

**CITY OF REDONDO BEACH  
CITY COUNCIL AGENDA  
Tuesday, March 12, 2024**

**415 DIAMOND STREET, REDONDO BEACH**

**CITY COUNCIL CHAMBER**

**THE CITY COUNCIL HAS RESUMED PUBLIC MEETINGS IN THE COUNCIL CHAMBER. MEMBERS OF THE PUBLIC MAY PARTICIPATE IN-PERSON, BY ZOOM, eCOMMENT OR EMAIL.**

**4:30 PM- CLOSED SESSION- ADJOURNED REGULAR MEETING  
6:00 PM- OPEN SESSION- REGULAR MEETING**

City Council meetings are broadcast live through Spectrum Cable, Channel 8, and Frontier Communications, Channel 41 and/or rebroadcast on Wednesday at 3 p.m. and Saturday at 3 p.m. following the date of the meeting. Live streams and indexed archives of meetings are available via internet. Visit the City's official website at [www.Redondo.org/rbtv](http://www.Redondo.org/rbtv).

TO WATCH MEETING LIVE ON THE CITY'S WEBSITE:

<https://redondo.legistar.com/Calendar.aspx>

\*Click "In Progress" hyperlink under Video section of meeting

TO WATCH MEETING LIVE ON YOUTUBE:

<https://www.youtube.com/c/CityofRedondoBeachIT>

TO JOIN THE MEETING VIA ZOOM (FOR PUBLIC INTERESTED IN SPEAKING. OTHERWISE, PLEASE SEE ABOVE TO WATCH/LISTEN TO MEETING):

Register in advance for this meeting:

[https://us02web.zoom.us/webinar/register/WN\\_y\\_WE6qP6ToSa9byD41jheA](https://us02web.zoom.us/webinar/register/WN_y_WE6qP6ToSa9byD41jheA)

After registering, you will receive a confirmation email containing information about joining the meeting.

If you are participating by phone, be sure to provide your phone # when registering. You will be provided a Toll Free number and a Meeting ID to access the meeting. Note; press # to bypass Participant ID. Attendees will be muted until the public participation period is opened. When you are called on to speak, press \*6 to unmute your line. Note, comments from the public are limited to 3 minutes per speaker.

eCOMMENT: COMMENTS MAY BE ENTERED DIRECTLY ON THE WEBSITE AGENDA PAGE:

<https://redondo.granicusideas.com/meetings>

- 1) Public comments can be entered before and during the meeting.
- 2) Select a SPECIFIC AGENDA ITEM to enter your comment;
- 3) Public will be prompted to Sign-Up to create a free personal account (one-time) and then comments may be added to each Agenda item of interest.
- 4) Public comments entered into eComment (up to 2200 characters; equal to approximately 3 minutes of oral comments) will become part of the official meeting record.

EMAIL: TO PARTICIPATE BY WRITTEN COMMUNICATION, EMAILS MUST BE RECEIVED BEFORE 3:00PM THE DAY OF THE MEETING (EMAILS WILL NOT BE READ OUT LOUD): Written materials pertaining to matters listed on the posted agenda received after the agenda has been published will be added as supplemental materials under the relevant agenda item. Public comments may be submitted by email to [cityclerk@redondo.org](mailto:cityclerk@redondo.org). Emails must be received before 3:00 p.m. on the date of the meeting to ensure Council and staff have the ability to review materials prior to the meeting.

## **4:30 PM - CLOSED SESSION - ADJOURNED REGULAR MEETING**

### **A. CALL MEETING TO ORDER**

### **B. ROLL CALL**

### **C. SALUTE TO FLAG AND INVOCATION**

### **D. BLUE FOLDER ITEMS - ADDITIONAL BACK UP MATERIALS**

*Blue folder items are additional back up material to administrative reports and/or public comments received after the printing and distribution of the agenda packet for receive and file.*

### **E. PUBLIC COMMUNICATIONS ON CLOSED SESSION ITEMS AND NON-AGENDA ITEMS**

*This section is intended to provide members of the public with the opportunity to comment on Closed Session Items or any subject that does not appear on this agenda for action. This section is limited to 30 minutes. Each speaker will be afforded three minutes to address the Mayor and Council. Each speaker will be permitted to speak only once. Written requests, if any, will be considered first under this section.*

### **F. RECESS TO CLOSED SESSION**

#### **F.1. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION - The Closed Session is authorized by the attorney-client privilege, Government Code Section 54956.9(d)(1).**

Name of case:

City of Redondo Beach, et al. v. California State Water Resources Control Board

Case Number: 20STCP03193

#### **F.2. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION - The Closed Session is authorized by the attorney-client privilege, Government Code Section 54956.9(d)(1).**

Name of case:

New Commune DTLA, LLC and Leonid Pustilnikov v. City of Redondo Beach and City Council of the City of Redondo Beach

Case Number: 22TRCP00203

#### **F.3. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION - The Closed Session is authorized by the attorney-client privilege, Government Code Section 54956.9(d)(1).**

Name of case:

New Commune DTLA, LLC v. City of Redondo Beach; City Council of the City of

Redondo Beach; City of Redondo Beach Department of Community Development, et al.

Case Number: 23STCP00426

- F.4.** CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION - The Closed Session is authorized by the attorney-client privilege, Government Code Section 54956.9(d)(1).

Name of case:

New Commune DTLA LLC v. City of Redondo Beach; City Council of the City of Redondo Beach; and DOES 1 through 100, inclusive

Case Number: 23STCV10146

- F.5.** CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION - The Closed Session is authorized by the attorney-client privilege, Government Code Section 54956.9(d)(1).

Name of case:

9300 Wilshire, LLC v. City of Redondo Beach; City Council of the City of Redondo Beach; City of Redondo Beach Department of Community Development; and DOES 1 through 100, inclusive

Case Number: 23STCP02189

- F.6.** CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION - The Closed Session is authorized by the attorney-client privilege, Government Code Section 54956.9(d)(1).

Name of case:

In re 9300 Wilshire LLC

Bankruptcy C.D. Cal. Case Number: 2:23-bk-10918-ER

- F.7.** CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION - The Closed Session is authorized by the attorney-client privilege, Government Code Section 54956.9(d)(1).

Name of case:

Yes in My Back Yard, a California nonprofit corporation; SONJA TRAUSS, an individual v. City of Redondo Beach; City Council of the City of Redondo Beach; City of Redondo Beach Department of Community Development, and DOES 1 through 25 inclusive

Case Number: 23TRCP00325

- F.8.** CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION - The Closed Session is authorized by the attorney-client privilege, Government Code Section 54956.9(d)(1).

Name of case:

Debra Barker v. City of Redondo Beach, VLMD, LLC, dba Abbracci Med Spa, Abbracci Aesthetics, P.C., et al.

Case Number: 21STCV38177

- F.9.** CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION - The Closed Session is authorized by the attorney-client privilege, Government Code Section 54956.9(d)(1).

Name of case:

Shonna Counter v. City of Redondo Beach, and DOES 1-10

Case Number: 24TRCV00603

- F.10.** CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION - The Closed Session is authorized by the attorney-client privilege, Government Code Section 54956.9(d)(1).

Name of case:

City of Redondo Beach v. Independent Cities Risk Management Authority, et al.

Case Number: BC674909

- F.11.** CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION - The Closed Session is authorized by the attorney-client privilege, Government Code Section 54956.9(d)(1).

Name of case:

City of Redondo Beach, a California Charter City; City of Carson, a California Charter City; City of Torrance, a California Charter City; City of Whittier, a California Charter City; City of Del Mar, a California Charter City v. Rob Bonta, in his official capacity as California Attorney General, State of California; and DOES 1 through 50, inclusive

Case Number: 22STCP01143

- F.12.** CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION. The Closed Session is authorized by the attorney-client privilege, Government Code Section 54956.9(d)(1).

Name of case:

AIDS Healthcare Foundation and City of Redondo Beach v. Rob Bonta, in his official capacity as California Attorney General; State of California; and Does 1 to 100

Case Number: 21STCP03149

- F.13.** CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION - The Closed Session is authorized by the attorney-client privilege, Government Code Section 54956.9(d)(1).

Name of case:

Daryn Glenn v. City of Redondo Beach, et al.

Case Number: 22STCV29401

- F.14.** CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION - The Closed Session is authorized by the attorney-client privilege, Government Code Section 54956.9(d)(1).

Name of case:

Harry Stuver, et. al v. Redondo Beach Police Department, City of Redondo Beach and DOES 1 through 100, Inclusive

Case No: BC461376

- F.15.** CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION - The Closed Session is authorized by the attorney-client privilege, Government Code Section 54956.9(d)(1).



Name of case:

City of Redondo Beach v. Mike Madani, Trustee of the Madani Family Trust Under Declaration of Trust Dated May 6, 2022, et al.

Case Number: 21STCV11444

- F.16.** CONFERENCE WITH LEGAL COUNSEL - PUBLIC EMPLOYEE PERSONNEL MATTER/EVALUATION - The Closed Session is authorized by the attorney-client privilege, Government Code Section 54957(b).

Title: City Manager

- F.17.** CONFERENCE WITH REAL PROPERTY NEGOTIATOR - The Closed Session is authorized by the Government Code Section 54956.8.

AGENCY NEGOTIATOR:

Mike Witzansky, City Manager

Greg Kapovich, Waterfront & Economic Development Director

PROPERTY:

103 W. Torrance Blvd., Redondo Beach, CA 90277

105 W. Torrance Blvd., Redondo Beach, CA 90277

107 W. Torrance Blvd., Redondo Beach, CA 90277

109 W. Torrance Blvd., Redondo Beach, CA 90277

111 W. Torrance Blvd., Redondo Beach, CA 90277

113 W. Torrance Blvd., Redondo Beach, CA 90277

115 W. Torrance Blvd., Redondo Beach, CA 90277

117 W. Torrance Blvd., Redondo Beach, CA 90277

119 W. Torrance Blvd., Redondo Beach, CA 90277

121 W. Torrance Blvd., Redondo Beach, CA 90277

123 W. Torrance Blvd., Redondo Beach, CA 90277

125 W. Torrance Blvd., Redondo Beach, CA 90277

127 W. Torrance Blvd., Redondo Beach, CA 90277

129 W. Torrance Blvd., Redondo Beach, CA 90277

131 W. Torrance Blvd., Redondo Beach, CA 90277

123 International Boardwalk, Redondo Beach, CA 90277

179 N. Harbor Drive, Redondo Beach, CA 90277

NEGOTIATING PARTY:

Larry Kosmont, Kosmont Real Estate Services

UNDER REVIEW:

Leasing Strategy

- F.18.** CONFERENCE WITH REAL PROPERTY NEGOTIATOR - The Closed Session is authorized by the Government Code Section 54956.8.

AGENCY NEGOTIATOR:

Mike Witzansky, City Manager

Greg Kapovich, Waterfront & Economic Development Director

Dave Charobee, Senior Management Analyst

PROPERTY:

102-164 International Boardwalk, Redondo Beach, CA 90277  
Redondo Beach Basin III Marina  
(a portion of APN: 7503-002-932)

NEGOTIATING PARTY:

Craig Stanton, Property Manager  
Redondo Beach Marina

UNDER NEGOTIATION:

Both Price and Terms

- F.19.** CONFERENCE WITH REAL PROPERTY NEGOTIATOR - The Closed Session is authorized by the Government Code Section 54956.8.

AGENCY NEGOTIATOR:

Mike Witzansky, City Manager  
Greg Kapovich, Waterfront & Economic Development Director

PROPERTY:

203 and 240 Fisherman's Wharf, Redondo Beach, CA 90277  
(a portion of APN: 7505-002-913)

NEGOTIATING PARTIES:

Concord Real Estate Management - Pier Plaza Office

UNDER NEGOTIATION:

Lease Status, Price, and Terms

- F.20.** CONFERENCE WITH REAL PROPERTY NEGOTIATOR - This Closed Session is authorized by the Government Code Section 54956.8.

AGENCY NEGOTIATOR:

Mike Witzansky, City Manager  
Greg Kapovich, Waterfront & Economic Development Director

PROPERTY:

Portions of the Redondo Beach Marina Parking Lot and Seaside Lagoon  
(Portions of APNs: 7503-029-900 and 7503-033-903)

NEGOTIATING PARTY:

Allen Sanford, BeachLife Festival, LLC

UNDER NEGOTIATION:

Both Price and Terms

- F.21.** CONFERENCE WITH REAL PROPERTY NEGOTIATOR - The Closed Session is authorized by the Government Code Section 54956.8.

AGENCY NEGOTIATOR:

Mike Witzansky, City Manager  
Greg Kapovich, Waterfront & Economic Development Director

PROPERTY:  
230 Portofino Way, Redondo Beach, CA 90277  
(a portion of APN: 7505-002-932)

NEGOTIATING PARTIES:  
Allen Sanford, Beachlife Festival, LLC

UNDER NEGOTIATION:  
Both Price and Terms

- F.22.** CONFERENCE WITH REAL PROPERTY NEGOTIATOR -The Closed Session is authorized by the Government Code Section 54956.8.

AGENCY NEGOTIATOR:  
Mike Witzansky, City Manager  
Greg Kapovich, Waterfront & Economic Development Director

PROPERTY:  
239 & 245 N. Harbor Drive Redondo Beach, CA 90277  
(a portion of APN: 7503-029-900)

NEGOTIATING PARTIES:  
Allen Sanford & Jeff Jones - California Surf Club

UNDER NEGOTIATION:  
Both Price and Terms

- G. RECONVENE TO OPEN SESSION**
- H. ROLL CALL**
- I. ANNOUNCEMENT OF CLOSED SESSION ACTIONS**
- J. ADJOURN TO REGULAR MEETING**

**6:00 PM - OPEN SESSION - REGULAR MEETING**

- A. CALL TO ORDER**
- B. ROLL CALL**
- C. SALUTE TO THE FLAG AND INVOCATION**
- D. PRESENTATIONS/PROCLAMATIONS/ANNOUNCEMENTS**
- E. APPROVE ORDER OF AGENDA**
- F. AGENCY RECESS**
- G. BLUE FOLDER ITEMS - ADDITIONAL BACK UP MATERIALS**

*Blue folder items are additional back up material to administrative reports and/or public comments received after the printing and distribution of the agenda packet for receive and file.*

**G.1. [For Blue Folder Documents Approved at the City Council Meeting](#)**

**H. CONSENT CALENDAR**

*Business items, except those formally noticed for public hearing, or those pulled for discussion are assigned to the Consent Calendar. The Mayor or any City Council Member may request that any Consent Calendar item(s) be removed, discussed, and acted upon separately. Items removed from the Consent Calendar will be taken up under the "Excluded Consent Calendar" section below. Those items remaining on the Consent Calendar will be approved in one motion. The Mayor will call on anyone wishing to address the City Council on any Consent Calendar item on the agenda, which has not been pulled by Council for discussion. Each speaker will be permitted to speak only once and comments will be limited to a total of three minutes.*

**H.1. [APPROVE AFFIDAVIT OF POSTING FOR THE CITY COUNCIL ADJOURNED AND REGULAR MEETING OF MARCH 12, 2024](#)**

**CONTACT:** ELEANOR MANZANO, CITY CLERK

**H.2. [APPROVE MOTION TO READ BY TITLE ONLY AND WAIVE FURTHER READING OF ALL ORDINANCES AND RESOLUTIONS LISTED ON THE AGENDA](#)**

**CONTACT:** ELEANOR MANZANO, CITY CLERK

**H.3. [APPROVE A SIXTH AMENDMENT TO THE AGREEMENT WITH PLACEWORKS, INC. FOR CONSULTING SERVICES ASSOCIATED WITH THE GENERAL PLAN UPDATE FOR AN ADDITIONAL COST OF \\$295,225 TO BE FUNDED BY THE GENERAL PLAN MAINTENANCE FUND AND THE LOCAL EARLY ACTION PLANNING \(LEAP\) GRANT FOR A NEW TOTAL CONTRACT AMOUNT NOT TO EXCEED \\$2,272,372](#)**

**CONTACT:** SEAN SCULLY, ACTING COMMUNITY DEVELOPMENT DIRECTOR

**H.4. [APPROVE AN AGREEMENT WITH ROBERT HALF, INC. FOR STAFF AUGMENTATION SERVICES TO PROVIDE A TEMPORARY ASSISTANT PLANNER FOR AN AMOUNT NOT TO EXCEED \\$34,999 AND THE TERM MARCH 13, 2024 TO JUNE 30, 2024](#)**

**CONTACT:** SEAN SCULLY, ACTING COMMUNITY DEVELOPMENT DIRECTOR

**H.5. [ADOPT BY TITLE ONLY RESOLUTION NO. CC-2403-018, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, AMENDING THE OFFICIAL BOOK OF CLASS SPECIFICATIONS FOR THE POSITION OF TRANSIT OPERATIONS AND TRANSPORTATION FACILITIES MANAGER](#)**

**CONTACT:** CAMERON HARDING, COMMUNITY SERVICES DIRECTOR

**H.6. [APPROVE THE ANNUAL AUDITED FINANCIAL REPORTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023](#)**

**CONTACT:** WENDY COLLAZO, FINANCE DIRECTOR

**I. EXCLUDED CONSENT CALENDAR ITEMS**

**J. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS**

*This section is intended to provide members of the public with the opportunity to comment on any subject that does not appear on this agenda for action. This section is limited to 30 minutes. Each speaker will be afforded*

three minutes to address the Mayor and Council. Each speaker will be permitted to speak only once. Written requests, if any, will be considered first under this section.

**J.1. [For eComments and Emails Received from the Public](#)**

**K. EX PARTE COMMUNICATIONS**

*This section is intended to allow all elected officials the opportunity to reveal any disclosure or ex parte communication about the following public hearings*

**L. PUBLIC HEARINGS**

**M. ITEMS CONTINUED FROM PREVIOUS AGENDAS**

**N. ITEMS FOR DISCUSSION PRIOR TO ACTION**

**N.1. [DISCUSSION AND POSSIBLE ACTION REGARDING THE CITY COUNCIL'S POLICY POSITION ON CALIFORNIA ASSEMBLY BILL 2560 \(ALVAREZ\) WHICH PROPOSES TO ELIMINATE THE PROVISION IN EXISTING LAW THAT PREVENTS HOUSING DENSITY BONUS APPLICATION IN THE COASTAL ZONE](#)**

[PROVIDE DIRECTION TO STAFF ON THE PREPARATION OF A LETTER OR RESOLUTION ARTICULATING THE CITY COUNCIL'S POSITION ON AB 2560](#)

**CONTACT:** LUKE SMUDE, ASSISTANT TO THE CITY MANAGER

**O. CITY MANAGER ITEMS**

**P. MAYOR AND COUNCIL ITEMS**

**Q. MAYOR AND COUNCIL REFERRALS TO STAFF**

**R. RECESS TO CLOSED SESSION**

**R.1. [CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION - The Closed Session is authorized by the attorney-client privilege, Government Code Section 54956.9\(d\)\(1\).](#)**

[Name of case:](#)

[City of Redondo Beach, et al. v. California State Water Resources Control Board](#)

[Case Number: 20STCP03193](#)

**R.2. [CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION - The Closed Session is authorized by the attorney-client privilege, Government Code Section 54956.9\(d\)\(1\).](#)**

[Name of case:](#)

[New Commune DTLA, LLC and Leonid Pustilnikov v. City of Redondo Beach and City Council of the City of Redondo Beach](#)

[Case Number: 22TRCP00203](#)

**R.3. [CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION - The Closed Session is authorized by the attorney-client privilege, Government Code Section 54956.9\(d\)\(1\).](#)**

Name of case:

New Commune DTLA, LLC v. City of Redondo Beach; City Council of the City of Redondo Beach; City of Redondo Beach Department of Community Development, et al.

Case Number: 23STCP00426

- R.4.** CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION - The Closed Session is authorized by the attorney-client privilege, Government Code Section 54956.9(d)(1).

Name of case:

New Commune DTLA LLC v. City of Redondo Beach; City Council of the City of Redondo Beach; and DOES 1 through 100, inclusive

Case Number: 23STCV10146

- R.5.** CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION - The Closed Session is authorized by the attorney-client privilege, Government Code Section 54956.9(d)(1).

Name of case:

9300 Wilshire, LLC v. City of Redondo Beach; City Council of the City of Redondo Beach; City of Redondo Beach Department of Community Development; and DOES 1 through 100, inclusive

Case Number: 23STCP02189

- R.6.** CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION - The Closed Session is authorized by the attorney-client privilege, Government Code Section 54956.9(d)(1).

Name of case:

In re 9300 Wilshire LLC

Bankruptcy C.D. Cal. Case Number: 2:23-bk-10918-ER

- R.7.** CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION - The Closed Session is authorized by the attorney-client privilege, Government Code Section 54956.9(d)(1).

Name of case:

Yes in My Back Yard, a California nonprofit corporation; SONJA TRAUSS, an individual v. City of Redondo Beach; City Council of the City of Redondo Beach; City of Redondo Beach Department of Community Development, and DOES 1 through 25 inclusive

Case Number: 23TRCP00325

- R.8.** CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION - The Closed Session is authorized by the attorney-client privilege, Government Code Section 54956.9(d)(1).

Name of case:

Debra Barker v. City of Redondo Beach, VLMD, LLC, dba Abbracci Med Spa, Abbracci Aesthetics, P.C., et al.

Case Number: 21STCV38177

- R.9.** CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION - The Closed Session is authorized by the attorney-client privilege, Government Code Section 54956.9(d)(1).

Name of case:

Shonna Counter v. City of Redondo Beach, and DOES 1-10

Case Number: 24TRCV00603

- R.10.** CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION - The Closed Session is authorized by the attorney-client privilege, Government Code Section 54956.9(d)(1).

Name of case:

City of Redondo Beach v. Independent Cities Risk Management Authority, et al.

Case Number: BC674909

- R.11.** CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION - The Closed Session is authorized by the attorney-client privilege, Government Code Section 54956.9(d)(1).

Name of case:

City of Redondo Beach, a California Charter City; City of Carson, a California Charter City; City of Torrance, a California Charter City; City of Whittier, a California Charter City; City of Del Mar, a California Charter City v. Rob Bonta, in his official capacity as California Attorney General, State of California; and DOES 1 through 50, inclusive

Case Number: 22STCP01143

- R.12.** CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION. The Closed Session is authorized by the attorney-client privilege, Government Code Section 54956.9(d)(1).

Name of case:

AIDS Healthcare Foundation and City of Redondo Beach v. Rob Bonta, in his official capacity as California Attorney General; State of California; and Does 1 to 100

Case Number: 21STCP03149

- R.13.** CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION - The Closed Session is authorized by the attorney-client privilege, Government Code Section 54956.9(d)(1).

Name of case:

Daryn Glenn v. City of Redondo Beach, et al.

Case Number: 22STCV29401

- R.14.** CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION - The Closed Session is authorized by the attorney-client privilege, Government Code Section 54956.9(d)(1).

Name of case:

Harry Stuver, et. al v. Redondo Beach Police Department, City of Redondo Beach and DOES 1 through 100, Inclusive

Case No: BC461376

- R.15.** CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION - The Closed Session is authorized by the attorney-client privilege, Government Code Section 54956.9(d)(1).

Name of case:

City of Redondo Beach v. Mike Madani, Trustee of the Madani Family Trust Under Declaration of Trust Dated May 6, 2022, et al.

Case Number: 21STCV11444

- R.16.** CONFERENCE WITH LEGAL COUNSEL - PUBLIC EMPLOYEE PERSONNEL MATTER/EVALUATION - The Closed Session is authorized by the attorney-client privilege, Government Code Section 54957(b).

Title: City Manager

- R.17.** CONFERENCE WITH REAL PROPERTY NEGOTIATOR - The Closed Session is authorized by the Government Code Section 54956.8.

AGENCY NEGOTIATOR:

Mike Witzansky, City Manager

Greg Kapovich, Waterfront & Economic Development Director

PROPERTY:

103 W. Torrance Blvd., Redondo Beach, CA 90277

105 W. Torrance Blvd., Redondo Beach, CA 90277

107 W. Torrance Blvd., Redondo Beach, CA 90277

109 W. Torrance Blvd., Redondo Beach, CA 90277

111 W. Torrance Blvd., Redondo Beach, CA 90277

113 W. Torrance Blvd., Redondo Beach, CA 90277

115 W. Torrance Blvd., Redondo Beach, CA 90277

117 W. Torrance Blvd., Redondo Beach, CA 90277

119 W. Torrance Blvd., Redondo Beach, CA 90277

121 W. Torrance Blvd., Redondo Beach, CA 90277

123 W. Torrance Blvd., Redondo Beach, CA 90277

125 W. Torrance Blvd., Redondo Beach, CA 90277

127 W. Torrance Blvd., Redondo Beach, CA 90277

129 W. Torrance Blvd., Redondo Beach, CA 90277

131 W. Torrance Blvd., Redondo Beach, CA 90277

123 International Boardwalk, Redondo Beach, CA 90277

179 N. Harbor Drive, Redondo Beach, CA 90277

NEGOTIATING PARTY:

Larry Kosmont, Kosmont Real Estate Services

UNDER REVIEW:

Leasing Strategy

- R.18.** CONFERENCE WITH REAL PROPERTY NEGOTIATOR - The Closed Session is authorized by the Government Code Section 54956.8.

AGENCY NEGOTIATOR:

Mike Witzansky, City Manager



Greg Kapovich, Waterfront & Economic Development Director  
Dave Charobee, Senior Management Analyst

PROPERTY:

102-164 International Boardwalk, Redondo Beach, CA 90277  
Redondo Beach Basin III Marina  
(a portion of APN: 7503-002-932)

NEGOTIATING PARTY:

Craig Stanton, Property Manager  
Redondo Beach Marina

UNDER NEGOTIATION:

Both Price and Terms

- R.19.** CONFERENCE WITH REAL PROPERTY NEGOTIATOR - The Closed Session is authorized by the Government Code Section 54956.8.

AGENCY NEGOTIATOR:

Mike Witzansky, City Manager  
Greg Kapovich, Waterfront & Economic Development Director

PROPERTY:

203 and 240 Fisherman's Wharf, Redondo Beach, CA 90277  
(a portion of APN: 7505-002-913)

NEGOTIATING PARTIES:

Concord Real Estate Management - Pier Plaza Office

UNDER NEGOTIATION:

Lease Status, Price, and Terms

- R.20.** CONFERENCE WITH REAL PROPERTY NEGOTIATOR - This Closed Session is authorized by the Government Code Section 54956.8.

AGENCY NEGOTIATOR:

Mike Witzansky, City Manager  
Greg Kapovich, Waterfront & Economic Development Director

PROPERTY:

Portions of the Redondo Beach Marina Parking Lot and Seaside Lagoon  
(Portions of APNs: 7503-029-900 and 7503-033-903)

NEGOTIATING PARTY:

Allen Sanford, BeachLife Festival, LLC

UNDER NEGOTIATION:

Both Price and Terms

- R.21.** CONFERENCE WITH REAL PROPERTY NEGOTIATOR - The Closed Session is authorized by the Government Code Section 54956.8.

AGENCY NEGOTIATOR:

Mike Witzansky, City Manager

Greg Kapovich, Waterfront & Economic Development Director

PROPERTY:

230 Portofino Way, Redondo Beach, CA 90277

(a portion of APN: 7505-002-932)

NEGOTIATING PARTIES:

Allen Sanford, Beachlife Festival, LLC

UNDER NEGOTIATION:

Both Price and Terms

- R.22.** CONFERENCE WITH REAL PROPERTY NEGOTIATOR -The Closed Session is authorized by the Government Code Section 54956.8.

AGENCY NEGOTIATOR:

Mike Witzansky, City Manager

Greg Kapovich, Waterfront & Economic Development Director

PROPERTY:

239 & 245 N. Harbor Drive Redondo Beach, CA 90277

(a portion of APN: 7503-029-900)

NEGOTIATING PARTIES:

Allen Sanford & Jeff Jones - California Surf Club

UNDER NEGOTIATION:

Both Price and Terms

**S. RECONVENE TO OPEN SESSION**

**T. ADJOURNMENT**

The next meeting of the City Council of the City of Redondo Beach will be an Adjourned Regular meeting to be held at 4:30 p.m. (Closed Session) and a Regular meeting to be held at 6:00 p.m. (Open Session) on Tuesday, March 19, 2024, in the Redondo Beach City Hall Council Chamber, 415 Diamond Street, Redondo Beach, California.



# Administrative Report

---

F.1., File # 24-0373

Meeting Date: 3/12/2024

---

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION - The Closed Session is authorized by the attorney-client privilege, Government Code Section 54956.9(d)(1).

Name of case:

City of Redondo Beach, et al. v. California State Water Resources Control Board

Case Number: 20STCP03193



# Administrative Report

---

F.2., File # 24-0374

Meeting Date: 3/12/2024

---

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION - The Closed Session is authorized by the attorney-client privilege, Government Code Section 54956.9(d)(1).

Name of case:

New Commune DTLA, LLC and Leonid Pustilnikov v. City of Redondo Beach and City Council of the City of Redondo Beach

Case Number: 22TRCP00203



# Administrative Report

---

F.3., File # 24-0375

Meeting Date: 3/12/2024

---

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION - The Closed Session is authorized by the attorney-client privilege, Government Code Section 54956.9(d)(1).

Name of case:

New Commune DTLA, LLC v. City of Redondo Beach; City Council of the City of Redondo Beach; City of Redondo Beach Department of Community Development, et al.

Case Number: 23STCP00426



# Administrative Report

---

F.4., File # 24-0376

Meeting Date: 3/12/2024

---

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION - The Closed Session is authorized by the attorney-client privilege, Government Code Section 54956.9(d)(1).

Name of case:

New Commune DTLA LLC v. City of Redondo Beach; City Council of the City of Redondo Beach; and  
DOES 1 through 100, inclusive

Case Number: 23STCV10146



# Administrative Report

---

F.5., File # 24-0377

Meeting Date: 3/12/2024

---

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION - The Closed Session is authorized by the attorney-client privilege, Government Code Section 54956.9(d)(1).

Name of case:

9300 Wilshire, LLC v. City of Redondo Beach; City Council of the City of Redondo Beach; City of Redondo Beach Department of Community Development; and DOES 1 through 100, inclusive

Case Number: 23STCP02189



# Administrative Report

---

F.6., File # 24-0378

Meeting Date: 3/12/2024

---

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION - The Closed Session is authorized by the attorney-client privilege, Government Code Section 54956.9(d)(1).

Name of case:

In re 9300 Wilshire LLC

Bankruptcy C.D. Cal. Case Number: 2:23-bk-10918-ER





# Administrative Report

---

F.7., File # 24-0379

Meeting Date: 3/12/2024

---

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION - The Closed Session is authorized by the attorney-client privilege, Government Code Section 54956.9(d)(1).

Name of case:

Yes in My Back Yard, a California nonprofit corporation; SONJA TRAUSS, an individual v. City of Redondo Beach; City Council of the City of Redondo Beach; City of Redondo Beach Department of Community Development, and DOES 1 through 25 inclusive

Case Number: 23TRCP00325



# Administrative Report

---

F.8., File # 24-0380

Meeting Date: 3/12/2024

---

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION - The Closed Session is authorized by the attorney-client privilege, Government Code Section 54956.9(d)(1).

Name of case:

Debra Barker v. City of Redondo Beach, VLMD, LLC, dba Abbracci Med Spa, Abbracci Aesthetics, P.C., et al.

Case Number: 21STCV38177



# Administrative Report

---

F.9., File # 24-0382

Meeting Date: 3/12/2024

---

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION - The Closed Session is authorized by the attorney-client privilege, Government Code Section 54956.9(d)(1).

Name of case:

Shonna Counter v. City of Redondo Beach, and DOES 1-10

Case Number: 24TRCV00603



# Administrative Report

---

F.10., File # 24-0388

Meeting Date: 3/12/2024

---

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION - The Closed Session is authorized by the attorney-client privilege, Government Code Section 54956.9(d)(1).

Name of case:

City of Redondo Beach v. Independent Cities Risk Management Authority, et al.

Case Number: BC674909



# Administrative Report

---

F.11., File # 24-0389

Meeting Date: 3/12/2024

---

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION - The Closed Session is authorized by the attorney-client privilege, Government Code Section 54956.9(d)(1).

Name of case:

City of Redondo Beach, a California Charter City; City of Carson, a California Charter City; City of Torrance, a California Charter City; City of Whittier, a California Charter City; City of Del Mar, a California Charter City v. Rob Bonta, in his official capacity as California Attorney General, State of California; and DOES 1 through 50, inclusive

Case Number: 22STCP01143



# Administrative Report

---

F.12., File # 24-0390

Meeting Date: 3/12/2024

---

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION. The Closed Session is authorized by the attorney-client privilege, Government Code Section 54956.9(d)(1).

Name of case:

AIDS Healthcare Foundation and City of Redondo Beach v. Rob Bonta, in his official capacity as California Attorney General; State of California; and Does 1 to 100

Case Number: 21STCP03149



# Administrative Report

---

F.13., File # 24-0391

Meeting Date: 3/12/2024

---

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION - The Closed Session is authorized by the attorney-client privilege, Government Code Section 54956.9(d)(1).

Name of case:

Daryn Glenn v. City of Redondo Beach, et al.

Case Number: 22STCV29401



# Administrative Report

---

F.14., File # 24-0392

Meeting Date: 3/12/2024

---

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION - The Closed Session is authorized by the attorney-client privilege, Government Code Section 54956.9(d)(1).

Name of case:

Harry Stuver, et. al v. Redondo Beach Police Department, City of Redondo Beach and DOES 1 through 100, Inclusive

Case No: BC461376





# Administrative Report

---

F.15., File # 24-0393

Meeting Date: 3/12/2024

---

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION - The Closed Session is authorized by the attorney-client privilege, Government Code Section 54956.9(d)(1).

Name of case:

City of Redondo Beach v. Mike Madani, Trustee of the Madani Family Trust Under Declaration of Trust Dated May 6, 2022, et al.

Case Number: 21STCV11444



# Administrative Report

---

F.16., File # 24-0364

Meeting Date: 3/12/2024

---

CONFERENCE WITH LEGAL COUNSEL - PUBLIC EMPLOYEE PERSONNEL  
MATTER/EVALUATION - The Closed Session is authorized by the attorney-client privilege,  
Government Code Section 54957(b).

Title: City Manager



# Administrative Report

F.17., File # 24-0345

Meeting Date: 3/12/2024

## **TITLE**

CONFERENCE WITH REAL PROPERTY NEGOTIATOR - The Closed Session is authorized by the Government Code Section 54956.8.

## **AGENCY NEGOTIATOR:**

Mike Witzansky, City Manager

Greg Kapovich, Waterfront & Economic Development Director

## **PROPERTY:**

103 W. Torrance Blvd., Redondo Beach, CA 90277  
105 W. Torrance Blvd., Redondo Beach, CA 90277  
107 W. Torrance Blvd., Redondo Beach, CA 90277  
109 W. Torrance Blvd., Redondo Beach, CA 90277  
111 W. Torrance Blvd., Redondo Beach, CA 90277  
113 W. Torrance Blvd., Redondo Beach, CA 90277  
115 W. Torrance Blvd., Redondo Beach, CA 90277  
117 W. Torrance Blvd., Redondo Beach, CA 90277  
119 W. Torrance Blvd., Redondo Beach, CA 90277  
121 W. Torrance Blvd., Redondo Beach, CA 90277  
123 W. Torrance Blvd., Redondo Beach, CA 90277  
125 W. Torrance Blvd., Redondo Beach, CA 90277  
127 W. Torrance Blvd., Redondo Beach, CA 90277  
129 W. Torrance Blvd., Redondo Beach, CA 90277  
131 W. Torrance Blvd., Redondo Beach, CA 90277  
123 International Boardwalk, Redondo Beach, CA 90277  
179 N. Harbor Drive, Redondo Beach, CA 90277

## **NEGOTIATING PARTY:**

Larry Kosmont, Kosmont Real Estate Services

## **UNDER REVIEW:**

Leasing Strategy



# Administrative Report

---

F.18., File # 24-0346

Meeting Date: 3/12/2024

---

## **TITLE**

CONFERENCE WITH REAL PROPERTY NEGOTIATOR - The Closed Session is authorized by the Government Code Section 54956.8.

## **AGENCY NEGOTIATOR:**

Mike Witzansky, City Manager

Greg Kapovich, Waterfront & Economic Development Director

Dave Charobee, Senior Management Analyst

## **PROPERTY:**

102-164 International Boardwalk, Redondo Beach, CA 90277

Redondo Beach Basin III Marina

(a portion of APN: 7503-002-932)

## **NEGOTIATING PARTY:**

Craig Stanton, Property Manager

Redondo Beach Marina

## **UNDER NEGOTIATION:**

Both Price and Terms



# Administrative Report

---

F.19., File # 24-0347

Meeting Date: 3/12/2024

---

## **TITLE**

CONFERENCE WITH REAL PROPERTY NEGOTIATOR - The Closed Session is authorized by the Government Code Section 54956.8.

## **AGENCY NEGOTIATOR:**

Mike Witzansky, City Manager

Greg Kapovich, Waterfront & Economic Development Director

## **PROPERTY:**

203 and 240 Fisherman's Wharf, Redondo Beach, CA 90277

(a portion of APN: 7505-002-913)

## **NEGOTIATING PARTIES:**

Concord Real Estate Management - Pier Plaza Office

## **UNDER NEGOTIATION:**

Lease Status, Price, and Terms



# Administrative Report

---

F.20., File # 24-0348

Meeting Date: 3/12/2024

---

## **TITLE**

CONFERENCE WITH REAL PROPERTY NEGOTIATOR - This Closed Session is authorized by the Government Code Section 54956.8.

## **AGENCY NEGOTIATOR:**

Mike Witzansky, City Manager

Greg Kapovich, Waterfront & Economic Development Director

## **PROPERTY:**

Portions of the Redondo Beach Marina Parking Lot and Seaside Lagoon  
(Portions of APNs: 7503-029-900 and 7503-033-903)

## **NEGOTIATING PARTY:**

Allen Sanford, BeachLife Festival, LLC

## **UNDER NEGOTIATION:**

Both Price and Terms



# Administrative Report

---

F.21., File # 24-0358

Meeting Date: 3/12/2024

---

## **TITLE**

CONFERENCE WITH REAL PROPERTY NEGOTIATOR - The Closed Session is authorized by the Government Code Section 54956.8.

## **AGENCY NEGOTIATOR:**

Mike Witzansky, City Manager

Greg Kapovich, Waterfront & Economic Development Director

## **PROPERTY:**

230 Portofino Way, Redondo Beach, CA 90277

(a portion of APN: 7505-002-932)

## **NEGOTIATING PARTIES:**

Allen Sanford, Beachlife Festival, LLC

## **UNDER NEGOTIATION:**

Both Price and Terms



# Administrative Report

---

F.22., File # 24-0359

Meeting Date: 3/12/2024

---

## **TITLE**

CONFERENCE WITH REAL PROPERTY NEGOTIATOR -The Closed Session is authorized by the Government Code Section 54956.8.

## **AGENCY NEGOTIATOR:**

Mike Witzansky, City Manager

Greg Kapovich, Waterfront & Economic Development Director

## **PROPERTY:**

239 & 245 N. Harbor Drive Redondo Beach, CA 90277

(a portion of APN: 7503-029-900)

## **NEGOTIATING PARTIES:**

Allen Sanford & Jeff Jones - California Surf Club

## **UNDER NEGOTIATION:**

Both Price and Terms





# Administrative Report

---

G.1., File # 24-0337

Meeting Date: 3/12/2024

---

**TITLE**

*For Blue Folder Documents Approved at the City Council Meeting*



# Administrative Report

H.1., File # 24-0338

Meeting Date: 3/12/2024

**To:** MAYOR AND CITY COUNCIL  
**From:** ELEANOR MANZANO, CITY CLERK

## **TITLE**

APPROVE AFFIDAVIT OF POSTING FOR THE CITY COUNCIL ADJOURNED AND REGULAR MEETING OF MARCH 12, 2024

## **EXECUTIVE SUMMARY**

STATE OF CALIFORNIA )  
COUNTY OF LOS ANGELES ) SS  
CITY OF REDONDO BEACH )

## **AFFIDAVIT OF POSTING**

In compliance with the Brown Act, the following materials have been posted at the locations indicated below.

Legislative Body	City Council
Posting Type	Adjourned & Regular Agenda
Posting Locations	415 Diamond Street, Redondo Beach, CA 90277 ✓ Adjacent to Council Chambers
Meeting Date & Time	March 12, 2024 4:30 p.m. Closed Session 6:00 p.m. Open Session

As City Clerk of the City of Redondo Beach, I declare, under penalty of perjury, the document noted above was posted at the date displayed below.

*Eleanor Manzano, City Clerk*

Date: MARCH 7, 2024



# Administrative Report

---

H.2., File # 24-0339

Meeting Date: 3/12/2024

---

**TITLE**

APPROVE MOTION TO READ BY TITLE ONLY AND WAIVE FURTHER READING OF ALL ORDINANCES AND RESOLUTIONS LISTED ON THE AGENDA



# Administrative Report

H.3., File # 23-7364

Meeting Date: 3/12/2024

**To: MAYOR AND CITY COUNCIL**

**From: SEAN SCULLY, ACTING COMMUNITY DEVELOPMENT DIRECTOR**

## **TITLE**

APPROVE A SIXTH AMENDMENT TO THE AGREEMENT WITH PLACEWORKS, INC. FOR CONSULTING SERVICES ASSOCIATED WITH THE GENERAL PLAN UPDATE FOR AN ADDITIONAL COST OF \$295,225 TO BE FUNDED BY THE GENERAL PLAN MAINTENANCE FUND AND THE LOCAL EARLY ACTION PLANNING (LEAP) GRANT FOR A NEW TOTAL CONTRACT AMOUNT NOT TO EXCEED \$2,272,372

## **EXECUTIVE SUMMARY**

In October 2016, the City Council approved a contract with PlaceWorks, Inc. (PlaceWorks) to update the Redondo Beach General Plan. In December 2016, the City Council established the General Plan Advisory Committee (GPAC) to guide the project.

The GPAC conducted a total of 27 meetings since April 27, 2017, with their final meeting being held on January 31, 2024. At the final meeting, GPAC completed their discussions and recommendations for the final draft General Plan, which includes a consistently formatted, comprehensive General Plan document with a new Introduction, along with updated Goals, Policies, Implementation Measures for the Land Use, Open Space and Conservation, Safety, and Noise Elements.

The draft General Plan document has now been released for public review and comment and a public workshop is scheduled for **Wednesday, March 20, 2024, at 6:00 p.m. in the Main Library 2<sup>nd</sup> Floor Meeting Room, 303 N. Pacific Coast Highway, Redondo Beach**. A second public workshop will be scheduled for the end of April to present the necessary changes to the City's Zoning Ordinance and Local Coastal Program for consistency purposes. Following the public workshops and open houses, public hearings will be held before the Planning Commission and the City Council later in 2024.

