lessee's Share of the Operating Expenses) shall be in effect during such period. Any such Early Possession shall not affect the Expiration Date.

3.3 Delay In Possession. Lessor agrees to use its best commercially reasonable efforts to deliver possession of the Premises to Lessee by the Commencement Date. If, despite said efforts, Lessor is unable to deliver possession by such date, Lessor shall not be subject to any liability therefor, nor shall such failure affect the validity of this Lease or change the Expiration Date. Lessee shall not, however, be obligated to pay Rent or perform its other obligations until Lessor delivers possession of the Premises and any period of rent abatement that Lessee would otherwise have enjoyed shall run from the date of delivery of possession and

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continue for a period equal to what Lessee would otherwise have enjoyed under the terms hereof, but minus any days of delay caused by the acts or omissions of Lessee. If possession is not delivered within 60 days after the Commencement Date, as the same may be extended under the terms of any Work Letter executed by Parties, Lessee may, at its option, by notice in writing within 10 days after the end of such 60 day period, cancel this Lease, in which event the Parties shall be discharged from all obligations hereunder. If such written notice is not received by Lessor within said 10 day period, Lessee's right to cancel shall terminate. If possession of the Premises is not delivered within 120 days after the Commencement Date, this Lease shall terminate unless other agreements are reached between Lessor and Lessee, in writing.

3.4 Lessee Compliance. Lessor shall not be required to deliver possession of the Premises to Lessee until Lessee complies with its obligation to provide evidence of insurance (Paragraph 8.5). Pending delivery of such evidence, Lessee shall be required to perform all of its obligations under this Lease from and after the Start Date, including the payment of Rent, notwithstanding Lessor's election to withhold possession pending receipt of such evidence of insurance. Further, if Lessee is required to perform any other conditions prior to or concurrent with the Start Date, the Start Date shall occur but Lessor may elect to withhold possession until such conditions are satisfied.

4. Rent.

4.1 Rent Defined. All monetary obligations of Lessee to Lessor under the terms of this Lease (except for the Security Deposit) are deemed to be rent ("Rent").

4.2 Operating Expenses. Lessee shall pay to Lessor during the term hereof, in addition to the Base Rent, Lessee's Share of all Operating Expenses, as hereinafter defined, during each calendar year of the term of this Lease, in accordance with the following provisions:

- (a) "Operating Expenses" include all costs relating to the ownership and operation of the Project, calculated as if the Project was at least 95% occupied, including, but not limited to, the following:
 - (i) The operation, repair, and maintenance in neat, clean, safe, good order and condition, of the following:
 - (aa) The Common Areas, including their surfaces, coverings, decorative items, carpets, drapes and window coverings, and including parking areas, loading and unloading areas, trash areas, roadways, sidewalks, walkways, stairways, parkways, driveways, landscaped areas, striping, bumpers, irrigation systems, Common Area lighting facilities, building exteriors and roofs, fences and gates;
 - (bb) All heating, air conditioning, plumbing, electrical systems, life safety equipment, communication systems and other equipment used in common by, or for the benefit of, lessees or occupants of the Project, including elevators and escalators, tenant directories, fire detection systems including sprinkler system maintenance and repair.
 - (cc) The Premises and/or any other space occupied by a tenant.
 - (ii) The cost of trash disposal, janitorial and security services, pest control services, and the costs of any environmental inspections;
 - (iii) The cost of any other service to be provided by Lessor that is elsewhere in this Lease stated to be an "Operating Expense";
 - (iv) The cost of the premiums for the insurance policies maintained by Lessor pursuant to paragraph 8 and any deductible portion of an insured loss concerning the Building or the Common Areas;
 - (v) The amount of the Real Property Taxes payable by Lessor pursuant to paragraph 10;
 - (vi) The cost of water, sewer, gas, electricity, and other publicly mandated services not separately metered;
 - (vii) Labor, salaries, and applicable fringe benefits and costs, materials, supplies and tools, used in maintaining and/or cleaning the Project and accounting and management fees attributable to the operation of the Project;
 - (viii) The cost to replace equipment or capital components such as the roof, foundations, or exterior walls, the cost to replace a Common Area capital improvement, such as the parking lot paving, elevators or fences, and/or the cost of any capital improvement to the Building or the Project not covered under the provisions of Paragraph 2.3. Provided however, that if such equipment or capital component has a useful life for accounting purposes of 5 years or more that Lessor shall allocate the cost of any such capital improvement over a 12 year period and Lessee shall not be required to pay more than Lessee's Share of 1/144th of the cost of such capital improvement in any given month;
 - (ix) The cost to replace equipment or improvements that have a useful life for accounting purposes of 5 years or less.
 - (x) Reserves set aside for maintenance, repair and/or replacement of Common Area improvements and equipment.
- (b) Any item of Operating Expense that is specifically attributable to the Premises, the Building or to any other building in the Project or to the operation, repair and maintenance thereof, shall be allocated entirely to such Premises, Building, or other building. However, any such item that is not specifically attributable to the Building or to any other building or to the operation, repair and maintenance thereof, shall be equitably allocated by Lessor to all buildings in the Project.
- (c) The inclusion of the improvements, facilities and services set forth in Subparagraph 4.2(a) shall not be deemed to impose an obligation upon Lessor to either have said improvements or facilities or to provide those services unless the Project already has the same, Lessor already provides the services, or Lessor has agreed elsewhere in this Lease to provide the same or some of them.
- (d) Lessee's Share of Operating Expenses is payable monthly on the same day as the Base Rent is due hereunder. The amount of such payments shall be based on Lessor's estimate of the Operating Expenses. Within 60 days after the end of each calendar year written request (but not more than once each year) Lessor shall deliver to Lessee a reasonably detailed statement showing Lessee's Share of the actual Operating Expenses for the preceding year. Lessee shall have the right, for a period of 60 days after Lessor delivers to Lessee the statement of Lessor's actual Operating Expenses for the previous calendar year to audit that portion of Lessor's Books and Records pertaining to the actual Operating Expenses for such preceding calendar year. If Lessee's payments during such year exceed Lessee's Share, Lessor shall credit the amount of such over-payment against Lessee's future payments. If Lessee's payments during such year were less than Lessee's Share, Lessee shall pay to Lessor the amount of the deficiency within 10 days after delivery by Lessor to Lessee of the statement.
- (e) Operating Expenses shall not include any expenses paid by any tenant directly to third parties, or as to which Lessor is otherwise reimbursed by any third party, other tenant, or by insurance proceeds. (See Exhibit "D" - Operating Expense Exclusions)

4.3 Payment. Lessee shall cause payment of Rent to be received by Lessor in lawful money of the United States, without offset or deduction (except as specifically permitted in this Lease), on or before the day on which it is due. All monetary amounts shall be rounded to the nearest whole dollar. In the event that any invoice prepared by Lessor is inaccurate such inaccuracy shall not constitute a waiver and Lessee shall be obligated to pay the amount set forth in this Lease. Rent for any period during the term hereof which is for less than one full calendar month shall be prorated based upon the actual number of days of said month. Payment of Rent shall be made to Lessor at its address stated herein or to such other persons or place as Lessor may from time to time designate in writing. Acceptance of a payment which is less than the amount then due shall not be a waiver of Lessor's rights to the balance of such Rent, regardless of Lessor's endorsement of any check so stating. In the event that any check, draft, or other instrument of payment given by Lessee to Lessor is dishonored for any reason, Lessee agrees to pay to Lessor the sum of \$25 in addition to any Late Charge and Lessor, at its option, may require all future Rent be paid by cashier's check. Payments will be applied first to accrued late charges and attorney's fees, second to accrued interest, then to Base Rent and Operating Expenses, and any remaining amount to any other outstanding charges or costs.

5. Security Deposit. Lessee shall deposit with Lessor upon execution hereof the Security Deposit as security for Lessee's faithful performance of its obligations under this Lease. If Lessee fails to pay Rent, or otherwise Defaults under this Lease, Lessor may use, apply or retain all or any portion of said Security Deposit for the payment of any amount already due Lessor, for Rents which will be due in the future, and/or to reimburse or compensate Lessor for any liability, expense, loss or damage which Lessor may suffer or incur by reason thereof. If Lessor uses or applies all or any portion of the Security Deposit, Lessee shall within 10 days after written request therefor deposit monies with Lessor sufficient to restore said Security Deposit to the full amount required by this Lease. If the Base Rent increases during the term of this Lease, Lessee shall, upon written request from Lessor, deposit additional monies with Lessor so that the total amount of the Security Deposit shall at all times bear the same proportion to the increased Base Rent as the initial Security Deposit bore to the initial Base Rent. Should the Agreed Use be amended, to accommodate a material change in the business of Lessee or to accommodate a sublessee or assignee, Lessor shall have the right to increase the Security Deposit to the extent necessary, in Lessor's reasonable judgment, to account for any increased wear and tear that the Premises may suffer as a result thereof. If a change in control of Lessee occurs during this Lease and following such change the financial condition of Lessee is, in Lessor's reasonable judgment, significantly reduced, Lessee shall deposit such additional monies with Lessor as shall be sufficient to cause the Security Deposit to be at a commercially reasonable level based on such change in financial condition. Lessor shall not be required to keep the Security Deposit separate from its general accounts. Within 90 days after the expiration or termination of this Lease, Lessor shall return that portion of the Security Deposit not used or applied by Lessor. Lessor shall upon written request provide Lessee with an accounting showing how that portion of the Security Deposit that was not returned was applied. No part of the Security Deposit shall be considered to be held in trust, to bear interest or to be prepayment for any monies to be paid by Lessee under this Lease. THE SECURITY DEPOSIT SHALL NOT BE USED BY LESSEE IN LIEU OF PAYMENT OF THE LAST MONTH'S RENT.

6. Use.
6.1 Use. Lessee shall use and occupy the Premises only for the Agreed Use, or any other legal use which is reasonably comparable thereto, and for no other purpose. Lessee shall not use or permit the use of the Premises in a manner that is unlawful, creates damage, waste or a nuisance, or that disturbs occupants of or

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causes damage to neighboring premises or properties. Other than guide, signal and seeing eye dogs, Lessee shall not keep or allow in the Premises any pets, animals, birds, fish, or reptiles. Lessor shall not unreasonably withhold or delay its consent to any written request for a modification of the Agreed Use, so long as the same will not impair the structural integrity of the improvements of the Building, will not adversely affect the mechanical, electrical, HVAC, and other systems of the Building, and/or will not affect the exterior appearance of the Building. If Lessor elects to withhold consent, Lessor shall within 7 days after such request give written notification of same, which notice shall include an explanation of Lessor's objections to the change in the Agreed Use.

6.2 Hazardous Substances.

(a) **Reportable Uses Require Consent.** The term "Hazardous Substance" as used in this Lease shall mean any product, substance, or waste whose presence, use, manufacture, disposal, transportation, or release, either by itself or in combination with other materials expected to be on the Premises, is either: (i) potentially injurious to the public health, safety or welfare, the environment or the Premises, (ii) regulated or monitored by any governmental authority, or (iii) a basis for potential liability of Lessor to any governmental agency or third party under any applicable statute or common law theory. Hazardous Substances shall include, but not be limited to, hydrocarbons, petroleum, gasoline, and/or crude oil or any products, byproducts or fractions thereof. Lessee shall not engage in any activity in or on the Premises which constitutes a Reportable Use of Hazardous Substances without the express prior written consent of Lessor and timely compliance (at Lessee's expense) with all Applicable Requirements. "Reportable Use" shall mean (i) the installation or use of any above or below ground storage tank, (ii) the generation, possession, storage, use, transportation, or disposal of a Hazardous Substance that requires a permit from, or with respect to which a report, notice, registration or business plan is required to be filed with, any governmental authority, and/or (iii) the presence at the Premises of a Hazardous Substance with respect to which any Applicable Requirements requires that a notice be given to persons entering or occupying the Premises or neighboring properties. Notwithstanding the foregoing, Lessee may use any ordinary and customary materials reasonably required to be used in the normal course of the Agreed Use such as ordinary office supplies (copier toner, liquid paper, glue, etc.) and common household cleaning materials, so long as such use is in compliance with all Applicable Requirements, is not a Reportable Use, and does not expose the Premises or neighboring property to any meaningful risk of contamination or damage or expose Lessor to any liability therefor. In addition, Lessor may condition its consent to any Reportable Use upon receiving such additional assurances as Lessor reasonably deems necessary to protect itself, the public, the Premises and/or the environment against damage, contamination, injury and/or liability, including, but not limited to, the installation (and removal or before Lease expiration or termination) of protective modifications (such as concrete encasements) and/or increasing the Security Deposit.

(b) **Duty to Inform Lessor.** If Lessee knows, or has reasonable cause to believe, that a Hazardous Substance has come to be located in, on, under or about the Premises, other than as previously consented to by Lessor, Lessee shall immediately give written notice of such fact to Lessor, and provide Lessor with a copy of any report, notice, claim or other documentation which it has concerning the presence of such Hazardous Substance.

(c) **Lessee Remediation.** Lessee shall not cause or permit any Hazardous Substance to be spilled or released in, on, under, or about the Premises (including through the plumbing or sanitary sewer system) and shall promptly, at Lessee's expense, comply with all Applicable Requirements and take all investigatory and/or remedial action reasonably recommended, whether or not formally ordered or required, for the cleanup of any contamination of, and for the maintenance, security and/or monitoring of the Premises or neighboring properties, that was caused or materially contributed to by Lessee, or pertaining to or involving any Hazardous Substance brought onto the Premises during the term of this Lease, by or for Lessee, or any third party.

(d) **Lessee Indemnification.** Lessee shall indemnify, defend and hold Lessor, its agents, employees, lenders and ground lessor, if any, harmless from and against any and all loss of rents and/or damages, liabilities, judgments, claims, expenses, penalties, and attorneys' and consultants' fees arising out of or involving any Hazardous Substance brought onto the Premises by or for Lessee, or any third party (provided, however, that Lessee shall have no liability under this Lease with respect to underground migration of any Hazardous Substance under the Premises from areas outside of the Project not caused or contributed to by Lessee). Lessee's obligations shall include, but not be limited to, the effects of any contamination or injury to person, property or the environment created or suffered by Lessee, and the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease. No termination, cancellation or release agreement entered into by Lessor and Lessee shall release Lessee from its obligations under this Lease with respect to Hazardous Substances, unless specifically so agreed by Lessor in writing at the time of such agreement.

(e) **Lessor Indemnification.** Except as otherwise provided in paragraph 8.7, Lessor and its successors and assigns shall indemnify, defend, reimburse and hold Lessee, its employees and lenders, harmless from and against any and all environmental damages, including the cost of remediation, which result from Hazardous Substances which existed on the Premises prior to Lessee's occupancy or which are caused by the gross negligence or willful misconduct of Lessor, its agents or employees. Lessor's obligations, as and when required by the Applicable Requirements, shall include, but not be limited to, the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease.

(f) **Investigations and Remediations.** Lessor shall retain the responsibility and pay for any investigations or remediation measures required by governmental entities having jurisdiction with respect to the existence of Hazardous Substances on the Premises prior to Lessee's occupancy, unless such remediation measure is required as a result of Lessee's use (including "Alterations", as defined in paragraph 7.3(a) below) of the Premises, in which event Lessee shall be responsible for such payment. Lessee shall cooperate fully in any such activities at the request of Lessor, including allowing Lessor and Lessor's agents to have reasonable access to the Premises at reasonable times in order to carry out Lessor's investigative and remedial responsibilities.

(g) **Lessor Termination Option.** If a Hazardous Substance Condition (see Paragraph 9.1(e)) occurs during the term of this Lease, unless Lessee is legally responsible therefor (in which case Lessee shall make the investigation and remediation thereof required by the Applicable Requirements and this Lease shall continue in full force and effect, but subject to Lessor's rights under Paragraph 6.2(d) and Paragraph 13), Lessor may, at Lessor's option, either (i) investigate and remediate such Hazardous Substance Condition, if required, as soon as reasonably possible at Lessor's expense, in which event this Lease shall continue in full force and effect, or (ii) if the estimated cost to remediate such condition exceeds 12 times the then monthly Base Rent or \$100,000, whichever is greater, give written notice to Lessee, within 30 days after receipt by Lessor of knowledge of the occurrence of such Hazardous Substance Condition, of Lessor's desire to terminate this Lease as of the date 60 days following the date of such notice. In the event Lessor elects to give a termination notice, Lessee may, within 10 days thereafter, give written notice to Lessor of Lessee's commitment to pay the amount by which the cost of the remediation of such Hazardous Substance Condition exceeds an amount equal to 12 times the then monthly Base Rent or \$100,000, whichever is greater. Lessee shall provide Lessor with said funds or satisfactory assurance thereof within 30 days following such commitment. In such event, this Lease shall continue in full force and effect, and Lessor shall proceed to make such remediation as soon as reasonably possible after the required funds are available. If Lessee does not give such notice and provide the required funds or assurance thereof within the time provided, this Lease shall terminate as of the date specified in Lessor's notice of termination.

6.3 Lessee's Compliance with Applicable Requirements. Except as otherwise provided in this Lease, Lessee shall, at Lessee's sole expense, fully, diligently and in a timely manner, materially comply with all Applicable Requirements, the requirements of any applicable fire insurance underwriter or rating bureau, and the recommendations of Lessor's engineers and/or consultants which relate in any manner to the Premises, without regard to whether said Applicable Requirements are now in effect or become effective after the Start Date. Lessee shall, within 10 days after receipt of Lessor's written request, provide Lessor with copies of all permits and other documents, and other information evidencing Lessee's compliance with any Applicable Requirements specified by Lessor, and shall immediately upon receipt, notify Lessor in writing (with copies of any documents involved) of any threatened or actual claim, notice, citation, warning, complaint or report pertaining to or involving the failure of Lessee **with respect to Lessee's occupancy of the Premises (as opposed to Lessee's business operations)** or the Premises to comply with any Applicable Requirements. Likewise, Lessee shall immediately give written notice to Lessor of: (i) any water damage to the Premises and any suspected seepage, pooling, dampness or other condition conducive to the production of mold; or (ii) any mustiness or other odors that might indicate the presence of mold in the Premises.

6.4 Inspection; Compliance. Lessor and Lessor's "Lender" (as defined in Paragraph 30) and consultants authorized by Lessor shall have the right to enter into Premises at any time, in the case of an emergency, and otherwise at reasonable times **(with 24 hours prior notice)**, after ~~reasonable~~ **24 hours prior** notice, for the purpose of inspecting and/or testing the condition of the Premises and/or for verifying compliance by Lessee with this Lease. The cost of any such inspections shall be paid by Lessor, unless a violation of Applicable Requirements, or a Hazardous Substance Condition (see Paragraph 9.1) is found to exist or be imminent, or the inspection is requested or ordered by a governmental authority. In such case, Lessee shall upon request reimburse Lessor for the cost of such inspection, so long as such inspection is reasonably related to the violation or contamination. In addition, Lessee shall provide copies of all relevant material safety data sheets (MSDS) to Lessor within 10 days of the receipt of written request therefor. Lessee acknowledges that any failure on its part to allow such inspections or testing will expose Lessor to risks and potentially cause Lessor to incur costs not contemplated by this Lease, the extent of which will be extremely difficult to ascertain. ~~Accordingly, should the Lessee fail to allow such inspections and/or testing in a timely fashion the Base Rent shall be automatically increased, without any requirement for notice to Lessee, by an amount equal to 10% of the then existing Base Rent or \$100, whichever is greater for the remainder of the Lease. The Parties agree that such increase in Base Rent represents fair and reasonable compensation for the additional risk/costs that Lessor will incur by reason of Lessee's failure to allow such inspection and/or testing. Such increase in Base Rent shall in no event constitute a waiver of Lessee's Default or Breach with respect to such failure nor prevent the exercise of any of the other rights and remedies granted hereunder.~~

7. Maintenance; Repairs; Utility Installations; Trade Fixtures and Alterations.

7.1 Lessee's Obligations. Notwithstanding Lessor's obligation to keep the Premises in good condition and repair, Lessee shall be responsible for the cost of painting, repairing or replacing wall coverings, **windows/plate glass** and to repair or replace any improvements within the Premises.

7.2 Lessor's Obligations. Subject to the provisions of Paragraphs 2.2 (Condition), 2.3 (Compliance), 4.2 (Operating Expenses), 6 (Use), 7.1 (Lessee's Obligations), 9 (Damage or Destruction) and 14 (Condemnation), Lessor, subject to reimbursement pursuant to Paragraph 4.2, shall keep in good order, condition and

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repair the Premises, the foundations, exterior walls, structural condition of interior bearing walls, exterior roof, fire sprinkler system, fire alarm and/or smoke detection systems, fire hydrants, and the Common Areas.

7.3 Utility Installations; Trade Fixtures; Alterations.

(a) **Definitions.** The term "Utility Installations" refers to all floor and window coverings, air lines, vacuum lines, power panels, electrical distribution, security and fire protection systems, communication cabling, lighting fixtures, HVAC equipment, and plumbing in or on the Premises. The term "Trade Fixtures" shall mean Lessee's machinery and equipment that can be removed without doing material damage to the Premises. The term "Alterations" shall mean any modification of the improvements, other than Utility Installations or Trade Fixtures, whether by addition or deletion. "Lessee Owned Alterations and/or Utility Installations" are defined as Alterations and/or Utility Installations made by Lessee that are not yet owned by Lessor pursuant to Paragraph 7.4(a).

(b) **Consent.** Lessee shall not make any Alterations or Utility Installations to the Premises without Lessor's prior written consent. Lessee may, however, make non-structural Alterations or Utility Installations to the interior of the Premises (excluding the roof) without such consent but upon notice to Lessor, as long as they are not visible from the outside, do not involve puncturing, relocating or removing the roof, ceilings, floors or any existing walls, will not affect the electrical, plumbing, HVAC, and/or life safety systems, do not trigger the requirement for additional modifications and/or improvements to the Premises resulting from

Applicable Requirements, such as compliance with Title 24, and the cumulative cost thereof during this Lease as extended does not exceed ~~\$2000~~ **\$25,000 in any calendar year.** Notwithstanding the foregoing, Lessee shall not make or permit any roof penetrations and/or install anything on the roof without the prior written approval of Lessor. Lessor may, as a precondition to granting such approval, require Lessee to utilize a contractor chosen and/or approved by Lessor.

Any Alterations or Utility Installations that Lessee shall desire to make and which require the consent of the Lessor shall be presented to Lessor in written form with detailed plans. Consent shall be deemed conditioned upon Lessee's: (i) acquiring all applicable governmental permits, (ii) furnishing Lessor with copies of both the permits and the plans and specifications prior to commencement of the work, and (iii) compliance with all conditions of said permits and other Applicable Requirements in a prompt and expeditious manner. Any Alterations or Utility Installations shall be performed in a workmanlike manner with good and sufficient materials. Lessee shall promptly upon completion furnish Lessor with as-built plans and specifications. ~~For work which costs an amount in excess of one month's Base Rent, Lessor may condition its consent upon Lessee providing a lien and completion bond in an amount equal to 150% of the estimated cost of such Alteration or Utility Installation and/or upon Lessee's posting an additional Security Deposit with Lessor.~~

(c) **Liens; Bonds.** Lessee shall pay, when due, all claims for labor or materials furnished or alleged to have been furnished to or for Lessee at or for use on the Premises, which claims are or may be secured by any mechanic's or materialmen's lien against the Premises or any interest therein. Lessee shall give Lessor not less than 10 days notice prior to the commencement of any work in, on or about the Premises, and Lessor shall have the right to post notices of non-responsibility. If Lessee shall contest the validity of any such lien, claim or demand, then Lessee shall, at its sole expense defend and protect itself, Lessor and the Premises against the same and shall pay and satisfy any such adverse judgment that may be rendered thereon before the enforcement thereof. If Lessor shall require, Lessee shall furnish a surety bond in an amount equal to 150% of the amount of such contested lien, claim or demand, indemnifying Lessor against liability for the same. If Lessor elects to participate in any such action, Lessee shall pay Lessor's attorneys' fees and costs.

7.4 Ownership; Removal; Surrender; and Restoration.

(a) **Ownership.** Subject to Lessor's right to require removal or elect ownership as hereinafter provided, all Alterations and Utility Installations made by Lessee shall be the property of Lessee, but considered a part of the Premises. Lessor may, at any time, elect in writing to be the owner of all or any specified part of the Lessee Owned Alterations and Utility Installations. Unless otherwise instructed per paragraph 7.4(b) hereof, all Lessee Owned Alterations and Utility Installations shall, at the expiration or termination of this Lease, become the property of Lessor and be surrendered by Lessee with the Premises.

(b) **Removal.** By delivery to Lessee of written notice from Lessor not earlier than 90 and not later than 30 days prior to the end of the term of this Lease, Lessor may require that any or all Lessee Owned Alterations or Utility Installations be removed by the expiration or termination of this Lease. Lessor may require the removal at any time of all or any part of any Lessee Owned Alterations or Utility Installations made without the required consent.

(c) **Surrender; Restoration.** Lessee shall surrender the Premises by the Expiration Date or any earlier termination date, with all of the improvements, parts and surfaces thereof clean and free of debris, and in good operating order, condition and state of repair, ordinary wear and tear excepted. "Ordinary wear and tear" shall not include any damage or deterioration that would have been prevented by good maintenance practice. Notwithstanding the foregoing, if the Lessee occupies the Premises for 12 months or less, then Lessee shall surrender the Premises in the same condition as delivered to Lessee on the Start Date with NO allowance for ordinary wear and tear. Lessee shall repair any damage occasioned by the installation, maintenance or removal of Trade Fixtures, Lessee owned Alterations and/or Utility Installations, furnishings, and equipment as well as the removal of any storage tank installed by or for Lessee. Lessee shall also remove from the Premises any and all Hazardous Substances brought onto the Premises by or for Lessee, or any third party (except Hazardous Substances which were deposited via underground migration from areas outside of the Project) to the level specified in Applicable Requirements. Trade Fixtures shall remain the property of Lessee and shall be removed by Lessee. Any personal property of Lessee not removed on or before the Expiration Date or any earlier termination date shall be deemed to have been abandoned by Lessee and may be disposed of or retained by Lessor as Lessor may desire. The failure by Lessee to timely vacate the Premises pursuant to this Paragraph 7.4(c) without the express written consent of Lessor shall constitute a holdover under the provisions of Paragraph 26 below.

8. Insurance; Indemnity.

8.1 **Insurance Premiums.** The cost of the premiums for the insurance policies maintained by Lessor pursuant to paragraph 8 are included as Operating Expenses (see paragraph 4.2 (a)(iv)). Said costs shall include increases in the premiums resulting from additional coverage related to requirements of the holder of a mortgage or deed of trust covering the Premises, Building and/or Project, increased valuation of the Premises, Building and/or Project, and/or a general premium rate increase. Said costs shall not, however, include any premium increases resulting from the nature of the occupancy of any other tenant of the Building. In no event, however, shall Lessee be responsible for any portion of the premium cost attributable to liability insurance coverage in excess of \$2,000,000 procured under Paragraph 8.2(b).

8.2 Liability Insurance.

(a) **Carried by Lessee.** Lessee shall obtain and keep in force a Commercial General Liability policy of insurance protecting Lessee and Lessor as an additional insured against claims for bodily injury, personal injury and property damage based upon or arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto. Such insurance shall be on an occurrence basis providing single limit coverage in an amount not less than \$1,000,000 per occurrence with an annual aggregate of not less than \$2,000,000. Lessee shall add Lessor as an additional insured by means of an endorsement at least as broad as the Insurance Service Organization's "Additional Insured-Managers or Lessors of Premises" Endorsement. The policy shall not contain any intra-insured exclusions as between insured persons or organizations, but shall include coverage for liability assumed under this Lease as an "insured contract" for the performance of Lessee's indemnity obligations under this Lease. The limits of said insurance shall not, however, limit the liability of Lessee nor relieve Lessee of any obligation hereunder. Lessee shall provide an endorsement on its liability policy(ies) which provides that its insurance shall be primary to and not contributory with any similar insurance carried by Lessor, whose insurance shall be considered excess insurance only.

(b) **Carried by Lessor.** Lessor shall maintain liability insurance as described in Paragraph 8.2(a), in addition to, and not in lieu of, the insurance required to be maintained by Lessee. Lessee shall not be named as an additional insured therein.

8.3 Property Insurance - Building, Improvements and Rental Value.

(a) **Building and Improvements.** Lessor shall obtain and keep in force a policy or policies of insurance in the name of Lessor, with loss payable to Lessor, any ground-lessor, and to any Lender insuring loss or damage to the Building and/or Project. The amount of such insurance shall be equal to the full insurable replacement cost of the Building and/or Project, as the same shall exist from time to time, or the amount required by any Lender, but in no event more than the commercially reasonable and available insurable value thereof. ~~Lessee Owned Alterations and Utility Installations, Trade Fixtures, and Lessee's personal property shall be insured by Lessee not by Lessor.~~ If the coverage is available and commercially appropriate, such policy or policies shall insure against all risks of direct physical loss or damage (except the perils of flood and/or earthquake unless required by a Lender), including coverage for debris removal and the enforcement of any Applicable Requirements requiring the upgrading, demolition, reconstruction or replacement of any portion of the Premises as the result of a covered loss. Said policy or policies shall also contain an agreed valuation provision in lieu of any coinsurance clause, waiver of subrogation, and inflation guard protection causing an increase in the annual property insurance coverage amount by a factor of not less than the adjusted U.S. Department of Labor Consumer Price Index for All Urban Consumers for the city nearest to where the Premises are located. If such insurance coverage has a deductible clause, the deductible amount shall not exceed \$5,000 per occurrence.

(b) **Rental Value.** Lessor shall also obtain and keep in force a policy or policies in the name of Lessor with loss payable to Lessor and any Lender, insuring the loss of the full Rent for one year with an extended period of indemnity for an additional 180 days ("Rental Value insurance"). Said insurance shall contain an agreed valuation provision in lieu of any coinsurance clause, and the amount of coverage shall be adjusted annually to reflect the projected Rent otherwise payable by Lessee, for the next 12 month period.

(c) **Adjacent Premises.** Lessee shall pay for any increase in the premiums for the property insurance of the Building and for the Common Areas or other buildings in the Project if said increase is caused by Lessee's acts, omissions, use or occupancy of the Premises.

(d) **Lessee's Improvements.** Since Lessor is the Insuring Party, Lessor shall not be required to insure Lessee Owned Alterations and Utility Installations unless the item in question has become the property of Lessor under the terms of this Lease.

8.4 Lessee's Property; Business Interruption Insurance; Worker's Compensation Insurance.

(a) **Property Damage.** Lessee shall obtain and maintain insurance coverage on all of Lessee's personal property, Trade Fixtures, and Lessee Owned Alterations and Utility Installations. ~~Such insurance shall be full replacement cost coverage with a deductible of not to exceed \$1,000 per occurrence.~~ The proceeds

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from any such insurance shall be used by Lessee for the replacement of personal property, Trade Fixtures and Lessee Owned Alterations and Utility Installations.

(b) **Business Interruption.** Lessee shall obtain and maintain loss of income and extra expense insurance in amounts as will reimburse Lessee for direct or indirect loss of earnings attributable to all perils commonly insured against by prudent lessees in the business of Lessee or attributable to prevention of access to the Premises as a result of such perils.

(c) **Worker's Compensation Insurance.** Lessee shall obtain and maintain Worker's Compensation Insurance in such amount as may be required by Applicable Requirements. Such policy shall include a "Waiver of Subrogation" endorsement. ~~Lessee shall provide Lessor with a copy of such endorsement along with the certificate of insurance or copy of the policy required by paragraph 8.5.~~

(d) **No Representation of Adequate Coverage.** Lessor makes no representation that the limits or forms of coverage of insurance specified herein are adequate to cover Lessee's property, business operations or obligations under this Lease.

8.5 **Insurance Policies.** Insurance required herein shall be by companies maintaining during the policy term a "General Policyholders Rating" of at least A-, VII, as set forth in the most current issue of "Best's Insurance Guide", or such other rating as may be required by a Lender. Lessee shall not do or permit to be done anything which invalidates the required insurance policies. Lessee shall, prior to the Start Date, deliver to Lessor certified copies of policies of such insurance or certificates with copies of the required endorsements evidencing the existence and amounts of the required insurance. No such policy shall be cancelable or subject to modification except after 30 days prior written notice to Lessor. Lessee shall, at least 10 days prior to the expiration of such policies, furnish Lessor with evidence of renewals or "insurance binders" evidencing renewal thereof, or Lessor may increase his liability insurance coverage and charge the cost thereof to Lessee, which amount shall be payable by Lessee to Lessor upon demand. ~~Such policies shall be for a term of at least one year, or the length of the remaining term of this Lease, whichever is less. If either Party shall fail to procure and maintain the insurance required to be carried by it, the other Party may, but shall not be required to, procure and maintain the same.~~ Lessee shall, on or prior to the Start Date, deliver to Lessor certificates of insurance evidencing the required insurance. No such policy shall be canceled without endeavoring to provide ten (10) days prior written notice to Lessor. Lessee shall, within 5 days of the expiration of such insurance, furnish Lessor with an updated certification of insurance evidencing the renewal or replacement of the required insurance.

8.6 **Waiver of Subrogation.** Without affecting any other rights or remedies, Lessee and Lessor each hereby release and relieve the other, and waive their entire right to recover damages against the other, for loss of or damage to its property arising out of or incident to the perils required to be insured against herein. The effect of such releases and waivers is not limited by the amount of insurance carried or required, or by any deductibles applicable hereto. The Parties agree to have their respective property damage insurance carriers waive any right to subrogation that such companies may have against Lessor or Lessee, as the case may be, so long as the insurance is not invalidated thereby.

8.7 **Indemnity.** ~~Except for Lessor's gross negligence or willful misconduct,~~ **Except for Lessor's negligence,** Lessee shall indemnify, protect, defend and hold harmless the Premises, Lessor and its agents, Lessor's master or ground lessor, partners and Lenders, from and against any and all claims, loss of rents and/or damages, liens, judgments, penalties, attorneys' and consultants' fees, expenses and/or liabilities arising out of, involving, or in connection with, a Breach of the Lease by Lessee and/or the use and/or occupancy of the Premises and/or Project by Lessee and/or by Lessee's employees, contractors or invitees. If any action or proceeding is brought against Lessor by reason of any of the foregoing matters, Lessee shall upon notice defend the same at Lessee's expense by counsel reasonably satisfactory to Lessor and Lessor shall cooperate with Lessee in such defense. Lessor need not have first paid any such claim in order to be defended or indemnified.

8.8 **Exemption of Lessor and its Agents from Liability.** Notwithstanding the negligence or breach of this Lease by Lessor or its agents, neither Lessor nor its agents shall be liable under any circumstances for: (i) injury or damage to the person or goods, wares, merchandise or other property of Lessee, Lessee's employees, contractors, invitees, customers, or any other person in or about the Premises, whether such damage or injury is caused by or results from fire, steam, electricity, gas, water or rain, indoor air quality, the presence of mold or from the breakage, leakage, obstruction or other defects of pipes, fire sprinklers, wires, appliances, plumbing, HVAC or lighting fixtures, or from any other cause, whether the said injury or damage results from conditions arising upon the Premises or upon other portions of the Building, or from other sources or places, (ii) any damages arising from any act or neglect of any other tenant of Lessor or from the failure of Lessor or its agents to enforce the provisions of any other lease in the Project, or (iii) injury to Lessee's business or for any loss of income or profit therefrom. Instead, it is intended that Lessee's sole recourse in the event of such damages or injury be to file a claim on the insurance policy(ies) that Lessee is required to maintain pursuant to the provisions of paragraph 8.

Notwithstanding anything in this section to the contrary, however, the foregoing shall not limited restrict, otherwise affect Lessor's obligations under the Lease.

8.9 **Failure to Provide Insurance.** Lessee acknowledges that any failure on its part to obtain or maintain the insurance required herein will expose Lessor to risks and potentially cause Lessor to incur costs not contemplated by this Lease, the extent of which will be extremely difficult to ascertain. Accordingly, for any month or portion thereof that Lessee does not maintain the required insurance and/or does not provide Lessor with the required binders or certificates evidencing the existence of the required insurance, the Base Rent shall be automatically increased, without any requirement for notice to Lessee, by an amount equal to 10% of the then existing Base Rent or \$100, whichever is greater. The parties agree that such increase in Base Rent represents fair and reasonable compensation for the additional risk/costs that Lessor will incur by reason of Lessee's failure to maintain the required insurance. Such increase in Base Rent shall in no event constitute a waiver of Lessee's Default or Breach with respect to the failure to maintain such insurance, prevent the exercise of any of the other rights and remedies granted hereunder, nor relieve Lessee of its obligation to maintain the insurance specified in this Lease.

9. **Damage or Destruction.**

9.1 **Definitions.**

- (a) **"Premises Partial Damage"** shall mean damage or destruction to the improvements on the Premises, other than Lessee Owned Alterations and Utility Installations, which can reasonably be repaired in 3 months or less from the date of the damage or destruction, and the cost thereof does not exceed a sum equal to 6 month's Base Rent. Lessor shall notify Lessee in writing within 30 days from the date of the damage or destruction as to whether or not the damage is Partial or Total.
- (b) **"Premises Total Destruction"** shall mean damage or destruction to the improvements on the Premises, other than Lessee Owned Alterations and Utility Installations and Trade Fixtures, which cannot reasonably be repaired in 3 months or less from the date of the damage or destruction and/or the cost thereof exceeds a sum equal to 6 month's Base Rent. Lessor shall notify Lessee in writing within 30 days from the date of the damage or destruction as to whether or not the damage is Partial or Total.
- (c) **"Insured Loss"** shall mean damage or destruction to improvements on the Premises, other than Lessee Owned Alterations and Utility Installations and Trade Fixtures, which was caused by an event required to be covered by the insurance described in Paragraph 8.3(a), irrespective of any deductible amounts or coverage limits involved.
- (d) **"Replacement Cost"** shall mean the cost to repair or rebuild the improvements owned by Lessor at the time of the occurrence to their condition existing immediately prior thereto, including demolition, debris removal and upgrading required by the operation of Applicable Requirements, and without deduction for depreciation.
- (e) **"Hazardous Substance Condition"** shall mean the occurrence or discovery of a condition involving the presence of, or a contamination by, a Hazardous Substance, in, on, or under the Premises which requires restoration.

9.2 **Partial Damage - Insured Loss.** If a Premises Partial Damage that is an Insured Loss occurs, then Lessor shall, at Lessor's expense, repair such damage (but not Lessee's Trade Fixtures or Lessee Owned Alterations and Utility Installations) as soon as reasonably possible and this Lease shall continue in full force and effect; provided, however, that Lessee shall, at Lessor's election, make the repair of any damage or destruction the total cost to repair of which is \$5,000 or less, and, in such event, Lessor shall make any applicable insurance proceeds available to Lessee on a reasonable basis for that purpose. Notwithstanding the foregoing, if the required insurance was not in force or the insurance proceeds are not sufficient to effect such repair, the Insuring Party shall promptly contribute the shortage in proceeds as and when required to complete said repairs. In the event, however, such shortage was due to the fact that, by reason of the unique nature of the improvements, full replacement cost insurance coverage was not commercially reasonable and available, Lessor shall have no obligation to pay for the shortage in insurance proceeds or to fully restore the unique aspects of the Premises unless Lessee provides Lessor with the funds to cover same, or adequate assurance thereof, within 10 days following receipt of written notice of such shortage and request therefor. If Lessor receives said funds or adequate assurance thereof within said 10 day period, the party responsible for making the repairs shall complete them as soon as reasonably possible and this Lease shall remain in full force and effect. If such funds or assurance are not received, Lessor may nevertheless elect by written notice to Lessee within 10 days thereafter to: (i) make such restoration and repair as is commercially reasonable with Lessor paying any shortage in proceeds, in which case this Lease shall remain in full force and effect, or (ii) have this Lease terminate 30 days thereafter. Lessee shall not be entitled to reimbursement of any funds contributed by Lessee to repair any such damage or destruction. Premises Partial Damage due to flood or earthquake shall be subject to Paragraph 9.3, notwithstanding that there may be some insurance coverage, but the net proceeds of any such insurance shall be made available for the repairs if made by either Party.

9.3 **Partial Damage - Uninsured Loss.** If a Premises Partial Damage that is not an Insured Loss occurs, unless caused by a negligent or willful act of Lessee (in which event Lessee shall make the repairs at Lessee's expense), Lessor may either: (i) repair such damage as soon as reasonably possible at Lessor's expense (subject to reimbursement pursuant to Paragraph 4.2), in which event this Lease shall continue in full force and effect, or (ii) terminate this Lease by giving written notice to Lessee within 30 days after receipt by Lessor of knowledge of the occurrence of such damage. Such termination shall be effective 60 days following the date of such

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notice. In the event Lessor elects to terminate this Lease, Lessee shall have the right within 10 days after receipt of the termination notice to give written notice to Lessor of Lessee's commitment to pay for the repair of such damage without reimbursement from Lessor. Lessee shall provide Lessor with said funds or satisfactory assurance thereof within 30 days after making such commitment. In such event this Lease shall continue in full force and effect, and Lessor shall proceed to make such repairs as soon as reasonably possible after the required funds are available. If Lessee does not make the required commitment, this Lease shall terminate as of the date specified in the termination notice.

9.4 **Total Destruction.** Notwithstanding any other provision hereof, if a Premises Total Destruction occurs, this Lease shall terminate 60 days following such Destruction. If the damage or destruction was caused by the gross negligence or willful misconduct of Lessee, Lessor shall have the right to recover Lessor's damages from Lessee, except as provided in Paragraph 8.6.

9.5 **Damage Near End of Term.** If at any time during the last 6 months of this Lease there is damage for which the cost to repair exceeds one month's Base Rent, whether or not an Insured Loss, Lessor may terminate this Lease effective 60 days following the date of occurrence of such damage by giving a written termination notice to Lessee within 30 days after the date of occurrence of such damage. Notwithstanding the foregoing, if Lessee at that time has an exercisable option to extend this Lease or to purchase the Premises, then Lessee may preserve this Lease by, (a) exercising such option and (b) providing Lessor with any shortage in insurance proceeds (or adequate assurance thereof) needed to make the repairs on or before the earlier of (i) the date which is 10 days after Lessee's receipt of Lessor's written notice purporting to terminate this Lease, or (ii) the day prior to the date upon which such option expires. If Lessee duly exercises such option during such period and provides Lessor with funds (or adequate assurance thereof) to cover any shortage in insurance proceeds, Lessor shall, at Lessor's commercially reasonable expense, repair such damage as soon as reasonably possible and this Lease shall continue in full force and effect. If Lessee fails to exercise such option and provide such funds or assurance during such period, then this Lease shall terminate on the date specified in the termination notice and Lessee's option shall be extinguished.

9.6 **Abatement of Rent; Lessee's Remedies.**

(a) **Abatement.** In the event of Premises Partial Damage or Premises Total Destruction or a Hazardous Substance Condition for which Lessee is not responsible under this Lease, the Rent payable by Lessee for the period required for the repair, remediation or restoration of such damage shall be abated in proportion to the degree to which Lessee's use of the Premises is impaired, but not to exceed the proceeds received from the Rental Value insurance. All other obligations of Lessee hereunder shall be performed by Lessee, and Lessor shall have no liability for any such damage, destruction, remediation, repair or restoration except as provided herein.

(b) **Remedies.** If Lessor shall be obligated to repair or restore the Premises and does not commence, in a substantial and meaningful way, such repair or restoration within 90 days after such obligation shall accrue, Lessee may, at any time prior to the commencement of such repair or restoration, give written notice to Lessor and to any Lenders of which Lessee has actual notice, of Lessee's election to terminate this Lease on a date not less than 60 days following the giving of such notice. If Lessee gives such notice and such repair or restoration is not commenced within 30 days thereafter, this Lease shall terminate as of the date specified in said notice. If the repair or restoration is commenced within such 30 days, this Lease shall continue in full force and effect. "Commence" shall mean either the unconditional authorization of the preparation of the required plans, or the beginning of the actual work on the Premises, whichever first occurs.

9.7 **Termination; Advance Payments.** Upon termination of this Lease pursuant to Paragraph 6.2(g) or Paragraph 9, an equitable adjustment shall be made concerning advance Base Rent and any other advance payments made by Lessee to Lessor. Lessor shall, in addition, return to Lessee so much of Lessee's Security Deposit as has not been, or is not then required to be, used by Lessor.

10. **Real Property Taxes.**

10.1 **Definitions.** As used herein, the term "Real Property Taxes" shall include any form of assessment; real estate, general, special, ordinary or extraordinary, or rental levy or tax (other than inheritance, personal income or estate taxes); improvement bond; and/or license fee imposed upon or levied against any legal or equitable interest of Lessor in the Project, Lessor's right to other income therefrom, and/or Lessor's business of leasing, by any authority having the direct or indirect power to tax and where the funds are generated with reference to the Project address. "Real Property Taxes" shall also include any tax, fee, levy, assessment or charge, or any increase therein: (i) imposed by reason of events occurring during the term of this Lease, including but not limited to, a change in the ownership of the Project, (ii) a change in the improvements thereon, and/or (iii) levied or assessed on machinery or equipment provided by Lessor to Lessee pursuant to this Lease.

10.2 **Payment of Taxes.** Except as otherwise provided in Paragraph 10.3, Lessor shall pay the Real Property Taxes applicable to the Project, and said payments shall be included in the calculation of Operating Expenses in accordance with the provisions of Paragraph 4.2.

10.3 **Additional Improvements.** Operating Expenses shall not include Real Property Taxes specified in the tax assessor's records and work sheets as being caused by additional improvements placed upon the Project by other lessees or by Lessor for the exclusive enjoyment of such other lessees. Notwithstanding Paragraph 10.2 hereof, Lessee shall, however, pay to Lessor at the time Operating Expenses are payable under Paragraph 4.2, the entirety of any increase in Real Property Taxes if assessed solely by reason of Alterations, Trade Fixtures or Utility Installations placed upon the Premises by Lessee or at Lessee's request or by reason of any alterations or improvements to the Premises made by Lessor subsequent to the execution of this Lease by the Parties.

10.4 **Joint Assessment.** If the Building is not separately assessed, Real Property Taxes allocated to the Building shall be an equitable proportion of the Real Property Taxes for all of the land and improvements included within the tax parcel assessed, such proportion to be determined by Lessor from the respective valuations assigned in the assessor's work sheets or such other information as may be reasonably available. Lessor's reasonable determination thereof, in good faith, shall be conclusive.

10.5 **Personal Property Taxes.** Lessee shall pay prior to delinquency all taxes assessed against and levied upon Lessee Owned Alterations and Utility Installations, Trade Fixtures, furnishings, equipment and all personal property of Lessee contained in the Premises. When possible, Lessee shall cause its Lessee Owned Alterations and Utility Installations, Trade Fixtures, furnishings, equipment and all other personal property to be assessed and billed separately from the real property of Lessor. If any of Lessee's said property shall be assessed with Lessor's real property, Lessee shall pay Lessor the taxes attributable to Lessee's property within 10 days after receipt of a written statement setting forth the taxes applicable to Lessee's property.

11. **Utilities and Services.**

11.1 **Services Provided by Lessor.** Lessor shall provide heating, ventilation, air conditioning, reasonable amounts of electricity for normal lighting and office machines, water for reasonable and normal drinking and lavatory use in connection with an office, and replacement light bulbs and/or fluorescent tubes and ballasts for standard overhead fixtures. Lessor shall also provide janitorial services to the Premises and Common Areas 5 times per week, excluding Building Holidays, or pursuant to the attached janitorial schedule, if any. Lessor shall not, however, be required to provide janitorial services to kitchens or storage areas included within the Premises.

11.2 **Services Exclusive to Lessee.** Notwithstanding the provision of paragraph 11.1, Lessee shall pay for all water, gas, heat, light, power, telephone and other utilities and services specially or exclusively supplied and/or metered exclusively to the Premises or to Lessee, together with any taxes thereon. If a service is deleted by Paragraph 1.13 and such service is not separately metered to the Premises, Lessee shall pay at Lessor's option, either Lessee's Share or a reasonable proportion to be determined by Lessor of all charges for such jointly metered service.

11.3 **Hours of Service.** Said services and utilities shall be provided during times set forth in Paragraph 1.12. Utilities and services required at other times shall be subject to advance request and reimbursement by Lessee to Lessor of the cost thereof.

11.4 **Excess Usage by Lessee.** Lessee shall not make connection to the utilities except by or through existing outlets and shall not install or use machinery or equipment in or about the Premises that uses excess water, lighting or power, or suffer or permit any act that causes extra burden upon the utilities or services, including but not limited to security and trash services, over standard office usage for the Project. Lessor shall require Lessee to reimburse Lessor for any excess expenses or costs that may arise out of a breach of this subparagraph by Lessee. Lessor may, in its sole discretion, install at Lessee's expense supplemental equipment and/or separate metering applicable to Lessee's excess usage or loading.

11.5 **Interruptions.** There shall be no abatement of rent and Lessor shall not be liable in any respect whatsoever for the inadequacy, stoppage, interruption or discontinuance of any utility or service due to riot, strike, labor dispute, breakdown, accident, repair or other cause beyond Lessor's reasonable control or in cooperation with governmental request or directions.

12. **Assignment and Subletting.**

12.1 **Lessor's Consent Required.**

(a) Lessee shall not voluntarily or by operation of law assign, transfer, mortgage or encumber (collectively, "assign or assignment") or sublet all or any part of Lessee's interest in this Lease or in the Premises without Lessor's prior written consent, **which consent shall not be unreasonably withheld, delayed or conditioned.**

(b) Unless Lessee is a corporation and its stock is publicly traded on a national stock exchange, a change in the control of Lessee shall constitute an assignment requiring consent. The transfer, on a cumulative basis, of ~~25%~~ **50%** or more of the voting control of Lessee shall constitute a change in control for this purpose.

~~(c) The involvement of Lessee or its assets in any transaction, or series of transactions (by way of merger, sale, acquisition, financing, transfer, leveraged buyout or otherwise), whether or not a formal assignment or hypothecation of this Lease or Lessee's assets occurs, which results or will result in a reduction of the Net Worth of Lessee by an amount greater than 25% of such Net Worth as it was represented at the time of the execution of this Lease or at the time of the most recent assignment to which Lessor has consented, or as it exists immediately prior to said transaction or transactions constituting such reduction, which was or is~~

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greater, shall be considered an assignment of this Lease to which Lessor may withhold its consent. "Net Worth of Lessee" shall mean the net worth of Lessee (excluding any guarantors) established under generally accepted accounting principles.

(d) An assignment or subletting without consent shall, at Lessor's option, be a Default curable after notice per Paragraph 13.1(d), or a noncurable Breach without the necessity of any notice and grace period. If Lessor elects to treat such unapproved assignment or subletting as a noncurable Breach, Lessor may either: (i) terminate this Lease, or (ii) upon 30 days written notice, increase the monthly Base Rent to 110% of the Base Rent then in effect. Further, in the event of such Breach and rental adjustment, (i) the purchase price of any option to purchase the Premises held by Lessee shall be subject to similar adjustment to 110% of the price previously in effect, and (ii) all fixed and non-fixed rental adjustments scheduled during the remainder of the Lease term shall be increased to 110% of the scheduled adjusted rent.

(e) Lessee's remedy for any breach of Paragraph 12.1 by Lessor shall be limited to compensatory damages and/or injunctive relief.

(f) Lessor may reasonably withhold consent to a proposed assignment or subletting if Lessee is in Default at the time consent is requested.

(g) Notwithstanding the foregoing, allowing a de minimis portion of the Premises, ie. 20 square feet or less, to be used by a third party vendor in connection with the installation of a vending machine or payphone shall not constitute a subletting.

12.2 Terms and Conditions Applicable to Assignment and Subletting.

(a) Regardless of Lessor's consent, no assignment or subletting shall: (i) be effective without the express written assumption by such assignee or sublessee of the obligations of Lessee under this Lease, (ii) release Lessee of any obligations hereunder, or (iii) alter the primary liability of Lessee for the payment of Rent or for the performance of any other obligations to be performed by Lessee.

(b) Lessor may accept Rent or performance of Lessee's obligations from any person other than Lessee pending approval or disapproval of an assignment. Neither a delay in the approval or disapproval of such assignment nor the acceptance of Rent or performance shall constitute a waiver or estoppel of Lessor's right to exercise its remedies for Lessee's Default or Breach.

(c) Lessor's consent to any assignment or subletting shall not constitute a consent to any subsequent assignment or subletting.

(d) In the event of any Default or Breach by Lessee, Lessor may proceed directly against Lessee, any Guarantors or anyone else responsible for the performance of Lessee's obligations under this Lease, including any assignee or sublessee, without first exhausting Lessor's remedies against any other person or entity responsible therefor to Lessor, or any security held by Lessor.

(e) Each request for consent to an assignment or subletting shall be in writing, accompanied by information relevant to Lessor's determination as to the financial and operational responsibility and appropriateness of the proposed assignee or sublessee, including but not limited to the intended use and/or required modification of the Premises, if any, together with a fee of \$500 as consideration for Lessor's considering and processing said request. Lessee agrees to provide Lessor with such other or additional information and/or documentation as may be reasonably requested. (See also Paragraph 36)

(f) Any assignee of, or sublessee under, this Lease shall, by reason of accepting such assignment, entering into such sublease, or entering into possession of the Premises or any portion thereof, be deemed to have assumed and agreed to conform and comply with each and every term, covenant, condition and obligation herein to be observed or performed by Lessee during the term of said assignment or sublease, other than such obligations as are contrary to or inconsistent with provisions of an assignment or sublease to which Lessor has specifically consented to in writing.

(g) Lessor's consent to any assignment or subletting shall not transfer to the assignee or sublessee any Option granted to the original Lessee by this Lease unless such transfer is specifically consented to by Lessor in writing. (See Paragraph 39.2)

12.3 Additional Terms and Conditions Applicable to Subletting. The following terms and conditions shall apply to any subletting by Lessee of all or any part of the Premises and shall be deemed included in all subleases under this Lease whether or not expressly incorporated therein:

(a) Lessee hereby assigns and transfers to Lessor all of Lessee's interest in all Rent payable on any sublease, and Lessor may collect such Rent and apply same toward Lessee's obligations under this Lease; provided, however, that until a Breach shall occur in the performance of Lessee's obligations, Lessee may collect said Rent. In the event that the amount collected by Lessor exceeds Lessee's then outstanding obligations any such excess shall be refunded to Lessee. Lessor shall not, by reason of the foregoing or any assignment of such sublease, nor by reason of the collection of Rent, be deemed liable to the sublessee for any failure of Lessee to perform and comply with any of Lessee's obligations to such sublessee. Lessee hereby irrevocably authorizes and directs any such sublessee, upon receipt of a written notice from Lessor stating that a Breach exists in the performance of Lessee's obligations under this Lease, to pay to Lessor all Rent due and to become due under the sublease. Sublessee shall rely upon any such notice from Lessor and shall pay all Rents to Lessor without any obligation or right to inquire as to whether such Breach exists, notwithstanding any claim from Lessee to the contrary.

(b) In the event of a Breach by Lessee, Lessor may, at its option, require sublessee to attorn to Lessor, in which event Lessor shall undertake the obligations of the sublessor under such sublease from the time of the exercise of said option to the expiration of such sublease; provided, however, Lessor shall not be liable for any prepaid rents or security deposit paid by such sublessee to such sublessor or for any prior Defaults or Breaches of such sublessor.

(c) Any matter requiring the consent of the sublessor under a sublease shall also require the consent of Lessor.

(d) No sublessee shall further assign or sublet all or any part of the Premises without Lessor's prior written consent.

(e) Lessor shall deliver a copy of any notice of Default or Breach by Lessee to the sublessee, who shall have the right to cure the Default of Lessee within the grace period, if any, specified in such notice. The sublessee shall have a right of reimbursement and offset from and against Lessee for any such Defaults cured by the sublessee.

(f) Lessor and Lessee shall share in sublease profits, if any, on an equal 50/50 basis.

13. Default; Breach; Remedies.

13.1 Default; Breach. A "Default" is defined as a failure by the Lessee to comply with or perform any of the terms, covenants, conditions or Rules and Regulations under this Lease. A "Breach" is defined as the occurrence of one or more of the following Defaults, and the failure of Lessee to cure such Default within any applicable grace period:

(a) The abandonment of the Premises; or the vacating of the Premises without providing a commercially reasonable level of security, or where the coverage of the property insurance described in Paragraph 8.3 is jeopardized as a result thereof, or without providing reasonable assurances to minimize potential vandalism.

(b) The failure of Lessee to make any payment of Rent or any Security Deposit required to be made by Lessee hereunder, whether to Lessor or to a third party, when due, to provide reasonable evidence of insurance or surety bond, or to fulfill any obligation under this Lease which endangers or threatens life or property, where such failure continues for a period of 3 business days following written notice to Lessee. THE ACCEPTANCE BY LESSOR OF A PARTIAL PAYMENT OF RENT OR SECURITY DEPOSIT SHALL NOT CONSTITUTE A WAIVER OF ANY OF LESSOR'S RIGHTS, INCLUDING LESSOR'S RIGHT TO RECOVER POSSESSION OF THE PREMISES.

(c) The failure of Lessee to allow Lessor and/or its agents access to the Premises or the commission of waste, act or acts constituting public or private nuisance, and/or an illegal activity on the Premises by Lessee, where such actions continue for a period of 3 business days following written notice to Lessee. In the event that Lessee commits waste, a nuisance or an illegal activity a second time then, the Lessor may elect to treat such conduct as a non-curable Breach rather than a Default.