This sixth amendment to the contract is necessary to update the scope of the required Article XXVII traffic impact analysis and mitigation recommendations, and to update the General Plan environmental analysis resulting from the City Council's direction to study increasing the Floor Area Ratio (FAR) to 1.5 within the Artesia & Aviation Corridor Area Plan (AACAP). Additionally, budget updates are necessary to cover costs related to some items that were originally scoped in 2016, along with project management and meeting-related costs that will cover the balance of the 2024 calendar year. The sixth amendment also includes a new task for "As-Needed Staff Support" and additional work associated with ballot measure preparation and support.

Upcoming GPU schedule milestones are noted below:

- March-April 2024 - Community Workshops
  - General Plan Update
  - Zoning and LCP Amendments (Consistency)
- March-September 2024 - CEQA Review Process
  - Screencheck Draft EIR - March/April
  - Draft EIR Public Review (45 Days) - May/June
  - Final EIR - September
- August-October 2024 - Public Hearings
  - August/September - Planning Commission
  - September/October - City Council
- January 2024 - Article XXVII Ballot Measure (Tentative)

The net cost of the additional services outlined in the sixth amendment is \$295,225, which includes \$8,000 in optional tasks. With approval of the sixth amendment, the total cost for the Agreement will increase from \$1,977,147 to an amount not to exceed \$2,272,372. Funding for the amendment is available through the Local Early Action Planning (LEAP) Grant and from the General Plan Maintenance Fund.

### **BACKGROUND**

The City's three-year Strategic Plan goal to update the General Plan was first approved by the City Council on March 29, 2016, and continues to be a key element of the City's long-term planning efforts.

**GPAC Completed Tasks - Schedule Going Forward:** On December 13, 2016, the City Council approved Resolution No. CC-1612-122 establishing the GPAC to provide direct community stakeholder input to the update of the General Plan, including analysis and recommendations addressing concerns regarding density and development associated with the City's mixed-use zoning and development standards, and addressing concerns related to the availability and amount of recreation and parks and open space in the City. Additionally, per the Resolution, the GPAC was responsible for performing any other functions that may be designated by motion or resolution of the City Council.

The GPAC was originally comprised of 27 City of Redondo Beach residents appointed on February 21, 2017. The Mayor selected two members, one of whom is designated to serve as the Chair. Each City Council Member selected five members, three of whom reside in their District. There have been some changes in the GPAC membership over time. There are currently 21 Commissioners, with attrition caused mostly by members moving out of Redondo Beach. The current membership has remained dedicated and diligent in their commitment to this effort, which has spanned nearly 7 years.

The GPAC's 27<sup>th</sup> and final meeting was conducted on January 31, 2024 and resulted in the Commission's final recommended draft General Plan update document. The Council-approved draft Land Use Plan will be presented to the public to collect feedback at two community meetings. Following these meetings, formal public hearings will be conducted by both the Planning Commission and the City Council. Below is a summary of the upcoming schedule for the draft General Plan update, including the associated Zoning Ordinance and Local Coastal Plan amendments:

**Winter 2023/2024**

- Release the GPAC's completed draft updated General Plan Land Use, Noise, Safety and Parks/Recreation/Open Space/Conservation Elements document to the public for review and comment, inclusive of an "Introduction" and reformatted General Plan elements that are not being updated
  - [https://www.redondo.org/departments/community\\_development/planredondo/index.php](https://www.redondo.org/departments/community_development/planredondo/index.php)
- Prepare Zoning Code revisions and Local Coastal Plan amendments required in order to be consistent with the amendments to the General Plan
- Finalize all elements and Zoning Code revisions and LCP amendments.
- Preparation of Draft Environmental Impact Report (EIR)

**Spring 2024**

- Completion of Draft Environmental Impact Report (EIR)
- **Public Workshop - 1:** Presentation of draft land use map, and General Plan goals and policies at first open house/public workshop
  - **Wednesday, March 20, 2024, at 6:00 p.m. in the Main Library 2<sup>nd</sup> Floor Meeting Room**
- **Public Workshop - 2:** Presentation of Zoning Ordinance and LCP revisions/amendments required to be consistent with General Plan at second open house/public workshop
  - **Targeted for the end of April 2024**

**Spring/Summer 2024**

- Issue Draft EIR
- Issue Final EIR

**Summer/Fall 2024**

- Planning Commission and City Council Public Hearings: Adoption hearings and actions for ballot measures

**Winter 2024**

- Citywide Vote and Coastal Commission Review

The sixth amendment to the PlaceWorks contract adds a number of tasks and additional scope to the Agreement, which are summarized below:

**Task 2.4: Community Workshops and Survey/Online Feedback - \$6,000**

This request supplements the General Plan workshop amount, which was budgeted 7 years ago at the outset of the project.

**Deliverable(s):**

- Additional time to prepare and facilitate the General Plan Community Workshop and the online comments/feedback

**Task 4.6: Prepare GP/Article XXVII MOU - \$2,500**

PlaceWorks shall prepare a detailed memorandum providing an overview of the difference between General Plan CEQA buildout analyses needed and those needed for Article XXVII as well as the proper application to be placed on the ballot.

Additional budget necessary to revise assumptions and scope of the analyses to comply with Article XXVII requirements (as compared to CEQA Buildout Analysis) used to update Traffic Model Inputs that resulted from a change to the AACAP assumptions to a 1.5 FAR as directed by City Council.

**Deliverable(s):**

- Updated buildout comparison memorandum and calculation revisions to include AACAP 1.5 FAR changes as directed by City Council

**Task 7.3: Element Production - \$21,000**

Additional budget to address edits and refinements to the General Plan from City Departments and any final revisions as directed by City Council upon adoption.

**Deliverable(s):**

- Updated Draft General Plan and Final General Plan Document (digital)

**Task 8.3: Program Environmental Impact Report - \$10,600**

This task includes adjustments for rate changes and additional analysis for Zoning and Local Coastal Program Amendments not previously included in the scope of the Program EIR and prior authorizations.

**Deliverable(s):**

- Additional section within Program EIR to address changes to the Zoning Code and Local Coastal Program

**Task 8.9: CEQA Project Management - \$9,120**

This task covers the additional time needed for routine project management, including regular project progress calls and check-ins related to the efficient completion of the environmental analysis and Program Environmental Impact Report in support of the zoning changes and LCP Amendment, in addition to the General Plan discussions. No in person meetings are assumed at this time.

**Deliverable(s):**

- Bi-weekly virtual meetings (through November 2024)

**Task 9.6 Article XXVII Traffic Impact Analysis - \$152,020**

Article XXVII stipulates specific analysis methods that exceed the level of analysis required by the City of Redondo Beach's transportation impact study guidelines.

In the fourth amendment, Fehr & Peers, an approved PlaceWorks subcontractor, estimated 33 total study intersections for Article XXVII based on direction from the City on anticipated areas of change that would meet the Article XXVII thresholds. The locations were predominantly within the 3,000 foot radius of the Housing Element inventory sites.

However, based on the final draft land use plan approved by City Council, and the City's reading of

the Article XXVII requirements, many additional parcels have been determined to have the potential for a major change in allowable land use from what was evaluated in July 2022.

Fehr & Peers conducted a 3,000-foot buffer analysis of all final parcels/areas that could potentially qualify as a major change in allowable land use. The combined buffers include all of the City of Redondo Beach, as well as additional locations in the City of Hermosa Beach.

As a result, Fehr & Peers will collect counts at a total of 101 locations, inclusive of peak period (four hour) intersection turning movement traffic volumes, pedestrian/bicycle, and/or 24-hour roadway segment volumes, a net increase of up to 68 study locations from what was approved in the fourth amendment. The net direct cost increase for data collection is \$4,000 beyond what was previously authorized.

Fehr & Peers will develop a Synchro traffic analysis model for existing conditions to be used by Public Works staff for future studies and infrastructure planning.

Fehr & Peers will provide future conditions analysis for the locations needed for the Article XXVII analysis, which will be inclusive of the HCM, ICU and HCM Urban Arterials methodologies as required by Article XXVII.

**Deliverable(s):**

- Citywide Synchro signalized intersection traffic analysis model for Article XXVII needs and for future use by Public Works for infrastructure development and future studies
- Counts at up to 68 additional study locations (101 total)
- Article XXVII analysis at up to 68 additional study locations (101 total)

**TASK 10.1: Project Management - \$5,000**

Extend Project Management budget for PlaceWorks for an additional 12 months, with anticipated project completion in November 2024. This task covers the additional time needed for routine project management, interdepartmental coordination, and follow-up related to the efficient completion of the General Plan, CEQA documents, zoning changes, and LCP Amendment. As needed virtual coordination through November 2024 is assumed.

**Deliverable(s):**

- Project Management coordination time through November 2024

**TASK 10.2: Project Teams Meetings - \$22,440**

Extend Team Meeting budget for PlaceWorks for an additional twelve months, with anticipated project completion in November 2024. This task covers the additional time needed for regular project progress calls and check ins related to the efficient completion of the General Plan, CEQA documents, zoning changes, and LCP Amendment. Bi-weekly virtual meetings through November 2024 are assumed. No in-person meetings are assumed at this time.

**Deliverable(s):**

- Bi-weekly virtual meetings through November 2024

**(New)Task 14. Article XXVII Analysis - \$38,145**



Preparation of studies and identified measures required to meet the provisions Sections 27.4 b and 27.5 a. 3 & 4 of Article XXVII (was not previously scoped). Analysis includes a description of the mitigations/measures identified/recommended to minimize neighborhood impacts and incompatibility as it relates to the Article XXVII buildout calculation assumptions. This assumes up to 60 hours of time for PlaceWorks staff and additional traffic analysis for the following.

Fehr & Peers will test up to 8 prototypical intersection operational improvements (not CEQA traffic mitigation measures as they no longer apply to CEQA) to address intersections that are determined to operate at LOS E or F based on the Article XXVII analysis. These operational improvements will be tested in the Synchro software program using the HCM methodology, so that the benefits of signal phasing, roadway restriping, and other improvements that can be accommodated within existing rights of way can be determined.

The 8 prototypical mitigation measures will then be qualitatively evaluated to determine the types and locations of intersections that are applicable, and the potential benefit will be described. Mitigation measures will be described in narrative form, with a map indicating the potential locations where the prototypical measures may also apply.

Only qualitative mitigation measures at all intersections that are ultimately determined to operate at LOS E or F are included. Conceptual traffic improvement plan graphics for impacted intersections requiring mitigation could be provided, if requested, for a separate scope and fee.

**Deliverable(s):**

- Report/document/memorandum to accompany Article XXVII ballot materials

**(New) Task 15: As-needed staff support services for the General Plan - \$16,000**

Time and materials as needed due to existing, internal staffing shortage in the Planning Division to prepare necessary documents in support of the General Plan update, Zoning Ordinance, and LCP consistency updates that are not otherwise identified in this scope. Assistance may include, but is not limited to, preparation and posting of website content, interdepartmental coordination, research, and follow-up actions needed to resolve questions or issues as directed by the Community Development Director.

**Deliverable(s):**

- Meeting attendance or preparation of materials as needed and directed by the City

**(New Optional) Task 16: Ballot Measure Preparation Support - \$8,000**

Time and materials as needed to prepare necessary documents in support of required ballot measure for the General Plan update and Zoning Ordinance and LCP consistency updates.

**Deliverable(s):**

- Meeting attendance or preparation of materials as needed and directed by the City

**COORDINATION**

The proposed sixth amendment to the Agreement for consulting services with PlaceWorks was prepared in consultation with the City Attorney's Office.

**FISCAL IMPACT**

The net cost of the additional services outlined in the sixth amendment is \$295,225, which includes reimbursables and proposed optional expenses. The total cost for the Agreement will increase from \$1,977,147 to a total not to exceed amount of \$2,272,372. With the inclusion of anticipated LEAP Grant funds to be reimbursed by the State, \$245,000, plus anticipated General Plan Maintenance Fund revenue in excess of \$50,225, sufficient funds will be available to cover this sixth amendment. The General Plan Maintenance Fund typically receives \$125,000 each year.

**APPROVED BY:**

*Mike Witzansky, City Manager*

**ATTACHMENTS**

- Agmt - Sixth Amendment to Agreement with PlaceWorks
- Agmt - Fifth Amendment to Agreement with PlaceWorks, February 21, 2023
- Agmt - Fourth Amendment to Agreement with PlaceWorks, October 4, 2022
- Agmt - Third Amendment to Agreement with PlaceWorks, March 17, 2020
- Agmt - Second Amendment to Agreement with PlaceWorks, April 16, 2019
- Agmt - First Amendment to Agreement with PlaceWorks, December 19, 2017
- Agmt - Original Agreement with PlaceWorks, October 4, 2016
- General Plan Update/EIR Schedule
- Certificate of Insurance - PlaceWorks

**SIXTH AMENDMENT TO AGREEMENT FOR CONSULTING  
SERVICES BETWEEN THE CITY OF REDONDO BEACH AND PLACEWORKS, INC.**

THIS SIXTH AMENDMENT TO THE AGREEMENT FOR CONSULTING SERVICES ("Fifth Amendment") is made between the City of Redondo Beach, a Chartered Municipal Corporation ("City") and PlaceWorks, Inc., a California corporation ("Consultant" or "Contractor").

WHEREAS, on October 4, 2016, the parties hereto originally entered into that certain Agreement for Consulting Services between the City and Consultant ("Agreement"); and

WHEREAS, on December 19, 2017, the parties hereto entered into that certain First Amendment to the Agreement between the City and Consultant ("First Amendment"); and

WHEREAS, on April 16, 2019, the parties hereto entered into that certain Second Amendment to the Agreement between the City and Consultant ("Second Amendment"); and

WHEREAS, on March 17, 2020, the parties hereto entered into that certain Third Amendment to the Agreement between the City and Consultant ("Third Amendment"); and

WHEREAS, on October 4, 2022, the parties hereto entered into that certain Fourth Amendment to the Agreement between the City and Consultant ("Fourth Amendment"), and

WHEREAS, on February 21, 2023, the parties hereto entered into that certain Fifth Amendment to the Agreement between the City and Consultant ("Fifth Amendment"), and

WHEREAS, City and Consultant desire to amend the Agreement, First Amendment, Second Amendment, Third Amendment, Fourth Amendment, and Fifth Amendment (collectively "Amended Agreement") pursuant to the terms and conditions set forth herein.

NOW, THEREFORE, the parties hereby agree to make the following amendments to the Amended Agreement:

SECTION 1. EXHIBIT "A" PROJECT DESCRIPTION AND/OR SCOPE OF SERVICES of the Amended Agreement is hereby amended to add the following scope of services:

#### **Task 2.4: Community Workshops**

Additional time for PlaceWorks to adequately prepare for General Plan Community Workshop (one for GP rollout and one for Zoning/LCP).

#### **Deliverable(s):**

- Additional time to prepare and facilitate the General Plan Community Workshop

#### **Task 4.6: Prepare GP/Article XXVII MOU**

PlaceWorks shall prepare a detailed memorandum providing an overview of the difference between General Plan CEQA buildout analyses needed and those needed for Article XXVII and proper application to be placed on the ballot.

PlaceWorks shall revise assumptions and scope of the analyses to comply with Article XXVII requirements (as compared to CEQA Buildout Analysis) used to update Traffic Model Inputs that resulted from a change to the Artesia Aviation Corridor Area Plan (AACAP) assumptions to a 1.5 FAR as directed by City Council.

#### **Deliverable(s):**

- Updated buildout comparison memorandum and calculation revisions to include AACAP 1.5 FAR changes as directed by City Council

#### **Task 7.3: Element Production**

Additional budget to address edits and refinements to the General Plan from City Departments and any final revisions as directed by City Council upon adoption.

#### **Deliverable(s):**

- Updated Draft General Plan and Final General Plan Document (digital)

#### **Task 8.3: Program Environmental Impact Report**

This task includes adjustments for rate changes, and additional analysis for Zoning and Local Coastal Program Amendments not previously included in the scope of the Program EIR and prior authorizations.

#### **Deliverable(s):**

- Additional section within Program EIR to address changes to the Zoning Code and Local Coastal Program

#### **Task 8.9: CEQA Project Management**

This task covers the additional time needed for routine project management, including regular project progress calls and check ins related to the efficient completion of the environmental analysis and (Program Environmental Impact Report) in support of the zoning changes and LCP Amendment that are in addition to the General Plan discussions. No in person meetings are assumed at this time.

**Deliverable(s):**

- Bi-weekly virtual meetings (through November 2024)

**Task 9.6 Article XXVII Traffic Impact Analysis**

Article XXVII stipulates specific analysis methods that exceed the level of analysis required by the City of Redondo Beach's transportation impact study guidelines

In the Fourth Amendment, Fehr & Peers estimated 33 total study intersections for Article XXVII based on direction from the City on anticipated areas of change that would meet the Article XXVII thresholds. The locations were predominantly within the 3,000 feet radius of the Housing Element inventory sites.

Many additional parcels have been determined to have the potential for a major change in allowable land use from what was evaluated in July 2022.

Fehr & Peers conducted a 3,000' buffer analysis of all final parcels that could potentially qualify as a major change in allowable land use. The combined buffers include all of the City of Redondo Beach, as well as additional locations within the City of Hermosa Beach.

As a result, Fehr & Peers will collect counts at a total of 101 locations, inclusive of peak period (four hour) intersection turning movement traffic volumes, pedestrian/bicycle, and/or 24-hour roadway segment volumes, a net increase of up to 68 study locations from what was approved in the fourth amendment. Net direct cost increase for data collection is \$4,000 beyond what was previously authorized.

Fehr & Peers will develop a Synchro traffic analysis model for existing conditions to be used by Public Works staff for future studies and infrastructure planning.

Fehr & Peers will provide future conditions analysis for the locations needed for the Article XXVII analysis, which will be inclusive of the HCM, ICU and HCM Urban Arterials methodologies as required by Article XXVII.

**Deliverable(s):**

- Citywide Synchro signalized intersection traffic analysis model for Article XXVII needs and for future use by Public Works for infrastructure development and future studies
- Counts at up to 68 additional study locations (101 total)
- Article XXVII analysis at up to 68 additional study locations (101 total)

**TASK 10.1: PROJECT MANAGEMENT**

Extend Project Management for an additional 12 months for anticipated project completion in November 2024. This task covers the additional time needed for routine project management, interdepartmental coordination and follow-up related to the efficient completion of the General Plan, CEQA documents, zoning changes and LCP Amendment. As needed virtual coordination through November 2024 is assumed.

**Deliverable(s):**

- Project Management coordination time through November 2024

**TASK 10.2: PROJECT TEAM MEETINGS**

Extend Team Meetings for an additional 12 months for anticipated project completion in November 2024. This task covers the additional time needed for regular project progress calls and check ins related to the efficient completion of the General Plan, CEQA documents, zoning changes and LCP Amendment. Bi-weekly virtual meetings through November 2024. No in person meetings are assumed at this time.

**Deliverable(s):**

- Bi-weekly virtual meetings through November 2024

**(New)Task 14. ARTICLE XXVII ANALYSIS**

Preparation of studies and identified measures required to meet the provisions Sections 27.4 b and 27.5 a. 3 & 4 of Article XXVII (was not previously scoped). Analysis includes a description of the mitigations/measures identified/recommended to minimize neighborhood impacts and incompatibility as it relates to the Article XXVII buildout calculation assumptions. This assumes up to 60 hours of time for Placeworks staff and additional traffic analysis that includes:

Fehr & Peers will test up to 8 prototypical intersection operational improvements (not CEQA traffic mitigation measures as they no longer apply to CEQA) to address intersections that are determined to operate at LOS E or F based on the Article XXVII analysis. These operational improvements will be tested in the Synchro software program using the HCM methodology, so that the benefits of signal phasing, roadway restriping, and other improvements that can be accommodated within existing rights of way can be determined.

The 8 prototypical mitigation measures will then be qualitatively evaluated to determine the types and locations of intersections where they could be applicable, and the potential benefit will be described. Mitigation measures will be described in narrative form, with a map indicating the potential locations where the prototypical measures may also apply also being prepared.

Only qualitative mitigation measures at all intersections that are ultimately determined to operate at LOS E or F are included. Conceptual traffic improvement plan graphics at

impacted intersections requiring mitigation could be provided, if requested, for a separate scope and fee.

**Deliverable(s):**

- Report/document/memorandum to accompany Article XXVII ballot materials

**(New) Task 15: AS-NEEDED STAFF SUPPORT SERVICES FOR THE GENERAL PLAN**

Time and materials as needed to prepare necessary documents in support of the General Plan update and Zoning Ordinance and LCP consistency updates that are not otherwise identified in this scope. Assistance may include, but is not limited to preparation and posting of website content, interdepartmental coordination, research, and follow-up actions needed to resolve questions or issues as directed by the Community Development Director.

**Deliverable(s):**

- Meeting attendance or preparation of materials as needed and directed by the City.

**(New Optional) Task 16: BALLOT MEASURE PREPARATION SUPPORT**

Time and materials as needed to prepare necessary documents in support of required ballot measure for the General Plan update and Zoning Ordinance and LCP consistency updates.

**Deliverable(s):**

- Meeting attendance or preparation of materials as needed and directed by the City.

**SECTION 3. EXHIBIT "C" COMPENSATION** of the Amended Agreement is hereby amended and revised to increase the total cost for this Sixth Amendment in the amount of **\$295,225** which increases the total compensation amount from **\$1,977,147** to an amount not to exceed **\$2,272,372**.

# Standard Fee Schedule

## PlaceWorks – 2024 Standard Fee Schedule

STAFF LEVEL	HOURLY BILL RATE
Principal	\$210–\$335
Associate Principal	\$195–\$275
Senior Associate II	\$170–\$260
Senior Associate I	\$160–\$220
Associate II	\$135–\$190
Associate I	\$125–\$175
Project Planner	\$105–\$165
Planner	\$90–\$145
Graphics Specialist	\$90–\$155
Administrator	\$145–\$235
Clerical/Word Processing/Technical Editor	\$45–\$155
Intern	\$80–\$115

Subconsultants are billed at cost plus 10% Mileage reimbursement is at the standard IRS-approved rate.  
Possible yearly increase of 5% on bill rates.

2024\_StdFeeSch\_01-09-24

## Compensation

The compensation to perform the additional scope of work shall not exceed **\$295,225**.

**Table 1. Compensation**

TASK	SIXTH AMENDMENT AUGMENT
<b>LABOR EXPENSES</b>	
Task 2.4 Community Workshop & Survey/Online Feedback This request is to supplement the General Plan workshop amount, which was budgeted 6 years ago at the outset of the project	\$6,000
Task 4.6: Prepare GP/Article XXVII MOU Article XXVII Final Edits/Refinements to the Buildout Analysis used for the Traffic Model Inputs (Aviation 1.5 FAR updates upon City Council direction)	\$2,500
Task 7.3 Element Production Additional budget to address edits and refinements to the General Plan from City Departments and any final revisions as directed by City Council upon adoption	\$21,000
Task 8.3: Program Environmental Impact Report Additional section of EIR required to meet the provisions of Article XXVII	\$10,600
Task 8.9: CEQA Project Management Extend CEQA Project Management budget an additional 12 months for project completion in November 2024, and management of two additional subconsultants (Cogstone (Historic and Cultural) and ECORP (Noise)) which was not originally scoped.	\$9,120
Task 9.6: Article XXVII Traffic Impact Analysis	\$152,020



**Table 1. Compensation**

<b>TASK</b>	<b>SIXTH AMENDMENT AUGMENT</b>
Conduct Article XXVII traffic analysis at up to 68 additional study locations. Collect traffic counts at up to 68 additional locations (for 101 total). Prepare citywide Synchro signalized traffic analysis model for Article XXVII needs and for future infrastructure planning/studies by Public Works staff.	
Task 10.1: Project Management Extend CEQA Project Management budget an additional 12 months for project completion in November 2024.	\$5,000
Task 10.2: Project Team Meetings Extend Team Meeting budget an additional 12 months for project completion in November 2024.	\$22,440
Expenses Additional expenses for Fehr & Peers (traffic counts related to Article XXVII)	\$4,400
<b>NEW TASKS</b>	
(New) Task 14 Article XXVII Analysis Preparation of study required to meet the provisions Sections 27.4 b and 27.5 a. 3 & 4 of Article XXVII (not previously scoped). This (New) "Task" also includes the Article XXVII Prototypical Traffic Operational Enhancements as determined by F&P.	\$38,145
(New) Task 15. As-Needed Staff Support Services for the General Plan Time and materials as needed and as directed by the Community Development Director to prepare necessary documents in support of the General Plan update and Zoning Ordinance and LCP consistency updates that are not otherwise identified in this scope.	\$16,000
(New Optional) Task 16 Ballot Measure Support/Preparation Time and Materials as needed to prepare any materials necessary to support the General Plan Update, and Zoning Changes/LCP edits for anticipated ballot measure process.	\$8,000
<b>Grand Total Labor</b>	<b>\$295,225</b>

## **SECTION 4. MODIFICATION**

Except as expressly set forth herein, the Agreement, First Amendment, Second Amendment, Third Amendment, Fourth Amendment and Fifth Amendment shall continue in full force and effect. The Agreement together with the First Amendment, Second Amendment, Third Amendment, Fourth Amendment, Fifth Amendment and this Sixth Amendment constitute the entire agreement between the parties and supersedes any previous oral or written agreement. In the event of any inconsistency between this Sixth Amendment and the Agreement, First Amendment, Second Amendment, Third Amendment, Fourth Amendment and Fifth Amendment the terms of this Sixth Amendment shall prevail. This Sixth Amendment may be modified or amended only by a subsequent writing executed by all of the parties and approval by the City Council.

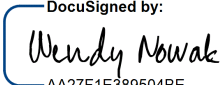
**[SIGNATURES ON FOLLOWING PAGE]**

IN WITNESS WHEREOF, the parties have entered into this Sixth Amendment as of this 12<sup>th</sup> day of March 2024.

CITY OF REDONDO BEACH  
A chartered municipality

PLACEWORKS, INC.  
a California Corporation

\_\_\_\_\_  
James A. Light, Mayor

DocuSigned by:  
  
By: \_\_\_\_\_  
Name: wendy Nowak  
Title: Principal

ATTEST:

APPROVED

\_\_\_\_\_  
Eleanor Manzano, City Clerk

\_\_\_\_\_  
Diane Strickfaden, Risk Manager

APPROVED AS TO FORM:

\_\_\_\_\_  
Michael W. Webb, City Attorney



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
06/29/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must have **ADDITIONAL INSURED** provisions or be endorsed. If **SUBROGATION** IS **WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Marsh Risk & Insurance Services 17901 Von Karman Avenue, Suite 1100 (949) 399-5800; License #0437153 Irvine, CA 92614 Attn: NewportBeach.CertRequest@marsh.com/F: 212-948-4323 CN115158923--01-23-24	<b>CONTACT NAME:</b> <b>PHONE (A/C, No. Ext):</b> <b>FAX (A/C, No):</b> <b>E-MAIL ADDRESS:</b>														
<b>INSURED</b> PlaceWorks, Inc 3 MacArthur Place, Suite 1100 Santa Ana, CA 92707	<table><tr><th>INSURER(S) AFFORDING COVERAGE</th><th>NAIC #</th></tr><tr><td>INSURER A : Crum &amp; Forster Specialty Insurance Co</td><td>44520</td></tr><tr><td>INSURER B : Travelers Property Casualty Co. of America</td><td>25674</td></tr><tr><td>INSURER C : N/A</td><td>N/A</td></tr><tr><td>INSURER D :</td><td></td></tr><tr><td>INSURER E :</td><td></td></tr><tr><td>INSURER F :</td><td></td></tr></table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A : Crum & Forster Specialty Insurance Co	44520	INSURER B : Travelers Property Casualty Co. of America	25674	INSURER C : N/A	N/A	INSURER D :		INSURER E :		INSURER F :	
INSURER(S) AFFORDING COVERAGE	NAIC #														
INSURER A : Crum & Forster Specialty Insurance Co	44520														
INSURER B : Travelers Property Casualty Co. of America	25674														
INSURER C : N/A	N/A														
INSURER D :															
INSURER E :															
INSURER F :															

## COVERAGES

CERTIFICATE NUMBER:

LOS-002288075-18

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> BI & PD Ded. \$5,000 GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			EPK144434	07/01/2023	07/01/2024	EACH OCCURRENCE \$ 5,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 50,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 5,000,000 GENERAL AGGREGATE \$ 5,000,000 PRODUCTS - COMP/OP AGG \$ 5,000,000 Contractors Pollution \$ 5,000,000
B	<b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY			BA1N96406A2343G	07/01/2023	07/01/2024	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Comp/Coll Deductibles \$ 1,000
	<b>UMBRELLA LIAB</b> <input type="checkbox"/> OCCUR <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE DED <input type="checkbox"/> RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
B	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input checked="" type="checkbox"/> Y <input checked="" type="checkbox"/> N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	UB7K7286762343G	07/01/2023	07/01/2024	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
A	Errors & Omissions-Claims Made Retro Dates: See 2nd Page			EPK144434	07/01/2023	07/01/2024	Each Claim/Aggregate \$ 5,000,000

## DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

The City of Redondo Beach, its officers, elected, and appointed officials, employees, and volunteers are included as additional insured (except workers' compensation) where required by written contract. This insurance is primary and non-contributory over any existing insurance and limited to liability arising out of the operations of the named insured and where required by written contract with respect to General Liability.

## CERTIFICATE HOLDER

City of Redondo Beach  
415 Diamond Street  
Redondo Beach, CA 90277

## CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

*Marsh Risk & Insurance Services*

© 1988-2016 ACORD CORPORATION. All rights reserved.



## ADDITIONAL REMARKS SCHEDULE

Page 2 of 2

<b>AGENCY</b> Marsh Risk & Insurance Services		<b>NAMED INSURED</b> PlaceWorks, Inc 3 MacArthur Place, Suite 1100 Santa Ana, CA 92707
<b>POLICY NUMBER</b>		
<b>CARRIER</b>	<b>NAIC CODE</b>	<b>EFFECTIVE DATE:</b>

### ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,  
**FORM NUMBER:** 25 **FORM TITLE:** Certificate of Liability Insurance

Errors & Omissions Retro Dates:  
 7/1/99 - Planning Center, Inc.  
 1/1/87 - Design Community & Engineering Inc.

Subject to policy terms, conditions, limitations and exclusions.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**BUSINESS AUTO EXTENSION ENDORSEMENT**

This endorsement modifies insurance provided under the following:

**BUSINESS AUTO COVERAGE FORM**

**GENERAL DESCRIPTION OF COVERAGE** - This endorsement broadens coverage. However, coverage for any injury, damage or medical expenses described in any of the provisions of this endorsement may be excluded or limited by another endorsement to the Coverage Part, and these coverage broadening provisions do not apply to the extent that coverage is excluded or limited by such an endorsement. The following listing is a general coverage description only. Limitations and exclusions may apply to these coverages. Read all the provisions of this endorsement and the rest of your policy carefully to determine rights, duties, and what is and is not covered.

- |  |  |
|--|--|
| <p><b>A. BROAD FORM NAMED INSURED</b></p> <p><b>B. BLANKET ADDITIONAL INSURED</b></p> <p><b>C. EMPLOYEE HIRED AUTO</b></p> <p><b>D. EMPLOYEES AS INSURED</b></p> <p><b>E. SUPPLEMENTARY PAYMENTS - INCREASED LIMITS</b></p> <p><b>F. HIRED AUTO - LIMITED WORLDWIDE COVERAGE - INDEMNITY BASIS</b></p> <p><b>G. WAIVER OF DEDUCTIBLE - GLASS</b></p> | <p><b>H. HIRED AUTO PHYSICAL DAMAGE - LOSS OF USE - INCREASED LIMIT</b></p> <p><b>I. PHYSICAL DAMAGE - TRANSPORTATION EXPENSES - INCREASED LIMIT</b></p> <p><b>J. PERSONAL PROPERTY</b></p> <p><b>K. AIRBAGS</b></p> <p><b>L. NOTICE AND KNOWLEDGE OF ACCIDENT OR LOSS</b></p> <p><b>M. BLANKET WAIVER OF SUBROGATION</b></p> <p><b>N. UNINTENTIONAL ERRORS OR OMISSIONS</b></p> |
|--|--|

**PROVISIONS****A. BROAD FORM NAMED INSURED**

The following is added to Paragraph A.1., **Who Is An Insured**, of **SECTION II - COVERED AUTOS LIABILITY COVERAGE**:

Any organization you newly acquire or form during the policy period over which you maintain 50% or more ownership interest and that is not separately insured for Business Auto Coverage. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier.

**B. BLANKET ADDITIONAL INSURED**

The following is added to Paragraph c. in A.1., **Who Is An Insured**, of **SECTION II - COVERED AUTOS LIABILITY COVERAGE**:

Any person or organization who is required under a written contract or agreement between you and that person or organization, that is signed and executed by you before the "bodily injury" or "property damage" occurs and that is in effect during the policy period, to be named as an additional insured is an "insured" for Covered Autos Liability Coverage, but only for damages to which

this insurance applies and only to the extent that person or organization qualifies as an "insured" under the **Who Is An Insured** provision contained in Section II.

**C. EMPLOYEE HIRED AUTO**

1. The following is added to Paragraph A.1., **Who Is An Insured**, of **SECTION II - COVERED AUTOS LIABILITY COVERAGE**:

An "employee" of yours is an "insured" while operating an "auto" hired or rented under a contract or agreement in an "employee's" name, with your permission, while performing duties related to the conduct of your business.

2. The following replaces Paragraph b. in B.5., **Other Insurance**, of **SECTION IV - BUSINESS AUTO CONDITIONS**:

b. For **Hired Auto Physical Damage Coverage**, the following are deemed to be covered "autos" you own:

- (1) Any covered "auto" you lease, hire, rent or borrow; and
- (2) Any covered "auto" hired or rented by your "employee" under a contract in an "employee's" name, with your



## COMMERCIAL AUTO

permission, while performing duties related to the conduct of your business.

However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto".

**D. EMPLOYEES AS INSURED**

The following is added to Paragraph A.1., **Who Is An Insured**, of **SECTION II - COVERED AUTOS LIABILITY COVERAGE**:

Any "employee" of yours is an "insured" while using a covered "auto" you don't own, hire or borrow in your business or your personal affairs.

**E. SUPPLEMENTARY PAYMENTS - INCREASED LIMITS**

1. The following replaces Paragraph A.2.a.(2), of **SECTION II - COVERED AUTOS LIABILITY COVERAGE**:

(2) Up to \$3,000 for cost of bail bonds (including bonds for related traffic law violations) required because of an "accident" we cover. We do not have to furnish these bonds.

2. The following replaces Paragraph A.2.a.(4), of **SECTION II - COVERED AUTOS LIABILITY COVERAGE**:

(4) All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to \$500 a day because of time off from work.

**F. HIRED AUTO - LIMITED WORLDWIDE COVERAGE - INDEMNITY BASIS**

The following replaces Subparagraph (5) in Paragraph 8.7., **Policy Period, Coverage Territory**, of **SECTION IV - BUSINESS AUTO CONDITIONS**:

(5) Anywhere in the world, except any country or jurisdiction while any trade sanction, embargo, or similar regulation imposed by the United States of America applies to and prohibits the transaction of business with or within such country or jurisdiction, for Covered Autos Liability Coverage for any covered "auto" that you lease, hire, rent or borrow without a driver for a period of 30 days or less and that is not an "auto" you lease, hire, rent or borrow from any of your "employees", partners (if you are a partnership), members (if you are a limited liability company) or members of their households.

(a) With respect to any claim made or "suit" brought outside the United States of America, the territories and possessions of the United States of America, Puerto Rico and Canada:

(i) You must arrange to defend the "insured" against, and investigate or settle any such claim or "suit" and keep us advised of all proceedings and actions.

(ii) Neither you nor any other involved "insured" will make any settlement without our consent.

(iii) We may, at our discretion, participate in defending the "insured" against, or in the settlement of, any claim or "suit".

(iv) We will reimburse the "insured" for sums that the "insured" legally must pay as damages because of "bodily injury" or "property damage" to which this insurance applies, that the "insured" pays with our consent, but only up to the limit described in Paragraph C., **Limits Of Insurance**, of **SECTION II - COVERED AUTOS LIABILITY COVERAGE**.

(v) We will reimburse the "insured" for the reasonable expenses incurred with our consent for your investigation of such claims and your defense of the "insured" against any such "suit", but only up to and included within the limit described in Paragraph C., **Limits Of Insurance**, of **SECTION II - COVERED AUTOS LIABILITY COVERAGE**, and not in addition to such limit. Our duty to make such payments ends when we have used up the applicable limit of insurance in payments for damages, settlements or defense expenses.

(b) This insurance is excess over any valid and collectible other insurance available to the "insured" whether primary, excess, contingent or on any other basis.

(c) This insurance is not a substitute for required or compulsory insurance in any country outside the United States, its territories and possessions, Puerto Rico and Canada.

You agree to maintain all required or compulsory insurance in any such country up to the minimum limits required by local law. Your failure to comply with compulsory insurance requirements will not invalidate the coverage afforded by this policy, but we will only be liable to the same extent we would have been liable had you complied with the compulsory insurance requirements.

- (d) It is understood that we are not an admitted or authorized insurer outside the United States of America, its territories and possessions, Puerto Rico and Canada. We assume no responsibility for the furnishing of certificates of insurance, or for compliance in any way with the laws of other countries relating to insurance.

#### G. WAIVER OF DEDUCTIBLE - GLASS

The following is added to Paragraph D., **Deductible**, of **SECTION III - PHYSICAL DAMAGE COVERAGE**:

No deductible for a covered "auto" will apply to glass damage if the glass is repaired rather than replaced.

#### H. HIRED AUTO PHYSICAL DAMAGE - LOSS OF USE - INCREASED LIMIT

The following replaces the last sentence of Paragraph A.4.b., **Loss Of Use Expenses**, of **SECTION III - PHYSICAL DAMAGE COVERAGE**:

However, the most we will pay for any expenses for loss of use is \$65 per day, to a maximum of \$750 for any one "accident".

#### I. PHYSICAL DAMAGE - TRANSPORTATION EXPENSES - INCREASED LIMIT

The following replaces the first sentence in Paragraph A.4.a., **Transportation Expenses**, of **SECTION III - PHYSICAL DAMAGE COVERAGE**:

We will pay up to \$50 per day to a maximum of \$1,500 for temporary transportation expense incurred by you because of the total theft of a covered "auto" of the private passenger type.

#### J. PERSONAL PROPERTY

The following is added to Paragraph A.4., **Coverage Extensions**, of **SECTION III - PHYSICAL DAMAGE COVERAGE**:

##### Personal Property

We will pay up to \$400 for "loss" to wearing apparel and other personal property which is:

- (1) Owned by an "insured"; and

- (2) In or on your covered "auto".

This coverage applies only in the event of a total theft of your covered "auto".

No deductibles apply to this Personal Property coverage.

#### K. AIRBAGS

The following is added to Paragraph 8.3., **Exclusions**, of **SECTION III - PHYSICAL DAMAGE COVERAGE**:

Exclusion 3.a. does not apply to "loss" to one or more airbags in a covered "auto" you own that inflate due to a cause other than a cause of "loss" set forth in Paragraphs A.1.b. and A.1.c., but only:

- If that "auto" is a covered "auto" for Comprehensive Coverage under this policy;
- The airbags are not covered under any warranty; and
- The airbags were not intentionally inflated.

We will pay up to a maximum of \$1,000 for any one "loss".

#### L. NOTICE AND KNOWLEDGE OF ACCIDENT OR LOSS

The following is added to Paragraph A.2.a., of **SECTION IV- BUSINESS AUTO CONDITIONS**:

Your duty to give us or our authorized representative prompt notice of the "accident" or "loss" applies only when the "accident" or "loss" is known to:

- You (if you are an individual);
- A partner (if you are a partnership);
- A member (if you are a limited liability company);
- An executive officer, director or insurance manager (if you are a corporation or other organization); or
- Any "employee" authorized by you to give notice of the "accident" or "loss".

#### M. BLANKET WAIVER OF SUBROGATION

The following replaces Paragraph A.5., **Transfer Of Rights Of Recovery Against Others To Us**, of **SECTION IV - BUSINESS AUTO CONDITIONS**:

##### 5. Transfer Of Rights Of Recovery Against Others To Us

We waive any right of recovery we may have against any person or organization to the extent required of you by a written contract signed and executed prior to any "accident" or "loss", provided that the "accident" or "loss" arises out of operations contemplated by



COMMERCIAL AUTO

such contract. The waiver applies only to the person or organization designated in such contract.

**N. UNINTENTIONAL ERRORS OR OMISSIONS**

The following is added to Paragraph 8.2., **Concealment, Misrepresentation, Or Fraud**, of **SECTION IV - BUSINESS AUTO CONDITIONS**:

The unintentional omission of, or unintentional error in, any information given by you shall not prejudice your rights under this insurance. However this provision does not affect our right to collect additional premium or exercise our right of cancellation or non-renewal.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS -  
COMPLETED OPERATIONS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

Name of Addtional Person(s) or Organization(s):	Location And Description Of Completed Operations
Where Required By Written Contract.	Where Required By Written Contract.
Information required to complete this Schedule, if not shown above, will beshown in the Declarations.	

A. Section III - Who Is An Insured within the Common Provisions is amended to include as an insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" at the location designated and described in the schedule of this endorsement performed for that additional insured and included in the "products-completed operations hazard".



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**PRIMARY AND NON--CONTRIBUTORY ADDITIONAL  
INSURED WITH WAIVER OF SUBROGATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
CONTRACTORS POLLUTION LIABILITY COVERAGE PART  
ERRORS AND OMISSIONS LIABILITY COVERAGE PART  
THIRD PARTY POLLUTION LIABILITY COVERAGE PART

**SCHEDULE**

Name of Additional Insured Person(s) or Organization(s) Where Required by Written Contract
---

- A. SECTION III - WHO IS AN INSURED within the Common Provisions is amended to include as an additional insured the person(s) or organization(s) indicated in the Schedule shown above, but solely with respect to "claims" caused in whole or in part, by "your work" for that person or organization performed by you, or by those acting on your behalf.

This insurance shall be primary and non-contributory, but only in the event of a named Insured's sole negligence.

- B. We waive any right of recovery we may have against the person(s) or organization(s) indicated in the Schedule shown above because of payments we make for "damages" arising out of "your work" performed under a designated project or contract with that person(s) or organization(s).
- C. This Endorsement does not reinstate or increase the Limits of Insurance applicable to any "claim" to which the coverage afforded by this Endorsement applies.

**ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.**

**FIFTH AMENDMENT TO AGREEMENT FOR CONSULTING  
SERVICES BETWEEN THE CITY OF REDONDO BEACH AND PLACEWORKS, INC.**

THIS FIFTH AMENDMENT TO THE AGREEMENT FOR CONSULTING SERVICES ("Fifth Amendment") is made between the City of Redondo Beach, a Chartered Municipal Corporation ("City") and Placeworks, Inc., a California corporation ("Consultant" or "Contractor").

WHEREAS, on October 4, 2016, the parties hereto originally entered into that certain Agreement for Consulting Services between the City and Consultant ("Agreement"); and

WHEREAS, on December 19, 2017, the parties hereto entered into that certain First Amendment to the Agreement between the City and Consultant ("First Amendment"); and

WHEREAS, on April 16, 2019, the parties hereto entered into that certain Second Amendment to the Agreement between the City and Consultant ("Second Amendment"); and

WHEREAS, on March 17, 2020, the parties hereto entered into that certain Third Amendment to the Agreement between the City and Consultant ("Third Amendment"); and

WHEREAS, on October 4, 2022, the parties hereto entered into that certain Fourth Amendment to the Agreement between the City and Consultant ("Fourth Amendment"), and

WHEREAS, City and Consultant desire to amend the Agreement, First Amendment, Second Amendment, Third Amendment and Fourth Amendment (collectively "Amended Agreement") pursuant to the terms and conditions set forth herein.

NOW, THEREFORE, the parties hereby agree to make the following amendments to the Amended Agreement:

**SECTION 1. EXHIBIT "A" PROJECT DESCRIPTION AND/OR SCOPE OF SERVICES** of the Amended Agreement is hereby amended in the following respects:

**Task 2.3: General Plan Advisory Committee**

PlaceWorks shall conduct one final meeting with the General Plan Advisory Committee to present the consolidated set of edits made to the General Plan goals, policies and implementation actions before the draft updates to the General Plan are released for public review.

**Deliverable(s):**

- Final GPAC Meeting (Consolidated edits to General Plan)

#### **Task 2.4: Community Workshop & Survey/Online Feedback (Zoning Code and LCP Amendments)**

PlaceWorks shall prepare for and facilitate one additional in-person community workshop to focus on the proposed edits to the Zoning Code. It should be noted that one General Plan workshop remains.

PlaceWorks shall also input the General Plan Elements and draft Zoning Code in Konevio, a virtual commenting software, so that the public may provide input on the proposed documents before they are forwarded to Planning Commission and City Council for review.

##### **Deliverable(s):**

- Preparation for and facilitation of in-person community workshop (Zoning only, or GP and Zoning, TBD)
- Set up and facilitation of Konevio commenting software

#### **(New) Task 4.6: Prepare GP/Article XXVII MOU**

Placeworks shall prepare a detailed memorandum providing an overview of the difference between General Plan CEQA buildout analyses needed and those needed for Article XXVII and proper application to be placed on the ballot.

##### **Deliverable(s):**

- Buildout comparison memorandum

#### **Task 7.3: Element Production**

PlaceWorks shall prepare final edits to the draft general plan elements after receiving comments from staff prior to being presented to GPAC and the public for review. Budget covers all elements, Open Space and Conservation, Land Use, Introduction, etc. Includes new Table of Contents. Placeworks shall prepare public review draft and any final edits needed after Planning Commission and City Council action.

##### **Deliverable(s):**

- Formatting, consolidating edits, developing a consolidated General Plan draft (for GPAC final meeting and for public comment)
- Final draft General Plan (after Planning Commission and City Council Hearings)

#### **TASK 10.2: PROJECT TEAM MEETINGS**

This task covers the additional time needed for routine project management, including regular project progress calls and check ins related to the efficient completion of the zoning changes and LCP Amendment that are in addition to the General Plan discussions. Placeworks shall conduct bi-weekly meetings with the consultant team and periodic, as-needed coordination with the City in between scheduled meetings. If it is determined over the course of this effort that additional meetings to strategize on particular topics are needed, then a revision to this scope and budget would be needed. No in person meetings are assumed at this time.

**Deliverable(s):**

- Bi-weekly virtual meetings

**(New) Task 12: Prepare Revisions to the City's Zoning Code**

This additional scope ensures zoning code consistency with the general plan update.

**12.1 Review of Existing Code.** PlaceWorks shall review the code in the context of the proposed changes to the General Plan, state laws such as SB 35 and SB 330, and any changes the City needs to make to be consistent with the certified Housing Element so that all General Plan and Zoning changes may be placed on the ballot at the same time. Time shall be spent reviewing the programs in the Housing Element to ensure they are being implemented in a timely manner.

**12.2 Draft Zoning Code Revisions.** PlaceWorks shall add text in track-change mode to the draft code to aid in staff review. Placeworks shall provide the edits in tracked changes format (Word) for integration into the City's document once adopted. PlaceWorks shall coordinate with Veronica Tam to gain clarification and direction as it relates to items that need to be included and how to address them to satisfy Housing Element requirements.

**12.3 Zoning Map and Districts.** The zoning district map shall be updated for consistency with the General Plan and completed as separate GIS layers. Placeworks shall ensure that the resulting zoning map is readily accessible and that the data presented enables analysis. This effort shall also highlight parcels that are inconsistent with the General Plan so the EIR can evaluate zoning changes.

It is assumed that PlaceWorks' GIS staff will need to spend time identifying any inconsistencies between the current GP and Zoning as well as applying new zoning changes, which Placeworks anticipates would involve a back and forth review with the City.

**12.4 Public Review Draft Code.** PlaceWorks shall prepare the draft code in PDF for posting on the City's website. Following the review period, PlaceWorks shall discuss the comments with staff, make changes as directed, and produce a final draft for consideration by the Commission and Council. Placeworks shall also summarize the changes for the Staff report and draft the ordinance, and public notices.

**Deliverable(s):**

- Updated Zoning Code revisions and new text (Administrative, Public Review, and Final Drafts) and zoning district map.

**(New) Task 13: Prepare LCP Amendment**

PlaceWorks shall conduct a high-level review existing materials to start to assess expectations for an LCP update that creates consistency with the General Plan and Zoning edits that are proposed. Placeworks shall compile list of edits that need to be

made to City's LCP and identify the work effort that would be required to prepare the LCP update. Updates shall include revisions to the Coastal Land Use Plan Map (to reflect Residential Overlay and changes to designation names for the beach front properties, among others) and edits to the IP.

**Deliverable(s):**

- Review of current LCP
  - List of LCP amendments and evaluation of LUP mapping
  - Assessment of Current Issues LCP creating for City (City memo/overview)
- Summary of findings and recommendations from review of materials
- Updated Land Use Map and Text revisions to the City's LCP
- Assemblage of all materials needed to present to the City Council for review prior to taking action (to add to the ballot).

**TASK 10.2: PROJECT TEAM MEETINGS**

This task covers the additional time needed for routine project management, including regular project progress calls and check ins related to the efficient completion of the zoning changes and LCP Amendment that are in addition to the General Plan discussions. No in person meetings are assumed at this time.

**Deliverable(s):**

- Bi-weekly virtual meetings

**SECTION 2. EXHIBIT "C" COMPENSATION** of the Amended Agreement is hereby amended and revised to increase the total cost from **\$1,761,647** to an amount not to exceed **\$1,977,147**. Tasks with budgets available for repurpose/reallocation are itemized first followed by additional budgets required to complete identified tasks.

# Standard Fee Schedule

## PlaceWorks – 2023 Standard Fee Schedule

Staff Level	Hourly Bill Rate
Principal	\$210–\$335
Associate Principal	\$195–\$275
Senior Associate II	\$170–\$260
Senior Associate I	\$160–\$215
Associate II	\$135–\$190
Associate I	\$125–\$175
Project Planner	\$105–\$165
Planner	\$90–\$145
Graphics Specialist	\$90–\$155
Administrator	\$145–\$200
Clerical/Word Processing/Technical Editor	\$45–\$150
Intern	\$80–\$115

Subconsultants are billed at cost plus 10%. Mileage reimbursement rate is the standard IRS-approved rate. Possible yearly increase of 5% on bill rates.

2023\_v1\_(01-09-23)

## Compensation

The compensation to perform the additional scope of work shall not \$215,500.

Table 1. Compensation

TASK	COST
<b>LABOR EXPENSES</b>	
Task 2.3: General Plan Advisory Committee	\$6,000
Task 2.4 Community Workshop & Survey/Online Feedback	\$12,000
(New) Task 4.6: Prepare GP/Article XXVII MOU	\$12,000
Task 7.3: Element Production	\$20,000
Task 10.2: Project Team Meetings	\$4,400
(New) Task 12: Prepare Revisions to the City's Zoning Code	\$85,000
(New) Task 13: Prepare LCP Amendment	\$75,000
<b>Total Labor</b>	<b>\$214,400</b>
Reimbursables (Konveio platform to collect comments)	\$1,100
<b>GRAND TOTAL</b>	<b>\$215,500</b>



Notes: Reimbursable expenses are estimated above and include the costs for printing, photography, copies, blueprinting, and deliveries. The above budget is an estimate. Actual reimbursable expenses will be billed at cost plus 12.5%.

### **SECTION 3. MODIFICATION**

Except as expressly set forth herein, the Agreement, the First Amendment, the Second Amendment, Third Amendment and Fourth Amendment shall continue in full force and effect. The Agreement together with the First Amendment, Second Amendment, Third Amendment, Fourth Amendment and this Fifth Amendment constitute the entire agreement between the parties and supersedes any previous oral or written agreement. In the event of any inconsistency between this Fifth Amendment and the Agreement, First Amendment, Second Amendment, Third Amendment and Fourth Amendment the terms of this Fifth Amendment shall prevail. This Fifth Amendment may be modified or amended only by a subsequent writing executed by all of the parties and approval by the City Council.

**[SIGNATURES ON FOLLOWING PAGE]**

IN WITNESS WHEREOF, the parties have entered into this Fifth Amendment as of this 21<sup>st</sup> day of February 2023.

CITY OF REDONDO BEACH  
A chartered municipality

PLACEWORKS, INC.  
a California Corporation

\_\_\_\_\_  
William C. Brand, Mayor

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ATTEST:

APPROVED

\_\_\_\_\_  
Eleanor Manzano, City Clerk

\_\_\_\_\_  
Diane Strickfaden, Risk Manager

APPROVED AS TO FORM:

\_\_\_\_\_  
Michael W. Webb, City Attorney

**FOURTH AMENDMENT TO AGREEMENT FOR CONSULTING  
SERVICES BETWEEN THE CITY OF REDONDO BEACH AND PLACEWORKS, INC.**

THIS FOURTH AMENDMENT TO THE AGREEMENT FOR CONSULTING SERVICES ("Fourth Amendment") is made between the City of Redondo Beach, a Chartered Municipal Corporation ("City") and Placeworks, Inc., a California corporation ("Consultant" or "Contractor").

WHEREAS, on October 4, 2016, the parties hereto originally entered into that certain Agreement for Consulting Services between the City and Consultant ("Agreement"); and

WHEREAS, on December 19, 2017, the parties hereto entered into that certain First Amendment to the Agreement between the City and Consultant ("First Amendment"); and

WHEREAS, on April 16, 2019, the parties hereto entered into that certain Second Amendment to the Agreement between the City and Consultant ("Second Amendment"); and

WHEREAS, on March 17, 2020, the parties hereto entered into that certain Third Amendment to the Agreement between the City and Consultant ("Third Amendment"); and

WHEREAS, City and Consultant desire to amend the Agreement, First Amendment, Second Amendment, and Third Amendment (collectively "Amended Agreement") pursuant to the terms and conditions set forth herein.

NOW, THEREFORE, the parties hereby agree to make the following amendments to the Amended Agreement:

**a. Study Sessions and Public Hearings**

EXHIBIT "A" PROJECT DESCRIPTION AND/OR SCOPE OF SERVICES of the Amended Agreement entitled, "**II. Consultant's Duties, Phase 2. Community Engagement Program, Task 2.5 Study Sessions and Public Hearings**" is hereby amended to add the following duties and deliverables:

***"Study Sessions***

At the City's request, Consultant shall co-host study session(s) with the Planning Commission and City Council (joint session if desirable) to provide preliminary feedback regarding the concepts and approaches related to the land use plan.

The format and intent of the study session(s) will vary from the public hearings to adopt the General Plan. These session(s) are intended to keep decision makers informed, get informal approval at key points, and provide an additional opportunity for community participation. Consultant(s) may participate in these study session(s) as determined by the City in lieu of Consultant(s) attending the same number of public hearings prescribed below.

***Public Hearings***

Consultant shall participate in up to four (4) public hearings for the public draft Revised Land Use; Conservation, Recreation and Parks, and Open Space; Noise; and Safety Elements with both the Planning Commission and City Council (total of eight hearings) as determined by the City. This task includes some preparation in support of the study session(s) or hearings with the City to prepare the PowerPoint presentations and staff reports and the Consultant(s) to be in attendance by up to two staff members of the Consultant as well as representatives from Sub-Consultants Fehr and Peers and BAE, as needed. Sub-Consultant Fehr and Peers will attend up to 3 public meetings (study session or public hearing) and will provide input on the preparation of presentation materials as it relates to land use changes and their effect on transportation.

Consultant(s) shall work with City staff in support of the City staff's development of required staff reports and PowerPoint presentations. At the study session(s) and/or hearings, the Consultant shall be available for presentations and responding to questions and comments received.

City will be responsible for any subsequent work related to revisions of the adopted Local Coastal Program (including text changes or coordination/hearings with the California Coastal Commission).

***Deliverables:***

- Support City staff's preparation of staff reports and PowerPoint presentations
- Attendance at Study Sessions or Public Hearings (up to 8 total, at Planning Commission and City Council)."

**b. Land Use Constraints and Issues - Infrastructure**

EXHIBIT "A" PROJECT DESCRIPTION AND/OR SCOPE OF SERVICES of the Agreement entitled, "**II. Consultant's Duties, Phase 3. Review Existing Conditions and Data, Task 3.2 Review of Existing General Plan Land Use and Zoning, Land Use Constraints and Issues - Infrastructure**" is hereby amended to add the following duties and deliverables:

***“Land Use Constraints and Issues - Infrastructure***

Consultant shall meet with Redondo Beach Public Works staff to assess the availability and adequacy of existing and planned infrastructure to support future development. Analyses shall include wastewater collection and treatment, water supply and distribution facilities, storm drainage infrastructure, and solid and hazardous waste disposal based on review of existing studies and reports. In addition, Consultant shall consult with external service agencies, including Southern California Gas, Southern California Edison, and telecommunications providers. Fuscoe Engineering (FEI) will review available records provided by the City on drainage and wet utilities (water and sewer) to compile “existing conditions” exhibits including a focused effort on infrastructure age, condition, adequacy and capacity. Excludes water supply analysis.

Sub-Consultant (Fuscoe) shall also evaluate the general capacity of the City's infrastructure (storm drain, water and sewer) related to projected land use changes, growth and additional demands on the infrastructure systems. Sub-Consultant (Fuscoe) shall identify opportunities and constraints related to future land use changes and recreational and open space areas for infrastructure improvements and water quality/water conservation opportunities. Prepare an assessment of potential impacts on new development and suggested infrastructure remedies. Sub-Consultant (Fuscoe) shall summarize findings for the general plan with narratives and graphics, including:

- Drainage & Flood Control
- MS4/NPDES Compliance and Regional Water Quality Improvement Opportunities
- Sanitary Sewer
- Domestic Water Services

**c. Fiscal Impacts of Land Use Scenarios**

EXHIBIT "A" PROJECT DESCRIPTION AND/OR SCOPE OF SERVICES of the Amended Agreement entitled, **“II. Consultant's Duties, Phase 4. Prepare Draft Land Use Element, Task 4.4 Evaluate Fiscal Impacts of Land Use Scenarios”** is hereby amended to add the following duties and deliverables:

“For this task, Sub-Consultant BAE shall conduct a fiscal impact analysis to determine the net fiscal impacts to the City's General Fund for the proposed Land Use Plan. A fiscal impact model shall be prepared to measure the recurring annual impacts of the proposed Land Use Plan at project build out.

Sub-Consultant BAE shall prepare the fiscal model using the City's most recent budget.

Revenues will be based on a hybrid average revenue/marginal revenue approach. Sub-Consultant BAE shall project revenues using a marginal approach (e.g., property taxes, property tax in lieu of VLF, sales taxes) based on development characteristics. Sub-Consultant BAE shall project revenues using an average revenue approach based on the anticipated increase in service population (i.e., new residents plus half of new employment). Sub-Consultant BAE shall use an average cost approach to project new costs. Sub-Consultant BAE shall compare projected revenues to costs in order to determine whether revenues from new development are sufficient to cover the costs of providing municipal services.

***Deliverables:***

- Fiscal Impact Analysis Report (for proposed Land Use Plan)”

**d. Draft Land Use Element**

EXHIBIT "A" PROJECT DESCRIPTION AND/OR SCOPE OF SERVICES of the Amended Agreement entitled, “**II. Consultant's Duties, Phase 4. Prepare Draft Land Use Element**” is hereby amended to add the following duties and deliverables:

“Consultant shall prepare a draft updated Land Use Element incorporating revisions to the Land Use Diagram, goals and policies, and implementation programs in consideration of the analyses completed in the preceding work tasks and input from the public outreach and engagement process. In developing the Diagram, one or more alternatives may be identified for areas of change, evaluated for their comparative impacts, and a preferred use selected. Consultant and City shall select the preferred land use plan. Goals and policies shall be revised to reflect the selected plan diagram and address issues regarding continuing utility and relevance.

Consultant supported multiple additional meetings required by GPAC, Planning Commission, and City Council for determining the proposed Land Use Plan to comply with Housing Element requirements. Buildout numbers required multiple reruns. Additional coordination and work with F&P to model and provide input/adjustments based on new buildouts. Additional hours required to prepare element and make final revisions to Element.

***Deliverables:***

- Administrative draft updated Land Use goals and policies

- Revised draft updated Land Use goals and policies
- Additional exhibits, research, technical consultant reviews, and buildout reruns required in support of additional meetings in the development of the proposed Land Use Plan.”

**e. CEQA Review Process**

EXHIBIT "A" PROJECT DESCRIPTION AND/OR SCOPE OF SERVICES of the Amended Agreement entitled, **“Phase 8. CEQA Review Process”** is hereby amended to revise the following duties and deliverables:

**“Phase 8. CEQA Review Process**

Consultant shall conduct a two-phase environmental review process that includes preparing an Initial Study to "scope out" impacts found to be less than significant, then preparing a program-level Environmental Impact Report that is limited to analyses of potentially significant environmental topics. Consultant shall work alongside the City Staff and Consultant's Team and Sub-Consultants to incorporate General Plan policies that mitigate environmental impacts.

Additional consultant resources and updated billing rates are required across the scope of the CEQA review process to address changes in State Environmental Laws since the initial scoping of this Phase in 2016.”

**f. Air Quality & Greenhouse Gas Emissions**

EXHIBIT "A" PROJECT DESCRIPTION AND/OR SCOPE OF SERVICES of the Amended Agreement entitled, **“Phase 9. Technical Studies, Task 9.3 Air Quality & Greenhouse Gas Emissions”** is hereby amended to revise the following duties and deliverables:

**“Task 9.3 Air Quality & Greenhouse Gas Emissions**

Consultant shall prepare an air quality and greenhouse gas (GHG) emissions analysis for the City of Redondo Beach General Plan EIR. The air quality and GHG analysis shall be based on the current methodology of the South Coast Air Quality Management District (SCAQMD) for projects in the South Coast Air Basin (SoCAB), and modeling files shall be included as an appendix to the EIR.

Additional qualitative documentation in the Draft EIR to address CEQA caselaw is required for:

- Air Quality (e.g., Friant Ranch) – The EIR section will document the relationship of the regional significance thresholds to health-based impacts in the South Coast Air Basin based on the statements made in

the Amicus Brief by the South Coast Air Quality Management District and the San Joaquin Valley Air Pollution Control District.

- Greenhouse gas emissions (e.g., Golden Door) – Efficiency-based targets that are based on the statewide GHG emissions inventory and forecast in the Scoping Plan may no longer be used as significance thresholds in CEQA. Additionally, the Scoping Plan is being updated to address carbon neutrality targets identified in Executive Order B-55-18. The EIR section will need to address the latest GHG regulations and approach for plan-level analyses to ensure consistency with the latest GHG emissions reduction targets.
- Criteria Air Pollutant Emissions Inventories (Existing and General Plan Buildout): The air quality analysis shall provide an estimate of long-term criteria air pollutant emissions using the latest models (e.g., EMFAC, OFFROAD, CalEEMod). Buildout of the General Plan would generate emissions from an anticipated increase in trips and vehicle miles traveled (VMT) associated with land uses in the City. In addition, use of natural gas and other area sources generate criteria air pollutants. Construction of individual development projects would also generate emissions from vehicles, off-road equipment, off-gas emissions, and fugitive dust. Potential impacts from construction activities associated with implementation of the General Plan shall be described qualitatively. The EIR shall compare criteria air pollutants generated by existing land uses (CEQA Baseline) in the City of Redondo Beach compared to land uses projected at buildout of the City (i.e., not a plan-to-plan analysis). An inventory of criteria air pollutants generated by existing land uses and proposed land uses shall be based on an existing inventory of land uses on the ground and future buildout statistics generated for the proposed Land Use Plan. Cumulative air quality impacts from buildout of the General Plan shall be described based on the emissions inventory compared to SCAQMD's regional significance thresholds.
- Air Quality Management Plan Consistency: The SoCAB is designated nonattainment of the National and/or California ambient air quality standards (MQS) for ozone, nitrogen dioxide, and particulate matter (PM10 and PM2.5). Consistency of the project's regional emissions shall also be evaluated against SCAQMD's Air Quality Management Plan.
- CO Hotspots: The SoCAB has been designated as attainment of the state and federal carbon monoxide (CO) ambient air quality standards. Given that no intersection has exceeded the CO standards since redesignation, quantitative evaluation is not warranted. Instead, the



potential for the proposed project to generate a CO hotspot shall be addressed qualitatively by the Consultant.

- Nuisance Odors: The air quality impact analysis shall describe land uses in the City that have the potential to generate nuisance odors. Buffer distances and/or control measures for sources listed in the SCAQMD's guidelines shall be incorporated.
- GHG Emissions Inventories for the General Plan EIR (CEQA Baseline and General Plan Buildout): Pursuant to current CEQA Guidelines, all phases of the project must be considered (CEQA Guidelines Section 15126). Because the time horizon of a General Plan extends beyond the GHG reduction target year of Assembly Bill 32 (AB 32) (i.e., 2020 compared to General Plan buildout), the GHG impact analysis for the EIR shall identify GHG emissions associated with full buildout of the General Plan. To date, there is no comprehensive statewide plan that identifies GHG reduction programs past 2020. However, the California Air Resources Board (CARB) is currently in the process of updating the Scoping Plan to address interim targets to reach the 2030 goal of reducing GHG emissions to 40 percent below 1990 levels pursuant to Executive Order B-30-15 (anticipated by fall 2017).

The EIR shall include a GHG emissions inventory for the City for the CEQA baseline year and General Plan buildout. The GHG inventory for CEQA baseline and buildout shall provide an estimate of long-term GHG emissions using the latest models (e.g., EMFAC, OFFROAD) for the applicable GHG emissions sectors. Sources of GHG emissions in the City shall be based on those within the City's jurisdictional control and shall utilize the recent GHG emissions inventory and forecast compiled by the City for the Energy Efficiency Climate Action Plan (EECAP) and shall include:

- Residential and Nonresidential Energy (based on electricity use provided by Southern California Edison and natural gas use provided by the Southern California Gas Company)
- Transportation (on-road vehicles based on VMT provided by Sub-Consultant (Fehr & Peers))
- Water Use and Wastewater Treatment (from California Water Services)
- Other Area Sources (e.g., off-road equipment)
- Permitted Sources (GHG for this sector shall be presented, if available from SCAQMD)

The inventories shall be adjusted by the Consultant for reductions associated with statewide programs that have been adopted to reduce GHG emissions. The EIR shall evaluate the impact from the change in GHG emissions in the

City compared to CEQA baseline conditions pursuant to SCAQMD's draft thresholds.

- **Consistency with Plans Adopted for the Purpose of Reducing GHG Emissions:** The GHG section in the EIR shall discuss the City's commitment to reducing GHG emissions in accordance with the GHG reduction goals of AB 32 and Senate Bill 375. Project consistency with CARB's Scoping Plan and the Southern California Association of Governments' (SCAG) 2016 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) shall be reviewed by the Consultant, in accordance with the CEQA requirements.

In addition, the San Gabriel Valley Council of Government (SAVCOG), in partnership with Southern California Edison (SCE), implemented an Energy Wise Partnership for cities in the San Gabriel Valley. As part of this program, an Energy Efficiency chapter of the Climate Action Plan (EECAP) for the City of Redondo Beach was prepared and includes measures to reduce energy use and associated GHG emissions. Consistency with the recommended energy action measures shall be incorporated to ensure consistency with this regional program for the San Gabriel Valley.

***Deliverables:***

- Analysis incorporated into the EIR and model outputs included as an appendix
- Analysis to include required additional information to address recent CEQA caselaw

**g. Noise and Vibration Studies**

EXHIBIT "A" PROJECT DESCRIPTION AND/OR SCOPE OF SERVICES of the Amended Agreement entitled, "**Phase 9. Technical Studies, Task 9.5 Noise and Vibration**" is hereby amended to revise the following duties and deliverables:

**"Task 9.5 Noise and Vibration**

Consultant shall prepare noise and vibration technical analyses to evaluate potential acoustical impacts associated with the Draft General Plan Update. The EIR shall identify the impacts on sensitive land uses from implementation of the focused update of the General Plan. Particular attention shall be paid to areas in the City that are expected to experience the most growth in the coming years. The EIR shall discuss relevant standards and criteria for noise exposure, and the assessment of impacts shall be based on federal, state, and local ordinances, policies, and

standards, including those in the City of Redondo Beach's existing Municipal Code and updated Noise Element.

Additionally, recent CEQA case law and new topical sections concerning Noise and Vibration are now required to be included in the scope of the EIR analysis concerning this issue area.

### **Existing Noise Conditions**

Consultant shall use Consultant's knowledge of similar noise environments to evaluate existing ambient noise conditions and identify potential issues, opportunities, and challenges with respect to noise and land use compatibility.

### **Transportation Noise**

Existing and future vehicular traffic noise shall be assessed using a version of the US Federal Highway Administration (FHWA) Traffic Noise Model. These contours shall rely on traffic forecasts provided in the traffic impact analyses for the General Plan. These analyses shall identify areas along freeway and roadway segments that would be exposed to noise increases above criteria in the City's General Plan Noise Element. In addition, the noise analysis shall identify potential noise impacts to noise-sensitive uses in the City from railways. Aircraft noise from operations at nearby airports (outside the City limits, including LAX, Torrance, and Hawthorne Municipal Airports) would be expected to have minimal impacts on the general community, but shall be addressed for CEQA completeness on a qualitative basis.

### **Stationary Noise and Land Use Compatibility**

Noise impacts from nontransportation sources such as major commercial/industrial uses shall be discussed in terms of potential impacts to nearby noise-sensitive receptors. Future ambient noise and land use compatibility that could be affected by land use changes or by changes in traffic patterns shall be discussed qualitatively in light of the recent related California Supreme Court ruling (CB/A v BAAQMD).

### **Construction Noise and Vibration**

Construction impacts with implementation of the project shall be evaluated at a programmatic level for the General Plan. Future noise and vibration effects from construction activities shall be discussed in terms of accepted standards from the US Federal Transit Administration (FTA). Feasible mitigation measures shall be identified to minimize future construction-related impacts in the study area.

The results of the above analyses shall be summarized in the EIR noise section, and pertinent calculation details shall be provided in an appendix.

***Deliverables:***

- Analysis incorporated into the EIR, and model outputs included as an appendix
- Incorporation of most recent CEQA case law and new topical sections into the analysis of this issue area.

**h. Major Changes in Allowable Land Uses – Article XXVII Traffic Analysis**

EXHIBIT "A" PROJECT DESCRIPTION AND/OR SCOPE OF SERVICES of the Amended Agreement entitled, "**Phase 9. Technical Studies, Task 9.6.5 Article XXVII Traffic Analysis**" is hereby added with the following duties and deliverables:

**"Task 9.6.5 Article XXVII Traffic Analysis**

Consultant shall prepare a focused traffic analysis pursuant to the required provisions within Article XXVII. Major Changes in Allowable Land Use. The Sub-Consultant (Fehr & Peers) shall calculate trips and Level of Service (LOS) at all required "Critical Corridors" and "Critical Intersections" pursuant to Article XXVII. Major Changes in Allowable Land Use resulting from the proposed Land Use Plan. PlaceWorks and City Staff will provide support as necessary.

***Deliverables:***

- Article XXVII Traffic Impact Analysis for City Staff review (1 electronic version in Word and PDF format)
- Final Article XXVII Traffic Impact Analysis will be attached to the EIR as an addendum (1 electronic version in Word and PDF format)."

**i. Water, Wastewater, and Storm Water Utility Systems**

EXHIBIT "A" PROJECT DESCRIPTION AND/OR SCOPE OF SERVICES of the Amended Agreement entitled, "**Phase 9. Technical Studies, Task 9.7 Water, Wastewater, and Storm Water Utility Systems**" is hereby amended to revise the following duties and deliverables:

**"Task 9.7 Water, Wastewater, and Storm Water Utility Systems**

Consultant and Sub-Consultant (Fusco Engineering) shall prepare the Utilities and Service Systems section of the EIR, covering water,

wastewater, and storm Water utility systems. Consultant shall utilize the Baseline Assessment Memorandum, prepared by Sub-Consultant (Fusco Engineering) as part of the General Plan Update process in Phase 3, to inform the environmental setting section. This shall include information on the age, condition, adequacy, and capacity of utilities infrastructure in Redondo Beach.

To assess utilities-related impacts and identify any needed mitigation measures, Consultant shall utilize the results of Sub-Consultant's (Fusco's) evaluation, performed as part of Phase 4, of the general capacity of the City's infrastructure (storm drain, water and sewer) related to projected land use changes, growth, and additional demands on the infrastructure systems. Recommended improvements needed to serve planned future development shall be integrated into both the EIR and the General Plan.

Providers and management organizations that compose the utilities and service system in Redondo Beach include, but are not limited to:

- Los Angeles County Sanitation Districts
- Hermosa-Redondo District, California Water Services Company (CalWater)
- Carson Joint Water Pollution Control Plant
- City of Redondo Beach Solid Waste Division
- Athens Services
- Los Angeles County Department of Public Works
- Cal Recycle
- Southern California Edison
- Southern California Gas Company

Sub-Consultant (Fusco Engineering) shall prepare a technical report to serve as an appendix to the EIR covering infrastructure and water quality evaluations. This report shall include analyses and conclusions per the CEQA Appendix G checklist, as well as concept-level hydrology comparison of existing versus proposed conditions, and all MS4 LID/BMP measures required. Analysis is to exclude any water or sewer hydraulic modeling related to the proposed land use changes. All water and sewer hydraulic modeling analysis to be provided by City or City's hydraulic modeling consultant.

***Deliverables:***

- Draft Water, Wastewater, and Storm Water Utility Systems Technical Report (1 electronic version in Word and PDF format)

- Final Water, Wastewater, and Storm Water Utility Systems Technical Report (1 electronic version in Word and PDF format)”

**j. Technical Studies – Energy (New Task)**

EXHIBIT "A" PROJECT DESCRIPTION AND/OR SCOPE OF SERVICES of the Amended Agreement entitled, “**Phase 9. Technical Studies, Task 9.8 Energy**” is hereby added with the following duties and deliverables:

**“Task 9.8 Energy**

Pursuant to recent changes in CEQA concerning this issue area, additional specific analysis is required. Additional work includes preparation of a standalone EIR section in response to Appendix F checklist questions on whether energy use is wasteful or inefficient. Substantial evidence is needed in support of the Energy section, a quantified analysis of energy impacts shall be completed for operational phase electricity, natural gas, and transportation fuels.

***Deliverables:***

- Standalone EIR section to include information/analysis to confirm whether energy use is wasteful or inefficient
- Standalone EIR energy section will also include quantified analysis of energy impacts resulting from the proposed Land Use Plan.”

**k. Technical Studies – Wildfire (New Task)**

EXHIBIT "A" PROJECT DESCRIPTION AND/OR SCOPE OF SERVICES of the Amended Agreement entitled, “**II. Consultant’s Duties, Phase 9. Technical Studies, Task 9.9 Wildfire**” is hereby added with the following duties and deliverables:

**“Task 9.8 Wildfire**

Pursuant to recent changes in CEQA concerning this issue area, additional specific analysis is required. Additional work includes preparation of a standalone EIR section in response to Appendix F checklist questions on wildfire hazards and evacuation. Although this is a minor issue for the City of Redondo Beach, substantial evidence is needed to explain potential impacts.

***Deliverables:***

- Standalone EIR section to include information/analysis to confirm impacts and potential mitigation for this issue area

- Standalone EIR wildfire and evacuation section will also include an analysis and identification of potential impacts of from the proposed Land Use Plan concerning this issue area.”

#### **I. Introduction to General Plan (New Task)**

EXHIBIT "A" PROJECT DESCRIPTION AND/OR SCOPE OF SERVICES of the Amended Agreement entitled, **“II. Consultant’s Duties, Phase 10. Project Administration, Task 10.3 Introduction to General Plan”** is hereby added with the following duties and deliverables:

##### **“Task 10.3 Introduction to General Plan**

Consultant shall prepare an “Introduction” chapter that will serve to document the overall process, general assumptions, and context that supported the General Plan Advisory Committee, and other appointed and elected officials in the development of the General Plan Update. Additionally, the “Introduction” shall provide an overview of the Vision and Guiding Principles and also new goals and policies related to community engagement. The “Introduction” shall also serve to reference/connect/organize, with a “Table of Contents”, the various General Plan Elements that are included in this update as well as those existing General Plan Elements that have not been updated.

##### ***Deliverables:***

- General Plan Introduction Chapter that includes:
  - Summary of the overall process, general assumptions, and context that supported the General Plan Advisory Committee, and other appointed and elected officials in the development of this General Plan Update.
  - An overview of the Vision and Guiding Principles and also new goals and policies related to community engagement.
  - References/connects/organizes (table of contents) the various General Plan Elements that are included in this update as well as those existing General Plan Elements that have not been updated.”

#### **m. EXHIBIT "B" SCHEDULE FOR COMPLETION** of the Amended Agreement is hereby amended as follows:

“The term of this Agreement shall extend to December 31, 2023 (“Term”) unless otherwise terminated as herein provided. The Agreement shall automatically renew for a subsequent annual term upon the City Manager providing notice to Consultant at least 30 days prior to the expiration of

the Term. In no event shall the Agreement extend beyond December 31, 2024.”

- n. **EXHIBIT "C" COMPENSATION** of the Amended Agreement is hereby amended and revised to increase the total cost for this Fourth Amendment from **\$1,436,608** to an amount not to exceed **\$1,761,647**. Tasks with budgets available for repurpose/reallocation are itemized first followed by additional budgets required to complete identified tasks.

<b>STUDY SESSIONS AND PUBLIC HEARINGS</b>	
<b>Task 2.5</b>	
<ul style="list-style-type: none"> <li>• (\$20,982 originally budgeted)</li> <li>• (\$4,000 repurposed/reallocated with Third Amendment)</li> <li>• \$12,000 additional required to complete task</li> </ul>	\$12,000
<b>TOTAL Task 2.5 (Fourth Amendment)</b>	<b>\$12,000</b>

<b>LAND USE CONSTRAINTS AND ISSUES – INFRASTRUCTURE (SUBCONSULTANT FUSCOE)</b>	
<b>Task 3.2</b>	
<ul style="list-style-type: none"> <li>• (\$18,284 originally budgeted)</li> <li>• \$2,300 additional required to complete task</li> </ul>	\$2,300
<b>TOTAL Task 3.2 (Fourth Amendment)</b>	<b>\$2,300</b>

<b>DRAFT LAND USE ELEMENT</b>	
<b>Phase 4</b>	
<ul style="list-style-type: none"> <li>• (\$60,698 originally budgeted)</li> <li>• \$65,000 additional required to complete task</li> </ul>	\$65,000
<b>TOTAL Phase 4 (Fourth Amendment)</b>	<b>\$65,000</b>

<b>FISCAL IMPACTS OF LAND USE SCENARIOS (SUBCONSULTANT BAE)</b>	
<b>Task 4.4</b>	
<ul style="list-style-type: none"> <li>• (\$18,014 originally budgeted)</li> <li>• (\$13,650 of the originally budgeted funds were repurposed administratively for additional economic analysis and participation of the economic consultant at GPAC meetings in the development of AACAP – Tasks 12.4 and 12.12 AACAP)</li> <li>• (\$10,000 additionally budgeted, Third Amendment)</li> <li>• \$15,400 additional required to complete task</li> </ul>	\$15,400
<b>TOTAL Task 4.4 (Fourth Amendment)</b>	<b>\$15,400</b>

<b>CEQA REVIEW PROCESS</b>	
----------------------------	--



<b>Phase 8</b>	
• (\$98,752 originally budgeted)	
• \$37,305 additional required to complete task	\$37,305
<b>TOTAL Phase 8 (Fourth Amendment)</b>	<b>\$37,305</b>

<b>AIR QUALITY &amp; GREENHOUSE GAS EMISSIONS</b>	
<b>Task 9.3</b>	
• (\$14,392 originally budgeted)	
• \$15,455 additional required to complete task	\$15,455
<b>TOTAL Task 9.3 (Fourth Amendment)</b>	<b>\$15,455</b>

<b>NOISE AND VIBRATION STUDIES</b>	
<b>Task 9.5</b>	
• (\$10,0098 originally budgeted)	
• \$16,500 additional required to complete task	\$16,500
<b>TOTAL Task 9.5 (Fourth Amendment)</b>	<b>\$16,500</b>

<b>MAJOR CHANGES IN ALLOWABLE LAND USES – ARTICLE XXVII TRAFFIC ANALYSIS (NEW TASK – SUBCONSULTANT FEHR &amp; PEERS)</b>	
<b>Task 9.6.5 Article XXVII Traffic Analysis (New Task)</b>	
• (\$0, not originally budgeted)	
• \$40,900 required to complete task	\$40,900
<b>TOTAL Task 9.6.5 (New Task – Fourth Amendment)</b>	<b>\$40,900</b>

<b>WATER, WASTEWATER, AND STORM WATER UTILITY SYSTEMS (SUBCONSULTANT FUSCOE)</b>	
<b>Task 9.7</b>	
• (\$22,000 originally budgeted)	
• \$4,840 additional required to complete task	\$4,840
<b>TOTAL Task 9.7 (Fourth Amendment)</b>	<b>\$4,840</b>

<b>TECHNICAL STUDIES – ENERGY (NEW TASK)</b>	
<b>Task 9.8 Technical Studies - Energy (New Task)</b>	
• (\$0, not originally budgeted)	
• \$5,250 required to complete task	\$5,250
<b>TOTAL Task 9.8 (New Task – Fourth Amendment)</b>	<b>\$5,250</b>

<b>TECHNICAL STUDIES – WILDFIRE (NEW TASK)</b>	
<b>Task 9.9 Technical Studies - Wildfire (New Task)</b>	
• (\$0, not originally budgeted)	
• \$6,550 required to complete task	\$6,550
<b>TOTAL Task 9.9 (New Task – Fourth Amendment)</b>	<b>\$6,550</b>

<b>DAY-TO-DAY PROJECT COORDINATION AND SCHEDULE</b>	
<b>Task 10.1</b>	
<ul style="list-style-type: none"> <li>• (\$25,949 originally budgeted)</li> <li>• (\$15,480 additionally budgeted, Second Amendment)</li> <li>• \$12,000 additional required to complete task</li> </ul>	\$12,000
<b>TOTAL Task 10.1 (Fourth Amendment)</b>	<b>\$12,000</b>

<b>PROJECT TEAM MEETINGS</b>	
<b>Task 10.2</b>	
<ul style="list-style-type: none"> <li>• (\$23,868 originally budgeted)</li> <li>• (\$30,000 additionally budgeted, Second Amendment)</li> <li>• (\$15,840 additional budgeted, Third Amendment)</li> <li>• \$43,420 additional required to complete task</li> </ul>	\$43,420
<b>TOTAL Task 10.2 (Fourth Amendment)</b>	<b>\$43,420</b>

<b>INTRODUCTION TO GENERAL PLAN (NEW TASK)</b>	
<b>Task 10.3 Introduction to General Plan (New Task)</b>	
<ul style="list-style-type: none"> <li>• (\$0, not originally budgeted)</li> <li>• \$5,500 required to complete task</li> </ul>	\$5,500
<b>TOTAL Task 10.3 (New Task – Fourth Amendment)</b>	<b>\$5,500</b>

<b>SAFETY ELEMENT PREPARATION</b>	
<b>Task 11.1</b>	
<ul style="list-style-type: none"> <li>• (\$7,500 originally budgeted)</li> <li>• (\$10,000 additionally budgeted, Third Amendment)</li> <li>• \$2,500 additional required to complete task</li> </ul>	\$2,500
<b>TOTAL Task 11.1 (Fourth Amendment)</b>	<b>\$2,500</b>

**Subtotal – Fourth Amendment** **\$284,920**

<b>Reimbursables – PlaceWorks: Additional required to complete project</b>	<b>\$10,819</b>
--	-----------------

<b>Reimbursables – Fehr &amp; Peers: Additional required to complete project</b>	<b>\$19,300</b>
--	-----------------

<b>Contingency: Additional to complete project</b>	<b>\$10,000</b>
--	-----------------

<b>GRAND TOTAL – Fourth Amendment</b>	<b>\$325,039</b>
---------------------------------------	------------------

Notes: Reimbursable expenses are estimated above and include the costs for printing, photography, copies, blueprinting, and deliveries. The above budget

is an estimate. Actual reimbursable expenses will be billed at cost plus 12.5%.

**o. Modification**

Except as expressly set forth herein, the Agreement, the First Amendment, the Second Amendment, and the Third Amendment shall continue in full force and effect. The Agreement together with the First Amendment, Second Amendment, Third Amendment and this Fourth Amendment constitute the entire agreement between the parties and supersedes any previous oral or written agreement. In the event of any inconsistency between this Fourth Amendment and the Agreement, First Amendment, Second Amendment, and Third Amendment the terms of this Fourth Amendment shall prevail. This Fourth Amendment may be modified or amended only by a subsequent writing executed by all of the parties and approval by the City Council.

**[SIGNATURES ON FOLLOWING PAGE]**

IN WITNESS WHEREOF, the parties have entered into this Fourth Amendment as of this 4<sup>th</sup> day of October 2022.

CITY OF REDONDO BEACH  
A chartered municipality

PLACEWORKS, INC.  
a California Corporation

DocuSigned by:

*Nils H. Nehrenheim*

DC2A3D6CA98045B...

For William C. Brand, Mayor  
Nils H. Nehrenheim,  
Mayor Pro Tempore

DocuSigned by:

*Wendy Nowak*

AA27F1E389504BE...

By: \_\_\_\_\_  
Name: Wendy Nowak  
Title: Principal

ATTEST:

APPROVED

DocuSigned by:

*Eleanor Manzano*

72F2AC716C214CF...

Eleanor Manzano, City Clerk

DocuSigned by:

*Diane Strickfaden*

ABED8CF35EEF48C...

Diane Strickfaden, Risk Manager

APPROVED AS TO FORM:

DocuSigned by:

*Michael W. Webb*

669049EDE03D402...

Michael W. Webb, City Attorney



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
09/21/2022

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must have **ADDITIONAL INSURED** provisions or be endorsed. If **SUBROGATION** IS **WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Marsh Risk & Insurance Services 17901 Von Karman Avenue, Suite 1100 (949) 399-5800; License #0437153 Irvine, CA 92614 Attn: NewportBeach.CertRequest@marsh.com/F: 212-948-4323 CN15158923-01-22-23	<b>CONTACT NAME:</b> <b>PHONE (A/C, No. Ext):</b> <b>FAX (A/C, No):</b> <b>E-MAIL ADDRESS:</b>														
<b>INSURED</b> PlaceWorks, Inc 3 MacArthur Place, Suite 1100 Santa Ana, CA 92707	<table><tr><th>INSURER(S) AFFORDING COVERAGE</th><th>NAIC #</th></tr><tr><td>INSURER A : Crum &amp; Forster Specialty Insurance Co</td><td>44520</td></tr><tr><td>INSURER B : Travelers Property Casualty Co. of America</td><td>25674</td></tr><tr><td>INSURER C : N/A</td><td>N/A</td></tr><tr><td>INSURER D :</td><td></td></tr><tr><td>INSURER E :</td><td></td></tr><tr><td>INSURER F :</td><td></td></tr></table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A : Crum & Forster Specialty Insurance Co	44520	INSURER B : Travelers Property Casualty Co. of America	25674	INSURER C : N/A	N/A	INSURER D :		INSURER E :		INSURER F :	
INSURER(S) AFFORDING COVERAGE	NAIC #														
INSURER A : Crum & Forster Specialty Insurance Co	44520														
INSURER B : Travelers Property Casualty Co. of America	25674														
INSURER C : N/A	N/A														
INSURER D :															
INSURER E :															
INSURER F :															

## COVERAGES

CERTIFICATE NUMBER:

LOS-002288075-16

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> <b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> BI & PD Ded. \$5,000 GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			EPK140207	07/01/2022	07/01/2023	EACH OCCURRENCE \$ 5,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 50,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 5,000,000 GENERAL AGGREGATE \$ 5,000,000 PRODUCTS - COMP/OP AGG \$ 5,000,000 Contractors Pollution \$ 5,000,000
B	<input checked="" type="checkbox"/> <b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY			BA1N96406A2243G	07/01/2022	07/01/2023	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Comp/Coll Deductibles \$ 1,000
	<input type="checkbox"/> <b>UMBRELLA LIAB</b> <input type="checkbox"/> OCCUR <input type="checkbox"/> <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
B	<input checked="" type="checkbox"/> <b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N <input checked="" type="checkbox"/> N	N/A	UB7K7286762243G	07/01/2022	07/01/2023	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
A	Errors & Omissions-Claims Made Retro Dates: See 2nd Page			EPK140207	07/01/2022	07/01/2023	Each Claim/Aggregate 5,000,000

## DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

The City of Redondo Beach, its officers, elected, and appointed officials, employees, and volunteers are included as additional insured (except workers' compensation) where required by written contract. This insurance is primary and non-contributory over any existing insurance and limited to liability arising out of the operations of the named insured and where required by written contract with respect to General Liability.

## CERTIFICATE HOLDER

City of Redondo Beach  
415 Diamond Street  
Redondo Beach, CA 90277

## CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

*Marsh Risk & Insurance Services*

© 1988-2016 ACORD CORPORATION. All rights reserved.



# ADDITIONAL REMARKS SCHEDULE

<b>AGENCY</b> Marsh Risk & Insurance Services		<b>NAMED INSURED</b> PlaceWorks, Inc 3 MacArthur Place, Suite 1100 Santa Ana, CA 92707
<b>POLICY NUMBER</b>		
<b>CARRIER</b>	<b>NAIC CODE</b>	<b>EFFECTIVE DATE:</b>

## ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,  
 FORM NUMBER: 25 FORM TITLE: Certificate of Liability Insurance

Errors & Omissions Retro Dates:  
 7/1/99 - Planning Center, Inc.  
 1/1/87 - Design Community & Engineering Inc.

Subject to policy terms, conditions, limitations and exclusions.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## BUSINESS AUTO EXTENSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

### BUSINESS AUTO COVERAGE FORM

**GENERAL DESCRIPTION OF COVERAGE** - This endorsement broadens coverage. However, coverage for any injury, damage or medical expenses described in any of the provisions of this endorsement may be excluded or limited by another endorsement to the Coverage Part, and these coverage broadening provisions do not apply to the extent that coverage is excluded or limited by such an endorsement. The following listing is a general coverage description only. Limitations and exclusions may apply to these coverages. Read all the provisions of this endorsement and the rest of your policy carefully to determine rights, duties, and what is and is not covered.

- |   |   |
|---|---|
| <b>A. BROAD FORM NAMED INSURED</b>                                  | <b>H. HIRED AUTO PHYSICAL DAMAGE - LOSS OF USE - INCREASED LIMIT</b>  |
| <b>B. BLANKET ADDITIONAL INSURED</b>                                | <b>I. PHYSICAL DAMAGE - TRANSPORTATION EXPENSES - INCREASED LIMIT</b> |
| <b>C. EMPLOYEE HIRED AUTO</b>                                       | <b>J. PERSONAL PROPERTY</b>   |
| <b>D. EMPLOYEES AS INSURED</b>                                      | <b>K. AIRBAGS</b>   |
| <b>E. SUPPLEMENTARY PAYMENTS - INCREASED LIMITS</b>                 | <b>L. NOTICE AND KNOWLEDGE OF ACCIDENT OR LOSS</b>                    |
| <b>F. HIRED AUTO - LIMITED WORLDWIDE COVERAGE - INDEMNITY BASIS</b> | <b>M. BLANKET WAIVER OF SUBROGATION</b>                               |
| <b>G. WAIVER OF DEDUCTIBLE - GLASS</b>                              | <b>N. UNINTENTIONAL ERRORS OR OMISSIONS</b>                           |

### PROVISIONS

#### A. BROAD FORM NAMED INSURED

The following is added to Paragraph A.1., **Who Is An Insured**, of **SECTION II - COVERED AUTOS LIABILITY COVERAGE**:

Any organization you newly acquire or form during the policy period over which you maintain 50% or more ownership interest and that is not separately insured for Business Auto Coverage. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier.

#### B. BLANKET ADDITIONAL INSURED

The following is added to Paragraph c. in A.1., **Who Is An Insured**, of **SECTION II - COVERED AUTOS LIABILITY COVERAGE**:

Any person or organization who is required under a written contract or agreement between you and that person or organization, that is signed and executed by you before the "bodily injury" or "property damage" occurs and that is in effect during the policy period, to be named as an additional insured is an "insured" for Covered Autos Liability Coverage, but only for damages to which

this insurance applies and only to the extent that person or organization qualifies as an "insured" under the **Who Is An Insured** provision contained in Section II.

#### C. EMPLOYEE HIRED AUTO

1. The following is added to Paragraph A.1., **Who Is An Insured**, of **SECTION II - COVERED AUTOS LIABILITY COVERAGE**:

An "employee" of yours is an "insured" while operating an "auto" hired or rented under a contract or agreement in an "employee's" name, with your permission, while performing duties related to the conduct of your business.

2. The following replaces Paragraph b. in B.5., **Other Insurance**, of **SECTION IV - BUSINESS AUTO CONDITIONS**:

b. For **Hired Auto Physical Damage Coverage**, the following are deemed to be covered "autos" you own:

- (1) Any covered "auto" you lease, hire, rent or borrow; and
- (2) Any covered "auto" hired or rented by your "employee" under a contract in an "employee's" name, with your

permission, while performing duties related to the conduct of your business.

However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto".

#### **D. EMPLOYEES AS INSURED**

The following is added to Paragraph A.1., **Who Is An Insured**, of **SECTION II - COVERED AUTOS LIABILITY COVERAGE**:

Any "employee" of yours is an "insured" while using a covered "auto" you don't own, hire or borrow in your business or your personal affairs.

#### **E. SUPPLEMENTARY PAYMENTS - INCREASED LIMITS**

1. The following replaces Paragraph A.2.a.(2), of **SECTION II - COVERED AUTOS LIABILITY COVERAGE**:

(2) Up to \$3,000 for cost of bail bonds (including bonds for related traffic law violations) required because of an "accident" we cover. We do not have to furnish these bonds.

2. The following replaces Paragraph A.2.a.(4), of **SECTION II - COVERED AUTOS LIABILITY COVERAGE**:

(4) All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to \$500 a day because of time off from work.

#### **F. HIRED AUTO - LIMITED WORLDWIDE COVERAGE - INDEMNITY BASIS**

The following replaces Subparagraph (5) in Paragraph 8.7., **Policy Period, Coverage Territory**, of **SECTION IV - BUSINESS AUTO CONDITIONS**:

(5) Anywhere in the world, except any country or jurisdiction while any trade sanction, embargo, or similar regulation imposed by the United States of America applies to and prohibits the transaction of business with or within such country or jurisdiction, for Covered Autos Liability Coverage for any covered "auto" that you lease, hire, rent or borrow without a driver for a period of 30 days or less and that is not an "auto" you lease, hire, rent or borrow from any of your "employees", partners (if you are a partnership), members (if you are a limited liability company) or members of their households.

(a) With respect to any claim made or "suit" brought outside the United States of America, the territories and possessions of the United States of America, Puerto Rico and Canada:

(i) You must arrange to defend the "insured" against, and investigate or settle any such claim or "suit" and keep us advised of all proceedings and actions.

(ii) Neither you nor any other involved "insured" will make any settlement without our consent.

(iii) We may, at our discretion, participate in defending the "insured" against, or in the settlement of, any claim or "suit".

(iv) We will reimburse the "insured" for sums that the "insured" legally must pay as damages because of "bodily injury" or "property damage" to which this insurance applies, that the "insured" pays with our consent, but only up to the limit described in Paragraph C., **Limits Of Insurance**, of **SECTION II - COVERED AUTOS LIABILITY COVERAGE**.

(v) We will reimburse the "insured" for the reasonable expenses incurred with our consent for your investigation of such claims and your defense of the "insured" against any such "suit", but only up to and included within the limit described in Paragraph C., **Limits Of Insurance**, of **SECTION II - COVERED AUTOS LIABILITY COVERAGE**, and not in addition to such limit. Our duty to make such payments ends when we have used up the applicable limit of insurance in payments for damages, settlements or defense expenses.

(b) This insurance is excess over any valid and collectible other insurance available to the "insured" whether primary, excess, contingent or on any other basis.

(c) This insurance is not a substitute for required or compulsory insurance in any country outside the United States, its territories and possessions, Puerto Rico and Canada.



You agree to maintain all required or compulsory insurance in any such country up to the minimum limits required by local law. Your failure to comply with compulsory insurance requirements will not invalidate the coverage afforded by this policy, but we will only be liable to the same extent we would have been liable had you complied with the compulsory insurance requirements.

- (d) It is understood that we are not an admitted or authorized insurer outside the United States of America, its territories and possessions, Puerto Rico and Canada. We assume no responsibility for the furnishing of certificates of insurance, or for compliance in any way with the laws of other countries relating to insurance.

#### G. WAIVER OF DEDUCTIBLE - GLASS

The following is added to Paragraph D., **Deductible**, of **SECTION III - PHYSICAL DAMAGE COVERAGE**:

No deductible for a covered "auto" will apply to glass damage if the glass is repaired rather than replaced.

#### H. HIRED AUTO PHYSICAL DAMAGE - LOSS OF USE - INCREASED LIMIT

The following replaces the last sentence of Paragraph A.4.b., **Loss Of Use Expenses**, of **SECTION III - PHYSICAL DAMAGE COVERAGE**:

However, the most we will pay for any expenses for loss of use is \$65 per day, to a maximum of \$750 for any one "accident".

#### I. PHYSICAL DAMAGE - TRANSPORTATION EXPENSES - INCREASED LIMIT

The following replaces the first sentence in Paragraph A.4.a., **Transportation Expenses**, of **SECTION III - PHYSICAL DAMAGE COVERAGE**:

We will pay up to \$50 per day to a maximum of \$1,500 for temporary transportation expense incurred by you because of the total theft of a covered "auto" of the private passenger type.

#### J. PERSONAL PROPERTY

The following is added to Paragraph A.4., **Coverage Extensions**, of **SECTION III - PHYSICAL DAMAGE COVERAGE**:

##### Personal Property

We will pay up to \$400 for "loss" to wearing apparel and other personal property which is:

- (1) Owned by an "insured"; and

- (2) In or on your covered "auto".

This coverage applies only in the event of a total theft of your covered "auto".

No deductibles apply to this Personal Property coverage.

#### K. AIRBAGS

The following is added to Paragraph 8.3., **Exclusions**, of **SECTION III - PHYSICAL DAMAGE COVERAGE**:

Exclusion 3.a. does not apply to "loss" to one or more airbags in a covered "auto" you own that inflate due to a cause other than a cause of "loss" set forth in Paragraphs A.1.b. and A.1.c., but only:

- If that "auto" is a covered "auto" for Comprehensive Coverage under this policy;
- The airbags are not covered under any warranty; and
- The airbags were not intentionally inflated.

We will pay up to a maximum of \$1,000 for any one "loss".

#### L. NOTICE AND KNOWLEDGE OF ACCIDENT OR LOSS

The following is added to Paragraph A.2.a., of **SECTION IV- BUSINESS AUTO CONDITIONS**:

Your duty to give us or our authorized representative prompt notice of the "accident" or "loss" applies only when the "accident" or "loss" is known to:

- You (if you are an individual);
- A partner (if you are a partnership);
- A member (if you are a limited liability company);
- An executive officer, director or insurance manager (if you are a corporation or other organization); or
- Any "employee" authorized by you to give notice of the "accident" or "loss".

#### M. BLANKET WAIVER OF SUBROGATION

The following replaces Paragraph A.5., **Transfer Of Rights Of Recovery Against Others To Us**, of **SECTION IV - BUSINESS AUTO CONDITIONS**:

##### 5. Transfer Of Rights Of Recovery Against Others To Us

We waive any right of recovery we may have against any person or organization to the extent required of you by a written contract signed and executed prior to any "accident" or "loss", provided that the "accident" or "loss" arises out of operations contemplated by

such contract. The waiver applies only to the person or organization designated in such contract.

**N. UNINTENTIONAL ERRORS OR OMISSIONS**

The following is added to Paragraph 8.2., **Concealment, Misrepresentation, Or Fraud**, of **SECTION IV - BUSINESS AUTO CONDITIONS**:

The unintentional omission of, or unintentional error in, any information given by you shall not prejudice your rights under this insurance. However this provision does not affect our right to collect additional premium or exercise our right of cancellation or non-renewal.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS - COMPLETED OPERATIONS**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

### **SCHEDULE**

<b>Name of Additional Person(s) or Organization(s):</b>	<b>Location And Description Of Completed Operations</b>
Where Required By Written Contract.	Where Required By Written Contract.
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Section III - Who Is An Insured within the Common Provisions is amended to include as an insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" at the location designated and described in the schedule of this endorsement performed for that additional insured and included in the "products-completed operations hazard".



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**PRIMARY AND NON--CONTRIBUTORY ADDITIONAL  
INSURED WITH WAIVER OF SUBROGATION**

**This endorsement modifies insurance provided under the following:**

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
CONTRACTORS POLLUTION LIABILITY COVERAGE PART  
ERRORS AND OMISSIONS LIABILITY COVERAGE PART  
THIRD PARTY POLLUTION LIABILITY COVERAGE PART

## SCHEDULE

Name of Additional Insured Person(s) or Organization(s) Where Required by Written Contract

- A. SECTION III - WHO IS AN INSURED within the Common Provisions is amended to include as an additional insured the person(s) or organization(s) indicated in the Schedule shown above, but solely with respect to "claims" caused in whole or in part, by "your work" for that person or organization performed by you, or by those acting on your behalf.

**This insurance shall be primary and non-contributory, but only in the event of a named Insured's sole negligence.**

- B. We waive any right of recovery we may have against the person(s) or organization(s) indicated in the Schedule shown above because of payments we make for "damages" arising out of "your work" performed under a designated project or contract with that person(s) or organization(s).
- C. This Endorsement does not reinstate or increase the Limits of Insurance applicable to any "claim" to which the coverage afforded by this Endorsement applies.

**ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.**



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
09/21/2022

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must have **ADDITIONAL INSURED** provisions or be endorsed. If **SUBROGATION** IS **WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Marsh Risk & Insurance Services 17901 Von Karman Avenue, Suite 1100 (949) 399-5800; License #0437153 Irvine, CA 92614 Attn: NewportBeach.CertRequest@marsh.com/F: 212-948-4323 CN15158923-01-22-23	<b>CONTACT NAME:</b> <b>PHONE (A/C, No. Ext):</b> <b>FAX (A/C, No):</b> <b>E-MAIL ADDRESS:</b>														
<b>INSURED</b> PlaceWorks, Inc 3 MacArthur Place, Suite 1100 Santa Ana, CA 92707	<table border="1"><thead><tr><th>INSURER(S) AFFORDING COVERAGE</th><th>NAIC #</th></tr></thead><tbody><tr><td>INSURER A : Crum &amp; Forster Specialty Insurance Co</td><td>44520</td></tr><tr><td>INSURER B : Travelers Property Casualty Co. of America</td><td>25674</td></tr><tr><td>INSURER C : N/A</td><td>N/A</td></tr><tr><td>INSURER D :</td><td></td></tr><tr><td>INSURER E :</td><td></td></tr><tr><td>INSURER F :</td><td></td></tr></tbody></table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A : Crum & Forster Specialty Insurance Co	44520	INSURER B : Travelers Property Casualty Co. of America	25674	INSURER C : N/A	N/A	INSURER D :		INSURER E :		INSURER F :	
INSURER(S) AFFORDING COVERAGE	NAIC #														
INSURER A : Crum & Forster Specialty Insurance Co	44520														
INSURER B : Travelers Property Casualty Co. of America	25674														
INSURER C : N/A	N/A														
INSURER D :															
INSURER E :															
INSURER F :															

**COVERAGES**      **CERTIFICATE NUMBER:** LOS-002288075-16      **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> <b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> BI & PD Ded. \$5,000 GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			EPK140207	07/01/2022	07/01/2023	EACH OCCURRENCE \$ 5,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 50,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 5,000,000 GENERAL AGGREGATE \$ 5,000,000 PRODUCTS - COMP/OP AGG \$ 5,000,000 Contractors Pollution \$ 5,000,000
B	<input checked="" type="checkbox"/> <b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY			BA1N96406A2243G	07/01/2022	07/01/2023	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Comp/Coll Deductibles \$ 1,000
	<input type="checkbox"/> <b>UMBRELLA LIAB</b> <input type="checkbox"/> OCCUR <input type="checkbox"/> <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
B	<input checked="" type="checkbox"/> <b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N <input checked="" type="checkbox"/> N	N/A	UB7K7286762243G	07/01/2022	07/01/2023	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
A	Errors & Omissions-Claims Made Retro Dates: See 2nd Page			EPK140207	07/01/2022	07/01/2023	Each Claim/Aggregate 5,000,000

**DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)**  
The City of Redondo Beach, its officers, elected, and appointed officials, employees, and volunteers are included as additional insured (except workers' compensation) where required by written contract. This insurance is primary and non-contributory over any existing insurance and limited to liability arising out of the operations of the named insured and where required by written contract with respect to General Liability.

<b>CERTIFICATE HOLDER</b> City of Redondo Beach 415 Diamond Street Redondo Beach, CA 90277	<b>CANCELLATION</b> SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE  <i>Marsh Risk &amp; Insurance Services</i>
---	--



# ADDITIONAL REMARKS SCHEDULE

<b>AGENCY</b> Marsh Risk & Insurance Services		<b>NAMED INSURED</b> PlaceWorks, Inc 3 MacArthur Place, Suite 1100 Santa Ana, CA 92707
<b>POLICY NUMBER</b>		
<b>CARRIER</b>	<b>NAIC CODE</b>	<b>EFFECTIVE DATE:</b>

## ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,  
 FORM NUMBER: 25 FORM TITLE: Certificate of Liability Insurance

Errors & Omissions Retro Dates:  
 7/1/99 - Planning Center, Inc.  
 1/1/87 - Design Community & Engineering Inc.

Subject to policy terms, conditions, limitations and exclusions.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## BUSINESS AUTO EXTENSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

### BUSINESS AUTO COVERAGE FORM

**GENERAL DESCRIPTION OF COVERAGE** - This endorsement broadens coverage. However, coverage for any injury, damage or medical expenses described in any of the provisions of this endorsement may be excluded or limited by another endorsement to the Coverage Part, and these coverage broadening provisions do not apply to the extent that coverage is excluded or limited by such an endorsement. The following listing is a general coverage description only. Limitations and exclusions may apply to these coverages. Read all the provisions of this endorsement and the rest of your policy carefully to determine rights, duties, and what is and is not covered.

- |   |   |
|---|---|
| <b>A. BROAD FORM NAMED INSURED</b>                                  | <b>H. HIRED AUTO PHYSICAL DAMAGE - LOSS OF USE - INCREASED LIMIT</b>  |
| <b>B. BLANKET ADDITIONAL INSURED</b>                                | <b>I. PHYSICAL DAMAGE - TRANSPORTATION EXPENSES - INCREASED LIMIT</b> |
| <b>C. EMPLOYEE HIRED AUTO</b>                                       | <b>J. PERSONAL PROPERTY</b>   |
| <b>D. EMPLOYEES AS INSURED</b>                                      | <b>K. AIRBAGS</b>   |
| <b>E. SUPPLEMENTARY PAYMENTS - INCREASED LIMITS</b>                 | <b>L. NOTICE AND KNOWLEDGE OF ACCIDENT OR LOSS</b>                    |
| <b>F. HIRED AUTO - LIMITED WORLDWIDE COVERAGE - INDEMNITY BASIS</b> | <b>M. BLANKET WAIVER OF SUBROGATION</b>                               |
| <b>G. WAIVER OF DEDUCTIBLE - GLASS</b>                              | <b>N. UNINTENTIONAL ERRORS OR OMISSIONS</b>                           |

### PROVISIONS

#### A. BROAD FORM NAMED INSURED

The following is added to Paragraph A.1., **Who Is An Insured**, of **SECTION II - COVERED AUTOS LIABILITY COVERAGE**:

Any organization you newly acquire or form during the policy period over which you maintain 50% or more ownership interest and that is not separately insured for Business Auto Coverage. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier.

#### B. BLANKET ADDITIONAL INSURED

The following is added to Paragraph c. in A.1., **Who Is An Insured**, of **SECTION II - COVERED AUTOS LIABILITY COVERAGE**:

Any person or organization who is required under a written contract or agreement between you and that person or organization, that is signed and executed by you before the "bodily injury" or "property damage" occurs and that is in effect during the policy period, to be named as an additional insured is an "insured" for Covered Autos Liability Coverage, but only for damages to which

this insurance applies and only to the extent that person or organization qualifies as an "insured" under the **Who Is An Insured** provision contained in Section II.

#### C. EMPLOYEE HIRED AUTO

- The following is added to Paragraph A.1., **Who Is An Insured**, of **SECTION II - COVERED AUTOS LIABILITY COVERAGE**:

An "employee" of yours is an "insured" while operating an "auto" hired or rented under a contract or agreement in an "employee's" name, with your permission, while performing duties related to the conduct of your business.

- The following replaces Paragraph b. in B.5., **Other Insurance**, of **SECTION IV - BUSINESS AUTO CONDITIONS**:

- For **Hired Auto Physical Damage Coverage**, the following are deemed to be covered "autos" you own:

- Any covered "auto" you lease, hire, rent or borrow; and
- Any covered "auto" hired or rented by your "employee" under a contract in an "employee's" name, with your

permission, while performing duties related to the conduct of your business.

However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto".

#### **D. EMPLOYEES AS INSURED**

The following is added to Paragraph A.1., **Who Is An Insured**, of **SECTION II - COVERED AUTOS LIABILITY COVERAGE**:

Any "employee" of yours is an "insured" while using a covered "auto" you don't own, hire or borrow in your business or your personal affairs.

#### **E. SUPPLEMENTARY PAYMENTS - INCREASED LIMITS**

1. The following replaces Paragraph A.2.a.(2), of **SECTION II - COVERED AUTOS LIABILITY COVERAGE**:

(2) Up to \$3,000 for cost of bail bonds (including bonds for related traffic law violations) required because of an "accident" we cover. We do not have to furnish these bonds.

2. The following replaces Paragraph A.2.a.(4), of **SECTION II - COVERED AUTOS LIABILITY COVERAGE**:

(4) All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to \$500 a day because of time off from work.

#### **F. HIRED AUTO - LIMITED WORLDWIDE COVERAGE - INDEMNITY BASIS**

The following replaces Subparagraph (5) in Paragraph 8.7., **Policy Period, Coverage Territory**, of **SECTION IV - BUSINESS AUTO CONDITIONS**:

(5) Anywhere in the world, except any country or jurisdiction while any trade sanction, embargo, or similar regulation imposed by the United States of America applies to and prohibits the transaction of business with or within such country or jurisdiction, for Covered Autos Liability Coverage for any covered "auto" that you lease, hire, rent or borrow without a driver for a period of 30 days or less and that is not an "auto" you lease, hire, rent or borrow from any of your "employees", partners (if you are a partnership), members (if you are a limited liability company) or members of their households.

(a) With respect to any claim made or "suit" brought outside the United States of America, the territories and possessions of the United States of America, Puerto Rico and Canada:

(i) You must arrange to defend the "insured" against, and investigate or settle any such claim or "suit" and keep us advised of all proceedings and actions.

(ii) Neither you nor any other involved "insured" will make any settlement without our consent.

(iii) We may, at our discretion, participate in defending the "insured" against, or in the settlement of, any claim or "suit".

(iv) We will reimburse the "insured" for sums that the "insured" legally must pay as damages because of "bodily injury" or "property damage" to which this insurance applies, that the "insured" pays with our consent, but only up to the limit described in Paragraph C., **Limits Of Insurance**, of **SECTION II - COVERED AUTOS LIABILITY COVERAGE**.

(v) We will reimburse the "insured" for the reasonable expenses incurred with our consent for your investigation of such claims and your defense of the "insured" against any such "suit", but only up to and included within the limit described in Paragraph C., **Limits Of Insurance**, of **SECTION II - COVERED AUTOS LIABILITY COVERAGE**, and not in addition to such limit. Our duty to make such payments ends when we have used up the applicable limit of insurance in payments for damages, settlements or defense expenses.

(b) This insurance is excess over any valid and collectible other insurance available to the "insured" whether primary, excess, contingent or on any other basis.

(c) This insurance is not a substitute for required or compulsory insurance in any country outside the United States, its territories and possessions, Puerto Rico and Canada.



You agree to maintain all required or compulsory insurance in any such country up to the minimum limits required by local law. Your failure to comply with compulsory insurance requirements will not invalidate the coverage afforded by this policy, but we will only be liable to the same extent we would have been liable had you complied with the compulsory insurance requirements.

- (d) It is understood that we are not an admitted or authorized insurer outside the United States of America, its territories and possessions, Puerto Rico and Canada. We assume no responsibility for the furnishing of certificates of insurance, or for compliance in any way with the laws of other countries relating to insurance.

#### G. WAIVER OF DEDUCTIBLE - GLASS

The following is added to Paragraph D., **Deductible**, of **SECTION III - PHYSICAL DAMAGE COVERAGE**:

No deductible for a covered "auto" will apply to glass damage if the glass is repaired rather than replaced.

#### H. HIRED AUTO PHYSICAL DAMAGE - LOSS OF USE - INCREASED LIMIT

The following replaces the last sentence of Paragraph A.4.b., **Loss Of Use Expenses**, of **SECTION III - PHYSICAL DAMAGE COVERAGE**:

However, the most we will pay for any expenses for loss of use is \$65 per day, to a maximum of \$750 for any one "accident".

#### I. PHYSICAL DAMAGE - TRANSPORTATION EXPENSES - INCREASED LIMIT

The following replaces the first sentence in Paragraph A.4.a., **Transportation Expenses**, of **SECTION III - PHYSICAL DAMAGE COVERAGE**:

We will pay up to \$50 per day to a maximum of \$1,500 for temporary transportation expense incurred by you because of the total theft of a covered "auto" of the private passenger type.

#### J. PERSONAL PROPERTY

The following is added to Paragraph A.4., **Coverage Extensions**, of **SECTION III - PHYSICAL DAMAGE COVERAGE**:

##### Personal Property

We will pay up to \$400 for "loss" to wearing apparel and other personal property which is:

- (1) Owned by an "insured"; and

- (2) In or on your covered "auto".

This coverage applies only in the event of a total theft of your covered "auto".

No deductibles apply to this Personal Property coverage.

#### K. AIRBAGS

The following is added to Paragraph 8.3., **Exclusions**, of **SECTION III - PHYSICAL DAMAGE COVERAGE**:

Exclusion 3.a. does not apply to "loss" to one or more airbags in a covered "auto" you own that inflate due to a cause other than a cause of "loss" set forth in Paragraphs A.1.b. and A.1.c., but only:

- If that "auto" is a covered "auto" for Comprehensive Coverage under this policy;
- The airbags are not covered under any warranty; and
- The airbags were not intentionally inflated.

We will pay up to a maximum of \$1,000 for any one "loss".

#### L. NOTICE AND KNOWLEDGE OF ACCIDENT OR LOSS

The following is added to Paragraph A.2.a., of **SECTION IV- BUSINESS AUTO CONDITIONS**:

Your duty to give us or our authorized representative prompt notice of the "accident" or "loss" applies only when the "accident" or "loss" is known to:

- You (if you are an individual);
- A partner (if you are a partnership);
- A member (if you are a limited liability company);
- An executive officer, director or insurance manager (if you are a corporation or other organization); or
- Any "employee" authorized by you to give notice of the "accident" or "loss".

#### M. BLANKET WAIVER OF SUBROGATION

The following replaces Paragraph A.5., **Transfer Of Rights Of Recovery Against Others To Us**, of **SECTION IV - BUSINESS AUTO CONDITIONS**:

##### 5. Transfer Of Rights Of Recovery Against Others To Us

We waive any right of recovery we may have against any person or organization to the extent required of you by a written contract signed and executed prior to any "accident" or "loss", provided that the "accident" or "loss" arises out of operations contemplated by

such contract. The waiver applies only to the person or organization designated in such contract.

**N. UNINTENTIONAL ERRORS OR OMISSIONS**

The following is added to Paragraph 8.2., **Concealment, Misrepresentation, Or Fraud**, of **SECTION IV - BUSINESS AUTO CONDITIONS**:

The unintentional omission of, or unintentional error in, any information given by you shall not prejudice your rights under this insurance. However this provision does not affect our right to collect additional premium or exercise our right of cancellation or non-renewal.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS - COMPLETED OPERATIONS**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

### **SCHEDULE**

<b>Name of Additional Person(s) or Organization(s):</b>	<b>Location And Description Of Completed Operations</b>
Where Required By Written Contract.	Where Required By Written Contract.
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Section III - Who Is An Insured within the Common Provisions is amended to include as an insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" at the location designated and described in the schedule of this endorsement performed for that additional insured and included in the "products-completed operations hazard".



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**PRIMARY AND NON--CONTRIBUTORY ADDITIONAL  
INSURED WITH WAIVER OF SUBROGATION**

**This endorsement modifies insurance provided under the following:**

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
CONTRACTORS POLLUTION LIABILITY COVERAGE PART  
ERRORS AND OMISSIONS LIABILITY COVERAGE PART  
THIRD PARTY POLLUTION LIABILITY COVERAGE PART

## SCHEDULE

Name of Additional Insured Person(s) or Organization(s) Where Required by Written Contract

- A. SECTION III - WHO IS AN INSURED within the Common Provisions is amended to include as an additional insured the person(s) or organization(s) indicated in the Schedule shown above, but solely with respect to "claims" caused in whole or in part, by "your work" for that person or organization performed by you, or by those acting on your behalf.

**This insurance shall be primary and non-contributory, but only in the event of a named Insured's sole negligence.**

- B. We waive any right of recovery we may have against the person(s) or organization(s) indicated in the Schedule shown above because of payments we make for "damages" arising out of "your work" performed under a designated project or contract with that person(s) or organization(s).
- C. This Endorsement does not reinstate or increase the Limits of Insurance applicable to any "claim" to which the coverage afforded by this Endorsement applies.

**ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.**

**THIRD AMENDMENT TO AGREEMENT FOR CONSULTING  
SERVICES BETWEEN THE CITY OF REDONDO BEACH AND PLACEWORKS, INC.**

THIS THIRD AMENDMENT TO THE AGREEMENT FOR CONSULTING SERVICES ("Third Amendment") is made between the City of Redondo Beach, a Chartered Municipal Corporation ("City") and Placeworks, Inc., a California corporation ("Consultant" or "Contractor").

WHEREAS, on October 4, 2016, the parties hereto originally entered into that certain Agreement for Consulting Services between the City and Consultant ("Agreement"); and

WHEREAS, on December 19, 2017, the parties hereto entered into that certain First Amendment to the Agreement between the City and Consultant ("First Amendment"); and

WHEREAS, on April 16, 2019, the parties hereto entered into that certain Second Amendment to the Agreement between the City and Consultant ("Second Amendment"); and

WHEREAS, City and Consultant desire to amend the Agreement, First Amendment, and Second Amendment (collectively "Amended Agreement") pursuant to the terms and conditions set forth herein.

NOW, THEREFORE, the parties hereby agree to make the following amendments to the Amended Agreement:

**a. Additional General Plan Advisory Committee (GPAC) Meetings.**

EXHIBIT "A" PROJECT DESCRIPTION AND/OR SCOPE OF SERVICES of the Amended Agreement entitled, "**II. Consultant's Duties, Phase 2. Community Engagement Program, Task 2.3 General Plan Advisory Committee (GPAC)**" is hereby amended to add the following duties and deliverables:

"The Consultant shall jointly facilitate the GPAC meetings with the City during the General Plan and Aviation-Artesia Corridor Area Plan preparations. Consultant shall prepare for and attend up to 27 GPAC meetings as directed by the City. Additional meeting attendance (other than that stated above) must be approved by the City.

Four (4) additional meetings of the GPAC (ten (10) originally contracted, ten (10) per the First Amendment, and three (3) per the Second Amendment) are required to better balance the interest by the City to provide more meaningful opportunities for input and feedback from this body and the community. The

additional GPAC meetings have become necessary to revisit GPAC's draft land plan recommendations in light of recent changes in State Housing Law and the pending Regional Housing Needs Assessment (RHNA) allocation, further assessment, analysis, and integration of the City's open spaces (parks and recreation areas, conservation resources, and public spaces), and a final review by GPAC of the updated General Plan document. These matters were not included in the scope of the Original Agreement, First Amendment, or Second Amendment.

***Deliverables:***

- Preparation for, attendance at, and follow up to, 27 GPAC Meetings (four (4) additional GPAC Meetings plus three (3) GPAC Meetings per the Second Amendment plus ten (10) GPAC Meetings per the First Amendment plus the ten (10) originally contracted."

**b. Community-Wide Workshops.**

EXHIBIT "A" PROJECT DESCRIPTION AND/OR SCOPE OF SERVICES of the Amended Agreement entitled, "**II. Consultant's Duties, Phase 2. Community Engagement Program, Task 2.4 Community-Wide Workshops**" is hereby amended to add the following duties and deliverables:

"The Consultant shall conduct up to four (4) community-wide outreach workshops at various locations throughout the City over the course of the project to present the community with the existing context and process, obtain feedback on the draft land use plan, conservation, parks and recreation, and open space concepts, the Safety and Noise Element updates, and the Aviation-Artesia Corridor Area Plan. Three (3) community-wide workshops were originally contracted, a fourth (4) was added with the First Amendment to focus specifically on the Aviation-Artesia Corridor Area Plan only, and the Second Amendment determined the Aviation-Artesia Corridor Area Plan would be a combined Community-Wide Workshop along with all of GPAC's land use plan recommendations reducing the number of Community-Wide Workshops to three (3). This Third Amendment serves to align the Community-Wide Workshops program with what was planned with the First Amendment. All four (4) community-wide workshops shall be before the public hearing phase of the Draft Proposed General Plan Updates.

The Draft Proposed Plans shall be developed in coordination with the GPAC, the City Manager's Artesia/Aviation Revitalization Committee, and City based on the public feedback received and the Council-approved Strategic Plan, Mission, and Vision. The feedback received on the Draft Proposed Plans shall be packaged and forwarded to the Planning Commission and the Council for their review. The Proposed Plans shall also be available online, and online users will have the opportunity to comment on the plans digitally; those

comments shall also be presented to the Planning Commission and the City Council.

The Consultant shall gather information through the use of multiple visual and interactive tools to engage the community in a discussion about the future of the City. Activities shall be designed to engage adults and children and may also enlist the participation of other City departments to make this a larger civic event that could draw more attendees.

***Deliverables:***

- Preparation for, facilitation of, and follow up to, community workshops (four (4) workshops total)
- Online engagement tools (Survey Monkey)
- Preparation of summary of big ideas and take-aways from each workshop"

**c. Study Sessions and Public Hearings**

EXHIBIT "A" PROJECT DESCRIPTION AND/OR SCOPE OF SERVICES of the Amended Agreement entitled, "**II. Consultant's Duties, Phase 2. Community Engagement Program, Task 2.5 Study Sessions and Public Hearings**" is hereby amended to add the following duties and deliverables:

***"Study Sessions***

At the City's request, Consultant shall co-host study session(s) with the Planning Commission and City Council (joint session if desirable) to provide preliminary feedback regarding the concepts and approaches related to the land use plan.

The format and intent of the study session(s) will vary from the public hearings to adopt the General Plan. These session(s) are intended to keep decision makers informed, get informal approval at key points, and provide an additional opportunity for community participation. Consultant(s) may participate in these study session(s) as determined by the City in lieu of Consultant(s) attending the same number of public hearings prescribed below.

***Public Hearings***

Consultant shall participate in up to two (2) public hearings for the public draft Revised Land Use; Conservation, Recreation and Parks, and Open Space; Noise; and Safety Elements with both the Planning Commission and City Council (two adoption hearings held for both Planning Commission and City Council – total of four hearings) as determined by the City. This task includes some preparation in support of the study session(s) or hearings with the City to prepare the PowerPoint presentations and staff reports and the Consultant(s) to be in attendance by up to two staff members of the Consultant as well as representatives from Sub-Consultants Fehr and Peers

and BAE, as needed. Sub-Consultant Fehr and Peers will attend up to 3 public meetings (study session or public hearing) and will provide input on the preparation of presentation materials as it relates to land use changes and their effect on transportation.

Consultant(s) shall work with City staff in support of the City staff's development of required staff reports and PowerPoint presentations. At the study session(s) and/or hearings, the Consultant shall be available for presentations and responding to questions and comments received.

City will be responsible for any subsequent work related to revisions of the adopted Local Coastal Program (including text changes or coordination/hearings with the California Coastal Commission).

***Deliverables:***

- Support City staff's preparation of staff reports and PowerPoint presentations
- Attendance at Study Sessions or Public Hearings (up to 4, 2 each at Planning Commission and City Council)."

**d. Evaluate Traffic Impacts of Land Use Scenarios.**

EXHIBIT "A" PROJECT DESCRIPTION AND/OR SCOPE OF SERVICES of the Agreement entitled, "**II. Consultant's Duties, Phase 4. Prepare Draft Land Use Element, Task 4.3 Evaluate Traffic Impacts of Land Use Scenarios**" is hereby deleted in its entirety.

**e. Evaluate Fiscal Impacts of Land Use Scenarios.**

EXHIBIT "A" PROJECT DESCRIPTION AND/OR SCOPE OF SERVICES of the Amended Agreement entitled, "**II. Consultant's Duties, Phase 4. Prepare Draft Land Use Element, Task 4.4 Evaluate Fiscal Impacts of Land Use Scenarios**" is hereby amended to add the following duties and deliverables:

"For this task, Sub-Consultant BAE shall conduct a fiscal impact analysis to determine the net fiscal impacts to the City's General Fund for the GPAC recommended land use plan. A fiscal impact model shall be prepared to measure the recurring annual impacts of the recommended land use plan at project build out. Sub-Consultant BAE shall prepare the fiscal model using the City's most recent budget.

Revenues will be based on a hybrid average revenue/marginal revenue approach. Sub-Consultant BAE shall project revenues using a marginal approach (e.g., property taxes, property tax in lieu of VLF, sales taxes) based



on development characteristics. Sub-Consultant BAE shall project revenues using an average revenue approach based on the anticipated increase in service population (i.e., new residents plus half of new employment). Sub-Consultant BAE shall use an average cost approach to project new costs and will supplement the analysis with information gathered and provided by the City to determine whether a marginal cost approach is needed (e.g., police, fire). Sub-Consultant BAE shall compare projected revenues to costs in order to determine whether revenues from new development are sufficient to cover the costs of providing municipal services.

***Deliverables:***

- Fiscal Impact Analysis Report (GPAC recommended draft Land Use Plan)”

**f. Aviation-Artesia Corridor Area Plan.**

EXHIBIT "A" PROJECT DESCRIPTION AND/OR SCOPE OF SERVICES of the Amended Agreement entitled, “**Phase 12. Aviation-Artesia Corridor Area Plan, Task 12.7 Community Workshop**” is hereby amended to revise the following duties and deliverables:

“A workshop is designed to gather broad input and buy-in from a community-wide audience and to provide an opportunity for the greater Redondo Beach community to personally weigh in on the proposed refinements to the Aviation-Artesia Corridor.

Consultant shall conduct one (1) community outreach workshop over the course of the project to present the community with the existing context and process and to obtain feedback on the draft Area Plan.

The workshop shall be focused on reviewing and commenting on the Draft Proposed Aviation-Artesia Corridor Area Plan. The Draft Proposed Plan shall be developed in coordination with the GPAC, the Artesia/Aviation Boulevard Revitalization Committee, and City staff and based on the public feedback received and the Council-approved Strategic Plan and Vision. The feedback received on the Draft Proposed Aviation-Artesia Corridor Area Plan shall be packaged and forwarded to Planning Commission and Council for their review and approval. The Draft Proposed Aviation-Artesia Corridor Area Plan shall also be available online, and online users shall have the opportunity to comment on the plan digitally; those comments shall also be presented to Planning Commission and Council.