(d) The failure by Lessee to provide (i) reasonable written evidence of compliance with Applicable Requirements, (ii) the service contracts, (iii) the rescission of an unauthorized assignment or subletting, (iv) an Estoppel Certificate or financial statements, (v) a requested subordination, (vi) evidence concerning any guaranty and/or Guarantor, (vii) any document requested under Paragraph 41, (viii) material safety data sheets (MSDS), or (ix) any other documentation or information which Lessor may reasonably require of Lessee under the terms of this Lease, where any such failure continues for a period of 10 business days following written notice to Lessee.

(e) A Default by Lessee as to the terms, covenants, conditions or provisions of this Lease, or of the rules adopted under Paragraph 2.9 hereof, other than those described in subparagraphs 13.1(a), (b), (c) or (d), above, where such Default continues for a period of 30 days after written notice; provided, however, that if the nature of Lessee's Default is such that more than 30 days are reasonably required for its cure, then it shall not be deemed to be a Breach if Lessee commences such cure within said 30 day period and thereafter diligently prosecutes such cure to completion.

(f) The occurrence of any of the following events: (i) the making of any general arrangement or assignment for the benefit of creditors; (ii) becoming a "debtor" as defined in 11 U.S.C. § 101 or any successor statute thereto (unless, in the case of a petition filed against Lessee, the same is dismissed within 60 days); (iii) the appointment of a trustee or receiver to take possession of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where possession is not restored to Lessee within 30 days; or (iv) the attachment, execution or other judicial seizure of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where such seizure is not discharged within 30 days; provided, however, in the event that any provision of this subparagraph (e) is contrary to any applicable law, such provision shall be of no force or effect, and not affect the validity of the remaining provisions.

(g) The discovery that any financial statement of Lessee or of any Guarantor given to Lessor was materially false.

(h) If the performance of Lessee's obligations under this Lease is guaranteed: (i) the death of a Guarantor, (ii) the termination of a Guarantor's liability with respect to this Lease other than in accordance with the terms of such guaranty, (iii) a Guarantor's becoming insolvent or the subject of a bankruptcy filing, (iv) a Guarantor's refusal to honor the guaranty, or (v) a Guarantor's breach of its guaranty obligation on an anticipatory basis, and Lessee's failure, within 60 days following written notice of any such event, to provide written alternative assurance or security, which, when coupled with the then existing resources of Lessee, equals or exceeds the combined financial resources of Lessee and the Guarantors that existed at the time of execution of this Lease.

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13.2 Remedies. If Lessee fails to perform any of its affirmative duties or obligations, within 10 days after written notice (or in case of an emergency, without notice), Lessor may, at its option, perform such duty or obligation on Lessee's behalf, including but not limited to the obtaining of reasonably required bonds, insurance policies, or governmental licenses, permits or approvals. Lessee shall pay to Lessor an amount equal to 115% of the costs and expenses incurred by Lessor in such performance upon receipt of an invoice therefor. In the event of a Breach, Lessor may, with or without further notice or demand, and without limiting Lessor in the exercise of any right or remedy which Lessor may have by reason of such Breach:

(a) Terminate Lessee's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Lessee shall immediately surrender possession to Lessor. In such event Lessor shall be entitled to recover from Lessee: (i) the unpaid Rent which had been earned at the time of termination; (ii) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that the Lessee proves could have been reasonably avoided; (iii) the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that the Lessee proves could be reasonably avoided; and (iv) any other amount necessary to compensate Lessor for all the detriment proximately caused by the Lessee's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including but not limited to the cost of recovering possession of the Premises, expenses of reletting, including necessary renovation and alteration of the Premises, reasonable attorneys' fees, and that portion of any leasing commission paid by Lessor in connection with this Lease applicable to the unexpired term of this Lease. The worth at the time of award of the amount referred to in provision (iii) of the immediately preceding sentence shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of the District within which the Premises are located at the time of award plus one percent. Efforts by Lessor to mitigate damages caused by Lessee's Breach of this Lease shall not waive Lessor's right to recover any damages to which Lessor is otherwise entitled. If termination of this Lease is obtained through the provisional remedy of unlawful detainer, Lessor shall have the right to recover in such proceeding any unpaid Rent and damages as are recoverable therein, or Lessor may reserve the right to recover all or any part thereof in a separate suit. If a notice and grace period required under Paragraph 13.1 was not previously given, a notice to pay rent or quit, or to perform or quit given to Lessee under the unlawful detainer statute shall also constitute the notice required by Paragraph 13.1. In such case, the applicable grace period required by Paragraph 13.1 and the unlawful detainer statute shall run concurrently, and the failure of Lessee to cure the Default within the greater of the two such grace periods shall constitute both an unlawful detainer and a Breach of this Lease entitling Lessor to the remedies provided for in this Lease and/or by said statute.

(b) Continue the Lease and Lessee's right to possession and recover the Rent as it becomes due, in which event Lessee may sublet or assign, subject only to reasonable limitations. Acts of maintenance, efforts to relet, and/or the appointment of a receiver to protect the Lessor's interests, shall not constitute a termination of the Lessee's right to possession.

(c) Pursue any other remedy now or hereafter available under the laws or judicial decisions of the state wherein the Premises are located. The expiration or termination of this Lease and/or the termination of Lessee's right to possession shall not relieve Lessee from liability under any indemnity provisions of this Lease as to matters occurring or accruing during the term hereof or by reason of Lessee's occupancy of the Premises.

13.3 Inducement Recapture. Any agreement for free or abated rent or other charges, the cost of tenant improvements for Lessee paid for or performed by Lessor, or for the giving or paying by Lessor to or for Lessee of any cash or other bonus, inducement or consideration for Lessee's entering into this Lease, all of which concessions are hereinafter referred to as "Inducement Provisions," shall be deemed conditioned upon Lessee's full and faithful performance of all of the terms, covenants and conditions of this Lease. Upon Breach of this Lease by Lessee, any such Inducement Provision shall automatically be deemed deleted from this Lease and of no further force or effect, and any rent, other charge, bonus, inducement or consideration theretofore abated, given or paid by Lessor under such an Inducement Provision shall be immediately due and payable by Lessee to Lessor, notwithstanding any subsequent cure of said Breach by Lessee. The acceptance by Lessor of rent or the cure of the Breach which initiated the operation of this paragraph shall not be deemed a waiver by Lessor of the provisions of this paragraph unless specifically so stated in writing by Lessor at the time of such acceptance.

13.4 Late Charges. Lessee hereby acknowledges that late payment by Lessee of Rent will cause Lessor to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed upon Lessor by any Lender. Accordingly, if any Rent shall not be received by Lessor within 5 days after such amount shall be due, then, without any requirement for notice to Lessee, Lessee shall immediately pay to Lessor a one-time late charge equal to 10% of each such overdue amount or \$100, whichever is greater. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Lessor will incur by reason of such late payment. Acceptance of such late charge by Lessor shall in no event constitute a waiver of Lessee's Default or Breach with respect to such overdue amount, nor prevent the exercise of any of the other rights and remedies granted hereunder. In the event that a late charge is payable hereunder, whether or not collected, for 3 consecutive installments of Base Rent, then notwithstanding any provision of this Lease to the contrary, Base Rent shall, at Lessor's option, become due and payable quarterly in advance.

13.5 Interest. Any monetary payment due Lessor hereunder, other than late charges, not received by Lessor, when due shall bear interest from the 31st day after it was due. The interest ("Interest") charged shall be computed at the rate of 10% per annum but shall not exceed the maximum rate allowed by law. Interest is payable in addition to the potential late charge provided for in Paragraph 13.4.

13.6 Breach by Lessor.

(a) Notice of Breach. Lessor shall not be deemed in breach of this Lease unless Lessor fails within a reasonable time to perform an obligation required to be performed by Lessor. For purposes of this Paragraph, a reasonable time shall in no event be less than 30 days after receipt by Lessor, and any Lender whose name and address shall have been furnished to Lessee in writing for such purpose, of written notice specifying wherein such obligation of Lessor has not been performed; provided, however, that if the nature of Lessor's obligation is such that more than 30 days are reasonably required for its performance, then Lessor shall not be in breach if performance is commenced within such 30 day period and thereafter diligently pursued to completion.

(b) Performance by Lessee on Behalf of Lessor. In the event that neither Lessor nor Lender cures said breach within 30 days after receipt of said notice, or if having commenced said cure they do not diligently pursue it to completion, then Lessee may elect to cure said breach at Lessee's expense and offset from Rent the actual and reasonable cost to perform such cure, provided, however, that such offset shall not exceed an amount equal to the greater of one month's Base Rent or the Security Deposit, reserving Lessee's right to seek reimbursement from Lessor for any such expense in excess of such offset. Lessee shall document the cost of said cure and supply said documentation to Lessor.

14. Condemnation. If the Premises or any portion thereof are taken under the power of eminent domain or sold under the threat of the exercise of said power (collectively "Condemnation"), this Lease shall terminate as to the part taken as of the date the condemning authority takes title or possession, whichever first occurs. If more than 10% of the rentable floor area of the Premises, or more than 25% of Lessee's Reserved Parking Spaces, if any, are taken by Condemnation, Lessee may, at Lessee's option, to be exercised in writing within 10 days after Lessor shall have given Lessee written notice of such taking (or in the absence of such notice, within 10 days after the condemning authority shall have taken possession) terminate this Lease as of the date the condemning authority takes such possession. If Lessee does not terminate this Lease in accordance with the foregoing, this Lease shall remain in full force and effect as to the portion of the Premises remaining, except that the Base Rent shall be reduced in proportion to the reduction in utility of the Premises caused by such Condemnation. Condemnation awards and/or payments shall be the property of Lessor, whether such award shall be made as compensation for diminution in value of the leasehold, the value of the part taken, or for severance damages; provided, however, that Lessee shall be entitled to any compensation paid by the condemnor for Lessee's relocation expenses, loss of business goodwill and/or Trade Fixtures, without regard to whether or not this Lease is terminated pursuant to the provisions of this Paragraph. All Alterations and Utility Installations made to the Premises by Lessee, for purposes of Condemnation only, shall be considered the property of the Lessee and Lessee shall be entitled to any and all compensation which is payable therefor. In the event that this Lease is not terminated by reason of the Condemnation, Lessor shall repair any damage to the Premises caused by such Condemnation.

15. Brokerage Fees.

15.1 Additional Commission. In addition to the payments owed pursuant to Paragraph 1.10 above, Lessor agrees that: (a) if Lessee exercises any Option, (b) if Lessee or anyone affiliated with Lessee acquires from Lessor any rights to the Premises or other premises owned by Lessor and located within the Project, (c) if Lessee remains in possession of the Premises, with the consent of Lessor, after the expiration of this Lease, or (d) if Base Rent is increased, whether by agreement or operation of an escalation clause herein, then, Lessor shall pay Brokers a fee in accordance with the fee schedule of the Brokers in effect at the time the Lease was executed.

15.2 Assumption of Obligations. Any buyer or transferee of Lessor's interest in this Lease shall be deemed to have assumed Lessor's obligation hereunder. Brokers shall be third party beneficiaries of the provisions of Paragraphs 1.10, 15, 22 and 31. If Lessor fails to pay to Brokers any amounts due as and for brokerage fees pertaining to this Lease when due, then such amounts shall accrue Interest. In addition, if Lessor fails to pay any amounts to Lessee's Broker when due, Lessee's Broker may send written notice to Lessor and Lessee of such failure and if Lessor fails to pay such amounts within 10 days after said notice, Lessee shall pay said monies to its Broker and offset such amounts against Rent. In addition, Lessee's Broker shall be deemed to be a third party beneficiary of any commission agreement entered into by and/or between Lessor and Lessor's Broker for the limited purpose of collecting any brokerage fee owed.

15.3 Representations and Indemnities of Broker Relationships. Lessee and Lessor each represent and warrant to the other that it has had no dealings with any person, firm, broker or finder (other than the Brokers, if any) in connection with this Lease, and that no one other than said named Brokers is entitled to any commission or finder's fee in connection herewith. Lessee and Lessor do each hereby agree to indemnify, protect, defend and hold the other harmless from and against liability for compensation or charges which may be claimed by any such unnamed broker, finder or other similar party by reason of any dealings or actions of the indemnifying Party, including any costs, expenses, attorneys' fees reasonably incurred with respect thereto.

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16. Estoppel Certificates.

(a) Each Party (as "Responding Party") shall within 10 business days after written notice from the other Party (the "Requesting Party") execute, acknowledge and deliver to the Requesting Party a statement in writing in form similar to the then most current "Estoppel Certificate" form published BY AIR CRE, plus such additional information, confirmation and/or statements as may be reasonably requested by the Requesting Party.

(b) If the Responding Party shall fail to execute or deliver the Estoppel Certificate within such 10 business day period, the Requesting Party may execute an Estoppel Certificate stating that: (i) the Lease is in full force and effect without modification except as may be represented by the Requesting Party, (ii) there are no uncured defaults in the Requesting Party's performance, and (iii) if Lessor is the Requesting Party, not more than one month's rent has been paid in advance. Prospective purchasers and encumbrancers may rely upon the Requesting Party's Estoppel Certificate, and the Responding Party shall be estopped from denying the truth of the facts contained in said Certificate. In addition, Lessee acknowledges that any failure on its part to provide such an Estoppel Certificate will expose Lessor to risks and potentially cause Lessor to incur costs not contemplated by this Lease, the extent of which will be extremely difficult to ascertain. Accordingly, should the Lessee fail to execute and/or deliver a requested Estoppel Certificate in a timely fashion the monthly Base Rent shall be automatically increased, without any requirement for notice to Lessee, by an amount equal to 10% of the then existing Base Rent or \$100, whichever is greater for remainder of the Lease. The Parties agree that such increase in Base Rent represents fair and reasonable compensation for the additional risk/costs that Lessor will incur by reason of Lessee's failure to provide the Estoppel Certificate. Such increase in Base Rent shall in no event constitute a waiver of Lessee's Default or Breach with respect to the failure to provide the Estoppel Certificate nor prevent the exercise of any of the other rights and remedies granted hereunder.

(c) If Lessor desires to finance, refinance, or sell the Premises, or any part thereof, Lessee and all Guarantors shall within 10 business days after written notice from Lessor deliver to any potential lender or purchaser designated by Lessor such financial statements as may be reasonably required by such lender or purchaser, including but not limited to Lessee's financial statements for the past 3 years. All such financial statements shall be received by Lessor and such lender or purchaser in confidence and shall be used only for the purposes herein set forth.

17. Definition of Lessor. The term "Lessor" as used herein shall mean the owner or owners at the time in question of the fee title to the Premises, or, if this is a sublease, of the Lessee's interest in the prior lease. In the event of a transfer of Lessor's title or interest in the Premises or this Lease, Lessor shall deliver to the transferee or assignee (in cash or by credit) any unused Security Deposit held by Lessor. Upon such transfer or assignment and delivery of the Security Deposit, as aforesaid, the prior Lessor shall be relieved of all liability with respect to the obligations and/or covenants under this Lease thereafter to be performed by the Lessor. Subject to the foregoing, the obligations and/or covenants in this Lease to be performed by the Lessor shall be binding only upon the Lessor as hereinabove defined.

18. Severability. The invalidity of any provision of this Lease, as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof.

19. Days. Unless otherwise specifically indicated to the contrary, the word "days" as used in this Lease shall mean and refer to calendar days.

20. Limitation on Liability. The obligations of Lessor under this Lease shall not constitute personal obligations of Lessor, or its partners, members, directors, officers or shareholders, and Lessee shall look to the Project, and to no other assets of Lessor, for the satisfaction of any liability of Lessor with respect to this Lease, and shall not seek recourse against Lessor's partners, members, directors, officers or shareholders, or any of their personal assets for such satisfaction.

21. Time of Essence. Time is of the essence with respect to the performance of all obligations to be performed or observed by the Parties under this Lease.

22. No Prior or Other Agreements; Broker Disclaimer. This Lease contains all agreements between the Parties with respect to any matter mentioned herein, and no other prior or contemporaneous agreement or understanding shall be effective. Lessor and Lessee each represents and warrants to the Brokers that it has made, and is relying solely upon, its own investigation as to the nature, quality, character and financial responsibility of the other Party to this Lease and as to the use, nature, quality and character of the Premises. Brokers have no responsibility with respect thereto or with respect to any default or breach hereof by either Party.

23. Notices.

23.1 Notice Requirements. All notices required or permitted by this Lease or applicable law shall be in writing and may be delivered in person (by hand or by courier) or may be sent by regular, certified or registered mail or U.S. Postal Service Express Mail, with postage prepaid, or by facsimile transmission, or by email, and shall be deemed sufficiently given if served in a manner specified in this Paragraph 23. The addresses noted adjacent to a Party's signature on this Lease shall be that Party's address for delivery or mailing of notices. Either Party may by written notice to the other specify a different address for notice, except that upon Lessee's taking possession of the Premises, the Premises shall constitute Lessee's address for notice. A copy of all notices to Lessor shall be concurrently transmitted to such party or parties at such addresses as Lessor may from time to time hereafter designate in writing.

23.2 Date of Notice. Any notice sent by registered or certified mail, return receipt requested, shall be deemed given on the date of delivery shown on the receipt card, or if no delivery date is shown, the postmark thereon. If sent by regular mail the notice shall be deemed given 72 hours after the same is addressed as required herein and mailed with postage prepaid. Notices delivered by United States Express Mail or overnight courier that guarantees next day delivery shall be deemed given 24 hours after delivery of the same to the Postal Service or courier. Notices delivered by hand, or transmitted by facsimile transmission or by email shall be deemed delivered upon actual receipt. If notice is received on a Saturday, Sunday or legal holiday, it shall be deemed received on the next business day.

24. Waivers.

(a) No waiver by Lessor of the Default or Breach of any term, covenant or condition hereof by Lessee, shall be deemed a waiver of any other term, covenant or condition hereof, or of any subsequent Default or Breach by Lessee of the same or of any other term, covenant or condition hereof. Lessor's consent to, or approval of, any act shall not be deemed to render unnecessary the obtaining of Lessor's consent to, or approval of, any subsequent or similar act by Lessee, or be construed as the basis of an estoppel to enforce the provision or provisions of this Lease requiring such consent.

(b) The acceptance of Rent by Lessor shall not be a waiver of any Default or Breach by Lessee. Any payment by Lessee may be accepted by Lessor on account of monies or damages due Lessor, notwithstanding any qualifying statements or conditions made by Lessee in connection therewith, which such statements and/or conditions shall be of no force or effect whatsoever unless specifically agreed to in writing by Lessor at or before the time of deposit of such payment.

(c) THE PARTIES AGREE THAT THE TERMS OF THIS LEASE SHALL GOVERN WITH REGARD TO ALL MATTERS RELATED THERETO AND HEREBY WAIVE THE PROVISIONS OF ANY PRESENT OR FUTURE STATUTE TO THE EXTENT THAT SUCH STATUTE IS INCONSISTENT WITH THIS LEASE.

25. Disclosures Regarding The Nature of a Real Estate Agency Relationship.

(a) When entering into a discussion with a real estate agent regarding a real estate transaction, a Lessor or Lessee should from the outset understand what type of agency relationship or representation it has with the agent or agents in the transaction. Lessor and Lessee acknowledge being advised by the Brokers in this transaction, as follows:

(i) Lessor's Agent. A Lessor's agent under a listing agreement with the Lessor acts as the agent for the Lessor only. A Lessor's agent or subagent has the following affirmative obligations: To the Lessor: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Lessor. To the Lessee and the Lessor: (a) Diligent exercise of reasonable skills and care in performance of the agent's duties. (b) A duty of honest and fair dealing and good faith. (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

(ii) Lessee's Agent. An agent can agree to act as agent for the Lessee only. In these situations, the agent is not the Lessor's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Lessor. An agent acting only for a Lessee has the following affirmative obligations. To the Lessee: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Lessee. To the Lessee and the Lessor: (a) Diligent exercise of reasonable skills and care in performance of the agent's duties. (b) A duty of honest and fair dealing and good faith. (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

(iii) Agent Representing Both Lessor and Lessee. A real estate agent, either acting directly or through one or more associate licenses, can legally be the agent of both the Lessor and the Lessee in a transaction, but only with the knowledge and consent of both the Lessor and the Lessee. In a dual agency situation, the agent has the following affirmative obligations to both the Lessor and the Lessee: (a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either Lessor or the Lessee. (b) Other duties to the Lessor and the Lessee as stated above in subparagraphs (i) or (ii). In representing both Lessor and Lessee, the agent may not without the express permission of the respective Party, disclose to the other Party that the Lessor will accept rent in an amount less than that indicated in the listing or that the Lessee is willing to pay a higher rent than that offered. The above duties of the agent in a real estate transaction do not relieve a Lessor or Lessee from the responsibility to protect their own interests. Lessor and Lessee should carefully read all agreements to assure that they adequately express their understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.

(b) Brokers have no responsibility with respect to any default or breach hereof by either Party. The Parties agree that no lawsuit or other legal

Handwritten initials: CAG was, EAC

Handwritten signature: [Signature]

proceeding involving any breach of duty, error or omission relating to this Lease may be brought against Broker more than one year after the Start Date and that the liability (including court costs and attorneys' fees), of any Broker with respect to any such lawsuit and/or legal proceeding shall not exceed the fee received by such Broker pursuant to this Lease; provided, however, that the foregoing limitation on each Broker's liability shall not be applicable to any gross negligence or willful misconduct of such Broker.

(c) Lessor and Lessee agree to identify to Brokers as "Confidential" any communication or information given Brokers that is considered by such Party to be confidential.

26. No Right To Holdover. Lessee has no right to retain possession of the Premises or any part thereof beyond the expiration or termination of this Lease. In the event that Lessee holds over, then the Base Rent shall be increased to ~~150%~~ **115%** of the Base Rent applicable immediately preceding the expiration or termination. Holdover Base Rent shall be calculated on a monthly basis. Nothing contained herein shall be construed as consent by Lessor to any holding over by Lessee.

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

28. Covenants and Conditions; Construction of Agreement. All provisions of this Lease to be observed or performed by Lessee are both covenants and conditions. In construing this Lease, all headings and titles are for the convenience of the Parties only and shall not be considered a part of this Lease. Whenever required by the context, the singular shall include the plural and vice versa. This Lease shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if both Parties had prepared it.

29. Binding Effect; Choice of Law. This Lease shall be binding upon the parties, their personal representatives, successors and assigns and be governed by the laws of the State in which the Premises are located. Any litigation between the Parties hereto concerning this Lease shall be initiated in the county in which the Premises are located.

30. Subordination; Attornment; Non-Disturbance.

30.1 Subordination. This Lease and any Option granted hereby shall be subject and subordinate to any ground lease, mortgage, deed of trust, or other hypothecation or security device (collectively, "Security Device"), now or hereafter placed upon the Premises, to any and all advances made on the security thereof, and to all renewals, modifications, and extensions thereof. Lessee agrees that the holders of any such Security Devices (in this Lease together referred to as "Lender") shall have no liability or obligation to perform any of the obligations of Lessor under this Lease. Any Lender may elect to have this Lease and/or any Option granted hereby superior to the lien of its Security Device by giving written notice thereof to Lessee, whereupon this Lease and such Options shall be deemed prior to such Security Device, notwithstanding the relative dates of the documentation or recordation thereof.

30.2 Attornment. In the event that Lessor transfers title to the Premises, or the Premises are acquired by another upon the foreclosure or termination of a Security Device to which this Lease is subordinated (i) Lessee shall, subject to the non-disturbance provisions of Paragraph 30.3, attorn to such new owner, and upon request, enter into a new lease, containing all of the terms and provisions of this Lease, with such new owner for the remainder of the term hereof, or, at the election of the new owner, this Lease will automatically become a new lease between Lessee and such new owner, and (ii) Lessor shall thereafter be relieved of any further obligations hereunder and such new owner shall assume all of Lessor's obligations, except that such new owner shall not: (a) be liable for any act or omission of any prior lessor or with respect to events occurring prior to acquisition of ownership; (b) be subject to any offsets or defenses which Lessee might have against any prior lessor, (c) be bound by prepayment of more than one month's rent, or (d) be liable for the return of any security deposit paid to any prior lessor.

30.3 Non-Disturbance. With respect to Security Devices entered into by Lessor after the execution of this Lease, Lessee's subordination of this Lease shall be subject to receiving a commercially reasonable non-disturbance agreement (a "Non-Disturbance Agreement") from the Lender which Non-Disturbance Agreement provides that Lessee's possession of the Premises, and this Lease, including any options to extend the term hereof, will not be disturbed so long as Lessee is not in Breach hereof and attorns to the record owner of the Premises. Further, within 60 days after the execution of this Lease, Lessor shall, if requested by Lessee, use its commercially reasonable efforts to obtain a Non-Disturbance Agreement from the holder of any pre-existing Security Device which is secured by the Premises. In the event that Lessor is unable to provide the Non-Disturbance Agreement within said 60 days, then Lessee may, at Lessee's option, directly contact Lender and attempt to negotiate for the execution and delivery of a Non-Disturbance Agreement.

30.4 Self-Executing. The agreements contained in this Paragraph 30 shall be effective without the execution of any further documents; provided, however, that, upon written request from Lessor or a Lender in connection with a sale, financing or refinancing of the Premises, Lessee and Lessor shall execute such further writings as may be reasonably required to separately document any subordination, attornment and/or Non-Disturbance Agreement provided for herein.

31. Attorneys' Fees. If any Party or Broker brings an action or proceeding involving the Premises whether founded in tort, contract or equity, or to declare rights hereunder, the Prevailing Party (as hereafter defined) in any such proceeding, action, or appeal thereon, shall be entitled to reasonable attorneys' fees. Such fees may be awarded in the same suit or recovered in a separate suit, whether or not such action or proceeding is pursued to decision or judgment. The term, "Prevailing Party" shall include, without limitation, a Party or Broker who substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, or the abandonment by the other Party or Broker of its claim or defense. The attorneys' fees award shall not be computed in accordance with any court fee schedule, but shall be such as to fully reimburse all attorneys' fees reasonably incurred. In addition, Lessor shall be entitled to attorneys' fees, costs and expenses incurred in the preparation and service of notices of Default and consultations in connection therewith, whether or not a legal action is subsequently commenced in connection with such Default or resulting Breach (\$200 is a reasonable minimum per occurrence for such services and consultation).

32. Lessor's Access; Showing Premises; Repairs. Lessor and Lessor's agents shall have the right to enter the Premises at any time, in the case of an emergency, and otherwise at reasonable times after reasonable prior notice for the purpose of showing the same to prospective purchasers, lenders, or tenants, and making such alterations, repairs, improvements or additions to the Premises as Lessor may deem necessary or desirable and the erecting, using and maintaining of utilities, services, pipes and conduits through the Premises and/or other premises as long as there is no material adverse effect to Lessee's use of the Premises. All such activities shall be without abatement of rent or liability to Lessee. In addition, Lessor shall have the right to retain keys to the Premises and to unlock all doors in or upon the Premises other than to files, vaults and safes, and in the case of emergency to enter the Premises by any reasonably appropriate means, and any such entry shall not be deemed a forcible or unlawful entry or detainer of the Premises or an eviction. Lessee waives any charges for damages or injuries or interference with Lessee's property or business in connection therewith.

33. Auctions. Lessee shall not conduct, nor permit to be conducted, any auction upon the Premises without Lessor's prior written consent. Lessor shall not be obligated to exercise any standard of reasonableness in determining whether to permit an auction.

34. Signs. Lessor may place on the Premises ordinary "For Sale" signs at any time and ordinary "For Lease" signs during the last 6 months of the term hereof. Lessor may not place any sign on the exterior of the Building that covers any of the windows of the Premises. Except for ordinary "For Sublease" signs which may be placed only on the Premises, Lessee shall not place any sign upon the Project without Lessor's prior written consent. All signs must comply with all Applicable Requirements.

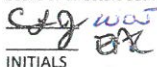
35. Termination; Merger. Unless specifically stated otherwise in writing by Lessor, the voluntary or other surrender of this Lease by Lessee, the mutual termination or cancellation hereof, or a termination hereof by Lessor for Breach by Lessee, shall automatically terminate any sublease or lesser estate in the Premises; provided, however, that Lessor may elect to continue any one or all existing subtenancies. Lessor's failure within 10 days following any such event to elect to the contrary by written notice to the holder of any such lesser interest, shall constitute Lessor's election to have such event constitute the termination of such interest.

36. Consents. All requests for consent shall be in writing. Except as otherwise provided herein, wherever in this Lease the consent of a Party is required to an act by or for the other Party, such consent shall not be unreasonably withheld or delayed. Lessor's actual reasonable costs and expenses (including but not limited to architects', attorneys', engineers' and other consultants' fees) incurred in the consideration of, or response to, a request by Lessee for any Lessor consent, including but not limited to consents to an assignment, a subletting or the presence or use of a Hazardous Substance, shall be paid by Lessee upon receipt of an invoice and supporting documentation therefor. Lessor's consent to any act, assignment or subletting shall not constitute an acknowledgment that no Default or Breach by Lessee of this Lease exists, nor shall such consent be deemed a waiver of any then existing Default or Breach, except as may be otherwise specifically stated in writing by Lessor at the time of such consent. The failure to specify herein any particular condition to Lessor's consent shall not preclude the imposition by Lessor at the time of consent of such further or other conditions as are then reasonable with reference to the particular matter for which consent is being given. In the event that either Party disagrees with any determination made by the other hereunder and reasonably requests the reasons for such determination, the determining party shall furnish its reasons in writing and in reasonable detail within 10 business days following such request.

37. Guarantor.

37.1 Execution. The Guarantors, if any, shall each execute a guaranty in the form most recently published BY AIR CRE.

37.2 Default. It shall constitute a Default of the Lessee if any Guarantor fails or refuses, upon request to provide: (a) evidence of the execution of the guaranty, including the authority of the party signing on Guarantor's behalf to obligate Guarantor, and in the case of a corporate Guarantor, a certified copy of a resolution of its board of directors authorizing the making of such guaranty, (b) current financial statements, (c) an Estoppel Certificate, or (d) written confirmation that the guaranty is


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still in effect.

38. **Quiet Possession.** Subject to payment by Lessee of the Rent and performance of all of the covenants, conditions and provisions on Lessee's part to be observed and performed under this Lease, Lessee shall have quiet possession and quiet enjoyment of the Premises during the term hereof.

39. **Options.** If Lessee is granted any option, as defined below, then the following provisions shall apply.

39.1 **Definition.** "Option" shall mean: (a) the right to extend or reduce the term of or renew this Lease or to extend or reduce the term of or renew any lease that Lessee has on other property of Lessor; (b) the right of first refusal or first offer to lease either the Premises or other property of Lessor; (c) the right to purchase, the right of first offer to purchase or the right of first refusal to purchase the Premises or other property of Lessor.

39.2 **Options Personal To Original Lessee.** Any Option granted to Lessee in this Lease is personal to the original Lessee, and cannot be assigned or exercised by anyone other than said original Lessee and only while the original Lessee is in full possession of the Premises and, if requested by Lessor, with Lessee certifying that Lessee has no intention of thereafter assigning or subletting.

39.3 **Multiple Options.** In the event that Lessee has any multiple Options to extend or renew this Lease, a later Option cannot be exercised unless the prior Options have been validly exercised.

39.4 **Effect of Default on Options.**

(a) Lessee shall have no right to exercise an Option: (i) during the period commencing with the giving of any notice of Default and continuing until said Default is cured, (ii) during the period of time any Rent is unpaid (without regard to whether notice thereof is given Lessee), (iii) during the time Lessee is in Breach of this Lease, or (iv) in the event that Lessee has been given 3 or more notices of separate Default, whether or not the Defaults are cured, during the 12 month period immediately preceding the exercise of the Option.

(b) The period of time within which an Option may be exercised shall not be extended or enlarged by reason of Lessee's inability to exercise an Option because of the provisions of Paragraph 39.4(a).

(c) An Option shall terminate and be of no further force or effect, notwithstanding Lessee's due and timely exercise of the Option, if, after such exercise and prior to the commencement of the extended term or completion of the purchase, (i) Lessee fails to pay Rent for a period of 30 days after such Rent becomes due (without any necessity of Lessor to give notice thereof), or (ii) if Lessee commits a Breach of this Lease.

40. **Security Measures.** Lessee hereby acknowledges that the Rent payable to Lessor hereunder does not include the cost of guard service or other security measures, and that Lessor shall have no obligation whatsoever to provide same. Lessee assumes all responsibility for the protection of the Premises, Lessee, its agents and invitees and their property from the acts of third parties. In the event, however, that Lessor should elect to provide security services, then the cost thereof shall be an Operating Expense.

41. **Reservations.**

(a) Lessor reserves the right: (i) to grant, without the consent or joinder of Lessee, such easements, rights and dedications that Lessor deems necessary, (ii) to cause the recordation of parcel maps and restrictions, (iii) to create and/or install new utility raceways, so long as such easements, rights, dedications, maps, restrictions, and utility raceways do not unreasonably interfere with the use of the Premises by Lessee. Lessor may also: change the name, address or title of the Building or Project upon at least 90 days prior written notice; provide and install, at Lessee's expense, Building standard graphics on the door of the Premises and such portions of the Common Areas as Lessor shall reasonably deem appropriate; grant to any lessee the exclusive right to conduct any business as long as such exclusive right does not conflict with any rights expressly given herein; and to place such signs, notices or displays as Lessor reasonably deems necessary or advisable upon the roof, exterior of the Building or the Project or on pole signs in the Common Areas. Lessee agrees to sign any documents reasonably requested by Lessor to effectuate such rights. The obstruction of Lessee's view, air, or light by any structure erected in the vicinity of the Building, whether by Lessor or third parties, shall in no way affect this Lease or impose any liability upon Lessor.

~~(b) Lessor also reserves the right to move Lessee to other space of comparable size in the Building or Project. Lessor must provide at least 45 days prior written notice of such move, and the new space must contain improvements of comparable quality to those contained within the Premises. Lessor shall pay the reasonable out of pocket costs that Lessee incurs with regard to such relocation, including the expenses of moving and necessary stationary revision costs. In no event, however, shall Lessor be required to pay an amount in excess of two months Base Rent. Lessee may not be relocated more than once during the term of this Lease.~~

(c) Lessee shall not: (i) use a representation (photographic or otherwise) of the Building or Project or their name(s) in connection with Lessee's business; or (ii) suffer or permit anyone, except in emergency, to go upon the roof of the Building.

42. **Performance Under Protest.** If at any time a dispute shall arise as to any amount or sum of money to be paid by one Party to the other under the provisions hereof, the Party against whom the obligation to pay the money is asserted shall have the right to make payment "under protest" and such payment shall not be regarded as a voluntary payment and there shall survive the right on the part of said Party to institute suit for recovery of such sum. If it shall be adjudged that there was no legal obligation on the part of said Party to pay such sum or any part thereof, said Party shall be entitled to recover such sum or so much thereof as it was not legally required to pay. A Party who does not initiate suit for the recovery of sums paid "under protest" within 6 months shall be deemed to have waived its right to protest such payment.

43. **Authority; Multiple Parties; Execution.**

(a) If either Party hereto is a corporation, trust, limited liability company, partnership, or similar entity, each individual executing this Lease on behalf of such entity represents and warrants that he or she is duly authorized to execute and deliver this Lease on its behalf. Each Party shall, within 30 days after request, deliver to the other Party satisfactory evidence of such authority.

(b) If this Lease is executed by more than one person or entity as "Lessee", each such person or entity shall be jointly and severally liable hereunder. It is agreed that any one of the named Lessees shall be empowered to execute any amendment to this Lease, or other document ancillary thereto and bind all of the named Lessees, and Lessor may rely on the same as if all of the named Lessees had executed such document.

(c) This Lease may be executed by the Parties in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

44. **Conflict.** Any conflict between the printed provisions of this Lease and the typewritten or handwritten provisions shall be controlled by the typewritten or handwritten provisions.

45. **Offer.** Preparation of this Lease by either party or their agent and submission of same to the other Party shall not be deemed an offer to lease to the other Party. This Lease is not intended to be binding until executed and delivered by all Parties hereto.

46. **Amendments.** This Lease may be modified only in writing, signed by the Parties in interest at the time of the modification. As long as they do not materially change Lessee's obligations hereunder, Lessee agrees to make such reasonable non-monetary modifications to this Lease as may be reasonably required by a Lender in connection with the obtaining of normal financing or refinancing of the Premises.

47. **Waiver of Jury Trial.** THE PARTIES HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING INVOLVING THE PROPERTY OR ARISING OUT OF THIS AGREEMENT.

48. **Arbitration of Disputes.** An Addendum requiring the Arbitration of all disputes between the Parties and/or Brokers arising out of this Lease is is not attached to this Lease.

49. **Accessibility; Americans with Disabilities Act.**

(a) The Premises:

have not undergone an inspection by a Certified Access Specialist (CASp). Note: A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.

have undergone an inspection by a Certified Access Specialist (CASp) and it was determined that the Premises met all applicable construction-related accessibility standards pursuant to California Civil Code §55.51 et seq. Lessee acknowledges that it received a copy of the inspection report at least 48 hours prior to executing this Lease and agrees to keep such report confidential.

have undergone an inspection by a Certified Access Specialist (CASp) and it was determined that the Premises did not meet all applicable construction-related

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accessibility standards pursuant to California Civil Code §55.51 et seq. Lessee acknowledges that it received a copy of the inspection report at least 48 hours prior to executing this Lease and agrees to keep such report confidential except as necessary to complete repairs and corrections of violations of construction related accessibility standards.

In the event that the Premises have been issued an inspection report by a CASp the Lessor shall provide a copy of the disability access inspection certificate to Lessee within 7 days of the execution of this Lease.

(b) Since compliance with the Americans with Disabilities Act (ADA) and other state and local accessibility statutes are dependent upon Lessee's specific use of the Premises, Lessor makes no warranty or representation as to whether or not the Premises comply with ADA or any similar legislation. In the event that Lessee's use of the Premises requires modifications or additions to the Premises in order to be in compliance with ADA or other accessibility statutes, Lessee agrees to make any such necessary modifications and/or additions at Lessee's expense.

LESSOR AND LESSEE HAVE CAREFULLY READ AND REVIEWED THIS LEASE AND EACH TERM AND PROVISION CONTAINED HEREIN, AND BY THE EXECUTION OF THIS LEASE SHOW THEIR INFORMED AND VOLUNTARY CONSENT THERETO. THE PARTIES HEREBY AGREE THAT, AT THE TIME THIS LEASE IS EXECUTED, THE TERMS OF THIS LEASE ARE COMMERCIALY REASONABLE AND EFFECTUATE THE INTENT AND PURPOSE OF LESSOR AND LESSEE WITH RESPECT TO THE PREMISES.

ATTENTION: NO REPRESENTATION OR RECOMMENDATION IS MADE BY AIR CRE OR BY ANY BROKER AS TO THE LEGAL SUFFICIENCY, LEGAL EFFECT, OR TAX CONSEQUENCES OF THIS LEASE OR THE TRANSACTION TO WHICH IT RELATES. THE PARTIES ARE URGED TO:

1. SEEK ADVICE OF COUNSEL AS TO THE LEGAL AND TAX CONSEQUENCES OF THIS LEASE.
2. RETAIN APPROPRIATE CONSULTANTS TO REVIEW AND INVESTIGATE THE CONDITION OF THE PREMISES. SAID INVESTIGATION SHOULD INCLUDE BUT NOT BE LIMITED TO: THE POSSIBLE PRESENCE OF HAZARDOUS SUBSTANCES, THE ZONING AND SIZE OF THE PREMISES, THE STRUCTURAL INTEGRITY, THE CONDITION OF THE ROOF AND OPERATING SYSTEMS, COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT AND THE SUITABILITY OF THE PREMISES FOR LESSEE'S INTENDED USE.

WARNING: IF THE PREMISES ARE LOCATED IN A STATE OTHER THAN CALIFORNIA, CERTAIN PROVISIONS OF THE LEASE MAY NEED TO BE REVISED TO COMPLY WITH THE LAWS OF THE STATE IN WHICH THE PREMISES ARE LOCATED.

The parties hereto have executed this Lease at the place and on the dates specified above their respective signatures.

Executed at: Fresno, CA
On: 5-3-18

Executed at: Houston, Texas
On: 4-26-18

By LESSOR:

Jamison Family Community Property Trust established by the Jamison Family Trust dated March 17, 2013, William O. Jamison and Cinda L. Jamison, husband and wife, as community property and Elizabeth Anne Cardoza, a married woman as her sole and separate property

By LESSEE:
Pro Ag Management, Inc., an Illinois Corporation

By: [Signature]
Name Printed: Alexander Ludlow

By: [Signature]
Name Printed: William O. Jamison
Title: Co-Trustee
Phone: 559 270 5586

Title: Vice President & Secretary
Phone: 713-996-1219

By: [Signature]
Name Printed: Cinda L. Jamison
Title: Co-Trustee

Fax: _____
Email: _____
By: _____
Name Printed: _____
Title: _____
Phone: 800-852-4497

By: [Signature]
Name Printed: Elizabeth Anne Cardoza
Title: owner
Phone: 1591999-9510

Fax: _____
Email: dpound@proag.com (Debbie Pound)
Address: 13403 Northwest Freeway, Houston, Texas 77040
Federal ID No.: _____

Address: _____
Federal ID No.: _____

BROKER

Colliers Tingley International, Inc.
Attn: Bobby Fena, SIOR
Title: Senior Vice President | Principal
Address: 7485 N. Palm Ave., #110, Fresno, CA 93711
Phone: 559-221-1271
Fax: 559-222-8744
Email: bobby.fena@colliers.com
Federal ID No.: _____
Broker/Agent BRE License #: 00452468/00590204

BROKER

Savills Studley
Attn: Mike Catalano
Title: Vice Chairman
Address: 1100 Glendon Avenue, Suite 1800, Los Angeles, CA 90024
Phone: 310-444-1066
Fax: 310-473-5884
Email: _____
Federal ID No.: _____
Broker/Agent BRE License #: 00388260/01003694

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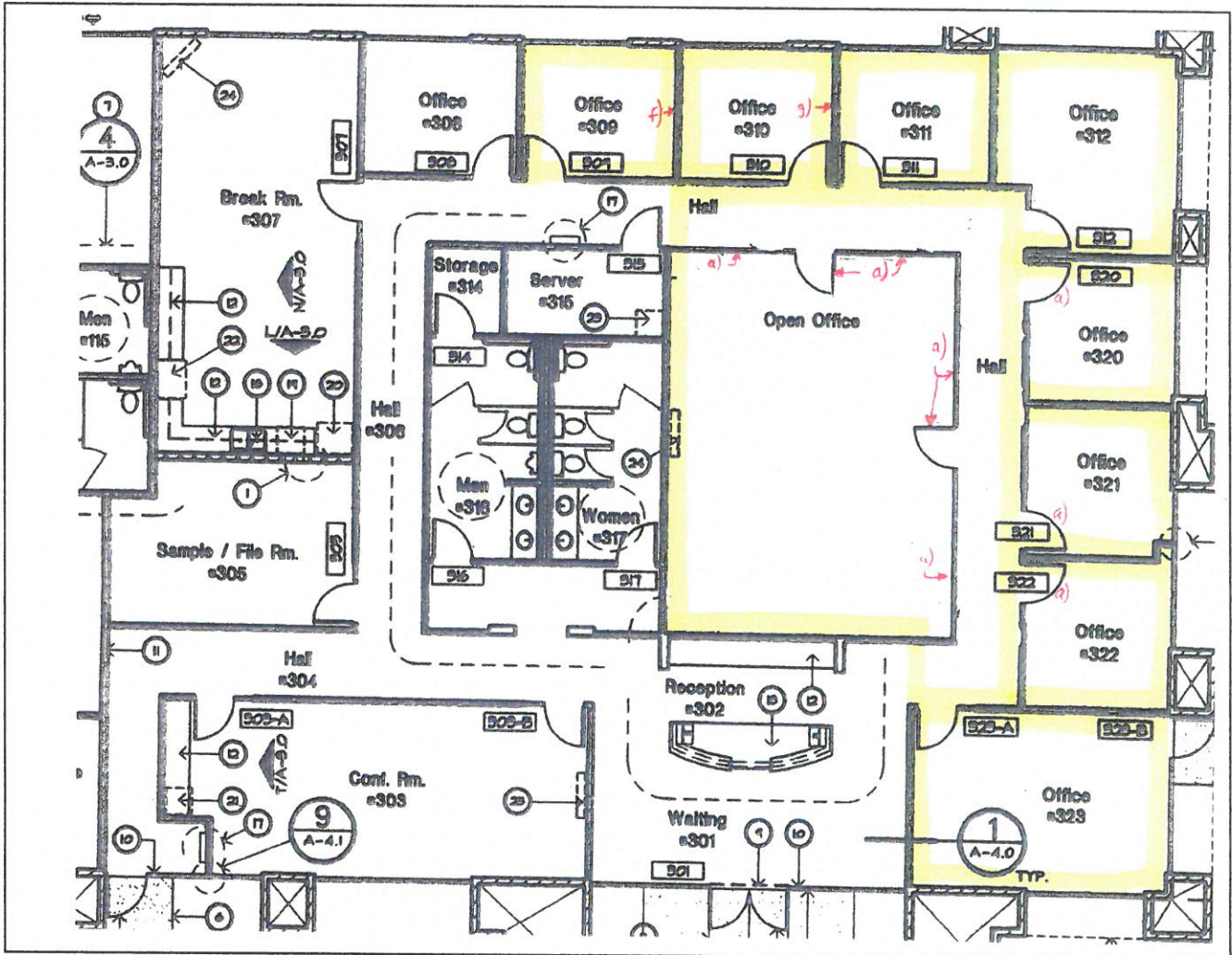
[Signature]
INITIALS EAC

[Signature]
INITIALS

EXHIBIT "A"
SITE PLAN



EXHIBIT "B"
FLOOR PLAN
1625 Shaw Avenue, Suite101
Rentable sf - 5,078 sf



605
Lessor's Initials
CRJ / EAC
Broker's Initials
_____/____

Lessee's Initials
Dev /
Broker's Initials
_____/____

EXHIBIT "C"
LESSOR WORK LETTER

Rider to the AIR Commercial Real Estate Association Standard Multi-Tenant Office-Lease Net, dated April 23, 2018, (the "Lease"), between Jamison Family Community Property Trust ("Lessor"), and Pro Ag Management, Inc., a Illinois Corporation ("Lessee").

THE INFORMATION CONTAINED IN THIS RIDER/EXHIBIT CONSTITUTES A PART OF THIS LEASE. IN THE EVENT ANY TERMS OF THE LEASE CONFLICT WITH THIS RIDER, THE TERMS OF THIS RIDER SHALL PREVAIL.

RECITALS:

Concurrently with the execution of this Work Letter, Lessor and Lessee have entered into a Lease (the "Lease") covering certain Leased Premises (the "Premises") more particularly described in the Lease. In consideration of the mutual covenants hereinafter contained, Lessor and Lessee hereby agree as follows:

Lessor will be responsible for all costs associated with delivery of the space in turnkey condition and at its expense shall complete the following:

- 1) All HVAC, Electrical, Plumbing, Lighting Systems to be in proper working order upon Lessee's occupancy in the Lease Premises.
- 2) The Leased Premises shall be professionally cleaned throughout, including all windows and window coverings. All window coverings are to be uniform, in good working order or replaced with comparable coverings acceptable to Tenant.
- 3) As further described in Exhibit "B" – Floor Plan, the following:
 - a) Remove two (2) walls and five (5) doors, sidelight windows and frames in the suites easterly areas marked as a).
 - b) Make all necessary adjustments and repairs to the electrical, HVAC, ceiling and lighting systems, fire sprinklers, soffets, etc. resulting from the removal of the items clarified in the a) above.
 - c) Recarpet the area in yellow where walls/doors are to be removed. Lessee's carpet choice is Patcraft – I0129 Night Moves 295523 – Fire Flies.
 - d) Patch (where necessary) and repaint all painted walls in colors to be selected by Lessee from samples provided by Lessor.
 - e) Replace any stained or damaged ceiling tiles, if any.
 - f) Frame in and finish full height partition wall to separate private offices #309 and #310. Approximately 9'8" long, 8'11" tall and 5-1/4" wide.
 - g) Remove approximately 3' x 3' sliding glass window in the wall separating private office #310 and #311, frame in and finish.

Agreed to and accepted by:

"LESSOR"
Jamison Family Community Property Trust

"LESSEE"
Pro Ag Management, Inc., an Illinois Corporation

By: William O. Jamison
William O. Jamison, Co-Trustee

By: Alexander Ludlow
Alexander Ludlow
Vice President & Secretary

By: Cinda L. Jamison
Cinda L. Jamison, Co-Trustee

By: Elizabeth Anne Cardoza
Elizabeth Anne Cardoza

Executed 5-3-18

Executed: 4-26-18

EXHIBIT "D"
OPERATING EXPENSE EXCLUSIONS

In addition to the Operating Expense items clarified in Section 4.2 – Operating Expenses in the Lease Agreement, said Operating Expenses shall not include the following:

1. Repairs or other work occasioned by the exercise of Right of Eminent Domain;
2. Leasing commissions, attorney's fees, costs and disbursements and other expenses, all of which are incurred in connection with negotiation or disputes with tenants, other occupants or prospective tenants;
3. Taxes, franchise, income or other taxes measured or determined based upon Landlord's income;
4. Costs associated with cure or correction of latent defects or the correction or abatement of environmental hazards or conditions;
5. Renovating or otherwise improving decorating, painting or redecorating leased space for other tenants or other occupants or vacant tenant space, other than ordinary maintenance provided to all tenants, except in common areas;
6. Landlord's costs of electricity and other services sold separately to tenants for which Landlord is entitled to be reimbursed by such tenants as an additional charge over and above the base rent and operating expenses or other rental adjustments payable under the lease with such tenant, and domestic water sub-metered and separately billed to tenants;
7. Depreciation and amortization;
8. Costs or charges related to asset value impairment;
9. Expense in correction with services or other benefits of a type which tenant is not entitled to receive under this Lease but which either are provided to another tenant or occupant, or are provided to some other third party;
10. Costs incurred due to violation by Landlord or any tenant of the terms and conditions of any lease;
11. Overhead and profit paid to subsidiaries or affiliates of Landlord for services on or to the Project, to the extent only that the costs of such services exceed competitive costs, or such services where they are not so rendered by a subsidiary or affiliate;
12. Salaries of employees above the level of building manager or superintendent;
13. Interest on debit or amortization payments on any mortgage or mortgages and rent under any ground or underlying lease;
14. Any compensation paid to, and benefits provided to, clerks, attendants or other persons in commercial concessions operated by Landlord;
15. Any particular item or service for which tenant otherwise reimburses Landlord or direct payment over and above Base Rent and Adjustment Rent;
16. Advertising or promotional expenditures;
17. Any expense for which Landlord is compensated through proceeds of insurance or agreements of indemnity or surety bonds or guaranties;
18. The costs incurred for repairs, replacements and improvements to the Building and its

components or of common areas (including but not limited to repaving or parking lots and replacement of roofs) which would be recorded as capital expenditures under generally accepted accounting principles, except that capital expenditures necessitated by statute or municipal code effective after construction of the facility or capital expenditures that result in cost savings amortized over their useful life may be included in annual operational expenses (for the purpose of this provision all costs associated with an particular project including design fees, materials, labor, demolition and disposal costs shall be accounted for as a part of that project and shall be treated as a single capital improvement);

19. Any costs, fines or penalties incurred dur to actual or alleged violation by Landlord of any governmental rule or authority;
20. Cost of legal, accounting and other professional services incurred by Landlord, and costs of audits of any kind for any purposed other than preparing, maintaining, auditing and reviewing records and statements required under this lease;
21. Cost, rental costs or costs of repair with respect to any art work, paintings, sculptures, tapestries, antiques or other objects of art or other furnishings of an unusual nature or extraordinary value;
22. Costs associated with legal defense, correction, clean-up and/or abatement or environmental hazards;
23. Any costs or expense which is applicable to or incurred in connection with a health club, cafeteria or other special installation;
24. Landlord's general overhead except as it relates to the Building;
25. Management fees in excess of market rates as determined by those charged at comparable buildings;
26. Costs associated with sprinkling the Building;
27. The cost of any repair or other work, to the extent that such repair is or may be reimbursed by proceeds of insurance; and
28. The cost of any repair or other work necessitated or occasioned by fire, flood, windstorm, earthquake, or other insurable casualty, including insurance deductibles, whether or not actually insured.

EXHIBIT "E"
RULES AND REGULATIONS

1. No sign, placard, picture, advertisement, name or notice shall be inscribed, displayed or printed or affixed on or to any part of the outside of the building without the written consent of Lessor first had and obtained and Lessor shall have the right to remove any such sign, placard, picture, advertisement, name or notice without notice to and at the expense of Lessee.

All approved signs or lettering on doors shall be printed, painted, affixed or inscribed at the expense of Lessee by a person approved of by Lessor.

Lessee shall not place anything or allow anything to be placed near the glass or any window, door, partition or wall which may appear unsightly from outside the Premises; provided, however, that Lessor may furnish and install a Building standard window covering at all exterior windows. Lessee shall not without prior written consent of Lessor cause or otherwise sunscreen any window.

2. The sidewalks, halls, passages, exits, entrances, elevators and stairways shall not be obstructed by any of the Lessees or used by them for any purpose other than for ingress and egress from their respective Premises.
3. Lessee shall not alter any lock or install any new or additional locks or any bolts on any doors or windows of the Premises without first obtaining Lessor's consent.
4. The toilet rooms, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed and no foreign substance of any kind whatsoever shall be thrown therein and the expense of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by the Lessee who, or whose employees or invitees shall have caused it.
5. Lessee shall not overload the floor of the Premises or in any way deface the Premises or any part thereof.
6. Lessee shall not use, keep or permit to be used or kept any foul or noxious gas or substance in the Premises, or permit or suffer the Premises to be occupied or used in a manner offensive or objectionable to the Lessor or other occupants of the Building by reason of noise, odors and/or vibrations, or interfere in any way with other Lessees or those having business therein, nor shall any animals or birds be brought in or kept in or about the Premises or the Building.
7. No major commercial cooking shall be done or permitted by any Lessee on the Premises, nor shall the Premises be used for the storage of merchandise, for washing clothes, for lodging, or for any improper, objectionable or immoral purposes. Microwave cooking is allowed.
8. Lessee shall not use or keep in the Premises or the Building any kerosene, gasoline or inflammable or combustible fluid or material, or use any method of heating or air conditioning other than that supplied by Lessor.
9. Lessor will direct electricians as to where and how telephone, computer or fiber optic wiring is to be introduced. No boring or cutting for wires will be allowed without the consent of the Lessor.
10. Lessor reserves the right to exclude or expel from the Building any person who, in the judgment of Lessor, is intoxicated or under the influence of liquor or drugs, or who shall, in any manner, do any act in violation of any of the rules and regulations of the Building.
11. No vending machine or machines of any description shall be installed, maintained or operated upon the Premises without the written consent of the Lessor.
12. Lessee shall not disturb, solicit, or canvass any occupant of the building and shall cooperate to prevent same.
13. Without the written consent of Lessor, Lessee shall not use the name of the Building in connection with or in promoting or advertising the business of Lessee except as Lessee's address.
14. Lessor shall have the right to control and operate the public portions of the Building, and the public facilities, and heating and air conditioning, as well as facilities furnished for the common use of the Lessees, in such manner, as it deems best for the benefit of the Lessees generally.
15. All entrance doors in the Premises shall be left locked when the Premises are not in use, and all doors opening to public corridors shall be kept closed except for normal ingress and egress from the Premises.

ADDENDUM "A"

NOTICE TO OWNERS, BUYERS AND BUYERS
REGARDING HAZARDOUS WASTES OR
SUBSTANCES
AND UNDERGROUND STORAGE TANKS

Comprehensive federal and state laws and regulations have been enacted in the last few years in an effort to develop controls over the use, storage, handling, clean-up, removal and disposal of hazardous wastes or substances. Some of these laws and regulations, such as, for example, the so called "Superfund Act", provide for broad liability schemes wherein an owner, Buyer or other user of the property may be liable for clean-up costs and damages regardless of fault. Other laws and regulations set standards for the handling of asbestos or establish requirements for the use, modification, abandonment, or closing of underground storage tanks.

It is not practical or possible to list all such laws and regulations in this Notice. Therefore, owners, buyers and Buyers are urged to consult legal counsel to determine their respective rights and liabilities with respect to the issues described in this Notice as well as all other aspects of the proposed transaction. If hazardous wastes or substances have been, or are going to be used, stored, handled or disposed of on the property, or if the property has or may have underground storage tanks, it is essential that legal and technical advice be obtained to determine, among other things, what permits and approvals have been or may be required, if any, the estimated costs and expenses associated with the use, storage, handling, clean-up, removal or disposal of the hazardous wastes or substances and what contractual provisions and protections are necessary or desirable. It may also be important to obtain expert assistance for site Investigations and building Inspections. The past uses of the property may provide valuable information as to the likelihood of hazardous wastes or substances, or underground storage tanks being on the property.

Although Colliers Tingey International will disclose any knowledge it actually possesses with respect to the existence of hazardous wastes or substances, or underground storage tanks on the property, Colliers Tingey International has not made investigations or obtained reports regarding the subject matter of this Notice, except as may be described in a separate written document signed by Colliers Tingey International. Colliers Tingey International makes no representations regarding the existence or nonexistence of hazardous wastes or substances, or underground storage tanks on the property. You should contact a professional, such as a civil engineer, geologist, industrial hygienist or other persons with experience in these matters to advise you concerning the property.