Consultant shall gather information using multiple visual and interactive tools to engage the community in a discussion about the future of the Aviation-

Artesia Corridors. Activities shall be designed to engage adults and children and may also enlist the participation of other departments to make this a larger civic event that could draw more attendees.

***Deliverables:***

- Preparation for, and facilitation of one (1) community workshop focused on the Aviation-Artesia Corridor Area Plan
- Online engagement tools (Survey Monkey for feedback on the Area Plan and prioritizing the Implementation Plan within the Area Plan)
- Preparation of summary of big ideas and take-aways from workshop”

**g. General Plan/Area Plan/Zoning Consistency Analysis.**

EXHIBIT "A" PROJECT DESCRIPTION AND/OR SCOPE OF SERVICES of the Amended Agreement entitled, “**Phase 14. General Plan/Zoning Consistency Analysis**” is hereby amended to revise the following duties and deliverables:

“California planning law requires that general plans be consistent with other elements of the general plan and other implementation tools, including zoning ordinances. The consultant shall provide a high-level review of the City’s Zoning Ordinance for consistency with new General Plan Elements (Land Use, Noise, Safety, and Open Space, Parks, Recreation and Conservation).

City staff, with assistance from the Consultant, will development a table to compare zoning and General Plan designations, standards and goals/policies, and Area Plan policies and strategies, that will identify differences/inconsistencies. City staff will serve as the lead in determining necessary zoning amendments. The Consultant will conduct the General Plan/Zoning map comparison and develop a map that demonstrates consistency. If the review of the mapping is more efficient than estimated (less than 40 hours or \$6,350.00), the Consultant shall provide additional support of the policy/zoning consistency analysis. Changes that must be made to be consistent with State mandates (legal requirement) shall be identified in the “table”. The Consultant shall identify suggested changes in the Zoning Map that result from changes in General Plan definitions, intent, intensity/standards and proposed/adopted land use plan, policies and any implementation strategies from the Area Plan. Zoning Code amendments to address determined inconsistencies are not included in this task and will be completed by City Staff separately.

***Deliverables:***

- Consultant shall provide examples of consistency review methodology documents/tables to the City in support of this task,
- Review by Consultant of the table developed by City staff identifying the findings of the General Plan/Area Plan/Zoning Consistency Analysis,
- Map, in GIS and print, identifying inconsistent zoning designations with updated General Plan Map."

**h. EXHIBIT "B" SCHEDULE FOR COMPLETION** of the Amended Agreement is hereby amended as follows:

"The term of this Agreement shall extend from December 31, 2020 to December 31, 2021 ("Term") unless otherwise terminated as herein provided. The Agreement shall automatically renew for a subsequent annual term upon the City Manager providing notice to Consultant at least 30 days prior to the expiration of the Term. In no event shall the Agreement extend beyond December 31, 2022."

**i. EXHIBIT "C" COMPENSATION** of the Amended Agreement is hereby amended and revised to increase the total cost for this Third Amendment from **\$1,348,292** to an amount not to exceed **\$1,436,608**. Tasks with budgets available for repurpose/reallocation are itemized first followed by additional budgets required to complete identified tasks.

<b>STUDY SESSIONS AND PUBLIC HEARINGS</b>	
<b>Task 2.5</b>	
<ul style="list-style-type: none"> <li>• (\$20,982 originally budgeted)</li> <li>• \$4,000 available for repurpose/reallocation with reduced scope</li> </ul>	(\$4,000)
<b>TOTAL Task 2.5 (Third Amendment-Available for Reallocation)</b>	<b>(\$4,000)</b>

<b>EVALUATE TRAFFIC IMPACTS OF LAND USE SCENARIOS</b>	
<b>Task 4.3</b>	
<ul style="list-style-type: none"> <li>• (\$2,999 originally budgeted)</li> <li>• This task to be completed as part of "Phase 8. CEQA Review Process" and "Task 9.6 Traffic Impact Analysis"</li> <li>• \$2,999 available for repurpose/reallocation</li> </ul>	(\$2,999)
<b>TOTAL Task 4.3 (Third Amendment-Available for Reallocation)</b>	<b>(\$2,999)</b>

<b>ELEMENT FORMAT AND STRUCTURE</b>	
<b>Task 7.2</b>	
<ul style="list-style-type: none"> <li>• (\$5,508 originally budgeted)</li> <li>• This task is complete with budget remaining</li> </ul>	(\$1,225)

• \$1,225 available for repurpose/reallocation.	
<b>TOTAL Task 7.2 (Third Amendment-Available for Reallocation)</b>	<b>(\$1,225)</b>

<b>GENERAL PLAN/AREA PLAN/ZONING CONSISTENCY ANALYSIS</b>	
<b>Phase 14</b>	
• (\$16,500 originally budgeted)	
• \$10,000 available for repurpose/reallocation with reduced scope	(\$10,000)
<b>TOTAL Phase 14 (Third Amendment-Available for Reallocation)</b>	<b>(\$10,000)</b>

**Subtotal – Available for Reallocation (\$18,224)**

<b>GENERAL PLAN ADVISORY COMMITTEE MEETINGS</b>	
<b>Task 2.3</b>	
• (4) @ \$9,300/GPAC:	
◦ (4) additional per Third Amendment required to complete task	\$37,200
<b>TOTAL Task 2.3 (Third Amendment)</b>	<b>\$37,200</b>

<b>COMMUNITY WIDE WORKSHOPS</b>	
<b>Task 2.4</b>	
• (\$25,480 originally budgeted)	
• (\$7,500 additionally budgeted, First Amendment - Task 12.7 AACAP)	
• \$1,000 additional required to complete task	\$1,000
<b>TOTAL Task 2.4 (Third Amendment)</b>	<b>\$1,000</b>

<b>PROJECT COLLATERAL, CONTENT FOR CITY WEBSITE AND MEDIA</b>	
<b>Task 2.6</b>	
• (\$35,924 originally budgeted)	
• \$5,000 additional required to complete task	\$5,000
<b>TOTAL Task 2.6 (Third Amendment)</b>	<b>\$5,000</b>

<b>UPDATE AND REFINE LAND USE DIAGRAM</b>	
<b>Task 4.1</b>	
• (\$12,688 originally budgeted)	
• (\$36,014 additionally budgeted, Second Amendment)	
• \$5,000 additional required to complete task	\$5,000
<b>TOTAL Task 4.1 (Third Amendment)</b>	<b>\$5,000</b>

<b>EVALUATE FISCAL IMPACTS OF LAND USE SCENARIOS</b>	
<b>Task 4.4</b>	
<ul style="list-style-type: none"> <li>• (\$18,014 originally budgeted)</li> <li>• (\$13,650 of the originally budgeted funds were repurposed administratively for additional economic analysis and participation of the economic consultant at GPAC meetings in the development of AACAP – Tasks 12.4 and 12.12 AACAP)</li> <li>• \$10,000 additional required to complete task</li> </ul>	\$10,000
<b>TOTAL Task 4.4 (Third Amendment)</b>	<b>\$10,000</b>

<b>UPDATE LAND USE ELEMENT</b>	
<b>Task 4.5</b>	
<ul style="list-style-type: none"> <li>• (\$15,878 originally budgeted)</li> <li>• \$4,000 additional required to complete task</li> </ul>	\$4,000
<b>TOTAL Task 4.5 (Third Amendment)</b>	<b>\$4,000</b>

<b>UPDATE CONSERVATION, PARKS AND RECREATION, AND OPEN SPACE ELEMENT</b>	
<b>Task 5.2</b>	
<ul style="list-style-type: none"> <li>• (\$8,874 originally budgeted)</li> <li>• \$8,500 additional required to complete task</li> </ul>	\$8,500
<b>TOTAL Task 5.2 (Third Amendment)</b>	<b>\$8,500</b>

<b>PROJECT TEAM MEETINGS</b>	
<b>Task 10.2</b>	
<ul style="list-style-type: none"> <li>• (\$23,868 originally budgeted)</li> <li>• (\$30,000 additionally budgeted, Second Amendment)</li> <li>• \$15,840 additional required to complete task</li> </ul>	\$15,840
<b>TOTAL Task 10.2 (Third Amendment)</b>	<b>\$15,840</b>

<b>SAFETY ELEMENT PREPARATION</b>	
<b>Task 11.1</b>	
<ul style="list-style-type: none"> <li>• (\$7,500 originally budgeted)</li> <li>• \$10,000 additional required to complete task</li> </ul>	\$10,000
<b>TOTAL Task 11.1 (Third Amendment)</b>	<b>\$10,000</b>

**Subtotal – Third Amendment** **\$96,540**

**Subtotal – Third Amendment Minus Reallocation (\$96,540 - \$18,224)** **\$78,316**

**Reimbursable: Additional required to complete project** **\$10,000**

<b>Contingency: Additional to complete project</b>	<b>\$0</b>
<b>GRAND TOTAL – Second Amendment</b>	<b>\$88,316</b>

Notes: Reimbursable expenses are estimated above and include the costs for printing, photography, copies, blueprinting, and deliveries. The above budget is an estimate. Actual reimbursable expenses will be billed at cost plus 12.5%.

**j. Modification**

Except as expressly set forth herein, the Agreement, the First Amendment, and the Second Amendment shall continue in full force and effect. The Agreement together with the First Amendment, Second Amendment and this Third Amendment constitute the entire agreement between the parties and supersedes any previous oral or written agreement. In the event of any inconsistency between this Third Amendment and the Agreement, First Amendment, and Second Amendment the terms of this Third Amendment shall prevail. This Third Amendment may be modified or amended only by a subsequent writing executed by all of the parties and approval by the City Council.

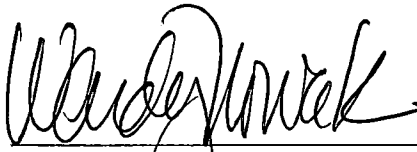
**[SIGNATURES ON FOLLOWING PAGE]**

IN WITNESS WHEREOF, the parties have entered into this Third Amendment as of this 17<sup>th</sup> day of March 2020.

CITY OF REDONDO BEACH  
A chartered municipality

  
William C. Brand, Mayor


PLACEWORKS, INC.  
a California Corporation

By:   
Name: Wendy Nowak  
Title: Principal


ATTEST:

  
Eleanor Manzano, City Clerk

APPROVED

  
Jill Buchholz, Risk Manager

APPROVED AS TO FORM:

 FOR  
Michael W. Webb, City Attorney

**SECOND AMENDMENT TO AGREEMENT FOR CONSULTING SERVICES BETWEEN THE CITY OF REDONDO BEACH AND PLACWORKS, INC.**

THIS SECOND AMENDMENT TO THE AGREEMENT FOR CONSULTING SERVICES ("Second Amendment") is made between the City of Redondo Beach, a Chartered Municipal Corporation ("City") and Placeworks, Inc., a California corporation ("Consultant" or "Contractor").

WHEREAS, on October 4, 2016, the parties hereto originally entered into that certain Agreement for Consulting Services between the City and Consultant ("Agreement"); and

WHEREAS, on December 19, 2017, the parties hereto entered into that certain First Amendment to the Agreement between the City and Consultant ("First Amendment"); and

WHEREAS, City and Consultant desire to amend the Agreement and First Amendment pursuant to the terms and conditions set forth herein.

NOW, THEREFORE, the parties hereby agree to make the following amendments to the Agreement and First Amendment (collectively "Amended Agreement"):

**a. Additional General Plan Advisory Committee (GPAC) Meetings.**

EXHIBIT "A" PROJECT DESCRIPTION AND/OR SCOPE OF SERVICES of the Amended Agreement entitled, "II. **Consultant's Duties, Phase 2. Community Engagement Program, Task 2.3 General Plan Advisory Committee (GPAC)**" is hereby amended to add the following duties and deliverables:

"The Consultant shall jointly facilitate the GPAC meetings with the City during the General Plan and Aviation-Artesia Corridor Area Plan preparations. Consultant shall prepare for and attend up to 23 GPAC meetings as directed by the City. Additional meeting attendance (other than that stated above) must be approved by the City.

Three (3) additional meetings of the GPAC (ten (10) originally contracted and ten (10) per the First Amendment) are required to better balance the interest by the City to provide more meaningful opportunities for input and feedback from this body and the community. The additional GPAC meetings have become necessary to reconcile work by the GPAC upon the Guiding Principles and the development and presentation to the community of multiple land plan options (neither of which were included in the scope of the Agreement or First Amendment).



***Deliverables:***

- Preparation for, attendance at, and follow up to, 23 GPAC Meetings (three (3) additional GPAC Meetings plus ten (10) GPAC Meetings per the First Amendment plus the ten (10) originally contracted."

**b. Community-Wide Workshops.**

EXHIBIT "A" PROJECT DESCRIPTION AND/OR SCOPE OF SERVICES of the Amended Agreement entitled, "**II. Consultant's Duties, Phase 2. Community Engagement Program, Task 2.4 Community-Wide Workshops**" is hereby amended to add the following duties and deliverables:

"The Consultant shall conduct up to three (3) community-wide outreach workshops (three (3) originally contracted, a fourth (4) was added with the First Amendment to focus specifically on the Aviation-Artesia Corridor Area Plan only. The Aviation-Artesia Corridor Area Plan will be presented at a combined Community-Wide Workshop along with all of GPAC's recommendations) at various locations throughout the City over the course of the project to present the community with the existing context and process, obtain feedback on the draft land use plan, conservation parks and recreation and open space concepts, the Safety and Noise Element updates (if determined by the City), and the Aviation-Artesia Corridor Area Plan. All three (3) community-wide workshops shall be before the public hearing phase of the Draft Proposed General Plan Updates and Area Plan.

The Draft Proposed Plans shall be developed in coordination with the GPAC, the Artesia/Aviation Boulevard Revitalization Committee, and City based on the public feedback received and the Council-approved Strategic Plan, Mission, and Vision. The feedback received on the Draft Proposed Plans shall be packaged and forwarded to the Planning Commission and the Council for their review. The Proposed Plans shall also be available online, and online users will have the opportunity to comment on the plans digitally; those comments shall also be presented to the Planning Commission and the City Council.

The Consultant shall gather information through the use of multiple visual and interactive tools to engage the community in a discussion about the future of the City. Activities shall be designed to engage adults and children and may also enlist the participation of other City departments to make this a larger civic event that could draw more attendees.

***Deliverables:***

- Preparation for, facilitation of, and follow up to, community workshops (three (3) workshops total)
- Online engagement tools (Survey Monkey)

- Preparation of summary of big ideas and take-aways from each workshop"

**c. Aviation-Artesia Corridor Area Plan.**

EXHIBIT "A" PROJECT DESCRIPTION AND/OR SCOPE OF SERVICES of the Amended Agreement entitled, "**Phase 12. Aviation-Artesia Corridor Area Plan, Task 12.7 Community Workshop**" is hereby amended to revise the following duties and deliverables:

**"Task 12.7 Community Workshop**

A workshop is designed to gather broad input and buy-in from a community-wide audience and to provide an opportunity for the greater Redondo Beach community to personally weigh in on the proposed refinements to the Aviation-Artesia Corridor.

Consultant shall conduct one (1) community outreach workshop over the course of the project to present the community with the existing context and process and to obtain feedback on the draft Area Plan.

The workshop shall be focused on reviewing and commenting on the Draft Proposed Aviation-Artesia Corridor Area Plan and is combined with the Community Workshop to present all of GPAC's recommendations to the community. The Draft Proposed Plan shall be developed in coordination with the GPAC, the Artesia/Aviation Boulevard Revitalization Committee, and City staff and based on the public feedback received and the Council-approved Strategic Plan and Vision. The feedback received on the Draft Proposed Aviation-Artesia Corridor Area Plan shall be packaged and forwarded to Planning Commission and Council for their review and approval. The Draft Proposed Aviation-Artesia Corridor Area Plan shall also be available online, and online users shall have the opportunity to comment on the plan digitally; those comments shall also be presented to Planning Commission and Council.

Consultant shall gather information using multiple visual and interactive tools to engage the community in a discussion about the future of the Aviation-Artesia Corridors. Activities shall be designed to engage adults and children and may also enlist the participation of other departments to make this a larger civic event that could draw more attendees.

**Deliverables:**

- Preparation for, and facilitation of one (1) community workshop (that includes a focus on the Aviation-Artesia Corridor Area Plan)

- Online engagement tools (Survey Monkey with focus on Area Plan)
- Preparation of summary of big ideas and take-aways from workshop"

- d. **EXHIBIT "B" SCHEDULE FOR COMPLETION** of the Amended Agreement is hereby amended to extend the term of the Agreement from December 31, 2019 to December 31, 2020 unless otherwise terminated as herein provided.

This Amended Agreement shall automatically renew for a subsequent annual term upon the City Manager providing notice to Consultant at least 30 days prior to the expiration of the Term. In no event shall this Amended Agreement extend beyond October 4, 2021.

- e. **EXHIBIT "C" COMPENSATION** of the Amended Agreement is hereby amended and revised to increase the total cost for this Amended Agreement from \$1,207,507 to an amount not to exceed **\$1,348,292**.

This amount shall include a Placeworks contingency of \$20,000 to account for unforeseen services during the process. This fee will require approval by City Manager or Designee prior to its use.

The Task Repurpose Authorizations 1 and 2, dated February 4, 2019 and February 12, 2019 respectively, reflect adjustments that did not impact the budget or scope of the contract. Those are hereby incorporated into this Second Amendment and noted below as administrative approvals.

<b>PROJECT FORMAT, BRANDING, TEMPLATES AND BASE MAPS</b>	
<b>Task 1.2</b> <ul style="list-style-type: none"> <li>• (\$16,575 originally budgeted)</li> <li>• \$3,000 repurposed/reallocated towards "Task 2.3 GPAC Meetings" through administrative approval for reallocation on February 12, 2019</li> <li>• \$4,994 remains available for repurpose/reallocation</li> </ul>	
<b>TOTAL Task 1.2 (Second Amendment-Available for Reallocation)</b>	<b>(\$4,994)</b>

<b>STAKEHOLDER INTERVIEWS (MAX. 8 HOURS OF INTERVIEWS)</b>	
<b>Task 2.2</b> <ul style="list-style-type: none"> <li>• (\$5,508 originally budgeted)</li> <li>• \$5,508 repurposed/reallocated towards "Task 4.1 Update and Refine Land Use Diagram; Task</li> </ul>	

10.1 Project Administration and Schedule; and Task 10.2 Project Team Meetings" through administrative approval for reallocation on February 4, 2019	
<b>TOTAL Task 2.2</b>	<b>(\$0)</b>

<b>ADDITIONAL COMMUNITY-WIDE WORKSHOP</b>	
<b>Task 2.4</b>	
<ul style="list-style-type: none"> <li>This additional "Community-Wide Workshop" is deleted.</li> <li>(Included In the budget for AACAP, See Task 12.7)</li> </ul>	
<b>TOTAL Task 2.4</b>	<b>(\$0)</b>

<b>DEVELOP GENERAL PLAN WRITING GUIDE</b>	
<b>Task 7.1</b>	
<ul style="list-style-type: none"> <li>(\$2,876 originally budgeted)</li> <li>\$2,876 repurposed/reallocated towards "Task 4.1 Update and Refine Land Use Diagram; Task 10.1 Project Administration and Schedule; and Task 10.2 Project Team Meetings" through administrative approval for reallocation on February 4, 2019)</li> </ul>	
<b>TOTAL Task 7.1</b>	<b>(\$0)</b>

<b>AVIATION-ARTESIA CORRIDOR AREA PLAN – Preparation of Area Plan</b>	
<b>Task 12.9</b>	
<ul style="list-style-type: none"> <li>(\$60,000 originally budgeted)</li> <li>\$40,000 Required</li> <li>\$20,000 available for repurpose/reallocation</li> </ul>	<b>(\$20,000)</b>
<b>TOTAL Phase 12 (Second Amendment-Available for Reallocation)</b>	<b>(\$20,000)</b>

**Subtotal – Available for Reallocation** **(\$24,994)**

<b>DATA GATHERING AND REVIEW</b>	
<b>Task 1.3</b>	
<ul style="list-style-type: none"> <li>(\$17,079 originally budgeted)</li> <li>\$2,430 additional required to complete task</li> </ul>	<b>\$2,430</b>
<b>TOTAL Task 1.3 (Second Amendment)</b>	<b>\$2,430</b>

<b>DEVELOP COMMUNITY PARTICIPATION PLAN</b>	
<b>Task 2.1</b>	<b>\$1,855</b>

<ul style="list-style-type: none"> <li>• (\$2,203 originally budgeted)</li> <li>• \$1,855 additional required to complete task</li> </ul>	
<b>TOTAL Task 2.1 (Second Amendment)</b>	<b>\$1,855</b>

<b>GENERAL PLAN ADVISORY COMMITTEE MEETINGS</b>	
<b>Task 2.3</b> <ul style="list-style-type: none"> <li>• (6) @ \$7,500/GPAC: <ul style="list-style-type: none"> <li>○ (3) per First Amendment-depleted budget needing augment,</li> <li>○ (3) additional per Second Amendment required to complete task</li> </ul> </li> </ul>	\$45,000
<b>TOTAL Task 2.3 (Second Amendment)</b>	<b>\$45,000</b>

<b>UPDATE AND REFINE LAND USE DIAGRAM</b>	
<b>Task 4.1</b> <ul style="list-style-type: none"> <li>• (\$12,668 originally budgeted),</li> <li>• \$36,014 additional required to complete task</li> </ul>	\$36,014
<b>TOTAL Task 4.1 (Second Amendment)</b>	<b>\$36,014</b>

<b>PROJECT ADMINISTRATION AND SCHEDULE</b>	
<b>Task 10.1</b> <ul style="list-style-type: none"> <li>• (\$25,949 originally budgeted),</li> <li>• \$15,480 additional required to complete task</li> </ul>	\$15,480
<b>TOTAL Task 10.1 (Second Amendment)</b>	<b>\$15,480</b>

<b>PROJECT TEAM MEETINGS</b>	
<b>Task 10.2</b> <ul style="list-style-type: none"> <li>• (\$23,868 originally budgeted)</li> <li>• \$2,000 repurposed/reallocated towards "Task 2.3 GPAC Meetings" through administrative approval for reallocation on February 12, 2019</li> <li>• \$30,000 additional required to complete task</li> </ul>	\$30,000
<b>TOTAL Task 10.2 (Second Amendment)</b>	<b>\$30,000</b>

**Subtotal – Second Amendment** **\$130,779**

---

**Subtotal – Second Amendment Minus Reallocation (\$130,779 - \$24,994)** **\$105,785**

---

<b>Reimbursable: Additional required to complete project</b>	<b>\$15,000</b>
--	-----------------

<b>Contingency: Additional to complete project</b>	<b>\$20,000</b>
--	-----------------

<b>GRAND TOTAL – Second Amendment</b>	<b>\$140,785</b>
---------------------------------------	------------------

Reimbursable expenses are estimated above and include the costs for printing, photography, copies, blueprinting, and deliveries. The above budget is an estimate. Actual reimbursable expenses will be billed at cost plus 12.5%. In no event shall the compensation exceed **\$1,348,292**.

**f. Modification**

Except as expressly set forth herein, the Amended Agreement shall continue in full force and effect. The Agreement together with the First Amendment ("Amended Agreement") and this Second Amendment constitute the entire agreement between the parties and supersedes any previous oral or written agreement. In the event of any inconsistency between this Second Amendment and the Agreement and First Amendment, the terms of this Second Amendment shall prevail. This Second Amendment may be modified or amended only by a subsequent writing executed by all of the parties and approval by the City Council.

**[SIGNATURES ON FOLLOWING PAGE]**


IN WITNESS WHEREOF, the parties have entered into this Second Amendment as of this 16th day of April 2019.

CITY OF REDONDO BEACH  
A chartered municipality

PLACEWORKS, INC.  
a California Corporation



William C. Brand, Mayor

By:   
Name: Wendy Nowak  
Title: Principal

ATTEST:

APPROVED

  
Eleanor Manzano, City Clerk  
Jill Bushholz, Risk Manager

APPROVED AS TO FORM:

  
Michael W. Webb, City Attorney

**FIRST AMENDMENT TO AGREEMENT FOR CONSULTING  
SERVICES BETWEEN THE CITY OF REDONDO BEACH  
AND PLACEWORKS, INC.**

THIS FIRST AMENDMENT TO THE AGREEMENT FOR CONSULTING SERVICES ("First Amendment") is made between the City of Redondo Beach, a Chartered Municipal Corporation ("City") and Placeworks, Inc., a California corporation ("Consultant" or "Contractor").

WHEREAS, on October 4, 2016, the parties hereto originally entered into that certain Agreement for Consulting Services between the City and Consultant ("Agreement"); and

WHEREAS, City and Consultant desire to amend the Agreement pursuant to the terms and conditions set forth herein.

NOW, THEREFORE, the parties hereby agree to make the following amendments to the Agreement:

**a. Additional General Plan Advisory Committee (GPAC) Meetings.**

EXHIBIT "A" PROJECT DESCRIPTION AND/OR SCOPE OF SERVICES section, "II. Consultant's Duties, Phase 2. Community Engagement Program, Task 2.3 General Plan Advisory Committee (GPAC)" of the Agreement is hereby amended to add the following duties and deliverables

"The Consultant shall jointly facilitate the GPAC meetings with the City during the General Plan and Aviation-Artesia Corridor Area Plan preparations. Consultant shall prepare for and attend up to 20 GPAC meetings as directed by the City. Additional meeting attendance (other than that stated above) must be approved by the City.

Ten (10) additional meetings of the GPAC (ten (10) originally contracted) are required to review additional General Plan Element Updates to the Safety and Noise Elements and Local Hazards Mitigation Plan, the development of the Aviation-Artesia Corridor Area Plan, and to better balance the interest by the City to provide more meaningful opportunities for input and feedback from this body and the community.

***Deliverables:***

- Preparation for, attendance at, and follow up to, ten (10) additional GPAC Meetings plus the ten (10) originally contracted (maximum of 20 GPAC meetings)."

**b. Additional Community-Wide Workshop.**

EXHIBIT "A" PROJECT DESCRIPTION AND/OR SCOPE OF SERVICES section, "II. Consultant's Duties, Phase 2. Community Engagement Program, Task 2.4 Community-Wide Workshops" of the Agreement is hereby amended to add the following duties and deliverables

"The Consultant shall conduct up to four (4) community-wide outreach workshops (three (3) originally contracted) at various locations throughout the City over the course of the project to present the community with the existing context and process, obtain feedback on the draft land use plan, conservation parks and recreation and





open space concepts, the Safety and Noise Element updates (if determined by the City), and the Aviation-Artesia Corridor Area Plan. All four (4) community-wide workshops shall be before the public hearing phase of the Draft Proposed General Plan Updates and Area Plan. One (1) of the four (4) community-wide workshops shall be focused on the Aviation-Artesia Corridor Area Plan.

The Draft Proposed Plans shall be developed in coordination with the GPAC, the Artesia/Aviation Boulevard Revitalization Committee, and City based on the public feedback received and the Council-approved Strategic Plan, Mission, and Vision. The feedback received on the Draft Proposed Plans shall be packaged and forwarded to the Planning Commission and the Council for their review. The Proposed Plans shall also be available online, and online users will have the opportunity to comment on the plans digitally; those comments shall also be presented to the Planning Commission and the City Council.

The Consultant shall gather information through the use of multiple visual and interactive tools to engage the community in a discussion about the future of the City. Activities shall be designed to engage adults and children and may also enlist the participation of other City departments to make this a larger civic event that could draw more attendees.

***Deliverables:***

- Preparation for, facilitation of, and follow up to, community workshops (four (4) workshops total)
- Preparation of summary of big ideas and take-aways from each workshop"

**c. Update Environmental Hazards/Natural Hazards Element of the General Plan.**

EXHIBIT "A" PROJECT DESCRIPTION AND/OR SCOPE OF SERVICES of the Agreement is hereby amended to add **PHASE 11** with the following project description and/or scope of services inclusive of additional tasks, duties and deliverables under a new section entitled, "**Phase 11. Update Environmental Hazards/Natural Hazards Element of the General Plan.**"

"The City's current General Plan Environmental Hazards/Natural Hazards Element is a combination of the City's Safety and Noise Elements and includes: Geologic/Seismic Hazards; Noise (Ambient and Stationary Sources); Flooding Hazards; Toxic Wastes and Materials; and Fire Hazards.

Significant statewide legislation has been passed that requires a greater level of analysis concerning flooding, fire, and climate change/resiliency, and also requires the development of feasible implementation measures. This update shall address all current state legislation applicable to the City's Safety and Noise Elements. Additionally the Consultant shall identify all necessary updates to other existing General Plan Elements and the City's Zoning Ordinance for consistency purposes, and prepare the required environmental documents.



### **Task 11.1 Safety Element Preparation**

The Consultant shall integrate new data and mapping information available since the last update of the City's Safety Element. These include but are not limited to, new data and mapping for geology, seismicity, flooding, fire risks, and hazardous materials.

Based on the climate change/adaption resiliency strategies developed as part of Tasks 11.2 and 11.3, the Consultant shall incorporate a series of goals and policies that shall be consolidated in this Element and incorporated throughout the General Plan where necessary.

These goals and policies shall provide a foundation for the climate change adaptation and resiliency strategies developed as part of the Implementation Plan described in Task 11.2 and 11.3 and all goals and policies shall be in accordance with the legislative requirements pursuant to SB 379, Government Code Section 65302, and all applicable Federal and State requirements.

The Safety Element shall include new goals, policies, and actions that respond to the vulnerability assessment to be prepared as part of Task 11.2. Given that adaptation is a cross-sector issue, new goals, policies, shall be necessary in other Elements, such as, but not limited to, the Land Use Element and the Parks, Recreation, Conservation and Open Space Element. Examples of issue areas required to be addressed in this update pursuant to SB 379 include, but are not limited to, the following:

- Ensuring that new development avoids or minimizes climate change impacts.
- Locating essential public facilities outside of at-risk areas, or minimizing damage if in at-risk areas.
- Designating adequate and feasible infrastructure in at-risk areas.
- Coordinating with other agencies on adapting to the full set of threats from climate change.
- Identifying natural infrastructure available for adaptation projects.

Since the City has been active in creating a healthy community (i.e. Blue Zones, etc.) the Consultant shall support the City in adding health related goals and if determined appropriate by the City create a Health & Safety Element.

#### ***Deliverable(s):***

- Studies and assessments pursuant to Federal and State requirements
- Administrative and Final Drafts of the Safety Element

### **Task 11.2 Vulnerability Assessment**

SB 379 requires General Plan Safety Elements to be reviewed and updated to include climate change adaptation and resiliency strategies. This review and update must occur with the next revision of the Local Hazard Mitigation Plan (LHMP), on or after January 1, 2017 and must consist of the following components:

- A vulnerability assessment that identifies the risks climate change poses to the local jurisdiction and the geographic areas at risk from climate change.
- A set of adaptation and resilience goals, policies, and objectives based on the information specified in the vulnerability assessment.
- A set of feasible implementation measures designed to carry out the adaptation and resilience goals, policies, and objectives, including:
  - Avoiding or minimizing climate change impacts associated with new land uses.
  - Locating, whenever feasible, new essential public facilities (e.g., hospitals and health care facilities, emergency shelters, emergency command centers, and emergency communications facilities) outside of at-risk areas, or identifying methods to minimize damage if located in at-risk areas.
  - Designating adequate and feasible infrastructure in at-risk areas.
  - Establishing guidelines to work cooperatively with relevant local, regional, State, and federal agencies.
  - Identifying natural infrastructure, where feasible.

Regarding sea level rise in general, the City is partnered with an LA County consortium of agencies called Regional Adapt LA. This group is studying anticipated impacts and developing a framework of adaptive management policies for the coastal communities of LA County, including Redondo Beach. The Regional Adapt LA's study provides an overview of a preliminary vulnerability assessment for participating agencies to develop an inventory of infrastructure, assets and critical resources that fall within the exposure zones for the different hazard scenarios.

Because a formal Vulnerability Assessment was not included with the LA Adapt assessment, the need exists to perform this assessment to establish a comprehensive understanding of the risks that climate change poses to Redondo Beach. This assessment shall be included in a new section on climate change adaptation and resilience in the General Plan Safety Element and become the basis for the LHMP Risk Assessment. Pursuant to SB 379 the Vulnerability Assessment shall be based on the following:

- Information from the Internet-based Cal-Adapt tool, currently available at <http://beta.caladapt.org>.
- Information from the most recent version of the California Adaptation Planning Guide, currently available here: <http://resources.ca.gov/climate/safeguarding/local-action>.
- Information from local agencies and special districts on the types of assets, resources, and populations that will be sensitive to various climate change exposures.
- Information from local agencies and special districts on their current ability to deal with the impacts of climate change.
- Historical data on natural events and hazards, including locally prepared maps of areas subject to previous risk, areas that are vulnerable, and sites that have been repeatedly damaged.
- Existing and planned development in identified at-risk areas, including structures, roads, utilities, and essential public facilities.



- Federal, State, regional, and local agencies with responsibility for the protection of public health and safety and the environment, including special districts and local offices of emergency services.

Because the City recently adopted its Housing Element (October 2017), pursuant to AB 162 and SB 5, the City is required to update the Safety Element. SB 379 requires Cities to prepare a Vulnerability Assessment with this update of the Safety Element.

***Deliverable(s):***

- Vulnerability Assessment (integrated into LHMP)

**Task 11.3 Local Hazard Mitigation Plan Update (LHMP)**

Although not required at this time, updating the LHMP will allow the City to become eligible for mitigation grant funding sources provided by FEMA, if needed in the event of an emergency.

***Planning Team Coordination and Support***

The Consultant shall coordinate with and support the City's to be created internal "Hazard Mitigation Planning Team". This team shall be composed of various City Departments that participate in hazard mitigation and emergency management activities.

***Hazard Mitigation Planning Meetings***

The Consultant shall facilitate three (3) team meetings that will document the hazard mitigation planning process. These meetings shall include the following:

Meeting 1 – Provides an overview of the Hazard Mitigation Planning Process, reviews the hazards of concern, identifies critical facilities, development of mitigation goals for the plan, and prioritization of the hazards of concern.

Meeting 2 – Provides an overview of the Hazard Profiles and Risk Assessment prepared by the Consultant for the LHMP. Feedback received from the team during this meeting will also inform the Consultants development of potential mitigation actions for Meeting 3.

Meeting 3 – This meeting will focus on review and comment of the draft mitigation actions, as well as discussion of the actions costs and prioritization.

Each meeting is anticipated to require two hours of meeting time, and would be facilitated by one (1) staff member from the Consultants team. Upon completion of these meetings, the Administrative Draft LHMP will be prepared by the Consultant for ***Planning Team*** (City) review.

***Hazard Mitigation Planning Outreach***

Per FEMA, the City is required to obtain feedback during the hazard mitigation planning process as well as once the draft plan has been developed. Outreach during the planning process shall take the form of an online survey and one (1) public meeting. Once the plan is ready for public review, the City will need to make it publicly accessible and provide the community the opportunity to review and comment. Once this review period is complete, the plan shall be submitted to the Cal OES to begin the review process.





### ***Hazards Assessment and Identification***

Based on the results of Meeting 1, the Consultant will prepare hazard profiles for the hazards of concern identified by the team. The Consultant will review the "profiles" against the "hazards" identified in City's prior LHMP, the 2013 CA State Hazard Mitigation Plan, hazard mitigation plans of neighboring jurisdictions, and past disaster declarations and occurrences to identify additional hazards that could affect the City. Each "hazard profile" will include a description of the hazard, previous occurrences, location, extent (magnitude or strength), and probability of future occurrences. Location-based hazard data will be captured in a GIS database compatible with the City's GIS systems appropriate for hazard profiling at the desired scale. The Consultant will utilize current and newly created (as needed) data that shall be used to develop mapping to illustrate the location, extent, severity, and other information for hazards that have the potential to impact the City.

The LHMP may include but are not limited to earthquakes, liquefaction, coastal erosion, sea level rise, flooding, wave uprush, tsunami, and drought. Although not yet required, FEMA is looking at ways to incorporate climate change into local hazard mitigation planning. The Consultant shall include a "Climate Change Considerations" discussion under each hazard profile. The discussion shall be qualitative in nature (with some quantitative analysis, where appropriate) to ensure that the document's focus remains on concerns regarding hazards. This discussion is intended to comply with SB 379 requirements.

### ***Critical Facility Inventory and Vulnerability Assessment***

The Consultant shall develop a critical facility inventory and assess each facilities vulnerability from identified hazards. Results from this step shall form the foundation for the subsequent identification of the appropriate mitigation actions for reducing losses. The Consultant shall work with the planning team to review the inventory from the prior LHMP and include new and updated information, as necessary.

### ***Development of Mitigation and Adaptation Goals and Implementation Program***

The Consultant shall work closely with City staff and the planning team to develop hazard mitigation and adaptation goals that identify what acceptable risk is to Redondo Beach, and develop policies and actions to reduce or minimize the determined risks. The Consultant shall also include an implementation and monitoring plan that shall identify priorities, potential funding sources, responsible departments, and monitoring mechanisms to ensure effective tracking over the plan life.

### ***Local Hazard Mitigation Plan Preparation***

Adopting the City's hazard mitigation plan concurrent with the General Plan will bring the City into compliance with SB 379, AB 2140 and the Disaster Mitigation Action of 2000 (DMA 2000) and ensure complete integration of the LHMP into the Safety Element. AB 2140 allows the State of California to offset local match requirements during emergency proclamations in accordance with the California Disaster Assistance Act.

The Consultant shall prepare the draft LHMP in accordance with DMA 2000, FEMA's 44 Code of Federal Regulations (CFR) Part 201 and 206, and FEMA's Local Hazard Mitigation Planning Guidance. Following the completion of the risk assessment and



mitigation action strategy steps of the planning process, the Consultant shall incorporate the information, data, and associated narratives into the LHMP to be submitted to Cal OES and FEMA Region IX for plan review and subsequent approval. The following tasks reflect this plan approval process.

The Consultant shall prepare the administrative draft version of the LHMP for review and comment by the City. This document shall generally follow the outline provided below:

Section 1 – Introduction: includes an overview of the document and the regulatory authority requiring the update.

Section 2 – Planning Process: includes the review and analysis of the previous LHMP, the planning team formation and roles/responsibilities, the public outreach strategy and results, and review/incorporation of previous studies, plans, technical documents.

Section 3 – Capability Assessment: includes a description and assessment of the City's hazard mitigation capabilities.

Section 4 – Community Profile: include information on the City's population, economy, housing, existing land use, development trends, and planned/future development.

Section 5 – Hazard Identification, Analysis, and Assessment: includes a compilation of the hazards profiled within the City, and the potential risks and vulnerabilities associated with these hazards.

Section 6 – Mitigation and Adaptation Strategy: includes the mitigation goals, actions, and strategies developed by the Consultant and the planning team during the planning process.

Section 7 – Plan Maintenance Procedures: includes the procedures for monitoring and tracking progress, continued public involvement, and updating the plan over the five-year period of activity.

Technical Appendices: shall include all documentation compiled to support the planning process throughout.

Once these sections are completed, the Consultant shall compile them into an administrative draft LHMP and submit to the City for review.

***Cal OES/FEMA Review Draft LHMP***

The Consultant shall compile all comments received on the public review draft for inclusion as an appendix item and revise the LHMP, as necessary. The Consultant shall then submit the LHMP to Cal OES for initial review; the Consultant shall address any comments/concerns from Cal OES before submission to FEMA for formal review. The Consultant shall also prepare the FEMA Hazard Mitigation Plan Review Tool, which shall accompany the Cal OES and FEMA submission.

If comments are provided by Cal OES and/or FEMA, requiring plan revisions, the Consultant shall revise the plan prior to adoption by the Redondo Beach City



Council. If revisions are necessary, the Consultant shall work with Cal OES and/or FEMA to address them and ensure the City's plan is approved by these agencies. The Consultant shall work with all required agencies until the City has received an "approvable pending adoption" (APA) determination.

***Final Draft LHMP Prepare Final Adoption of LHMP***

Once the City's LHMP has received an "APA" determination from FEMA, the Consultant shall work with the City to adopt the plan by resolution. The Consultant shall develop a sample adoption resolution that can be used by the City. The Consultant's Project Manager shall also attend the City of Redondo Beach City Council meeting. For FEMA to approve the LHMP, the City must formally adopt the LHMP. After plan adoption and once the plan has received its final review and approval by FEMA, the Consultant shall submit the final adopted LHMP to Cal OES and FEMA.

***Deliverable(s):***

- Internal Team Meetings (up to 3)
- Local Hazard Mitigation Plan (Administrative, Public Review/Hearing Draft and Final Draft)
- Preparation of Cal OES/FEMA Draft LHMP (Coordination with OES and FEMA)
- Facilitate Hazard Mitigation Planning Team meetings
- GIS Mapping
- Technical Appendix to the LHMP
- Hazard Mitigation Outreach (online survey and one public meeting)

**Task 11.4 Noise Element Preparation**

The Consultant shall assist the City in updating the Noise Element (currently contained within the Environmental Hazards/Natural Hazards Element as Section 4.2). The scope/focus shall be on reviewing and updating the Noise Element materials, along with the field measurement of existing noise levels.

***Update of Noise Element***

The Consultant's environmental staff shall coordinate with and assist the City with the technical review and updating of the issues, objectives, policies, and implementation measures of the City's Noise Element; all with the goal of enhancing the City's overall Noise Control Program. This Noise Element technical assistance shall include the generation of Existing-and Future-conditions noise contour maps, using the results of the traffic and rail assessments (discussed below).

***Existing Noise Conditions***

The Consultant shall characterize the existing conditions for the Plan Area. To document existing ambient noise conditions and to identify potential issues, opportunities, and challenges with respect to noise and land use compatibility, an evaluation of existing ambient noise conditions shall be conducted. The Consultant shall conduct field surveys of the General Plan Area to acquire ambient noise level data. These ambient noise measurement surveys shall consist of short-term (15-minute) sampling at up to sixteen locations and long-term (24-hour) noise monitoring at up to four locations within the City. These locations shall be selected by the Consultant, in coordination with City staff, and will take into consideration the



railways, as well as major roadways, arterials, and freeways in the planning area, including Marine Avenue, Manhattan Beach Boulevard, Pacific Coast Highway (PCH), Artesia Boulevard, 190th Street, Del Amo Boulevard, Torrance Boulevard, Sepulveda Boulevard/El Camino Real, and Aviation Boulevard. Additionally, traffic flows on Interstate 405 (I-405) generate substantial noise levels within the community. In addition to roadway noise, rail-related noise from railroads running along and within the eastern boundary of North Redondo (near Inglewood Avenue) shall be studied. This field data shall provide insights into the existing noise environments in the City and shall be used to supplement traffic and train modeling conducted for the EIR.