The term hazardous wastes or substances" is used in this Notice in its very broadest sense and includes, but is not limited to, petroleum base products, paints and solvents, lead, cyanide, DDT, printing inks, acids, pesticides, ammonium compounds, asbestos, PCBs and other chemical products. Hazardous wastes or substances and underground storage tanks may be present on all types of real property. This Notice is therefore meant to apply to any transaction involving any type of real property, whether improved or unimproved.

Notwithstanding any other provision of this Lease, Lessee shall be permitted to use, handle, generate, treat, store or dispose of, or permit the use, handling, generation, treatment, storage or disposal of Hazardous Materials in, on, under, around or above the Premises or Property in connection with the operation of a professional office.

LEASE ADDENDUMS

50. Rent Schedule:

Month 1-12:	\$9,140.00/mo., NNN (\$1.80 psf)	6-1-18 to 5-31-19
Month 13-24:	\$9,394.00/mo., NNN (\$1.85 psf)	6-1-19 to 5-31-20
Months 25-36:	\$9,699.00/mo., NNN (\$1.91 psf)	6-1-20 to 5-31-21
Months 37-48:	\$10,004.00/mo., NNN (\$1.97 psf)	6-1-21 to 5-31-22
Months 49-60:	\$10,308.00/mo., NNN (\$2.03 psf)	6-1-22 to 5-31-23
Months 61-72:	\$10,613.00/mo., NNN (\$2.09 psf)	6-1-23 to 5-31-24
Months 73-84:	\$10,918.00/mo., NNN (\$2.15 psf)	6-1-24 to 5-31-25

51. Option to Extend:

Providing that Lessee is not in default of this Lease, Lessor shall provide Lessee with an Option to Extend the term of the lease for two (2) periods of five (5) years each for the space then under lease by Tenant in the Building. If Lessee elects to exercise such Option to Renew, then Lessee will provide Lessor with written notice at least six (6) months, prior to the expiration of the initial Lease Term or First Option Period. The rental rate for extension option shall be renegotiated between the parties and mutually agreed upon, based on the current Fair Market Rental Rates for professional office space, in the Clovis area submarket, at that time.

52. Existing Furniture, Fixtures and Equipment (F.F.&E.):

Lessor shall allow Lessee the right to utilize all existing F.F.&E. that is situated within the Leased Premises, at no charge. However, Lessee shall be responsible for the cost of all maintenance and repair, if necessary.

53. Option to Terminate

Lessee shall have the right to terminate to lease effective on the last day of the fifth (5th) year of the Lease Term. Lessee must provide Lessor with at least nine (9) months advanced written notice of its intention to exercise its Termination Option. The penalty for exercising this right shall be equal to the unamortized Landlord's Construction Costs and Brokerage Fee on a straight line basis with an interest rate of eight (8%) (Termination Penalty). One-half of the Termination Penalty shall be due with the delivery of Lessee's notice of its election to exercise its Right to Terminate with the remaining being due at the execution of its Right to Terminate.

54. Signage:

In the event that Lessee elects to install signage (Building exterior and/or monument) on the Building, the installation shall be at Lessee's sole cost and expense. All signage will be per the Project's standard signage program and reasonably approved by Lessor.

AGREED & ACCEPTED:

"LESSOR"

"LESSEE"

Jamison Family Community Property Trust

Pro Ag Management, Inc., an Illinois Corporation

By: William O Jamison
William O. Jamison, Co-Trustee

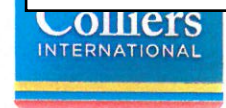
By: Alexander Ludlow
Alexander Ludlow
Vice President & Secretary

By: Cinda L. Jamison
Cinda L. Jamison, Co-Trustee

By: Elizabeth Anne Cardoza
Elizabeth Anne Cardoza

Executed 5-3-18

Executed: 4-26-18



**COMMERCIAL REAL PROPERTY DISCLOSURES
(COMMERCIAL LEASE)
COLLIERS TINGEY INTERNATIONAL, INC.**

Property Address: 1625 Shaw Avenue, Clovis, CA
Lessee: Pro Ag Management, Inc., an Illinois Corporation
Broker: Colliers International

The purpose of this document is to explain the limited scope of Colliers Tingey International, Inc.'s ("Colliers Tingey") and Savills Studley ("SS") duties and responsibilities to Lessee, as well as provide certain disclosures related to this commercial lease transaction:

1. **Scope of Duties.** Lessee hereby acknowledges and agrees that Colliers Tingey/SS: (i) does not decide what rent Lessee should pay or the rent Lessor should accept as rent for the Property; (ii) does not guarantee the condition of the Property; (iii) does not guarantee the performance, adequacy or completeness of inspections, services, products or repairs provided or made by the Lessor or any other third parties; (iv) does not have an obligation to conduct an inspection of the Property; (v) shall not be responsible for identifying defects on the Property; (vi) shall not be responsible for verifying square footage, representations of others or information contained in investigation reports, advertisements, flyers or other promotional material; (vii) shall not be responsible for providing legal, tax or financial advice regarding any aspect of a transaction entered into by Lessee and the Lessor; and (viii) shall not be responsible for providing other advice or information that exceeds the knowledge, education and experience required to perform real estate licensed activity. Lessee agrees to seek legal, tax, insurance, title, financial and other desired assistance from appropriate professionals.

2. **Lessee to Obtain Inspections.** Lessee is responsible to have the Property thoroughly inspected and is responsible to ask its experts what investigations and evaluations may be appropriate, as well as the risks of not performing any such investigations or evaluations.

3. **Earthquake Safety.** Earthquakes occur throughout California. Colliers Tingey/SS owes no duty to inspect for earthquake weaknesses, or geological or seismic hazards. Tenant acknowledges receipt of a copy of "*The Commercial Property Owner's Guide to Earthquake Safety.*" Colliers Tingey/SS is not required to provide Lessee with any information concerning earthquake safety or other related issues. Lessee should have its experts confirm whether the Property is in any earthquake zone and otherwise investigate and evaluate these matters.

4. **Flood Zones.** The Property may or may not be located in a flood zone. Whether or not the Property is located in a flood zone, properties can be subject to flooding and moisture problems, especially properties on a slope or in low-lying areas or in a dam inundation zone. Lessee should have its experts confirm whether the Property is in a flood zone and otherwise investigate and evaluate these matters.

5. **Hazardous Materials/Underground Storage Tanks.** The Property may have hazardous or undesirable metals (including lead-based paint), minerals (including asbestos), chemicals, hydrocarbons, petroleum-related compounds, or biological or radioactive/emissive items (including electrical and magnetic fields) in soils, water, building components, above or below-ground tanks/containers or elsewhere in areas that may or may not be accessible or noticeable. Such items may leak or otherwise be released. Asbestos has been used in items such as fireproofing, heating/cooling systems, insulation, spray-on and tile acoustical materials, floor tiles and coverings, roofing, drywall and plaster. Lessee should have its experts investigate and evaluate these matters.

6. **Fires.** The Property may be located within a high fire risk hazard zone or wildland zone that the state does not have responsibility to provide fire protection services to and may contain substantial fire risks. Lessee should have its experts confirm the Property's fire risks and otherwise investigate and evaluate these matters.

7. **Mold.** Colliers Tingey/SS is not qualified to advise Lessee on the existence of any mold on or near the Property or the health and safety risks related to mold exposure. Lessee is encouraged to obtain the services of a qualified and experienced professional to conduct inspections and tests regarding any and all mold issues which may affect the Property. Lessee hereby acknowledges and agrees that Colliers Tingey/SS is not responsible for any required remediation and/or any resulting damages related to mold.

8. Zoning/Licenses/Permits. Lessee is solely responsible to ascertain whether the Property is suitable for its intended use and to obtain any necessary permits or licenses related to the Property. Colliers Tingey/SS recommends that Lessee obtain written confirmation regarding the status of the Property from any and all appropriate zoning and licensing agencies. Lessee should have its experts review any and all zoning, licensing and permit issues.

9. Americans with Disabilities Act (ADA). The Americans With Disabilities Act and other federal, state and local requirements may require changes to the Property. Lessee should have its experts investigate and evaluate these matters.

10. Mandatory Accessibility Disclosure for Commercial Leases. Pursuant to California Civil Code Section 1938, each lease or rental agreement for commercial property executed on or after July 1, 2013 must state whether the property being leased or rented has undergone inspection by a Certified Access Specialist (CAsp), and, if so, whether the property has or has not been determined to meet all applicable construction-related accessibility standards. Lessee should have its experts investigate and evaluate these matters.

11. Taxes. Sales, leases and other real estate transactions can have federal, state and local tax consequences. Lessee should have its experts investigate and evaluate these matters.

12. Energy Use Disclosure for Commercial Leases. Pursuant to the California Nonresidential Building Energy Use Disclosure Program (AB1103), owners of nonresidential buildings must obtain and disclose, prior to any lease or lease renewal of the entire building, the energy use data for the building for the prior twelve (12) months, together with information regarding the building's operating characteristics and ENERGY STAR Performance Score. Disclosure is required to be made to the prospective or existing Lessee no later than twenty-four (24) hours prior to the execution of a lease or lease renewal. This disclosure is required for entire buildings with a total gross floor area of Ten Thousand (10,000) square feet or more until December 31, 2015. After that date, AB 1103 has been replaced and there is no statewide energy use disclosure requirement in 2016. This requirement does not apply to leases of less than the entire building. Lessee should have its experts investigate and evaluate these matters.

13. Verify Third Party Information. Any and all information regarding the Property supplied by Colliers Tingey/SS has been received from third party sources and has not been independently verified or analyzed by Colliers Tingey/SS. It is strongly recommended that Lessee and its experts verify and analyze all information regarding the Property, including any linear or area measurements and the availability of all utilities. All work should be inspected and evaluated by Lessee and Lessee's experts. Colliers Tingey/SS and its brokers are not experts (nor can they determine if any expert is qualified) to provide advice on legal, tax, design, ADA, engineering, construction, soils, title, survey, fire/life safety, insurance, hazardous materials, or other matters. These areas require special education and, generally, special licenses not possessed by Colliers Tingey/SS. Lessee is responsible to consult with its experts regarding these matters. Further, any opinions or other comments which may be provided by Colliers Tingey/SS regarding the Property shall not be relied on by Lessee. Lessee is responsible for gathering and evaluating the information regarding the Property and making an appropriate investment decision. Lessee understands that there is risk associated with any investment decision.

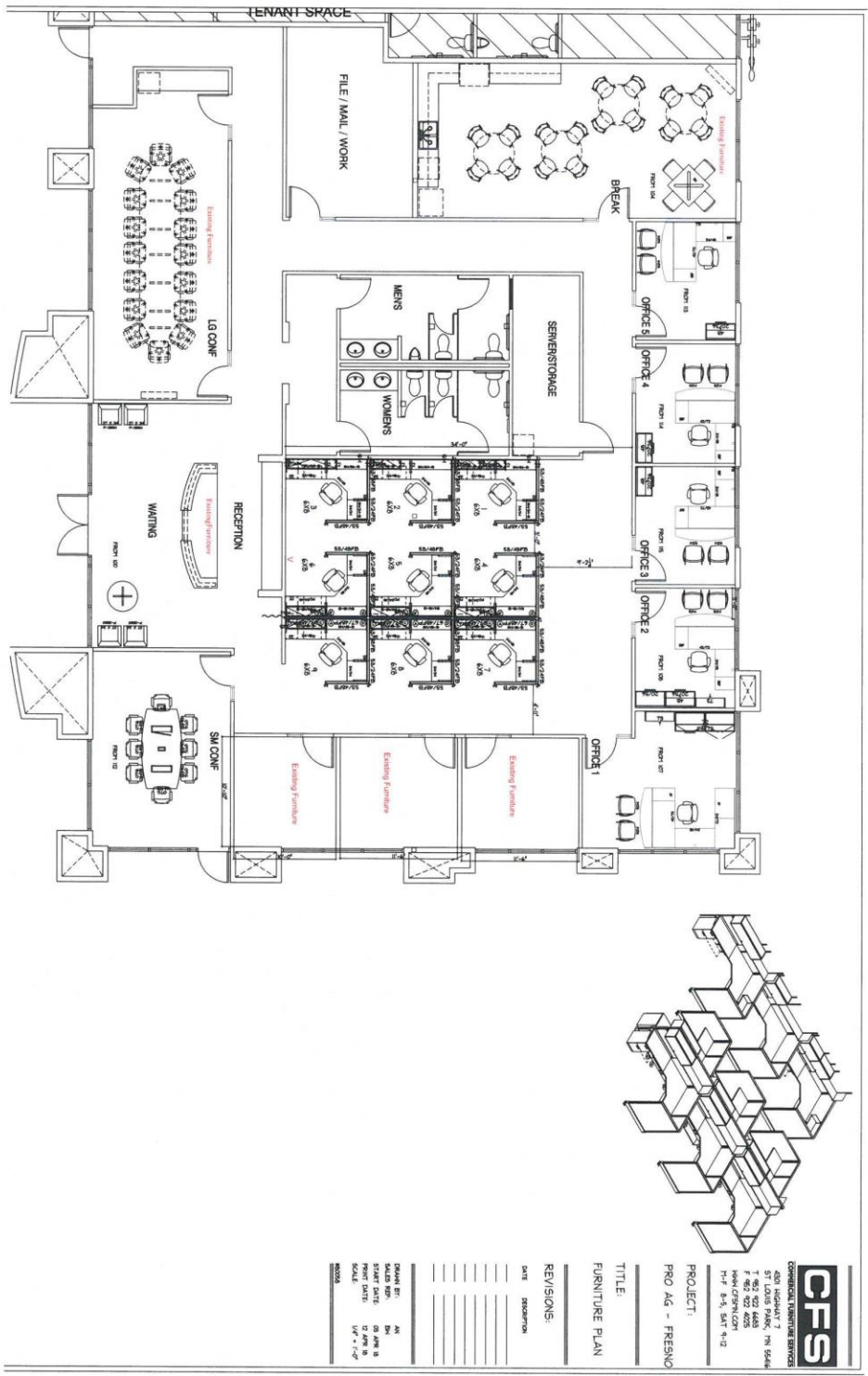
ACKNOWLEDGED AND AGREED TO:

Lessee:  Date: 4-26-18
Alexander Ludlow
Vice President & Secretary

EXHIBIT "A"
SITE PLAN



EXHIBIT "B"
FLOOR PLAN
1625 Shaw Avenue, Suite101
Rentable sf – 5,078 sf



Lessor's Initials
 _____ / _____

Sublessee's Initials
 _____ / _____

Broker's Initials
 _____ / _____

Broker's Initials
 _____ / _____

EXHIBIT "C"
RULES AND REGULATIONS

1. No sign, placard, picture, advertisement, name or notice shall be inscribed, displayed or printed or affixed on or to any part of the outside of the building without the written consent of Lessor first had and obtained and Lessor shall have the right to remove any such sign, placard, picture, advertisement, name or notice without notice to and at the expense of Sublessee.

All approved signs or lettering on doors shall be printed, painted, affixed or inscribed at the expense of Sublessee by a person approved of by Lessor.

Sublessee shall not place anything or allow anything to be placed near the glass or any window, door, partition or wall which may appear unsightly from outside the Premises; provided, however, that Lessor may furnish and install a Building standard window covering at all exterior windows. Sublessee shall not without prior written consent of Lessor cause or otherwise sunscreen any window.

2. The sidewalks, halls, passages, exits, entrances, elevators and stairways shall not be obstructed by any of the Sublessees or used by them for any purpose other than for ingress and egress from their respective Premises.
3. Sublessee shall not alter any lock or install any new or additional locks or any bolts on any doors or windows of the Premises without first obtaining Lessor's consent.
4. The toilet rooms, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed and no foreign substance of any kind whatsoever shall be thrown therein and the expense of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by the Sublessee who, or whose employees or invitees shall have caused it.
5. Sublessee shall not overload the floor of the Premises or in any way deface the Premises or any part thereof.
6. Sublessee shall not use, keep or permit to be used or kept any foul or noxious gas or substance in the Premises, or permit or suffer the Premises to be occupied or used In a manner offensive or objectionable to the Lessor or other occupants of the Building by reason of noise, odors and/or vibrations, or interfere in any way with other Sublessees or those having business therein, nor shall any animals or birds be brought in or kept in or about the Premises or the Building.
7. No major commercial cooking shall be done or permitted by any Sublessee on the Premises, nor shall the Premises be used for the storage of merchandise, for washing clothes, for lodging, or for any improper, objectionable or immoral purposes. Microwave cooking is allowed.
8. Sublessee shall not use or keep in the Premises or the Building any kerosene, gasoline or inflammable or combustible fluid or material, or use any method of heating or air conditioning other than that supplied by Lessor.
9. Lessor will direct electricians as to where and how telephone, computer or fiber optic wiring is to be introduced. No boring or cutting for wires will be allowed without the consent of the Lessor.
10. Lessor reserves the right to exclude or expel from the Building any person who, in the judgment of Lessor, is intoxicated or under the influence of liquor or drugs, or who shall, in any manner, do any act in violation of any of the rules and regulations of the Building.
11. No vending machine or machines of any description shall be installed, maintained or operated upon the Premises without the written consent of the Lessor.
12. Sublessee shall not disturb, solicit, or canvass any occupant of the building and shall cooperate to prevent same.
13. Without the written consent of Lessor, Sublessee shall not use the name of the Building in connection with or in promoting or advertising the business of Sublessee except as Sublessee's address.
14. Lessor shall have the right to control and operate the public portions of the Building, and the public facilities, and heating and air conditioning, as well as facilities furnished for the common use of the Sublessees, in such manner, as it deems best for the benefit of the Sublessees generally.
15. All entrance doors in the Premises shall be left locked when the Premises are not in use, and all doors opening to public corridors shall be kept closed except for normal ingress and egress from the Premises.

ADDENDUMS TO LEASE

14. Rent Schedule:

Month 1-12: \$9,648.00/mo., NNN
Month 13-23: \$9,953.00/mo., NNN

15. Option to Extend:

Providing that Sublessee is not in default of its sublease with Sublessor, Master Lessor, as part of its consent to the proposed Sublease Agreement, agrees to provide Sublessee with options to enter into a direct lease with Master Lessor and remain in the Building for three consecutive one (1) year periods (or longer terms if desired between the parties). If Sublessee elects to exercise the options, Sublessee will agree to provide Master Lessor with at least six (6) months written notice prior to the current expiration Sublessor’s lease term, or the expiration date of the subsequent one year extensions. If Sublessee exercises its option to extend as described above, then Master Lessor agrees to draft a new lease agreement, effective June 1, 2025, between Master Lessor and the City of Clovis as a direct Sublessee. The rental rate for each extension option shall be renegotiated between the parties and mutually agreed upon, based upon the current fair market rental rates for professional office space in the Clovis submarket area at that time.

16. Existing Furniture, Fixtures and Equipment (F.F.&E.):

Per the lease between Sublessor and Lessor, Sublessor has a right to utilize all of the FF&E that is owned by Lessor, presently located in the Premises. Sublessor also owns a portion of the FF&E in the Premises (defined herein as the “FF&E”). Sublessor shall allow Sublessee to utilize the FF&E at no additional cost to Sublessee. Sublessee, at Sublessee’s expense, agrees to maintain and or repair any damage caused by Sublessee to said FF&E, throughout the Sublease Term.

17. Interior Improvements:

In conjunction with the base rent schedule described above, Sublessor, at Sublessor’s expense, agrees to provide Sublessee with the following:

1. Ensure that all Building Operating Systems such as HVAC, lighting, electrical, ceiling, fire sprinklers & plumbing, and shall be in proper working order upon Sublessee’s occupancy within the Premises.
2. The space shall be professionally cleaned, including all existing floor coverings, prior to Sublessee’s occupancy within the Premises.
3. Install three (3) full height doors, matching the other private office doors within the suite. These shall be installed in the three private offices marked as “Existing Furniture”, in red on the attached Exhibit “B” Floor Plan.

AGREED & ACCEPTED:

“SUBSUBLESSEE”

City of Clovis, a California Municipal Corporation

By: _____
John Holt, City Manager

Executed _____

“SUBLESSOR”

Pro Ag Management, Inc., an Illinois Corporation

By: _____
Alexander Ludlow
Vice President & Secretary

Executed: _____

“MASTER LESSOR”

Jamison Family Community Property Trust Corporation

By: _____
William O. Jamison, Co-Trustee

By: _____
Cinda L. Jamison, Co-Trustee

By: _____
Elizabeth Anne Cardoza

Executed _____



**COMMERCIAL REAL PROPERTY DISCLOSURES
(COMMERCIAL LEASE)
COLLIERS TINGEY INTERNATIONAL, INC.**

Property Address: 1625 Shaw Avenue, Clovis, CA
SubSublessee: City of Clovis, a California Municipal Corporation
Broker: Colliers International

The purpose of this document is to explain the limited scope of Colliers Tingey International, Inc.'s ("Colliers Tingey") and Savills Studley ("SS") duties and responsibilities to Sublessee, as well as provide certain disclosures related to this commercial lease transaction:

1. Scope of Duties. Sublessee hereby acknowledges and agrees that Colliers Tingey/SS: (i) does not decide what rent Sublessee should pay or the rent Lessor should accept as rent for the Property; (ii) does not guarantee the condition of the Property; (iii) does not guarantee the performance, adequacy or completeness of inspections, services, products or repairs provided or made by the Lessor or any other third parties; (iv) does not have an obligation to conduct an inspection of the Property; (v) shall not be responsible for identifying defects on the Property; (vi) shall not be responsible for verifying square footage, representations of others or information contained in investigation reports, advertisements, flyers or other promotional material; (vii) shall not be responsible for providing legal, tax or financial advice regarding any aspect of a transaction entered into by Sublessee and the Lessor; and (viii) shall not be responsible for providing other advice or information that exceeds the knowledge, education and experience required to perform real estate licensed activity. Sublessee agrees to seek legal, tax, insurance, title, financial and other desired assistance from appropriate professionals.

2. Sublessee to Obtain Inspections. Sublessee is responsible to have the Property thoroughly inspected and is responsible to ask its experts what investigations and evaluations may be appropriate, as well as the risks of not performing any such investigations or evaluations.

3. Earthquake Safety. Earthquakes occur throughout California. Colliers Tingey/SS owes no duty to inspect for earthquake weaknesses, or geological or seismic hazards. Tenant acknowledges receipt of a copy of "*The Commercial Property Owner's Guide to Earthquake Safety.*" Colliers Tingey/SS is not required to provide Sublessee with any information concerning earthquake safety or other related issues. Sublessee should have its experts confirm whether the Property is in any earthquake zone and otherwise investigate and evaluate these matters.

4. Flood Zones. The Property may or may not be located in a flood zone. Whether or not the Property is located in a flood zone, properties can be subject to flooding and moisture problems, especially properties on a slope or in low-lying areas or in a dam inundation zone. Sublessee should have its experts confirm whether the Property is in a flood zone and otherwise investigate and evaluate these matters.

5. Hazardous Materials/Underground Storage Tanks. The Property may have hazardous or undesirable metals (including lead-based paint), minerals (including asbestos), chemicals, hydrocarbons, petroleum-related compounds, or biological or radioactive/emissive items (including electrical and magnetic fields) in soils, water, building components, above or below-ground tanks/containers or elsewhere in areas that may or may not be accessible or noticeable. Such items may leak or otherwise be released. Asbestos has been used in items such as fireproofing, heating/cooling systems, insulation, spray-on and tile acoustical materials, floor tiles and coverings, roofing, drywall and plaster. Sublessee should have its experts investigate and evaluate these matters.

6. Fires. The Property may be located within a high fire risk hazard zone or wildland zone that the state does not have responsibility to provide fire protection services to and may contain substantial fire risks. Sublessee should have its experts confirm the Property's fire risks and otherwise investigate and evaluate these matters.

7. Mold. Colliers Tingey/SS is not qualified to advise Sublessee on the existence of any mold on or near the Property or the health and safety risks related to mold exposure. Sublessee is encouraged to obtain the services of a qualified and experienced professional to conduct inspections and tests regarding any and all mold issues which may affect the Property. Sublessee hereby acknowledges and agrees that Colliers Tingey/SS is not responsible for any required remediation and/or any resulting damages related to mold.

8. Zoning/Licenses/Permits. Sublessee is solely responsible to ascertain whether the Property is suitable for its intended use and to obtain any necessary permits or licenses related to the Property. Colliers Tingey/SS recommends that Sublessee obtain written confirmation regarding the status of the Property from any and all appropriate zoning and licensing agencies. Sublessee should have its experts review any and all zoning, licensing and permit issues.

9. Americans with Disabilities Act (ADA). The Americans With Disabilities Act and other federal, state and local requirements may require changes to the Property. Sublessee should have its experts investigate and evaluate these matters.

10. Mandatory Accessibility Disclosure for Commercial Leases. Pursuant to California Civil Code Section 1938, each lease or rental agreement for commercial property executed on or after July 1, 2013 must state whether the property being leased or rented has undergone inspection by a Certified Access Specialist (CASP), and, if so, whether the property has or has not been determined to meet all applicable construction-related accessibility standards. Sublessee should have its experts investigate and evaluate these matters.

11. Taxes. Sales, leases and other real estate transactions can have federal, state and local tax consequences. Sublessee should have its experts investigate and evaluate these matters.

12. Energy Use Disclosure for Commercial Leases. Pursuant to the California Nonresidential Building Energy Use Disclosure Program (AB1103), owners of nonresidential buildings must obtain and disclose, prior to any lease or lease renewal of the entire building, the energy use data for the building for the prior twelve (12) months, together with information regarding the building’s operating characteristics and ENERGY STAR Performance Score. Disclosure is required to be made to the prospective or existing Sublessee no later than twenty-four (24) hours prior to the execution of a lease or lease renewal. This disclosure is required for entire buildings with a total gross floor area of Ten Thousand (10,000) square feet or more until December 31, 2015. After that date, AB 1103 has been replaced and there is no statewide energy use disclosure requirement in 2016. This requirement does not apply to leases of less than the entire building. Sublessee should have its experts investigate and evaluate these matters.

13. Verify Third Party Information. Any and all information regarding the Property supplied by Colliers Tingey/SS has been received from third party sources and has not been independently verified or analyzed by Colliers Tingey/SS. It is strongly recommended that Sublessee and its experts verify and analyze all information regarding the Property, including any linear or area measurements and the availability of all utilities. All work should be inspected and evaluated by Sublessee and Sublessee’s experts. Colliers Tingey/SS and its brokers are not experts (nor can they determine if any expert is qualified) to provide advice on legal, tax, design, ADA, engineering, construction, soils, title, survey, fire/life safety, insurance, hazardous materials, or other matters. These areas require special education and, generally, special licenses not possessed by Colliers Tingey/SS. Sublessee is responsible to consult with its experts regarding these matters. Further, any opinions or other comments which may be provided by Colliers Tingey/SS regarding the Property shall not be relied on by Sublessee. Sublessee is responsible for gathering and evaluating the information regarding the Property and making an appropriate investment decision. Sublessee understands that there is risk associated with any investment decision.

ACKNOWLEDGED AND AGREED TO:

City of Fresno

Sublessee: _____ **Date:** _____

John Holt, City Manager



CITY *of* CLOVIS

REPORT TO THE CITY COUNCIL

TO: Mayor and City Council

FROM: Administration

DATE: June 5, 2023

SUBJECT: Administration – Approval – Waive Formal Bidding Requirements and Authorize a Service Contract with The Lew Edwards Group to Conduct Polling and Feasibility Analysis of Revenue Options for \$49,400.

ATTACHMENTS: 1. The Lew Edwards Group Proposal

CONFLICT OF INTEREST

Councilmembers should consider recusal if a campaign contribution exceeding \$250 has been received from the project proponent (developer, applicant, agent, and/or participants) since January 1, 2023 (Government Code 84308).

RECOMMENDATION

For the City Council to waive the City's formal bidding requirements and authorize a service contract with The Lew Edwards Group to conduct polling and feasibility analysis of revenue options for \$49,400.

EXECUTIVE SUMMARY

On April 3, 2023, City Council directed staff to include funds in the 2023-24 Budget for a consultant to conduct polling and a feasibility analysis for a potential measure that would increase revenues for the City. There are a limited number of qualified consultants with the needed expertise and experience in Clovis and the region. Staff reviewed proposals from two pollsters and only found one consultant that would fully analyze feasibility based on the polling work. Due to the limited pool of consultants, a bid-based process was not feasible. Based on this, staff is recommending City Council to waive the City's formal bidding requirements and authorize a contract with The Lew Edwards Group to conduct polling and feasibility analysis of revenue options for \$49,400 as per Section IV.C. of the City's Purchasing Manual.

BACKGROUND

On February 13, 2023, the Clovis Police Department provided City Council an update on the department. It was the consensus of the Council to place an item on the agenda to discuss funding options to be considered for a future election. In November 2021, the Clovis Police Department provided City Council a state of the department update noting the shortage of

staffing in the Police Department. Over the next six months, the Council appointed a 25 member Citizens' Advisory Committee that met and provided Council feedback and recommendations.

A joint meeting was held between the Clovis City Council and the Citizens Advisory Committee on April 6, 2022. At that meeting, Chair Chris Casado and Vice Chair Greg Newman presented the findings of the Committee to Council. In summary: a majority of the Committee did not feel that the current Clovis Police Department staffing and funding is adequate for Clovis to remain the safest city in the Valley; a majority of the Committee agree that additional sworn police officers are needed over the next five years; and a majority of the Committee agreed that if an increase in services and resources is pursued, it should be funded by some form of tax increase ballot measure. In 2022, City Council placed Measure B on the November ballot to increase the Transient Occupancy Tax from 10% to 12%. Measure B was approved by the voters with over two-thirds support generating an additional \$500,000 - \$800,000 per year going forward.

On April 3, 2023, Council directed staff to include \$200,000 in funds in the 2023-24 Budget for a consultant to conduct polling and a feasibility analysis for a potential measure that would increase revenues for the City. Staff has conducted outreach with other agencies to determine potential firms to conduct the task. Two polling firms were identified and a consultant that specializes in the analysis of the polling that came as highly recommended. Staff interviewed the firms and proposals were submitted. Based on the interviews and the proposals submitted, the proposal from The Lew Edwards Group for \$49,400 is recommended to be selected. The firm has deep and successful experience in the region and across the State of California on a variety of measures. Due to the limited number of firms, a waiver is required as per Section IV.C. of the City's Purchasing Manual. The balance of the funds remaining will be available for any additional analysis or services needed to achieve Council direction.

FISCAL IMPACT

Funds were included in the proposed 2023-2024 City Council budget.


REASON FOR RECOMMENDATION

The Lew Edwards Group has submitted a proposal that will meet and exceed the Council's direction on April 3, 2023. Due to the limited consultants in the market, an approval of waiving the purchasing guidelines is required.

ACTIONS FOLLOWING APPROVAL

The City Manager will execute the contract and work will begin July 1, 2023, with a goal of returning to Council in September of 2023 with the analysis.

Prepared by: Andrew Haussler, Assistant City Manager

Reviewed by: City Manager 

Proposal to Conduct Polling and Analysis on a Potential 2024 Local Funding Measure

City of Clovis



Contact: Catherine Lew, President (Lead Consultant)
The Lew Edwards Group, 5454 Broadway, Oakland CA 94618
510-594-0224 x 261



FAIRBANK, MASLIN,
MAULLIN, METZ
& ASSOCIATES

May 30, 2023

921-6711 FINAL

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May 30, 2023

Assistant City Manager Andy Haussler
City of Clovis
1033 Fifth Street
Clovis, CA 93612

Dear Andy:

Thank you for reaching out to The Lew Edwards Group (LEG) to potentially assist you on the City's 2023-2024 Polling Analysis needs. As we discussed, the City of Clovis was one of the first agencies to reach out to LEG when we opened. Working with the City, LEG's success in enacting Measure A resulted in one of the first enactments of its type in the Central Valley, transforming the City's public safety services and setting the stage for countless others in the Valley to present similar measures to their communities with LEG's support – thank you!

This is a joint proposal from LEG and FM3 Research (FM3), LEG's long-standing opinion research partner. A third collaboration with the LEG/FM3 Team provides the City of Clovis with:

- ✓ The inclusion of a nationally recognized, award-winning Lead Consultant with demonstrated success in the City of Clovis –LEG is a proven California leader in revenue ballot measures, having enacted over \$41 Billion with a 95% success rate;
- ✓ A Lead Consultant with significant institutional knowledge and perspectives on the City, its local dynamics, demographic shifts, and factors affecting viability in 2024 with experience enacting measures for the County of Fresno and the cities of Kingsburg, Reedley, Selma, and Sanger among others;
- ✓ The same team of Lead Consultant and Opinion Research firms who enacted the City's Measure A; and
- ✓ A team that reflects the diversity of your City and the Valley with a hands-on, consensus-building management style and focused, enthusiastic, and committed dedication to the City's needs.

Our team welcomes and is enthusiastic about serving the City once again.

Warmly,



catherine@lewedwardsgroup.com
510-594-0224 x 261w /510-332-7421m

KEY CONSIDERATIONS

The City’s retention of a Lead Consultant at the initiation of efforts ensures a solid team in place that includes significant institutional knowledge of the City of Clovis, the greater Central and San Joaquin valleys, and most importantly, the statewide, regional, and local dynamics potentially facing the City as it contemplates its local funding and potential ballot measure options going into 2024.

External Dynamics Potentially Affecting the City’s Planning

It is yet unclear how severe *pocketbook issues and voter fears* over the economy will be in 2024. If more banks collapse or teeter, or more importantly—the cost of living continues to rise, affecting basic groceries and gas, the environment will shift downward.

As it is a Presidential Year, *additional statewide and regional items on the ballot* should be anticipated by the City. Any State or regional measures that also ask for money may affect the City’s planning, something to watch for in the coming months.

And of course, *the Business Roundtable-sponsored Taxpayer Protection Act is currently on the 2024 docket*. As the City is aware, it has qualified. If there is a request the Roundtable is seeking in exchange for withdrawing their measure, as in two years past, that has yet to be determined. Further, it is anticipated that proponents are targeting regions like the Valley to advance their message—if they persist in doing so as expected, it may very well create a polarizing environment in your region in 2024.

These wildcard factors need to be planned for from the start of efforts, which is why LEG will not accept clients who have initiated and completed their surveys prior to our onboarding. It bears noting that LEG’s strongest enactment rates have been in crisis years such as the Great Recession, 9/11, the Enron Collapse affecting global markets, and COVID. Sample LEG cycle sheets are included in the Appendix to this Proposal.

Demographic Shifts in the City of Clovis

LEG has significant institutional records and files from its past collaborations with the City, an invaluable resource for any project moving forward. For example, the following demographic voter shifts over the past 13 years in the City are instructive:

- Total Registered voters have grown by 30,000 – a significant increase.
- The Democratic share of the vote has remained the same.
- The Republican share of the vote has declined by 10 points, and the No Party Preference (NPP) has increased by 10, making the views of NPP voters towards any City proposal highly relevant.
- Unlike other cities LEG represents, the City’s age 65+ share has increased by 7 points, a dynamic to be considered as this demographic group tends to be less supportive of revenue measures. Should the City choose to proceed with a March measure, this demographic will constitute 36% of vote share – a significant percentage.
- The Latino share of the vote has increased by 10 points, a helpful shift as this is a demographic that tends to be more supportive of these types of projects.

LEG’s inherent, hands-on understanding of these shifts and historical knowledge of influencer and stakeholder positioning on these measures in your region and City will provide strong, nuanced project leadership and framing from the initiation of efforts.

REFRESHER ON THE TEAM

While LEG and FM3 have previously represented the City, the following are refreshers on our firms for those who have not worked with our organizations previously. LEG/FM3 –both considered California leaders in revenue generation—have extensive experience in the broad array of revenue mechanisms available to cities, including:

- ✓ General Purpose and Special Purpose Sales Taxes
- ✓ Parcel Taxes
- ✓ Utility User Taxes
- ✓ Community Facilities Districts
- ✓ Prop. 218 Measures for Sewer, Water, Landscape and/or Lighting Measures
- ✓ Cannabis Measures
- ✓ Transient Occupancy Measures
- ✓ Business License Tax Measures
- ✓ Joint agency revenue measures, including those requiring enabling legislation or LAFCO involvement
- ✓ Special District creation
- ✓ Threatened repeals to enacted 218 or voter-approved revenue measures

Should the City be interested in a sales tax mechanism as one potential option, it bears noting that LEG is the California sales tax leader, with 156 enactments. A sheet of those specific enactments is included in the Appendix to this proposal.

About The Lew Edwards Group

LEG is a California corporation co-founded in 1997 by partners Catherine Lew and Lloyd Edwards. LEG is a nationally recognized, award-winning company in providing culturally competent communications, revenue generation, and strategic services to California public agencies and local governments, having served hundreds of them over the past two and a half decades. **In 2016 and 2020, the firm had its biggest years ever, enacting 68 successful measures and campaign projects in each of those two years with 72 taken to the ballot each cycle.** In the less active 2022 Gubernatorial year, LEG had 66 enactments and wins. On the revenue generation side of its practice, **LEG has enacted over \$41 Billion with a 95% enactment rate.**

Public agencies constitute more than two-thirds of LEG’s practice and LEG’s core team of seven professionals have served LEG’s client needs for years with expertise that includes oversight and analysis of polling, media, social media, and Internet communication; coalition building; revenue ballot measure needs; and more.

Experts from LEG are frequently sought after trainers and speakers for the **League of California Cities, California Municipal Treasurers Association, California Society of Municipal Finance Officers, Local Government**

Commission, Institute for Local Governments, Municipal Management Association of Northern California, and others. LEG’s direct mail products have been recognized on multiple occasions in the prestigious national Pollie Awards, including awards for culturally competent, bilingual communications.

Besides the **City of Clovis**, LEG has extensive experience in Fresno County and the greater Central and San Joaquin valleys, including successful enactments for, among others:

- ✓ City of Arvin
- ✓ City of Atwater
- ✓ City of Bakersfield
- ✓ Central Union High School District
- ✓ City of Ceres
- ✓ Ceres Unified School District
- ✓ City of Chowchilla
- ✓ City of Dinuba
- ✓ City of Exeter
- ✓ **County of Fresno**
 - **Two measures for Fresno Chaffee Zoo**
 - **One measure for Fresno County Library**
- ✓ City of Galt
- ✓ City of Hollister
- ✓ County of Kern
- ✓ Kern Community College District
- ✓ City of Kingsburg
- ✓ City of Lathrop
- ✓ Lodi Unified School District
- ✓ City of Los Banos
- ✓ City of Manteca
- ✓ Manteca Unified School District
- ✓ City of Merced
- ✓ Merced City School District
- ✓ City of Porterville
- ✓ **City of Reedley**
- ✓ City of Ridgecrest
- ✓ Salinas Union High School District
- ✓ Spreckels School District
- ✓ **City of Sanger**
- ✓ **City of Selma**
- ✓ City of Stockton
- ✓ City of Taft
- ✓ County of Tulare
- ✓ City of Turlock

- ✓ City of Visalia
- ✓ City of Wasco
- ✓ City of Wheatland
- ✓ County of Yuba

About FM3 Research

FM3 is a recognized leader in conducting survey research that helps California cities, counties, special districts, and other jurisdictions objectively evaluate the viability of passing local ballot measures to secure additional revenue. As evidence of the accuracy of its research, more than 95% of local revenue measures that have been placed before voters by FM3’s clients, under FM3’s advisement, have been approved. Furthermore, election results are generally within the margin of error of what FM3 surveys suggest will be the level of support on Election Day.

FM3 has worked successfully in 160+ California cities and other jurisdictions to develop strategies to pass revenue measures. FM3’s municipal clients represent a diverse cross-section of large and small cities and other jurisdictions, including suburban, urban, and rural communities, in every region of the state of California. **In 2022 alone, FM3 helped more than 50 local governments across California win voter approval to fund important services for citizens.**

FM3 is also no stranger to your community or the Fresno County region. In 2008, FM3 conducted two surveys for the City regarding a potential new sales tax, and in 1999 its research contributed to the passage of a \$15 million public safety bond. FM3 has also provided research for the Clovis Unified School District’s three most recent successful school construction bond measures—the initial Measure A in March 2004, the second Measure A in June 2012, and the third Measure A in November 2020. In Fresno County more broadly, FM3’s research has contributed to the successful passage of a variety of local funding measures for various jurisdictions. These include several countywide sales taxes; sales taxes in the cities of **Reedley, Sanger, and Selma**; and a transient occupancy tax in the **City of Kingsburg**.

Furthermore, FM3 has conducted research on bond measures for nearly every major local school and community college district in the County, including **Fresno USD** (four bonds), **Sanger USD** (four bonds), **Kings Canyon USD**, **Firebaugh-Las Deltas USD**, **Caruthers USD** (two bonds), **Clovis USD** (three bonds, as previously mentioned), **Golden Plains USD**, **Coalinga-Huron JUSD**, **Fowler USD**, and **State Center CCD** (two bonds).

PROJECT TEAM LEADS

Should the City choose to retain our Team, the following would be your project leads. Each firm would assign a second specialist to add value to --not be in lieu of--the direct leadership of the Founding Principals of each firm.

Catherine Lew, LEG Co-Founder and Senior Consultant – Lead Consultant



Catherine Lew, Co-Founder and Principal Consultant of The Lew Edwards Group, hails from Salinas, California. She is a premier consultant in California providing revenue enhancement measure preparation, project management, public sector marketing services and political strategy to cities, counties, special districts, transportation, K-14 education districts, and other public agencies, private sector, and nonprofit clients.

Lew has **over 30 years of experience in the communications and electoral arena and is a veteran of more than 800 similar projects**, specializing in difficult to pass revenue measures. In 2018, she was **named by the Sacramento Bee as a California Influencer**, joining selected statewide leaders in politics, policy, and government shaping the election dialogue through the *Bee/McClatchy* news mediums. **Lew was the Lead Consultant on Measure A** and has represented multiple clients throughout the greater Central and San Joaquin valleys, including the counties of **Fresno**, Merced, Sutter, Tulare, and Yuba; the cities of Arvin, Atwater, Bakersfield, Ceres, Chowchilla, **Clovis**, Dinuba, Kingsburg, Lathrop, Los Banos, Manteca, Porterville, **Reedley, Sanger, Selma**, Stockton, Taft, Tracy, Visalia, Wasco; the Fresno County Fire Protection District; San Joaquin-Delta Community College District; Sierra Kings Healthcare District; and the Ceres, Lodi and Manteca unified school districts among many others.

Lew prides herself on her firm’s excellent service to each LEG client, diverse agencies and organizations that range dramatically in size and scope of strategic needs. She has earned a reputation as one of the State’s most effective specialists on behalf of local government.

A graduate of the University of California, Berkeley and the University of San Francisco School of Law, **Lew is also a member of the California State Bar, ensuring excellent team collaboration with client city attorneys** from the initiation of efforts, to ensure that all strategies sponsored by public entities are within the bounds of legal permissibility. If retained as your Consultant, *Catherine will function as Lead Consultant.*

John Fairbank, FM3 Co-Partner

As a founding partner of Fairbank, Maslin, Maullin, Metz & Associates, John Fairbank has 35+ years of experience in public opinion research and policy analysis, specializing in ballot measures and advising candidates on national, state, and local levels. He has consulted for clients in the areas of government, politics, education, business, nonprofits, and labor.



John has worked in 100+ California cities and counties to secure voter approval for billions of dollars in capital improvements and hundreds of millions more in ongoing operational funds through both dedicated and general-purpose tax measures. Furthermore, John has led nearly every project FM3 has conducted in **Fresno County**, including each of the projects the firm has worked on for the **City of Clovis**, the **Clovis Unified School District** and the **State Center Community College District**. His research has also been instrumental in securing the passage of nine countywide finance measures in Los Angeles County since 1996.

John has also worked as a consultant for both business and nonprofit sectors. He has worked for many leading companies and organizations including the **Walt Disney Company**, **NBC/Universal**, **Airbnb**, and **Mercury Insurance**. In the nonprofit sector, John has advised such organizations as **The Nature Conservancy**, the **Trust for Public Land**, the **League of California Cities**, the **California Association of Realtors**, **California’s Coalition for Adequate School Housing (C.A.S.H.)**, the **Building Industry Association of California**, and the **California School Boards Association**.

Education: John graduated from UCLA and serves as a Senior Fellow at the UCLA Luskin School of Public Affairs.

PROPOSED APPROACH AND ESTIMATED COSTS

Lead Project Services

With the input of all participants, LEG will develop meeting agendas and facilitate sessions to support the timely execution of this first phase of work commencing with July’s project launch, with the goal of presenting results to staff in August and to the City Council in September.

Specifically, LEG’s effective project management is based on the firm’s embrace of an integrated, multi-disciplinary professional approach that includes the City Attorney and other Executive Staff identified by you and City Manager John Holt, and other assigned professionals. The following are the core issues and agenda topics typically covered in a LEG-led launch:

- Overall project timeline and how our respective disciplines should be coordinated on the City’s behalf even at this initial phase, including legal issues pertaining to any ballot measure that appears on a March

rather than November Municipal Election ballot; the drafting of the ballot question/s to be tested, the current FPPC environment, and the potential implications of the Taxpayer Protection Act

- Review of historical project dynamics, current City demographics and the dynamics of an all-mail ballot election in a Presidential Year for a potentially higher profile City funding mechanism than your 2022 TOT
- Current voter views, priorities, and polarization considering a fluid economic environment, including voter concerns about cost-of-living issues

The high-level Lead Consulting services LEG provides to its client cities include:

Polling/Analysis Phase

- ✓ Serving as the Lead Consultant to identify and navigate dynamic, evolving project needs and supporting City staff and other professionals in achieving a well-coordinated effort for the project’s duration
 - Update City on current Best Practices being utilized by LEG for other Municipal Clients considering external 2023 and 2024 economic factors, statewide issues, recent FPPC rulings affecting cities, and a highly polarized environment
- ✓ Conduct full audit of City media and public coverage, review institutional planning files on City, and pertinent budget, service and policy background and documents
- ✓ Collaborating closely with FM3 on public opinion research needs and typically adding significant value to survey drafting
- ✓ Independently analyzing results, and providing Strategic Recommendations, Options and Recommended Planning activities should a ballot measure be contemplated
- ✓ Assisting in presenting/interpreting polling results to staff and City Council in a *strategic* context

If a city is viable and continuing to plan:

- ✓ Updating and refining a Project Timeline, Activities, and Budget
- ✓ Recommending permissible public education program to inform the public of the City’s Fiscal Sustainability vision with the independent review of the City Attorney on style and content
- ✓ Training/re-training city staff on informational outreach message delivery
- ✓ Developing earned/social media/web-based strategy and content for informational collaterals
- ✓ Providing Rapid Response services to support the City’s PIO (LEG does not function as a paid spokesperson for its clients)
- ✓ Adding value to staff reports and updating the City Council

LEG approaches its Lead Consultant role with personal dedication, enthusiasm, and a commitment to excellent service, recognizing that our ultimate consumer is not only the City of Clovis, but most importantly, the constituents and stakeholders the City represents.

Updating the City’s Ballot Measure Research

As the City has identified, it must update its baseline opinion research to gauge residents’ current attitudes towards fiscal issues and the City’s management; identify community priorities and the viability of potential 2024

ballot measure/s and election timing; and identify effective information in communicating with stakeholders and the public about your fiscal sustainability needs.

Research Specifications

For this project, FM3 has recommended conducting a 15- to 20-minute dual-mode (telephone and online) baseline survey among a randomized sample of 400-500 voters within the City of Clovis. Because a significant portion of the City’s voters are Latino (approximately 22%), FM3 recommends conducting telephone interviews in both English and Spanish.

FM3 recommends utilizing three different contact methods (telephone calls, emails, and text messages) to provide an array of ways for potential respondents to participate in the survey. Providing three forms of contact also helps FM3 engage historically disadvantaged communities that may not have adequate broadband access and/or access to computers or smart phones. Additionally, different demographic groups often have varying communication preferences—some may be more likely to answer a phone call than open an email or text message, and vice versa.

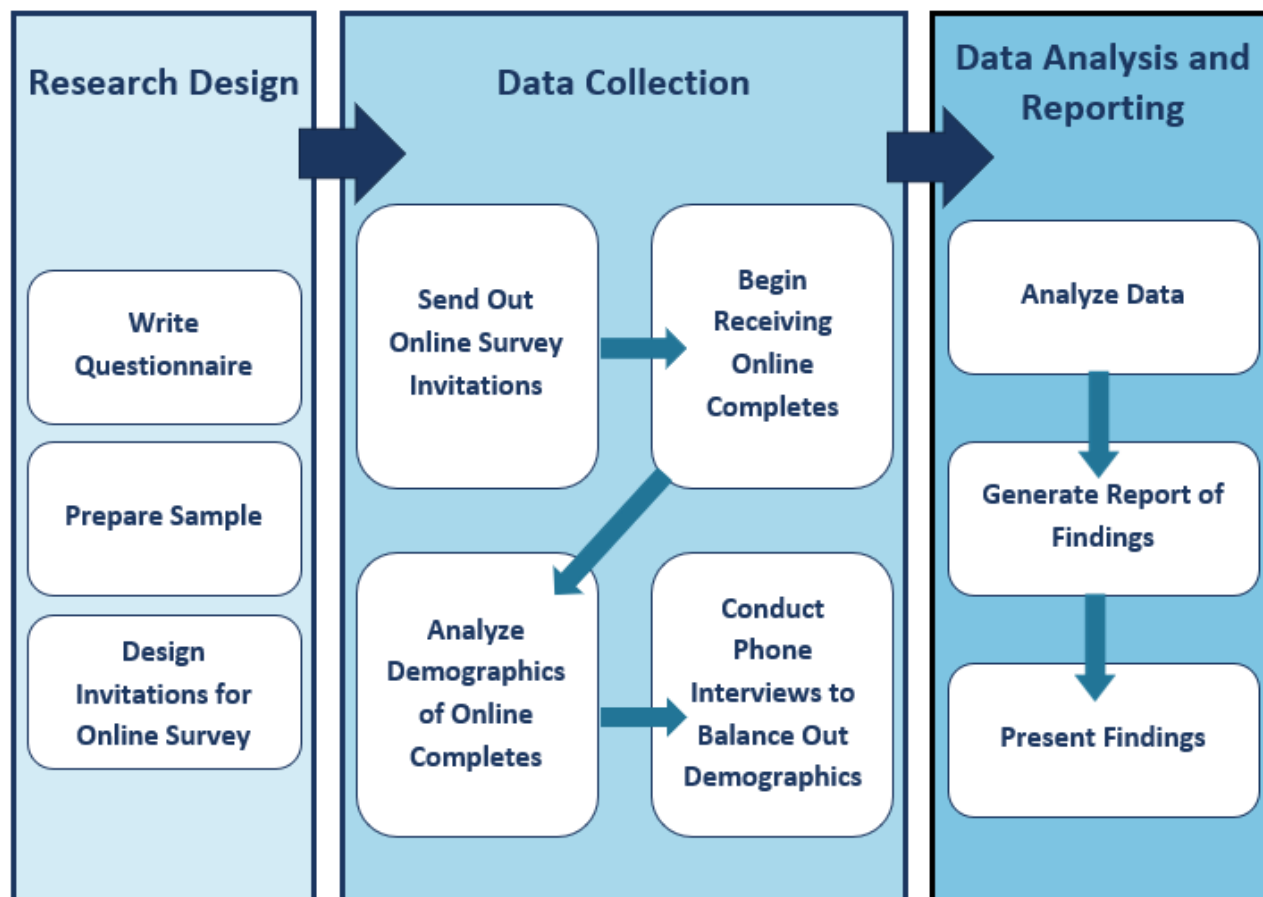
Description of Methodology

In designing a survey questionnaire for the City, LEG and FM3 will draw from their respective knowledge of local dynamics using LEG’s comprehensive public and media audit, and LEG’s review of pertinent background. LEG/FM3 will also comprehensively review the City’s past survey research (including tracking past questions when appropriate) and LEG’s significant archives of past efforts undertaken for the City; your current and future objectives and needs; and our own vast library of research on local funding measures. FM3 will proceed through several drafts, incorporating feedback from LEG and your team, to develop a research instrument that will successfully obtain all the desired information.

Methodology	Dual-mode survey using a combination of telephone and online interviews
Respondent Contact Method	Telephone calls, email invitations, and text invitations
Population & Sample	400 or 500 likely November 2024 voters within the City of Clovis (please note if the City wishes to preserve the option of a March ballot, LEG recommends the larger sample of 500 so a March subset can be fully examined)
Margin of Sampling Error*	±4.9% for a sample of 400 ±4.4% for a sample of 500 *At the 95% confidence level (i.e., in 95 out of 100 cases)
Questionnaire	15-20 minutes Telephone interviews will be conducted in English

FM3 will then construct a sample by pulling a random list of voters from the voter file. Based upon the final sample specifications, FM3 will set a target number of interviews to be completed online. FM3 will then send out email invitations to everyone with a valid email address inviting them to take the survey. Within several days of the initial invitation distribution, FM3 will examine the demographic and geographic characteristics of the online completes and then begin conducting telephone interviews to balance out the sample and target underrepresented subgroups. Additionally, FM3 will send out a number of text invitations to help reach the overall target number of online completes and complement the other contact methods.

Once the survey is complete, FM3 will generate a detailed report of the survey results in a PowerPoint presentation, including demographic breakouts and summaries of key findings. These results are typically presented in draft format to the staff team and then further refined based upon feedback from City staff. A version of this presentation will also be developed in a format suitable for LEG and FM3 to present to the City Council, from the standpoint of strategic context as well as data findings.



Recommended Timeline

Based on the City’s projected window of wanting to launch in July for a September City Council report back (which LEG concurs is wise to fully preserve all election timing options), the following is LEG’s recommended timeline for initial project execution.

- Week of July 3rd**: Conduct background preparation, public/media audit, review of archival information and City budget/policy information
- Week of July 10th**: Conduct Project Launch and initiate survey drafting
- Week of July 17th**: Review first draft of Survey with staff, initiate review of conceptual ballot question/s by City Attorney’s Office
- Week of July 24th**: Finalize Survey Questionnaire, including ballot question/s; provide Protocol Memo to City; begin fielding Survey
- July 30th-Aug 13th**: Continue Fielding Survey
- Week of Aug 13th**: Analyze results, prepare staff briefing materials and recommendations
- By August 31st**: Debrief staff, reach consensus on next steps and approach
- September 2023**: With City staff input, finalize Final Report and present results to City Council

Proposed Professional Fees and Polling Costs

The Law Edwards Group’s standard municipal professional fee rate is \$6,500/month. For a three-month term July through September this would be a cost of \$19,500 for initial services. Without exception and consistent with previous collaborations with the City of Clovis, LEG does not invoice or track work on an hourly or time and materials basis.

However, **as the City may not have contemplated retaining a Lead Strategist to work with your selected polling professional at this juncture, LEG is willing to discount its rate by 50%**, or a consulting fee of \$9,750 -- a rate not available to other cities. *If this is of interest to the City, any City Council updates/presentation would be conducted by LEG through Zoom or Teams interface.*

Should your project be viable, and the planning continues, LEG would welcome the extension of our initial agreement at our standard municipal rate.

FM3 Polling Cost

Consistent with their previous submittal, the chart below contains the total estimated costs for FM3’s research. These prices are comprehensive and include all costs for questionnaire design, sample acquisition and preparation, translation, programming, survey invitations, survey hosting, bilingual telephone interviewing, data entry and analysis, and reporting. *Should the City wish to preserve/examine all potential 2024 election timing, such as March or November, LEG strongly advises the longer 20-minute survey at a sample of 500 so appropriate comparisons can be made of different options without significantly eroding the Margin of Error (MOE).*

Survey Length	Number of Interviews	
	400	500
15 minutes	\$32,650	\$35,750

Survey Length	Number of Interviews	
	400	500
20 minutes	\$36,500	\$39,650

In closing, LEG would like to thank the City for its invitation and for our previous collaboration and partnerships. The work that we did together early on transformed not only the City of Clovis, but many others thereafter.

(APPENDIX ON FOLLOWING PAGES)



FOR IMMEDIATE RELEASE
November 17, 2016

CONTACT: Catherine Lew, Esq.
President & CEO (510) 594-0224 x 261

**IN LARGEST ELECTION CYCLE EVER,
LEW EDWARDS GROUP CLOSSES 2016 WITH 68 WINS
(List Highlights)**

**Oakland Unified School District - YES on G1
Parcel Tax for Teachers & Enrichment**
Raises \$12.4 Million annually **SUCCESSFUL**

**Long Beach Unified School District
General Obligation Bond**
\$1.5 Billion **SUCCESSFUL**

**Long Beach Community College District
General Obligation Bond – YES on LB**
\$850 Million **SUCCESSFUL**

**County of Humboldt
Commercial Marijuana Cultivation Ordinance**
Raises \$7.3 Million annually **SUCCESSFUL**

Karen Weinstein **ELECTED**
Peralta Colleges Trustee, District 6

Jane Parker **RE-ELECTED**
Monterey County Supervisor

San Jose – Evergreen Comm. College Dist.
General Obligation Bond – YES on X
\$748 Million **SUCCESSFUL**

City of San Jose
¼ cent local sales tax
Raises \$40 Million annually **SUCCESSFUL**

Fremont Unified School District
Successful Parcel Tax Increase – YES on I
Raises \$4.3 Million annually **SUCCESSFUL**

City of San Leandro
Business License, Marijuana, TOT Measures
Raises \$1.5 Million annually **SUCCESSFUL**

City of Santa Rosa
Sales Tax Extension/\$8M yr **SUCCESSFUL**
Public Safety Tax Update **SUCCESSFUL**

City of Cathedral City
Charter City Measure **SUCCESSFUL**
Cannabis Business Tax Update **SUCCESSFUL**

San Juan Unified School District
General Obligation Bond - YES on P
\$750 Million **SUCCESSFUL**

Kern Community College District
General Obligation Bond - YES on J
\$502.8 Million **SUCCESSFUL**

Butte College General Obligation Bond - YES on J \$190 Million SUCCESSFUL	City of Westminster One Cent Local Sales Tax Raises \$14 Million annually SUCCESSFUL
Alamedans United Councilmember Malia Vella ELECTED Councilmember Marilyn Ashcraft ELECTED School Board Trustee Gray Harris ELECTED	City of Stanton Initiative Communications SUCCESSFUL Term Limits Measure SUCCESSFUL
City of Indio One Cent Local Sales Tax Measure Raises \$8.5 Million annually SUCCESSFUL	Etiwanda School District General Obligation Bond – YES on I \$137 million SUCCESSFUL
Central Union High School District General Obligation Bond \$30 Million SUCCESSFUL	Alhambra Unified School District \$149 Million GO Bond SUCCESSFUL \$110 million GO Bond SUCCESSFUL
Rodeo – Hercules Fire Protection District Fire Safety Parcel Tax Raises \$2.5 Million annually SUCCESSFUL	City of Pleasant Hill ½ Cent Local Sales Tax Raises \$4 Million annually SUCCESSFUL
City of Sanger Public Safety Sales Tax Extension Protects \$1.9 million annually SUCCESSFUL	City of Ridgecrest Local Sales Tax Extension/Increase Raises \$4 Million annually SUCCESSFUL
City of Marina Business License Tax Update Raises \$900,000 annually SUCCESSFUL	City of Wasco One Cent Local Sales Tax Raises \$1.1 Million annually SUCCESSFUL
City of Union City Public Safety Parcel Tax Extension Protects \$4.1 Million/year SUCCESSFUL	City of Hollister One Cent Local Sales Tax Extension Protects \$4.5 Million/year SUCCESSFUL
City of Lakeport One Cent Local Sales Tax Raises \$1.5 Million/year SUCCESSFUL	City of Belmont ½ cent Local Sales Tax Raises \$1.3 Million annually SUCCESSFUL
Paramount Unified School District General Obligation Bond \$106 Million SUCCESSFUL	City of Temple City Term Limits/Council Extension Measure SUCCESSFUL

County of Nevada
Library Sales Tax Renewal
 Protects \$3.6 Million annually **SUCCESSFUL**

City of Fountain Valley
One Cent Local Sales Tax
 Raises \$11.5 Million **SUCCESSFUL**

City of Moreno Valley
Transient Occupancy Tax Measure
 Raises \$650 Million annually **SUCCESSFUL**

Cordova Recreation & Park District
Comm. Facilities Dist. Recreation & Park Tax
 Raises \$1.8 Million annually **SUCCESSFUL**

Apple Valley Fire Protection District
Fire Safety/911 Tax Renewal/Increase
 Raises \$4.8 Million annually **SUCCESSFUL**

Barstow Unified School District
General Obligation Bond-YES on F
 \$39 Million **SUCCESSFUL**

City of Visalia
 ½ Cent Local Sales Tax Measure
 Raises \$10.8 Million/annually **SUCCESSFUL**

City of Palm Desert
Transient Occupancy Tax Measure
 Raises \$2.2 Million annually **SUCCESSFUL**

City of La Palma
One Cent Local Sales Tax
 Raises \$1.5 Million annually **SUCCESSFUL**

City of Menifee
One Cent Local Sales Tax
 Raises \$6.2 Million annually **SUCCESSFUL**

Ontario Montclair School District
General Obligation Bond
 \$150 Million **SUCCESSFUL**

Town of Yucca Valley
 Local General Sales Tax **SUCCESSFUL**
 Local Sewer Sales Tax Measure **SUCCESSFUL**

Paso Robles Joint Unified School District
General Obligation Bond
 \$95 Million **SUCCESSFUL**

City of East Palo Alto
1/2 Cent Local Sales Tax
 Raises \$1.8 Million annually **SUCCESSFUL**

Lodi Unified School District
General Obligation Bond
 \$281 Million **SUCCESSFUL**

City of St. Helena
½ Cent Local Sales Tax
 Raises \$1.4 Million year **SUCCESSFUL**

People for Libraries & Literacy – YES on M
Stockton Library ¼ cent Sales Tax
 Raises \$9 Million annually **SUCCESSFUL**

City of Tracy
1/2 Cent Local Sales Tax
 Raises \$7 Million annually **SUCCESSFUL**

County of Sonoma
Library Sales Tax Measure
 Raises \$10 Million/year **SUCCESSFUL**

Mountain Community Health Services
Emergency Room Parcel Tax Renewal
 Protects \$825,000 annually **SUCCESSFUL**

Chino Valley Unified School District
General Obligation Bond – Yes on G
 \$750 Million **SUCCESSFUL**

City of Temecula
1 Cent Sales Tax
 Raises \$23 Million annually **SUCCESSFUL**



**FOR IMMEDIATE RELEASE
November 24, 2020**

**CONTACT: Catherine Lew, Esq.
Co-Founder (510) 594-0224 x 261**

**IN PANDEMIC YEAR, LEW EDWARDS GROUP
CLOSES 2020 WITH 68 WINS, TYING 2016 RECORD
(List Highlights)**

- | | | | |
|---|--------------------|--|----------------------------------|
| Foothill – De Anza Community College Dist.
General Obligation Bond Yes on G
\$898 Million | SUCCESSFUL | Citrus College
General Obligation Bond Yes on Y
\$298 Million | SUCCESSFUL |
| Oakland Education Association
OUSD Trustee Sam Davis | ELECTED | California Teachers Association
Multiple winning County and local School Board races
and school parcel tax measures | SUCCESSFUL |
| OUSD Trustee VanCedric Williams | ELECTED | | |
| OUSD Trustee Mike Hutchinson | ELECTED | | |
| Lily Mei
Mayor of Fremont | RE- ELECTED | Wendy Root Askew
Monterey County Supervisor | ELECTED |
| Melissa Hernandez
Mayor of Dublin | ELECTED | City of San Luis Obispo
Tripled Local Sales Tax to 1.5 cents
Raises \$21.6 Million annually | SUCCESSFUL |
| Emery Unified School District
Additional 12 cents/sq.ft Parcel Tax
Raises \$1.8 Million annually | SUCCESSFUL | City of Oxnard
Additional 1.5 Cent Local Sales Tax
Raises \$40 Million annually | SUCCESSFUL |
| City of Newark
Utility Users Tax Renewal
Protects \$2.75 Million annually | SUCCESSFUL | City of San Bruno
Transient Occupancy Tax
Cannabis Business Tax Update | SUCCESSFUL
SUCCESSFUL |
| Alameda County Fire Department
General Obligation Bond
\$90 Million | SUCCESSFUL | City of Concord
Doubled Local Sales Tax to one cent
Raises \$27 Million annually | SUCCESSFUL |

Diane Papan San Mateo City Council as first place finisher	RE-ELECTED	Gina Papan Millbrae City Council as first place finisher	RE-ELECTED
Alameda Firefighters PAC Councilmember Malia Vella	RE-ELECTED	Leslie Reckler West Contra Costa Unified School Board	ELECTED
Kelly Welsh Vacaville Unified School Board	ELECTED	Lisa Petrides San Mateo County Community College Board	ELECTED
Edralin Maduli Chabot-Las Positas Community College Board	RE-ELECTED	Sylvia Hacaj Kensington Police & Fire Protection District	RE-ELECTED
City of West Hollywood ¾ Cent Local Sales Tax Raises \$11 Million annually	SUCCESSFUL	City of Lakewood ¾ Cent Local Sales Tax Raises \$10 Million annually	SUCCESSFUL
City of Chino Hills Transient Occupancy Tax Raises \$260,000 annually	SUCCESSFUL	City of Exeter One cent Local Sales Tax Raises \$800,000 annually	SUCCESSFUL
Eureka City Schools General Obligation Bond \$18 Million	SUCCESSFUL	City of Eureka Increased Local Sales Tax to 1.25 cents Raises \$9.6 Million annually	SUCCESSFUL
City of Cotati Local Sales Tax Renewal Protects \$1 Million annually	SUCCESSFUL	City of Azusa ¾ Cent Local Sales Tax Raises \$4.5 Million annually	SUCCESSFUL
City of La Habra Cannabis Tax Measure Raises \$2 Million annually	SUCCESSFUL	City of Bellflower ¾ Cent Local Sales Tax Raises \$4.5 Million annually	SUCCESSFUL
City of Turlock ¾ Cent Local Sales Tax Raises \$11 Million annually	SUCCESSFUL	City of Imperial Beach 1 Cent Local Sales Tax Raises \$1.3 Million annually	SUCCESSFUL
City of South Lake Tahoe 1 Cent Local Sales Tax Raises \$5.4 annually	SUCCESSFUL	City of Lake Elsinore 1 Cent Local Sales Tax Raises \$10 Million annually	SUCCESSFUL
City of Menifee Defeated attempted repeal Protects \$11 Million/year	SUCCESSFUL	City of Paso Robles 1 Cent Local Sales Tax Raises \$10 Million annually	SUCCESSFUL

City of Morro Bay Additional 1 Cent Local Sales Tax Raises \$2 Million annually SUCCESSFUL	City of Milpitas ¼ Cent Local Sales Tax Raises \$6.5 Million annually SUCCESSFUL
City of Gardena ¾ Cent Local Sales Tax Raises \$7.4 Million annually SUCCESSFUL	City of Novato Transient Occupancy Tax Increase Raises \$400,000 annually SUCCESSFUL
City of Santa Clara Transient Occupancy Tax Increase Raises \$7 Million annually SUCCESSFUL	City of Corona 1 Cent Local Sales Tax Raises \$30 Million annually SUCCESSFUL
City of Petaluma 1 Cent Local Sales Tax Raises \$13.5 Million annually SUCCESSFUL	City of Alhambra ¾ Cent Local Sales Tax Raises \$8.1 Million annually SUCCESSFUL
City of Half Moon Bay Transient Occupancy Tax increase Raises \$1.5 Million annually SUCCESSFUL	City of Signal Hill ¾ Cent Local Sales Tax Raises \$5 Million annually SUCCESSFUL
City of Daly City ½ Cent Local Sales Tax Raises \$6 Million annually SUCCESSFUL	City of Wheatland ½ Cent Local Sales Tax Raises \$330,000 annually SUCCESSFUL
	City of Rancho Cordova Additional ½ Cent Local Sales Tax Raises \$8 Million annually SUCCESSFUL
SELECTED 2019 ENACTMENTS	
City of Arcadia ¾ Cent Local Sales Tax Raises \$8.6 Million annually SUCCESSFUL	City of Sausalito Prop. 218 Sewer Rate Increase SUCCESSFUL
City of Hermosa Beach Transient Occupancy Tax Raises \$550,000 annually SUCCESSFUL	City of Manhattan Beach Transient Occupancy Tax Raises \$1 Million annually SUCCESSFUL
City of San Bruno ½ cent Local Sales Tax Raises \$4 Million annually SUCCESSFUL	



**FOR IMMEDIATE RELEASE
December 30, 2022**

**CONTACT: Catherine Lew, Esq.
Co-Founder (510) 594-0224 x 261**

**LEW EDWARDS GROUP CLOSES 2022
with 66 WINS & ENACTMENTS (List Highlights)**

Cerritos College General Obligation Bond Yes on CC \$425 Million	SUCCESSFUL	Rialto Unified School District General Obligation Bond Yes on A \$340 Million	SUCCESSFUL
Oakland Education Association OUSD Trustee Valarie Bachelor	ELECTED	United Educators of San Francisco Commissioner Lisa Ward	ELECTED
OUSD Trustee Jennifer Brouhard	ELECTED	Commissioner Alida Fisher	ELECTED
Liz Ortega California Assembly	ELECTED	Diane Papan California Assembly	ELECTED
Melissa Hernandez Mayor of Dublin	RE-ELECTED	Richard Valle Alameda County Supervisor	RE-ELECTED
Kern County 1 Cent Sales Tax (unincorporated only) Raises \$54 Million annually	ENACTED	Humboldt County Transient Occupancy Tax Abandoned Vehicle Tax	ENACTED ENACTED
City of Palo Alto New Business License Tax Utilities Transfer/General Fund Raises/protects \$7 Million annually	ENACTED ENACTED	City of Santa Clara Business License Tax Update Utilities Transfer/General Fund Raises/protects \$39 Million annually	ENACTED ENACTED
Placer County Transient Occupancy Tax Renewal Protects \$4 Million Annually	ENACTED	City of Elk Grove/Cosumnes CSD 1 cent sales tax Raises \$21.3 Million annually	ENACTED
Nikki Fortunato Bas Oakland City Council President	RE-ELECTED	Julia Mates Mayor of Belmont	ELECTED

Hank Levy Alameda County Treasurer	RE-ELECTED	Lisa Diaz Nash San Mateo City Council	ELECTED
Ed Hernandez Eden Healthcare District	ELECTED	California Teachers Association Contra Costa County Board of Education Trustee Sarah Butler	RE-ELECTED
Alameda Firefighters Mayor Marilyn Ezzy-Ashcraft Councilmember Tracy Jensen	RE-ELECTED ELECTED	Napa – Solano Labor/Working Families PAC Various County & Local Officials	ELECTED
Oakland Unified School District Yes on H Renews College Career for All Parcel Tax Protects \$11.5 Million annually	SUCCESSFUL	Sac Kids First Coalition Yes on L Establishes Children’s Fund (GF Set-Aside) Dedicates \$10+ Million annually	SUCCESSFUL
City of Atwater Public Safety Sales Tax Renewal Protects \$4 Million annually	ENACTED	City of Pacifica ½ cent Local Sales Tax Raises \$2.6 Million annually	ENACTED
Little Lake City School District General Obligation Bond \$36 Million	ENACTED	City of Solana Beach 1 cent Local Sales Tax Raises \$3 Million annually	ENACTED
City of Solvang 1 Cent Local Sales Tax Raises \$1.6 Million annually	ENACTED	City of Belmont Transient Occupancy Tax Increase Raises \$600,000 annually	ENACTED
City of Ridgecrest 1 Cent Local Sales Tax Raises \$5.9 Million annually	ENACTED	City of Galt 1 Cent Local Sales Tax Raises \$3.6 Million annually	ENACTED
City of Tulare Cannabis Tax	ENACTED	City of Imperial Beach Transient Occupancy Tax Increase Raises \$400,000 annually	ENACTED
City of South Lake Tahoe Cannabis Tax Measure Raises \$950,000 annually	ENACTED	City of Hermosa Beach Cannabis Industry Initiative Cannabis Tax	DEFEATED ENACTED
City of Hercules Utility Users Tax Renewal Protects \$3.6 Million/year	ENACTED	City of Yucca Valley Transient Occupancy Tax Increase Raises \$1.3 Million annually	ENACTED
City of Larkspur Additional 1/4 Cent Local Sales Tax Raises \$700,000 annually	ENACTED	City of Millbrae Transient Occupancy Tax Increase Raises \$1.5 Million annually	ENACTED

City of Tehachapi
1 Cent Local Sales Tax
Raises \$4 Million annually **ENACTED**

City of Roseville
Transient Occupancy Tax Increase
Raises \$3 Million annually **ENACTED**

City of Tracy
Business License Tax Modernization
Raises \$3.2 Million annually **ENACTED**

City of Vallejo
7/8 Cent Local Sales Tax
Raises \$18 Million annually **ENACTED**

SELECTED 2021 WINS & ENACTMENTS

Mialisa Bonta **ELECTED**
California Assembly Special Elections

City of Cathedral City
Short-Term Vacation Rental Ord. **ENACTED**

City of Eastvale
Gann Limit Measure **ENACTED**

City of Indio
1 Cent Local Sales Tax Renewal
Raises \$26 Million annually **ENACTED**

City of Moreno Valley
1 Cent Local Sales Tax
Raises \$20 Million annually **ENACTED**

City of Riverside
Affirmation of Utilities/General Fund Transfer
Protects \$40 Million annually **ENACTED**

City of Taft
1 Cent Local Sales Tax
Raises \$1.6 Million annually **ENACTED**

LEW EDWARDS GROUP SALES TAX ENACTMENTS—156



City of Alhambra	General Purpose Sales Tax
City of Arvin	General Purpose Sales Tax
City of Arcadia	General Purpose Sales Tax
City of Antioch	General Purpose Sales Tax
City of Atwater	Public Safety Sales Tax Renewal
City of Azusa	General Purpose Sales Tax
City of Bakersfield	General Purpose Sales Tax
City of Bellflower	General Purpose Sales Tax
City of Belmont	General Purpose Sales Tax
City of Benicia	General Purpose Sales Tax
City of Burlingame	General Purpose Sales Tax
City of Campbell	General Purpose Sales Tax
City of Cathedral City	General Purpose Sales Tax, then Renewal (2 Measures)
City of Ceres	Public Safety Sales Tax
City Chowchilla	Public Safety Sales Tax
City of Clovis	Public Safety Sales Tax
City of Concord	General Purpose Sales Tax Enactment, Renewals, Increase (3)
City of Corona	General Purpose Sales Tax
City of Cotati	General Purpose Sales Tax Enactment, Increase, Renewals (3)
City of Daly City	General Purpose Sales Tax
City of Dinuba	Public Safety Sales Tax
City of East Palo Alto	General Purpose Sales Tax
City of El Cerrito	Streets/Roads Sales Tax
	General Purpose Sales Tax Enactment, Increase, Renewal (3)
City of Elk Grove	General Purpose Sales Tax
City of Eureka	General Purpose Sales Tax
City of Exeter	General Purpose Sales Tax
City of Fairfield	General Purpose Sales Tax
City of Fountain Valley	General Purpose Sales Tax
County of Fresno	Zoo Sales Tax Enactment, then Renewal (2 Measures)
	County Library Sales Tax Renewal
City of Galt	Public Safety and General Purpose Sales Taxes (2 Measures)
City of Garden Grove	General Purpose Sales Tax
City of Gardena	General Purpose Sales Tax
City of Grover Beach	General Purpose Sales Tax
City of Hercules	General Purpose Sales Tax, then Renewal (2 Measures)
City of Hollister	General Purpose Sales Tax Renewal
County of Humboldt	General Purpose Sales Tax Enactment, then Renewal (2 Measures)
City of Imperial Beach	General Purpose Sales Tax
County of Imperial	Streets/Roads Sales Tax
City of Indio	General Purpose Sales Taxes (2 Measures)
City of Inglewood	General Purpose Sales Tax

County of Kern	General Purpose Sales Tax
City of La Habra	General Purpose Sales Tax
City of La Mesa	General Purpose Sales Tax
City of La Mirada	General Purpose Sales Tax
City of La Palma	General Purpose Sales Tax
City of Lake Elsinore	General Purpose Sales Tax
City of Lakeport	General Purpose Sales Tax
City of Lakewood	General Purpose Sales Tax
City of Larkspur	General Purpose Sales Tax Enactment
	General Purpose Sales Tax Increases and Renewals (3 Measures)
City of Lathrop	General Purpose Sales Tax
City of Lawndale	General Purpose Sales Tax
City of Los Banos	Public Safety and General Purpose Sales Taxes (2 Measures)
	Public Safety Measure Renewals (2 Measures)
City of Manteca	Public Safety Sales Tax
City of Marina	General Purpose Sales Tax Renewal
City of Martinez	General Purpose Sales Tax
City of Menifee	General Purpose Sales Tax
Town of Moraga	General Purpose Sales Tax
City of Moreno Valley	General Purpose Sales Tax
City of Morro Bay	General Purpose Sales Taxes (2 Measures)
City of National City	General Purpose Sales Tax Renewal
County of Nevada	Library Sales Tax Renewal
City of Novato	General Purpose Sales Tax, then Renewal (2 Measures)
City of Oxnard	General Purpose Sales Tax
City of Pacifica	General Purpose Sales Tax
City of Palm Springs	General Purpose Sales Tax
City of Pasadena	General Purpose Sales Tax
City of Petaluma	General Purpose Sales Tax
City of Pinole	General Purpose Sales Tax
City of Paso Robles	General Purpose Sales Tax
City of Placentia	General Purpose Sales Tax
City of Pleasant Hill	General Purpose Sales Tax
City of Port Hueneme	General Purpose Sales Tax
City of Porterville	Public Safety and General Purpose Sales Taxes (2 Measures)
City of Rancho Cordova	General Purpose Sales Taxes (2 Measures)
City of Reedley	Public Safety Sales Tax
City of Ridgecrest	General Purpose Sales Tax Enactments (2 measures)
	General Purpose Sales Tax Increase, then Renewal
City of Rohnert Park	General Purpose Sales Tax Increase, then Renewal (2 Measures)
City of Roseville	General Purpose Sales Tax
City of San Bruno	General Purpose Sales Tax
City of San Jose	General Purpose Sales Tax

City of San Leandro	General Purpose Sales Tax Enactment and Increase/Renewal (2)
City of San Luis Obispo	General Purpose Sales Taxes (2 Measures)
City of San Mateo	General Purpose Sales Tax Renewal
City of Sanger	Public Safety Sales Tax, then Renewal (2 Measures)
County of Santa Cruz	Library Sales Tax Renewal
City of Santa Maria	General Purpose Sales Tax Enactment, then Increase/Renewal (2)
City of Santa Rosa	General Purpose Sales Tax Renewal
City of Sausalito	General Purpose Sales Tax
City of Seaside	General Purpose Sales Tax, then Increase/Renewal (2 Measures)
City of Selma	Public Safety Sales Tax
City of St. Helena	General Purpose Sales Tax
County of Sonoma	Library Sales Tax
City of Signal Hill	General Purpose Sales Tax
City of Solana Beach	General Purpose Sales Tax
City of Solvang	General Purpose Sales Tax
City of South Gate	General Purpose Sales Tax
City of South Lake Tahoe	General Purpose Sales Tax
City of South San Francisco	General Purpose Sales Tax
City of Stanton	General Purpose Sales Tax
City of Stockton	Public Safety and Library Sales Taxes (2 Measures)
City of Suisun City	General Purpose Sales Tax
City of Taft	General Purpose Sales Tax
City of Tehachapi	General Purpose Sales Tax
City of Temecula	General Purpose Sales Tax
City of Tracy	General Purpose Sales Taxes (2 Measures)
County of Tulare	Streets/Roads Sales Tax
City of Turlock	General Purpose Sales Tax
City of Union City	General Purpose Sales Tax Renewal
City of Vallejo	General Purpose Sales Taxes (2 Measures)
City of Visalia	Public Safety and General Purpose Sales Taxes (2 Measures)
City of Vista	General Purpose Sales Tax
City of Wasco	General Purpose Sales Tax
City of Westminster	General Purpose Sales Tax, then Renewal (2 Measures)
City of Wheatland	General Purpose Sales Tax
City of Wildomar	General Purpose Sales Tax
County of Yuba	General Purpose Sales Tax
Town of Yucca Valley	General Purpose and Special Purpose Sales Taxes (2 Measures)
Current Sales Tax Clients	
City of Buena Park	City of Canyon Lake
City of Fullerton	County of Humboldt
City of Huntington Beach	City of La Habra
City of Placentia	City of Ridgecrest
Town of Yucca Valley	



CITY *of* CLOVIS

REPORT TO THE CITY COUNCIL

TO: Mayor and City Council
 FROM: Finance Department
 DATE: June 5, 2023
 SUBJECT: Finance – Receive and File – Investment Report for the Month of February 2023.

ATTACHMENTS: 1. Distribution of Investments
 2. Monthly Investment Transactions
 3. Certificates of Deposit
 4. Municipal Securities
 5. Graph of February 28, 2023 Treasury Rates

CONFLICT OF INTEREST

Councilmembers should consider recusal if a campaign contribution exceeding \$250 has been received from the project proponent (developer, applicant, agent, and/or participants) since January 1, 2023 (Government Code 84308).

EXECUTIVE SUMMARY

Attached is the Investment Report for the month of February 2023. Shown in Attachment 1 is the distribution of investments which lists all the individual securities owned by the City with the book and market values. Book value is the actual price paid for the investment. Market value is the amount that the investment is worth if sold in the open market. The market value (which fluctuates daily) that is used in the report is as of the last working day of the month. Attachment 2 reflects the monthly investment transactions for the month of February 2023. Attachment 3 lists the certificates of deposit. Attachment 4 lists the municipal securities. Attachment 5 is a graph of Treasury rates on February 28, 2023.

The investment of the City's funds is performed in accordance with the adopted Investment Policy. Funds are invested with the following objectives in mind:

1. Assets are invested in adherence with the safeguards and diversity of a prudent investor.
2. The portfolio is invested in a manner consistent with the primary emphasis on preservation of the principal, while attaining a high rate of return consistent with this guideline. Trading of securities for the sole purpose of realizing trading profits is prohibited.

3. Sufficient liquidity is maintained to provide a source for anticipated financial obligations as they become due.

4. Investments may be made, consistent with the Investment Policy Guidelines, in fixed income securities maturing in three years or less and can be extended to five years with the City Manager's approval.

The Finance Department invests the City's assets with an expectation of achieving a total rate of return at a level that exceeds the annualized rate of return on short-term government guaranteed or insured obligations (90-day Treasury bills) and to assure that the principal is preserved with minimal risk of depreciation or loss. In periods of rising interest rates, the City of Clovis portfolio return may be less than that of the annualized 90-day Treasury bill. In periods of decreasing interest rates, the City of Clovis portfolio return may be greater than the annualized 90-day Treasury bill. The current 90-day Treasury bill rate (annualized) is 2.57%. The rate of return for the City of Clovis portfolio is 2.61%. The goal for the City of Clovis investment return is 120% of the 90-day Treasury bill rate. The current rate of return is 101% of the Treasury bill rate.

In accordance with the Investment Policy, the investment period on each investment does not exceed three years and can be extended to five years with the City Manager's approval. As of February 2023, the average investment life of the City's investment portfolio is 1.68 years.

Current Investment Environment and Philosophy

During the month of February 2023, the federal funds rate increased to 4.50%-4.75%. On February 28, 2023, the Treasury yield curve increased from 3-month to 6-month notes, then decreased to 10-year notes.

Certificates of Deposit (CD's)

The City purchases both negotiable and non-negotiable Certificates of Deposit (CD's). Although negotiable CD's can be traded, it is the City's policy to buy and hold all CD's. Negotiable CD's are held by U.S. Bank, a third party custodian. Non-negotiable CD's are held in the City's safe.

Purchases and Maturities

- 1 government security totaling \$6,000,000 was purchased.
- 1 government security totaling \$8,500,000 matured.
- 5 certificates of deposit totaling \$1,250,000 were purchased.
- 1 certificate of deposit totaling \$250,000 matured.
- 1 municipal security totaling \$2,500,000 was purchased.

Market Environment

- During February the federal funds rate increased to 4.50%-4.75%.
- On February 28, the yield curve increased from 3-month to 6-month notes, then decreased to 10-year notes. See Attachment 5, Graph of Treasury Rates on February 28, 2023.

Prepared by: Jeffrey Blanks, Deputy Finance Director

Reviewed by: City Manager *AB*

**City of Clovis
Distribution of Investments
As of February 28, 2023**

AGENDA ITEM NO. 9.

	<u>COST</u>	<u>NET BOOK VALUE</u>	<u>MARKET VALUE *</u>	<u>YIELD TO MATURITY</u>	<u>STATED INTEREST RATE</u>	<u>INVEST DATE</u>	<u>MATURITY DATE</u>	<u>DAYS TO MATURITY FROM 2/28/2023</u>
<u>GOVT SECURITIES</u>								
FHLB	5,255,000	5,078,404	5,005,486	0.600%	2.125%	03/26/20	03/10/23	10
FHLB	13,579,800	13,172,490	12,983,354	0.332%	2.125%	04/30/20	03/10/23	10
FFCB	5,000,000	5,000,000	4,754,050	0.250%	0.250%	03/01/21	03/01/24	367
FHLB	4,998,000	4,998,723	4,899,200	3.276%	3.250%	08/17/22	03/08/24	374
FHLB	1,994,000	1,996,279	1,967,040	3.835%	3.625%	09/14/22	03/08/24	374
FFCB	1,999,000	1,999,363	1,898,920	0.317%	0.300%	03/24/21	03/18/24	384
FHLB	5,000,000	5,000,000	4,697,800	0.350%	0.350%	06/07/21	06/07/24	465
FHLB	941,770	953,142	942,160	4.500%	0.700%	11/17/22	06/24/24	482
FHLB	4,969,000	4,978,608	4,664,750	1.274%	1.050%	01/20/22	11/15/24	626
FHLB	1,595,506	1,616,070	1,595,732	4.515%	0.500%	11/16/22	12/30/24	671
FHLB	3,980,000	3,985,825	3,748,080	1.922%	1.750%	02/28/22	02/28/25	731
FHLB	4,000,000	4,000,000	3,815,280	2.750%	2.750%	04/25/22	04/25/25	787
FAMCMTN	3,947,600	3,961,185	3,644,560	1.121%	0.750%	12/16/21	07/28/25	881
FHLB	5,000,000	5,000,000	4,840,500	3.600%	3.600%	08/30/22	08/28/25	912
FAMCMTN	4,948,500	4,960,869	4,523,900	0.869%	0.600%	10/14/21	09/08/25	923
FHLB	4,963,000	4,971,357	4,404,400	0.750%	0.580%	09/08/21	02/11/26	1,079
FHLB	3,922,000	3,939,437	3,537,640	1.229%	0.750%	12/16/21	02/24/26	1,092
FFCB	4,967,500	4,973,644	4,371,800	1.075%	0.940%	10/14/21	09/28/26	1,308
FHLB	3,649,200	3,674,534	3,516,920	3.342%	1.150%	06/29/22	10/28/26	1,338
FHLB	5,988,000	5,990,250	5,299,320	1.291%	1.250%	11/24/21	11/24/26	1,365
FHLB	5,127,757	5,104,920	4,599,100	1.580%	2.125%	01/20/22	12/11/26	1,382
FHLB	4,043,250	4,043,250	3,860,571	3.397%	1.020%	06/29/22	02/24/27	1,457
FHLB	4,550,000	4,605,977	4,397,874	3.173%	1.020%	08/17/22	02/24/27	1,457
FHLB	3,695,200	3,749,471	3,615,593	2.564%	0.900%	03/31/22	02/26/27	1,459
FHLB	6,072,400	6,072,400	5,855,580	3.737%	0.900%	01/19/23	02/26/27	1,459
FHLB	5,247,000	5,247,000	5,059,651	4.329%	0.900%	02/16/23	02/26/27	1,459
FHLB	5,050,770	5,099,092	4,950,393	3.971%	1.000%	12/14/22	02/26/27	1,459
FHLB	4,000,000	4,000,000	3,651,880	2.375%	2.375%	03/08/22	03/08/27	1,469
SECURITIES TOTAL	<u>\$ 128,484,253</u>	<u>\$ 128,172,290</u>	<u>\$ 121,101,534</u>					
LAIF		<u>\$ 75,000,000</u>	<u>\$ 75,000,000</u>					
Municipal Issuance		<u>\$ 55,435,000</u>	<u>\$ 50,692,253</u>					
Sweep Account (Union Bank)		<u>\$ 23,626,633</u>	<u>\$ 23,626,633</u>					
TOTAL CD'S		<u>\$ 21,495,000</u>	<u>\$ 20,891,156</u>					
TOTAL INVESTMENTS		<u>\$ 303,728,922</u>	<u>\$ 291,311,575</u>					

* Market values for securities obtained from US Bank.

City of Clovis
Monthly Investment Transactions
As of February 28, 2023

AGENDA ITEM NO. 9.

Institution	Description	Activity	Amount	Market Value	Rate	Activity Date	Maturity Date
FHLB	Gov. Sec.	Purchase	6,000,000	5,247,000	0.900%	02/16/23	02/26/27
California ST Univ Rev	Mun Iss.	Purchase	2,500,000	2,500,000	1.142%	02/17/23	11/01/26
Achieve Finl Cr Un	CD	Purchase	250,000	250,000	4.650%	02/17/23	02/17/26
California Cr Un Glendale	CD	Purchase	250,000	250,000	4.500%	02/23/23	02/23/26
Coastlife Cr Un	CD	Purchase	250,000	250,000	4.650%	02/13/23	02/13/26
Pioneer Fed Cr Un Mtn Home	CD	Purchase	250,000	250,000	4.600%	02/28/23	03/02/26
Truliant Fed Cr Un	CD	Purchase	250,000	250,000	4.600%	02/28/23	02/27/26
FAMCMTN	Gov. Sec.	Maturity	8,500,000	8,512,717	1.350%	02/27/23	02/27/23
Servisfirst Bank	CD	Maturity	250,000	250,000	1.600%	02/21/23	02/21/23

PORTFOLIO DATA

Current Month (02/23)

	Book	Market
CD'S	\$ 21,495,000	\$ 20,891,156
Gov't Securities*	128,172,290	121,101,534
Municipal Securities	55,435,000	50,692,253
LAIF	75,000,000	75,000,000
Sweep Account (Union Bank)	23,626,633	23,626,633
TOTAL	\$ 303,728,923	\$ 291,311,576

Prior Month (01/23)

	Book	Market
CD'S	\$ 20,495,000	\$ 19,979,564
Gov't Securities*	131,438,007	125,970,574
Municipal Securities	52,935,000	49,074,621
LAIF	75,000,000	75,000,000
Sweep Account (Union Bank)	29,536,545	29,536,545
TOTAL	\$ 309,404,552	\$ 299,561,304

Three Months Previous (11/22)

	Book	Market
CD'S	\$ 19,245,000	\$ 18,599,372
Gov't Securities*	133,263,676	126,769,132
Municipal Securities	51,805,000	47,365,936
LAIF	74,905,243	74,905,243
Sweep Account (Union Bank)	20,638,225	20,638,225
TOTAL	\$ 299,857,144	\$ 288,277,908

Six Months Previous (08/22)

	Book	Market
CD'S	\$ 13,995,000	\$ 13,709,007
Gov't Securities*	142,778,996	137,433,765
Municipal Securities	35,755,000	33,346,444
LAIF	74,651,233	74,651,233
Sweep Account (Union Bank)	33,471,209	33,471,209
TOTAL	\$ 300,651,438	\$ 292,611,658

One Year Previous (02/22)

	Book	Market
CD'S	\$ 9,995,000	\$ 9,946,255
Gov't Securities*	141,928,058	140,552,056
Municipal Securities	9,465,000	9,278,989
LAIF	74,453,060	74,453,060
Sweep Account (Union Bank)	43,416,255	43,416,255
TOTAL	\$ 279,257,373	\$ 277,646,615

*Adjusted Quarterly for Premium/Discount Amortization

**City of Clovis
Certificates of Deposit
As of February 28, 2023**

AGENDA ITEM NO. 9.

Negotiable CDs	COST	MARKET PRICE	INTEREST RATE	INVEST DATE	MATURITY DATE	MATURITY FROM 02/28/23	INTEREST FREQUENCY
Celtic Bank	250,000	249,752.50	1.550%	03/13/20	03/13/23	13	MONTHLY
Axos Bank	250,000	249,487.50	1.550%	03/26/20	03/27/23	27	MONTHLY
Nicolet Natl Bank	250,000	249,392.50	0.900%	03/27/20	03/27/23	27	MONTHLY
Centerstate Bank	250,000	249,290.00	0.900%	03/30/20	03/30/23	30	MONTHLY
Bank Leumi	250,000	249,382.50	1.450%	03/31/20	03/31/23	31	MONTHLY
Discover Bank	250,000	249,327.50	1.350%	04/02/20	04/03/23	34	MONTHLY
Berkshire Bank	250,000	249,220.00	1.300%	04/08/20	04/06/23	37	MONTHLY
American Express	250,000	248,810.00	1.100%	04/21/20	04/21/23	52	MONTHLY
New York Cmnty Bank	250,000	241,115.00	0.350%	12/11/20	12/11/23	286	QUARTERLY
Transportation Alliance Bk Preferred Bank	250,000	237,825.00	0.250%	03/12/21	03/12/24	378	QUARTERLY
Bankunited Natl Assn	245,000	232,970.50	0.450%	03/31/21	04/01/24	398	QUARTERLY
Greenstate Credit Union	250,000	235,492.50	0.450%	06/16/21	06/17/24	475	QUARTERLY
Eaglemark Savings Bank	250,000	235,037.50	0.400%	06/30/21	06/28/24	486	QUARTERLY
Texas Exchange Bk	250,000	235,007.50	0.500%	07/09/21	07/09/24	497	QUARTERLY
BMW Bk North Amer	250,000	234,665.00	0.550%	07/30/21	07/30/24	518	QUARTERLY
Toyota Finl Svgs	250,000	233,985.00	0.650%	09/09/21	09/09/24	559	QUARTERLY
State Bk India	250,000	233,765.00	0.650%	09/17/21	09/17/24	567	QUARTERLY
Ubs Bank Usa	250,000	232,332.50	0.750%	11/17/21	11/18/24	629	QUARTERLY
Webbank Salt Lake City	250,000	232,185.00	0.750%	11/29/21	11/29/24	640	QUARTERLY
Medallion Bank Salt Lake City	250,000	232,125.00	0.900%	12/20/21	12/20/24	661	QUARTERLY
Beal Bank	250,000	231,735.00	0.950%	01/19/22	01/15/25	687	QUARTERLY
Mountian Amer Fed	250,000	242,472.50	3.450%	08/31/22	02/28/25	731	QUARTERLY
Barclays Bk	250,000	234,117.50	1.700%	03/09/22	03/10/25	741	QUARTERLY
Goldman Sachs Bk	250,000	233,880.00	1.650%	03/09/22	03/10/25	741	QUARTERLY
Safra National Bk	250,000	235,317.50	2.000%	03/23/22	03/24/25	755	QUARTERLY
Pentagon Federal Cr Un	250,000	235,107.50	2.000%	03/28/22	03/28/25	759	QUARTERLY
Beal Bank	250,000	236,112.50	2.200%	04/06/22	04/02/25	764	QUARTERLY
JP Morgan Chase	250,000	237,545.00	2.500%	04/08/22	04/08/25	770	QUARTERLY
First Natl Bank	250,000	242,880.00	2.200%	04/12/22	04/11/25	773	QUARTERLY
One Community Bank	250,000	238,200.00	2.700%	04/29/22	04/29/25	791	QUARTERLY
Americu Credit Union	250,000	238,665.00	2.800%	05/02/22	05/02/25	794	QUARTERLY
Synchrony Bank Retail	250,000	240,112.50	3.100%	05/20/22	05/20/25	812	QUARTERLY
Connexus Credit Union	250,000	239,435.00	3.000%	05/26/22	05/27/25	819	QUARTERLY
Bmo Harris Bank	250,000	240,075.00	3.150%	06/17/22	06/17/25	840	QUARTERLY
Saco Biddeford	250,000	238,447.50	2.850%	06/17/22	06/17/25	840	QUARTERLY
Baxter Credit Union	250,000	250,000.00	3.400%	06/28/22	06/30/25	853	QUARTERLY
Capital One Bank	250,000	241,115.00	3.350%	06/29/22	06/30/25	853	QUARTERLY
American First Cr Un	250,000	240,392.50	3.250%	07/15/22	07/15/25	868	QUARTERLY
Trustone Financial Cr Un	250,000	240,360.00	3.250%	07/19/22	07/21/25	874	QUARTERLY
American Natl Bank	250,000	239,442.50	3.100%	07/27/22	07/28/25	881	QUARTERLY
TCM Bank	250,000	240,880.00	3.350%	07/28/22	07/28/25	881	QUARTERLY
Generations Bank	250,000	241,122.50	3.400%	08/03/22	08/04/25	888	QUARTERLY
Direct Fed Credit	250,000	240,725.00	3.500%	08/17/22	08/18/25	902	QUARTERLY
Resource One Credit	250,000	240,435.00	3.300%	08/17/22	08/18/25	902	QUARTERLY
Connex Credit	250,000	241,520.00	3.500%	08/31/22	08/29/25	913	QUARTERLY
Skyone Fed Credit	250,000	242,102.50	3.600%	08/30/22	09/02/25	917	QUARTERLY
Credit Union of Texas	250,000	242,107.50	3.600%	09/14/22	09/15/25	930	QUARTERLY
Forbright Bank	250,000	241,432.50	3.500%	09/16/22	09/16/25	931	QUARTERLY
Ally Bank Sandy Utah	250,000	244,742.50	4.050%	09/29/22	09/19/25	934	QUARTERLY
Alabama Credit Union	250,000	242,000.00	3.600%	09/20/22	09/22/25	937	QUARTERLY
Kemba Finl Credit Union	250,000	244,400.00	4.000%	09/21/22	09/22/25	937	QUARTERLY

**City of Clovis
Certificates of Deposit
As of February 28, 2023**

AGENDA ITEM NO. 9.

<u>Negotiable CDs</u>	<u>COST</u>	<u>MARKET PRICE</u>	<u>INTEREST RATE</u>	<u>INVEST DATE</u>	<u>MATURITY DATE</u>	<u>MATURITY FROM 02/28/23</u>	<u>INTEREST FREQUENCY</u>
Farmers Merchants	250,000	242,870.00	3.750%	09/28/22	09/29/25	944	QUARTERLY
Jefferson Finl FCU	250,000	245,287.50	4.150%	09/29/22	09/29/25	944	QUARTERLY
Dort Finl Credit Union	250,000	244,380.00	4.000%	09/30/22	09/30/25	945	QUARTERLY
First National Bank	250,000	235,887.50	3.625%	09/30/22	09/30/25	945	QUARTERLY
Numerica Credit Union	250,000	246,202.50	4.200%	09/30/22	09/30/25	945	QUARTERLY
Vystar Credit Union	250,000	246,497.50	4.350%	09/30/22	09/30/25	945	QUARTERLY
Bell Bank Fargo	250,000	245,265.00	4.150%	10/13/22	10/14/25	959	QUARTERLY
Pacific Alliance	250,000	245,572.50	4.200%	10/14/22	10/14/25	959	QUARTERLY
z1st Financial Bank	250,000	245,265.00	4.150%	10/13/22	10/17/25	962	QUARTERLY
Great Southern Bank	250,000	247,437.50	4.500%	10/20/22	10/20/25	965	QUARTERLY
American Bank	250,000	246,507.50	4.350%	10/21/22	10/21/25	966	QUARTERLY
Queensborough Natl Bank	250,000	245,872.50	4.100%	10/21/22	10/21/25	966	QUARTERLY
Public Alliance Cr Un	250,000	247,422.50	4.500%	10/25/22	10/27/25	972	QUARTERLY
First Citizens Bank	250,000	248,662.50	4.700%	10/28/22	10/28/25	973	QUARTERLY
LCA Bank Corp	250,000	246,812.50	4.400%	10/28/22	10/28/25	973	QUARTERLY
Sharonview Fed Cr Un	250,000	249,930.00	4.850%	10/31/22	10/31/25	976	QUARTERLY
United Heritage Cr Un	250,000	248,995.00	4.700%	11/04/22	11/04/25	980	QUARTERLY
Capital One Natl Assn	250,000	249,960.00	4.900%	11/16/22	11/17/25	993	QUARTERLY
Morgan Stanley Bank	250,000	249,940.00	5.000%	11/18/22	11/18/25	994	QUARTERLY
Spokane Teachers Cr Un	250,000	250,637.50	5.000%	11/23/22	11/23/25	999	QUARTERLY
Morgan Stanley Private	250,000	248,860.00	4.750%	12/09/22	12/09/25	1,015	QUARTERLY
Community Bank Topeka	250,000	246,165.00	4.300%	12/14/22	12/15/25	1,021	QUARTERLY
Austin Telco Fed	250,000	250,400.00	4.950%	12/16/22	12/16/25	1,022	QUARTERLY
Rogue Credit Union	250,000	250,105.00	5.100%	12/23/22	12/23/25	1,029	QUARTERLY
Alliant Credit Union	250,000	251,442.50	5.100%	12/30/22	12/30/25	1,036	QUARTERLY
Liberty First Cr Un	250,000	247,847.50	4.550%	01/17/23	01/19/26	1,056	QUARTERLY
Capital Educators Fed Cr	250,000	247,845.00	4.550%	01/19/23	01/20/26	1,057	QUARTERLY
Manufacturers Traders	250,000	245,850.00	4.250%	01/31/23	01/23/26	1,060	QUARTERLY
City Natl Bank	250,000	246,520.00	4.350%	01/25/23	01/26/26	1,063	QUARTERLY
Coastlife Cr Un	250,000	248,572.50	4.650%	02/13/23	02/13/26	1,081	QUARTERLY
Achieve Finl Cr Un	250,000	248,582.50	4.650%	02/17/23	02/17/26	1,085	QUARTERLY
California Cr Un Glendale	250,000	247,572.50	4.500%	02/23/23	02/23/26	1,091	QUARTERLY
Truliant Fed Cr Un	250,000	248,257.50	4.600%	02/28/23	02/27/26	1,095	QUARTERLY
Pioneer Fed Cr Un Mtn Home	250,000	248,265.00	4.600%	02/28/23	03/02/26	1,098	QUARTERLY
Negotiable CD TOTAL	<u>\$ 21,495,000</u>	<u>\$ 20,891,156</u>					
CD TOTAL	<u>\$ 21,495,000</u>	<u>\$ 20,891,156</u>					

**City of Clovis
Municipal Securities
As of February 28, 2023**

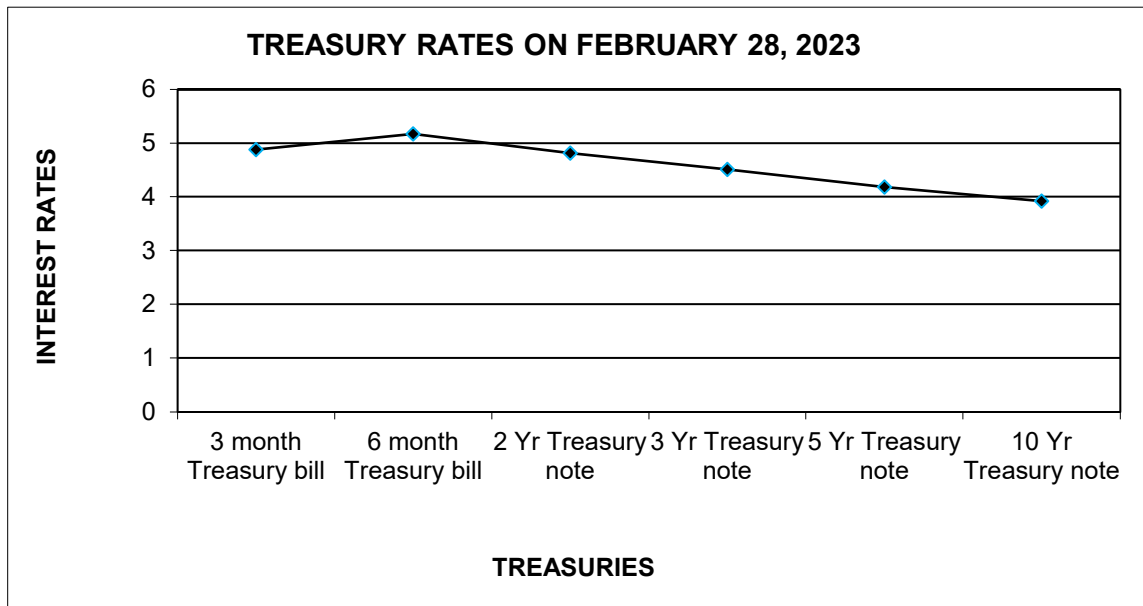
AGENDA ITEM NO. 9.

Municipal Securities	COST	MARKET PRICE	INTEREST RATE	INVEST DATE	MATURITY DATE	MATURITY FROM 02/28/23	INTEREST FREQUENCY
Huntington Beach Pension Bond	1,000,000	986,490	0.381%	04/01/21	06/15/23	107	QUARTERLY
Fresno Unified Taxable Go Ref Bond	500,000	490,565	0.462%	09/30/20	08/01/23	154	QUARTERLY
Pomona Cali Uni Sch Dist Go Bond	815,000	799,857	0.534%	10/20/20	08/01/23	154	QUARTERLY
San Jose CA USD Ref Bond	775,000	760,081	0.221%	01/20/21	08/01/23	154	QUARTERLY
Vista CA USD Ref Bond	750,000	735,915	0.221%	01/20/21	08/01/23	154	QUARTERLY
William Hart Cali HS Go Bond	1,000,000	981,140	0.366%	12/23/20	08/01/23	154	QUARTERLY
Jefferson Cali Elem Sch Dist Go Bond	710,000	694,330	0.399%	10/27/20	09/01/23	185	QUARTERLY
Santa Rosa Calif Watr Ref Bond	350,000	342,381	0.578%	12/01/20	09/01/23	185	QUARTERLY
California St Univ Ref Bond	3,455,000	3,351,246	0.475%	04/01/22	11/01/23	246	QUARTERLY
San Diego CA Convention Ref Bond	1,450,000	1,390,681	1.527%	08/18/22	04/15/24	412	QUARTERLY
Santa Ana College Ref Bond	440,000	413,750	0.644%	12/17/21	08/01/24	520	QUARTERLY
University CA Rev Bond	1,000,000	959,390	4.350%	09/15/22	05/15/25	807	QUARTERLY
Antelope Valley CA Ref Bond	750,000	695,070	1.767%	05/12/22	08/01/25	885	QUARTERLY
Chabot Las Positas Cmnty Clg Bond	1,490,000	1,361,130	0.880%	04/29/22	08/01/25	885	QUARTERLY
San Dieguito High School Ref Bond	1,000,000	927,810	1.661%	10/13/22	08/01/25	885	QUARTERLY
Santa Ana CCD Ref Bond	250,000	226,125	0.744%	05/12/22	08/01/25	885	QUARTERLY
Orange County Water Dist Ref Bond	900,000	844,506	2.095%	10/13/22	08/15/25	899	QUARTERLY
San Jose CA Txble Ser B	2,355,000	2,214,147	2.450%	10/13/22	09/01/25	916	QUARTERLY
Los Angeles CA USD Ref Bond	1,000,000	889,370	1.455%	11/15/21	07/01/26	1,219	QUARTERLY
Chabot Las Positas Cmnty Clg CA	3,505,000	3,111,353	1.080%	07/27/22	08/01/26	1,250	QUARTERLY
Chaffey CA High School Ref Bond	1,565,000	1,441,506	2.475%	06/30/22	08/01/26	1,250	QUARTERLY
Huntington Beach HS Dist Ref Bond	3,305,000	2,932,527	1.208%	04/29/22	08/01/26	1,250	QUARTERLY
Placentia Yorba USD Ref Bond	1,110,000	977,244	1.070%	05/31/22	08/01/26	1,250	QUARTERLY
San Diego CA Cmnty Ref Bond	470,000	434,242	2.299%	04/29/22	08/01/26	1,250	QUARTERLY
San Ramon Valley CA USD Ref Bond	2,125,000	1,889,508	1.147%	11/03/21	08/01/26	1,250	QUARTERLY
Sonoma Cnty Jr College Ref Bond	2,000,000	1,852,360	2.447%	06/30/22	08/01/26	1,250	QUARTERLY
San Diego CA Pub Facs Ref Bond	1,625,000	1,455,041	1.812%	08/18/22	10/15/26	1,325	QUARTERLY
CA ST Univ Rev Ref Bond	2,500,000	2,201,850	1.142%	02/17/23	11/01/26	1,342	QUARTERLY
El Dorado CA Irr Dist Ref Bond	1,175,000	1,037,948	1.687%	08/18/22	03/01/27	1,462	QUARTERLY
University Gen Rev Bond	2,385,000	2,079,577	1.316%	10/13/22	05/15/27	1,537	QUARTERLY
Colton CA Jt Uni Sch	1,060,000	930,850	1.603%	11/17/22	08/01/27	1,615	QUARTERLY
Contra Costa Ref Bond	880,000	790,592	2.163%	09/15/22	08/01/27	1,615	QUARTERLY
Foothill De Anza CCD	540,000	472,424	1.473%	12/15/22	08/01/27	1,615	QUARTERLY
Fremont CA Uni Sch Dist	1,100,000	939,004	1.113%	11/17/22	08/01/27	1,615	QUARTERLY
Fremont CA USD Ref Bond	1,140,000	1,012,901	2.000%	05/31/22	08/01/27	1,615	QUARTERLY
Marin CA Cmnty Clg Dist	335,000	318,237	3.330%	11/17/22	08/01/27	1,615	QUARTERLY
Mount San Antonio Cmnty Clg	285,000	244,296	1.139%	11/17/22	08/01/27	1,615	QUARTERLY
Mount San Antonio Ref Bond	405,000	366,136	2.329%	10/13/22	08/01/27	1,615	QUARTERLY
Saddleback VY Uni Ref Bond	3,000,000	2,717,640	2.400%	08/10/22	08/01/27	1,615	QUARTERLY
San Diego CA Com CD	590,000	538,062	2.407%	12/15/22	08/01/27	1,615	QUARTERLY
San Ramon Valley Ref Bond	1,435,000	1,253,860	3.415%	09/15/22	08/01/27	1,615	QUARTERLY
Santa Monica Cmnty Clg Ref Bond	1,000,000	948,720	3.050%	09/15/22	08/01/27	1,615	QUARTERLY
Sierra CA Cmnty Clg Dist	465,000	396,971	1.129%	11/17/22	08/01/27	1,615	QUARTERLY
William Hart CA Un High	200,000	169,136	1.174%	11/17/22	08/01/27	1,615	QUARTERLY
Rancho Santiago Cmnty Clg	335,000	285,581	1.106%	11/17/22	09/01/27	1,646	QUARTERLY
San Jose CA Txble Ser B	910,000	830,703	2.600%	10/13/22	09/01/27	1,646	QUARTERLY
Mun. Securities TOTAL	\$ 55,435,000	\$ 50,692,253					
Municipal Securities TOTAL	\$ 55,435,000	\$ 50,692,253					

**CITY OF CLOVIS
FINANCE DEPARTMENT
FEBRUARY 28, 2023 TREASURY RATES**

Treasury Rates as of February 28, 2023

3 month Treasury bill	4.88
6 month Treasury bill	5.17
2 Yr Treasury note	4.81
3 Yr Treasury note	4.51
5 Yr Treasury note	4.18
10 Yr Treasury note	3.92



As indicated in the above graph, treasuries increase from 3-month to 6-month notes, then decrease to 10-year notes.



CITY *of* CLOVIS

REPORT TO THE CITY COUNCIL

TO: Mayor and City Council

FROM: Finance Department

DATE: June 5, 2023

SUBJECT: Finance – Receive and File – Treasurer’s Report for the Month of February 2023.

ATTACHMENTS: 1. Summary of Cash Balances
2. Summary of Investment Activity
3. Investments with Original Maturities Exceeding One Year

CONFLICT OF INTEREST

Councilmembers should consider recusal if a campaign contribution exceeding \$250 has been received from the project proponent (developer, applicant, agent, and/or participants) since January 1, 2023 (Government Code 84308).

EXECUTIVE SUMMARY

Attached for the Council’s information is the Treasurer’s Report for the month ended February 28, 2023.

Pursuant to Section 41004 of the Government Code of the State of California, the City Treasurer is required to submit a monthly report of all receipts, disbursements, and fund balances. Attachment 1 provides a summary of the beginning balance, total receipts, total disbursements, ending balance for all funds, and a listing, by fund, of all month end fund balances. Attachment 2 summarizes the investment activity for the month and distribution, by type of investment, held by the City. Attachment 3 lists all investments with original maturities exceeding one year as of the month ended February 28, 2023.