Additional aspects and issues for community noise, including transportation noise, stationary noise, land use compatibility, and construction noise and vibration, shall be included within the scope of this Noise Element update.

A review and recommended amendments of the City's existing Noise Ordinance is also included within the scope of this Noise Element update.

Noise Chapter: The results of the noise analysis included in this scope shall be summarized and incorporated into the EIR noise section and pertinent calculation details shall be included in the associated Technical Appendix.

***Deliverable(s):***

- Field surveys and ambient noise measurements
  - Short-term (15-minute) sampling at 16 locations
  - Long-term (24-hour) noise monitoring at four (4) locations
- Noise Contour Maps
- Administrative, Hearing and Final Drafts of the Noise Element
- Recommended amendments of the City's existing Noise Ordinance
- Technical Appendix to the EIR for General Plan Land Use Element Update

**Task 11.5 Meetings – Safety and Noise Element Updates**

The Consultant will participate at meetings (up to four (4) maximum) with the GPAC, the Public Safety Commission, the Planning Commission, and the City Council as determined by the City for the review of the Noise and Safety Elements (to review the goals and policies for these Elements) or to review the LHMP. The Consultant shall attend and prepare PowerPoint presentations for all required meetings.

***Deliverable(s):***

- Preparation for and attendance at one (1) GPAC meeting and up to two (2) City Commission meetings and one (1) City Council meeting.

**Task 11.6 Staff Meetings – Administration**

The Consultant shall be required to provide additional coordination with the Public Works Department, Fire Department, and other agencies that are essential to complete the Safety and Noise Element Updates and the update of the LHMP.





**d. Aviation-Artesia Corridor Area Plan.**

EXHIBIT "A" PROJECT DESCRIPTION AND/OR SCOPE OF SERVICES of the Agreement is hereby amended to add **Phase 12** with the following project description and/or scope of services inclusive of additional tasks, duties and deliverables under a new section entitled, "**Phase 12. Aviation-Artesia Corridor Area Plan.**"

The City desires to build upon the land use analysis of the Aviation-Artesia corridors initiated in the General Plan update process to develop more detailed direction for the future enhancement and redevelopment of the approximately .5-mile along Aviation Boulevard between Ford Avenue and Artesia Boulevard and the approximately 1-mile along Artesia Boulevard between Aviation and Hawthorne Boulevards.

The Aviation-Artesia Boulevard Vitalization Strategy initiated by the City aims to explore the feasibility of revitalization tools such as creating a Business Improvement District, a sign plan, and architectural design standards, and other guidelines.

The Aviation-Artesia Corridor Area Plan shall provide revitalization strategies, implementation actions, site design and building massing concepts, preferred land uses and general development standards and design guidelines for a mix of development building off the Vitalization Strategy and the General Plan to revitalize the corridor. The corridor is important to the City's future and must be carefully planned to encourage the highest and best uses of land, a proper relationship and seamless transition and integration with adjoining residential neighborhoods, and outline implementable strategies and development concepts to facilitate reinvestment and transitions to new uses and development over time to improve the functionality and appearance and economic vitality of the corridor.

Guidance generated as part of the Aviation-Artesia Corridor Area Plan must also take into consideration the community needs and outcomes of the input received through the General Plan update. While existing General Plan policies and land use designations provide capacity to accommodate a diversity of uses, little has happened since its adoption. Investment has been limited. The development of an Area Plan is prompted by the City's desire to redevelop the corridor and to reconsider and modify as needed existing policies and regulations to achieve a mix of uses that is appropriate for the area, and will be consistent with the direction articulated in the updated General Plan Land Use Element policies.

The Consultant shall prepare an economic feasibility analysis and a comprehensive parking study to support the policies, concepts, standards, and guidelines proposed for the Plan Area. The Consultant shall craft draft policy language that is consistent with the General Plan to avoid the need for a General Plan amendment and extensive additional environmental analysis.

The Area Plan shall be referenced in both the City's General Plan and Zoning Ordinance and shall serve as a "companion" document to guide future projects.

**Task 12.1 Project Kick-off Meeting**



The Consultant shall coordinate a kick-off meeting with the City that shall:

- Introduce key participants
- Hear from the City regarding insights gained from the proposal review process and consultation with decision makers
- Share expectations for the project
- Refine the work program, scope of work, and schedule
- Identify the roles of anticipated stakeholders such as outside agencies, organizations, and individuals
  - GPAC involvement and/or other stakeholder groups to be determined
- Identify available resources and any current or related projects that must be considered
- Memorialize expectations for stakeholder and public engagement
- Establish communication protocols for the project
- Identify potential project pitfalls and establish strategies to address them
- Address ongoing implementing projects or programs that could potentially affect the project
- Summarize the meeting in a set of guiding principles for the Area Plan development process

It is anticipated that the kick-off meeting will include key members from various departments in the City that would be reviewing the Area Plan document (Planning, Public Works, Community Services, etc.).

***Deliverable(s):***

- Preparation for and attendance at kick-off meeting

**Task 12.2 Background Review**

The Consultant shall review the existing documents, materials, and baseline data relevant to the project site that was compiled as part of the General Plan Land Use Update project. The City will provide the consultant with any additional relevant documents and materials to be used to support more focused planning efforts, beyond those that the Consultant has already acquired through the General Plan update effort. These could include streetscape plans, infrastructure master plans, economic studies and other relevant studies specific to the project site. During this task, the Consultant shall also revisit the block configurations and parcel size work that was also done as part of the General Plan Land Use Element update to determine if the orientation and size of lots is limiting the ability of the corridor to redevelop.

The Consultant shall utilize the City's recently updated GIS-based mapped data of the site as the basis for creating exhibits necessary to the preparation of the Area Plan and any associated Zoning Amendment(s) as well as exhibits for public meetings, workshops, and hearings. The project data generated by the Consultant shall be turned over to the City along with a Metadata Dictionary file to facilitate integration and use on the City's GIS system.



Additionally, all files and materials shall be prepared in a manner to facilitate electronic distribution, both via e-mail and on the City's website. Special attention shall be paid in generating documents and graphics to minimize file size and maximize accessibility.

***Deliverable(s):***

- Review of existing reports, mapping and materials

**Task 12.3 Existing Conditions Analysis – Opportunities and Constraints of the Corridor**

Consultant shall develop a set of strategies to consider and an overview of the opportunities, challenges or tradeoffs associated with each. Consultant shall determine the issues associated with future development by evaluating the challenges the corridor has faced in attracting new investment and determining what the barriers to change may be.

Consultant shall evaluate the corridor by land use planning and design considerations such as, but not limited to the following:

- Relationship to and compatibility with surrounding uses (and pending plans for development projects in adjoining areas)
- Creating economically viable uses
- Integration of sustainable building and site design practices
- Economic development and diversification
- Experience of the resident, visitor, business owner
- Appropriate building scale and heights
- Convenient and safe movement of people and goods
- Building heights, massing, intensity (FAR), and density
- Parking
- Interface between commercial and residential neighborhoods
- Signage
- Adjacent road network
- Pedestrian and bicycle coordination
- Landscaping

***Parking***

Fehr & Peers shall assist the project team and city staff in taking inventory of existing parking supply throughout the Area Plan area, assessing parking demand for proposed new uses under the Area Plan (as determined through the General Plan Land Use Element update process), and right-sizing parking supply to meet future needs. Fehr & Peers shall collect new counts of existing on-street and off-street parking supply and utilization during typical weekday and weekend peak periods. Using parcel data provided by the City, Fehr & Peers shall utilize the methodologies in the Urban Land Institute's (ULI) Shared Parking, Second Edition (2005) to develop a calibrated existing shared parking model for each of three subareas within the study area (each approximately 0.5 miles in length). Fehr & Peers shall then estimate future parking demand associated with proposed parcel land use changes

in each of these subareas. This assumes data collection focused only on PM and weekend midday peak periods, using national averages in our shared parking model to estimate demand patterns for other times of day.

### **Assumptions**

Technical consultants may need to be retained as part of this process to provide information related to infrastructure needs, existing infrastructure conditions or future demand in the Area Plan. If the City determines technical studies for infrastructure are necessary, the Consultant shall retain a consultant to provide the data under a separate contract. Costs associated with technical studies for infrastructure are not included in "Exhibit C".

### **Deliverable(s):**

#### **PlaceWorks**

- Opportunities and constraints summary and mapping

#### **Fehr&Peers**

- Parking supply count, including on-street and off-street supply.
- Parking utilization counts for a two-hour window during a typical weekday PM peak period and weekend midday peak period.
- Technical memorandum summarizing results of the analysis that includes but is not limited to, the estimate of future parking demand associated with proposed parcel land use changes in each of the subareas. Upon receipt of comments from the client, the technical memorandum will be revised and shall be submitted to the City of Redondo Beach.

### **Task 12.4 Economic Feasibility and Pro Forma Analysis**

Consultant shall prepare a development feasibility analysis exploring the financial feasibility of various land uses in the plan area to ensure that the plan reflects market realities. Different land use mixes and prototypical building types and intensities shall be tested in the analysis. Cost and revenue assumptions in the model shall be vetted with local developers active in Redondo Beach and/or other land development professionals as determined by the city.

In addition to helping identify the most feasible land use mixes and product types for the plan area, the analysis shall provide insight on how different parcel sizes and development standards could factor into a project's financial performance. The pro forma shall test sensitivity to variables such as building heights, FARs/density, parking ratios, and other planning/zoning factors to provide recommendations on market-appropriate standards for the plan area.

This analysis shall also explore the extent to which development in the plan area can provide desired community benefits, to be identified based on the input received during advisory committee or public outreach meetings. For example, the pro forma analysis can help to uncover the potential for new development projects in change





areas to contribute to a Business Improvement District or other community amenities.

The findings of the development feasibility analysis shall inform the development scenarios/options (as identified in Task 12.5) and mix of land uses by building type and phasing for key sites in the plan area. The analysis shall describe the trade-offs from options, evaluating economic factors such as developer return on cost; provision of community benefits; onsite job creation; and the likely magnitude of subsidies required.

***Deliverable(s):***

- Review of existing reports, mapping and materials
- Memorandum report on financial feasibility analysis, including findings and recommendations for development standards and community benefit strategies

**Task 12.5 Identify Revitalization Strategy Options and Determine Feasibility of Each**

With information and insight provided by the Existing Conditions Analysis in Task 12.3 and the Economic Feasibility and Pro Forma Analysis prepared in Task 12.4, Consultant shall compile a list of revitalization strategies, tools or other options for consideration for application in the Aviation-Artesia Corridor Area Plan. Each strategy or option shall be evaluated on its ability to meet the Area Plan objectives and its ability to respond to additional criteria developed by the consultant team. Each option or strategy shall receive a "scorecard" comparing similar criteria. For example, each alternative may receive a ranking for criteria such as timing (near term, short term), costs, remediation levels, phasing ability, general change in trip generation, compatibility with adjacent uses, degree of political support, etc. The analysis shall provide the public, City staff and stakeholders with a tool to quickly compare the benefits, constraints, or tradeoffs of each redevelopment strategy.

Consultant shall review the strategy options and tradeoffs with City staff and the GPAC/Artesia-Aviation Boulevard Revitalization Committee (Task 12.6) and make revisions as necessary to arrive at the strategies and implementation actions that shall be included in the Area Plan.

**PARKING**

Fehr & Peers shall prepare parking recommendations that consider weekday, weekend, daytime, nighttime, and seasonal demand patterns, as well as management of the parking supply through time limits and long-term/short-term controls. If estimated future demand exceeds supply, the study will determine amount and make recommendations for the best parcel within each sub area to accommodate new parking supply, based on parcel size, shape, and access, as well as the importance of the pedestrian network and walkability to and from new parking supply.

Policies for administering a district parking strategy, such as a framework for evaluating the need for and implementing parking supply as demand increases in the future, as well as funding strategies, such as in-lieu fees will be summarized.

***Deliverable(s):***

**PlaceWorks**

- Memorandum/report summarizing strategies and options and feasibility of implementation (up to two rounds of revision)
- Meeting with staff to review options
- Meeting with GPAC to review options

**Fehr&Peers**

- Technical memorandum summarizing recommendations.
  - Upon receipt of comments from the client and the City, the technical memorandum will be revised and can be submitted to the City of Redondo Beach.
- Participation in up to two (2) team conference calls and attendance at up to one (1) external meeting with the project team and/or City staff. This scope does not include attendance at any public meetings/hearings.

**Task 12.6 Aviation-Artesia Corridor Advisory Committee (GPAC- AC2)**

The City Manager's Artesia/Aviation Boulevard Revitalization Committee along with the GPAC shall serve as the advisory committees for the development of the Aviation-Artesia Corridor Area Plan.

The Artesia/Aviation Boulevard Revitalization Committee and GPAC shall separately review existing conditions, look at redevelopment opportunities and constraints and discuss other strategies such as the potential of creating a Business Improvement District (BID).

The GPAC shall help to identify opportunities and challenges that need to be addressed and provide staff with feedback on the Existing Conditions Analysis (Task 12.3), Economic Feasibility Analysis (Task 12.4), and Revitalization Strategy Options (Task 12.5) that shall inform land uses, development standards and design guidelines. The Consultant shall prepare for, attend and facilitate, and provide follow up at three (3) Aviation-Artesia Corridor Area Plans focused meetings; Two (2) with the GPAC only and one (1) joint meeting of the Artesia/Aviation Boulevard Revitalization Committee and GPAC during the Area Plan preparation.

***Deliverable(s):***

- Preparation for, facilitation and attendance at, and follow up to two (2) GPAC only meetings and one (1) joint meeting of the Artesia/Aviation Boulevard Revitalization Committee and the GPAC Meetings (maximum of 3 AACAP meetings)
- Preparation of meeting summaries

**Task 12.7 Community Workshop**

A workshop is designed to gather broad input and buy-in from a community-wide audience and to provide an opportunity for the greater Redondo Beach community to personally weigh in on the proposed refinements to the Aviation-Artesia Corridor.



Consultant shall conduct one (1) community outreach workshop over the course of the project to present the community with the existing context and process and to obtain feedback on the draft Area Plan.

The workshop shall be focused on reviewing and commenting on the Draft Proposed Aviation-Artesia Corridor Area Plan. The Draft Proposed Plan shall be developed in coordination with the GPAC, the Artesia/Aviation Boulevard Revitalization Committee, and City staff and based on the public feedback received and the Council-approved Strategic Plan and Vision. The feedback received on the Draft Proposed Aviation-Artesia Corridor Area Plan shall be packaged and forwarded to Planning Commission and Council for their review and approval. The Draft Proposed Aviation-Artesia Corridor Area Plan shall also be available online, and online users shall have the opportunity to comment on the plan digitally; those comments shall also be presented to Planning Commission and Council.

Consultant shall gather information using multiple visual and interactive tools to engage the community in a discussion about the future of the Aviation-Artesia Corridors. Activities shall be designed to engage adults and children and may also enlist the participation of other departments to make this a larger civic event that could draw more attendees.

***Deliverables:***

- Preparation for, and facilitation of one (1) community workshop (focused on Aviation-Artesia Corridor Area Plan)
- Preparation of summary of big ideas and take-aways from workshop

**Task 12.8 Website Support and Online Engagement Tools**

This scope assumes that the City's current PLANredondo website shall continue to be used for this focused project, and that City Staff will post relevant information and documents as they become available. The Consultant shall help draft content (news updates, next steps, announcements, GPAC-AACAP summaries, etc.) to populate the City's PLANredondo webpage.

Consultant shall engage the community and gain feedback digitally and shall provide the tools to do so at strategic milestones in the process. Consultant shall prepare text to be posted on the City's social media platforms as well.

***Deliverables:***

- Prepare text (announcements, informational, etc.) for City to post on project website, cable, newsletters, and social media forums
- Online engagement tools (Survey Monkey)

**Task 12.9 Preparation of the Area Plan**

Consultant shall create a user-friendly Area Plan document that shall contain graphics, diagrams, tables, and text to convey necessary information in a way that is easy to understand. Consultant shall prepare the Area Plan in Word or Adobe InDesign formats.



An Area Plan organizational structure, as well as style, format and graphics shall be proposed by the Consultant and finalized based on feedback from City staff. Consultant shall discuss the organization and content of the Area Plan with City staff. Through this collaboration, Consultant shall establish a well-structured Area Plan that presents an executable and useful tool for City Staff, City Council members, other agencies, and potential project developers.

The Area Plan shall be prepared in accordance with any applicable State Laws and may contain the following sections and contents:

Chapter 1. Setting – The Introduction shall contain an overview of the history of the Aviation-Artesia Corridors; the purpose of the project and Area Plan; the authorization and scope of the document; a discussion of the major environmental, economic, and land use and site planning issues and how the project responds to these key issues; a discussion of the plan's consistency and integration with the General Plan, Zoning Code, and surrounding land uses; a description of the preparation process and public participation; and a discussion of the document's organization.

Chapter 2. Area Plan Objectives – This chapter shall describe the agreed-upon objectives for the project that are supported by the existing conditions and economic feasibility & pro forma analysis, and reflects the collaborative effort and consensus between City, property owners, and business owners to set forth the major attributes of the project and how they will "fit" and enhance the corridor.

Chapter 3. Opportunities and Constraints – This chapter shall highlight the cultural, economic, and physical opportunities and constraints that have been revealed through prior tasks.

Chapter 4. Land Use Approach – This chapter shall include a description of the overall development concept, an exhibit and description of the ultimate "preferred community structure" envisioned based upon the pattern and type of preferred land uses, major design elements, the project's relationship and integration to/with the surrounding area, and conceptual streetscapes.

Chapter 5. Tools and Strategies to Promote Revitalization – This section of the Plan shall identify potential tools or incentives to generate new community benefits, and other requirements associated with the preferred land use approach. The purpose of this chapter is to provide a flexible framework that will reduce existing roadblocks preventing development or to provide incentives for the development of priority uses at specific locations throughout the Plan area. The Area Plan shall reference the tools or strategies deemed feasible for the City to implement (Task 12.5).

Chapter 6. Illustrative Master Plans – These plans illustrate the possible future organization of streets, blocks, open spaces, and buildings to achieve revitalization of the Aviation-Artesia Corridor, as concluded by the analysis conducted in support of the Area Plan and the collaboration between City staff, GPAC, Artesia/Aviation Boulevard Revitalization Committee, and the community. Each of the master plans describes in text and graphics certain key aspects of site layout employed to implement the Plan's Land Use Approach. The specific layout of street and building





locations illustrated in the master plans are not required outcomes, but are presented to show how the plan's urban design concept can be expressed within the context of selected corridor sites.

This Chapter shall generally define the preferred land use types within the AACAP based on the studies and analysis developed in support of this Area Plan and present a summary of in policy form of General Development Standards and Design Guidelines in support of the revitalization of the Aviation-Artesia Corridor. The purpose of this chapter is to provide a flexible framework that will ensure an aesthetic and cohesive quality of development throughout the Plan area.

Chapter 7. Parking - This Chapter contains policies and strategies to ensure that parking throughout the Aviation-Artesia Corridor Area Plan is convenient and accessible, accommodates all land uses, and supports the Plan's intended outcomes.

Chapter 8. Administrative Procedures – The administration of the Plan shall define the development processing and approval process, and any special procedures or conditions for review and approval. The Administrative Procedures shall incorporate the City's existing Site Plan Review process and Design Review process. Consultant shall work with City Staff to identify fast-tracking procedures for projects within the project area consistent with the preferred Uses, policies outlining general Development Standards and Design Guidelines. References to existing procedures will be made where appropriate.

Chapter 9. Implementation Strategy – Consultant shall develop a coherent program that allows the Plan to be managed effectively. Consultant shall describe each action to be undertaken, responsibilities, time frame, and where appropriate, potential funding sources.

This scope assumes that there shall be three (3) drafts of the Area Plan: an Administrative Draft for internal review by City staff; a Hearing Draft that includes comments and revisions requested by the first round of reviewers; and a Final Draft that includes final edits after the City Council's action on the plan. Consultant shall provide the City with digital files of the document, which will be prepared in Word or InDesign.

### ***Assumptions***

Digital copies of the Area Plan shall be provided to the City; the number of hard copies that shall be prepared shall be based on need and budget available in the reimbursable task. Consultant shall coordinate with the City to determine how many copies need to be made; the City will be responsible for additional copies and distribution as needed. The City will also be responsible for posting all documents to the project's website.

### ***Deliverables:***

- Screen check, Hearing, and Final Draft Area Plan (10 hard copies, budget permitting, and a digital copy of each draft)



- Deliverable from Tasks 12.3, 12.4, and 12.5 will serve as appendixes to the Area Plan
- Technical Studies if determined necessary by the City, under separate contract (infrastructure, traffic)

#### **Task 12.10 Environmental Analysis**

The anticipated mix of uses and buildout of the Aviation-Artesia Corridor Area Plan shall be described in great enough detail under the General Plan Update Project Description required by CEQA that the analysis of impacts associated with the mix of uses planned for the corridors in the General Plan shall cover a significant portion of the environmental analysis required for the Area Plan. Any determined (City and Consultant) environmental analysis required for the Area Plan would not need to focus on land use changes (because they would be consistent with the General Plan and impacts have already been assessed), but rather, any environmental analysis required for the Area Plan would only need to analyze any development standards and design guidelines. It is not anticipated or planned that any conceptual streetscape guidelines would change planned roadway or intersection geometrics and therefore warrant environmental review either.

If it is determined by the City that the Area Plan requires an addendum to the Draft EIR for the General Plan Update be processed, the City shall consider adding additional counts and intersections to the traffic analysis in the General Plan Update to cover the impacts of the corridor itself. The City shall also need to have separate VMT done for both GHG and to cover issues relating to SB 743, resulting in some additional costs that would need to be budgeted separately to analyze the corridor as a stand-alone project within the General Plan. It is anticipated that the cost for the additional traffic analysis would be approximately \$20,000. This amount is not included in the currently proposed budget for this first amendment contained in Exhibit B.

If it is determined that a separate full Environmental Impact Report (EIR) is required for the Area Plan, it is anticipated that the costs for environmental review would increase to approximately \$175,000. This amount is not included in the currently proposed budget for this first amendment contained in Exhibit B.

#### ***Deliverables:***

- No additional environmental analysis is anticipated with the development of Aviation-Artesia Corridor Area Plan as scoped with this first amendment

#### **Task 12.11 Planning Commission and City Council Study Sessions and Public Hearings**

The Consultant shall participate in one (1) Joint Planning Commission and City Council Study Session focused on the AACAP and that are in addition to any other contracted joint meetings and public hearings for the other phase's and tasks with the Consultant under the terms of the original contract and any amendments. The Consultant shall attend and prepare a PowerPoint presentation for use at this meeting. The Joint Study Session is anticipated to take place before the release for



public review of the Draft EIR covering both the General Plan Updates and the Aviation-Artesia Corridor Area Plan. The goal of the AACAP focused Joint Study Session is to educate the Commission and Council about the Aviation-Artesia Corridor Area Plan and obtain insight into their concerns prior to the release of the Draft EIR and the public hearings, thereby increasing the chances of a smooth and straightforward adoption process and reducing the potential for additional/redundant environmental review. The City staff will be responsible for preparing staff reports for these public hearings in consultation with the Consultant.

***Deliverables:***

- Preparation for and attendance at Aviation-Artesia Corridor Area Plan focused Study Sessions and Public Hearings (one (1) Joint Planning Commission and City Council Study Session).
  - As determined by the City, this public meeting may be combined with other public meetings within the original contract and any amendments

**Task 12.12 Meetings & Administration**

This task accounts for the ongoing operational and coordination activities that are essential for keeping a project on schedule and within budget. This task includes activities such as project start-up, minutes and agendas, budget and schedule tracking, and ongoing coordination with the City Staff and Consultant's team.

Wendy Nowak, AICP, Associate Principal, shall serve as Project Manager and shall oversee the project's day-to-day operations and subconsultant coordination and provide the leadership at critical milestones in the process, including ongoing updates with the City's project manager, preparation of a preferred land use plan, preparation of the Area Plan, and coordination with other agencies and stakeholders in the process. The updates will be completed through e-mail communications and phone calls with the City's Project Manager.

***Deliverables:***

- Weekly coordination with the City
- Project team meetings
- Conference calls (as needed)
- Monthly status reports (progress of work being performed, milestones attained, resources expended, problems encountered, corrective actions taken)

**e. General Plan Vision 2040.**

EXHIBIT "A" PROJECT DESCRIPTION AND/OR SCOPE OF SERVICES of the Agreement is hereby amended to add **Phase 13** with the following project description and/or scope of services inclusive of additional tasks, duties and deliverables under a new section entitled, "**Phase 13. General Plan Vision 2040.**"

**Task 13.1 Meetings & Administration**

The General Plan Advisory Committee and staff determined to establish a Vision Statement to guide future decision making as it relates to the General Plan Element



updates and their goals and policies. The General Plan Vision 2040 is an essential component of the General Plan update moving forward, to best ensure that the goals and policies ultimately drafted implement the community ideas and priorities articulated in the Vision.

Consultant shall prepare multiple versions of the Vision statement for consideration by the GPAC, shall prepare an online survey for the community to provide feedback and facilitate a meeting with the GPAC and shall support a meeting with the City Council to develop and confirm with the City Council the statement.

***Deliverables:***

- One (1) meeting of the GPAC to develop Draft General Plan Vision
- Draft General Plan Vision 2040 Statement
- Revised Vision Statement (two versions)
- Vision Statement Online Survey – review of community comments

**f. General Plan/Area Plan/Zoning Consistency Analysis.**

EXHIBIT "A" PROJECT DESCRIPTION AND/OR SCOPE OF SERVICES of the Agreement is hereby amended to **add Phase 14** with the following project description and/or scope of services inclusive of additional tasks, duties and deliverables under a new section entitled, **"Phase 14. General Plan/Zoning Consistency Analysis."**

California planning law requires that general plans be consistent with other elements of the general plan and other implementation tools, including zoning ordinances. The consultant shall provide a high-level review of the City's Zoning Ordinance for consistency with the new General Plan Elements (Land Use, Noise, Safety, and Open Space, Parks, Recreation and Conservation) in three ways—definitions and standards of land uses, policy direction, and map changes—as described below.

Consultant shall compare zoning and General Plan designations and standards, and Area Plan policies and strategies, in a tabular form to identify differences between their definitions, intent and intensity/standards. Consultant shall identify areas in the Zoning Ordinance that require updating to reflect the intent and intensity/standards, and new policy direction of the new General Plan and Area Plan and shall prepare a report that identifies the necessary changes. Changes shall be identified in two separate categories – those that must be made to be consistent with state mandates (legal requirement), and those that should be made if the City Council priorities support it or if budget is available (implementation action items). Consultant shall identify changes in the Zoning Map that result from changes in General Plan definitions, intent, intensity/standards and preferred land use plan and the Illustrative Master Plans, policies and parking strategies from the Area Plan. Zoning Code amendments to address inconsistencies are not included in this task and will be completed by City Staff.



***Deliverable:***

- Memorandum describing the findings of the General Plan/Area Plan/Zoning Consistency Analysis, including next steps for the City to take to create consistency between the three documents (for example, creating a new mixed-use zone to implement the mixed-use General Plan designations and new development standards for envisioned illustrative Master Plans from AACAP).
- g. **EXHIBIT "B" SCHEDULE FOR COMPLETION** of the Agreement is hereby amended to extend the term of the Agreement from April 3, 2019 to December 31, 2019 unless otherwise terminated as herein provided.

Upon City Manager's notice of at least 30 days prior to the expiration of the Term, this Agreement shall automatically renew for a subsequent annual term. In no event shall this Agreement continue four years beyond the commencement date which is April 3, 2020.

- h. **EXHIBIT "C" COMPENSATION** of the Agreement is hereby amended and revised to increase the total cost for this Agreement from \$699,917 to an amount not to exceed \$1,207,507. This amount shall include a Placeworks contingency of \$45,210 to account for unforeseen services during the process. This fee will require approval by City Manager or Designee prior to its use.

---

**GENERAL PLAN ADVISORY COMMITTEE MEETINGS**

Task 2.3 (10 additional @ \$7,500/GPAC)	\$75,000
GPAC Meetings originally budgeted @ \$5,500/GPAC (10 GPAC Meetings additionally require \$2,000/GPAC)	\$20,000
<b>TOTAL Task 2.3</b>	<b>\$95,000</b>

---

**ADDITIONAL COMMUNITY-WIDE WORKSHOP**

<b>Task 2.4 (Included in the budget for AACAP, See Task 12.5)</b>	<b>\$0</b>
---	------------

---

**GENERAL PLAN UPDATE (SAFETY, NOISE & LHMP) COST**

Task 11.1 Safety Element (tech studies, element prep)	\$7,500
Task 11.2 Vulnerability Assessment (Required by SB 379)	\$27,000
Task 11.3 Local Hazard Mitigation Plan Update	\$40,000
Task 11.4 Noise Element (monitoring, tech studies, element prep)	\$16,500
Task 11.5 Meetings (4 total: 2 GPAC, 1 PWC/PC, 1 CC) (See Task 2.3)	\$0





Task 11.6. Staff Meetings & Administration	\$10,500
<b>TOTAL Phase 11 (Safety and Noise Element Updates/LHMP)</b>	<b>\$101,500</b>

---

**AVIATION-ARTESIA CORRIDOR AREA PLAN COST**

Task 12.1 Project Kick-off Meeting	\$3,600
Task 12.2 Background Review	\$2,500
Task 12.3 Existing Conditions Analysis -- Barriers Preventing Revitalization of the Corridor	\$45,000
Task 12.4 Economic Feasibility and Pro Forma Analysis	\$20,000
Task 12.5 Identify Revitalization Strategy Options and Determine Feasibility of Each	\$37,000
Task 12.6 Aviation-Artesia Corridor Advisory Committee/GPAC (See Task 2.3)	\$0
Task 12.7 Community Workshop	\$7,500
Task 12.8 Website Support and Online Engagement Tools	\$12,000
Task 12.9 Preparation of the Area Plan	\$60,000
Task 12.10 Environmental Analysis (Within Scope of GPU EIR)	\$0
Task 12.11 Planning Commission & City Council Study Sessions and Public Hearings	\$11,500
Task 12.12 Meetings & Administration	\$25,000
<b>TOTAL Phase 12 (Aviation-Artesia Corridor Area Plan)</b>	<b>\$224,100</b>

---

**Phase 13. General Plan Vision 2040**

Task 13.1 Meetings and Administration	\$15,000
<b>TOTAL Phase 13. General Plan Vision 2040</b>	<b>\$15,000</b>

---

**Phase 14. General Plan/Zoning Consistency Analysis**

<b>TOTAL Phase 14. General Plan/Zoning Consistency Analysis</b>	<b>\$16,500</b>
---	-----------------

---

<b>Subtotal</b>	<b>\$452,100</b>
-----------------	------------------

---

<b>Reimbursable:</b>	<b>\$10,280</b>
----------------------	-----------------



**Contingency (10%)**

**\$45,210**

---

**GRAND TOTAL**

**\$507,590**

Notes: Reimbursable expenses are estimated above and include the costs for printing, photography, copies, blueprinting, and deliveries. The above budget is an estimate. Actual reimbursable expenses will be billed at cost plus 12.5%.

**i. Modification**

Except as expressly set forth herein, the Agreement shall continue in full force and effect. The Agreement together with this First Amendment constitute the entire agreement between the parties and supersedes any previous oral or written agreement. In the event of any inconsistency between this First Amendment and the Agreement, the terms of this First Amendment shall prevail. This first Amendment may be modified or amended only by a subsequent writing executed by all of the parties and approval by the City Council.


**[SIGNATURES ON FOLLOWING PAGE]**

IN WITNESS WHEREOF, the parties have entered into this First Amendment as of this 19<sup>th</sup> day of December 2017.

CITY OF REDONDO BEACH  
A chartered municipality

PLACEWORKS, INC.,  
a California Corporation

  
\_\_\_\_\_  
William C. Brand, Mayor

By:   
\_\_\_\_\_  
Name: Brian Juola  
Title: Principal

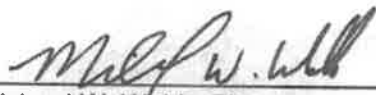
ATTEST:

  
\_\_\_\_\_  
Eleanor Manzano, City Clerk

APPROVED:

  
\_\_\_\_\_  
Jill Buchholz, Risk Manager

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Michael W. Webb, City Attorney







# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
06/29/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Marsh Risk & Insurance Services 17901 Von Karman Avenue, Suite 1100 (949) 399-5800; License #0437153 Irvine, CA 92614 Attn: NewportBeach.CertRequest@marsh.com/F: 212-948-4323 980627-01-17-18	<b>CONTACT</b> NAME: PHONE (A/C, No, Ext): FAX (A/C, No): E-MAIL ADDRESS:  <b>INSURER(S) AFFORDING COVERAGE</b> <table border="1"><thead><tr><th>INSURER</th><th>NAIC #</th></tr></thead><tbody><tr><td>INSURER A: Crum &amp; Forster Specialty Insurance Co</td><td>44520</td></tr><tr><td>INSURER B: Travelers Property Casualty Company Of America</td><td>25674</td></tr><tr><td>INSURER C:</td><td></td></tr><tr><td>INSURER D:</td><td></td></tr><tr><td>INSURER E:</td><td></td></tr><tr><td>INSURER F:</td><td></td></tr></tbody></table>	INSURER	NAIC #	INSURER A: Crum & Forster Specialty Insurance Co	44520	INSURER B: Travelers Property Casualty Company Of America	25674	INSURER C:		INSURER D:		INSURER E:		INSURER F:	
INSURER	NAIC #														
INSURER A: Crum & Forster Specialty Insurance Co	44520														
INSURER B: Travelers Property Casualty Company Of America	25674														
INSURER C:															
INSURER D:															
INSURER E:															
INSURER F:															

## COVERAGES

CERTIFICATE NUMBER:

LOS-002020368-03

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS																					
A	<b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> BI & PD Ded. \$5,000  GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:		EPK118128	07/01/2017	07/01/2018	<table border="1"><tr><td>EACH OCCURRENCE</td><td>\$</td><td>5,000,000</td></tr><tr><td>DAMAGE TO RENTED PREMISES (Ea occurrence)</td><td>\$</td><td>50,000</td></tr><tr><td>MED EXP (Any one person)</td><td>\$</td><td>5,000</td></tr><tr><td>PERSONAL &amp; ADV INJURY</td><td>\$</td><td>5,000,000</td></tr><tr><td>GENERAL AGGREGATE</td><td>\$</td><td>5,000,000</td></tr><tr><td>PRODUCTS - COMPROP AGG</td><td>\$</td><td>5,000,000</td></tr><tr><td>Contractors Pollution</td><td>\$</td><td>5,000,000</td></tr></table>	EACH OCCURRENCE	\$	5,000,000	DAMAGE TO RENTED PREMISES (Ea occurrence)	\$	50,000	MED EXP (Any one person)	\$	5,000	PERSONAL & ADV INJURY	\$	5,000,000	GENERAL AGGREGATE	\$	5,000,000	PRODUCTS - COMPROP AGG	\$	5,000,000	Contractors Pollution	\$	5,000,000
EACH OCCURRENCE	\$	5,000,000																									
DAMAGE TO RENTED PREMISES (Ea occurrence)	\$	50,000																									
MED EXP (Any one person)	\$	5,000																									
PERSONAL & ADV INJURY	\$	5,000,000																									
GENERAL AGGREGATE	\$	5,000,000																									
PRODUCTS - COMPROP AGG	\$	5,000,000																									
Contractors Pollution	\$	5,000,000																									
B	<b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS		BA7E37816717CAG	07/01/2017	07/01/2018	<table border="1"><tr><td>COMBINED SINGLE LIMIT (Ea accident)</td><td>\$</td><td>1,000,000</td></tr><tr><td>BODILY INJURY (Per person)</td><td>\$</td><td></td></tr><tr><td>BODILY INJURY (Per accident)</td><td>\$</td><td></td></tr><tr><td>PROPERTY DAMAGE (Per accident)</td><td>\$</td><td></td></tr><tr><td>Comp/Coll Deductibles</td><td>\$</td><td>\$1,000</td></tr></table>	COMBINED SINGLE LIMIT (Ea accident)	\$	1,000,000	BODILY INJURY (Per person)	\$		BODILY INJURY (Per accident)	\$		PROPERTY DAMAGE (Per accident)	\$		Comp/Coll Deductibles	\$	\$1,000						
COMBINED SINGLE LIMIT (Ea accident)	\$	1,000,000																									
BODILY INJURY (Per person)	\$																										
BODILY INJURY (Per accident)	\$																										
PROPERTY DAMAGE (Per accident)	\$																										
Comp/Coll Deductibles	\$	\$1,000																									
	<b>UMBRELLA LIAB</b> <input type="checkbox"/> OCCUR <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE DED <input type="checkbox"/> RETENTION \$					<table border="1"><tr><td>EACH OCCURRENCE</td><td>\$</td><td></td></tr><tr><td>AGGREGATE</td><td>\$</td><td></td></tr></table>	EACH OCCURRENCE	\$		AGGREGATE	\$																
EACH OCCURRENCE	\$																										
AGGREGATE	\$																										
B	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under: DESCRIPTION OF OPERATIONS below	Y/N <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A	UB7E37816717	07/01/2017	07/01/2018	<table border="1"><tr><td><input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER</td><td></td><td></td></tr><tr><td>E.L. EACH ACCIDENT</td><td>\$</td><td>1,000,000</td></tr><tr><td>E.L. DISEASE - EA EMPLOYEE</td><td>\$</td><td>1,000,000</td></tr><tr><td>E.L. DISEASE - POLICY LIMIT</td><td>\$</td><td>1,000,000</td></tr></table>	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER			E.L. EACH ACCIDENT	\$	1,000,000	E.L. DISEASE - EA EMPLOYEE	\$	1,000,000	E.L. DISEASE - POLICY LIMIT	\$	1,000,000									
<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER																											
E.L. EACH ACCIDENT	\$	1,000,000																									
E.L. DISEASE - EA EMPLOYEE	\$	1,000,000																									
E.L. DISEASE - POLICY LIMIT	\$	1,000,000																									

## DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

The City of Redondo Beach, its officers, elected, and appointed officials, employees, and volunteers are included as additional insured (except workers' compensation) where required by written contract. This insurance is primary and non-contributory over any existing insurance and limited to liability arising out of the operations of the named insured and where required by written contract with respect to General Liability.

## CERTIFICATE HOLDER

City of Redondo Beach  
415 Diamond Street  
Redondo Beach, CA 90277

## CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE  
of Marsh Risk & Insurance Services

Rosalyn Martinez

*R. Martinez*

© 1988-2014 ACORD CORPORATION. All rights reserved.

AGENCY CUSTOMER ID: 980627

LOC #: Irvine



## ADDITIONAL REMARKS SCHEDULE

Page 2 of 2

<b>AGENCY</b> Marsh Risk & Insurance Services		<b>NAMED INSURED</b> Placeworks Dba: The Planning Center Design Community & Environment 3 MacArthur Place, Suite 1100 Santa Ana, CA 92707	
<b>POLICY NUMBER</b>		<b>EFFECTIVE DATE:</b>	
<b>CARRIER</b>	<b>NAIC CODE</b>		

### ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,

FORM NUMBER: 25 FORM TITLE: Certificate of Liability Insurance

Errors & Omissions Retro Dates:  
 7/1/99 - Planning Center, Inc.  
 1/1/87 - Design Community & Engineering Inc.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**PRIMARY AND NON-CONTRIBUTORY ADDITIONAL INSURED  
WITH WAIVER OF SUBROGATION**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART  
CONTRACTORS POLLUTION LIABILITY COVERAGE PART  
ERRORS AND OMISSIONS LIABILITY COVERAGE PART**

**SCHEDULE**

<b>Name Of Additional Insured Person(s) or Organization(s)</b>
<b>Where Required By Written Contract.</b>

- A. SECTION III - WHO IS AN INSURED** within the Common Provisions is amended to include as an additional insured the person(s) or organization(s) indicated in the Schedule shown above, but only with respect to liability arising out of "your work" for that person or organization performed by you, or by those acting on your behalf.
- B. As respects additional insureds as defined above, this insurance also applies to "bodily injury" or "property damage" arising out of your negligence when the following written contract requirements are applicable:**
- 1. Coverage available under this coverage part shall apply as primary insurance. Any other insurance available to these additional insureds shall apply as excess and not contribute as primary to the insurance afforded by this endorsement.**
  - 2. We waive any right of recovery we may have against the person(s) or organization(s) indicated in the Schedule shown above because of payments we make for injury or damage arising out of "your work" performed under a written contract with that person(s) or organization(s).**
  - 3. The term "additional insured" is used separately and not collectively, but the inclusion of more than one "additional insured" shall not increase the limits or coverage provided by this insurance.**

**This Endorsement does not reinstate or increase the Limits of Insurance applicable to any "claim" to which the coverage afforded by this Endorsement applies.**

**ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.**

**AGREEMENT FOR CONSULTING SERVICES  
BETWEEN THE CITY OF REDONDO BEACH  
AND PLACEWORKS, INC.**

THIS AGREEMENT FOR CONSULTING SERVICES (this "Agreement") is made between the City of Redondo Beach, a Chartered Municipal Corporation ("City") and Placeworks, Inc., a California corporation ("Consultant" or "Contractor").

The parties hereby agree as follows:

1. Description of Project or Scope of Services. The project description or scope of services to be provided by Consultant, and any corresponding responsibilities of City, or services required to be performed by City are set forth in Exhibit "A."
2. Term and Time of Completion. Consultant shall commence and complete the project or services described in Exhibit "A" in accordance with the schedule set forth in Exhibit "B".
3. Compensation. City agrees to pay Consultant for work performed in accordance with Exhibit "C".

\* \* \* \* \*

**GENERAL PROVISIONS**

1. Independent Contractor. Consultant acknowledges, represents and warrants that Consultant is not a regular or temporary employee, officer, agent, joint venturer or partner of the City, but rather an independent contractor. This Agreement shall not be construed as a contract of employment. Consultant shall have no rights to any benefits which accrue to City employees unless otherwise expressly provided in this Agreement. Due to the independent contractor relationship created by this Agreement, the City shall not withhold state or federal income taxes, the reporting of which shall be Consultant's sole responsibility.
2. Brokers. Consultant acknowledges, represents and warrants that Consultant has not hired, retained or agreed to pay any entity or person any fee, commission, percentage, gift, or any other consideration, contingent upon or resulting from the award or making of this Agreement.
3. Services. The project or services set forth in Exhibit "A" shall be performed to the full satisfaction and approval of the City. In the event that the project or services set forth in Exhibit "A" are itemized by price in Exhibit "C", the City in its sole discretion may, upon notice to Consultant, delete certain items or services set forth in Exhibit "A", in which case there shall be a corresponding reduction in the amount of compensation paid to Consultant. City shall furnish Consultant to

the extent available, with any City standards, details, specifications and regulations applicable to the Project and necessary for the performance of Consultant's services hereunder.