Prepared by: Jeffrey Blanks, Deputy Finance Director

Reviewed by: City Manager *AA*

City of Clovis
Statement of Cash Balances
As of February 28, 2023

Previous Balance	\$	3,793,761.06
Deposits		30,348,724.31
Disbursements		<u>(29,124,590.79)</u>
Current Balance	\$	<u>5,017,894.58</u>

<u>FUNDS</u>	<u>BALANCE</u>
100 General Fund	\$ 18,151,571.47
201 Local Transportation	15,213,116.41
202 Parking and Business Improvements	183,321.18
203 Off Highway Use	72,414.64
204 Community Facilities District 2020-1	144,523.32
205 Senior Citizen Memorial Trust	56,243.01
207 Landscape Assessment District	6,989,227.05
208 Blackhorse III (95-1) Assessment District	104,498.18
301 Park & Recreation Acquisition	12,236,378.54
305 Refuse Equipment Reserve	2,310,925.04
310 Special Street Deposit Fund	45,519,124.03
313 Successor Agency	627.38
314 Housing Successor Agency	1,094,159.78
402 1976 Fire Bond Redemption	25,475.23
404 1976 Sewer Bond Redemption Fund	418,128.52
501 Community Sanitation Fund	15,648,160.45
502 Sewer Service Fund	37,671,506.28
504 Sewer Capital Projects-Users	463,996.24
506 Sewer Capital Projects-Developer	6,447,605.80
507 Water Service Fund	42,068,340.99
508 Water Capital Projects-Users	7,291,041.47
509 Water Capital Projects-Developer	11,209,537.71
515 Transit Fund	500,699.61
540 Planning & Development Services	15,403,096.80
601 Property & Liability Insurance	949,458.81
602 Fleet Maintenance	22,688,121.24
603 Employee Benefit Fund	11,724,826.47
604 General Government Services	21,340,537.35
605 Facilities Maintenance	4,294,304.37
606 Information Technology	6,626,600.85
701 Curb & Gutter Fund	165,236.48
703 Payroll Tax & Withholding Fund	1,356,193.54
712 Temperance/Barstow Assmt Dist (98-1)	77,966.59
713 Shepherd/Temperance Assmt Dist (2000-1)	5,838.80
715 Supp Law Enforcement Serv	243,403.17
716 Asset Forfeiture	243,452.27
720 Measure A-Public Safety Facility Tax	1,729.23
736 SA Admin Trust Fund	1,421.40
741 SA Debt Service Trust Fund	(197,131.09)
747 Housing Successor Trust Fund	1,137.98
SUBTOTALS	<u>\$ 308,746,816.59</u>
999 Invested Funds	<u>(303,728,922.01)</u>
TOTAL	<u>\$ 5,017,894.58</u>

**City of Clovis
Summary of Investment Activity
For the month of February 28, 2023**

<hr/> <hr/>	
<u>Balance of Investments Previous Month End</u>	<u>\$ 309,404,551.20</u>
 <u>Time Certificates of Deposit Transactions</u>	
Investments	1,250,000.00
Withdrawals	<u>(250,000.00)</u>
Total CD Changes	1,000,000.00
 <u>Other Changes</u>	
Government Securities	(3,265,717.00)
Local Agency Investment Fund	0.00
Municipal Securities	2,500,000.00
Sweep Account	<u>(5,909,912.19)</u>
Total Other Changes	<u>(6,675,629.19)</u>
Balance of Investments Current Month End	<u>\$ 303,728,922.01</u>

**City of Clovis
Distribution of Investments
As of February 28, 2023**

<hr/> <hr/>	
Insured CD's	21,495,000.00
Government Securities	128,172,288.85
US Treasury Notes	0.00
Local Agency Investment Fund	75,000,000.00
Municipal Securities	55,435,000.00
Sweep Account	<u>23,626,633.16</u>
Investment Total	<u>\$ 303,728,922.01</u>

**City of Clovis
Original Maturities Exceeding One Year
As of February 28, 2023**

<u>Institution</u>	<u>Face Value</u>	<u>Investment Balance At Amortized Cost</u>	<u>Maturity</u>	<u>Stated Rate</u>
FHLB	13,000,000.00	13,172,490	3/10/2023	2.125%
FHLB	5,000,000.00	5,078,404	3/10/2023	2.125%
FFCB	5,000,000.00	5,000,000	3/1/2024	0.250%
FHLB	5,000,000.00	4,998,723	3/8/2024	3.625%
FFCB	2,000,000.00	1,996,279	3/8/2024	0.300%
FHLB	2,000,000.00	1,999,363	3/18/2024	0.350%
FHLB	5,000,000.00	5,000,000	6/7/2024	1.050%
FHLB	1,000,000.00	953,142	6/24/2024	0.700%
FHLB	5,000,000.00	4,978,608	11/15/2024	1.750%
FHLB	1,735,000.00	1,616,070	12/30/2024	0.500%
FHLB	4,000,000.00	3,985,825	2/28/2025	2.750%
FAMCMTN	4,000,000.00	4,000,000	4/25/2025	0.750%
FAMCMTN	4,000,000.00	3,961,185	7/28/2025	0.600%
FHLB	5,000,000.00	5,000,000	8/28/2025	0.580%
FHLB	5,000,000.00	4,960,869	9/8/2025	0.750%
FFCB	5,000,000.00	4,971,357	2/11/2026	0.940%
FHLB	4,000,000.00	3,939,437	2/24/2026	1.150%
FHLB	5,000,000.00	4,973,644	9/28/2026	1.250%
FHLB	4,000,000.00	3,674,534	10/28/2026	2.125%
FHLB	6,000,000.00	5,990,250	11/24/2026	1.020%
FHLB	5,000,000.00	5,104,920	12/11/2026	0.900%
FHLB	4,500,000.00	4,043,250	2/24/2027	2.375%
FHLB	5,000,000.00	4,605,977	2/24/2027	1.020%
FHLB	5,700,000.00	5,099,092	2/26/2027	1.000%
FHLB	4,000,000.00	3,749,471	2/26/2027	3.250%
FHLB	6,800,000.00	6,072,400	2/27/2027	0.900%
FHLB	6,000,000.00	5,247,000	2/27/2027	0.900%
FHLB	4,000,000.00	4,000,000	3/8/2027	3.600%



CITY *of* CLOVIS

REPORT TO THE CITY COUNCIL

TO: Mayor and City Council

FROM: General Services Department

DATE: June 5, 2023

SUBJECT: General Services – Approval - Claim Rejection of the General Liability Claim on behalf of Phorum Sheth.

ATTACHMENTS: None.

CONFLICT OF INTEREST

Councilmembers should consider recusal if a campaign contribution exceeding \$250 has been received from the project proponent (developer, applicant, agent, and/or participants) since January 1, 2023 (Government Code 84308).

RECOMMENDATION

Reject the General Liability Claim filed on behalf of Phorum Sheth.

EXECUTIVE SUMMARY

On behalf of Phorum Sheth (claimant), the City received a Claim Form on April 12, 2023, alleging the City of Clovis caused a dangerous condition by failing to provide appropriate warnings signs or signals, which contributed to injuries allegedly sustained by Phorum Sheth. It is recommended that the City reject the claim, send notice of rejection, and refer the matter to the City's third-party administrator for liability claims for further investigation and handling.

BACKGROUND

On April 12, 2023, a General Liability Claim was received on behalf of Phorum Sheth from the Wagner Law Group in Fresno, CA. The claim was insufficient, and a notice was sent to the law firm requesting additional information to process the claim. A revised claim form was submitted to the City on May 19, 2023, which was considered legally sufficient and timely.

The claim alleges that the City of Clovis failed to provide appropriate warnings signs or signals, which created a dangerous condition on the roadway at the roundabout near Temperance Avenue and Alluvial Avenue within the City of Clovis.

The claimant seeks damages for injuries, and other damages. The claim has been filed as a "civil unlimited case" in excess of \$600,000.00.

FISCAL IMPACT

Rejection of the claim does not result in any fiscal impact.

REASON FOR RECOMMENDATION

It is recommended that the claim be rejected. The claim is disputed by the City. By rejecting this claim and sending notice of rejection to the claimant in accordance with applicable law (Government Code section 910, et seq.), the time in which a lawsuit for various claims may be filed against the City will begin to run, and the claimant may pursue a lawsuit against the City if desired.

ACTIONS FOLLOWING APPROVAL

A claim rejection notice letter will be sent to the claimant in accordance with Government Code section 913.

Prepared by: Charles W. Johnson, Management Analyst

Reviewed by: City Manager *AH*



CITY *of* CLOVIS

REPORT TO THE CITY COUNCIL

TO: Mayor and City Council

FROM: Planning and Development Services

DATE: June 5, 2023

SUBJECT: Planning and Development Services – Approval – Final Acceptance for Final Map for Tract 6367, located at southeast area of Armstrong Avenue and Nees Avenue (Gleneagles Homes, a California Corp DBA Gary McDonald Homes, a California corporation).

ATTACHMENTS: 1. Vicinity Map

CONFLICT OF INTEREST

Councilmembers should consider recusal if a campaign contribution exceeding \$250 has been received from the project proponent (developer, applicant, agent, and/or participants) since January 1, 2023 (Government Code 84308).

RECOMMENDATION

For the City Council to:

1. Accept the public improvements for Tract 6367, and authorize recording the Notice of Completion; and
2. Authorize the release of the Performance Surety immediately and then release of the Labor and Materials Surety ninety (90) days after the recordation of the Notice of Completion, (provided no lien have been filed) and release of Public Improvements Maintenance Surety upon the expiration of the one-year warranty period and provided any defective work has been repaired to the City's satisfaction.

EXECUTIVE SUMMARY

The owner, Gleneagles Homes, a California Corp DBA Gary McDonald Homes, a California corporation, has requested final acceptance of the public improvements constructed or installed in conjunction with this tract. The public improvements include all those shown on the subdivision improvement plans approved by the City Engineer. The construction or installation of the public improvements is complete. The owner has requested final acceptance. Staff is recommending approval of their request.

FISCAL IMPACT

The cost for periodic routine maintenance, as well as repairs needed as the improvements deteriorate with age and usage, will be incorporated in the annual maintenance budget of the Public Utilities Department as these costs are identified.

REASON FOR RECOMMENDATION

The Subdivision Map Act requires that once construction of the required improvements has been completed in compliance with all codes, plans and specifications, and all other required documents have been completed and submitted, final acceptance is required, and the appropriate sureties are released.

ACTIONS FOLLOWING APPROVAL

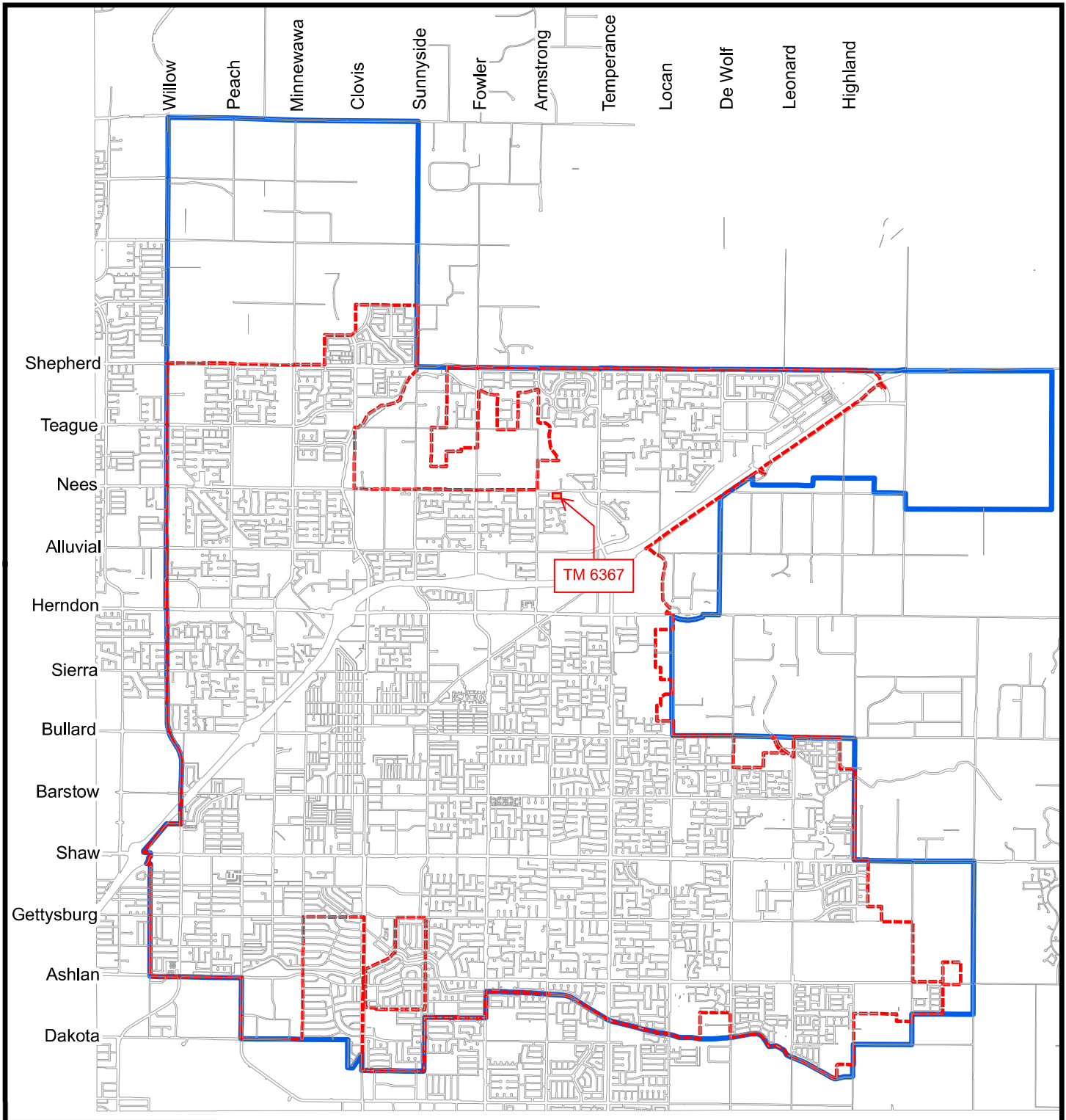
Record the Notice of Completion and release the Performance, Labor and Materials, and Maintenance Sureties as appropriate.

Prepared by: Jeff Brown, Engineer II

Reviewed by: City Manager *AH*

VICINITY MAP

Gleneagles Homes, a California Corp DBA Gary McDonald Homes, a California



Attachment 1





CITY *of* CLOVIS

REPORT TO THE CITY COUNCIL

TO: Mayor and City Council

FROM: Planning and Development Services

DATE: June 5, 2023

SUBJECT: Planning and Development Services – Approval – Bid Award for CIP 19-11 Bullard Avenue Rehabilitation; and authorize the City Manager to execute the contract on behalf of the City with Dave Christian Construction Company in the amount of \$761,162.25.

ATTACHMENTS: 1. Vicinity Map

CONFLICT OF INTEREST

Councilmembers should consider recusal if a campaign contribution exceeding \$250 has been received from the project proponent (developer, applicant, agent, and/or participants) since January 1, 2023 (Government Code 84308).

RECOMMENDATION

1. For the City Council to award a contract for CIP 19-11, Bullard Avenue Rehabilitation – to Dave Christian Construction Company, in the amount of \$761,162.25; and
2. For the City Council to authorize the City Manager to execute the contract on behalf of the City.

EXECUTIVE SUMMARY

Staff is recommending that City Council authorize the City Manager to award and execute the contract to Dave Christian Construction Company, who was the lowest responsible bidder from a bid opening that took place on May 9, 2023.

The project includes street rehabilitation along existing Bullard Avenue from Armstrong to Temperance Avenues. The work includes grinding/cold planning, full depth removal of AC pavement and replacing in areas of severe structural failure, paving, adjusting utility boxes and manhole lids to grade, constructing ADA curb ramp improvements, installing detector loops and striping to match the existing.

BACKGROUND

The following is a summary of the bids received on May 9, 2023:

BIDDERS	BASE BID
Dave Christian Construction Co.	\$761,162.25
Central Valley Asphalt	\$796,950.50
Emmett Valley, Inc.	\$827,555.00
Emmett’s Excavation, Inc.	\$865,133.00
Jim Crawford Construction	\$867,882.50
Avison Construction	\$907,910.00
MAC General Engineering	\$1,178,894.20
 ENGINEER’S ESTIMATE	 \$801,570.00

All bids were examined, and the bidder’s submittals were found to be in order. Dave Christian Construction Co. is the lowest responsible bidder. Staff has validated the lowest bidder contractor’s license status, bid bond and completeness of grant funding paperwork.

FISCAL IMPACT

This project was budgeted in the 2022-2023 Community Investment Program. The project is supported by Surface Transportation Block Grant Program (STBG) through the City Community Investment Program.

REASON FOR RECOMMENDATION

Dave Christian Construction Company is the lowest responsible bidder. There are sufficient funds available for the anticipated cost of this project.

ACTIONS FOLLOWING APPROVAL

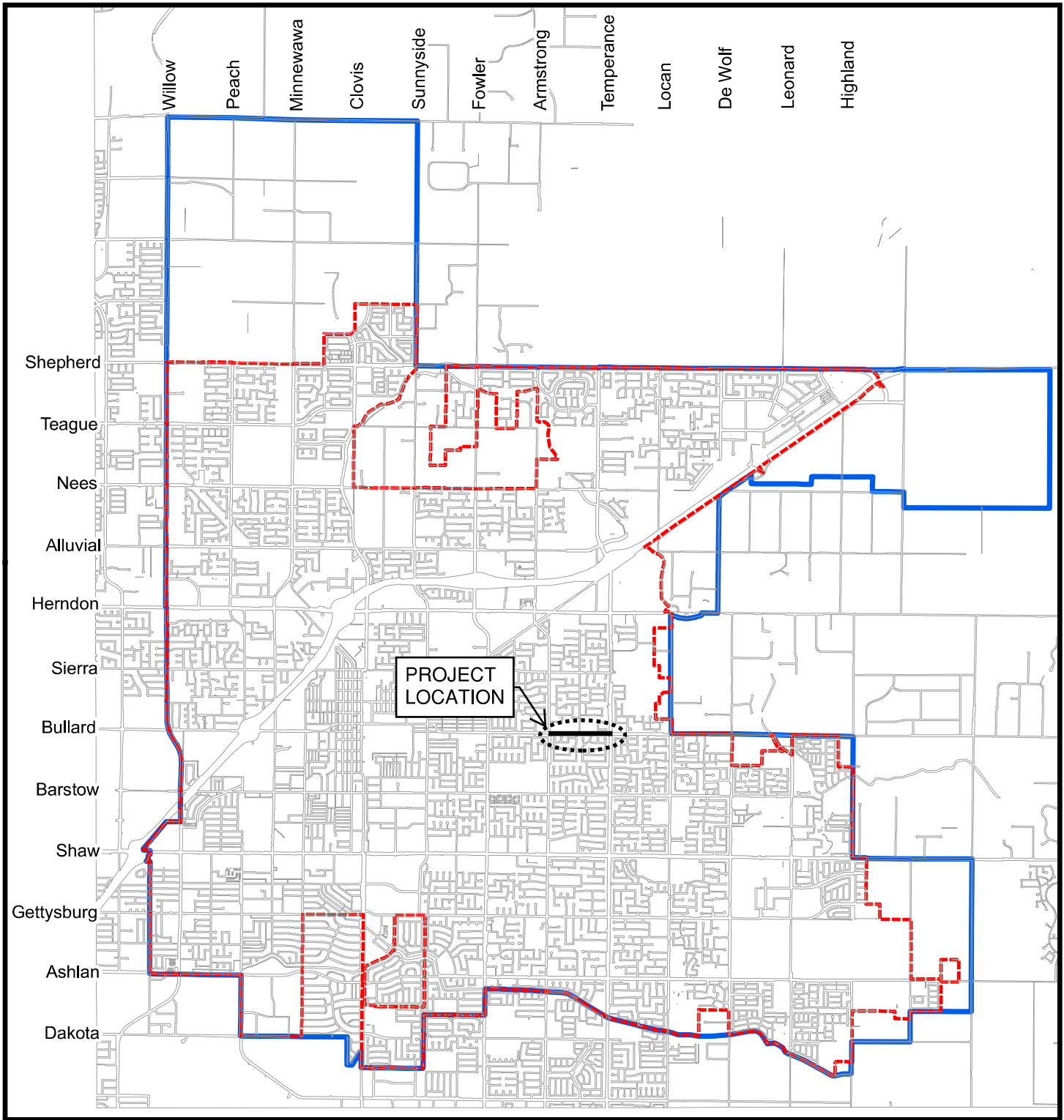
1. The contract will be prepared and executed, subject to the Contractor providing performance security that is satisfactory to the City.
2. Construction shall begin approximately two (2) weeks after contract execution and be completed in thirty-five (35) working days thereafter.

Prepared by: Nate Stava, Project Civil Engineer

Reviewed by: City Manager *AA*

VICINITY MAP

CIP 19-11 Bullard Avenue Rehabilitation



ATTACHMENT 1





CITY *of* CLOVIS

REPORT TO THE CITY COUNCIL

TO: Mayor and City Council

FROM: Police Department

DATE: June 5, 2023

SUBJECT: Police - Approval – Res. 23-____, Authorizing the Police Chief and the Police Department to Execute an MOU and Grant Cooperative Agreement between MARJAREE MASON CENTER, INC., a California nonprofit corporation (MMC), and Approval - Res. 23-____, Amending the Police Department Budget to reflect the award of \$25,000.

ATTACHMENTS:

1. Res. 23-____, Authorization to Execute
2. Res. 23-____, Budget Amendment
3. Memorandum of Understanding

CONFLICT OF INTEREST

Councilmembers should consider recusal if a campaign contribution exceeding \$250 has been received from the project proponent (developer, applicant, agent, and/or participants) since January 1, 2023 (Government Code 84308).

RECOMMENDATION

For the City Council to approve a resolution authorizing the Police Chief to execute a Memorandum of Understanding and Grant Cooperative Agreement with Marjaree Mason Center, Inc., a California nonprofit corporation (MMC), and approve a resolution amending the Police Department budget to reflect the grant award of \$25,000.00.

EXECUTIVE SUMMARY

Through the Domestic Violence Response Team Program cooperative grant, the Clovis Police Department (CPD) and MMC intend to work in partnership to provide additional assistance for victims of domestic violence. The program will allow for a collaboration of coordinated responses to domestic violence incidents by combining investigation and immediate response and victim advocacy and education. This program builds the capacity of our community partnership and the need for greater collaboration and coordination between domestic violence service providers and law enforcement.

BACKGROUND

The Clovis Police Department responds to more than 500 domestic violence incidents annually. Victims and their families need advocacy and support in most of these incidents. The Marjaree Mason Center has provided these supportive services to victims of domestic violence in our community since 1979. The MMC is seeking a partnership through a cooperative grant agreement with the department to increase the capacity to respond, investigate and enhance prosecution, provide training and education to first responders, and increase vital resources to victims of domestic violence. The purpose of the Program is to collaborate and coordinate responses that support our community.

FISCAL IMPACT

Approval and execution of the MOU will provide grant funding of \$25,000. These funds will be used to support program staff and eligible costs incurred by the department. A resolution amending the police department budget is required. A Summary of Expenditures is attached to the Resolution.

REASON FOR RECOMMENDATION

A resolution from the City Council authorizing the Chief of Police to enter into an agreement with the Marjaree Mason Center Inc. is required. Approval is needed to amend the FY 2022-2023 Police Department Budget to reflect the award of \$25,000.

ACTIONS FOLLOWING APPROVAL

Staff will submit the approved resolution and execute the agreement. After the Council's approval, the 2022-2023 Police Department Annual Budget will be amended as described.

Prepared by: Sandi Macy, Management Analyst

Reviewed by: City Manager *AH*

RESOLUTION 23-__

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CLOVIS
AUTHORIZING THE CHIEF OF POLICE TO EXECUTE A MEMORANDUM OF
UNDERSTANDING AND ADMINISTER THE AGREEMENT BETWEEN THE MARJAREE
MASON CENTER, INC., AND THE CLOVIS POLICE DEPARTMENT.

WHEREAS, the Marjaree Mason Center Inc. is seeking a partnership through a Memorandum of Understanding and Cooperative Grant to increase the capacity to respond to and investigate incidents of domestic violence; and

WHEREAS, the program is focused on supporting communities and implementing protocols and practices for a collaborative and coordinated response to incidents of domestic violence; and

WHEREAS, the Marjaree Mason Center and the City of Clovis Police Department believe the implementation of this program will further the above goals and agree to coordinate and provide the services of the agreement

NOW, THEREFORE, BE IT RESOLVED that the City of Clovis hereby authorizes the Chief of Police to execute the Memorandum of Understanding and enter into this agreement with the Marjaree Mason Center, a California nonprofit corporation.

* * * * *

The foregoing resolution was introduced and adopted at a regular meeting of the City Council of the City of Clovis held on June 5, 2023, by the following vote, to wit.

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

DATED: June 5, 2023

Mayor

City Clerk

RESOLUTION 23-__

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CLOVIS
APPROVING AN AMENDMENT TO THE ANNUAL BUDGET FOR THE FISCAL
YEAR FOR 2022-2023**

WHEREAS, the City Council of the City of Clovis approved the 2021-2022 Budget on May 16, 2022, and

WHEREAS, the Police Department has entered into a cooperative agreement with the Marjaree Mason Center Inc. and has been awarded funds in the amount of \$25,000 for program expenses; and

WHEREAS, the City Council determines that these expenditures are necessary

NOW, THEREFORE, BE IT RESOLVED by the of Clovis that the 2022-2023 Budget be amended as provided in **Attachment A**, "Summary of Expenditures, By Department," "Summary of Expenditures by Fund."

BE IT FURTHER RESOLVED that grant funds received hereunder shall not be used to supplant expenditures controlled by this body.

* * * * *

The foregoing resolution was introduced and adopted at a regular meeting of the City Council of the City of Clovis held on June 5, 2023, by the following vote to wit:

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

DATED: June 5, 2023

Mayor

City Clerk

SUMMARY OF EXPENDITURES BY DEPARTMENT

DEPARTMENT

POLICE	\$25,000
TOTAL DEPARTMENT	\$25,000

SUMMARY OF EXPENDITURES BY FUND

GENERAL FUND	\$25,000
TOTAL FUND	\$25,000

All expenditures will be out of the grant budget 56300.

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (MOU), effective as of January 1, 2023, is entered into by and between MARJAREE MASON CENTER, INC., a California nonprofit corporation (MMC), and the CITY OF CLOVIS, CALIFORNIA, a municipal corporation (City).

RECITALS

WHEREAS, MMC has submitted to the California Governor's Office of Emergency Services (CalOES), Domestic Violence Response Team Program (Program) an application for \$125,000 in grant funds for services which are incorporated herein; and

WHEREAS, the Program is focused on supporting communities and implementing protocols and practices for a collaborative and coordinated response to incidents of domestic violence, and MMC's application proposes to increase the agency's capacity to provide coordinated response services for the targeted populations; and

WHEREAS, upon award of grant funds and entry into a grant agreement with CalOES (Grant) consistent with the Program, the MMC intends to work in partnership with Clovis Police Department (CPD) for the purpose of providing additional assistance for victims of domestic violence and their children within the City of Clovis, including addressing violence against victims, using a combination of investigation, immediate response, immediate victim advocacy, and training for law enforcement officers; and

WHEREAS, the MMC and CPD believe implementation of the Program as described herein will further the above goals and agree to coordinate and provide the services referenced herein.

AGREEMENT

NOW, THEREFORE, in consideration of the above recitals, which recitals are contractual in nature, the mutual covenants herein contained, and such other and further consideration as is hereby acknowledged, and subject to the terms and conditions and provisions of the Program and this MOU, the parties mutually agree as follows:

1. PARTICIPATING AGENCIES AND DESIGNATED CONTACT PERSONS

Marjaree Mason Center, Inc.
Leticia Campos, Deputy
Director
1600 M Street
Fresno, CA 93721

Clovis Police Department
Police Services Manager
George Rodriguez
1033 Fifth Street
Clovis, CA 93612

2. ROLES AND RESPONSIBILITIES

A. Marjaree Mason Center, Inc.

As the lead agency coordinating the activities of the Domestic Violence Response Team Program, MMC shall:

- i. Recruit, hire, train, and supervise one part-time Advocate, as set forth in further detail in section C below, who will be assigned to CPD and concentrating on domestic violence investigations as authorized and directed by CPD.
 - a. Assigned Advocate's schedule will be Tuesday-Saturday, 11:00 am - 7:30 pm, and Advocate will divide their scheduled time between Fresno Police Department and Clovis Police Department.
 - b. Advocate will respond alongside officers, as authorized and directed by CPD, and shall coordinate response with the Watch Commander, detectives, officers and the CPD Family Services Advocate for case follow-up.
 - c. In the event that the Advocate assigned to CPD through this Program is not available, officers will have access to additional advocates assigned to CPD and the support of MMC's Crisis Response Team - Navigators. MMC Navigators can provide follow-up services to victims that are brought directly to MMC by officers, and/or may respond in-person to an officer's request for support via the 24/7 hotline.
 - d. \$25,000 will be paid to City, as provided in Section 3 below, for reimbursement of expenses incurred by City and CPD to provide coordinated response services for victims of domestic violence. Expenses can include, but are not limited to personnel expenses, program supplies and telecommunication.
- ii. Provide training to Specialized Unit Program advocates on advocacy procedures.
- iii. MMC staff will attend monthly meetings with CPD staff to assess Program progress and identify areas for improvement.

B. Clovis Police Department

The CPD, subject to all applicable federal, state, and local laws, shall:

- i. Identify victims and families to be served by this grant.
- ii. Detectives shall conduct investigations into domestic violence cases to enhance the probability of successful prosecution.

- iii. Provide training on police procedures, office space, office furniture, office supplies and telephones to the MMC Advocate described below.
- iv. Assigned CPD staff will attend monthly meetings with MMC staff to assess Program progress and identify areas for improvement.
- v. Cooperate with MMC in preparation for the Program evaluation and all reporting requirements.

C. Requirements of Advocate

- i. MMC shall recruit, hire, train and supervise one part-time Advocate who shall serve as outreach aide to provide assistance to victims as identified by CPD, including restraining order assistance and follow-up services, as necessary.
- ii. MMC shall provide referred clients with access to all appropriate MMC services including safe shelter, support groups, counseling, legal advocacy, twenty-four hour crisis support, survival skills, legal options classes, information and referrals.
- iii. The Advocate must meet the applicable requirements of a domestic violence counselor as defined by the Evidence Code §1037-1037.7. Advocate must have training/experience in assisting victims with the paperwork necessary to obtain a restraining order.
- iv. The Advocate funded hereunder must meet Program Entry-Level Advocates Standards and have completed an additional forty hours of specific domestic violence and/or sexual assault training.
- v. The Advocate must comply with all regulations pertaining to Federal Drug/Alcohol testing.
- vi. MMC victim Advocate must pass a CPD background investigation in order to have dedicated office space at CPD Headquarters.

3. REIMBURSEMENT FOR PROGRAM ACTIVITIES

For the aforementioned services, the MMC shall reimburse the City solely from allocated and available Program Grant funds for eligible costs incurred by CPD, in an amount not to exceed \$25,000 and in accordance with the Program budget submitted by MMC for the 2023 Program performance period of funding for the Grant. Any future grant funding must be agreed upon between MMC, the City, and CalOES through the annual reapplication process.

Any future applications and awarding of funds for 2023 Program funding cycle shall be by written amendment to this MOU and signed by both parties.

Reimbursement, not exceeding a total of \$25,000.00 during the term of this MOU, shall be paid by MMC to City on a monthly basis as provided in

Section 8 below upon City's submittal of any reports and substantiation materials reasonably requested by MMC to substantiate the reimbursement.

4. EFFECTIVENESS AND DURATION

The effectiveness of this MOU is contingent upon MMC receiving the Grant award. In signing this MOU, City shall be committed to the Grant Program for the portion of the funding cycle (commencing January 1, 2023 and ending December 31, 2023) remaining after this MOU is effective, and shall include an option to annually renew the Program for an additional four (4) consecutive years, contingent upon availability of funds and as mutually agreed by MMC and City. Any annual renewal of this MOU agreed upon by MMC and City will be for the then-current Program year and annual Grant period, and will be subject to CalOES approval, through a Grant application for continued funding. The City acknowledges and agrees that continued funding is dependent upon satisfactory performance and the availability of funds.

5. TARGET POPULATION

Services provided under this Program shall be directed to victims involved in domestic violence incidents, and their families, who are residents of the City of Clovis.

6. RESOURCES TO BE CONTRIBUTED BY EACH PARTY

Marjaree Mason Center, Inc.

- One part-time Advocate;
- MMC to provide shelter and other assistance to victims;
- Supervision and training by Project Director; and
- Access for victims, as identified by CPD, to MMC services within existing policies and procedures.

Clovis Police Department

- Officer/Investigator to respond to domestic violence calls;
- Office space, telephone, office supplies, and vehicles for detectives to perform the services under this MOU;
- Office space, transportation for response to calls for service, computer, and telephone service at CPD headquarters for the Advocates; and
- Access to domestic violence cases and reports, as authorized by CPD.

7. RECORDKEEPING AND PERFORMANCE DATA

MMC shall keep proper records of the following data:

Number of Victims - Proper documentation of the number of victims served, calls for service, including number of cases reported, counseled, provided shelter and other assistance and any other information required by the Grant.

8. FINANCIAL REPORTING, AUDITING AND DOCUMENT RETENTION

City or CPD shall submit a monthly invoice to MMC for the eligible expenses incurred during the provision of services. Invoices shall include the following:

- (i) A breakdown of expenditures by cost category;
- (ii) Copies of all purchase orders and requisitions; and
- (iii) Proof of payment for eligible expenditures.

City agrees to provide a substantiation and support for services, fees, costs and expenses upon the reasonable request of the MMC for a period of not less than three (3) years after the end of the Program year. Records of City’s expenses pertaining to its services shall be kept on a generally recognized accounting basis and shall be available to MMC or its authorized representatives upon request during regular business hours for the duration of the MOU and for a period of three (3) years after the end of the MOU term. In addition, all books, documents, papers, and records of City pertaining to its services under this MOU shall be available for the purpose of making audits, examinations, excerpts, and transcriptions for the same period of time.

9. TERMINATION

The term of the MOU is for one year, commencing January 1, 2023, and ending December 31, 2023, with any renewal terms contingent mutual written agreement of MMC and City and on the reapplication process and approval by CalOES. For purposes of this MOU, each respective Program year and Grant period will be for 12 months as follows:

<u>Program Funding Cycle</u>	<u>Program Year and Grant Period</u>
2023	January 1, 2023 - December 31, 2023

Notwithstanding the foregoing, this MOU shall terminate upon MMC’s written notice to City of any of the following events: (i) Program termination, (ii) any non-appropriation or non-allocation of Program funding required in pursuit hereof, (iii) City's improper use of Program funds, (iv) City's failure to comply with any term of this MOU, and (v) City's failure to comply with applicable Federal Drug/Alcohol regulations. Nothing in this MOU shall commit the taxing authority or general fund of MMC or the City.

City may terminate this MOU upon thirty (30) days prior written notice to MMC in the event of either of the following: (i) non-appropriation by City's governing body of sufficient funds to perform its obligations under this MOU; or (ii) substantial failure of MMC to comply with any term of this MOU. Notwithstanding the above, prior to terminating this MOU for substantial

failure of MMC to comply with any term of this MOU, City shall provide MMC with written notice of the failure to comply and allow for a fifteen (15) day cure period for MMC to substantially comply.

In no event shall any payment by MMC constitute a waiver by MMC of any breach of this MOU or any default which may then exist on the part of City. Neither shall such payment impair or prejudice any remedy available to MMC with respect to the breach or default.

10. COMPLIANCE WITH GOVERNING LAW AND GRANT

The parties shall at all times comply with all applicable laws of the United States, the State of California, and with all applicable regulations promulgated by federal, state, regional, or local administrative and regulatory agencies, now in force and as they may be enacted, issued, or amended during the term of this MOU. MMC acknowledges receipt of a copy of the Grant and agrees to comply with all applicable provisions thereof and cooperate with City in meeting the requirements thereunder.

The parties shall at all times comply with all applicable laws of the United States, the State of California, and with all applicable regulations promulgated by federal, state, regional, or local administrative and regulatory agencies, now in force and as they may be enacted, issued, or amended during the term of this MOU. City acknowledges receipt of a copy of the Grant and agrees to comply with all applicable provisions thereof and cooperate with MMC in meeting the requirements thereunder.

As applicable, costs and expenditures must be allowable in accordance with applicable federal and state laws, rules and regulations, the terms of the Program and the CalOES Subrecipient Handbook.

11. CAPACITY OF MMC and CPD

Nothing in this MOU, and nothing in the course of dealings between the City and MMC shall be deemed to create any fiduciary relationship, trust, partnership, joint venture, agency or employment relationship.

12. INSURANCE AND INDEMNITY

A. INSURANCE

MINIMUM SCOPE OF INSURANCE

Both MMC and City shall maintain the following insurance coverages, either through insurance policies or self-insurance, throughout the term of this MOU.

Coverage shall be at least as broad as:

1. The most current version of Insurance Services Office (ISO) Commercial General Liability Coverage Form CG 00 01, providing liability coverage arising out of your business

operations. The Commercial General Liability policy shall be written on an occurrence form and shall provide coverage for "bodily injury," "property damage" and "personal and advertising injury" with coverage for premises and operations (including the use of owned and non-owned equipment), products and completed operations, and contractual liability (including, without limitation, indemnity obligations under the Agreement) with limits of liability not less than those set forth under "Minimum Limits of Insurance."

2. The most current version of ISO *Commercial Auto Coverage Form CA 00 01, providing liability coverage arising out of the ownership, maintenance or use of automobiles in the course of your business operations. The Automobile Policy shall be written on an occurrence form and shall provide coverage for all owned, hired, and non-owned automobiles or other licensed vehicles (Code 1- Any Auto). If personal automobile coverage is used, MMC, its officers, officials, employees, agents and volunteers are to be listed as additional insureds.
3. Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.
4. Social Services Liability or Professional Liability (Abuse & Molestation) that insures against liability arising out of the bodily injury, personal injury, and third-party property damage occurring because of the wrongful or negligent acts attributable to the institution. This coverage should protect against a wide range of potential claims, including but not limited to assault, verbal and/or physical abuse, sexual molestation and other sexual misconducts.

MINIMUM LIMITS OF INSURANCE

City and MMC shall maintain limits of liability of not less than those set forth below. However, insurance limits available to MMC, its officers, officials, employees, agents and volunteers as additional insureds, shall be the greater of the minimum limits specified herein or the full limit of any insurance proceeds available to the named insured:

1. **COMMERCIAL GENERAL LIABILITY:**
 - (i) \$1,000,000 per occurrence for bodily injury and property damage;
 - (ii) \$1,000,000 per occurrence for personal injury; and
 - (iii) \$2,000,000 general aggregate applying separately to the work performed under this MOU.

2. **COMMERCIAL AUTOMOBILE LIABILITY:**

- (i) \$1,000,000 per accident for bodily injury and property damage.

3. **WORKERS' COMPENSATION INSURANCE:**

As required by the State of California with statutory limits.

VERIFICATION OF COVERAGE

Each party shall furnish to the other party all certificate(s) of insurance for the coverage(s) required by this MOU. All certificates are to be received and approved by the each party's Risk Manager or his/her designee prior to each party's execution of the Agreement and before work commences. Upon request of either party, the other party shall immediately furnish the requesting party with a complete copy of any insurance policy required under this MOU, including all endorsements, with said copy certified by the underwriter to be a true and correct copy of the original policy. This requirement shall survive expiration or termination of this MOU.

B. INDEMNIFICATION

To the furthest extent allowed by law City and MMC shall mutually indemnify and hold harmless each other and their respective officers, officials, employees, agents and volunteers from any and all loss, liability, fines, penalties, forfeitures, costs and damages (whether in contract, tort or strict liability, including but not limited to personal injury, death at any time and property damage) incurred by the party seeking indemnity and any other person, and from any and all claims, demands and actions in law or equity (including attorney's fees and litigation expenses and any costs or fees to enforce this agreement), arising or alleged to arise directly or indirectly from the negligent or intentional acts or omissions of indemnifying party or any of the indemnifying party's officers, officials, employees, agents or volunteers in the performance of this MOU.

The obligations of the parties under the preceding sentence shall not apply to any loss, liability, fines, penalties, forfeitures, costs or damages caused by the active or sole negligence, or the willful misconduct of the party seeking indemnity or any of its officers, officials, employees, agents or volunteers.

If MMC should subcontract all or any portion of the services to be performed under this MOU, MMC shall require each subcontractor to indemnify, hold harmless and defend City, and each of its officers, officials, employees, agents and volunteers in accordance with the

terms of the preceding paragraph.

This section shall survive termination or expiration of this MOU.

13. NOTICES

Any notice required or intended to be given to either party under the terms of this MOU shall be in writing and shall be deemed to be duly given if delivered personally or deposited into the United States mail, return receipt requested, with postage prepaid, addressed to the party to which notice is to be given at the party's address set forth in Section 1 of this MOU or at such other address as the parties may from time to time designate by written notice.

14. BINDING

Once this MOU is signed by the parties, it shall be binding upon, and shall inure to the benefit of, the parties, and each party's respective heirs, successors, assigns, transferees, agents, servants, employees, and representatives.

15. ASSIGNMENT

There shall be no assignment by either party of its rights or obligations under this MOU without the prior written approval of the other party. Any attempted assignment by a party, its successors or assigns, shall be null and void unless approved in writing by the other party.

16. WAIVER

The waiver by either party of a breach by the other of any provision of this MOU shall not constitute a continuing waiver or a waiver of any subsequent breach of either the same or a different provision of this MOU.

No provisions of this MOU may be waived unless in writing and approved by and signed by all parties to this MOU. Waiver of any one provision herein shall not be deemed to be a waiver of any provision herein.

17. GOVERNING LAW AND VENUE

This MOU shall be governed by, and construed and enforced in accordance with, the laws of the State of California. Venue for purposes of the filing of any action regarding the enforcement or interpretation of this MOU and any rights and duties hereunder shall be Fresno County, California.

18. HEADINGS

The section headings in this MOU are for convenience and reference only and shall not be construed or held in any way to explain, modify or add to the interpretation or meaning of the provisions of this MOU.

19. SEVERABILITY

The provisions of this MOU are severable. The invalidity, or unenforceability of any one provision in the MOU shall not affect the other provisions.

20. INTERPRETATION

The parties acknowledge that this MOU in its final form is the result of the combined efforts of the parties and that, should any provision of this MOU be found to be ambiguous in any way, such ambiguity shall not be resolved by construing this MOU in favor or against any party, but rather by construing the terms in accordance with their generally accepted meaning.

21. ENTIRE MOU

It is mutually understood and agreed that the forgoing constitutes the entire MOU between the parties. Any modifications or amendments to this MOU must be in writing signed by an authorized agent of each party.

[SIGNATURES ON FOLLOWING PAGE]

**THIS MOU/AGREEMENT IS SUBJECT TO RATIFICATION BY COUNCIL
ACTION UPON AWARD OF GRANT FUNDS.**

IN WITNESS THEREOF, the parties have executed this MOU at Clovis, California as of the effective date first above written.

MARJAREE MASON CENTER, INC.,
a California non-profit organization

CITY OF CLOVIS CALIFORNIA,
a municipal corporation

BY: _____
Nicole Linder, Executive Director

BY: _____
Curt Fleming, Chief of Police
City of Clovis Police Department



CITY *of* CLOVIS

REPORT TO THE CITY COUNCIL

TO: Mayor and City Council

FROM: Public Utilities Department

DATE: June 5, 2023

SUBJECT: Public Utilities – Approval – Award Non-Exclusive Franchise Agreements for Hauling of Construction and Demolition Debris, and Update the City’s Approved Hauler List.

ATTACHMENTS: 1. Approved Hauler List

CONFLICT OF INTEREST

Councilmembers should consider recusal if a campaign contribution exceeding \$250 has been received from the project proponent (developer, applicant, agent, and/or participants) since January 1, 2023 (Government Code 84308).

RECOMMENDATION

For the City Council to award non-exclusive construction and demolition (C&D) hauling franchise agreements for two (2) years to the following haulers:

1. Allied Waste Services (Republic Services)
2. Industrial Waste & Salvage
3. Kroeker, Inc.
4. Mid Valley Disposal
5. True Clean Construction Cleanup, Inc.
6. Nick’s Trucking, Inc.
7. North Cal Hauling Company
8. Waste Management
9. Legacy Construction Debris Service
10. Valley Dumpster Service, LLC.

EXECUTIVE SUMMARY

On May 6, 2013, the City Council adopted Ordinance 13-12, pertaining to the recycling and diversion of construction and demolition (C&D) debris. One of the requirements of this ordinance is that all entities hauling C&D debris in the City of Clovis must apply for and be awarded a non-exclusive C&D hauling franchise agreement. This year, the City received ten applications, nine of which are renewing their current agreements that are set to expire on June 30, 2023 and one of which is a new hauler. Staff has reviewed the applications for completeness and is

recommending that all applicants be awarded two-year, non-exclusive C&D hauling franchise agreements and be added to the City's updated list of approved haulers, which goes into effect on July 1, 2023.

BACKGROUND

AB 939 – the California Waste Management Act of 1989 (Public Resources Code §§ 40000 et seq.) – along with the California Green Building Standards Code (CCR, Title 24, Part 11) – also known as CALGreen – require the City of Clovis to prepare, adopt, and implement source reduction and recycling plans to reach landfill diversion goals. The City has achieved the State's diversion goals, but AB 939 also requires the City to annually report to the State the quantities of waste that are disposed of in landfills and the quantities of waste that are diverted through recycling programs. CALGreen further instructs local jurisdictions to require contractors to develop and maintain a waste management plan and to divert a minimum of 65 percent of waste material.

Debris from construction, demolition, and renovation of buildings is the largest waste stream from Clovis that is not hauled by the City itself or the City's direct contractors. Prior to the adoption of Ordinance 13-12, the hauling of this waste was unregulated and the City had no means to track and report the quantities of this waste that were recycled or disposed of in landfills. The ordinance established non-exclusive C&D hauling franchises for haulers wishing to haul C&D debris generated within the City. The ordinance also prohibits non-franchised haulers from transporting C&D debris generated in Clovis. Lastly, the ordinance requires the franchised haulers to report to the City the quantities of this material that they recycle and dispose of in landfills and to pay the AB 939 surcharges associated with any C&D debris they dispose of in landfills.

The ordinance established a fee of \$1,000 for each two-year, non-exclusive franchise. The fee is based on the estimated costs for the staff time that will be spent to process each application and to review the quarterly reporting from each hauler. The ordinance was prepared with input from the Building Industry Association (BIA) and from local waste haulers.

FISCAL IMPACT

There is no significant fiscal impact to the City associated with the award of these agreements. The application fee for the two-year, non-exclusive franchise agreement to haul C&D debris is based on the estimated costs for staff time to process the applications and to review and process the quarterly reports from each hauler.

REASON FOR RECOMMENDATION

Haulers must be franchised in order to haul C&D debris in the City of Clovis. All applicants recommended for approval have met the requirements for the non-exclusive franchise as outlined in the application form.

ACTIONS FOLLOWING APPROVAL

Originals of the franchise agreements will be forwarded to the City Manager for signature. Staff will notify the haulers that they have been awarded the non-exclusive franchise agreements.

Staff will provide the Building Official with the list of the approved C&D haulers. Staff will monitor the franchised haulers' reports for compliance with Ordinance 13-12.

Prepared by: Kristen Freberg, Management Analyst

Reviewed by: City Manager *AF*

APPROVED CONSTRUCTION AND DEMOLITION DEBRIS (C&D) HAULERS

Approval valid through 7-01-2024

Clovis Recycling, Inc.
1059 Hoblitt Avenue
Clovis, CA 93612
(559) 325-2128
www.cnwenterprises.com

Hinojosa Cleanup Service (HCS)
777 Minnewawa Avenue, Suite 2
Clovis, CA 93612
(559) 647-2602
www.hcsrolloff.com

F-N-F Roll-Off Service
P.O. Box 11807
Fresno, CA 93775
(559) 318-0644
www.fnfrolloffservices.com

Kochergen Farms Composting, Inc.
dba Green Valley Recycling
P.O. Box 11006
Fresno, CA 93771
(559) 498-0900
www.kochergenfarmscomposting.com

HD Matthews Demolition & Excavation
P.O. Box 12483
Fresno, CA 93778
(559) 275-3366

Accurate Cleaning Systems
802 Industrial Drive, Suite 200
Hollister, CA 95023
(831) 636-9767

Approval valid through 7-01-2025

Allied Waste Services of Fresno
5501 N. Golden State Boulevard
Fresno, CA 93722
(559) 275-1551
www.republicservices.com

Nick's Trucking, Inc.
183 W. Indianapolis Ave.
Fresno, CA 93705
(559) 281-2267

Industrial Waste & Salvage
3457 S. Cedar Avenue
Fresno, CA 93725
(559) 233-1159
www.cagliaenvironmental.com

North Cal Hauling Company
5716 Folsom Boulevard, PMB 285
Sacramento, CA 95819
(916) 381-9033
www.northcalhauling.com

Kroeker, Inc.
4627 S. Chestnut Avenue
Fresno, CA 93725
(559) 237-3764
www.kroekerinc.com

Waste Management
4333 E. Jefferson Avenue
Fresno, CA 93725
(559) 834-4070
www.wm.com

Mid Valley Disposal
2721 S. Elm Avenue, Fresno, CA 93706
15300 W. Jensen Avenue, Kerman, CA 93630
(559) 237-9425
www.midvalleydisposal.com

Legacy Construction Debris Service
1968 N. Gateway Boulevard, Ste. 103
Fresno, CA 93727
(559) 251-1605

True Clean Construction Cleanup, Inc.
2505 E. Oakdale Avenue
Tulare, CA 93274
(559) 936-7557

Valley Dumpster Service LLC
1187 N. Willow, Ste.103 #314
Clovis, CA 93611
(559) 999-5797
info@valleydumpsterservice.com



CITY *of* CLOVIS

REPORT TO THE CITY COUNCIL

TO: Mayor and City Council

FROM: Police Department

DATE: June 5, 2023

SUBJECT: Consider Introduction – Ord. 23-__ An ordinance of the City Council of the City of Clovis adding Chapter 4.14 to Title 4 of the Clovis Municipal Code prohibiting spectators at vehicle sideshows in the City of Clovis.

Staff: Iri Guerra, Police Lieutenant
Recommendation: Approve

ATTACHMENTS: 1. Ordinance 23-__

CONFLICT OF INTEREST

Councilmembers should consider recusal if a campaign contribution exceeding \$250 has been received from the project proponent (developer, applicant, agent, and/or participants) since January 1, 2023 (Government Code 84308).

RECOMMENDATION

Staff recommends council approve the introduction of Ordinance 23-__ to amend the City of Clovis Municipal Code to prohibit spectators attending vehicle sideshows, and to prohibit the promotion of vehicle sideshows, with such activities being deemed a nuisance.

EXECUTIVE SUMMARY

The Department, in conjunction with the City Attorney's Office, prepared the proposed additions to the Clovis Municipal Code for prohibiting spectators of vehicle sideshows, and persons promoting vehicle sideshows (Chapter 4.14). The purpose of the ordinance is to deter individuals from attending vehicle sideshows within the City, and to provide the Department with the ability to arrest and/or fine those who choose to spectate or promote illegal sideshows.

BACKGROUND

The California Vehicle Code defines a vehicle sideshow as an event in which two or more persons block or impede traffic on a highway or in an off-street parking facility, for the purpose of performing motor vehicle stunts (such as donuts and burnouts), speed contests, exhibitions of speed, or reckless driving for spectators. (Veh. Code § 23109, subd. (i)(2)(A).) These sideshows disrupt traffic, create safety issues, and often result in property damage and the

accumulation of trash and rubbish. The danger from sideshows exists not only for the persons driving the vehicles in a reckless manner, but also to the spectators, innocent pedestrians, and innocent motorists in the area. Several recent incidents within the City have necessitated the need to address this issue.

On November 28, 2021, approximately 500 people occupied the intersection of Willow Ave. and Shepherd Ave. for a sideshow. Officers arrived and were met with people throwing fireworks and bottles at them. This group of people continued their sideshow at six other intersections throughout Fresno and Clovis.

On April 13, 2023, there were reports of reckless driving and street racing occurring in the Harlan Ranch area of town. The lack of regard to the narrow and residential nature of the area has the residents fearing for their safety.

On May 4, 2023, a citizen reported that street racing and reckless driving are happening in the area near Gettysburg Ave. and Leonard Ave. on the weekends. The resident has obvious safety concerns and is complaining about the noise caused by the vehicles.

The Vehicle Code provides officers with the authority to arrest the drivers of the vehicles involved in illegal sideshows, and those individuals who specifically aid and abet the activity. (Veh. Code § 23109, subd. (c).) But this section does not apply to any of the spectators that are knowingly promoting and attending sideshows to encourage the furtherance of this illegal activity. Accordingly, many cities throughout the state have passed ordinances to address issue of spectators at vehicle sideshows.

The addition of Chapter 4.14 to the City's Municipal Code specifically addresses persons who spectate and promote vehicle sideshows. The purpose of the Ordinance is to deter individuals from attending and promoting these illegal vehicle sideshows within the City. The Ordinance provides an enforcement mechanism for the Department by making it unlawful for a person to "knowingly" spectate or help in making preparations for a sideshow. To avoid citing innocent bystanders, the Ordinance also provides relevant criteria to support an officer finding that someone is knowingly spectating or promoting a sideshow. Violation of the Ordinance would be considered a misdemeanor subject to a maximum six-month jail sentence, a fine not to exceed \$1,000, or both. Furthermore, the Ordinance provides the Department with the authority to tow and impound the vehicles of any person found to be in violation of the Ordinance, in accordance with the Vehicle Code.

By making spectators and promoters liable for their support of these illegal activities, the Department hopes this Ordinance will discourage vehicle sideshows from happening within the City. Vehicle sideshows are specifically defined as illegal motor vehicle events for spectators. Therefore, if the Department can reduce the number of spectators and promoters of sideshows with the threat of that person's arrest, the issuance of a fine, and the impounding of spectator vehicles, we hope to significantly reduce the occurrence of sideshows within the City.

FISCAL IMPACT

The Department would anticipate a minimal increase in City revenue relating to any fines assessed pursuant to the adoption of the Ordinance.

REASON FOR RECOMMENDATION

To create an enforcement mechanism to deter illegal vehicle sideshows within the City by making it a violation of the Municipal Code to knowingly spectate or promote illegal vehicle sideshows in the City.

ACTIONS FOLLOWING APPROVAL

This Ordinance shall go into effect thirty (30) days after its final passage and adoption.

Prepared by: Iri Guerra, Police Lieutenant

Reviewed by: City Manager *[Signature]*

ORDINANCE 23-__

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CLOVIS ADDING CHAPTER 4.14 OF TITLE 4 OF THE CLOVIS MUNICIPAL CODE PROHIBITING SPECTATORS AT VEHICLE SIDESHOWS IN THE CITY OF CLOVIS

The City Council of the City of Clovis does ordain as follows:

Section 1. Chapter 4.14 of Title 4 of the Clovis Municipal Code is hereby added to read as follows:

Chapter 4.14

Prohibition Against Spectators at Vehicle Sideshows

Sections:

- 4.14.01 Findings.
- 4.14.02 Purpose.
- 4.14.03 Definitions.
- 4.14.04 Declaration of Sideshows as a Nuisance.
- 4.14.05 Attending Sideshows is Prohibited.
- 4.14.06 Promoting Sideshows is Prohibited.
- 4.14.07 Relevant Circumstances to Prove a Violation.
- 4.14.08 Violations.
- 4.14.09 Severability.

4.14.01 Findings.

In adopting this chapter, the Council makes the following findings:

- (a) Pursuant to California Vehicle Code sections 23103 and 23109, motor vehicle speed contests and exhibitions of speed such as street races and reckless driving exhibitions conducted on public streets and highways are illegal. Although there are laws against aiding and abetting speed contests or exhibitions of speed, the law is silent as to the other spectators who knowingly attend and encourage the furtherance of such illegal activity.
- (b) Per *Foley v. Superior Court*, local ordinances that criminalize attending an illegal speed contest or exhibition of speed are not preempted by state law. (*Foley v. Superior Court* (2004) 117 Cal.App.4th 206.)

- (c) Illegal speed contests and exhibitions of speed often generate spectators who gather to help setup, aid, and witness the illegal exhibition.
- (d) Illegal speed contests and exhibitions of speed are dangerous to both the drivers participating in the illegal exhibition and the public in general, including spectators, businesses, residents, pedestrians and drivers not participating in the exhibition.
- (e) As police officers respond to sideshows, spectators often interfere with the officers' ability to arrest participants engaged in illegal speed contests or exhibitions of speed as spectators will block the officers' vehicles by standing in the street or blocking the street with their vehicles so the participants who engaged in the illegal speed contests and exhibitions of speed can escape arrest.
- (f) When sideshows are dispersed following a police response, danger to spectators and the general public occurs due to the vehicles fleeing the scene at high rates of speed.
- (g) Vehicles speeding and spinning their tires on City streets cause complaints from citizens due to the excessive noise generated by the illegal activity.
- (h) Illegal speed contests and exhibitions of speed cause damage to City streets.
- (i) Sideshows often result in trash and debris left on City streets by spectators.
- (j) Sideshows cause impediments to normal traffic as spectators block City streets to facilitate the illegal speed contests and exhibitions of speed.
- (k) The presence of spectators at these events encourages the illegal speed contests and exhibitions of speed.
- (l) The Clovis Police Department has responded to numerous sideshows within the City, expending limited police resources to combat these issues, and the number of the sideshows has increased in recent years in Clovis and throughout Fresno County.
- (m) The City of Clovis has a compelling interest in curbing the dangers from speed contests, exhibitions of speed, reckless driving, and sideshows. This ordinance is a valid exercise of the City's police power to discourage or prevent further illegal activity, and the regulations of this chapter are narrowly tailored to serve that compelling interest.

4.14.02 Purpose.

This chapter is enacted to prohibit spectators at sideshows on public streets and highways, public property, and off-street parking facilities, and to prohibit the gathering of spectators at these events. The purpose of this chapter is to prohibit this unsafe activity. These regulations target very clear and limited activities and provide proper

notice to the public of the activities that are considered a nuisance and prohibited under this ordinance. In prohibiting spectators at sideshows and the promotion of sideshows, the City intends to take a significant step toward protecting the public health and safety by making its streets and highways safer to pedestrians, motorists, and the general public.

4.14.03 Definitions.

As used in this chapter, the following definitions shall apply:

- (a) "Sideshow" means a gathering, procession, or assemblage of at least two (2) or more persons that block or impede traffic on a street, highway, or Off-street Parking Facility for the purpose of exhibiting either a Speed Contest, Exhibition of Speed, reckless driving, or illegal and/or dangerous motor vehicle stunts and/or maneuvers in the presence of at least one (1) Spectator.
- (b) "Exhibition of Speed" or "Speed Contest" means any illegal speed contest or illegal exhibition of speed referred to in California Vehicle Code section 23109, and any reckless driving as referred to in California Vehicle Code section 23103, as either code section may be amended. These definitions include but are not limited to a motor vehicle engaging in activities commonly referred to as burnouts, donuts, and figure eights wherein a motor vehicle is accelerated in such a manner to cause the tires to lose traction, cause the motor vehicle to spin, and generate excessive noise and smoke from the tires.
- (c) "Spectator" means any person who is knowingly present at a Sideshow, or at a location where Preparations for a sideshow are being made, for the purpose of viewing, observing, watching, or witnessing the event as it progresses. A "Spectator" includes any person present at the location of the event without regard to the means by which the person arrived.
- (d) "Knowingly" refers to an individual being aware of the facts, circumstances, or situations which bring the prohibited act(s) within the terms of this chapter. It does not require any knowledge of the unlawfulness of such acts.
- (e) "Present" means the individual is on a public street or highway, public property, an Off-street Parking Facility, or private property without the consent of the owner, operator, or agent thereof, and the individual is within one hundred and fifty (150) feet of the location of the Sideshow, or within one hundred and fifty (150) feet of the location where Preparations are being for a sideshow.
- (f) "Preparations" for a Sideshow include, but is not limited to any of the following:
 - (1) At least three (3) motor vehicles and at least three (3) persons have arrived at a predetermined location on a public street, highway, any public property, or Off-street Parking Facility to engage in a Sideshow;

- (2) At least two (2) individuals have gathered on, or adjacent to, one or both sides of a public street or highway;
 - (3) One or more persons have impeded the free public use of a public street, highway, any public property, or Off-street Parking Facility by actions, words, or physical barriers for the purpose of conducting a Sideshow;
 - (4) Two (2) or more motor vehicles have lined up, on a public street, highway, any public property, or Off-street Parking Facility with engines running, for a Speed Contest or Exhibition of Speed;
 - (5) One or more drivers are revving their engine or spinning their tires in preparation for a Speed Contest or Exhibition of Speed;
 - (6) An individual is stationed near one or more motor vehicles to initiate a Speed Contest or Exhibition of Speed.
- (g) “Promote” shall mean the act of any person putting forward, publicizing, advertising, encouraging, or instigating others to participate or attend a Sideshow. This includes but not be limited to social media posts, text messages, flyers, signs, and any written or verbal communications to publicize a Sideshow.
- (h) “Off-street Parking Facility” shall have the same meaning as California Vehicle Code section 12500, subdivision (c), as may be amended.
- (i) “Scene” means the location of a Sideshow or the location of the Preparations for the Sideshow.

4.14.04 Declaration of Sideshows as a Nuisance.

Sideshows, Preparations and Promotion for a Sideshow, and the attendance of Sideshows, in the City of Clovis, are each hereby declared to be a nuisance.

4.14.05 Attending Sideshows is Prohibited.

It shall be unlawful for any person to: (1) be a Spectator at a Sideshow conducted on a public street or highway, or Off-street Parking Facility, within the City; or (2) be a Spectator where Preparations are being made for a Sideshow conducted on a public street or highway, or Off-street Parking Facility, within the City.

Nothing in this Section prohibits law enforcement officers, medical professionals, firefighters or any person not a spectator from being present at a Sideshow in the course of their official duties.

4.14.06 Promoting Sideshows is Prohibited.

It shall be unlawful for any person to knowingly promote: (1) the gathering of persons as Spectators at a Sideshow conducted on a public street or highway, or Off-street Parking

Facility, or (2) the gathering of persons as Spectators where Preparations are being made for a Sideshow conducted on a public street or highway, or Off-street Parking Facility.

4.14.07 Relevant Circumstances to Prove a Violation.

- (a) Notwithstanding any other provision of law, to prove a violation of any provisions of this chapter, admissible evidence may include, but is not limited to, any of the following:
- (1) The time of day;
 - (2) The nature and description of the Scene;
 - (3) The number of individuals at the Scene;
 - (4) The location of the individual charged in relation to any individual, group, or motor vehicles present at the Scene;
 - (5) The number and description of the motor vehicles present at the Scene;
 - (6) The individual charged with a violation of this chapter knowingly drove or was transported to the Scene;
 - (7) The individual charged has previously participated in a Speed Contest, Exhibition of Speed, or Sideshow;
 - (8) The individual charged has previously aided and abetted, or helped in the Preparations of a Sideshow;
 - (9) The individual charged was previously present at a location as a Spectator where a Sideshow was in progress;
 - (10) The individual charged was recording the Sideshow as the event was in progress;
 - (11) The individual charged posted information relating to the time and/or location of a Sideshow on a social media account that they own, are associated with, have access to;
 - (12) The individual charged has previously posted information relating to the time and/or location of a Sideshow on a social media account that they own, are associated with, or have access to; and
 - (13) Prior acts relating to Sideshows are relevant, whether they occurred within or outside the City.

4.14.08 Violations.

- (a) Any person who violates any provision of this chapter is guilty of a misdemeanor, punishable by imprisonment in the county jail not to exceed six (6) months, or a fine not to exceed \$1,000.00, or both. The City Attorney maintains the discretion to charge any violation of this chapter as an infraction.
- (b) Any Spectator arrested for a violation of any provision of this chapter is subject to having their vehicle towed and impounded from the Scene in accordance with California Vehicle Code sections 22651, subdivision (h) and 22655.5, subdivision (a). The legal owner of the towed vehicle may be required to pay the City’s towing and storage fees pursuant to California Vehicle Code section 22850.5.

4.14.09 Severability.

If any article, section, sentence, clause or phrase of this chapter is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portion of this chapter. The Council hereby declares that it would have adopted this chapter and adopted each article, section, sentence, clause or phrase thereof, irrespective of the fact that any one or more articles, sections, subsections, sentences, clauses or phrases be declared invalid or unconstitutional.

Section 2. This Ordinance shall go into full force and effect after thirty (30) days from its final passage and adoption.

APPROVED: June 5, 2023

Mayor

City Clerk

The foregoing Ordinance was introduced and read at a regular meeting of the City Council held on June 5, 2023, and was adopted at a regular meeting of said Council held on _____, by the following vote, to wit:

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

DATED:

Mayor

City Clerk



CITY *of* CLOVIS

REPORT TO THE CITY COUNCIL

TO: Mayor and City Council

FROM: Planning and Development Services

DATE: June 5, 2023

SUBJECT: Consider Approval – Res. 23-___, A resolution revising the Master Development Fee Schedule and Providing a Description of Fees to be Requested for County Adoption. (Continued from the May 8, 2023, meeting.)

Staff: Sean Smith, Supervising Civil Engineer
Recommendation: Approve

ATTACHMENTS:

1. Res. 23-___, Revising Master Development Fee Schedule
2. Master Development Fee Schedule 23-24
3. Fee Comparisons 23-24
4. Nexus Sheets for Development Impact Fees

CONFLICT OF INTEREST

Councilmembers should consider recusal if a campaign contribution exceeding \$250 has been received from the project proponent (developer, applicant, agent, and/or participants) since January 1, 2023 (Government Code 84308).

RECOMMENDATION

For the City Council to approve Res. 23-___, revising the Master Development Fee Schedule and providing a description of fees to be requested for County Adoption.

EXECUTIVE SUMMARY

Staff proposes an update to the Development Impact Fees (DIF) in accordance with applicable provisions of the municipal code, which authorizes an annual adjustment to reflect actual construction and acquisition costs based on market conditions. The municipal code also authorizes an annual adjustment based on the Construction Cost Index (CCI) for California Cities, but staff is proposing to use the market-based actual cost method based on Council's direction at last year's fee update hearing and the substantial local volatility of construction costs. For reference, the average CCI between the Los Angeles and San Francisco areas for calendar year 2022 is +4.6%.

The most significant increases within the DIF program are within the water categories. Staff introduced these increases to Council on May 8, 2023, for consideration. Council directed staff, “to continue the item to a date uncertain at which time staff will come back with all of the fees with the exception of water which will be deferred until we have that higher level discussion.” Staff is now returning to request consideration and approval of all the other fees with no increase to the water category fees. The overall increase in Development Impact Fees to a development project is dependent upon the land use and the location of the project within the City. The overall increases have been lessened from the initial proposal on May 8, 2023. The increases previously ranged from 12% to 23%, but now range from 2% to 10%.

No increase is proposed for the Water Supply Fee as it was re-established and approved by Council in March 2020 based on the current fixed costs to acquire 7,000 acre-feet of water per year.

Administrative fee rates are based on a percentage of certain DIF and have been evaluated and found to be adequate and do not need to be updated with this DIF update.

BACKGROUND

The comprehensive fee evaluation based on the market conditions requires staff to analyze current construction costs, and to re-evaluate, quantify, and estimate the remaining planned City infrastructure needed for the estimated growth, update the DIF fund balances, and review market trends.

Last year Council limited the increases to the Sewer, Water and Street categories in consideration of the uncertainty in the projected market and inflation. There was a belief that the substantial inflation in construction cost represented a spike and that costs would normalize and possibly come back down over the following year. However, this year’s comprehensive review and fee evaluation shows a continued increase in inflation, labor, and material costs since the last update. There is some opinion in the development and construction industry of some cost reductions going forward. However, those same opinions proved incorrect over the past year. Staff believes, even if inflation slows, costs are not likely to decline appreciably and will certainly not return to pre-inflation (2021) levels over the next year. Limiting the necessary DIF increases based on assumptions of construction costs decreasing over the next year, as was done last year, is likely to result in widening the gap between the funds needed to build the infrastructure associated with the estimated growth and the funds collected to build the necessary infrastructure.

Staff considered several options for the water category fees but is proposing no increase at this time as requested by Council. At Council’s direction, staff will work with stakeholders to further review the water category fees and return later with another proposal for Council’s consideration. Some of the options that staff has considered are:

- a) a +4.6% increase based on CCI from December 2021 to December 2022 and as suggested by the BIA,
- b) a +5.5% increase based on CCI from the last DIF adjustment approved in July 2022 to May 2023,

- c) a +10% increase as suggested by a Councilmember during the May 8th discussion,
or
- d) a +61% increase based on the comprehensive analysis performed by staff and consultants.

The municipal code provides for an annual update of the DIF program either through a comprehensive market-based review and evaluation of the fee rates or through an adjustment based on the average CCI between the Los Angeles and San Francisco areas for the twelve (12) month period ending the prior December.

Regular annual review, evaluation, and adjustments to DIFs are needed to keep pace with construction cost fluctuations and ensure that infrastructure associated with growth is fully funded. The CCI provides an appropriate alternative measurement of construction cost fluctuations and serves as a good basis for adjusting the fees between major cost reevaluations. In turn, these adjustments ensure timely reimbursements to developers who install infrastructure that is beyond their fair share.

Overall Results

The rate revisions, excluding water, will result in an increase in overall Development Impact Fees to a development project that ranges from 2% to 10% depending on land use and location.

Stakeholder Outreach

A series of emails was provided to a group of over 130 stakeholders describing the proposed increases and all were offered the opportunity to meet in person with staff to discuss the proposed increases to the fees. Four meetings were held, and they occurred weekly, with one the last week of March and the others occurring the first three weeks of April, prior to the initial Council meeting on May 8. The stakeholders included the Building Industry Association (BIA), Fresno Metropolitan Flood Control District (FMFCD), the Clovis Unified School District, and several local residential and non-residential developers. Several separate meetings were also held with smaller stakeholder groups upon request. The stakeholder meetings lead to the refining of several fees, including Sewer, Water and Fire. After the May 8th Council meeting, staff met with the BIA on May 17 and held a separate stakeholder meeting on May 18.

As of the time of this staff report, no correspondence has been received from the stakeholders.

Mitigation Fee Act (Government Code, Sections 66000 – 66024)

Section 66001 of the Government Code requires that the City shall do all of the following at the time that it establishes, increases or imposes a fee as a condition of approval of a development project:

1. Identify the purpose of the fee.
2. Identify the use to which the fee is to be put (identify the public facilities to be constructed).
3. Determine how there is a reasonable relationship (nexus) between the fees and the type of development project on which the fee is imposed.

4. Determine how there is a reasonable relationship (nexus) between the need for the public facility and the type of development project on which the fee is imposed.

Items 1 and 2 are clearly identified in various provisions of the municipal code for each fee. Items 3 and 4 are met through multiple actions taken by the City Council such as:

1. The General Plan
2. Specific Plans
3. Master Plans for Sewer, Water, Recycled Water, etc.
4. The method by which fee rates are established which evaluates the cost of improvements identified in the various adopted plans and distributes that cost among the developable properties within the respective service areas in rough proportion to their impact on, or need for, the public facilities.

AB602 (Government Code, Section 66016.5(a)(5))

AB602 established new requirements beginning in 2022 for agencies implementing Development Impact Fee programs to base residential impact fees on the square footage of the proposed residential units or make specific findings to explain why other metrics are appropriate. To comply with AB602, staff evaluated and compared the current metrics used for imposing DIFs with the proposed square foot metric, and staff has determined the effectiveness and appropriateness of the current metrics for imposing DIFs by the City is established with decades of data and results. Staff worked with the City Attorney's Office to provide Council with the necessary findings to justify continued use of the current City metrics of imposing DIFs (Fees based on acreage or dwelling units) rather than an untested, unproven, and speculative metric based on residential square footage. These findings are included in Appendix A of the Nexus Sheets, Attachment 4 and are included as part of the Resolution for approving the updated fee schedule.

Staff concluded that the current method in which Development Impact Fees are imposed either on a per unit basis or a per acreage basis has proven to be a fair means for housing developments. To charge based on a square footage basis would be unsupported by empirical data and less compliant with the Mitigation Fee Act.

County Developments

The Memorandum of Understanding between the City of Clovis and the County of Fresno (MOU) includes a provision for county developments within the Clovis Sphere of Influence, as follows:

“CITY development fees shall be charged for any discretionary development applications to be approved by the COUNTY within the CITY's sphere of influence. To establish or amend CITY development fees, CITY shall conduct a public hearing and notify property owners in accordance with State Law. At the conclusion of that hearing, CITY shall adopt a resolution describing the type, amount, and purpose of CITY fees to be requested for COUNTY adoption.”

“CITY shall transmit the adopted resolution to the COUNTY for its adoption of the fees. CITY shall include a draft ordinance for COUNTY’s adoption with appropriate supporting documentation or findings by the CITY demonstrating that the fees comply with Section 66000 of the Government Code and other applicable State Law requirements...”

The resolution under consideration includes a statement of finding that the fees comply with the Government Code and describes the type, amount and purpose of the fees by reference to the Master Development Fee Schedule and the Municipal Code. This resolution and a draft ordinance will be transmitted to the County of Fresno for adoption upon approval by council.

FISCAL IMPACT

The increases to the fee rates will provide funding commensurate with current land acquisition and construction costs for the public facilities needed to serve new development.

REASON FOR RECOMMENDATION

The findings for AB602 to justify continued use of the City’s current method of imposing DIFs can be made as staff’s analysis indicates that the City’s metrics are the most appropriate for the basis of imposing residential impact fees rather than the square footage of proposed residential units.

The Municipal Code requires annual review and adjustment of the fees based on actual land acquisition and construction costs or the percentage increase or decrease in the Engineering News Record Index for the California Cities for the twelve (12) month period ending the prior December.

ACTIONS FOLLOWING APPROVAL

1. Staff will notify the development community and implement the new fee rates 60 days after approval of the resolution.
2. Staff will proceed with getting the fees adopted by the Fresno County Board of Supervisors.
3. Staff will return to Council with a recommendation for fee revisions to the water category following additional stakeholder meetings.

Prepared by: Sean Smith, Supervising Civil Engineer

Reviewed by: City Manager *SA*

RESOLUTION 23-__**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CLOVIS REVISING THE MASTER DEVELOPMENT FEE SCHEDULE AND PROVIDING A DESCRIPTION OF FEES TO BE REQUESTED FOR COUNTY ADOPTION**

WHEREAS, the State of California has enacted Section 66000 et seq. of the Government Code (“Mitigation Fee Act”) which allows the City to collect development impact fees; and

WHEREAS, the City has duly adopted various development impact fees in accordance with applicable provisions of the Mitigation Fee Act, and such fees are described in applicable provisions of the Clovis Municipal Code; and

WHEREAS, Chapter 3.10 of the Clovis Municipal Code, adopted in accordance with the Mitigation Fee Act, requires the City’s Development Impact Fees to be annually reviewed and adjusted by one of the following methods: (1) automatically adjusted each fiscal, effective July 1, by the percentage equal (increase or decrease) to the Engineering News-Record Index for the California Cities for the twelve (12) month period ending the prior December, or (2) adjusted to reflect actual construction/acquisition costs; and

WHEREAS, Clovis Municipal Code section 3.10.02 provides that any annual increase to Development Impact Fees by one of the authorized methods is not deemed an increase to the fees subject to the Mitigation Fee Act, and any adjusted fees shall be subject to City Council review and approval by resolution and shall be included in the City’s Master Development Fee Schedule; and

WHEREAS, the State of California recently enacted Section 66016.5(a)(5) of the Government Code, which is one of the changes resulting from AB 602, which requires a new nexus study for development impact fees after July 1, 2022, to calculate the fees imposed on a housing development project proportionately to the square footage of proposed units, but also authorizes the fees to be calculated and imposed without complying with the square footage metric if certain findings are made; and

WHEREAS, City staff has performed the annual review of development impact fees, conducted the required nexus analysis, and prepared the nexus report for the City’s fiscal year 2023-2024 Development Impact Fees, including the necessary findings required by Government Code section 66016.5(a)(5)(B) for using an alternative basis for calculating fees rather than the inappropriate square footage metric of calculating fees, which nexus report and findings are incorporated herein by this reference, and recommends the City Council approve the nexus report and findings, and approve an adjustment to the fee rates based on current actual construction costs as authorized by Clovis Municipal Code section 3.10.02(b); and

WHEREAS, the applicable first amendment to the memorandum of understanding between the County of Fresno and the City of Clovis (MOU) requires that the City adopt a resolution describing the type, amount, and purpose of City development impact fees to be requested for County adoption; and

WHEREAS, the MOU further requires the City make findings demonstrating that the fees comply with applicable provisions of the Mitigation Fee Act and State law; and

WHEREAS, the City Council conducted a duly noticed public hearing on the proposed adjustment to the City's Development Impact Fees at the regular City Council meeting on May 8, 2023, and considered the staff report, including all attachments to the staff report, the presentation from staff during the meeting, and all oral and written comments and materials provided at the meeting, and continued the items to a date uncertain; and

WHEREAS, the City Council conducted a second duly noticed public hearing on the proposed adjustment to the City's Development Impact Fees at the regular City Council meeting on June 5, 2023, and considered the staff report, including all attachments to the staff report, the presentation from staff during the meeting, and all oral and written comments and materials provided at the meeting.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CLOVIS HERBY FINDS AND RESOLVES AS FOLLOWS,

1. The referenced and incorporated Nexus Report for Development Impact Fees Fiscal Year 2023-2024, including the Findings in Support of the Continuation of City Policies to Calculate and Impose Residential Development Impact Fees on a Per Unit or Per Acre Basis, is hereby approved.
2. The referenced and incorporated Findings in Support of the Continuation of City Policies to Calculate and Impose Residential Development Impact Fees on a Per Unit or Per Acre Basis includes an adequate discussion and justification as required by Government Code section 66016.5(a)(5)(B), including but not limited to: (i) an explanation as to why square footage is not an appropriate metric to calculate fees imposed on a housing development project, (ii) an explanation that an alternative basis of calculating the fee bears a reasonable relationship between the fee charged and the burden posed by the development, and (ii) that other policies in the fee structure support smaller developments, or otherwise ensure that smaller developments are not charged disproportionate fees.

3. City staff's annual review of and proposed adjustment to the City's Development Impact Fees is in accordance with Chapter 3.10 of the Clovis Municipal Code and applicable provisions of the Mitigation Fee Act, and the Master Development Fee Schedule for charges therein provided and attached hereto as Exhibit "A", is hereby approved, and any adjusted fee rates shall be effective beginning sixty (60) days following approval of this Resolution.

4. This Resolution is effective immediately and shall continue in force unless amended or repealed by the City Council.

5. The types, amounts, and purposes of the fees to be adopted by the County of Fresno are described on the Master Development Fee Schedule (Exhibit "A" attached hereto) and in the Clovis Municipal Code, and the City Council of the City of Clovis does hereby find that the fees are in compliance with applicable state laws including without limitation the Mitigation Fee Act including Government Code Sections 66000, et seq.

* * * * *

The foregoing resolution was introduced and adopted at a regular meeting of the City Council of the City of Clovis held on June 5, 2023, by the following vote, to wit.

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

DATED: June 5, 2023

Mayor

City Clerk

CITY OF CLOVIS
MASTER DEVELOPMENT FEE SCHEDULE

Water Major Facilities			
(Units per Acre)			
Residential			
Residential	2.0 or less	\$8,580	per unit
Residential	2.1 to 2.5	\$8,580	per unit
Residential	2.6 to 3.0	\$8,580	per unit
Residential	3.1 to 3.5	\$8,580	per unit
Residential	3.6 to 4.0	\$8,580	per unit
Residential	4.1 to 4.5	\$8,580	per unit
Residential	4.6 to 5.0	\$7,283	per unit
Residential	5.1 to 5.5	\$5,987	per unit
Residential	5.6 to 6.0	\$5,851	per unit
Residential	6.1 to 6.5	\$5,716	per unit
Residential	6.6 to 7.0	\$5,581	per unit
Residential	7.1 to 7.5	\$5,445	per unit
Residential	7.6 to 8.0	\$5,311	per unit
Residential	8.1 to 8.5	\$5,174	per unit
Residential	8.6 to 9.0	\$5,038	per unit
Residential	9.1 to 9.5	\$4,902	per unit
Residential	9.6 to 10.0	\$4,768	per unit
Residential	10.1 to 10.5	\$4,632	per unit
Residential	10.6 to 11.0	\$4,490	per unit
Residential	11.1 to 11.5	\$4,437	per unit
Residential	11.6 to 12.0	\$4,383	per unit
Residential	12.1 to 12.5	\$4,330	per unit
Residential	12.6 to 13.0	\$4,275	per unit
Residential	13.1 to 13.5	\$4,221	per unit
Residential	13.6 to 14.0	\$4,168	per unit
Residential	14.1 to 14.5	\$4,114	per unit
Residential	14.6 to 15.0	\$4,058	per unit
Residential	15.1 to 15.5	\$4,005	6474
Residential	15.6 to 16.0	\$3,951	per unit
Residential	16.1 to 16.5	\$3,899	per unit
Residential	16.6 to 17.0	\$3,843	per unit
Residential	17.1 to 17.5	\$3,789	per unit
Residential	17.6 to 18.0	\$3,735	per unit
Residential	18.1 to 18.5	\$3,682	per unit
Residential	18.6 to 19.0	\$3,628	per unit
Residential	19.1 to 19.5	\$3,574	per unit
Residential	19.6 to 20.0	\$3,518	per unit
Commercial Retail		\$4.29	per bldg sf
Professional Office		\$4.29	per bldg sf
Industrial		\$1.16	per bldg sf
Schools		\$8,980	per gross acre
Public Facilities		\$2.32	per bldg sf
Assisted Living		\$4.06	per bldg sf

Water		
Water oversize		
All Areas except RT Ph 1,2	\$1,682	per gross acre
RT Park Phase 1, 2	\$182	per gross acre
Water front footage		
All Areas except RT Ph 1,2	\$27.40	per linear foot
RT Park Phase 1, 2	\$0	
Non-Potable Water System	\$2,454	per gross acre

Water Service		
Water meter:		
3/4"	\$348	each
1"	\$435	each
1 1/2" (residential only)	\$737	each
2" (residential only)	\$940	each
1 1/2" (landscape)	\$946	each
2" (landscape)	\$1,080	each
3" (landscape)	\$1,520	each
4" (landscape)	\$2,523	each
6" (landscape)	\$4,559	each
1 1/2" (MFR & Non-res)	\$1,277	each
2" (MFR & Non-res)	\$1,449	each
3" (MFR & Non-res)	\$1,991	each
4" (MFR & Non-res)	\$3,120	each
6" (MFR & Non-res)	\$5,438	each
Transceiver Fee	\$170	each
Water service w/meter:		
3/4"	\$6,485	each
1"	\$6,572	each
1 1/2"	\$7,522	each
2"	\$8,166	each

Attachment 2

**CITY OF CLOVIS
MASTER DEVELOPMENT FEE SCHEDULE**

Sewer		
Sewer Major Facilities		
Single Family Residential	\$9,584	per unit
Multi-Family Residential	\$7,763	per unit
Commercial Retail	\$5.75	per bldg sf
Professional Office	\$4.89	per bldg sf
Industrial	\$2.68	per bldg sf
Assisted Living	\$9,584	per EDU
*Other	\$9,584	per EDU
All Projects in Core Area (Page 7)	\$0	
Sewer oversize		
All Areas except RT Ph 1,2	\$1,114	per gross acre
RT Park Phase 1, 2	\$0	
Sewer front footage		
All Areas except RT Ph 1,2	\$32.05	per linear foot
RT Park Phase 1, 2	\$0	
Sewer house branch connection		
4" lateral	\$136.00	per linear foot
6" lateral	\$138.00	per linear foot

*Other includes hospitals, churches, hotels, motels, schools

Parks		
Park Acquisition and Development:		
All Residential	\$5,662	per unit
Retail	\$0.69	per bldg. sf.
Office	\$1.50	per bldg. sf.
Industrial	\$0.49	per bldg. sf.
All projects in core area (Page 7)	\$0	

Refuse		
Community sanitation fee		
Single family lot	\$509	per unit
Multi-family, non-residential	\$412	per unit

Admin., Public Facilities, Misc.		
Undergrounding administration fee	1.50%	of UG fees
Street administration fee	1.50%	of street fees
Administration fee	1.50%	of fees
Fire Department Fee (Growth Areas)		
Outside Core Area	\$2,075	per unit
Core Area	\$0	
Police Department Fee		
Growth Areas	\$1,457	per unit
Core Area	\$0	
Special Area Annexation Fee	\$0	per gross acre
Loma Vista Community Centers		
Master Plan Zone District Program Fee	\$1,591	per net acre
Library Facilities Impact Fee***		
Single family lot	\$760	per unit
Multi-family, assisted living/group homes	\$621	per unit

Utility Undergrounding		
Utility Undergrounding fee		
Underground Area 1	\$8,400	per gross acre
RT Park Phase 1, 2	\$2,797	per gross acre
Underground Area 2	\$0	per gross acre
Underground Area 3	\$8,003	per gross acre
Underground Area 4	\$7,823	per gross acre

Neighborhood Park Deposit		
Neighborhood Park Deposit		
Street Area 4 (Loma Vista Specific Plan)	\$5,643	per unit

CITY OF CLOVIS
MASTER DEVELOPMENT FEE SCHEDULE

Street Fees

Area 1						
	Basis of Charge	Outside Travel Lane	Center Travel Lane	Traffic Signals	Bridges	Total
SFR - Rural (0 - 0.5)	per unit	\$7,968	\$2,062	\$860	\$78	\$10,968
SFR - Very Low Density (0.6 - 2)	per unit	\$7,968	\$2,062	\$859	\$78	\$10,967
SFR - Low Density (2.1 - 4)	per unit	\$7,968	\$2,062	\$860	\$78	\$10,968
SFR - Medium Density (4.1 - 7)	per unit	\$7,968	\$2,062	\$859	\$78	\$10,967
MFR - Medium High Density (7.1 - 15)	per unit	\$4,781	\$1,237	\$516	\$47	\$6,581
MFR - High (15.1 - 25)	per unit	\$4,781	\$1,237	\$516	\$47	\$6,581
MFR - Very High (25.1 - 43)	per unit	\$4,781	\$1,237	\$516	\$47	\$6,581
Retail	per 1000 bldg sf	\$12,575	\$3,254	\$1,356	\$122	\$17,307
Office, Public Facilities	per 1000 bldg sf	\$5,734	\$1,484	\$619	\$56	\$7,893
Industrial, Assisted Living	per 1000 bldg sf	\$1,543	\$399	\$166	\$15	\$2,123
Schools	per 1000 bldg sf	\$10,060	\$2,603	\$1,085	\$98	\$13,846
Churches	per 1000 bldg sf	\$5,734	\$1,484	\$619	\$56	\$7,893
Mini Storage	per gross acre	\$20,164	\$5,214	\$2,169	\$196	\$27,743

Area 1 RT Park Phase 1, 2						
	Basis of Charge	Outside Travel Lane	Center Travel Lane	Traffic Signals	Bridges	Total
Industrial	per 1000 bldg sf	\$1,256	\$222	\$121	\$0	\$1,599
Office	per 1000 bldg sf	\$4,667	\$825	\$450	\$0	\$5,942

Area 2						
	Basis of Charge	Outside Travel Lane	Center Travel Lane	Traffic Signals	Bridges	Total
SFR - Rural (0 - 0.5)	per unit	\$412	\$0	\$105	\$0	\$517
SFR - Very Low Density (0.6 - 2)	per unit	\$412	\$0	\$106	\$0	\$518
SFR - Low Density (2.1 - 4)	per unit	\$412	\$0	\$106	\$0	\$518
SFR - Medium Density (4.1 - 7)	per unit	\$412	\$0	\$106	\$0	\$518
MFR - Medium High Density (7.1 - 15)	per unit	\$248	\$0	\$63	\$0	\$311
MFR - High (15.1 - 25)	per unit	\$248	\$0	\$63	\$0	\$311
MFR - Very High (25.1 - 43)	per unit	\$248	\$0	\$63	\$0	\$311
Retail	per 1000 bldg sf	\$649	\$0	\$166	\$0	\$815
Office, Public Facilities	per 1000 bldg sf	\$296	\$0	\$76	\$0	\$372
Industrial, Assisted Living	per 1000 bldg sf	\$79	\$0	\$21	\$0	\$100
Schools	per 1000 bldg sf	\$520	\$0	\$133	\$0	\$653
Churches	per 1000 bldg sf	\$296	\$0	\$76	\$0	\$372
Mini Storage	per gross acre	\$1,040	\$0	\$270	\$0	\$1,310

CITY OF CLOVIS
MASTER DEVELOPMENT FEE SCHEDULE

Street Fees

Area 3						
	Basis of Charge	Outside Travel Lane	Center Travel Lane	Traffic Signals	Bridges	Total
SFR - Rural (0 - 0.5)	per unit	\$76	\$0	\$37	\$0	\$113
SFR - Very Low Density (0.6 - 2)	per unit	\$77	\$0	\$38	\$0	\$115
SFR - Low Density (2.1 - 4)	per unit	\$77	\$0	\$38	\$0	\$115
SFR - Medium Density (4.1 - 7)	per unit	\$77	\$0	\$38	\$0	\$115
MFR - Medium High Density (7.1 - 15)	per unit	\$47	\$0	\$23	\$0	\$70
MFR - High (15.1 - 25)	per unit	\$47	\$0	\$23	\$0	\$70
MFR - Very High (25.1 - 43)	per unit	\$47	\$0	\$23	\$0	\$70
Retail	per 1000 bldg sf	\$122	\$0	\$60	\$0	\$182
Office, Public Facilities	per 1000 bldg sf	\$55	\$0	\$27	\$0	\$82
Industrial, Assisted Living	per 1000 bldg sf	\$15	\$0	\$7	\$0	\$22
Schools	per 1000 bldg sf	\$99	\$0	\$48	\$0	\$147
Churches	per 1000 bldg sf	\$55	\$0	\$27	\$0	\$82
Mini Storage	per gross acre	\$200	\$0	\$100	\$0	\$300

Area 4						
	Basis of Charge	Outside Travel Lane	Center Travel Lane	Traffic Signals	Bridges	Total
SFR - Rural (0 - 0.5)	per unit	\$7,034	\$2,482	\$586	\$686	\$10,788
SFR - Very Low Density (0.6 - 2)	per unit	\$7,033	\$2,482	\$585	\$686	\$10,786
SFR - Low Density (2.1 - 4)	per unit	\$7,033	\$2,483	\$585	\$687	\$10,788
SFR - Medium Density (4.1 - 7)	per unit	\$7,033	\$2,482	\$585	\$687	\$10,787
MFR - Medium High Density (7.1 - 15)	per unit	\$4,220	\$1,489	\$351	\$412	\$6,472
MFR - High (15.1 - 25)	per unit	\$4,220	\$1,489	\$351	\$412	\$6,472
MFR - Very High (25.1 - 43)	per unit	\$4,220	\$1,489	\$351	\$412	\$6,472
Retail	per 1000 bldg sf	\$11,100	\$3,918	\$924	\$1,083	\$17,025
Office, Public Facilities	per 1000 bldg sf	\$5,062	\$1,787	\$421	\$494	\$7,764
Industrial, Assisted Living	per 1000 bldg sf	\$1,362	\$481	\$113	\$133	\$2,089
Schools	per 1000 bldg sf	\$8,880	\$3,134	\$739	\$867	\$13,620
Churches	per 1000 bldg sf	\$5,062	\$1,787	\$421	\$494	\$7,764
Mini Storage	per gross acre	\$17,799	\$6,286	\$1,477	\$1,738	\$27,300

Area 5						
	Basis of Charge	Outside Travel Lane	Center Travel Lane	Traffic Signals	Bridges	Total
SFR - Rural (0 - 0.5)	per unit	\$3,322	\$1,710	\$378	\$214	\$5,624
SFR - Very Low Density (0.6 - 2)	per unit	\$3,321	\$1,710	\$378	\$213	\$5,622
SFR - Low Density (2.1 - 4)	per unit	\$3,321	\$1,710	\$378	\$213	\$5,622
SFR - Medium Density (4.1 - 7)	per unit	\$3,321	\$1,710	\$377	\$213	\$5,621
MFR - Medium High Density (7.1 - 15)	per unit	\$1,993	\$1,026	\$227	\$128	\$3,374
MFR - High (15.1 - 25)	per unit	\$1,993	\$1,026	\$227	\$128	\$3,374
MFR - Very High (25.1 - 43)	per unit	\$1,993	\$1,026	\$227	\$128	\$3,374
Retail	per 1000 bldg sf	\$5,242	\$2,699	\$596	\$337	\$8,874
Office, Public Facilities	per 1000 bldg sf	\$2,390	\$1,231	\$272	\$154	\$4,047
Industrial	per 1000 bldg sf	\$643	\$331	\$73	\$41	\$1,088
Schools	per 1000 bldg sf	\$4,194	\$2,159	\$477	\$270	\$7,100
Churches	per 1000 bldg sf	\$2,390	\$1,231	\$272	\$154	\$4,047
Mini Storage	per gross acre	\$8,403	\$4,326	\$954	\$536	\$14,219

CITY OF CLOVIS
MASTER DEVELOPMENT FEE SCHEDULE

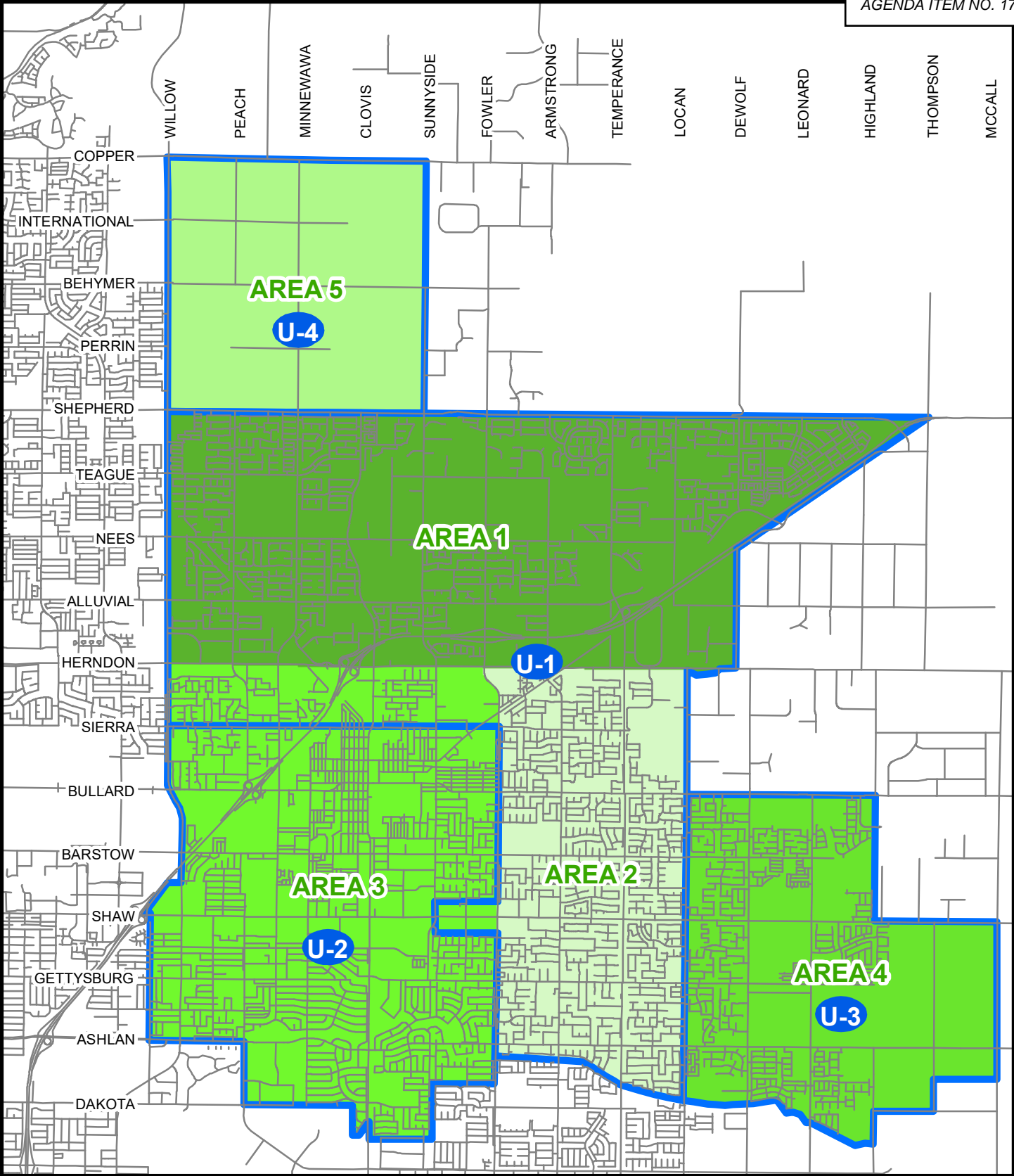
Sewer Oversize/Overdepth Reimbursement Rates	
Sewer oversize mains	
10"	\$9.25 per linear foot
12"	\$23.05 per linear foot
15"	\$53.40 per linear foot
18"	\$90.90 per linear foot
21"	\$125.30 per linear foot
Sewer overdepth mains:	
<u>8' to 12' in depth</u>	
8" main	\$9.75 per linear foot
10" main	\$12.35 per linear foot
12" main	\$12.15 per linear foot
15" main	\$16.55 per linear foot
18" main	\$19.00 per linear foot
21" main	\$22.70 per linear foot
<u>12' to 16' in depth</u>	
8" main	\$21.10 per linear foot
10" main	\$23.60 per linear foot
12" main	\$23.70 per linear foot
15" main	\$31.00 per linear foot
18" main	\$45.15 per linear foot
21" main	\$47.30 per linear foot
<u>Greater than 16' in depth</u>	
8" main	\$27.80 per linear foot
10" main	\$30.70 per linear foot
12" main	\$31.00 per linear foot
15" main	\$46.05 per linear foot
18" main	\$56.20 per linear foot
21" main	\$62.15 per linear foot

Water Oversize Reimbursement Rates	
Water oversize mains:	
12" main	\$18.06 per linear foot
14" main	\$32.60 per linear foot
16" main	\$54.80 per linear foot
18" main	\$71.42 per linear foot
20" main	\$89.22 per linear foot
24" main	\$129.61 per linear foot
Water oversize valves:	
12" valve	\$1,063.00 each
14" valve	\$1,431.75 each
16" valve	\$1,932.00 each
18" valve	\$2,314.95 each
20" valve	\$3,527.05 each
24" valve	\$5,359.00 each

WATER SUPPLY FEE

FY 2023-24

Land Use	Water Supply Fee *Outside FID (\$/gross acre)	Water Supply Fee Inside FID (\$/gross acre)
Rural Residential <i>(1 DU/2 AC)</i>	16,100	11,320
Very Low Density Residential <i>(0.6 – 2.0 DU/AC)</i>	16,100	11,320
Low Density Residential <i>(2.1 – 4.0 DU/AC)</i>	13,880	9,100
Medium Density Residential <i>(4.1 – 7.0 DU/AC)</i>	12,210	7,440
Medium High Density Residential <i>(7.1 – 15.0 DU/AC)</i>	18,320	13,540
High Density Residential <i>(15.1 – 25.0 DU/AC)</i>	26,090	21,310
Very High Density Residential <i>(25.1 – 43.0 DU/AC)</i>	40,520	35,740
Mixed Use Village	27,750	22,980
Mixed Use/Business Campus	27,750	22,980
Office	14,990	10,210
Industrial	5,550	780
Neighborhood Commercial	16,100	11,320
General Commercial	16,100	11,320
Open Space	8,330	3,550
Public Facilities	7,770	3,000
Parks	16,650	11,880
Schools	15,540	10,770



STREET & UNDERGROUNDING BOUNDARIES

UNDERGROUNDING AREAS

STREET AREAS

JAN 18, 2018

NOT TO SCALE

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FULL FEE UPDATE

Single-Family Fee Calculation Scenarios
2023-2024 Proposed Fee rates

		4 DU/AC (SFR) - 40 acre development			6.5 DU/AC (SFR) - 40 acre development			7.5 DU/AC (SFR) - 40 acre development			14.5 DU/AC (SFR) - 40 acre development			15.5 DU/AC (SFR) - 40 acre development		
		Existing Fees	Proposed Fees	Difference	Existing Fees	Proposed Fees	Difference	Existing Fees	Proposed Fees	Difference	Existing Fees	Proposed Fees	Difference	Existing Fees	Proposed Fees	Difference
Area 1	Total	\$7,122,986	\$7,516,106	\$393,119	\$10,123,207	\$10,763,536	\$640,328	\$10,579,780	\$11,105,180	\$525,400	\$18,563,810	\$19,582,387	\$1,018,576	\$20,009,749	\$21,098,183	\$1,088,433
	Per Unit	\$44,519	\$46,976	\$2,457	\$38,935	\$41,398	\$2,463	\$35,266	\$37,017	\$1,751	\$32,007	\$33,763	\$1,756	\$32,274	\$34,029	\$1,756
	% Change			5.5%			6.3%			5.0%			5.5%			5.4%
Area 2	Total	\$5,711,738	\$5,819,026	\$107,287	\$7,829,930	\$8,006,045	\$176,115	\$8,992,589	\$9,195,965	\$203,376	\$15,495,241	\$15,891,238	\$395,997	\$16,729,555	\$17,152,472	\$422,917
	Per Unit	\$35,698	\$36,369	\$671	\$30,115	\$30,792	\$677	\$29,975	\$30,653	\$678	\$26,716	\$27,399	\$683	\$26,983	\$27,665	\$682
	% Change			1.9%			2.2%			2.3%			2.6%			2.5%
Area 3	Total	\$5,293,396	\$5,412,539	\$119,142	\$7,370,683	\$7,558,653	\$187,970	\$8,566,310	\$8,781,541	\$215,231	\$15,000,469	\$15,408,321	\$407,852	\$16,224,998	\$16,659,771	\$434,772
	Per Unit	\$33,084	\$33,828	\$745	\$28,349	\$29,072	\$723	\$28,554	\$29,272	\$717	\$25,863	\$26,566	\$703	\$26,169	\$26,871	\$701
	% Change			2.3%			2.6%			2.5%			2.7%			2.7%
Area 4	Total	\$7,120,859	\$7,470,756	\$349,897	\$10,130,509	\$10,699,916	\$569,406	\$10,579,618	\$11,055,871	\$476,253	\$18,579,563	\$19,502,100	\$922,537	\$20,027,776	\$21,013,471	\$985,695
	Per Unit	\$44,505	\$46,692	\$2,187	\$38,964	\$41,154	\$2,190	\$35,265	\$36,853	\$1,588	\$32,034	\$33,624	\$1,591	\$32,303	\$33,893	\$1,590
	% Change			4.9%			5.6%			4.5%			5.0%			4.9%
Area 5	Total	\$6,380,656	\$6,624,489	\$243,833	\$8,935,495	\$9,329,300	\$393,805	\$9,748,846	\$10,105,222	\$356,377	\$16,985,074	\$17,670,999	\$685,925	\$18,324,185	\$19,056,592	\$732,407
	Per Unit	\$39,879	\$41,403	\$1,524	\$34,367	\$35,882	\$1,515	\$32,496	\$33,684	\$1,188	\$29,285	\$30,467	\$1,183	\$29,555	\$30,736	\$1,181
	% Change			3.8%			4.4%			3.7%			4.0%			4.0%

Note: Water Supply Fee (Base Rate) will increase the development cost by \$191,000.00 for Areas 1 through 5, as well as for all 40 acre residential developments.

FULL FEE UPDATE

Multi-Family Fee Calculation Scenarios
2023-2024 Proposed Fee rates

		7.5 DU/AC (MFR) - 40 acre development			14.5 DU/AC (MFR) - 40 acre development			15.5 DU/AC (MFR) - 40 acre development			20 DU/AC (MFR) - 40 acre development		
		Existing Fees	Proposed Fees	Difference	Existing Fees	Proposed Fees	Difference	Existing Fees	Proposed Fees	Difference	Existing Fees	Proposed Fees	Difference
Area 1	Total	\$9,972,303	\$10,478,824	\$506,521	\$17,389,354	\$18,371,431	\$982,077	\$18,754,296	\$19,803,713	\$1,049,417	\$23,367,399	\$24,722,717	\$1,355,317
	Per Unit	\$33,241	\$34,929	\$1,688	\$29,982	\$31,675	\$1,693	\$30,249	\$31,941	\$1,693	\$29,209	\$30,903	\$1,694
	% Change	5.1%			5.6%			5.6%			5.8%		
Area 2	Total	\$8,385,112	\$8,569,609	\$184,497	\$14,320,784	\$14,680,282	\$359,497	\$15,474,101	\$15,858,002	\$383,901	\$19,134,890	\$19,631,477	\$496,587
	Per Unit	\$27,950	\$28,565	\$615	\$24,691	\$25,311	\$620	\$24,958	\$25,577	\$619	\$23,919	\$24,539	\$621
	% Change	2.2%			2.5%			2.5%			2.6%		
Area 3	Total	\$7,958,832	\$8,155,184	\$196,352	\$13,826,012	\$14,197,365	\$371,353	\$14,969,545	\$15,365,300	\$395,756	\$18,586,302	\$19,094,745	\$508,442
	Per Unit	\$26,529	\$27,184	\$655	\$23,838	\$24,478	\$640	\$24,144	\$24,783	\$638	\$23,233	\$23,868	\$636
	% Change	2.5%			2.7%			2.6%			2.7%		
Area 4	Total	\$9,972,141	\$10,429,515	\$457,374	\$17,405,106	\$18,291,144	\$886,038	\$18,772,322	\$19,719,001	\$946,679	\$23,395,657	\$24,618,090	\$1,222,434
	Per Unit	\$33,240	\$34,765	\$1,525	\$30,009	\$31,536	\$1,528	\$30,278	\$31,805	\$1,527	\$29,245	\$30,773	\$1,528
	% Change	4.6%			5.1%			5.0%			5.2%		
Area 5	Total	\$9,141,368	\$9,478,866	\$337,498	\$15,810,618	\$16,460,044	\$649,426	\$17,068,731	\$17,762,121	\$693,390	\$21,201,105	\$22,095,206	\$894,101
	Per Unit	\$30,471	\$31,596	\$1,125	\$27,260	\$28,379	\$1,120	\$27,530	\$28,649	\$1,118	\$26,501	\$27,619	\$1,118
	% Change	3.7%			4.1%			4.1%			4.2%		

Note: Water Supply Fee (Base Rate) will increase the development cost by \$191,000.00 for Areas 1 through 5, as well as for all 40 acre residential developments.

FULL FEE UPDATE

Non-Residential Fee Calculation Scenarios 2023-2024 Proposed Fee rates

		Retail (1 acre site)			Industrial (1 acre site)			Office (1 acre site)		
		Existing Fees	Proposed Fees	Difference	Existing Fees	Proposed Fees	Difference	Existing Fees	Proposed Fees	Difference
Area 1	Total	\$279,417	\$307,249	\$27,833	\$126,795	\$134,242	\$7,447	\$207,826	\$222,330	\$14,504
	% Change			10.0%			5.9%			7.0%
Area 2	Total	\$158,124	\$161,416	\$3,292	\$104,472	\$107,409	\$2,937	\$152,525	\$155,824	\$3,299
	% Change			2.1%			2.8%			2.2%
Area 3 (Core)	Total	\$143,705	\$147,293	\$3,588	\$94,615	\$97,849	\$3,234	\$141,138	\$144,734	\$3,596
	% Change			2.5%			3.4%			2.5%
Area 4	Total	\$280,273	\$304,353	\$24,080	\$126,616	\$133,389	\$6,772	\$207,998	\$220,786	\$12,788
	% Change			8.6%			5.3%			6.1%
Area 5	Total	\$217,462	\$232,093	\$14,631	\$114,801	\$119,929	\$5,128	\$179,161	\$187,735	\$8,575
	% Change			6.7%			4.5%			4.8%

Note: Water Supply Fee (Base Rate) will increase the development cost by \$4,780.00 per Acre for Areas 1 through 5.



Nexus Sheets
for
Development Impact Fees
Fiscal Year
2023-2024

Fiscal Year
2023-2024

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Library Fee

Appendix A

Findings in Support of the Continuation of City Policies to Impose Residential Development Impact Fees on a Per Unit or Per Acreage Basis

2023-2024

Existing Rates	
Single Family Residential	\$9,325 per Unit*
Multi-Family Residential	\$7,554 per Unit*
Retail	\$5.60 per bldg sf ^^
Office	\$4.75 per bldg sf ^^
Industrial	\$2.61 per bldg sf ^^
Assisted Living	\$9,325 per EDU
*Other	\$9,325 per EDU
^ Unit is defined as each separate dwelling unit	
^^ Non-residential Fees are based on building square footage.	

Proposed Rates			% change
Single Family Residential	\$9,584 per Unit^		2.8%
Multi-Family Residential	\$7,763 per Unit^		2.8%
Retail	\$5.75 per bldg sf ^^		2.7%
Office/PF/School	\$4.89 per bldg sf ^^		3.0%
Industrial	\$2.68 per bldg sf ^^		2.7%
Assisted Living	\$9,584 per EDU		2.8%
*Other	\$9,584 per EDU		2.8%
^ Unit is defined as each separate dwelling unit			
^^ Non-residential Fees are based on building square footage.			

Purpose of Fee

The Sewer Major Facilities fee pays for the construction and financing of major sewer trunk lines, treatment capacity, and recycled water transmission to serve growth.

Scope of Improvements covered

Debt Service on past capacity upgrades at the Fresno Regional Plant.

Debt service on the construction of the City of Clovis treatment plant including the first 2.7 mgd treatment capacity, Pump Station E, Pump Station B, Ashlan Force mains, recycled water pump station and transmission system.

Construction and financing costs for future plant expansions.

Construction and financing costs for future upgrades and capacity purchases at the Fresno Regional plant.

Construction and financing costs for the future construction of Shepherd Avenue force mains and Dewolf trunk mains.

Construction and financing costs for the future construction of trunk mains to serve growth in Heritage Grove and the Northeast Village.

Nexus

Sewage treatment, conveyance, and disposal systems are necessary to accommodate new development. Major components of the system are needed in advance of development and therefore must be constructed using financing. The rates are directly related to system utilization by each land use category and include development's share of financing and construction.

AB602: Residential usage have been measured on a land usage basis and then correlated to a per home basis. This same measurement is used to predict future capacity and treatment needs. There is a better correlation between City data and the number of homes than residential square footage.

Methodology

1. Calculate the total cost of system components and financing.
2. Calculate the number of units or EDU's that will benefit from and pay for the system according to relative system utilization per the sewer master plan.
3. Rate = total cost divided by units.

Summary of Factors contributing to Rate Change

- This year's adjustment was based on a comprehensive cost evaluation.

2023-2024

Existing Rates	
All Areas except RT Ph 1, 2	\$1,190 per Gr. Ac.*
RT Park Phase1, 2	\$0 per Gr. Ac.*
* Gross Acre (Gr. Ac.) is defined as the total land area being developed plus 1/2 of the right-of-way on adjacent streets	

Proposed Rates		% change
All Areas except RT Ph 1, 2	\$1,114 per Gr. Ac.^	-6.4%
RT Park Phase1, 2	\$0 per Gr. Ac.^	
^ Gross Acre (Gr. Ac.) is defined as the total land area being developed plus 1/2 of the right-of-way on adjacent streets		

Purpose of Fee

The Sewer Oversize Fee pays for the difference in construction cost between 8" mains at standard depth (which are paid for with front footage fees) and any larger mains and/or mains constructed at greater than standard depth.

Scope of Improvements covered

All sewer mains that are greater than 8" in diameter and all mains (including 8" diameter) constructed at depths greater than 8' are included. Mains that are considered trunk mains are not included in the sewer oversize fee, but are included in the sewer major facilities fee.

Nexus

In order to provide for the conveyance of sewage from all development, certain sewer mains are required to be larger than 8" in diameter or must be constructed at depths greater than 8'. The additional cost for these larger and/or deeper sewer mains is to be paid for by all development because all development receives benefit

AB602: Acreage is a common denominator between all land uses. Acreage is used for the basis of this fee in order to evenly distribute the share across the City. Therefore an acreage basis is more appropriate than a residential square footage basis.

Methodology

1. Calculate the total cost of system components (those lines larger 8" diameter and/or greater than 8' in depth).
2. Calculate the total acreage of undeveloped (developable) land.
3. Rate = total cost divided by total gross acreage.

Summary of Factors contributing to Rate Change

- This year's adjustment was based on a comprehensive cost evaluation.

2023-2024

Existing Rates	
All Areas except RT Ph 1, 2	\$22.64 per Linear Ft.*
RT Park Phase1, 2	\$0.00 per Linear Ft.*
* Measurement of linear footage is to include all adjacent streets, alleys, or easements where existing or proposed sewer are (to be) installed.	

Proposed Rates		% change
All Areas except RT Ph 1, 2	\$32.05 per Linear Ft.^	41.5%
RT Park Phase1, 2	\$0 per Gr. Ac.^	
^ Measurement of linear footage is to include all adjacent streets, alleys, or easements where existing or proposed sewer are (to be) installed.		

Purpose of Fee

Development is responsible for the cost of 1/2 of the along all adjacent streets alleys and easements. The Sewer Front Footage Fee pays for the 1/2 construction cost of 8" mains at standard depth in order to reimburse developers who construct lines along properties that are not part of the developer's property.

Scope of Improvements covered

The fee covers the cost attributable to 8" sewer main construction that are to be constructed in streets, alleys, or easements where other developments will have frontage and/or connect to the main. The component of cost for sewer mains that are in excess of 8" diameter or 8' in depth is not included and is paid for through the oversize sewer fee. Mains that are considered trunk mains are not included in the sewer front footage fee, but are included in the sewer major facilities fee.

Nexus

All development benefits from the sewage collection system. Each property shares in the cost of the basic element of the collection system (8" sewer mains at standard depth) by providing for 1/2 the cost of any adjacent mains.

AB602: The repayment of this fee is on a lineal footage basis. There is no correlation with the size of the home.

Methodology

1. Calculate the cost of 8" sewer main construction at 8' or less in depth on a linear foot basis.
2. Rate = 1/2 the construction cost per linear foot.

Summary of Factors contributing to Rate Change

- This year's adjustment was based on a comprehensive cost evaluation.

2023-2024

Existing Rates	
4" Lateral	\$136 per Linear Ft.*
6" Lateral	\$138 per Linear Ft.*
* Linear footage refers to length of pipe installed.	

Proposed Rates		% change
4" Lateral	\$136.00 per Linear Ft.^	0.0%
6" Lateral	\$138.00 per Linear Ft.^	0.0%
^ Linear footage refers to length of pipe installed.		

Purpose of Fee

This fee provides for cost recovery for City forces to supply and construct sewer house branches. While, in most cases, construction of sewer laterals is done by development, this fee provides for cost recovery when lateral construction is done using City forces at the election of the property owner and availability of City resources. Laterals installed by City forces normally occurs on individual residential connections to the sewer system.

Scope of Improvements covered

The fee covers the cost to construct 4" or 6" sewer laterals from the main to the property line and includes all associated costs (excavation, pipeline construction, connection to main, backfill, compaction , resurfacing).

Nexus

The fee represents direct cost recovery for property owner requested services.

AB602: The costs are per each item with no dependence upon size of the home. Therefore the per each basis is more appropriate than residential square footage.

Methodology

1. Calculate the cost of 4" and 6" sewer lateral construction on a linear foot basis.
2. Rate = construction cost per linear foot.

Summary of Factors contributing to Rate Change

- This year's adjustment was based on a comprehensive cost evaluation.