4. Changes and Extra Work. All changes and/or extra work under this Agreement shall be provided for by a subsequent written amendment executed by City and Consultant.
5. Additional Assistance. If this Agreement requires Consultant to prepare plans and specifications, Consultant shall provide assistance as necessary to resolve any questions regarding such plans and specifications that may arise during the period of advertising for bids, and Consultant shall issue any necessary addenda to the plans and specifications as requested. In the event Consultant is of the opinion that City's requests for addenda and assistance is outside the scope of normal services, the parties shall proceed in accordance with the changes and extra work provisions of this Agreement.
6. Professional Ability. Consultant acknowledges, represents and warrants that Consultant is skilled and able to competently provide the services hereunder, and possesses all professional licenses, certifications, and approvals necessary to engage in its occupation. City has relied upon the professional ability and training of Consultant as a material inducement to enter into this Agreement. Consultant shall perform in accordance with generally accepted professional practices and standards of Consultant's profession.
7. Business License. Consultant shall obtain a Redondo Beach Business License before performing any services required under this Agreement. The failure to so obtain such license shall be a material breach of this Agreement and grounds for immediate termination by City; provided, however, that City may waive the business license requirement in writing under unusual circumstances without necessitating any modification of this Agreement to reflect such waiver.
8. Termination Without Default. Notwithstanding any provision herein to the contrary, the City may, in its sole and absolute discretion and without cause, terminate this Agreement at any time prior to completion by Consultant of the project or services hereunder, immediately upon written notice to Consultant. In the event of any such termination, Consultant shall be compensated for: (1) all authorized work satisfactorily performed prior to the effective date of termination; and (2) necessary materials or services of others ordered by Consultant for this Agreement, prior to Consultant's receipt of notice of termination, irrespective of whether such materials or services of others have actually been delivered, and further provided that Consultant is not able to cancel such orders. Compensation for Consultant in such event shall be determined by the City in accordance with the percentage of the project or services completed by Consultant; and all of Consultant's finished or unfinished work product through the time of the City's last payment shall be transferred and assigned to the City. In conjunction with

any termination of this Agreement, the City may, at its own expense, make copies or extract information from any notes, sketches, computations, drawings, and specifications or other data, whether complete or not.

9. Termination in the Event of Default. Should Consultant fail to perform any of its obligations hereunder, within the time and in the manner provided or otherwise violate any of the terms of this Agreement, the City may immediately terminate this Agreement by giving written notice of such termination, stating the reasons for such termination. Consultant shall be compensated as provided immediately above, provided, however, there shall be deducted from such amount the amount of damages if any, sustained by the City by virtue of Consultant's breach of this Agreement.
10. Conflict of Interest. Consultant acknowledges, represents and warrants that Consultant shall avoid all conflicts of interest (as defined under any federal, state or local statute, rule or regulation, or at common law) with respect to this Agreement. Consultant further acknowledges, represents and warrants that Consultant has no business relationship or arrangement of any kind with any City official or employee with respect to this Agreement. Consultant acknowledges that in the event that Consultant shall be found by any judicial or administrative body to have any conflict of interest (as defined above) with respect to this Agreement, all consideration received under this Agreement shall be forfeited and returned to City forthwith. This provision shall survive the termination of this Agreement for one (1) year.
11. Indemnity. To the maximum extent permitted by law, Consultant hereby agrees, at its sole cost and expense, to defend protect, indemnify, and hold harmless the City, its elected and appointed officials, officers, employees, volunteers, attorneys, and agents (collectively "Indemnitees") from and against any and all claims, including, without limitation, claims for bodily injury, death or damage to property, demands, charges, obligations, damages, causes of action, proceedings, suits, losses, stop payment notices, judgments, fines, liens, penalties, liabilities, costs and expenses of every kind and nature whatsoever, in any manner arising out of, incident to, related to, in connection with or arising from any negligent act, failure to act, error or omission of Consultant's performance or work hereunder (including any of its officers, agents, employees, Subcontractors) or its failure to comply with any of its obligations contained in the Agreement, or its failure to comply with any current or prospective law, except for such loss or damage which was caused by the sole negligence or willful misconduct of the City. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by Consultant or Indemnitees. This indemnification obligation shall survive this Agreement and shall not be limited by any term of any insurance policy required under this Agreement.
  - a. Nonwaiver of Rights. Indemnitees do not and shall not waive any rights that they may possess against Consultant because the acceptance by City, or the

deposit with City, of any insurance policy or certificate required pursuant to this Agreement.

- b. Waiver of Right of Subrogation. Consultant, on behalf of itself and all parties claiming under or through it, hereby waives all rights of subrogation and contribution against the Indemnitees.
12. Insurance. Consultant shall comply with the requirements set forth in Exhibit "D." Insurance requirements that are waived by the City's Risk Manager do not require amendments or revisions to this Agreement.
13. Non-Liability of Officials and Employees of the City. No official or employee of the City shall be personally liable for any default or liability under this Agreement.
14. Compliance with Laws. Consultant shall comply with all federal, state and local laws, statutes, ordinances, rules and regulations, and the orders and decrees of any courts or administrative bodies or tribunals, with respect to this Agreement, including without limitation all environmental laws, employment laws, and non-discrimination laws.
15. Limitations upon Subcontracting and Assignment. Consultant acknowledges that the services which Consultant shall provide under this Agreement are unique, personal services which, except as otherwise provided herein, Consultant shall not assign or sublet to any other party without the prior written approval of City, which approval may be withheld in the City's sole and absolute discretion. In the event that the City, in writing, approves any assignment or subletting of this Agreement or the retention of subcontractors by Consultant, Consultant shall provide to the City upon request copies of each and every subcontract prior to the execution thereof by Consultant and subcontractor. Any attempt by Consultant to assign any or all of its rights under this Agreement without first obtaining the City's prior written consent shall constitute a material default under this Agreement.

The sale, assignment, transfer or other disposition, on a cumulative basis, of twenty-five percent (25%) or more of the ownership interest in Consultant or twenty-five percent (25%) or more the voting control of Consultant (whether Consultant is a corporation, limited liability company, partnership, joint venture or otherwise) shall constitute an assignment for purposes of this Agreement. Further, the involvement of Consultant 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 Agreement or Consultant's assets occurs, which reduces Consultant's assets or net worth by twenty-five percent (25%) or more shall also constitute an assignment for purposes of this Agreement.

16. Subcontractors. Consultant shall provide properly skilled professional and technical personnel to perform any approved subcontracting duties. Consultant

shall not engage the services of any person or persons now employed by the City without the prior written approval of City, which approval may be withheld in the City's sole and absolute discretion.

17. Integration. This Agreement constitutes the entire agreement between the parties concerning the subject matter hereof and supersedes any previous oral or written agreement; provided, however, that correspondence or documents exchanged between Consultant and City may be used to assist in the interpretation of the exhibits to this Agreement.
18. Amendment. This Agreement may be amended or modified only by a subsequent written amendment executed by both parties.
19. Conflicting Provisions. In the event of a conflict between the terms and conditions of this Agreement and those of any exhibit or attachment hereto, this Agreement proper shall prevail. In the event of a conflict between the terms and conditions of any two or more exhibits or attachments hereto, those prepared by the City shall prevail over those prepared by Consultant.
20. Non-Exclusivity. Notwithstanding any provision herein to the contrary, the services provided by Consultant hereunder shall be non-exclusive, and City reserves the right to employ other contractors in connection with the project.
21. Exhibits. All exhibits hereto are made a part hereof and incorporated herein by reference; provided, however, that any language in Exhibit "A" which does not pertain to the project description, proposal, or scope of services (as applicable) to be provided by Consultant, or any corresponding responsibilities of City, shall be deemed extraneous to, and not a part of, this Agreement.
22. Time of Essence. Time is of the essence of this Agreement.
23. Confidentiality. To the extent permissible under law, Consultant shall keep confidential its obligations hereunder and the information acquired during the performance of the project or services hereunder.
24. Third Parties. Nothing herein shall be interpreted as creating any rights or benefits in any third parties. For purposes hereof, transferees or assignees as permitted under this Agreement shall not be considered "third parties."
25. Governing Law and Venue. This Agreement shall be construed in accordance with the laws of the State of California without regard to principles of conflicts of law. Venue for any litigation or other action arising hereunder shall reside exclusively in the Superior Court of the County of Los Angeles, Southwest Judicial District.



26. Attorneys' Fees. In the event either party to this Agreement brings any action to enforce or interpret this Agreement, the prevailing party in such action shall be entitled to reasonable attorneys' fees (including expert witness fees) and costs. This provision shall survive the termination of this Agreement.
27. Claims. Any claim by Consultant against City hereunder shall be subject to Government Code §§ 800 *et seq.* The claims presentation provisions of said Act are hereby modified such that the presentation of all claims hereunder to the City shall be waived if not made within six (6) months after accrual of the cause of action.
28. Interpretation. Consultant acknowledges that it has had ample opportunity to seek legal advice with respect to the negotiation of this Agreement. This Agreement shall be interpreted as if drafted by both parties.
29. Warranty. In the event that any product shall be provided to the City as part of this Agreement, Consultant warrants as follows: Consultant possesses good title to the product and the right to transfer the product to City; the product shall be delivered to the City free from any security interest or other lien; the product meets all specifications contained herein; the product shall be free from material defects in materials and workmanship under normal use for a period of one (1) year from the date of delivery; and the product shall be fit for its intended purpose(s). Notwithstanding the foregoing, consumable and maintenance items (such as light bulbs and batteries) shall be warranted for a period of thirty (30) days from the date of delivery. All repairs during the warranty period shall be promptly performed by Consultant, at Consultant's expense, including shipping. Consultant shall not be liable under this warranty for an amount greater than the amount set forth in Exhibit "C" hereto.
30. Severance. Any provision of this Agreement that is found invalid or unenforceable shall be deemed severed, and all remaining provisions of this Agreement shall remain enforceable to the fullest extent permitted by law.
31. Authority. City warrants and represents that upon City Council approval, the Mayor of the City of Redondo Beach is duly authorized to enter into and execute this Agreement on behalf of City. The party signing on behalf of Consultant warrants and represents that he or she is duly authorized to enter into and execute this Agreement on behalf of Consultant, and shall be personally liable to City if he or she is not duly authorized to enter into and execute this Agreement on behalf of Consultant.
32. Waiver. The waiver by the City of any breach of any term or provision of this Agreement shall not be construed as a waiver of any subsequent breach.

SIGNATURES FOLLOW ON NEXT PAGE

IN WITNESS WHEREOF, the parties have executed this Agreement in Redondo Beach, California, as of this 4th day of October, 2016.

CITY OF REDONDO BEACH

Mayor

PLACEWORKS INC.

By:

Name: Keith McCann

Title: Principal

ATTEST:

City Clerk

APPROVED:

Risk Manager

APPROVED AS TO FORM:

City Attorney's Office

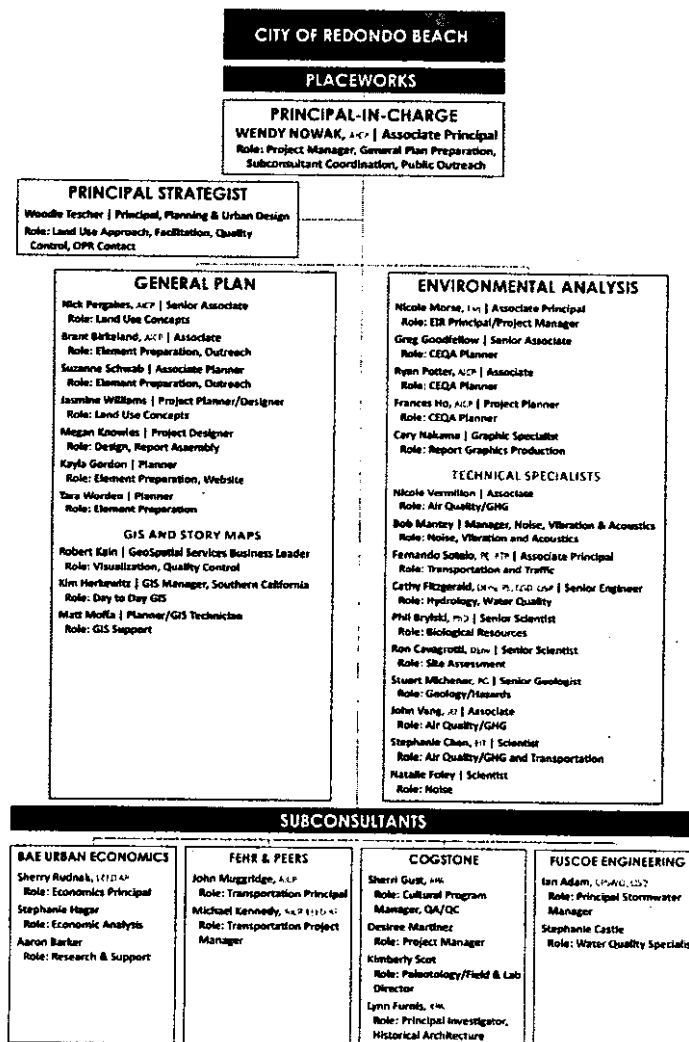
## EXHIBIT "A"

### PROJECT DESCRIPTION AND/OR SCOPE OF SERVICES

Consultant has been retained to perform planning and environmental consulting services for an update to the "Land Use Element" and the "Conservation, Recreation and Parks, and Open Space Element" of the City's General Plan. Additionally the Consultant will identify all necessary updates to other existing General Plan Elements and the City's Zoning Ordinance for consistency purposes, and prepare the required environmental documents.

#### I. PROJECT ORGANIZATION, PERSONNEL, AND STAFFING

Consultant shall ensure that the organization of the Project will be in accordance with the following chart. In the event the organization of Project needs to be modified, Consultant shall obtain written approval from the City.



## **II. CONSULTANT'S DUTIES**

Consultant's duties shall be as follows:

### **PHASE 1. PROJECT INITIATION**

This task will set the stage for preparing the updated Land Use and Conservation, Recreation and Parks, Open Space Elements. The Consultant shall conduct a kick-off meeting, confirm the work program and schedule, establish project coordination procedures, and learn about key planning objectives and issues through an engaged conversation with the City. The Consultant shall collect relevant City-specific documents and create base maps to be used in documenting data and alternative and selected land uses.

#### **Task 1.1 Kick-off Meeting and Project Protocols**

##### ***Kick-off Meeting***

The project kick-off meeting will provide the opportunity to bring together representatives of relevant City departments and Consultant's staff to introduce themselves and their project responsibilities; review the work scope and project management procedures, protocols, and schedule; and enable the Consultant's team to hear staff's observations of the key planning issues and objectives for the Land Use and Conservation, Recreation and Parks, Open Space Elements. Prior to the meeting, the Consultant shall provide the City with an agenda and list of participating Consultant team members.

At the kick-off meeting the Consultant shall coordinate with the City to:

- Discuss insights gained from the proposal review process.
- Identify recent or current studies, plans, and/or planning efforts that may contribute or support the work program.
- Finalize the Land Use and Conservation, Recreation and Parks, Open Space Elements and EIR scopes of work, budgets, and schedules.
- Identify City and Consultant contacts.
- Establish protocols for project management, access to City departments, submittal and review of work products, and coordination of the public outreach program.
- Establish a communication plan for City and Consultant, including regular in-person meetings and/or conference calls and other communication protocols.
- Confirm project tracking, reporting, and invoicing procedures.

##### ***Project Protocols***

Following the kick-off meeting, Consultant shall prepare a project management plan providing a detailed schedule of tasks, deliverables, and responsibilities; a system to track, monitor, and report performance; protocols for submittal and review of work products; and formats for submittal of invoices to the City. Consultant shall be assigned to tasks regularly. Consultant shall provide monthly progress reports, and the project schedule shall be reviewed and updated periodically.

Consultant shall establish an approach and process to exchange or post project documents such as the work program, work task and community engagement schedule, tracking reports, resource materials, and draft work products.

***Deliverables:***

- Prepare for and attend Kick-off Meeting (Up to 3 members of Consultant's team)
- Project Protocols Memorandum

**Task 1.2 Project Format, Branding, Templates and Base Maps**

The General Plan can be organized in many ways, from traditional to the extremely creative, from paper to web-based, and from simple to the most complex form. The Consultant shall develop a workable, illustrative and graphic General Plan format that is appealing, readable and engaging. The Consultant's graphics team shall develop a format that not only meets the above criteria, but also serves as a branding and marketing tool.

The Consultant shall develop a design template for digital files and hard copy reproduction of working memoranda and studies and GIS mapping products to ensure a consistent image and quality for the project developed in the planning process. This will address such items as logo, layout, fonts, order of headings, photographs and illustrations, and use of infographics. The Consultant shall provide example color schemes, layouts, develop a mock-up of the preferred design, and create final templates.

The Consultant shall prepare an accurate parcel-level base map for the recording of baseline data, alternative and preferred land use designations, and other geographically relevant information.

At a minimum, base maps shall depict City boundaries, streets and circulation systems, and parcels that can be used as an overlay on an aerial photograph. The transferable base map shall be developed in both electronic and physical formats. The electronic base map shall be developed as an Esri-compliant file geodatabase and based on the file schema agreed upon by the City. The focus of this task shall be to:

- Obtain relevant map information from the City.
- Assemble various GIS data sources into an integrated GIS platform to support the General Plan and EIR work program.
- Identify and resolve any outstanding data deficiencies and potential inaccuracies.
- Prepare an accurate parcel-level base map that includes, among other items, current City boundaries, streets and circulation system, and parcels over an aerial photograph. The transferable base map shall be developed in both electronic and physical formats. The electronic base map shall be developed as an Esri-compliant file geodatabase and based on the file schema agreed upon by the City.
- Deliver parcel base as an interactive web map (if compatible with City's website).

For all GIS-related analysis and map exhibit work products, the Consultant shall utilize ArcMap 10.3.1. During this phase, the Consultant shall work with the City to establish data transfer protocols, data format parameters, database schemas, and metadata formats.

### ***GIS Public Comment Mapping Application***

As a companion to community outreach efforts outlined in Phase 2, the Consultant shall create configurable web mapping applications that shall allow stakeholders to provide public comments to an interactive map. The Consultant shall utilize ArcGIS Online to develop this application. This application shall be accessed through a link on the project website via an internet browser on a personal computer or mobile device such as a smart phone or tablet.

### ***Existing Land Use Inventory***

The Consultant shall provide the City with a series of land use maps to identify vacant parcels and areas where the current land use designation may not accurately reflect existing conditions to verify the types of uses currently existing on the ground. This information can be provided to SCAG and other regional entities at project completion so it can accurately inform (sub) regional planning efforts. The Consultant shall budget up to 20 hours to make updates or revisions to the mapping based upon the City's direction.

### ***Deliverables:***

- General Plan Format (draft and final)
- Up to three logo options to choose from
- Mock-up of GIS and mapping templates (draft and final)
- GIS Base mapping, webmapping and interactive maps
- Existing Land Use Inventory (City to verify uses; the Consultant to revise maps)

### **Task 1.3 Data Gathering and Review**

Consultant shall collect existing City planning documents and technical studies and relevant studies prepared by regional and state entities that will inform updating Plan goals, policies, and programs and assemble into a project information library. This includes relevant studies prepared by regional and state entities to the extent possible. The studies and data shall be reviewed by Consultant for its relevance in order to better understand the overall context for preparation of the General Plan Elements. The Consultant shall consult with City to review and access appropriate files from the City's GIS database. This task shall involve collecting and reviewing the following:

- Redondo Beach Planning and Zoning Code (Title 10 of the City's Municipal Code)
- Redondo Beach Subdivision Ordinance
- Local Coast Program Implementing Ordinance
- Historic Resources List and Program

- Redondo Beach California Environmental Quality Act Procedures
- Planning Commission and City Council Reports and Minutes pertaining to the "Focused and Strategic" General Plan update
- List and description of pending development projects
- Recent environmental documentation for pending projects
- Park master plans
- Capital Improvement Program
- City budgets
- Local bicycle and transit plans

***Deliverables:***

- List of document and data needs and compiled resources
- Review of materials to inform the recommendations for element updates

**Phase 2. Community Engagement Program**

Public outreach efforts conducted for general plan updates can range from minimal to extravagant. The key is to strike the right balance for Redondo Beach so that outreach is effective but not excessive. Consultant shall implement the broad objectives of outreach for a general plan visioning and update as follows:

- Educate the public on the City's history, socioeconomic and market trends, and fiscal health.
- Obtain input on the community's area of desired change.
- Generate consensus while engaging concerns and opponents.
- Build capacity for future public outreach and education.
- Engage key stakeholders to perpetuate strategic involvement.
- Engage those who are typically silent by allowing for a variety of in-person or online input opportunities.
- Raise the profile of the General Plan and establish a greater connection to current planning issues.

To ensure the City's outreach efforts are as effective as possible, Consultant shall:

- Use existing City leaders as ambassadors of the General Plan to reinforce the public's involvement in the planning process.
- Leverage partnerships with local organizations and capitalize on well-established and -attended community events to increase value, maximize participation, and increase involvement for the General Plan Update process.
- Keep two-way communications open with the community and decision-makers even if no specific outreach events are active.

Consultant shall modify the outreach program as necessary, after consulting with City.

**Task 2.1 Community Participation Plan**

Consultant shall draft of a Community Participation Plan that provides detailed guidance for conducting community outreach programs during the project, informed by clear

objectives and strategies for achieving successful results. The components of the Public Participation Plan shall serve as a vehicle for the project team to fine-tune ideas, concepts, and approaches proposed for each element while maintaining transparency and creating trust in the element update process.

The Community Participation Plan will include:

- Objectives for public involvement.
- Review of guiding principles for conducting the planning process.
- Assessment of potential project issues and stakeholders.
- Program descriptions (purpose, timing, and approach).
- Role, charge, and anticipated meetings for the General Plan Advisory Committee.
- Communication techniques, consistent with established city protocols for website postings, email blasts, tweets, etc.

The Consultant shall research past community engagement efforts to formulate the most effective Community Participation Plan.

***Deliverables:***

- Community Participation Plan (Memorandum)

**Task 2.2 Stakeholder Interviews**

The Consultant shall consult with City to develop a list of stakeholder representatives for interviews, coordinate scheduling, facilitate the interviews, and create an input summary document that identifies major themes, pinpoints issues, and identifies opportunities, and constraints that shall inform the General Plan update. The Consultant shall also interview outside agencies as necessary, after consulting with City. Examples of interviews/outside agencies include:

- Elected officials
- Department heads
- Governmental agencies
- Chamber of Commerce
- Select businesses
- Service organizations
- Boards and commissions

Interviews shall be led by Consultants' Project Manager and Principal Strategist. The meetings shall occur in one-hour blocks. The interviews shall be arranged and scheduled by the City and shall be hosted at City Hall or some other location identified and arranged by City. Conference calls to desired stakeholders may also be coordinated in place of in person meetings so long as the total number of interviews does not exceed up to 8 one-hour sessions.

***Deliverables:***

- Stakeholder interviews (in person or on the phone) with up to 8 individuals or organizations and summary notes about key findings



### **Task 2.3 General Plan Advisory Committee (GPAC)**

The Consultant shall jointly facilitate the GPAC meetings with the City during the General Plan preparation. Consultant shall prepare for and attend up to 10 GPAC meetings as directed by City. Additional meeting attendance (other than that stated above) must be approved by the City.

#### ***Deliverables:***

- Preparation for, and attendance at GPAC Meetings (maximum of 10 meetings)
- Preparation of meeting summaries

### **Task 2.4 Community-Wide Workshops**

The Consultant shall conduct up to three (3) community-wide outreach workshops at various locations throughout the City over the course of the project to present the community with the existing context and process, obtain feedback on the draft land use plan and conservation parks and recreation and open space concepts. One (1) of the three (3) community-wide workshops shall be before the public hearing phase to “unveil” the Draft Proposed General Plan.

Draft Proposed Plan shall be developed in coordination with the GPAC and City based on the public feedback received and the Council-approved Strategic Plan, Mission, and Vision. The feedback received on the Draft Proposed Land Use Plan shall be packaged and forwarded to Planning Commission and Council for their review. The Proposed Land Use Plan shall also be available online, and online users will have the opportunity to comment on the plan digitally; those comments shall also be presented to Planning Commission and Council.

The Consultant shall gather information through the use of multiple visual and interactive tools to engage the community in a discussion about the future of the City. Activities shall be designed to engage adults and children and may also enlist the participation of other City departments to make this a larger civic event that could draw more attendees.

#### ***Deliverables:***

- Preparation for, and facilitation of community workshops (3 meetings)
- Preparation of summary of big ideas and take-aways from each workshop

### **Task 2.5 Study Sessions and Public Hearings**

#### ***Study Sessions***

At the City's request, Consultant shall co-host study session(s) with the Planning Commission and City Council (joint session if desirable) to provide preliminary feedback regarding the concepts and approaches related to the land use plan.

The format and intent of the study session(s) will vary from the public hearings to adopt the General Plan. These session(s) are intended to keep decision makers informed, get

informal approval at key points, and provide an additional opportunity for community participation. Consultant(s) may participate in these study session(s) as determined by the City in lieu of Consultant(s) attending the same number of public hearings prescribed below.

### ***Public Hearings***

Consultant shall participate in up to two (2) public hearings for the public draft Revised Land Use and Conservation, Recreation and Parks, and Open Space Elements with both the Planning Commission and City Council (two adoption hearings held for both Planning Commission and City Council—total of four hearings) as determined by the City. This task includes preparation for the study session(s) or hearings (PowerPoint, presentation boards, etc.) and attendance by up to two staff members of Consultant as well as representatives from Sub-Consultants Fehr & Peers and BAE, as needed. Sub-Consultant Fehr & Peers will attend up to 3 public meetings (study session or public hearing) and will provide input on the preparation of presentation materials as it relates to land use changes and their effect on transportation.

Consultant shall work with City staff in developing content for their staff reports and preparing PowerPoint presentations. At the study session(s) and/or hearings, the Consultant shall be available for presentations and responding to comments received.

City will be responsible for any subsequent work related to revisions of the adopted Local Coastal Program (including text changes or coordination/hearings with the California Coastal Commission).

### ***Deliverables:***

- Preparation of staff reports and PowerPoint presentations
- Attendance at Study Sessions or Public Hearings (up to 4, 2 each at Planning Commission and City Council)

### **Task 2.6 Project Collateral, Content for City Website and Media**

Consultant shall prepare collateral materials that can be used to support the General Plan Update, including but not limited to FAQ's or fact sheets, flyers, press releases, social media blurbs, etc.

The Consultant shall provide original artwork and digital files of each document, and the City will be responsible for their distribution, including their distribution to community organizations or local media outlets. Consultant shall format these for posting on the project's website. Consultant shall provide the City with digital copies of the final products and up to 100 color hardcopies of flyers or FAQ's.

### ***Project Website and Online Engagement Tools***

Consultant shall draft content (news updates, next steps; announcements, GPAC summaries, etc.) to populate the City's website page for the General Plan.

At the City's request, Consultant shall prepare up to five Survey Monkey topics to post on the City's website over the duration of the project, at key milestones where targeted input or feedback from the community is needed (in addition to the Community Workshops in Task 2.4). The outreach tools and approach shall be further refined and clarified in Task 2.1, and the types of engagement tools used shall be specified depending on the outcome of the City's Social Media Policy. If Survey Monkey is not an acceptable engagement option, Consultant shall explore alternatives with City that fit within the budget assumed for this task.

***Deliverables:***

- Screen check draft and final project factsheet (electronic file)
- Up to six press releases or project flyers and announcements, or combination thereof (up to 100 printed color copies of each flyer)
- Prepare text (announcements, informational, etc.) for City to post on project website
- Online engagement tools (up to 5 Survey Monkey topics)

**Phase 3. Review Existing Conditions and Data**

The Consultant shall research, compile, and analyze all pertinent data and studies required to inform the development of updated Land Use and Conservation, Recreation and Parks, Open Space goals and policies and contribute to the Environmental Setting section of its Program EIR. Data shall describe relevant historical information, existing conditions, and trends and summarize their implications as opportunities, constraints, and issues that should be addressed through General Plan policy. The following describes the scope of data and analyses anticipated for the Land Use Element and is subject to revision based on review by City and assessment of the adequacy of available resources.

**Task 3.1 Land Use and Urban Form**

***Historical Growth***

Consultant shall develop a series of maps depicting the historical development of Redondo Beach's neighborhoods and districts, to the extent information is available from the City's Historical Society, UCLA Photo Archive, and other sources. The time frame will be dependent on the available information. Consultant shall consult with City and review records to develop a profile of building permits and development of residential and nonresidential uses on an annual basis for the past 20 years or longer, as readily available. This profile shall describe the types of uses and quantify the amount of housing units and building square feet.

***Existing Land Use and Urban Form***

Consultant shall build database on existing maps available from the City. It is assumed that staff will initially review the existing maps to identify areas in which uses and/or development densities may differ and properties on which new entitlements are anticipated. For these areas, Consultant shall review aerial photographs and conduct a windshield survey to verify the types of existing uses.

As a component of this task, Consultant shall develop an overlay to the land use map differentiating areas according to their salient urban form characteristics. First, Consultant shall develop form typologies, describe contributing characteristics for each, and confirm these with City. Example typologies include:

- “Traditional” grid-block-based single family residential neighborhoods.
- “Suburban” single-family residential neighborhoods with curvilinear streets and cul-de-sacs.
- Multifamily residential clusters with buildings and units oriented on common open spaces and inward.
- “Urban” multifamily residential neighborhoods with buildings oriented to the street frontage.
- Automobile-oriented commercial corridors and districts with building on individual parcels and unrelated to adjoining parcels.
- Pedestrian-oriented commercial districts with buildings located along and oriented to street frontages.
- Large block Industrial and business parks.

Using these typologies, Consultant shall develop a preliminary urban form diagram bases on review of aerial photographs, GIS generated maps of building footprints, and a windshield survey of selected locations. This shall be reviewed with City and finalized in response to comments received.

### ***Neighborhood and District Identity***

Consultant shall meet with City to review existing land use and urban form maps and identify the City’s known neighborhoods and districts. For each, consultant shall describe the salient characteristics contributing to their unique identity, such as location, history, use, urban form, and culture. Photographs of each area shall be correlated with maps depicting their locations.

### ***Deliverables:***

- Memorandum and series of maps and analyses that assess City’s historic growth
- Series of maps and memorandum summarizing the types of urban form found and associated characteristics of each area
- Urban form diagram and summary of neighborhood characteristics that should be preserved, enhanced or changed (neighborhoods and districts)

### **Task 3.2 Review of Existing General Plan Land Use and Zoning**

The existing Land Use Element presents an extensive list of goals and policies related to each category of use depicted on the Land Use Diagram. Consultant shall develop a simplified table summarizing pertinent provisions addressing permitted uses, development standards (densities/intensities), and design guidelines.

### ***Existing Zoning Land Use Designations and Standards***

Consultant shall review the existing zoning map and develop a simplified table summarizing pertinent provisions addressing permitted uses, development standards (densities/intensities), and design guidelines.

### ***Analysis of Existing Use and General Plan/Zoning Designations***

Consultant shall evaluate the consistency of existing land uses with both the General Plan Land Use Diagram and Zoning Map. First, Consultant shall identify and confirm with City which criteria to use for this analysis, which may include metrics such as use type, density/intensity, and/or standards or guidelines specified by policy. The plan and zoning maps shall be overlaid onto the existing-uses map and differences identified and their locations mapped. Consultant shall prepare a spreadsheet describing the factors contributing to their differences for each area. For locations in which existing development densities/intensities are less than their theoretical capacity, as determined by applying the permitted density/intensity to the land area, Consultant shall calculate the remaining undeveloped capacity for housing units and nonresidential building square feet.

### ***Land Use Constraints and Issues - Infrastructure***

Consultant shall meet with Redondo Beach Public Works staff to assess the availability and adequacy of existing and planned infrastructure to support future development. Analyses shall include wastewater collection and treatment, water supply and distribution, storm drainage infrastructure, and solid and hazardous waste disposal based on review of existing studies and reports. In addition, Consultant shall consult with external service agencies, including Southern California Gas, Southern California Edison, and telecommunications providers.

Sub-Consultant (Fusco) shall also evaluate the general capacity of the City's infrastructure (storm drain, water and sewer) related to projected land use changes, growth and additional demands on the infrastructure systems. Sub-Consultant (Fusco) shall identify opportunities and constraints related to future land use changes and recreational and open space areas for infrastructure improvements and water quality/water conservation opportunities. Prepare an assessment of potential impacts on new development and suggested infrastructure remedies. Sub-Consultant (Fusco) shall summarize findings for the general plan with narratives and graphics, including:

- Drainage & Flood Control
- MS4/NPDES Compliance and Regional Water Quality Improvement Opportunities
- Sanitary Sewer
- Domestic Water Services

### ***Deliverables:***

- Interim Existing Conditions and Trends Report: one digital file
- Existing conditions database: digital text and graphic files and GIS data layers
- Evaluation of Existing Goals and Policies Matrix (Administrative and Final Draft)
- Evaluation of Existing Zoning Standards (as it relates to the GP)

## **Task 3.3 Mobility and Traffic Analysis**

Sub-Consultant Fehr & Peers shall review available data and previously completed analyses to identify an inventory of available transportation networks and qualitatively summarize their operations, opportunities, and constraints. This information shall be summarized in text and up to three transportation-network GIS maps suitable for inclusion in the interim report as well as the existing conditions section of the transportation impact study. Consultant shall modify/update existing City GIS shapefiles to map:

- Roadway Network (including intersection or segment level of service as available from existing studies).
- Existing and Planned Bicycle Network.
- Existing Transit Network (and existing transit ridership for Metro served transit routes, as well as other operators if daily station ridership data are available).

Base maps upon which the deliverables noted above will be overlaid will be provided by the City and Consultant.

***Deliverables:***

- Sub-Consultant (Fehr & Peers) and Consultant shall provide inventory of transportation networks memorandum and maps (up to 3)

**Task 3.4 Demographic and Economic Trends Analysis**

Sub-Consultant (BAE) shall prepare a Demographic and Economic Trends Analysis report that evaluates existing demographic conditions (e.g., population, households, age, educational attainment, income) and trends to help City understand how its composition has been changing; and compare those rates of change to larger benchmark areas. The analysis shall do the same for economic conditions and trends (e.g., employment by industry, real estate markets), showing how changes to the regional economy impacts the City's economy. These shall inform the Land Use Element as to the types of uses currently in demand. Uses to be evaluated shall include for-sale and rental multifamily residential, office, retail, and industrial.

The analysis shall address household and employment trends using data from Nielsen-Claritas, US Census, and the California Employment Development Department. Current real estate market trends for the identified uses, including sale prices and rental rates, absorption rates, occupancy rates, and identification of comparable properties will be obtained from CoStar and other available sources. BAE shall show any existing oversupply or pent-up demand for analyzed land uses. Future demand conditions will be based on SCAG population, household, and employment projections as well as City building permit trends and will be compared to planned and proposed development from the City that could accommodate demand. BAE shall then project net demand for each land use. This will help inform the land use alternatives to make sure that alternatives are market supportable and respond to the Community's needs and desires. BAE shall prepare a report of findings that includes existing conditions data, projections, methodology, and net demand findings.

***Deliverables:***

- Demographic Trends and Analysis Report (Administrative and Final Draft)

#### **Phase 4. Prepare Draft Land use Element**

Consultant shall prepare a draft updated Land Use Element incorporating revisions to the Land Use Diagram, goals and policies, and implementation programs in consideration of the analyses completed in the preceding work tasks and input from the public outreach and engagement process. In developing the Diagram, one or more alternatives may be identified for areas of change, evaluated for their comparative impacts, and a preferred use selected. Consultant and City shall select the preferred land use plan. Goals and policies shall be revised to reflect the selected plan diagram and address issues regarding continuing utility and relevance.

#### **Task 4.1 Update and Refine the Land Use Diagram**

In this task, Consultant shall prepare an updated land use plan for incorporation into the General Plan. Consultant shall:

- Identify existing land uses to be conserved for their existing uses and densities and properties appropriate for targeting new development (through our analyses, input from staff, input from the public).
- Review land use designations and, where consistent with the existing uses, retain those designations and, where inconsistent (e.g., differing use or density), revise the land use category.
- For properties targeted to accommodate growth (new uses, densities, etc.), Consultant shall identify one or more alternatives defining use, density, and urban form characteristics—through City Staff, GPAC, and other input, as well as Consultants' technical analyses including market evaluations and constraints analyses, with a focus on mixed-use corridors and activity nodes. In this task, Consultant shall provide visual illustrations (photographs or illustrations).
- Test these for their comparative impacts (only traffic and fiscal)
- Review findings with City Staff and GPAC and select preferred land uses, densities, and urban form characteristics.
- For these properties, review the current GP designations for consistency with the outcomes of the preceding task (preferred uses and densities) and modify/revise the designation if appropriate for consistency.
- Prepare updated land use plan diagram, including a table defining permitted uses, densities/intensities, and design/development characteristics (see discussion in Approach).

#### ***Deliverables:***

- Revised Land Use Diagram, Buildout Summary, and Design Characteristics

#### **Task 4.2 Evaluate Existing Land Use Goals and Policies**

Consultant shall evaluate and update of the Land Use Element's goals and policies, modifying these as necessary to ensure consistency with the Land Use Diagram. Consultant shall consult with City to confirm pertinent criteria and distribute a simplified

survey to staff involved in the Plan's implementation. Possible questions to be considered in evaluating the policies are:

- Are the policies clearly worded, understandable, and easy to implement?
- Have they proven to be effective in addressing community visions and issues?
- Are they feasible and do they have resident and political support?
- Do they address contemporary topics of importance to the community such as health and well-being?
- Do they adequately address legislative requirements?

Based on the comments received, Consultant shall prepare a checklist annotating the scope and issues to be addressed in revising the goals and policies in Task 4.5.

***Deliverables:***

- Revised Land Use Diagram

**Task 4.3 Evaluate Traffic Impacts of Land Use Scenarios**

Sub-Consultant Fehr & Peers shall evaluate traffic impacts of the revised Land Use Plan Diagram, as described in Task 8. As plan alternatives are developed, Consultant and Sub-Consultant shall estimate their potential buildout and calculate and compare the percentage increase in vehicle trips above existing traffic conditions. Any significant changes in local level of service shall be identified as input for plan refinement and selection of a preferred land use alternative.

***Deliverables:***

- Evaluation of traffic impacts from land use diagram (see Task 8)

**Task 4.4 Evaluate Fiscal Impacts of Land Use Scenarios**

For this task, Sub-Consultant BAE shall conduct a fiscal impact analysis to determine the net fiscal impacts to the City's General Fund for up to two land use scenarios. A fiscal impact model shall be prepared to measure the recurring annual impacts of each scenario at project build out. Sub-Consultant BAE shall prepare the fiscal model using the City's most recent budget.

Revenues will be based on a hybrid average revenue/marginal revenue approach. Sub-Consultant BAE shall project revenues using a marginal approach (e.g., property taxes, property tax in lieu of VLF, sales taxes) based on development characteristics. Sub-Consultant BAE shall project revenues using an average revenue approach based on the anticipated increase in service population (i.e., new residents plus half of new employment). Sub-Consultant BAE shall use an average cost approach to project new costs and will supplement the analysis with calls to department heads to determine whether a marginal cost approach is needed (e.g., police, fire). Sub-Consultant BAE shall compare projected revenues to costs in order to determine whether revenues from new development are sufficient to cover the costs of providing municipal services.

***Deliverable:***

- Fiscal Impact Analysis Report (up to two land use alternatives)



#### **Task 4.5 Update Land Use Goals and Policies**

Consultant shall review and revise existing Land Use goals and policies for consistency with the revised land use diagram. To improve the Element's clarity, Consultant shall reorganize its content into four subsections:

- Land Use Diagram
- Goals and policies applicable to all uses and locations
- Goals and policies applicable to specific land use designations
- Goals and policies applicable to specific subareas/nodes, corridors, and districts

In the first subsection, the Consultant shall consolidate policies addressing permitted uses and densities/intensities into a table correlated with the Land Use Diagram, reducing the existing repetitive use of policies for use categories and subareas. The Consultant shall also review the existing Element's discrete subareas and redefine as confirmed by City Staff based on land use strategies developed during preparation of the updated Diagram in response to public input.

Consultant shall also revise goals and policies to address issues regarding understandability, usefulness, and feasibility identified in Task 4.2. Revisions shall be documented in a report using strikeouts and underlines to enable City Staff to understand the recommended changes. This shall be submitted for City Staff review and comment to ensure that the revisions adequately address their identified issues.

Finally, the Consultant shall prepare new goals and policies addressing land use strategies contributing to each of the key focus topics identified in the City's RFP and identified herein. The Consultant shall draw from the significant amount of research and recommendations for relevant policies developed for communities throughout the State, from regional and state agencies and non-governmental organizations, as well as Consultant's extensive experience in writing general plan elements. The following provides examples of general categories of land use strategies that shall be considered for each of the following topic areas that shall be included within the updated Land Use Element.

**Climate Change.** Distribution, mix, and density of land uses reducing vehicle trips and achieving an improved jobs/housing balance; adaptive reuse of existing buildings; energy and water efficient buildings and landscapes; incorporation of facilities and services supporting non-automotive vehicles such as bicycles; and siting/design of development to avoid impacts from sea level rise; and other.

**Healthy Communities.** Distribution, mix, and density of land uses and complete/living streets promoting active transportation/walking and bicycling; land use patterns reducing vehicle trips and associated air pollution; housing location and design minimizing exposure to air pollution and excessive noise; parks and other facilities promoting active recreation; access to healthy food sources including community gardens, stores, and restaurants; social and cultural facilities and community events

engaging community participation; development design contributing to public safety; access to health and safety facilities; and other.

**Economic Development.** Land use designations and capacities adequate to support existing and new businesses; land uses capitalizing on key market opportunities including tourism; design and layout of commercial districts enhancing their value and attraction of customers; adequate housing accommodating employees of local businesses; linking land use patterns with a mobility network and modes facilitating city and external access; parks, cultural facilities, and other amenities attracting new investments and businesses in a competitive environment; built environment that facilitates incubation of new businesses and innovation; and other.

**Social Equity, Environmental Justice, and Community Resilience.** Equitable distribution of parks, and community-serving facilities and services; affordable housing; land use designations and capacities providing jobs to all residents; safety through environmental design; integration of transit facilities with development and access to residential neighborhoods; and other.