Existing Rates			
Residential	2.0 or less	\$8,580	per Unit
Residential	2.1 to 2.5	\$8,580	per Unit
Residential	2.6 to 3.0	\$8,580	per Unit
Residential	3.1 to 3.5	\$8,580	per Unit
Residential	3.6 to 4.0	\$8,580	per Unit
Residential	4.1 to 4.5	\$8,580	per Unit
Residential	4.6 to 5.0	\$7,283	per Unit
Residential	5.1 to 5.5	\$5,987	per Unit
Residential	5.6 to 6.0	\$5,851	per Unit
Residential	6.1 to 6.5	\$5,716	per Unit
Residential	6.6 to 7.0	\$5,581	per Unit
Residential	7.1 to 7.5	\$5,445	per Unit
Residential	7.6 to 8.0	\$5,311	per Unit
Residential	8.1 to 8.5	\$5,174	per Unit
Residential	8.6 to 9.0	\$5,038	per Unit
Residential	9.1 to 9.5	\$4,902	per Unit
Residential	9.6 to 10.0	\$4,768	per Unit
Residential	10.1 to 10.5	\$4,632	per Unit
Residential	10.6 to 11.0	\$4,490	per Unit
Residential	11.1 to 11.5	\$4,437	per Unit
Residential	11.6 to 12.0	\$4,383	per Unit
Residential	12.1 to 12.5	\$4,330	per Unit
Residential	12.6 to 13.0	\$4,275	per Unit
Residential	13.1 to 13.5	\$4,221	per Unit
Residential	13.6 to 14.0	\$4,168	per Unit
Residential	14.1 to 14.5	\$4,114	per Unit
Residential	14.6 to 15.0	\$4,058	per Unit
Residential	15.1 to 15.5	\$4,005	per Unit
Residential	15.6 to 16.0	\$3,951	per Unit
Residential	16.1 to 16.5	\$3,899	per Unit
Residential	16.6 to 17.0	\$3,843	per Unit
Residential	17.1 to 17.5	\$3,789	per Unit
Residential	17.6 to 18.0	\$3,735	per Unit
Residential	18.1 to 18.5	\$3,682	per Unit
Residential	18.6 to 19.0	\$3,628	per Unit
Residential	19.1 to 19.5	\$3,574	per Unit
Residential	19.6 to 20.0	\$3,518	per Unit
Commercial Retail		\$4.29	per bldg sf ^^
Professional Office		\$4.29	per bldg sf ^^
Industrial		\$1.16	per bldg sf ^^
Schools/Parks		\$8,980	per Gr. Ac.^
Public Facilities		\$2.32	per bldg sf ^^
Assisted Living		\$4.06	per bldg sf ^^

^ Gross Acre (Gr. Ac.) is defined as the total land area being developed plus 1/2 of the right-of-way on adjacent streets
^^ bldg sf = building square foot

Proposed Rates				% change
Residential	2.0 or less	\$8,580	per Unit	0.0%
Residential	2.1 to 2.5	\$8,580	per Unit	0.0%
Residential	2.6 to 3.0	\$8,580	per Unit	0.0%
Residential	3.1 to 3.5	\$8,580	per Unit	0.0%
Residential	3.6 to 4.0	\$8,580	per Unit	0.0%
Residential	4.1 to 4.5	\$8,580	per Unit	0.0%
Residential	4.6 to 5.0	\$7,283	per Unit	0.0%
Residential	5.1 to 5.5	\$5,987	per Unit	0.0%
Residential	5.6 to 6.0	\$5,851	per Unit	0.0%
Residential	6.1 to 6.5	\$5,716	per Unit	0.0%
Residential	6.6 to 7.0	\$5,581	per Unit	0.0%
Residential	7.1 to 7.5	\$5,445	per Unit	0.0%
Residential	7.6 to 8.0	\$5,311	per Unit	0.0%
Residential	8.1 to 8.5	\$5,174	per Unit	0.0%
Residential	8.6 to 9.0	\$5,038	per Unit	0.0%
Residential	9.1 to 9.5	\$4,902	per Unit	0.0%
Residential	9.6 to 10.0	\$4,768	per Unit	0.0%
Residential	10.1 to 10.5	\$4,632	per Unit	0.0%
Residential	10.6 to 11.0	\$4,490	per Unit	0.0%
Residential	11.1 to 11.5	\$4,437	per Unit	0.0%
Residential	11.6 to 12.0	\$4,383	per Unit	0.0%
Residential	12.1 to 12.5	\$4,330	per Unit	0.0%
Residential	12.6 to 13.0	\$4,275	per Unit	0.0%
Residential	13.1 to 13.5	\$4,221	per Unit	0.0%
Residential	13.6 to 14.0	\$4,168	per Unit	0.0%
Residential	14.1 to 14.5	\$4,114	per Unit	0.0%
Residential	14.6 to 15.0	\$4,058	per Unit	0.0%
Residential	15.1 to 15.5	\$4,005	per Unit	0.0%
Residential	15.6 to 16.0	\$3,951	per Unit	0.0%
Residential	16.1 to 16.5	\$3,899	per Unit	0.0%
Residential	16.6 to 17.0	\$3,843	per Unit	0.0%
Residential	17.1 to 17.5	\$3,789	per Unit	0.0%
Residential	17.6 to 18.0	\$3,735	per Unit	0.0%
Residential	18.1 to 18.5	\$3,682	per Unit	0.0%
Residential	18.6 to 19.0	\$3,628	per Unit	0.0%
Residential	19.1 to 19.5	\$3,574	per Unit	0.0%
Residential	19.6 to 20.0	\$3,518	per Unit	0.0%
Commercial Retail		\$4.29	per bldg sf ^^	0.0%
Professional Office		\$4.29	per bldg sf ^^	0.0%
Industrial		\$1.16	per bldg sf ^^	0.0%
Schools/Parks		\$8,980	per Gr. Ac.^	0.0%
Public Facilities		\$2.32	per bldg sf ^^	0.0%
Assisted Living		\$4.06	per bldg sf ^^	0.0%

^ Gross Acre (Gr. Ac.) is defined as the total land area being developed plus 1/2 of the right-of-way on adjacent streets
^^ bldg sf = building square foot

Purpose of Fee

The Water Major Facilities fee pays for the construction and financing of transmission water mains and water supply and treatment infrastructure including water wells, recharge facilities, surface water treatment facilities, and storage facilities as needed to serve growth.

Scope of Improvements covered

Debt Service on the existing surface water treatment facility.

Planned construction of future capacity capital improvements including recharge, treatment plan expansion, water wells, and transmission mains per the Water master plan

Nexus

Water production, treatment, and transmission systems are necessary to accommodate new development. Major components of the system are needed in advance of development and therefore must be constructed using financing. The rates are directly related to system utilization by each land use category and include development's share of financing and construction.

AB602: Residential usage have been measured on a land usage basis and then correlated to a per home basis. This same measurement is used to predict future capacity and treatment needs. There is a better correlation between City data and the number of homes than residential square footage.

Methodology

1. Calculate the total cost of system components and financing.
2. Calculate the number of units or EDU's that will benefit from and pay for the system according to relative system utilization per the water master plan.
3. Rate = total cost divided by units.

Summary of Factors contributing to Rate Change

- This year's adjustment was based on a comprehensive cost evaluation which indicated a 61% increase. The proposed increase has been deferred to a later date.

2023-2024

Existing Rates	
All areas except RT Phase 1, 2	\$1,682 per Gr. Ac.*
RT Phase 1, 2	\$182 per Gr. Ac.*
* Gross Acre (Gr. Ac.) is defined as the total land area being developed plus 1/2 of the right-of-way on adjacent streets	

Proposed Rates		% change
All areas except RT Phase 1, 2	\$1,682 per Gr. Ac.^	0.0%
RT Phase 1, 2	\$182 per Gr. Ac.^	0.0%
^ Gross Acre (Gr. Ac.) is defined as the total land area being developed plus 1/2 of the right-of-way on adjacent streets		

Purpose of Fee

The Water Oversize Fee pays for the difference in construction cost between 8" mains and larger distribution mains.

Scope of Improvements covered

All water mains that are greater than 8" in diameter are included, except mains that are considered transmission mains which are included in the water major facilities fee.

Nexus

In order to provide for the distribution of water to all development, certain water mains are required to be larger than 8" in diameter. The additional cost for these larger water mains is to be paid for by all development because all development receives benefit.

AB602: Acreage is a common denominator between all land uses. Acreage is used for the basis of this fee in order to evenly distribute the share across the City. Therefore an acreage basis is more appropriate than a residential square footage basis.

Methodology

1. Calculate the total cost of system components (those lines larger 8" diameter).
2. Calculate the total acreage of undeveloped (developable) land.
3. Rate = total cost divided by total gross acreage.

Summary of Factors contributing to Rate Change

- This year's adjustment was based on a comprehensive cost evaluation which indicated a 61% increase. The proposed increase has been deferred to a later date.

Existing Rates	
All areas except RT Phase 1, 2	\$27.40 per Linear Ft.*
RT Phase 1, 2	\$0.00 per Linear Ft.*
* Measurement of linear footage is to include all adjacent streets, alleys, or easements where existing or proposed water mains are (to be) installed.	

Proposed Rates		% change
All areas except RT Phase 1, 2	\$27.40 per Linear Ft.^	0.0%
RT Phase 1, 2	\$0.00 per Linear Ft.^	0%
^ Measurement of linear footage is to include all adjacent streets, alleys, or easements where existing or proposed water mains are (to be) installed.		

Purpose of Fee

Development is responsible for the cost of 1/2 of the 8" water mains along all adjacent streets, alleys, and easements. The Water Front Footage Fee pays for the 1/2 construction cost of 8" mains in order to reimburse developers who construct lines along properties that are not part of the developer's property.

Scope of Improvements covered

The fee covers the cost attributable to water main construction that are to be constructed in streets, alleys, or easements where other developments will have frontage and/or connect to the main. The component of cost for water mains that are in excess of 8" diameter is not included and is paid for through the oversize water fee. Mains that are considered transmission mains are not included in the water front footage fee, but are included in the water major facilities fee.

Nexus

All development benefits from the water distribution system. Each property shares in the cost of the basic element of the distribution system (8" water mains) by providing for 1/2 the cost of any adjacent water mains.

AB602: The repayment of this fee is on a lineal footage basis. There is no correlation with the size of the home.

Methodology

1. Calculate the cost of 8" water main construction on a linear foot basis.
2. Rate = 1/2 the construction cost per linear foot.

Summary of Factors contributing to Rate Change

- This year's adjustment was based on a comprehensive cost evaluation which indicated a 61% increase. The proposed increase has been deferred to a later date.

2023-2024

Existing Rates	
All Land Uses	\$2,454 per Gr. Ac.*
* Gross Acre (Gr. Ac.) is defined as the total land area being developed plus 1/2 of the right-of-way on adjacent streets	

Proposed Rates		% change
All Land Uses	\$2,454 per Gr. Ac.^	0.0%
^ Gross Acre (Gr. Ac.) is defined as the total land area being developed plus 1/2 of the right-of-way on adjacent streets		

Purpose of Fee

The Non-Potable Water Fee pays for the construction of a non-potable water distribution system that supplies non potable water for irrigation of open space and landscaped areas, mainly in public areas.

Scope of Improvements covered

All non-potable (purple pipe) water mains that are intended for distribution and transmission.

Nexus

A non-potable water distribution system provides for delivery of non-potable water to public landscaped areas, parks, and open spaces within the City. The use of non-potable water in these areas is an essential part of achieving a water balance and reducing groundwater usage in the City. These benefits are attributable to all development and the costs are shared "equally" among development according to land area.

AB602: The current method meets the intent of AB602 to impose lower fees on smaller dwellings that are typical of higher density developments.

Methodology

1. Calculate the total cost of system components minus the non-potable water improvements installed and reimbursed.
2. Calculate the total acreage of undeveloped (developable) land.
3. Rate = total cost divided by total gross acreage.

Summary of Factors contributing to Rate Change

- This year's adjustment was based on a comprehensive cost evaluation which indicated a 61% increase. The proposed increase has been deferred to a later date.

Existing Rates
Rates vary according to density and land use See attached schedule

Proposed Rates
Rates vary according to density and land use See attached schedule No change in rates is proposed

Purpose of Fee

The Water Supply Fee pays a share of the cost to acquire additional water supply for properties with development patterns that will exceed the current entitlement. For properties within the FID, the entitlement is 2.2 ac/ft/ac. For properties outside the FID, there is no designate entitlement. The current cost to acquire annual supply is \$1,250 per ac/ft. The Water Supply Fee includes a share of the cost to secure a firm water supply from FID. The current cost to development for the firm water supply is \$4,300 per ac/ft.

Scope of Improvements covered

The funds are used to buy water entitlement, acquire new water resources and participate in water banking infrastructure.

Nexus

In order to ensure that the overdraft of the groundwater basin due to pumping is not exacerbated, and to properly secure adequate water entitlement going forward, new development that creates a water demand that exceeds the water entitlement that comes with the land must provide for the additional water supply. For projects lying within the FID, they provide their water entitlement to the City at the time of development and receive a fee credit for the allocation. All other projects lying outside the FID will require acquisition of additional supply. The need for the additional water supply is directly tied to the project or land development that creates the demand. The costs associated with the acquisition of the new water supply are attributable to the new development.

AB602: Residential usage have been measured on land usage basis. This same measurement is used to predict future needs. There is a better correlation between City data and the land use than residential square footage.

Methodology

1. Determine the cost to acquire additional water supply per ac/ft/yr
2. Develop relationship between development type/intensity, and water demand.
3. Rate = annual water demand in excess of the entitlement (ac/ft/yr) X acquisition cost per ac/ft/yr
4. Prorate the FID annual allotment as credit to development within FID

Summary of Factors contributing to Rate Change

- No change in rate proposed.

Land Use	Water Supply Fee *Outside FID (\$/gross acre)	Water Supply Fee Inside FID (\$/gross acre)
Rural Residential (1 DU/2 AC)	\$16,100	\$11,320
Very Low Density Residential (0.6 – 2.0 DU/AC)	\$16,100	\$11,320
Low Density Residential (2.1 – 4.0 DU/AC)	\$13,880	\$9,100
Medium Density Residential (4.1 – 7.0 DU/AC)	\$12,210	\$7,440
Medium High Density Residential (7.1 – 15.0 DU/AC)	\$18,320	\$13,540
High Density Residential(15.1 – 25.0 DU/AC)	\$26,090	\$21,310
Very High Density Residential (25.1 – 43.0 DU/AC)	\$40,520	\$35,740
Mixed Use Village	\$27,750	\$22,980
Mixed Use/Business Campus	\$27,750	\$22,980
Office	\$14,990	\$10,210
Industrial	\$5,550	\$780
Neighborhood Commercial	\$16,100	\$11,320
General Commercial	\$16,100	\$11,320
Open Space	\$8,330	\$3,550
Public Facilities	\$7,770	\$3,000
Parks	\$16,650	\$11,880
Schools	\$15,540	\$10,770

* Excludes lands within the existing Garfield and International Irrigation Districts which will require separate analysis.

2023-2024

Existing Rates		Proposed Rates		% change
3/4" meter	\$341 Each	3/4" meter	\$348 Each	2%
1" meter	\$424 Each	1" meter	\$435 Each	3%
1 1/2" meter (residential only)	\$712 Each	1 1/2" meter (residential only)	\$737 Each	4%
2" meter (residential only)	\$906 Each	2" meter (residential only)	\$940 Each	4%
1 1/2" turbo (landscape) meter	\$912 Each	1 1/2" turbo (landscape) meter	\$946 Each	4%
2" turbo (landscape) meter	\$1,039 Each	2" turbo (landscape) meter	\$1,080 Each	4%
3" turbo (landscape) meter	\$1,470 Each	3" turbo (landscape) meter	\$1,520 Each	3%
4" turbo (landscape) meter	\$2,425 Each	4" turbo (landscape) meter	\$2,523 Each	4%
6" turbo (landscape) meter	\$4,382 Each	6" turbo (landscape) meter	\$4,559 Each	4%
1 1/2" (MFR & Non-res) meter	\$1,227	1 1/2" (MFR & Non-res) meter	\$1,277 Each	4%
2" (MFR & Non-res) meter	\$1,391 Each	2" (MFR & Non-res) meter	\$1,449 Each	4%
3" (MFR & Non-res) meter	\$1,919 Each	3" (MFR & Non-res) meter	\$1,991 Each	4%
4" (MFR & Non-res) meter	\$2,993 Each	4" (MFR & Non-res) meter	\$3,120 Each	4%
6" (MFR & Non-res) meter	\$5,220 Each	6" (MFR & Non-res) meter	\$5,438 Each	4%
3/4" service w/meter	\$6,050 Each	3/4" service w/meter	\$6,485 Each	7%
1" service w/meter	\$6,179 Each	1" service w/meter	\$6,572 Each	6%
1 1/2" service w/ meter	\$7,250 Each	1 1/2" service w/ meter	\$7,522 Each	4%
2" service w/meter	\$7,947 Each	2" service w/meter	\$8,166 Each	3%
Transceiver*	\$145 Each	Transceiver*	\$170 Each	17%
* Transceiver does not apply to 3/4" meters and can be shared between two meters.		* Transceiver does not apply to 3/4" meters and can be shared between two meters.		

Purpose of Fee

This fee provides for cost recovery for City forces to supply and install meters or to construct water services with meters.

Scope of Improvements covered

The water meter fee covers the City's labor and equipment costs to supply and install water meters and transceivers. Water service with meter fee covers the City's labor and equipment costs to supply and install a water service from the main to the property line and includes all associated costs (excavation, pipeline construction, connection to main, backfill, compaction, resurfacing, and water meter).

Nexus

The fee represents direct cost for the actual material cost and associated City staff and equipment costs.

AB602: The costs are per each item with very little dependence upon size of the home. Therefore the per each basis is more appropriate than residential square footage.

Methodology

1. Determine the cost of water meters of various sizes and types.
2. Rate = construction cost per each meter or service with meter.
3. Evaluation of the water meter fee indicated minor revisions to costs.
4. Evaluation of the water service with water meter installation cost indicated the same minor revisions to costs.

Summary of Factors contributing to Rate Change

- This year's adjustment was based on a comprehensive cost evaluation.

Outside Travel Lane Fee

2023-2024

	Existing Rates, Area 1	
SFR - Rural (0 - 0.5)	\$6,293	per unit
SFR - Very Low Density (0.6 - 2)	\$6,294	per unit
SFR - Low Density (2.1 - 4)	\$6,294	per unit
SFR - Medium Density (4.1 - 7)	\$6,294	per unit
MFR - Medium High Density (7.1 - 15)	\$3,775	per unit
MFR - High (15.1 - 25)	\$3,775	per unit
MFR - Very High (25.1 - 43)	\$3,775	per 1000 bldg sf
Retail	\$9,934	per 1000 bldg sf
Office, Public Facilities	\$4,530	per 1000 bldg sf
Industrial, Assisted Living	\$1,219	per 1000 bldg sf
Schools	\$7,947	per 1000 bldg sf
Churches	\$4,530	per 1000 bldg sf
Mini Storage	\$15,929	per gross acre

Proposed Rates, Area 1		% change
\$7,968	per unit	26.6%
\$7,968	per unit	26.6%
\$7,968	per unit	26.6%
\$7,968	per unit	26.6%
\$4,781	per unit	26.6%
\$4,781	per unit	26.6%
\$4,781	per 1000 bldg sf	26.6%
\$12,575	per 1000 bldg sf	26.6%
\$5,734	per 1000 bldg sf	26.6%
\$1,543	per 1000 bldg sf	26.6%
\$10,060	per 1000 bldg sf	26.6%
\$5,734	per 1000 bldg sf	26.6%
\$20,164	per gross acre	26.6%

Area 1 RT Park Phase 1, 2	Existing Rates, Area 1	
Industrial	\$943	per 1000 bldg sf
Office	\$3,506	per 1000 bldg sf

Proposed Rates, Area 1		% change
\$1,256	per 1000 bldg sf	33.2%
\$4,667	per 1000 bldg sf	33.1%

	Existing Rates, Area 2	
SFR - Rural (0 - 0.5)	\$412	per unit
SFR - Very Low Density (0.6 - 2)	\$412	per unit
SFR - Low Density (2.1 - 4)	\$412	per unit
SFR - Medium Density (4.1 - 7)	\$412	per unit
MFR - Medium High Density (7.1 - 15)	\$248	per unit
MFR - High (15.1 - 25)	\$248	per unit
MFR - Very High (25.1 - 43)	\$248	per 1000 bldg sf
Retail	\$649	per 1000 bldg sf
Office, Public Facilities	\$296	per 1000 bldg sf
Industrial, Assisted Living	\$79	per 1000 bldg sf
Schools	\$520	per 1000 bldg sf
Churches	\$296	per 1000 bldg sf
Mini Storage	\$1,040	per gross acre

Proposed Rates, Area 2		% change
\$412	per unit	0.0%
\$412	per unit	0.0%
\$412	per unit	0.0%
\$412	per unit	0.0%
\$248	per unit	0.0%
\$248	per unit	0.0%
\$248	per 1000 bldg sf	0.0%
\$649	per 1000 bldg sf	0.0%
\$296	per 1000 bldg sf	0.0%
\$79	per 1000 bldg sf	0.0%
\$520	per 1000 bldg sf	0.0%
\$296	per 1000 bldg sf	0.0%
\$1,040	per gross acre	0.0%

	Existing Rates, Area 3	
SFR - Rural (0 - 0.5)	\$76	per unit
SFR - Very Low Density (0.6 - 2)	\$77	per unit
SFR - Low Density (2.1 - 4)	\$77	per unit
SFR - Medium Density (4.1 - 7)	\$77	per unit
MFR - Medium High Density (7.1 - 15)	\$47	per unit
MFR - High (15.1 - 25)	\$47	per unit
MFR - Very High (25.1 - 43)	\$47	per 1000 bldg sf
Retail	\$122	per 1000 bldg sf
Office, Public Facilities	\$55	per 1000 bldg sf
Industrial, Assisted Living	\$15	per 1000 bldg sf
Schools	\$99	per 1000 bldg sf
Churches	\$55	per 1000 bldg sf
Mini Storage	\$200	per gross acre

Proposed Rates, Area 3		% change
\$76	per unit	0.0%
\$77	per unit	0.0%
\$77	per unit	0.0%
\$77	per unit	0.0%
\$47	per unit	0.0%
\$47	per unit	0.0%
\$47	per 1000 bldg sf	0.0%
\$122	per 1000 bldg sf	0.0%
\$55	per 1000 bldg sf	0.0%
\$15	per 1000 bldg sf	0.0%
\$99	per 1000 bldg sf	0.0%
\$55	per 1000 bldg sf	0.0%
\$200	per gross acre	0.0%

Outside Travel Lane Fee

2023-2024

	Existing Rates, Area 4	
SFR - Rural (0 - 0.5)	\$5,775	per unit
SFR - Very Low Density (0.6 - 2)	\$5,775	per unit
SFR - Low Density (2.1 - 4)	\$5,775	per unit
SFR - Medium Density (4.1 - 7)	\$5,775	per unit
MFR - Medium High Density (7.1 - 15)	\$3,466	per unit
MFR - High (15.1 - 25)	\$3,466	per unit
MFR - Very High (25.1 - 43)	\$3,466	per 1000 bldg sf
Retail	\$9,115	per 1000 bldg sf
Office, Public Facilities	\$4,157	per 1000 bldg sf
Industrial, Assisted Living	\$1,118	per 1000 bldg sf
Schools	\$7,292	per 1000 bldg sf
Churches	\$4,157	per 1000 bldg sf
Mini Storage	\$14,619	per gross acre

Proposed Rates, Area 4		% change
\$7,034	per unit	
\$7,033	per unit	21.8%
\$7,033	per unit	21.8%
\$7,033	per unit	21.8%
\$4,220	per unit	21.8%
\$4,220	per unit	21.8%
\$4,220	per 1000 bldg sf	21.8%
\$11,100	per 1000 bldg sf	21.8%
\$5,062	per 1000 bldg sf	21.8%
\$1,362	per 1000 bldg sf	21.8%
\$8,880	per 1000 bldg sf	21.8%
\$5,062	per 1000 bldg sf	21.8%
\$17,799	per gross acre	21.8%

	Existing Rates, Area 5	
SFR - Rural (0 - 0.5)	\$2,628	per unit
SFR - Very Low Density (0.6 - 2)	\$2,629	per unit
SFR - Low Density (2.1 - 4)	\$2,629	per unit
SFR - Medium Density (4.1 - 7)	\$2,629	per unit
MFR - Medium High Density (7.1 - 15)	\$1,578	per unit
MFR - High (15.1 - 25)	\$1,578	per unit
MFR - Very High (25.1 - 43)	\$1,578	per 1000 bldg sf
Retail	\$4,150	per 1000 bldg sf
Office, Public Facilities	\$1,892	per 1000 bldg sf
Industrial, Assisted Living	\$509	per 1000 bldg sf
Schools	\$3,320	per 1000 bldg sf
Churches	\$1,892	per 1000 bldg sf
Mini Storage	\$6,654	per gross acre

Proposed Rates, Area 5		% change
\$3,322	per unit	
\$3,321	per unit	26.3%
\$3,321	per unit	26.3%
\$3,321	per unit	26.3%
\$1,993	per unit	26.3%
\$1,993	per unit	26.3%
\$1,993	per 1000 bldg sf	26.3%
\$5,242	per 1000 bldg sf	26.3%
\$2,390	per 1000 bldg sf	26.3%
\$643	per 1000 bldg sf	26.2%
\$4,194	per 1000 bldg sf	26.3%
\$2,390	per 1000 bldg sf	26.3%
\$8,403	per gross acre	26.3%

* Gross Acreage shall mean the total area of land, including one-half the right-of-way on the boundary streets.

^ Unit is defined as each separate dwelling unit.

^^ EDU = Equivalent Dwelling Unit is defined as follows:

Retail - 1 EDU = 2450 square feet of building area

Office - 1 EDU = 2450 square feet of building area

Industrial - 1 EDU = 2450 square feet of building area

Purpose of Fee

The Outside Travel Lane fee pays for the construction and financing of those certain planned travel lanes of a Major Street that are located between the frontage improvements and the Center Travel Lanes.

Scope of Improvements covered

Construction and financing costs for the roadway, curb, gutter, sidewalk, and street lights.

Nexus

Roadway systems are necessary to accommodate new development. The rates are directly related to system utilization by each land use category.

AB602: ITE provides a nationally accepted methodology for estimating trips generated from residential land uses. The estimate of trips is not based on dwelling size as that data does not exist in the ITE database. The major street fees are prorated based on impact (trip generation) per unit and is therefore best estimated according to land use instead of residential square footage.

Methodology

1. Calculate the total cost of system components and financing.
2. Calculate the weighted Gross Acreage for each land use category.
3. Rate = total cost divided by weighted Gross Acreage.
4. Convert the rate to a per unit cost for residential developments.
5. Convert the rate to a per square foot cost for non-residential developments.

Summary of Factors contributing to Rate Change

- This year's adjustment was based on a comprehensive cost evaluation.

Center Travel Lane Fee

2023-2024

	Existing Rates, Area 1	
SFR - Rural (0 - 0.5)	\$2,044	per unit
SFR - Very Low Density (0.6 - 2)	\$2,044	per unit
SFR - Low Density (2.1 - 4)	\$2,044	per unit
SFR - Medium Density (4.1 - 7)	\$2,044	per unit
MFR - Medium High Density (7.1 - 15)	\$1,226	per unit
MFR - High (15.1 - 25)	\$1,226	per unit
MFR - Very High (25.1 - 43)	\$1,226	per 1000 bldg sf
Retail	\$3,226	per 1000 bldg sf
Office, Public Facilities	\$1,471	per 1000 bldg sf
Industrial, Assisted Living	\$396	per 1000 bldg sf
Schools	\$2,581	per 1000 bldg sf
Churches	\$1,471	per 1000 bldg sf
Mini Storage	\$5,175	per gross acre

Proposed Rates, Area 1		% change
\$2,062	per unit	0.9%
\$2,062	per unit	0.9%
\$2,062	per unit	0.9%
\$2,062	per unit	0.9%
\$1,237	per unit	0.9%
\$1,237	per unit	0.9%
\$1,237	per 1000 bldg sf	0.9%
\$3,254	per 1000 bldg sf	0.9%
\$1,484	per 1000 bldg sf	0.9%
\$399	per 1000 bldg sf	0.8%
\$2,603	per 1000 bldg sf	0.9%
\$1,484	per 1000 bldg sf	0.9%
\$5,214	per gross acre	0.8%

Area 1 RT Park Phase 1, 2	Existing Rates, Area 1	
	Industrial	\$225
Office	\$835	per 1000 bldg sf

Proposed Rates, Area 1		% change
\$222	per 1000 bldg sf	-1.3%
\$825	per 1000 bldg sf	-1.2%

	Existing Rates, Area 2	
SFR - Rural (0 - 0.5)	\$0.00	per unit
SFR - Very Low Density (0.6 - 2)	\$0.00	per unit
SFR - Low Density (2.1 - 4)	\$0.00	per unit
SFR - Medium Density (4.1 - 7)	\$0.00	per unit
MFR - Medium High Density (7.1 - 15)	\$0.00	per unit
MFR - High (15.1 - 25)	\$0.00	per unit
MFR - Very High (25.1 - 43)	\$0.00	per 1000 bldg sf
Retail	\$0.00	per 1000 bldg sf
Office, Public Facilities	\$0.00	per 1000 bldg sf
Industrial, Assisted Living	\$0.00	per 1000 bldg sf
Schools	\$0.00	per 1000 bldg sf
Churches	\$0.00	per 1000 bldg sf
Mini Storage	\$0.00	per gross acre

Proposed Rates, Area 2		% change
\$0.00	per unit	0%
\$0.00	per unit	0%
\$0.00	per unit	0%
\$0.00	per unit	0%
\$0.00	per unit	0%
\$0.00	per unit	0%
\$0.00	per 1000 bldg sf	0%
\$0.00	per 1000 bldg sf	0%
\$0.00	per 1000 bldg sf	0%
\$0.00	per 1000 bldg sf	0%
\$0.00	per 1000 bldg sf	0%
\$0.00	per 1000 bldg sf	0%
\$0.00	per gross acre	0%

	Existing Rates, Area 3	
SFR - Rural (0 - 0.5)	\$0.00	per unit
SFR - Very Low Density (0.6 - 2)	\$0.00	per unit
SFR - Low Density (2.1 - 4)	\$0.00	per unit
SFR - Medium Density (4.1 - 7)	\$0.00	per unit
MFR - Medium High Density (7.1 - 15)	\$0.00	per unit
MFR - High (15.1 - 25)	\$0.00	per unit
MFR - Very High (25.1 - 43)	\$0.00	per 1000 bldg sf
Retail	\$0.00	per 1000 bldg sf
Office, Public Facilities	\$0.00	per 1000 bldg sf
Industrial, Assisted Living	\$0.00	per 1000 bldg sf
Schools	\$0.00	per 1000 bldg sf
Churches	\$0.00	per 1000 bldg sf
Mini Storage	\$0.00	per gross acre

Proposed Rates, Area 3		% change
\$0.00	per unit	0%
\$0.00	per unit	0%
\$0.00	per unit	0%
\$0.00	per unit	0%
\$0.00	per unit	0%
\$0.00	per unit	0%
\$0.00	per 1000 bldg sf	0%
\$0.00	per 1000 bldg sf	0%
\$0.00	per 1000 bldg sf	0%
\$0.00	per 1000 bldg sf	0%
\$0.00	per 1000 bldg sf	0%
\$0.00	per gross acre	0%

Center Travel Lane Fee

2023-2024

	Existing Rates, Area 4	
SFR - Rural (0 - 0.5)	\$2,400	per unit
SFR - Very Low Density (0.6 - 2)	\$2,400	per unit
SFR - Low Density (2.1 - 4)	\$2,400	per unit
SFR - Medium Density (4.1 - 7)	\$2,400	per unit
MFR - Medium High Density (7.1 - 15)	\$1,440	per unit
MFR - High (15.1 - 25)	\$1,440	per unit
MFR - Very High (25.1 - 43)	\$1,440	per 1000 bldg sf
Retail	\$3,788	per 1000 bldg sf
Office, Public Facilities	\$1,727	per 1000 bldg sf
Industrial, Assisted Living	\$465	per 1000 bldg sf
Schools	\$3,030	per 1000 bldg sf
Churches	\$1,727	per 1000 bldg sf
Mini Storage	\$6,077	per gross acre

Proposed Rates, Area 4		% change
\$2,482	per unit	3.4%
\$2,482	per unit	3.4%
\$2,483	per unit	3.5%
\$2,482	per unit	3.4%
\$1,489	per unit	3.4%
\$1,489	per unit	3.4%
\$1,489	per 1000 bldg sf	3.4%
\$3,918	per 1000 bldg sf	3.4%
\$1,787	per 1000 bldg sf	3.5%
\$481	per 1000 bldg sf	3.4%
\$3,134	per 1000 bldg sf	3.4%
\$1,787	per 1000 bldg sf	3.5%
\$6,286	per gross acre	3.4%

	Existing Rates, Area 5	
SFR - Rural (0 - 0.5)	\$1,631	per unit
SFR - Very Low Density (0.6 - 2)	\$1,630	per unit
SFR - Low Density (2.1 - 4)	\$1,630	per unit
SFR - Medium Density (4.1 - 7)	\$1,630	per unit
MFR - Medium High Density (7.1 - 15)	\$978	per unit
MFR - High (15.1 - 25)	\$978	per unit
MFR - Very High (25.1 - 43)	\$978	per 1000 bldg sf
Retail	\$2,571	per 1000 bldg sf
Office, Public Facilities	\$1,172	per 1000 bldg sf
Industrial, Assisted Living	\$316	per 1000 bldg sf
Schools	\$2,057	per 1000 bldg sf
Churches	\$1,172	per 1000 bldg sf
Mini Storage	\$4,129	per gross acre

Proposed Rates, Area 5		% change
\$1,710	per unit	4.9%
\$1,710	per unit	4.9%
\$1,710	per unit	4.9%
\$1,710	per unit	4.9%
\$1,026	per unit	5.0%
\$1,026	per unit	5.0%
\$1,026	per 1000 bldg sf	5.0%
\$2,699	per 1000 bldg sf	5.0%
\$1,231	per 1000 bldg sf	5.0%
\$331	per 1000 bldg sf	4.7%
\$2,159	per 1000 bldg sf	4.9%
\$1,231	per 1000 bldg sf	5.0%
\$4,326	per gross acre	4.8%

* Gross Acreage shall mean the total area of land, including one-half the right-of-way on the boundary streets.

^ Unit is defined as each separate dwelling unit.

^^ EDU = Equivalent Dwelling Unit is defined as follows:

Retail - 1 EDU = 2450 square feet of building area

Office - 1 EDU = 2450 square feet of building area

Industrial - 1 EDU = 2450 square feet of building area

Purpose of Fee

The Center Travel Lane fee pays for the construction and financing of those certain planned travel lanes of a Major Street that are located within the median area. The fee also includes the adjacent travel lane on roads with 4 lanes or less, or the 2 adjacent lanes on 6-lane roads.

Scope of Improvements covered

Construction and financing costs for the roadway, median curb, median cap and maintenance strip, landscaping, and irrigation.

Nexus

Roadway systems are necessary to accommodate new development. The rates are directly related to system utilization by each land use category.

AB602: ITE provides a nationally accepted methodology for estimating trips generated from residential land uses. The estimate of trips is not based on dwelling size as that data does not exist in the ITE database. The major street fees are prorated based on impact (trip generation) per unit and is therefore best estimated according to land use instead of residential square footage.

Methodology

1. Calculate the total cost of system components and financing.
2. Calculate the weighted Gross Acreage for each land use category.
3. Rate = total cost divided by weighted Gross Acreage.
4. Convert the rate to a per unit cost for residential developments.
5. Convert the rate to a per square foot cost for non-residential developments.

Summary of Factors contributing to Rate Change

- This year's adjustment was based on a comprehensive cost evaluation.

Traffic Signal Fee

2023-2024

	Existing Rates, Area 1	
SFR - Rural (0 - 0.5)	\$802	per unit
SFR - Very Low Density (0.6 - 2)	\$801	per unit
SFR - Low Density (2.1 - 4)	\$801	per unit
SFR - Medium Density (4.1 - 7)	\$801	per unit
MFR - Medium High Density (7.1 - 15)	\$481	per unit
MFR - High (15.1 - 25)	\$481	per unit
MFR - Very High (25.1 - 43)	\$481	per 1000 bldg sf
Retail	\$1,264	per 1000 bldg sf
Office, Public Facilities	\$576	per 1000 bldg sf
Industrial, Assisted Living	\$155	per 1000 bldg sf
Schools	\$1,011	per 1000 bldg sf
Churches	\$576	per 1000 bldg sf
Mini Storage	\$2,026	per gross acre

Proposed Rates, Area 1		
		% change
\$860	per unit	7.2%
\$859	per unit	7.2%
\$860	per unit	7.4%
\$859	per unit	7.2%
\$516	per unit	7.3%
\$516	per unit	7.3%
\$516	per 1000 bldg sf	7.3%
\$1,356	per 1000 bldg sf	7.3%
\$619	per 1000 bldg sf	7.5%
\$166	per 1000 bldg sf	7.1%
\$1,085	per 1000 bldg sf	7.3%
\$619	per 1000 bldg sf	7.5%
\$2,169	per gross acre	7.1%

Area 1 RT Park Phase 1, 2	Existing Rates, Area 1	
	Industrial	\$129
Office	\$481	per 1000 bldg sf

Proposed Rates, Area 1		
		% change
\$121	per 1000 bldg sf	-6.2%
\$450	per 1000 bldg sf	-6.4%

	Existing Rates, Area 2	
SFR - Rural (0 - 0.5)	\$105	per unit
SFR - Very Low Density (0.6 - 2)	\$106	per unit
SFR - Low Density (2.1 - 4)	\$106	per unit
SFR - Medium Density (4.1 - 7)	\$106	per unit
MFR - Medium High Density (7.1 - 15)	\$63	per unit
MFR - High (15.1 - 25)	\$63	per unit
MFR - Very High (25.1 - 43)	\$63	per 1000 bldg sf
Retail	\$166	per 1000 bldg sf
Office, Public Facilities	\$76	per 1000 bldg sf
Industrial, Assisted Living	\$21	per 1000 bldg sf
Schools	\$133	per 1000 bldg sf
Churches	\$76	per 1000 bldg sf
Mini Storage	\$270	per gross acre

Proposed Rates, Area 2		
		% change
\$105	per unit	0.0%
\$106	per unit	0.0%
\$106	per unit	0.0%
\$106	per unit	0.0%
\$63	per unit	0.0%
\$63	per unit	0.0%
\$63	per 1000 bldg sf	0.0%
\$166	per 1000 bldg sf	0.0%
\$76	per 1000 bldg sf	0.0%
\$21	per 1000 bldg sf	0.0%
\$133	per 1000 bldg sf	0.0%
\$76	per 1000 bldg sf	0.0%
\$270	per gross acre	0.0%

	Existing Rates, Area 3	
SFR - Rural (0 - 0.5)	\$37	per unit
SFR - Very Low Density (0.6 - 2)	\$38	per unit
SFR - Low Density (2.1 - 4)	\$38	per unit
SFR - Medium Density (4.1 - 7)	\$38	per unit
MFR - Medium High Density (7.1 - 15)	\$23	per unit
MFR - High (15.1 - 25)	\$23	per unit
MFR - Very High (25.1 - 43)	\$23	per 1000 bldg sf
Retail	\$60	per 1000 bldg sf
Office, Public Facilities	\$27	per 1000 bldg sf
Industrial, Assisted Living	\$7	per 1000 bldg sf
Schools	\$48	per 1000 bldg sf
Churches	\$27	per 1000 bldg sf
Mini Storage	\$100	per gross acre

Proposed Rates, Area 3		
		% change
\$37	per unit	0.0%
\$38	per unit	0.0%
\$38	per unit	0.0%
\$38	per unit	0.0%
\$23	per unit	0.0%
\$23	per unit	0.0%
\$23	per 1000 bldg sf	0.0%
\$60	per 1000 bldg sf	0.0%
\$27	per 1000 bldg sf	0.0%
\$7	per 1000 bldg sf	0.0%
\$48	per 1000 bldg sf	0.0%
\$27	per 1000 bldg sf	0.0%
\$100	per gross acre	0.0%

Traffic Signal Fee

2023-2024

	Existing Rates, Area 4	
SFR - Rural (0 - 0.5)	\$530	per unit
SFR - Very Low Density (0.6 - 2)	\$531	per unit
SFR - Low Density (2.1 - 4)	\$531	per unit
SFR - Medium Density (4.1 - 7)	\$531	per unit
MFR - Medium High Density (7.1 - 15)	\$318	per unit
MFR - High (15.1 - 25)	\$318	per unit
MFR - Very High (25.1 - 43)	\$318	per 1000 bldg sf
Retail	\$837	per 1000 bldg sf
Office, Public Facilities	\$382	per 1000 bldg sf
Industrial, Assisted Living	\$103	per 1000 bldg sf
Schools	\$670	per 1000 bldg sf
Churches	\$382	per 1000 bldg sf
Mini Storage	\$1,346	per gross acre

Proposed Rates, Area 4		% change
\$586	per unit	10.6%
\$585	per unit	10.2%
\$585	per unit	10.2%
\$585	per unit	10.2%
\$351	per unit	10.4%
\$351	per unit	10.4%
\$351	per 1000 bldg sf	10.4%
\$924	per 1000 bldg sf	10.4%
\$421	per 1000 bldg sf	10.2%
\$113	per 1000 bldg sf	9.7%
\$739	per 1000 bldg sf	10.3%
\$421	per 1000 bldg sf	10.2%
\$1,477	per gross acre	9.7%

	Existing Rates, Area 5	
SFR - Rural (0 - 0.5)	\$357	per unit
SFR - Very Low Density (0.6 - 2)	\$357	per unit
SFR - Low Density (2.1 - 4)	\$357	per unit
SFR - Medium Density (4.1 - 7)	\$357	per unit
MFR - Medium High Density (7.1 - 15)	\$214	per unit
MFR - High (15.1 - 25)	\$214	per unit
MFR - Very High (25.1 - 43)	\$214	per 1000 bldg sf
Retail	\$565	per 1000 bldg sf
Office, Public Facilities	\$258	per 1000 bldg sf
Industrial, Assisted Living	\$69	per 1000 bldg sf
Schools	\$452	per 1000 bldg sf
Churches	\$258	per 1000 bldg sf
Mini Storage	\$902	per gross acre

Proposed Rates, Area 5		% change
\$378	per unit	6.0%
\$378	per unit	6.0%
\$378	per unit	6.0%
\$377	per unit	5.8%
\$227	per unit	6.1%
\$227	per unit	6.1%
\$227	per 1000 bldg sf	6.1%
\$596	per 1000 bldg sf	5.6%
\$272	per 1000 bldg sf	5.6%
\$73	per 1000 bldg sf	5.8%
\$477	per 1000 bldg sf	5.5%
\$272	per 1000 bldg sf	5.6%
\$954	per gross acre	5.8%

* Gross Acreage shall mean the total area of land, including one-half the right-of-way on the boundary streets.

^ Unit is defined as each separate dwelling unit.

^^ EDU = Equivalent Dwelling Unit is defined as follows:

- Retail - 1 EDU = 2450 square feet of building area
- Office - 1 EDU = 2450 square feet of building area
- Industrial - 1 EDU = 2450 square feet of building area

Purpose of Fee

The Traffic Signal fee pays for the construction and financing of those certain planned traffic signals at the intersection of Major Streets and the interconnecting fiber optic system.

Scope of Improvements covered

Construction and financing costs for the signal, the power systems, the detection systems and interconnecting fiber optic system.

Nexus

Traffic signal systems are necessary to accommodate new development as they increase vehicular and pedestrian safety. The rates are directly related to system utilization by each land use category.

AB602: ITE provides a nationally accepted methodology for estimating trips generated from residential land uses. The estimate of trips is not based on dwelling size as that data does not exist in the ITE database. The major street fees are prorated based on impact (trip generation) per unit and is therefore best estimated according to land use instead of residential square footage.

Methodology

1. Calculate the total cost of system components and financing.
2. Calculate the weighted Gross Acreage for each land use category.
3. Rate = total cost divided by weighted Gross Acreage.
4. Convert the rate to a per unit cost for residential developments.
5. Convert the rate to a per square foot cost for non-residential developments.

Summary of Factors contributing to Rate Change

- This year's adjustment was based on a comprehensive cost evaluation.

Bridge Fee

2023-2024

	Existing Rates, Area 1	
SFR - Rural (0 - 0.5)	\$68	per unit
SFR - Very Low Density (0.6 - 2)	\$69	per unit
SFR - Low Density (2.1 - 4)	\$69	per unit
SFR - Medium Density (4.1 - 7)	\$69	per unit
MFR - Medium High Density (7.1 - 15)	\$41	per unit
MFR - High (15.1 - 25)	\$41	per unit
MFR - Very High (25.1 - 43)	\$41	per 1000 bldg sf
Retail	\$108	per 1000 bldg sf
Office, Public Facilities	\$49	per 1000 bldg sf
Industrial, Assisted Living	\$13	per 1000 bldg sf
Schools	\$87	per 1000 bldg sf
Churches	\$49	per 1000 bldg sf
Mini Storage	\$178	per gross acre

Proposed Rates, Area 1		
		% change
\$78	per unit	14.7%
\$78	per unit	13.0%
\$78	per unit	13.0%
\$78	per unit	13.0%
\$47	per unit	14.6%
\$47	per unit	14.6%
\$47	per 1000 bldg sf	14.6%
\$122	per 1000 bldg sf	13.0%
\$56	per 1000 bldg sf	14.3%
\$15	per 1000 bldg sf	15.4%
\$98	per 1000 bldg sf	12.6%
\$56	per 1000 bldg sf	14.3%
\$196	per gross acre	10.1%

Area 1 RT Park Phase 1. 2	Existing Rates, Area 1	
Industrial	\$0	per 1000 bldg sf
Office	\$0	per 1000 bldg sf

Proposed Rates, Area 1		
		% change
\$0	per 1000 bldg sf	0%
\$0	per 1000 bldg sf	0%

	Existing Rates, Area 2	
SFR - Rural (0 - 0.5)	\$0	per unit
SFR - Very Low Density (0.6 - 2)	\$0	per unit
SFR - Low Density (2.1 - 4)	\$0	per unit
SFR - Medium Density (4.1 - 7)	\$0	per unit
MFR - Medium High Density (7.1 - 15)	\$0	per unit
MFR - High (15.1 - 25)	\$0	per unit
MFR - Very High (25.1 - 43)	\$0	per 1000 bldg sf
Retail	\$0	per 1000 bldg sf
Office, Public Facilities	\$0	per 1000 bldg sf
Industrial, Assisted Living	\$0	per 1000 bldg sf
Schools	\$0	per 1000 bldg sf
Churches	\$0	per 1000 bldg sf
Mini Storage	\$0	per gross acre

Proposed Rates, Area 2		
		% change
\$0	per unit	0%
\$0	per unit	0%
\$0	per unit	0%
\$0	per unit	0%
\$0	per unit	0%
\$0	per unit	0%
\$0	per unit	0%
\$0	per 1000 bldg sf	0%
\$0	per 1000 bldg sf	0%
\$0	per 1000 bldg sf	0%
\$0	per 1000 bldg sf	0%
\$0	per 1000 bldg sf	0%
\$0	per 1000 bldg sf	0%
\$0	per gross acre	0%

	Existing Rates, Area 3	
SFR - Rural (0 - 0.5)	\$0	per unit
SFR - Very Low Density (0.6 - 2)	\$0	per unit
SFR - Low Density (2.1 - 4)	\$0	per unit
SFR - Medium Density (4.1 - 7)	\$0	per unit
MFR - Medium High Density (7.1 - 15)	\$0	per unit
MFR - High (15.1 - 25)	\$0	per unit
MFR - Very High (25.1 - 43)	\$0	per 1000 bldg sf
Retail	\$0	per 1000 bldg sf
Office, Public Facilities	\$0	per 1000 bldg sf
Industrial, Assisted Living	\$0	per 1000 bldg sf
Schools	\$0	per 1000 bldg sf
Churches	\$0	per 1000 bldg sf
Mini Storage	\$0	per gross acre

Proposed Rates, Area 3		
		% change
\$0	per unit	0%
\$0	per unit	0%
\$0	per unit	0%
\$0	per unit	0%
\$0	per unit	0%
\$0	per unit	0%
\$0	per unit	0%
\$0	per 1000 bldg sf	0%
\$0	per 1000 bldg sf	0%
\$0	per 1000 bldg sf	0%
\$0	per 1000 bldg sf	0%
\$0	per 1000 bldg sf	0%
\$0	per 1000 bldg sf	0%
\$0	per gross acre	0%

Bridge Fee

2023-2024

	Existing Rates, Area 4	
SFR - Rural (0 - 0.5)	\$595	per unit
SFR - Very Low Density (0.6 - 2)	\$595	per unit
SFR - Low Density (2.1 - 4)	\$595	per unit
SFR - Medium Density (4.1 - 7)	\$595	per unit
MFR - Medium High Density (7.1 - 15)	\$355	per unit
MFR - High (15.1 - 25)	\$355	per unit
MFR - Very High (25.1 - 43)	\$355	per 1000 bldg sf
Retail	\$937	per 1000 bldg sf
Office, Public Facilities	\$428	per 1000 bldg sf
Industrial, Assisted Living	\$116	per 1000 bldg sf
Schools	\$751	per 1000 bldg sf
Churches	\$428	per 1000 bldg sf
Mini Storage	\$1,510	per gross acre

Proposed Rates, Area 4		% change
\$686	per unit	15.4%
\$686	per unit	15.4%
\$687	per unit	15.5%
\$687	per unit	15.5%
\$412	per unit	15.9%
\$412	per unit	15.9%
\$412	per 1000 bldg sf	15.9%
\$1,083	per 1000 bldg sf	15.6%
\$494	per 1000 bldg sf	15.5%
\$133	per 1000 bldg sf	14.5%
\$867	per 1000 bldg sf	15.5%
\$494	per 1000 bldg sf	15.5%
\$1,738	per gross acre	15.1%

	Existing Rates, Area 5	
SFR - Rural (0 - 0.5)	\$204	per unit
SFR - Very Low Density (0.6 - 2)	\$205	per unit
SFR - Low Density (2.1 - 4)	\$205	per unit
SFR - Medium Density (4.1 - 7)	\$205	per unit
MFR - Medium High Density (7.1 - 15)	\$123	per unit
MFR - High (15.1 - 25)	\$123	per unit
MFR - Very High (25.1 - 43)	\$123	per 1000 bldg sf
Retail	\$323	per 1000 bldg sf
Office, Public Facilities	\$147	per 1000 bldg sf
Industrial, Assisted Living	\$40	per 1000 bldg sf
Schools	\$258	per 1000 bldg sf
Churches	\$147	per 1000 bldg sf
Mini Storage	\$523	per gross acre

Proposed Rates, Area 5		% change
\$214	per unit	4.9%
\$213	per unit	3.9%
\$213	per unit	3.9%
\$213	per unit	3.9%
\$213	per unit	3.9%
\$128	per unit	4.1%
\$128	per unit	4.1%
\$128	per 1000 bldg sf	4.1%
\$337	per 1000 bldg sf	4.3%
\$154	per 1000 bldg sf	4.8%
\$41	per 1000 bldg sf	2.5%
\$270	per 1000 bldg sf	4.7%
\$154	per 1000 bldg sf	4.8%
\$536	per gross acre	2.5%

* Gross Acreage shall mean the total area of land, including one-half the right-of-way on the boundary streets.

^ Unit is defined as each separate dwelling unit.

^^ EDU = Equivalent Dwelling Unit is defined as follows:
 Retail - 1 EDU = 2450 square feet of building area
 Office - 1 EDU = 2450 square feet of building area
 Industrial - 1 EDU = 2450 square feet of building area

Purpose of Fee

The Bridge fee pays for the construction and financing of those certain planned bridge facilities at locations where Major Streets cross various waterways.

Scope of Improvements covered

Construction and financing costs for the bridge, culvert and erosion protection systems.

Nexus

Bridge systems are necessary to accommodate new development to allow Major Streets to cross waterways. The rates are directly related to system utilization by each land use category.

AB602: ITE provides a nationally accepted methodology for estimating trips generated from residential land uses. The estimate of trips is not based on dwelling size as that data does not exist in the ITE database. The major street fees are prorated based on impact (trip generation) per unit and is therefore best estimated according to land use instead of residential square footage.

Methodology

1. Calculate the total cost of system components and financing.
2. Calculate the weighted Gross Acreage for each land use category.
3. Rate = total cost divided by weighted Gross Acreage.
4. Convert the rate to a per unit cost for residential developments.
5. Convert the rate to a per square foot cost for non-residential developments.

Summary of Factors contributing to Rate Change

- This year's adjustment was based on a comprehensive cost evaluation.

2023-2024

Existing Rates			
Area 1	\$8,692	per	Gr. Ac.
RT Park Phase1, 2	\$2,894	per	Gr. Ac.
Area 2	\$0	per	Gr. Ac.
Area 3	\$8,268	per	Gr. Ac.
Area 4	\$7,960	per	Gr. Ac.

Proposed Rates				% change
Area 1	\$8,400	per	Gr. Ac.	
RT Park Phase1, 2	\$2,797	per	Gr. Ac.	-3.4%
Area 2	\$0	per	Gr. Ac.	0%
Area 3	\$8,003	per	Gr. Ac.	-3.2%
Area 4	\$7,823	per	Gr. Ac.	-1.7%

Purpose of Fee

The Utility Undergrounding Fee pays for the relocation of certain overhead electric utilities from overhead to underground, generally along major streets in urbanizing areas.

Scope of Improvements covered

Specific overhead lines have been designated to be placed underground, generally along major streets in developing areas. Overhead electric utilities in older, developed areas and areas that are either on the City fringe or are to remain rural in nature are generally excluded.

Nexus

Undergrounding existing overhead utilities is an aesthetic, and in many cases, safety enhancement to the general community. Each developing property within a benefit zone is deemed to receive a benefit that is uniform among property locations and development types. Therefore, the cost is spread among all properties equally on an acreage basis.

AB602: The current method meets the intent of AB602 to impose lower fees on smaller dwellings that are typical of higher density developments.

Methodology

1. Calculate the total cost of all utilities to be placed underground.
2. Calculate the developable acreage within each benefit area that will contribute.
3. Rate = total cost divided by gross acreage.

Summary of Factors contributing to Rate Change

- This year's adjustment was based on a comprehensive cost evaluation.

2023-2024

Existing Rates	
All Residential	\$5,354 per Unit
Retail	\$0.68 per Bldg. sf.
Office	\$1.48 per Bldg. sf.
Industrial	\$0.48 per Bldg. sf.
^ Unit is defined as each separate dwelling unit	
^^ Non-residential Fees are based on building square footage.	

Proposed Rates		% change
All Residential	\$5,662 per Unit	
Retail	\$0.69 per Bldg. sf.	1%
Office	\$1.50 per Bldg. sf.	1%
Industrial	\$0.49 per Bldg. sf.	2%
^ Unit is defined as each separate dwelling unit		
^^ Non-residential Fees are based on building square footage.		

Purpose of Fee

The Park Acquisition and Development Fee shall be used to finance (1) only the public facilities described or identified in the Parks and Recreation Element of the Clovis General Plan, as amended, which shall be acquired and developed by the City or (2) the reimbursement to the City for the owner/developer's or person's fair share of those park and recreation facilities already acquired and/or developed.

Scope of Improvements covered

The fee covers the public facilities described or identified in the Parks and Recreation Element of the Clovis General Plan, as amended.

Nexus

The Park Acquisition & Development Fee is to finance the acquisition and development of park and recreation facilities to reduce the impacts of increased user demand from increased population and diminished park and recreation facility capacity caused by new development in the City.

AB602: The need for additional open park space is identified in the Quimby Act as one (1) acre per 1000 residents. The Census data provides an average population per dwelling unit but does not connect population to dwelling size. Therefore, an average fee based on dwelling units is more empirical and accurate than basing the fee on residential square footage.

Methodology

1. Calculate total number of potential hours to be spent at park public facilities by Clovis residents.
2. Calculate total number of potential hours to be spent at park public facilities by employees working in Clovis.
3. Calculate the total cost of the remaining public facilities.
4. Calculate cost distribution based on percentage of total potential hours to be spent at park public facilities.
5. Calculate the projected total of residential units within the Sphere of Influence.
6. Calculate the projected total of commercial building area within the Sphere of Influence.
7. a. Residential Rate = Residential development's portion of the total cost divided by total residential units.
 b. Retail Rate = Retail development's portion of the total cost divided by total retail building area..
 b. Office Rate = Office development's portion of the total cost divided by total office building area..
 b. Industrial Rate = Industrial development's portion of the total cost divided by total industrial building area.

Summary of Factors contributing to Rate Change

The distribution of cost is based on potential hours spent at park public facilities by each use category, as opposed to a general percentage-based distribution. Also, distribution of cost no longer considers grant funding. As with all other development impact fees, park public facilities are funded 100% by development and grant funding is considered a cost-savings. Rate increases are due to a comprehensive cost evaluation.

2023-2024

Existing Rates	
Single Family	\$481 per Unit
Multi-Family, non-Res	\$396 per Unit
* Unit is defined as each separate dwelling unit or EDU EDU = Equivalent Dwelling Unit is defined as follows Office - 1 EDU = 9680 square feet of gross parcel area Industrial - 1 EDU = 9680 square feet of gross parcel area Retail - 1 EDU = 9680 square feet of gross parcel area	

Proposed Rates		% change
Single Family	\$509 per Unit	5.8%
Multi-Family, non-Res	\$412 per Unit	4.0%
* Unit is defined as each separate dwelling unit or EDU EDU = Equivalent Dwelling Unit is defined as follows Office - 1 EDU = 9680 square feet of gross parcel area Industrial - 1 EDU = 9680 square feet of gross parcel area Retail - 1 EDU = 9680 square feet of gross parcel area		

Purpose of Fee

The Community Sanitation Fee is for the purchase of residential carts, commercial bins, disposal and community cleanup trucks and loaders, and street sweeping equipment.

Scope of Improvements covered

The fee covers initial capital outlay for garbage trucks, community cleanup trucks and loaders, residential carts, and commercial bins.

Nexus

The Community Sanitation Fee is to finance initial community sanitation capital outlay to reduce the impacts of increased user demand from increased population and diminished community sanitation service capacity caused by new development in the City.

AB602: Residential service is once a week per dwelling unit with no variation for dwelling size. The current method is unit based which is a more direct connection to the service provided than using residential square footage.

Methodology

1. Determine the cost for each type of vehicle and bin.
2. Determine the number of residential units served by each type of vehicle.
3. Determine the average number of bins used per residential unit.
4. Determine the number of commercial EDUs served by each type of vehicle.
5. Determine the average number of bins used per commercial EDU.
6. a. Residential Rate = total cost of each type of vehicle per residential unit plus the cost of the average number of bins per unit.
 b. Commercial Rate = total cost of each type of vehicle plus the cost of the average number of bins per commercial EDU.

Summary of Factors contributing to Rate Change

- This year's adjustment was based on a comprehensive cost evaluation.

2023-2024

Existing Rates	
All Land Uses	\$2,347 per Unit *
<p>* Unit is defined as each separate dwelling unit. Residential unit is defined as each separate living dwelling unit for single family and multi family developments. EDU = equivalent Dwelling Unit is defined as follows: Hotel, motel commercial, professional, and industrial developments = 9680 square feet of gross parcel acrea. Assisted living facilities, churches, hospitals, and non public schools - 1 EDU = 1500 square feet of gross building area. Public schools - 1 EDU = 29,000 square feet of gross lot acreage.</p>	

Proposed Rates		% change
All Land Uses	\$2,075 per Unit ^	-12%
<p>^ Unit is defined as each separate dwelling unit. Residential unit is defined as each living separate dwelling unit for single family and multi family developments. EDU = equivalent Dwelling Unit is defined as follows: Hotel, motel commercial, professional, and industrial developments = 9680 square feet of gross parcel acre. Assisted living facilities, churches, hospitals, and non public schools - 1 EDU = 1500 square feet of gross building area. Public schools - 1 EDU = 29,000 square feet of gross lot acreage.</p>		

Purpose of Fee

The Fire Department Fee pays for fire stations, fire engines, ladder truck and associated equipment for the entire sphere of influence. This fee is not for the maintenance or replacement of fire stations, fire engines, ladder truck, or associated equipment.

Scope of Improvements covered

The Fire Department Fee includes all costs related to the acquisition, construction, and/ or financing of fire stations, fire engines, ladder truck, and all associated equipment required to meet the needs of the new development within the City's sphere of influence. The rate includes purchase of ladder apparatus that was previously funded under the Multi Story Impact Fee.

Nexus

All development induces a need for fire protection. The cost of the emergency response infrastructure includes the facilities listed above. The cost of the entire system is apportioned among all units within the entire sphere of influence to arrive at a rate per unit or EDU. It was determined that ladder trucks are frequently used and are indispensable on many one and two story structure fires in addition to being available for high rise buildings incidents. Therefore, the ladder and associated equipment serves the entire community and has been included in the Fire Department Fee.

AB602: There is no data to support an assumption that smaller dwelling units generate fewer calls for service than larger dwelling units. There is, however, generally accepted national practice correlating the number of stations to population. Using Census data for average population per dwelling unit provides the nexus to base the fees on dwelling units more accurately than basing the fee on residential square footage.

Methodology

1. Calculate the total current property acquisition, construction cost, furnishings and equipment of an average fire station.
2. Calculate the number of residential and non-residential units within the service area of an average fire station.
3. Rate = the total cost divided by the total units for an average service area.

Summary of Factors contributing to Rate Change

- Revised cost per square foot to construct new fire stations and the current cost of equipment.

2023-2024

Existing Rates	
All Land Uses	\$1,134 per Unit *
<p>* Unit is defined as each separate dwelling unit. Residential unit is defined as each separate living dwelling unit for single family and multi family developments. EDU = equivalent Dwelling Unit is defined as follows: Hotel, motel commercial, professional, and industrial developments = 9680 square feet of gross parcel acrea. Assisted living facilities, churches, hospitals, and non public schools - 1 EDU = 1500 square feet of gross building area. Public schools - 1 EDU = 29,000 square feet of gross lot acreage.</p>	

Proposed Rates		% change
All Land Uses	\$1,457 per Unit ^	28%
<p>^ Unit is defined as each separate dwelling unit. Residential unit is defined as each living separate dwelling unit for single family and multi family developments. EDU = equivalent Dwelling Unit is defined as follows: Hotel, motel commercial, professional, and industrial developments = 9680 square feet of gross parcel acre. Assisted living facilities, churches, hospitals, and non public schools - 1 EDU = 1500 square feet of gross building area. Public schools - 1 EDU = 29,000 square feet of gross lot acreage.</p>		

Purpose of Fee

The Police Department Fee pays for police stations, vehicles and associated equipment for the entire sphere of influence. This fee is not for the maintenance or replacement of police stations, vehicles, or associated equipment.

Scope of Improvements covered

The Police Department Fee includes all costs related to the acquisition, construction, and/ or financing of police stations, vehicles, and all associated equipment required to meet the needs of the new development within the City's sphere of influence.

Nexus

All development induces a need for police protection. The cost of the emergency response infrastructure includes the facilities listed above. The cost of the entire system is apportioned among all units within the entire sphere of influence to arrive at a rate per unit or EDU.

AB602: There is no data to support an assumption that smaller dwelling units generate fewer calls for service than larger dwelling units. There is, however, generally accepted national practice correlating the number of stations to population. Using Census data for average population per dwelling unit provides the nexus to base the fees on dwelling units more accurately than basing the fee on residential square footage.

Methodology

1. Calculate the total current property acquisition, construction cost, furnishings and equipment of an average police station.
2. Calculate the number of residential and non-residential units within the service area of an average police station.
3. Rate = the total cost divided by the total units for an average service area.

Summary of Factors contributing to Rate Change

- Revised equipment acquisition and construction estimates.

Existing Rates	
Single Family Residential	\$760 per Unit *
Multi Family Residential	\$621 per Unit*
* Unit is defined as each separate dwelling unit . Residential unit is defined as each living separate dwelling unit for single family, multi family, apartment, mobile home, condominium, cooperative, or planned developments. EDU = equivalent Dwelling Unit is defined as follows: Assisted living facilities and group homes - 1 EDU = 1500 square feet of gross building area.	

Proposed Rates		% change
Single Family Residential	\$760 per Unit ^	0%
Multi Family Residential	\$621 per Unit ^	0%
^ Unit is defined as each separate dwelling unit . Residential unit is defined as each living separate dwelling unit for single family, multi family, apartment, mobile home, condominium, cooperative, or planned developments. EDU = equivalent Dwelling Unit is defined as follows: Assisted living facilities and group homes - 1 EDU = 1500 square feet of gross building area.		

Purpose of Fee

The Library Fee pays for the mitigation of adverse impacts to public library facilities and equipment attributed to new development.

Scope of Improvements covered

The library fee includes all costs related to the acquisition, construction, and/ or financing of public library facilities and or equipment, including land acquisition, building construction, parking, landscaping, signs, monuments, computer stations, books shelving, furniture and other related equipment required to meet the needs of the new development with the City's sphere of influence.

Nexus

Fresno County in 2003 adopted a Heart of the Community study that addressed the planning, needs, and growth impacts to the County library system for the entire Fresno County. This study identified the library facilities that will be required in the future. The Clovis Library fee was approved to capture Clovis's portion of the Fresno County Library fee and use it only in the City of Clovis. The City Library fee does not include all the funding required to construct all the Library facilities in Clovis' Sphere of Influence, since the Clovis library service area extends beyond the sphere boundaries. Additional funding would have to come from other sources including tax measures, grants, and contributions.

AB602: The Fresno County study identified the needs based on new home counts with no correlation between home sizes and system needs. Therefore a per home basis is more appropriate than a square footage basis.

Methodology

1. Calculate the total cost of the remaining library facilities needed to serve the City's Sphere of Influence.
2. Divide the total cost of the remaining library facilities by the total remaining library building area and obtain a cost per building square foot.
3. Divide the Cost per building square foot by the library building area needed per person from the Clovis Library Facilities Improvement Impact Fees Study to obtain Library cost per person.
4. Multiply the Library cost per person by Persons per owner occupied dwelling unit from the US 2010 Census and obtain a Cost per Single Family Residential Dwelling Unit.
5. Multiply the Library cost per person by Persons per renter occupied dwelling unit from the US 2010 Census and obtain a Cost per Multi Family Residential Dwelling Unit.

Summary of Factors contributing to Rate Change

- No change in rate proposed.

Appendix A

Findings in Support of the Continuation of City Policies to Impose Residential Development Impact Fees
on a Per Unit or Per Acreage Basis

Findings in Support of the Continuation of City Policies to Impose Residential Development Impact Fees on a Per Unit or Per Acreage Basis

AB602 was signed by California Governor Gavin Newsom in September 2021. It became part of the State's Government Code and it includes several requirements for agencies which are intended to:

1. Promote new Statewide standards for Development Impact Fee Nexus Studies.
2. Provide improved transparency by the publishing of information on an agency's website.
3. Support smaller and multi-family developments.

A portion of AB602 specific to Development Impact Fees states to following:

Government Code, Section 66016.5(a)(5)

- (A) A nexus study adopted after July 1, 2022, shall calculate a fee imposed on a housing development project proportionately to the square footage of proposed units of the development. A local agency that imposes a fee proportionately to the square footage of the proposed units of the development shall be deemed to have used a valid method to establish a reasonable relationship between the fee charged and the burden posed by the development.
- (B) A nexus study is not required to comply with subparagraph (A) if the local agency makes a finding that includes all of the following:
 - (i) An explanation as to why square footage is not appropriate metric to calculate fees imposed on housing development project.
 - (ii) An explanation that an alternative basis of calculating the fee bears a reasonable relationship between the fee charged and the burden posed by the development.
 - (iii) That other policies in the fee structure support smaller developments, or otherwise ensure that smaller developments are not charged disproportionate fees.

Stated another way, the City must either calculate the Development Impact Fees imposed on housing developments proportional to the square footage of the proposed units or make specific findings as to why they are based on another metric.

There is no requirement for the City to include a financial element within its General Plan. Therefore, a well-defined Development Impact Fee program and associated nexus studies function as the de-facto financial plan in support of the City's General Plan. They identify the anticipated service demands by type of infrastructure and establish a fair, reasonable method to finance the required capital projects and acquisitions to accommodate the anticipated service demands from development.

The City of Clovis has expressed a desire to continue imposing Development Impact Fees on housing development projects in their current manner, which is not based on the square footage of the proposed units. The unit of assessment is currently a per unit basis and in some instances a per acreage basis. The current fee methodology and unit of assessment provides greater accuracy for planning than a square footage basis.

The requirement of AB602 to impose Development Impact Fees on based on the dwelling unit size assumes that anticipated service demands are lower for smaller dwelling units and higher for larger dwelling units. The City's current methodology is supported by years of data and peer reviews, which contrasts with the unsubstantiated assumption of AB602.

The City's development code describes a maximum Floor Area Ratio (FAR) that limits the building sizes for non-residential development projects, but there is not a size limitation placed upon residential projects. There are height restrictions and setback restrictions from the property lines that vary somewhat between density ranges, but otherwise the square footage of the dwelling unit is largely based upon what the developer has determined is marketable. Given this flexibility, a project will frequently see a wide range of dwelling sizes within each density range.

The Mitigation Fee Act (Government Code, Sections 66000 - 66024) requires certain findings by agencies that establish, increase, or impose fees as a condition of approval of a development project. These requirements are:

1. Identify the purpose of the fee.
2. Identify the use to which the fee is to be put (identify the public facilities to be constructed).
3. Determine how there is a reasonable relationship (nexus) between the fee's and the type of development project on which the fee is imposed.
4. Determine how there is a reasonable relationship (nexus) between the need for the public facility and the type of development project on which the fee is imposed.

Items 1 and 2 are clearly identified in the City's Municipal Code. Items 3 and 4 are met through multiple actions taken by the City Council such as:

1. The General Plan
2. Specific Plans
3. Master Plans for Sewer, Water, Recycled Water, etc.

The method by which fee rates are established which evaluates the cost of improvements identified in the various adopted plans and distributes that cost among the developable properties within the respective service areas in rough proportion to their impact on, or need for, the public facilities.

The City's Development Impact Fee program has years of empirical data to define the average impacts of residential developments to services based on land uses and density; this proof is in compliance with the Mitigation Fee Act. The data produces average impacts on a basis of acreage or dwelling unit, but the data does not provide a correlation to the square footage of the dwelling units. The collection of fees for development-based demands is a one-time fee that represents the service needs of that dwelling unit as long as the structure exists. The assumption that smaller units generate less service demand than larger units does not consider the reality that any dwelling may have different occupants and therefore different demands over its 50-year life, nor does the assumption consider the fact that a duplicate dwelling may be home to a different number of residents in each of its instances. An example of this is that the number of occupants may change as the dwelling changes owners or the needs of the owner and their family changes. Another example would be that identical dwellings may house a single occupant or multiple occupants.

Description of City Development Impact Fee categories

- Sewer and Water - The City has data related to measured sewage flow generation and water usage specific to land uses and density ranges of residential developments. The Master Plans for pipe sizes and treatment capacity are based upon the average service demands of existing land, which in turn is used to predict future demands for residential and non-residential development. The Master Plans identify the need for additional infrastructure based upon the number of residential dwelling units and the financing should be on the same basis, not based on dwelling size.

- Non-Potable Water - The costs of the City system are prorated on an acreage basis, allowing for a lower cost per unit as density increases. The non-potable water is used for irrigation purposes in place of potable water which helps the City reduce its dependence on ground water. The benefit is more directly connected to the size in acres of the residential project than the sizes of the homes. The current method provides a strong nexus in compliance with the Mitigation Fee Act while also meeting the intent of AB602 to impose lower fees on smaller dwellings that are typical of higher density developments.
- Major Streets - ITE provides a nationally accepted methodology for estimating trips generated from residential land uses. The estimate of trips is not based on dwelling size as that data does not exist in the ITE database. The major street fees are prorated based on impact (trip generation) per unit and is therefore best estimated according to land use instead of dwelling size.
- Undergrounding of Overhead Utilities – Similar to non-potable water, the costs are prorated on an acreage basis and allow for a lower cost per unit as density increases. The current method meets the intent of AB602 to impose lower fees on smaller dwellings that are typical of higher density developments.
- Community Sanitation – Residential service is once a week per dwelling unit with no variation for dwelling size. The current method is unit based which is a more direct connection to the service provided.
- Parks – The need for additional open park space is identified in the Quimby Act as one (1) acre per 1000 residents. The Census data provides an average population per dwelling unit but does not connect population to dwelling size. Therefore, an average fee based on dwelling units is more empirical and accurate than basing the fee on dwelling sizes.
- Fire and Police – There is no data to support an assumption that smaller dwelling units generate fewer calls for service than larger dwelling units. There is, however, generally accepted national practice correlating the number of stations to population. Using Census data for average population per dwelling unit provides the nexus to base the fees on dwelling units more accurately than basing the fee on dwelling sizes.

The City's current Development Impact Fee program neither favors nor penalizes one land use over another. The fees are based upon the fair share impact of each development and their land use. The type of dwelling unit for residential, whether it is single-family or multi-family, is the main factor that changes the demand for services. The City's data does not indicate that the main factor for service demand is dwelling size.

The City is mindful of the State's intentions to encourage residential construction of higher densities and they are assuming higher density development creates a lower demand due to their generally smaller sized dwelling units. However, given a lack of empirical data to support this, the City feels obligated to keep their current basis of imposing Development Impact Fees instead of charging based on dwelling sizes. The increases in property values and rents are an indicator of a thoughtful plan for City growth and a well-developed collection of development impact fees for funding the required services.

In conclusion, the current method in which Development Impact Fees are imposed either on a per unit basis or a per acreage basis has proven to be a fair means for housing developments. To charge based on a square footage basis would be unsupported by empirical data and less compliant with the Mitigation Fee Act.



CITY of CLOVIS

REPORT TO THE CITY COUNCIL

TO: Mayor and City Council

FROM: Administration

DATE: June 5, 2023

SUBJECT: Consider Approval - Res. 23-____, 2023-2024 City of Clovis Annual Budget, Five Year Capital Improvement Program, and Information regarding the Clovis Successor Agency. (Continued from the May 15, 2023, meeting)

Staff: John Holt, City Manager
Recommendation: Approve

ATTACHMENTS: 1. Res. 23-____

CONFLICT OF INTEREST

Councilmembers should consider recusal if a campaign contribution exceeding \$250 has been received from the project proponent (developer, applicant, agent, and/or participants) since January 1, 2023 (Government Code 84308).

RECOMMENDATION

Consider approval of the City of Clovis Annual Budget, Five Year Capital Improvement Program, and information regarding the Clovis Successor Agency. This item was introduced on May 15, 2023, and continued to the meeting of June 5, 2023. Staff is recommending the Council continue the public hearing, and adopt the budget resolution.

EXECUTIVE SUMMARY

The 2023-2024 Annual Budget for general operations and capital improvement programs for the City of Clovis in the amount of \$330.8 million is balanced using current revenues, anticipated rate increases and capital reserves and is hereby submitted, in accordance with the Clovis Municipal Code.

The 2023-2024 Annual Budget was developed to grow the City's operations to address growth and provide targeted investments in the City to improve the quality of life for its residents. While economic uncertainty still exists and the General Fund is still constrained, the City is in a solid fiscal position. The proposed budget further solidifies the City's financial position in maintaining reserves, setting aside funds for future needs, and reduces the potential need for debt financing while restoring critical services and making significant investments in our City. The major

challenge in the current budget, and years to come, is focused on the \$105.3 million General Fund budget. Sales and property taxes make up 85% of the total General Fund discretionary revenues. Staff is estimating an ending General Fund emergency reserve balance for June 30, 2024, of \$22.7 million, or 22% of the General Fund expenditures.

BACKGROUND

The 2023-2024 Annual Budget projects sales tax revenues to be \$32.0 million, which represents a 1% increase from the 2022-2023 Annual Budget. Over the last two years, sales tax experienced dramatic growth due to the shift to online purchases which was exacerbated by the pandemic. California's AB 147, the Marketplace Facilitator's Act, also provided vigorous gains in the county pools due to online purchases, of which the City receives a share. The City does not anticipate this rate of growth to continue and is projecting a moderate increase after experiencing robust growth in the prior two fiscal years. Sales tax is expected to flatten or grow modestly due to inflationary pressures on households shifting dollars away from discretionary spending as larger portions of income go to essentials such as food, transportation, and housing costs. Sales tax comprises 39% of the projected discretionary revenue for fiscal year 2023-2024.

Property tax revenues are expected to continue to rise, although new housing development is not anticipated to continue at historical levels in the near term. Commercial property tax revenues will be closely monitored as they may be impacted by the accelerated shift to online shopping and remote office work. Property taxes, including in-lieu vehicle license fees, are projected to be \$37.4 million in fiscal year 2023-2024, which represents a 11% increase from previous fiscal year. These property taxes comprise 46% of the projected discretionary revenue for fiscal year 2023-2024.

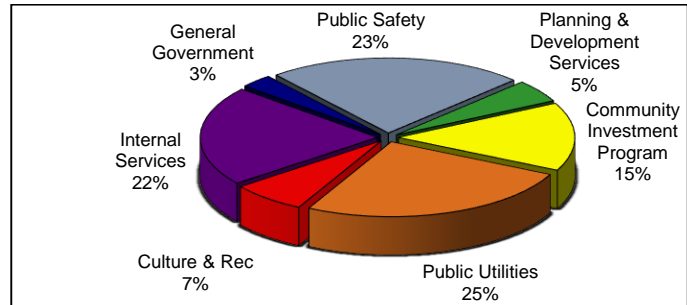
One of the keys for the long-term fiscal health of a growing community like Clovis is to accumulate savings sufficient to fund an emergency reserve that would adequately protect the City against an unexpected catastrophic event and protect City services until other options could be implemented during a rapid economic downturn. The emergency reserve is being maintained with 22%, or \$22.7 million.

Enterprise operations and other funds need to be self-balancing with sufficient reserves to meet service obligations and debt coverage. All enterprise operations and other funds are balanced. In addition, Sewer and Water operations have an authorized 3% rate escalator and Community Sanitation operations have an authorized 4% rate escalator. Sewer will implement the rate increase in this year's budget and the full \$7.30 bond surcharge will be rebated. Water will implement the authorized 3% increase and has two rate schedules: one for normal conditions and one for drought conditions. This year's budget anticipates normal conditions. Community Sanitation will implement the 4% increase for recycling and green waste services, refuse service, and street sweeping service. Each year, staff evaluates all Enterprise Funds to determine if any rate adjustments are necessary.

The Transit Enterprise remains fully funded and, with the City's population exceeding 100,000, Transit will receive the entire allocation of Local Transportation Funding.

The 2023-2024 Annual Budget for all funds totals \$330.8 million and is balanced using current revenues, anticipated rate increases, and capital reserves. This budget represents a 14% decrease compared to estimated expenditures for 2022-2023, due primarily to several large capital projects being completed in the current year and not reflected in the proposed budget. A summary of expenditures by function is provided below:

General Government	\$ 9,602,900
Public Safety	78,564,600
Planning & Development Services	15,348,900
Community Investment Program	49,006,000
Public Utilities	82,712,800
Culture & Rec.	21,690,900
Internal Services	73,827,700
TOTAL	<u><u>\$ 330,753,800</u></u>



The General Fund, which is the only source of discretionary funding used for basic government services such as public safety, streets, parks, recreation, and senior services, is budgeted to increase 7% above estimated expenditures for 2022-2023. Department budgets are proposed to increase due to budget increases for core services as well as additional salary and benefit costs. Total current revenue in the General Fund is estimated at \$105.2 million and expenditures of \$105.3 million are being proposed.

FISCAL IMPACT

In accordance with the Municipal Code, and in compliance with State law, the City Council is required to adopt a balanced, annual budget for each fiscal year by June 30. The annual budget provides a spending plan for the upcoming year that is balanced with expenditures kept in line with revenues and includes a five-year capital investment plan for the community.

REASON FOR RECOMMENDATION

The City Council must conduct a public hearing to provide an opportunity for the public to comment on the proposed annual budget; must review the proposal to determine that the financial plan fairly represents the fiscal policies and priorities of the City Council; and is required by local ordinance, in compliance with state law, to adopt a balanced budget by no later than June 30, 2023. If the Council fails to adopt a budget by that date, then the City Manager’s proposed budget will automatically become effective to avoid any interruption in City operations, but no capital projects or capital purchases would be allowed until final action by the City Council.

ACTIONS FOLLOWING APPROVAL

On May 15, 2023, the 2023-2024 City of Clovis Annual Budget was presented and recommended opening the public hearing for departmental review and comment, continue the public hearings to June 5, 2023, and adopt the budget resolution no later than June 30, 2023. The recommended Annual Budget has been available for review by the public since May 15, 2023 on the City’s website found at www.cityofclovis.com.

Prepared by: Gina Daniels, Assistant Finance Director

Reviewed by: City Manager *[Signature]*

RESOLUTION 23-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CLOVIS APPROVING THE ANNUAL BUDGET FOR FISCAL YEAR 2023-2024, ORDERING TRANSFERS, AND ADOPTING THE SUMMARY OF APPROPRIATIONS BY FUND AND DEPARTMENT AND OTHER NECESSARY ACTIONS RELATED TO APPROVING THE 2023-2024 BUDGET

WHEREAS, the City Council is required to adopt the Budget by June 30 of each year; and

WHEREAS, the Council has conducted a public hearing on the recommended 2023-2024 Budget; and

WHEREAS, the adoption of Proposition 111 on June 5, 1990, requires the Council adopt an Appropriation Limit; and

WHEREAS, the Council intends to establish the City's Appropriation Limit in conformance with the provisions of Proposition 111; and

WHEREAS, the City Council finds it necessary to adopt the 2023-2024 Budget.

NOW, THEREFORE BE IT RESOLVED, by the City of Clovis as follows:

1. The 2023-2024 Annual Budget and corresponding Personnel Allocation is approved.
2. The City Council approves and orders the transfer of monies in and out of various funds as set forth in the "Notes to Resources and Appropriations Summary" of said 2023-2024 Budget Book.
3. The "Summary of Expenditures/Expenses 2023-2024 by Department within Fund-Legal Level of Budgetary Control" attached as **Exhibit A** is approved.
4. The Appropriation Limit as calculated and shown on Page 9 of the 2023-2024 Budget book is approved for \$404,728,778.
5. The Council orders that any budget savings or unanticipated revenue be transferred to reserves in accordance with the Appropriation Limit.
6. Any amendments to the appropriations as may be subsequently approved by the Council shall be in conformance with Section 2-8.11, Section 2-8.13 and Section 2-8.17 of the Clovis Municipal Code.

- 7. The City Council orders that \$22,700,000 of the Fund Balance from the City's General Fund be designated as Emergency Reserve.
- 8. The City Council approves the Five-Year Capital Improvement Program that is included within the Annual Budget.
- 9. The Clovis Redevelopment Successor Agency's information is included in the City budget and accounting systems for administrative purposes and is shown on **Exhibit A**.
- 10. The updated Monthly Salary Schedules by bargaining group are attached as **Exhibit B**.
- 11. The City Council will implement the approved 3% annual increase in sewer user rates and will refund in full the \$7.30 per month sewer bond surcharge thereby adopting the fees itemized in **Exhibit C**.
- 12. The City Council will implement the approved annual 4% increase in rates for refuse, residential recycling and greenwaste and street sweeping as shown in **Exhibit D**.
- 13. The City Council will implement the approved 3% annual increase in water user rates thereby adopting the fees itemized in **Exhibit E**. The non-drought rates on **Exhibit E** will be in effect for 2023-2024.

* * * * *

The foregoing Resolution was introduced and adopted at a regular meeting of the City Council of the City of Clovis held on June 5, 2023, the following vote, to wit:

AYES:
NOES:
ABSENT:
ABSTAIN:

Dated: June 5, 2023

Mayor

City Clerk

City of Clovis Summary of Expenditures/Expenses 2023-2024 By Department within Fund-Legal Level of Budgetary Control											City 2023-2024 Total	Clovis Successor Agency
FUND	DEPARTMENT											
	City Council	City Attorney	City Manager	General Services	Finance	Planning & Dev Serv	Police	Fire	Public Utilities	Capital Improvements		
GENERAL												
General Fund	\$ 560,700	\$ 1,123,200	\$ 2,873,100	\$ 4,467,400	\$ 3,982,100		\$ 54,524,000	\$ 24,040,600	\$ 13,768,100		\$ 105,339,200	
SPECIAL REVENUE FUNDS												
Housing & Community Development			348,900								348,900	
Landscape Assessment District								5,298,000			5,298,000	
Community Facilities Dist 2020-1								32,700			32,700	
Total Special Revenue			348,900					5,330,700			5,679,600	
INTERNAL SERVICE FUNDS												
Liability & Property Insurance				6,791,600							6,791,600	
Employee Benefits				39,311,900							39,311,900	
Fleet Maintenance								12,084,100			12,084,100	
General Government Services			6,295,000	9,345,100							15,640,100	
Total Internal Service			6,295,000	55,448,600				12,084,100			73,827,700	
ENTERPRISE FUNDS												
Community Sanitation								27,625,000			27,625,000	
Wastewater								19,499,400			19,499,400	
Water								24,140,800			24,140,800	
Transit				10,287,200							10,287,200	
Planning & Development Services						15,348,900					15,348,900	
Total Enterprise				10,287,200		15,348,900		71,265,200			96,901,300	
CAPITAL IMPROVEMENT FUNDS												
Sewer Construction												
Capital-Enterprise									560,000		560,000	
Capital-Developer									7,047,000		7,047,000	
Park Projects									1,240,000		1,240,000	
Street Construction									24,865,000		24,865,000	
Water Construction												
Capital-Enterprise									1,780,000		1,780,000	
Capital-Developer									5,246,000		5,246,000	
Housing & Community Development									7,060,000		7,060,000	
Community Sanitation Construction									1,000,000		1,000,000	
General Government Facilities									208,000		208,000	
Total Capital Improvement									49,006,000		49,006,000	
Citywide Grand Totals	\$ 560,700	\$ 1,123,200	\$ 9,517,000	\$ 70,203,200	\$ 3,982,100	\$ 15,348,900	\$ 54,524,000	\$ 24,040,600	\$ 102,448,100	\$ 49,006,000	\$ 330,753,800	
Clovis Successor Agency Grand Total												\$ 1,362,000

EXHIBIT A

CITY OF CLOVIS

CFFA Monthly Salary Schedule - Effective July 1, 2023

Revised 04/27/23

3% Wage Increase

Code	Position	Grade	Step 1	Step 2	Step 3	Step 4	Step 5
2125	Firefighter (Base)	100	7,097	7,452	7,825	8,216	8,627
2150	Firefighter (2.5%) Ed Incent		7,274	7,638	8,021	8,421	8,843
MOU 30.2	AA or AS Degree	CDH 1120	177.00	186.00	196.00	205.00	216.00
		PP	88.50	93.00	98.00	102.50	108.00
2175	Firefighter (5.0%) Ed Incent		7,456	7,829	8,222	8,632	9,064
MOU 30.2	AA or AS Degree AND	CDH 1121	359.00	377.00	397.00	416.00	437.00
	BS or BA Degree	PP	179.50	188.50	198.50	208.00	218.50
2225	Fire Engineer (Base)	200	7,860	8,253	8,666	9,099	9,554
2250	Fire Engineer (2.5%) Ed In		8,057	8,459	8,883	9,326	9,793
MOU 30.2	AA or AS Degree	CDH 1120	197.00	206.00	217.00	227.00	239.00
		PP	98.50	103.00	108.50	113.50	119.50
2275	Fire Engineer (5.0%) Educ Inc		8,258	8,670	9,105	9,559	10,038
MOU 30.2	AA or AS Degree AND	CDH 1121	398.00	417.00	439.00	460.00	484.00
	BS or BA Degree	PP	199.00	208.50	219.50	230.00	242.00
2325	Fire Captain (Base)	300	9,175	9,634	10,116	10,622	11,153
2350	Fire Captain (2.5%) Educ Inc		9,404	9,875	10,369	10,888	11,432
MOU 30.2	AA or AS Degree	CDH 1120	229.00	241.00	253.00	266.00	279.00
		PP	114.50	120.50	126.50	133.00	139.50
2375	Fire Captain (5.0%) Ed Inc		9,639	10,122	10,628	11,160	11,718
MOU 30.2	AA or AS Degree AND	CDH 1121	464.00	488.00	512.00	538.00	565.00
	BS or BA Degree	PP	232.00	244.00	256.00	269.00	282.50
2200	Prevention Captain (Base)	350	9,864	10,357	10,875	11,419	11,990
2210	Prevention Captain 2.5% Ed In		10,111	10,616	11,147	11,704	12,290
MOU 30.2	AA or AS Degree	CDH 1120	247.00	259.00	272.00	285.00	300.00
		PP	123.50	129.50	136.00	142.50	150.00
2220	Prevention Captain 5.0% Educ		10,364	10,881	11,426	11,997	12,597
MOU 30.2	AA or AS Degree AND	CDH 1121	500.00	524.00	551.00	578.00	607.00
	BS or BA Degree	PP	250.00	262.00	275.50	289.00	303.50
2800	Training Captain (Base)	350	9,864	10,357	10,875	11,419	11,990
2810	Training Captain (2.5%)		10,111	10,616	11,147	11,704	12,290
MOU 30.2	AA or AS Degree	CDH 1120	247.00	259.00	272.00	285.00	300.00
		PP	123.50	129.50	136.00	142.50	150.00
2820	Training Captain (5.0%)		10,364	10,881	11,426	11,997	12,597
MOU 30.2	AA or AS Degree AND	CDH 1121	500.00	524.00	551.00	578.00	607.00
	BS or BA Degree	PP	250.00	262.00	275.50	289.00	303.50

Prevention Captain and Training Captain positions are filled by Fire Captains

CITY OF CLOVIS

CPOA - Monthly Salary Schedule - Effective July 1, 2023

Revised 04/26/23

3% Wage Increase

Code	Position	Grade	Step 1	Step 2	Step 3	Step 4	Step 5
4025	Police Officer (Trainee)	100	4,411	4,632	4,864	5,107	5,362
4050	Police Officer (Recruit)	250	6,686	7,020	7,371	7,740	8,127
4125	Police Officer (Base)	300	8,027	8,428	8,849	9,291	9,756
4175	Police Officer (5.0%) Ed Inc		8,428	8,849	9,291	9,756	10,244
	AP or AA-AS&IP or BA-BS	*CDH 1121	401.00	421.00	442.00	465.00	488.00
		**PP	200.50	210.50	221.00	232.50	244.00
4180	Police Officer (9.0%) Ed Inc		8,749	9,187	9,645	10,127	10,634
	BA/BS&AP	*CDH 1122	722.00	759.00	796.00	836.00	878.00
		**PP	361.00	379.50	398.00	418.00	439.00
4225	Police Corporal (Base)	350	9,015	9,466	9,939	10,436	10,958
4275	Police Corporal (5.0%) Ed Inc		9,466	9,939	10,436	10,958	11,506
	AP or AA-AS&IP or BA-BS	*CDH 1121	451.00	473.00	497.00	522.00	548.00
		**PP	225.50	236.50	248.50	261.00	274.00
4280	Police Corporal (9.0%) Ed Inc		9,826	10,318	10,834	11,375	11,944
	BA/BS&AP	*CDH 1122	811.00	852.00	895.00	939.00	986.00
		**PP	405.50	426.00	447.50	469.50	493.00
4325	Police Sergeant (Base)	400	10,112	10,618	11,149	11,706	12,291
4375	Police Sergeant (5.0%) Ed Inc		10,618	11,149	11,706	12,291	12,906
	AP or AA-AS&IP or BA-BS	*CDH 1121	506.00	531.00	557.00	585.00	615.00
		**PP	253.00	265.50	278.50	292.50	307.50
4380	Police Sergeant (9.0%) Ed Inc		11,022	11,574	12,152	12,760	13,397
	BA/BS&AP	*CDH 1122	910.00	956.00	1,003.00	1,054.00	1,106.00
		**PP	455.00	478.00	501.50	527.00	553.00

* These Codes are for internal use only

** This line shows the per period amount of the incentive

CITY OF CLOVIS
CPWEA - Monthly Salary Schedule - Effective July 1, 2023

Revised 05/09/23

3% Wage Increase (Includes Pending Resolution for Parts Runner)

Code	Position	Grade	Step 1	Step 2	Step 3	Step 4	Step 5
1040	Assistant Building Technician	600	5,803	6,093	6,398	6,718	7,054
1080	Asst Water Systems Technician	670	5,920	6,216	6,527	6,853	7,196
1130	Building Maintenance Leadworker	800	6,507	6,832	7,174	7,533	7,910
1140	Building Maintenance Worker	300	4,880	5,124	5,380	5,649	5,931
1160	Disposal Leadworker	800	6,507	6,832	7,174	7,533	7,910
1175	Electrician	900	6,955	7,303	7,668	8,051	8,454
1200	Equipment Mechanic	650	5,901	6,196	6,506	6,831	7,173
1240	Equipment Mechanic Assistant	450	5,491	5,766	6,054	6,357	6,675
1280	Equipment Operator	700	6,092	6,397	6,717	7,053	7,406
1320	Equipment Service Worker	300	4,880	5,124	5,380	5,649	5,931
1360	Fleet Maintenance Leadworker	800	6,507	6,832	7,174	7,533	7,910
1370	Fleet Maintenance Service Writer	350	5,140	5,397	5,667	5,950	6,248
1400	Landfill Leadworker	800	6,507	6,832	7,174	7,533	7,910
1440	Maintenance Leadworker	800	6,507	6,832	7,174	7,533	7,910
1480	Maintenance Worker	150	4,335	4,552	4,780	5,019	5,270
1520	Meter Reader	200	4,900	5,145	5,402	5,672	5,956
1560	Parks Maintenance Leadworker	800	6,507	6,832	7,174	7,533	7,910
1600	Parks Sr. Maintenance Worker	400	5,480	5,754	6,042	6,344	6,661
1640	Parts Clerk	350	5,140	5,397	5,667	5,950	6,248
1650	* Parts Runner	100	3,628	3,809	3,999	4,199	4,409
1680	Sanitation Operator	250	4,833	5,075	5,329	5,595	5,875
1720	Senior Maintenance Worker	400	5,480	5,754	6,042	6,344	6,661
1760	Senior Sanitation Operator	550	5,637	5,919	6,215	6,526	6,852
1800	Street Sweeper Operator	500	5,581	5,860	6,153	6,461	6,784
1820	Utility Worker	100	3,628	3,809	3,999	4,199	4,409
1840	Water Systems Technician	850	7,091	7,446	7,818	8,209	8,619
1860	Water Treatment Plant Operator	850	7,091	7,446	7,818	8,209	8,619

* New Position

CITY OF CLOVIS

CEA - Monthly Salary Schedule - Effective July 1, 2023

Revised 04/25/23

3% Wage Increase

Code	Position	Grade	Step 1	Step 2	Step 3	Step 4	Step 5
5060	Administrative Assistant	490	5,595	5,875	6,169	6,477	6,801
5375	Custodian	090	3,775	3,964	4,162	4,370	4,589
5795	Principal Account Clerk	340	4,650	4,883	5,127	5,383	5,652
5805	Principal Office Assistant	340	4,650	4,883	5,127	5,383	5,652
5826	Recreation Leader	180	3,847	4,039	4,241	4,453	4,676
5830	Recreation Specialist	310	4,556	4,784	5,023	5,274	5,538
5840	Sr Center Nutrition Services Worker	180	3,847	4,039	4,241	4,453	4,676
5930	Senior Custodian	110	4,253	4,466	4,689	4,923	5,169
5860	Staff Analyst	200	5,315	5,581	5,860	6,153	6,461

CITY OF CLOVIS

CPSEA - Monthly Salary Schedule - Effective July 1, 2023

Revised 04/26/23

3% Wage Increase

Code	Position	Grade	Step 1	Step 2	Step 3	Step 4	Step 5
5076	Animal Control Officer	460	5,346	5,613	5,894	6,189	6,498
5081	Animal Services Aide	090	3,663	3,846	4,038	4,240	4,452
5301	Community Service Officer	460	5,346	5,613	5,894	6,189	6,498
5356	Crime Specialist	600	6,639	6,971	7,320	7,686	8,070
5481	Digital Forensic Analyst	760	7,777	8,166	8,574	9,003	9,453
5554	Fire & Life Safety Specialist	760	7,777	8,166	8,574	9,003	9,453
5635	Fire Inspector I	550	6,053	6,356	6,674	7,008	7,358
5636	Fire Inspector II	560	6,511	6,837	7,179	7,538	7,915
5664	Lead Public Safety Dispatcher	565	6,289	6,603	6,933	7,280	7,644
5786	Police Service Officer	450	5,612	5,893	6,188	6,497	6,822
5809	Property and Evidence Technician	350	5,161	5,419	5,690	5,975	6,274
5820	Public Safety Dispatcher	450	5,612	5,893	6,188	6,497	6,822
5875	Senior Animal Control Officer	430	5,459	5,732	6,019	6,320	6,636
5976	Senior Property/Evidence Technician	440	5,651	5,934	6,231	6,543	6,870
5979	Senior Systems Video Analyst	600	6,639	6,971	7,320	7,686	8,070
5981	Systems Video Technician	390	4,859	5,102	5,357	5,625	5,906

CITY OF CLOVIS

CPTA - Monthly Salary Schedule - Effective July 1, 2023

Revised 05/09/23

3% Wage Increase (Includes Pending Resolution for Traffic Signal Operations Specialist)

Code	Position	Grade	Step 1	Step 2	Step 3	Step 4	Step 5
5126	Assistant Planner	570	6,471	6,795	7,135	7,492	7,867
5151	Associate Planner	650	7,309	7,674	8,058	8,461	8,884
5176	Building Inspector	610	6,533	6,860	7,203	7,563	7,941
5161	Business Workflow Analyst	760	7,777	8,166	8,574	9,003	9,453
5162	Business Workflow Specialist	555	5,904	6,199	6,509	6,834	7,176
5228	City Surveyor	620	9,350	9,818	10,309	10,824	11,365
5230	Civil Engineer	660	9,607	10,087	10,591	11,121	11,677
5627	Engineer I	640	7,384	7,753	8,141	8,548	8,975
5105	Engineer II	750	8,141	8,548	8,975	9,424	9,895
5526	Engineering Inspector	590	6,509	6,834	7,176	7,535	7,912
5551	Engineering Technician	450	5,328	5,594	5,874	6,168	6,476
5561	Geographic Info Sys Analyst	630	7,078	7,432	7,804	8,194	8,604
5564	Geographic Info Sys Specialist	555	5,904	6,199	6,509	6,834	7,176
5566	Geographic Info Sys Technician	390	4,859	5,102	5,357	5,625	5,906
5576	Housing Program Coordinator	780	7,981	8,380	8,799	9,239	9,701
5681	Permit Technician	355	5,181	5,440	5,712	5,998	6,298
5726	Planning Technician I	370	4,857	5,100	5,355	5,623	5,904
5751	Planning Technician II	530	5,535	5,812	6,103	6,408	6,728
5776	Plans Examiner	590	6,509	6,834	7,176	7,535	7,912
5901	Senior Building Inspector	690	7,522	7,898	8,293	8,708	9,143
5936	Senior Engineering Inspector	670	7,375	7,744	8,131	8,538	8,965
5951	Senior Engineering Technician	560	6,021	6,322	6,638	6,970	7,319
5955	* Traffic Signal Operations Specialist	610	6,533	6,860	7,203	7,563	7,941

* New Position

CITY OF CLOVIS

CTFP - Monthly Salary Schedule - Effective July 1, 2023

Revised 04/25/23

3% Wage Increase

Code	Position	Grade	Step 1	Step 2	Step 3	Step 4	Step 5
5027	Accountant	710	7,421	7,792	8,182	8,591	9,021
5580	Finance Business Systems Analyst	760	8,769	9,207	9,667	10,150	10,658
5592	Information Technology Analyst	630	7,070	7,424	7,795	8,185	8,594
5593	Info Technology Cybersecurity Analyst	760	8,769	9,207	9,667	10,150	10,658
5594	Information Technology Specialist	555	5,904	6,199	6,509	6,834	7,176
5597	Information Technology Technician	390	5,049	5,301	5,566	5,844	6,136
5847	Senior Accountant	770	7,792	8,182	8,591	9,021	9,472
5857	Senior Accounting Systems Technician	560	6,021	6,322	6,638	6,970	7,319
5962	Senior Information Technology Analyst	760	8,769	9,207	9,667	10,150	10,658
5963	Senior Information Technology Specialist	720	6,519	6,845	7,187	7,546	7,923

CITY OF CLOVIS

TEBU - Monthly Salary Schedule - Effective July 1, 2023

Revised 04/26/23

3% Wage Increase

Code	Position	Grade	Step 1	Step 2	Step 3	Step 4	Step 5
5201	Bus Driver	150	4,290	4,505	4,730	4,967	5,215
5661	Lead Bus Driver	190	5,149	5,406	5,676	5,960	6,258
5986	Transit Dispatcher	250	4,712	4,948	5,195	5,455	5,728

CITY OF CLOVIS

MANAGEMENT (MSC) - Monthly Salary Schedule - Effective July 1, 20

Revised 05/09/23

3% Wage Increase (Includes Adding Finance Manager AND Pending Resolutions for Deputy City Engineer, Deputy General Services Director, Fire Administrator, Housing Supervisor and Transit Manager)

Code	Position	Grade	Step 1	Step 2	Step 3	Step 4	Step 5
6010	Accounting Supervisor	220	8,517	8,943	9,390	9,860	10,353
6020	= Assistant City Manager	820	15,784	16,573	17,402	18,272	19,186
6100	Assist. Dir. Of Planning and Develop.	670	12,757	13,395	14,065	14,768	15,506
6050	Assistant Finance Director	640	12,389	13,008	13,658	14,341	15,058
6670	Assistant Public Utilities Director	670	12,757	13,395	14,065	14,768	15,506
6365	Battalion Chief	610	12,065	12,668	13,301	13,966	14,664
6150	Building Official	520	11,358	11,926	12,522	13,148	13,805
6220	Business Development Manager	290	9,907	10,402	10,922	11,468	12,041
6025	City Clerk	200	8,443	8,865	9,308	9,773	10,262
6120	City Engineer	670	12,757	13,395	14,065	14,768	15,506
6160	= City Manager	899	20,719	21,755	22,843	23,985	25,184
6780	City Planner	520	11,358	11,926	12,522	13,148	13,805
6170	Communications and Marketing Analyst	195	7,942	8,339	8,756	9,194	9,654
6180	Communications Supervisor	220	8,517	8,943	9,390	9,860	10,353
6225	Construction Manager	250	9,286	9,750	10,238	10,750	11,288
6228	Crime Analysis Supervisor	220	8,517	8,943	9,390	9,860	10,353
6145	Deputy Building Official/Plan Checker	385	9,815	10,306	10,821	11,362	11,930
6125	* Deputy City Engineer	620	12,149	12,756	13,394	14,064	14,767
6430	Deputy City Manager	850	12,146	12,753	13,391	14,061	14,764
6230	Deputy City Planner	400	10,152	10,660	11,193	11,753	12,341
6434	Deputy Director of Info Technology	470	11,184	11,743	12,330	12,947	13,594
6238	* Deputy General Services Director	580	11,851	12,444	13,066	13,719	14,405
6240	Deputy Finance Director	580	11,851	12,444	13,066	13,719	14,405
6368	Deputy Fire Chief	680	13,276	13,940	14,637	15,369	16,137
6580	Deputy Police Chief	650	14,123	14,829	15,570	16,349	17,166
6540	= Director of Planning & Development Serv	720	14,804	15,544	16,321	17,137	17,994
6270	= Economic Develop, Housing & Commun	700	14,100	14,805	15,545	16,322	17,138
6255	Engineering Program Supervisor	220	8,517	8,943	9,390	9,860	10,353
6251	Executive Assistant	110	6,157	6,465	6,788	7,127	7,483
6235	Facilities Maint & Purchasing Manager	385	9,815	10,306	10,821	11,362	11,930
6280	Facilities Maintenance Supervisor	220	8,517	8,943	9,390	9,860	10,353
6330	= Finance Director	720	14,804	15,544	16,321	17,137	17,994
6340	* Finance Manager	460	10,954	11,502	12,077	12,681	13,315
6350	* Fire Administrator	220	8,517	8,943	9,390	9,860	10,353
6385	= Fire Chief	730	15,554	16,332	17,149	18,006	18,906
6395	Fleet Manager	250	9,286	9,750	10,238	10,750	11,288
6410	= General Services Director	720	14,804	15,544	16,321	17,137	17,994
6411	General Services Manager	460	10,954	11,502	12,077	12,681	13,315
6414	* Housing Supervisor	220	8,517	8,943	9,390	9,860	10,353
6438	Information Technology Supervisor	230	9,898	10,393	10,913	11,459	12,032
6442	Landfill Supervisor	220	8,517	8,943	9,390	9,860	10,353
6420	Management Analyst	190	7,709	8,094	8,499	8,924	9,370
6445	Parks Manager	250	9,286	9,750	10,238	10,750	11,288
6470	Personnel/Risk Manager	550	11,395	11,965	12,563	13,191	13,851
6480	Personnel Technician	100	6,036	6,338	6,655	6,988	7,337
6520	Plan/Develop Administrative Manager	270	9,379	9,848	10,340	10,857	11,400
6570	Police Captain	690	13,818	14,509	15,234	15,996	16,796
6600	= Police Chief	830	16,283	17,097	17,952	18,850	19,793
6630	Police Lieutenant	625	12,491	13,116	13,772	14,461	15,184
6645	Police Services Manager	480	11,077	11,631	12,213	12,824	13,465
6643	Principal Utilities Engineer	620	12,149	12,756	13,394	14,064	14,767

* New Position / = Executive Management

CITY OF CLOVIS

MANAGEMENT (MSC) - Monthly Salary Schedule - Effective July 1, 20

Revised 05/09/23

3% Wage Increase (Includes Adding Finance Manager AND Pending Resolutions for Deputy City Engineer, Deputy General Services Director, Fire Administrator, Housing Supervisor and Transit Manager)

Code	Position	Grade	Step 1	Step 2	Step 3	Step 4	Step 5
6650	Property & Evidence Supervisor	220	8,517	8,943	9,390	9,860	10,353
6675	Public Information Officer	195	7,942	8,339	8,756	9,194	9,654
6680	= Public Utilities Director	790	15,784	16,573	17,402	18,272	19,186
6720	Records Supervisor	220	8,517	8,943	9,390	9,860	10,353
6730	Recreation Coordinator	130	6,406	6,726	7,062	7,415	7,786
6743	Recreation Supervisor	220	8,517	8,943	9,390	9,860	10,353
6790	Senior Planner	280	9,381	9,850	10,343	10,860	11,403
6835	Solid Waste Manager	275	9,994	10,494	11,019	11,570	12,149
6825	Special Projects and Life Safety Mgr	420	11,001	11,551	12,129	12,735	13,372
6845	Street Maintenance Manager	250	9,286	9,750	10,238	10,750	11,288
6095	Supervising Civil Engineer	370	10,726	11,262	11,825	12,416	13,037
6850	Supervisor of Animal Services	220	8,517	8,943	9,390	9,860	10,353
6875	* Transit Manager	275	9,994	10,494	11,019	11,570	12,149
6885	Transit Supervisor	220	8,517	8,943	9,390	9,860	10,353
6895	Utilities Manager	265	10,684	11,218	11,779	12,368	12,986
6950	Water Production Manager	260	10,002	10,502	11,027	11,578	12,157

* New Position / = Executive Management

EXHIBIT C

Clovis Sewer Monthly Charges

Residential Rates	7/1/2023
SFR per unit	\$23.46
MFR & Mobile Home per unit	\$18.22
Pretreatment per residential unit	\$0.06
Sewer Bond Charge per residential unit	\$7.30
Rebate per residential unit	(\$7.30)
School Rates	
Elementary school per student	\$8.74
Middle school per student	\$12.88
High school per student	\$17.21
College per student	\$4.01
Pretreatment per school connection	\$3.95
Commercial Rates	
Low per 1,000 gallons	\$3.03
Medium per 1,000 gallons	\$3.42
High (markets, convenience, mortuaries)	\$7.26
High (bakeries, ice cream, restaurant, hotels)	\$7.21
Industrial Rates	
Low - per 1,000 gallons	\$3.03
High - per 1,000 gallons	\$2.439
High – per lb BOD	\$0.347
High - per lb SS	\$0.374
Minimum commercial or industrial flow charge per account	\$18.22
Pretreatment charge per commercial or industrial unit	
Category I	\$27.54
Category II	\$4.05
Category III	\$1.29
Sewer Bond Charge per school, commercial or industrial connection	\$7.30
Rebate per school, commercial or industrial connection	(\$7.30)

Exhibit D

July 1, 2023

Residential Curbside Refuse Rates:

Basic Service (96-gallon)	\$26.44
Basic Service (48-gallon)	\$25.12
Additional Service (96-gallon)	\$13.22

Residential Recycling Rates:

Basic Service (96-gallon)	\$4.61
Additional Service (96-gallon)	\$4.61

Residential Curbside Organics Rates:

Basic Service (96-gallon)	\$6.76
Additional Service (96-gallon)	\$6.76

Commercial/Residential Street Sweeping: \$2.86

Commercial Refuse Rates:

1-yard commercial bin service:

No. of bins:	Once a week	Twice a week	Three times a week	Four times a week	Five times a week	Six times a week
1	\$74.46	\$148.92	\$223.38	\$297.84	\$372.30	\$446.76
2	\$148.92	\$297.84	\$446.76	\$595.68	\$744.60	\$893.52
3	\$223.38	\$446.76	\$670.14	\$893.52	\$1,116.90	\$1,340.28
4	\$297.84	\$595.68	\$893.52	\$1,191.36	\$1,489.20	\$1,787.04
5	\$372.30	\$744.60	\$1,116.90	\$1,489.20	\$1,861.50	\$2,233.80

2-yard commercial bin service:

No. of bins:	Once a week	Twice a week	Three times a week	Four times a week	Five times a week	Six times a week
1	\$130.38	\$260.76	\$391.14	\$521.52	\$651.90	\$782.28
2	\$260.76	\$521.52	\$782.28	\$1,043.04	\$1,303.80	\$1,564.56
3	\$391.14	\$782.28	\$1,173.42	\$1,564.56	\$1,955.70	\$2,346.84
4	\$521.52	\$1,043.04	\$1,564.56	\$2,086.08	\$2,607.60	\$3,129.12
5	\$651.90	\$1,303.80	\$1,955.70	\$2,607.60	\$3,259.50	\$3,911.40

3-yard commercial bin service:

No. of bins:	Once a week	Twice a week	Three times a week	Four times a week	Five times a week	Six times a week
1	\$193.49	\$386.98	\$580.47	\$773.96	\$967.45	\$1,160.94
2	\$386.98	\$773.96	\$1,160.94	\$1,547.92	\$1,934.90	\$2,321.88
3	\$580.47	\$1,160.94	\$1,741.41	\$2,321.88	\$2,902.35	\$3,482.82
4	\$773.96	\$1,547.92	\$2,321.88	\$3,095.84	\$3,869.80	\$4,643.76
5	\$967.45	\$1,934.90	\$2,902.35	\$3,869.80	\$4,837.25	\$5,804.70

Additional Service (extra bin): \$37.90

Commercial Can Service: \$37.19

EXHIBIT E

Clovis Water Rates Bi-Monthly		
	7/1/2023	7/1/2023
	Non-drought	Drought
Residential		
Dwelling Unit Charge	\$26.12	\$26.12
Water Use		
Tier 1 (0-23) (\$/kgal)	\$1.07	\$1.27
Tier 2 (23-40) (\$/kgal)	\$1.78	\$2.58
Tier 3 (40+) (\$/kgal)	\$2.19	\$3.27
Tarpey Unmetered (65kgal)-(63kgal)		
Tarpey Large Lot	\$6.29	\$6.29
Tarpey Excess Use Charges (\$/kgal)	\$2.19	\$3.06
Commercial		
1" or smaller	\$21.02	\$21.02
1 1/2"	\$27.96	\$27.96
2"	\$38.62	\$38.62
3"	\$76.48	\$76.48
4"	\$192.37	\$192.37
6"	\$767.32	\$767.32
8"	\$1,360.19	\$1,360.19
10"	\$2,130.93	\$2,130.93
Commercial Water Use		
Tier 1 (0-23) (\$/kgal)	\$1.07	\$1.27
Tier 2 (23+) (\$/kgal)	\$1.45	\$1.72
Recycled Water		
2"	\$38.62	\$38.62
3"	\$76.48	\$76.48
4"	\$192.37	\$192.37
6"	\$767.32	\$767.32
8"	\$1,360.19	\$1,360.19
10"	\$2,130.93	\$2,130.93
Recycled Water Use (\$/kgal)	\$0.67	\$0.70
Construction Water	\$131.07	\$163.20



CITY *of* CLOVIS

REPORT TO THE CITY COUNCIL

TO: Mayor and City Council
 FROM: Administration
 DATE: June 5, 2023
 SUBJECT: Consider Approval – Change of Council Meeting Schedule.

Staff: John Holt, City Manager

Recommendation: Approve

ATTACHMENTS: None.

CONFLICT OF INTEREST

Councilmembers should consider recusal if a campaign contribution exceeding \$250 has been received from the project proponent (developer, applicant, agent, and/or participants) since January 1, 2023 (Government Code 84308).

RECOMMENDATION

For the City Council to approve the cancellation of the regular Council meeting scheduled for Monday, June 12, 2023.

EXECUTIVE SUMMARY

There is a need to change the schedule of meeting for the City Council in June. Staff is recommending that City Council cancel the meeting of June 12, 2023.

BACKGROUND

Staff is able to consolidate the agenda items to the first and third meetings in June. Staff is recommending that City Council consider canceling the meeting of June 12, 2023. Given adequate notice, staff will be able to amend the timing of actions coming forward so that operations will not be affected by the cancellations.

FISCAL IMPACT

None.

REASON FOR RECOMMENDATION

Pursuant to the Clovis Municipal Code, the City Council meets in regular session on the first, second, and third Monday of each month, except when those Mondays occur on a recognized

City holiday. The City Council needs to confirm any change to the schedule of meetings in order to properly notice the public of the City Council's schedule of meetings.

ACTIONS FOLLOWING APPROVAL

A revised schedule of meetings will be published in conformance with law.

Prepared by: Rebecca Simonian, Executive Assistant

Reviewed by: City Manager *AA*