Goals and policies addressing one of the topics above may also contribute to another (e.g., land use policies enhancing pedestrian activity contribute to objectives for climate change, healthy communities, economic development, and social equity). A summary matrix shall be prepared by the Consultant indicating the application of updated policies to each topic category.

Consultant shall prepare and submit an administrative draft of recommended updated goals and policies for City Staff review and comment. These shall be revised by the Consultant in response to comments received, reviewed with the General Plan Advisory Committee, and documented for inclusion in a Draft Revised Land Use Element for public review and comment in Phase 5.

***Deliverables:***

- Administrative draft updated Land Use goals and policies
- Revised draft updated Land Use goals and policies

**Phase 5. Prepare Draft Conservation, Recreation and Parks, and Open Space Element**

**Task 5.1 Evaluate Parks Resources and Goals and Policies**

Consultant shall prepare an assessment of the Conservation, Recreation and Parks and Open Space Element that addresses the preservation, conservation, and managed production of natural resources, open space for outdoor recreation, and open space for public health and safety. General guidance and standards from any available parks and recreation or community services plans shall also be integrated into the policy direction that is developed within this element.

***Deliverables:***

- Memorandum and mapping assessing Opportunities and Constraints

- Evaluation of Existing Conservation, Recreation and Parks and Open Space Element Goals and Policies Matrix (Administrative and Final Draft)

### **Task 5.2 Update Conservation, Recreation and Park and Open Space Element and Policies**

Consultant shall review and revise existing Conservation, Recreation and Park and Open Space goals and policies for consistency with the revised land use diagram and to reflect updates shaped by feedback received from the GPAC and the public. The element shall address the following topics:

- Parks deficient areas
- Opportunities for new parks or public spaces in an urban setting
- Opportunities to acquire new land for park or public spaces
- Features that contribute to the sustainability of the resource (water conservation) and the health of the community (climate change and physical well-being)

Consultant shall prepare and submit an administrative draft of recommended updated goals and policies for City Staff review and comment. These shall be revised in response to comments received, reviewed with the General Plan Advisory Committee, and documented for inclusion in a Draft Conservation, Recreation and Park and Open Space Element for public review and comment in Phase 5.

#### ***Deliverables:***

- Administrative draft updated C/RP/OS goals and policies
- Revised draft updated C/RP/OS goals and policies

### **Phase 6. Prepare Implementation Program**

#### **Task 6.1 Prepare Updated Implementation Program**

As goals and policies are being drafted, Consultant shall explore appropriate actions for the effective implementation of Land Use and C/RP/OS goals and policies. If none can be identified, Consultant shall consider deleting the policy from further consideration. Consultant shall collaborate with City Staff, external agencies, and any outside organizations that may have a role in the Elements' implementation. For each implementation item Consultant shall:

- Describe the implementing action.
- Identify policies that the action implements.
- Identify the agency, department, or organization to carry out the action.
- Identify resources required for the action, as appropriate.
- Identify the time frame needed to complete the action.
- Establish a measure to indicate successful implementation.

Consultant shall develop a list of potential external funding sources, including grants from OPR, the Strategic Growth Council, Metro, the Southern California Association of Governments, and comparable agencies.

Consultant shall also review all other Redondo Beach General Plan Elements and zoning and other municipal ordinances for consistency with the updated Land Use and C/RP/OS Elements, identify required changes, and develop an action program for their revisions. Consultant shall also review the Local Coastal Program, and identify modifications required for consistency.

Consultant shall work with City Staff to prioritize programs into short-, mid-, and long-term time frames. Criteria should include need, value, likely effectiveness, and availability of resources. Consultant shall work with City Staff in developing an annual evaluation program, which can coincide with the City's annual general plan progress report (required by State legislation).

Consultant shall document and format the implementation programs in a separate Implementation Manual that is organized and formatted digitally to incorporate new tools and delete those no longer relevant or proven to be ineffective over time, without necessitating formal General Plan amendments and CEQA review. Consultant shall prepare and submit an administrative draft of recommended updated implementation programs for City review and comment. Consultant shall revise their proposed updated implementation programs in response to comments received and documented for inclusion in a Draft Revised Land Use Element for public review and comment in Phase 5.

***Deliverables:***

- Updated Land Use and C/RP/OS Implementation Programs (Administrative, Hearing and Final Drafts)
- General Plan, LCP and Zoning Review and Amendment Recommendations (Administrative and Final Draft)

**Phase 7. Element Format and Production**

Consultant shall collaborate with City Staff in preparing Draft Revised Land Use and C/RP/OS Elements that shall be published and posted on-line for public review and feedback in formal hearings to be conducted by the Planning Commission and City Council.

**Task 7.1 General Plan Element Writing Guide**

Before drafting goals and policies, the Consultant shall develop a Writing Guide that shall provide authors and future editors clear direction in how to write the Elements' narrative, goals, policies, and implementation programs. The Consultant's Writing Guide shall differentiate the intent of policies as action-oriented statements and commitments as mandates or permissive implementation. Consultant, through an iterative process with City Staff, shall compile a simplified hierarchy of language that can denote different levels of implementation commitment. This shall ensure that City staff and elected officials have a common understanding and sufficient guidance to effectively implement the Elements.

***Deliverables:***

- Land Use and C/RP/OS Element writing guide memorandum

### **Task 7.2 Element Format and Structure**

Consultant shall collaborate with City Staff in developing a format and layout for the updated Land Use and C/RP/OS Elements. Consultant shall create documents that not only fulfill State statutory requirements but create real interest and enthusiasm in Redondo Beach's community of residents, businesspersons, organizations, and elected and appointed officials. Documents shall be graphically rich, appealing, and engaging. They shall be produced as digital files enabling printed reproduction, posting on the City's website, and continuing use by City Staff.

#### ***Deliverable:***

- Land Use and C/RP/OS Element template and style guide

### **Task 7.3 Element Production**

Consultant shall prepare the revised Elements, incorporating the plan maps, graphics, goals, policies, and implementation programs developed in the preceding work tasks. The revised Elements shall be formatted consistent with the templates for printed and on-line versions developed in Task 7.2.

Consultant shall also consider and reflect any substantive changes suggested by the pending Revised General Plan Guidelines published by the Governor's Office of Planning and Research (OPR). Woodie Tescher, PlaceWorks Principal (Consultant Staff), has been and continues to be actively engaged in the review and comment on OPR's draft revisions and shall advise City Staff and the Consultant's team regarding their implications for Element content and format.

Consultant shall prepare a screen check draft of the revised Elements for internal review and comment by City Staff. Consultant shall prepare a second draft incorporating revisions in response to City Staff's comments and submitted for review and confirmation that their comments have been adequately addressed. After City Staff approval, a public hearing draft shall be prepared for public review and Planning Commission and City Council public hearings and adoption. Consultant shall prepare final Revised Elements after adoption incorporating any changes approved by the City Council.

#### ***Deliverables:***

- Screen check draft Revised Land Use and Conservation, Recreation and Parks, and Open Space Elements: 10 hard copies formatted in Microsoft Word 2013 and 1 in electronic format
- Revised draft incorporating revisions prepared in response to City Staff comments: 10 hard copies formatted in Microsoft Word 2013 and 1 in electronic format
- Hearing draft Revised Land Use and Conservation, Recreation and Parks, and Open Space Elements: 50 hard copies formatted in Microsoft Word 2013, 2 in electronic format, and 1 copy convertible to a "PDF" file

- Draft Revised GIS Land Use Designation Map in ArcView GIS shape file format
- Adopted Revised Land Use and Conservation, Recreation and Parks, and Open Space Elements: 10 hard copies formatted in Microsoft Word 2013, 1 in electronic format (compatible with on-line format), and 1 copy convertible to a "PDF" file
- Adopted Revised GIS Land Use Designation Map in ArcView GIS shape file format (shall be compatible with on-line format)

### **Phase 8. CEQA Review Process**

Consultant shall conduct a two-phase environmental review process that includes preparing an Initial Study to "scope out" impacts found to be less than significant, then preparing a program-level Environmental Impact Report that is limited to analyses of potentially significant environmental topics. Consultant shall work alongside the City Staff and Consultant's Team and Sub-Consultants to incorporate General Plan policies that mitigate environmental impacts.

#### **Task 8.1 Initial Study/Notice of Preparation**

Consultant shall prepare an Initial Study (IS) and Notice of Preparation (NOP) of an EIR, pursuant to CEQA Section 15082.

##### ***Task 8.1.1 Initial Study***

Consultant shall prepare an IS that documents existing conditions and the resulting level of significance for each of the topical areas required under CEQA. CEQA permits the exclusion of environmental issues in the EIR on which it can be ascertained with certainty that the project would have no significant negative impact.

Consultant shall include substantial evidence for all such conclusions, incorporating regulatory standards pertinent to the project, standard conditions of approval by the City of Redondo Beach and/or Los Angeles County, and General Plan policies or implementation measures as necessary.

Consultant shall include detailed environmental evaluations for biological resources and geological resources (See Phase 7, Technical Studies).

##### ***Task 8.1.2 Notice of Preparation***

Consultant shall draft an NOP pursuant to CEQA Section 15082. The NOP shall include the meeting time of the environmental scoping meeting, a project description, and a list of the topics to be analyzed in the EIR. Consultant shall be responsible for circulation to the State Clearinghouse.

#### ***Deliverables:***

- 1 electronic copy of the Administrative Draft IS/NOP in Word and PDF format to the City

- 15 hard copies of the IS/NOP and 1 electronic copy of the IS/NOP in Word and PDF format and compact discs (CDs) with the complete IS and technical appendices attached to the State Clearinghouse

### **Task 8.2 Public Scoping Meeting**

During the 30-day comment period for the IS and NOP, Consultant shall attend a public scoping meeting(s) to hear comments on the environmental issues to be addressed in the EIR. Consultant shall prepare the public notices for the meeting(s) and City Staff will arrange the meeting location and date and will issue the public notices for the meeting(s). Consultant shall facilitate the meeting and prepare supporting material as needed, including a brief presentation, comment cards, and other materials as directed by City Staff. Consultant shall prepare a written summary of the environmental issues raised at the scoping meeting for inclusion in the Draft EIR.

#### ***Deliverables:***

- PowerPoint presentation for Scoping Meeting
- Public notice for Scoping Meeting, electronic copies in Word and PDF format
- Presentation materials, comment cards, and other materials as directed by City Staff

### **Task 8.3 Program Environmental Impact Report**

Using the results of the IS to limit analysis to the most relevant areas, the Consultant shall prepare a focused, Program EIR that has broad applicability as a CEQA review tool in the City of Redondo Beach. Per Section 15168 of the CEQA Guidelines, a Program EIR is a broad assessment of a series of related actions as if they were a single project. This type of EIR allows the City of Redondo Beach to consider broad policy alternatives and program wide mitigation measures early in the General Plan update process.

#### ***Environmental Analysis***

Consultant shall prepare a Program EIR that documents existing conditions, potential project impacts, and mitigation measures, as well as the resulting level of significance for potential impacts under relevant CEQA categories. As permitted by CEQA, the EIR will focus on CEQA resource categories where substantial evidence of a potentially significant environmental impact exists, as determined by the Initial Study. Similarly, environmental issues on which it was shown that the project would have no significant impact on the basis of existing documentation and regulation will not be analyzed. The existing conditions and regulatory framework information from Phase 3 shall form the basis for the environmental setting for the topic areas that were addressed in that task.

The EIR shall include detailed analyses to determine the environmental impacts for the following resource categories:

- **Aesthetics.** The aesthetics analysis shall review the Draft General Plan land use map and policies and programs that may impact scenic vistas and other resources,

such as views of the coast. This section shall describe existing visual resources in Redondo Beach, including descriptions of scenic views and corridors within and adjacent to the City, as defined in the General Plan Update, the State Scenic Highways Program, and other documents. Based on the aesthetic resource significance criteria, Consultant shall assess potential significant aesthetic impacts, including impacts on scenic views and corridors, the visual character of Redondo Beach, and light and glare.

- **Air Quality.** Air quality impacts of the project shall be evaluated in the EIR (See Phase 9, Technical Studies).
- **Cultural Resources.** Sub-Consultant (Cogstone) shall prepare a cultural and paleontological resources assessment (See Phase 9, Technical Studies). The result of the technical evaluation shall be incorporated into the EIR.
- **Hazards and Hazardous Materials.** The EIR shall describe existing conditions and the regulatory framework relating to hazards and hazardous materials in Redondo Beach. The evaluation shall consider environmental hazards associated with hazardous materials, hazardous waste disposal, airport safety, emergency preparedness, and wildland fire. Consultant shall obtain and review maps and other public information that are readily available regarding the geologic setting and hydrogeological conditions, such as groundwater depth and regional flow direction, as well as properties where chemical releases have been documented. This research shall include a database search of properties in the plan area that use, store, or transport hazardous waste or materials. The EIR additionally shall present a significance threshold analysis of identified hazards. Redevelopment of certain properties within the plan area may require removal and/or remediation of hazardous materials. The environmental analysis, therefore, shall also describe the requirements for redevelopment on these parcels in the event that hazards or hazardous materials are uncovered.
- **Hydrology and Water Quality.** The hydrology and water quality section of the EIR shall identify the regulatory framework, City-specific hydrological setting, stormwater drainage characteristics, water quality data (both surface and groundwater), local receiving water bodies, pollutants of concern based on changes in land use, and flooding hazards. Pertinent local plans, laws, and regulations pertaining to hydrology and water quality shall be identified, including the City of Redondo Beach's Municipal Code Section 5-7.113, "Standard Urban Stormwater Mitigation Plan (SUSMP) and Low Impact Development (LID) requirements for new development and redevelopment projects"; and the Los Angeles County Public Works Department's stormwater pollution prevention program developed to meet requirements of a National Pollutant Discharge Elimination System (NPDES) Permit from the California Regional Water Control Board.

Future development within the plan area shall be assessed in terms of the following:

- Potential increases in runoff volume with increases in impervious surfaces.
- Potential degradation of water quality associated with urban pollutants.
- Alterations in drainage patterns resulting in erosion, siltation, or flooding.



Consultant shall identify mitigation measures that would reduce or eliminate any of the potential impacts. Consultant shall identify best management practices (BMPs) and low impact development (LID) to be considered for future development. This section shall be prepared under the direction of a Registered Engineer in the State of California.

- **Greenhouse Gas Emissions.** GHG impacts of the project shall be evaluated in the EIR (See Phase 7, Technical Studies).

- **Land Use and Planning.** Consultant shall evaluate impacts related to physical divisions of existing communities, as well as conflicts with applicable land use plans, policies, and regulations that are intended to avoid or mitigate an environmental effect, such as those established in the Los Angeles County General Plan 2035.

- **Noise.** Noise impacts of the project shall be evaluated in the EIR (See Phase 7, Technical Studies).

- **Population and Housing.** Consultant shall evaluate the potential for displacement of people or housing and for substantial population growth that could result from buildout and implementation of the updated Redondo Beach General Plan elements. The environmental setting shall incorporate the population and demographics information from Phase 3 and shall include a description of the City's current Regional Housing Needs Assessment (RHNA) and certified 2014 Housing Element. Consultant shall also analyze potential demographic and housing changes for consistency with the community-articulated goals, policies, and programs of the existing General Plan and zoning code. Based on the population and housing significance criteria in Appendix G of the CEQA guidelines, Consultant shall analyze potential population and housing impacts.

- **Public Services.** Consultant shall evaluate potential impacts of General Plan Update buildout on public services in Redondo Beach, including fire and emergency medical services, police services, and schools. Consultant shall quantify the current and projected capacities of each public service provider in the City in order to establish baselines for impact. Using the CEQA public services significance criteria, Consultant shall assess the potential impacts of future, project-related growth on the capacity and functionality of those service providers. Consultant shall contact the following service providers directly to obtain the most recent statistics for current and future capacity:

- Redondo Beach Fire Department
- City of Redondo Beach Police Department
- Redondo Beach Unified School District
- Redondo Beach Public Library

- **Parks and Recreation.** Consultant shall describe existing parks and recreation resources in Redondo Beach and evaluate the potential impacts of implementation of the draft General Plan on those resources. Consultant shall draw on relevant standards and objectives established in City policy documents. The City has stressed that the

acquisition of open space is one of the guiding principles of this project, and the ultimate impact of associated policies on existing parks resources shall be carefully considered.

- **Transportation.** Sub-Consultant (Fehr & Peers) shall evaluate transportation impacts. The result of the technical evaluation shall be incorporated into the EIR (See Phase 7, Technical Studies).
- **Utilities and Service Systems.** Sub-Consultant (Fusco Engineering) shall prepare an assessment of the utilities infrastructure in the City. The result of the technical evaluation shall be incorporated into the EIR (See Phase 7, Technical Studies).
- **Tribal Cultural Resources.** Sub-Consultant (Cogstone) shall evaluate potential tribal cultural resources impacts. The result of the technical evaluation shall be incorporated into the EIR (See Phase 7, Technical Studies).
- **Alternatives Analysis.** Consultant shall evaluate up to three alternatives to the proposed project, one of which shall be the CEQA-required No Project Alternative, which for the Land Use Element is the current Land Use Plan. The alternatives shall be based in part on the various land use scenarios the City considers in Phase 4 and on their ability to reduce the environmental impacts of the project. CEQA Guidelines allow EIR alternatives to be evaluated in less detail than the project, but they must be defined with sufficient quantifiable metrics to facilitate comparison. Accordingly, Consultant and Sub-Consultant (Fehr & Peers) shall utilize one or more appropriate metric (e.g., VMT, square miles designated open space) to compare and differentiate the potential effects of the land use alternative. Based on this analysis, an Environmentally Superior Alternative shall be identified (as required by CEQA).
- **CEQA-Required Assessment Conclusions.** Consultant shall prepare the appropriate conclusions to fulfill CEQA requirements by providing an assessment of unavoidable significant environmental impacts; significant irreversible environmental changes; relationship between local short-term uses of the environment and long-term productivity; and effects found not to be significant.

#### **Task 8.4 Screen Check Draft EIR**

Consultant shall compile the information into a Screen Check Draft EIR (SCDEIR) and submit to City Staff for review and comment.

#### ***Deliverables:***

- Screen Check Draft EIR (1 electronic version in Word and PDF formats)

#### **Task 8.5 Draft EIR for Public Review**

Consultant shall incorporate one consolidated set of comments on the SCDEIR from City Staff to create the Public Review Draft EIR for publication, distribution, and public review. Consultant allocated 40 hours for addressing comments from the City Staff on

the Screen Check Draft EIR, preparing the Public Review Draft EIR, and publication of the document.

Consultant shall be responsible for delivery of the Draft EIR, Notice of Availability (NOA), and Notice of Completion (NOC) to the State Clearinghouse. City Staff will publish and locally distribute the NOA.

***Deliverables:***

- Second Screen Check EIR; Print ready copy (1 electronic version in Word and PDF formats)
- Draft EIR (20 hardcopies and 50 CDs)
- 1 hard copy of the NOC, 15 hard copies of the NOA and Executive Summary, 15 CDs with the complete EIR and technical appendices attached to the State Clearinghouse

**Task 8.6 Final EIR**

Immediately following the completion of the 45-day public review period, Consultant shall discuss with City Staff any comments received during the public review period and the approach to responding to the comments. Consultant shall incorporate public and/or agency comments received on the Draft EIR and the responses to these comments, as appropriate, into the Final EIR document. Other members of the Consultant's Team shall also participate as needed. The project budget includes up to 70 hours for Consultant to respond to comments, which is commensurate with the anticipated level of effort. (Reanalysis is not included in this Scope of Services.)

***Deliverables:***

- Screen Check Final EIR with Response to Comments (1 electronic version in Word and PDF formats)
- Final EIR with Response to Comments (30 copies and 30 CDs)
- Certified Final EIR (2 copies and 1 unbound, copy-ready version), including the responses to comments, revisions to the Draft EIR, and other components as described above
- Electronic versions of the Draft Response to Comments and the Certified Final EIR

**Task 8.7 Mitigation Monitoring and Reporting Program**

Concurrent with the preparation of the Final EIR, a Mitigation Monitoring and Reporting Program (MMRP) shall be assembled by the Consultant, working in close collaboration with City Staff to ensure that procedures are put in place so that the EIR mitigation measures are carried out in an appropriate, timely, and verifiable manner. The MMRP, shown in tabular form, shall identify responsibility for implementing and monitoring each mitigation measure, along with monitoring triggers and reporting frequencies. The MMRP shall be submitted as a draft document to the City and revised for publication with the Final EIR.

***Deliverables:***

- Screen Check MMRP (1 electronic version in Word and PDF format)
- MMRP (50 copies)

- An electronic copy of the Screen Check MMRP

#### **Task 8.8 Findings of Fact and Statement of Overriding Considerations**

Consultant shall prepare the Findings of Fact for the resolutions on the EIR, and in the event that significant and unavoidable impacts are disclosed in the Findings, Consultant shall prepare the Statement of Overriding Considerations necessary to support certification of the EIR. Consultant shall prepare draft and final documents, pending City Staff review and comment.

##### ***Deliverables:***

- Screen Check Findings of Fact (1 electronic version in Word and PDF format) and Draft Findings of Fact (50 copies) for City Staff review and comment
- Screen Check Statement of Overriding Considerations (1 electronic version in Word and PDF format) and Draft Statement of Overriding Considerations (50 copies) for City Staff review and comment
- An electronic copy only of the Screencheck Findings of Fact and Statement of Overriding Considerations

#### **Task 8.9 CEQA Project Management**

##### ***Task 8.9.1 CEQA Meetings & Hearings***

Consultant's environmental project director and project manager shall attend up to three meetings with City Staff during the course of the environmental review process, including the kick-off meeting, a Draft EIR review meeting, and one meeting or hearing during the public review process. Additional meeting attendance by Consultant shall be billed on a time-and-materials basis in accordance with the hourly rates for the personnel involved and an amendment shall be executed if necessary. Consultant's environmental project director and project manager shall attend up to two public hearings (one Planning Commission and one City Council hearing).

##### ***Deliverables:***

- 3 meetings with City staff
- 2 public hearings

##### ***Task 8.9.2 CEQA Project Management***

This task includes but is not limited to activities such as project start-up, minutes and agendas, budget and schedule tracking, ongoing coordination with the Consultant Team, and providing the daily point of contact with the City Staff. Consultant's project manager shall oversee the project from beginning to end and provide the leadership at critical milestones in the process during the approximately 12-month CEQA process. The Consultant shall be responsible for coordinating with Sub-Consultants, processing invoices, reviewing and managing deliverables, ensuring quality control, and adhering to the schedule.

## **Phase 9. Technical Studies**

### **Task 9.1 Biological Resources**

Consultant shall collect and review existing information on biotic resources in Redondo Beach in order to assess potential impacts of the Draft General Plan updates on biological resources in the City. Consultant shall utilize the following information sources:

- Previous environmental documentation for specific development applications in the area
- Records on occurrences of special-status taxa and sensitive natural communities maintained by the California Natural Diversity Data Base (CNDDB)
- Vegetation and habitat types mapped as part of the CALVEG program
- Information on sensitive or special-status taxa available from the City and County, the California Department of Fish and Wildlife (CDFW), and the US Fish and Wildlife Service (USFWS)
- One-day "windshield" reconnaissance of the planning area in order to locate and map undeveloped or vacant properties

In the analysis Consultant shall identify vegetation types, wildlife habitats, and known occurrences of special-status species, sensitive natural communities and wetland features. The impact analysis shall qualitatively evaluate the impacts of the Draft General Plan updates on these biological resources, and identify proposed General Plan policies that mitigate potential impacts, if necessary.

#### ***Deliverables:***

- Analysis incorporated into the Initial Study

### **Task 9.2 Geology and Soils**

Consultant shall prepare the IS which shall provide an overview of current geologic, soil, and seismic conditions throughout the City that is based on synthesized and clearly articulated research, along with a description and evaluation of the relevant regulatory framework. The IS shall evaluate the potential for General Plan Update implementation to result in significant direct and/or indirect environmental impacts as they may relate to geology, soils, and seismicity.

In the analysis Consultant shall employ a variety of data sources, such as geologic and soil maps, investigations, and studies published by the California Geological Survey, the US Geological Survey, and the US Department of Agriculture's Natural Resources Conservation Service; available geotechnical studies within the plan area; and seismic and geologic hazard maps and studies prepared by the California Geological Survey, the California Office of Emergency Services, and the Northern California Earthquake Data Center. In addition, the Consultants' technical specialists, including a state-licensed geologist with more than 30 years of relevant experience, shall review client-supplied information related to geology, soils, and seismicity, and incorporate that data within the IS. The need, if any, for supplemental information shall also be addressed as the EIR analysis progresses.

***Deliverables:***

- Analysis incorporated into the Initial Study

**Task 9.3 Air Quality & Greenhouse Gas Emissions**

Consultant shall prepare an air quality and greenhouse gas (GHG) emissions analysis for the City of Redondo Beach General Plan EIR. The air quality and GHG analysis shall be based on the current methodology of the South Coast Air Quality Management District (SCAQMD) for projects in the South Coast Air Basin (SoCAB), and modeling files shall be included as an appendix to the EIR.

- **Criteria Air Pollutant Emissions Inventories (Existing and General Plan Buildout):** The air quality analysis shall provide an estimate of long-term criteria air pollutant emissions using the latest models (e.g., EMFAC, OFFROAD, CalEEMod). Buildout of the General Plan would generate emissions from an anticipated increase in trips and vehicle miles traveled (VMT) associated with land uses in the City. In addition, use of natural gas and other area sources generate criteria air pollutants. Construction of individual development projects would also generate emissions from vehicles, off-road equipment, off-gas emissions, and fugitive dust. Potential impacts from construction activities associated with implementation of the General Plan shall be described qualitatively. The EIR shall compare criteria air pollutants generated by existing land uses (CEQA Baseline) in the City of Redondo Beach compared to land uses projected at buildout of the City (i.e., not a plan-to-plan analysis). An inventory of criteria air pollutants generated by existing land uses and proposed land uses shall be based on an existing inventory of land uses on the ground and future buildout statistics generated for the proposed Land Use Plan. Cumulative air quality impacts from buildout of the General Plan shall be described based on the emissions inventory compared to SCAQMD's regional significance thresholds.
- **Air Quality Management Plan Consistency:** The SoCAB is designated nonattainment of the National and/or California ambient air quality standards (AAQS) for ozone, nitrogen dioxide, and particulate matter (PM<sub>10</sub> and PM<sub>2.5</sub>). Consistency of the project's regional emissions shall also be evaluated against SCAQMD's Air Quality Management Plan.
- **CO Hotspots:** The SoCAB has been designated as attainment of the state and federal carbon monoxide (CO) ambient air quality standards. Given that no intersection has exceeded the CO standards since redesignation, quantitative evaluation is not warranted. Instead, the potential for the proposed project to generate a CO hotspot shall be addressed qualitatively by the Consultant.
- **Nuisance Odors:** The air quality impact analysis shall describe land uses in the City that have the potential to generate nuisance odors. Buffer distances and/or control measures for sources listed in the SCAQMD's guidelines shall be incorporated.

- **GHG Emissions Inventories for the General Plan EIR (CEQA Baseline and General Plan Buildout):** Pursuant to current CEQA Guidelines, all phases of the project must be considered (CEQA Guidelines Section 15126). Because the time horizon of a General Plan extends beyond the GHG reduction target year of Assembly Bill 32 (AB 32) (i.e., 2020 compared to General Plan buildout), the GHG impact analysis for the EIR shall identify GHG emissions associated with full buildout of the General Plan. To date, there is no comprehensive statewide plan that identifies GHG reduction programs past 2020. However, the California Air Resources Board (CARB) is currently in the process of updating the Scoping Plan to address interim targets to reach the 2030 goal of reducing GHG emissions to 40 percent below 1990 levels pursuant to Executive Order B-30-15 (anticipated by fall 2017).

The EIR shall include a GHG emissions inventory for the City for the CEQA baseline year and General Plan buildout. The GHG inventory for CEQA baseline and buildout shall provide an estimate of long-term GHG emissions using the latest models (e.g., EMFAC, OFFROAD) for the applicable GHG emissions sectors. Sources of GHG emissions in the City shall be based on those within the City's jurisdictional control and shall utilize the recent GHG emissions inventory and forecast compiled by the City for the Energy Efficiency Climate Action Plan (EECAP) and shall include:

- Residential and Nonresidential Energy (based on electricity use provided by Southern California Edison and natural gas use provided by the Southern California Gas Company)
- Transportation (on-road vehicles based on VMT provided by Sub-Consultant (Fehr & Peers))
- Water Use and Wastewater Treatment (from California Water Services)
- Other Area Sources (e.g., off-road equipment)
- Permitted Sources (GHG for this sector shall be presented, if available from SCAQMD)

The inventories shall be adjusted by the Consultant for reductions associated with statewide programs that have been adopted to reduce GHG emissions. The EIR shall evaluate the impact from the change in GHG emissions in the City compared to CEQA baseline conditions pursuant to SCAQMD's draft thresholds.

- **Consistency with Plans Adopted for the Purpose of Reducing GHG Emissions:** The GHG section in the EIR shall discuss the City's commitment to reducing GHG emissions in accordance with the GHG reduction goals of AB 32 and Senate Bill 375. Project consistency with CARB's Scoping Plan and the Southern California Association of Governments' (SCAG) 2016 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) shall be reviewed by the Consultant, in accordance with the CEQA requirements.

In addition, the San Gabriel Valley Council of Government (SAVCOG), in partnership with Southern California Edison (SCE), implemented an Energy Wise Partnership for cities in the San Gabriel Valley. As part of this program, an Energy Efficiency chapter of the Climate Action Plan (EECAP) for the City of Redondo Beach was prepared and

includes measures to reduce energy use and associated GHG emissions. Consistency with the recommended energy action measures shall be incorporated to ensure consistency with this regional program for the San Gabriel Valley.

***Deliverables:***

- Analysis incorporated into the EIR and model outputs included as an appendix

**Task 9.4 Cultural Resources**

Sub-Consultant (Cogstone) shall evaluate potential impacts to archaeological, paleontological, and historical resources from implementation of the Draft General Plan Updates. Sub-Consultant (Cogstone) shall research and record searches that cover the entire City including, if necessary, the AES Redondo Beach Electric Generating Station. The resulting information shall inform the following two technical reports.

***Task 9.4.1 Cultural Resources Report***

Sub-Consultant (Cogstone) shall prepare a Cultural Resources Report that summarizes the study procedures and state significance criteria, evaluates local sensitivity, identifies with text and mapping any historical and archaeological sensitive areas, and recommends subsequent courses of actions. Information in the report shall come from the following research efforts:

- Cultural records search at the South Central Coastal Information Center. City Staff shall provide Cogstone any previous archaeological resources assessments completed for the current General Plan.
- Consultation with Native American and historical societies, including a Sacred Lands Search from the Native American Heritage Commission.
- Preparing and mailing consultation letters to appropriate Tribal Representatives in order to meet the requirements of SB 18/AB 52.
- Research into the history of Redondo Beach's built environment, making use of historical maps, aerial photographs, and other sources as directed by City Staff.

***Task 9.4.2 Paleontological Resources Report***

Sub-Consultant (Cogstone) shall prepare a Paleontological Resources Report that summarizes the study procedures and state significance criteria, evaluates local sensitivity, identifies with text and mapping any paleontologically sensitive areas, and recommends subsequent courses of actions. Information in the report shall come from the following research efforts:

- Paleontological records search at the Los Angeles County Natural History Museum and in online databases. Supplemental research on geological mapping, formations, previous paleontological studies, and online paleontological databases shall also be conducted.
- Cultural records search at the South Central Coastal Information Center. City Staff shall provide Cogstone any previous paleontological resources assessments completed for the current General Plan.



The EIR shall use the results of these reports to describe the regional and local prehistoric and historical context of Redondo Beach; summarize research results; and outline local, state, and federal policies, laws, and regulations regarding the treatment of cultural resources.

#### **Task 9.5 Noise and Vibration**

Consultant shall prepare noise and vibration technical analyses to evaluate potential acoustical impacts associated with the Draft General Plan Update. The EIR shall identify the impacts on sensitive land uses from implementation of the focused update of the General Plan. Particular attention shall be paid to areas in the City that are expected to experience the most growth in the coming years. The EIR shall discuss relevant standards and criteria for noise-exposure, and the assessment of impacts shall be based on federal, state, and local ordinances, policies, and standards, including those in the City of Redondo Beach's existing Noise Element and Municipal Code. Since the General Plan Noise Element is not being updated, there shall be no need for technical noise staff to support the planning process via reviews of proposed new goals and/or policies.

#### ***Existing Noise Conditions***

Consultant shall use Consultant's knowledge of similar noise environments to evaluate existing ambient noise conditions and identify potential issues, opportunities, and challenges with respect to noise and land use compatibility.

#### ***Transportation Noise***

Existing and future vehicular traffic noise shall be assessed using a version of the US Federal Highway Administration (FHWA) Traffic Noise Model. These contours shall rely on traffic forecasts provided in the traffic impact analyses for the General Plan. These analyses shall identify areas along freeway and roadway segments that would be exposed to noise increases above criteria in the City's General Plan Noise Element. In addition, the noise analysis shall identify potential noise impacts to noise-sensitive uses in the City from railways. Aircraft noise from operations at nearby airports (outside the City limits, including LAX, Torrance, and Hawthorne Municipal Airports) would be expected to have minimal impacts on the general community, but shall be addressed for CEQA completeness on a qualitative basis.

#### ***Stationary Noise and Land Use Compatibility***

Noise impacts from nontransportation sources such as major commercial/industrial uses shall be discussed in terms of potential impacts to nearby noise-sensitive receptors. Future ambient noise and land use compatibility that could be affected by land use changes or by changes in traffic patterns shall be discussed qualitatively in light of the recent related California Supreme Court ruling (*CBIA v BAAQMD*).

#### ***Construction Noise and Vibration***

Construction impacts with implementation of the project shall be evaluated at a programmatic level for the General Plan. Future noise and vibration effects from construction activities shall be discussed in terms of accepted standards from the US

Federal Transit Administration (FTA). Feasible mitigation measures shall be identified to minimize future construction-related impacts in the study area.

The results of the above analyses shall be summarized in the EIR noise section, and pertinent calculation details shall be provided in an appendix.

***Deliverables:***

Analysis incorporated into the EIR, and model outputs included as an appendix

**Task 9.6 Traffic Impact Analysis**

Sub-Consultant Fehr & Peers will utilize the following four-part process to prepare a technical report that will inform the Transportation/Traffic section of the EIR.

***Task 9.6.1 Data Collection***

Sub-Consultant (Fehr & Peers) shall begin with a robust data collection effort, the focus of which shall be collecting roadway segment and/or intersection traffic counts to augment any traffic data available from ongoing and recently completed environmental studies in Redondo Beach. For budgeting purposes, this scope includes data collection for:

- Up to twenty-five, 24-hour daily roadway segment machine traffic counts on one weekday and one weekend day. Weekday and weekend segment volumes shall be compared to determine if weekday traffic volumes represent the highest traffic volume on each of the counted links. Up to 10 weekday peak period intersection turning movement traffic counts (with pedestrian and bicycle crossing counts) at key intersections identified in areas where land use change is expected. An additional 15 intersection counts would be drawn from existing data sources (Redondo Waterfront Project and/or the South Bay Galleria Project).

Specific locations for data collection shall be identified in consultation with the City.

***Task 9.6.2 Existing Conditions Analysis***

In order to establish the existing conditions baseline against which to assess the potential for transportation/traffic impacts associated with the General Plan updates, Sub-Consultant (Fehr & Peers) shall conduct the following analyses:

- Weekday AM and PM peak hour analysis of up to 10 key intersections where new counts were collected using the ICU LOS methodology consistent with City requirements.
- Incorporation of the existing ICU values of up to an additional 15 intersections drawn from prior projects in the City.
- Map of existing daily traffic volumes at up to 25 key segments.

***Task 9.6.3 Travel Demand Forecasting***

With baseline conditions established, Sub-Consultant (Fehr & Peers) shall forecast travel demand associated with the Draft General Plan updates. The Redondo Beach Travel Model (RBTM) was developed for the 2009 Circulation Element update and validated to 2007 base year conditions. Although the RBTM was developed to forecast

increases in daily traffic volumes, it was not developed to estimate vehicle miles travelled (VMT). Because of the passage of time since the RBTM was validated and the need to estimate VMT changes associated with the updates of the two elements to reflect SB 743 and current practice, Sub-Consultant (Fehr & Peers) shall use the SCAG RTP/SCS regional travel demand model for this analysis.

Sub-Consultant (Fehr & Peers) shall use the 2016 SCAG RTP/SCS model if made available by SCAG during the project process. If it is not made available, Sub-Consultant (Fehr & Peers) shall use the 2012 SCAG RTP/SCS regional model. Both models are developed on the TransCAD software platform, an application with which Sub-Consultant (Fehr & Peers) is extremely familiar.

Sub-Consultant (Fehr & Peers) shall review the transportation network attributes in the SCAG model for the City to be consistent with existing conditions, including existing land use data provided by City Staff.

This travel model shall be employed for the following purposes:

- Future weekday daily roadway segment volumes for the following land use scenarios shall be calculated using the model (and compared to the daily traffic counts collected at up to 50 segments):
  - Adopted General Plan
  - Preferred Land Use Scenario
  - Alternative Land Use Scenario
- The SCAG model shall be used to evaluate the following VMT scenarios for the City based on the origin/destination approach, which shall exclude through travel but shall account for vehicles traveling within and into and out of the City.
  - Existing
  - Currently Adopted General Plan
  - Preferred Land Use Scenario
  - Alternative Land Use Scenario

Sub-Consultant (Fehr & Peers) shall calculate Total VMT, as well as VMT per capita. These VMT forecasts shall be also employed for any GHG analysis conducted in the EIR.

City Staff, with support from Consultant, shall provide Sub-Consultant (Fehr & Peers) with land-use/socioeconomic data by SCAG transportation analysis zone (TAZ) or other geography easily aggregated into the TAZ for the following scenarios:

- Existing
- Currently Adopted General Plan
- Preferred Land Use Scenario
- Alternative Land Use Scenario

#### ***Task 9.6.4 Transportation Impact Analysis***

Sub-Consultant (Fehr & Peers) shall summarize the previously developed Existing Conditions analysis and any updated future conditions analysis in a Transportation Impact Study for use by the EIR consultant. The Study shall include:

- Intersection impact analysis of up to 25 key intersection at spot locations where the magnitude of land use changes in those areas associated with the Preferred Land Use Scenario has the potential to have localized traffic impacts. This analysis shall not be prepared for the alternative land use scenarios. A Cumulative No Project scenario shall be prepared as an additional impact baseline to assess project impacts at these spot locations.
- Changes to roadway segment volumes at the 25 segments to be provided as an input in the air quality and noise analysis
- Changes to VMT and VMT per capita
- Analysis and identification of any conflicts with plans establishing performance measures for various modes of travel
- Consistency with Los Angeles County's Congestion Management Program
- Review of hazards due to design features
- Analysis and identification of any conflicts with adopted plans or policies regarding alternative travel modes.

Once the impacts are identified, Sub-Consultant (Fehr & Peers) shall identify potential mitigations for the Preferred Land Use Scenario. Aside from potential spot traffic mitigation measures associated with individual intersection impacts (where feasible), citywide mitigation measures are expected to include transportation demand management (TDM) measures that would reduce vehicle trips and VMT.

Sub-Consultant (Fehr & Peers) shall summarize the results of the above analyses in a technical Transportation Report (or EIR chapter), which shall be provided to the Consultant and City Staff for review. This Draft Report shall be sent to Consultant for their initial review and updated in response to one set of internal comments received. The report shall be revised to provide a Draft Report to the City Staff for their review. The report shall be updated after receipt of one round of comments from City Staff. The Consultant shall prepare the Traffic Section of the EIR using data in this Transportation Report.

***Deliverables:***

- Screen Check Traffic Impact Analysis for City Staff review (1 electronic version in Word and PDF format)
- Final Traffic Impact Analysis (1 electronic version in Word and PDF format)

**Task 9.7 Water, Wastewater, and Storm Water Utility Systems**

Consultant and Sub-Consultant (Fusco Engineering) shall prepare the Utilities and Service Systems section of the EIR, covering water, wastewater, and storm Water utility systems. Consultant shall utilize the *Baseline Assessment Memorandum*, prepared by Sub-Consultant (Fusco Engineering) as part of the General Plan Update process in

Phase 3, to inform the environmental setting section. This shall include information on the age, condition, adequacy, and capacity of utilities infrastructure in Redondo Beach.

To assess utilities-related impacts and identify any needed mitigation measures, Consultant shall utilize the results of Sub-Consultant's (Fusco's) evaluation, performed as part of Phase 4, of the general capacity of the City's infrastructure (storm drain, water and sewer) related to projected land use changes, growth, and additional demands on the infrastructure systems. Recommended improvements needed to serve planned future development shall be integrated into both the EIR and the General Plan.

Providers and management organizations that compose the utilities and service system in Redondo Beach include, but are not limited to:

- Los Angeles County Sanitation Districts
- Hermosa-Redondo District, California Water Services Company (CalWater)
- Carson Joint Water Pollution Control Plant
- City of Redondo Beach Solid Waste Division
- Athens Services
- Los Angeles County Department of Public Works
- CalRecycle
- Southern California Edison
- Southern California Gas Company

Sub-Consultant (Fusco Engineering) shall prepare a technical report to serve as an appendix to the EIR covering infrastructure and water quality evaluations. This report shall include analyses and conclusions per the CEQA Appendix G checklist, as well as concept-level hydrology comparison of existing versus proposed conditions, and all MS4 LID/BMP measures required.

***Deliverables:***

- Draft Water, Wastewater, and Storm Water Utility Systems Technical Report (1 electronic version in Word and PDF format)
- Final Water, Wastewater, and Storm Water Utility Systems Technical Report (1 electronic version in Word and PDF format)

**Phase 10. Project Administration**

**Task 10.1 Day-to-Day Project Coordination and Schedule**

The "Project Schedule" shall define the sequence and critical path for performance of work tasks, including document submittal deadlines to the City Staff, City Staff review periods, and time frames for document revisions. It shall also establish the schedule for the public outreach program developed in Phase 2, Planning Commission study sessions and public hearings, and City Council hearings.

This task includes but is not limited to activities such as project start-up, minutes and agendas, budget and schedule tracking, and ongoing coordination with the Consultant's Team, City Staff, outside Agencies, and documentation of public comments-interactions, etc.

Wendy Nowak, Associate Principal, of Consultant shall serve as Project Manager for the update of the General Plan Elements. She shall oversee the project's day-to-day operations and Sub-Consultant coordination and provide the leadership at critical milestones in the process, including ongoing updates with the City's designated Project Manager, preparation of the community participation plan, and general coordination with internal and external persons as required.

The updates shall take the form of formal memos, notices, e-mails, or conference calls, and meetings—this process shall be further defined during the kick-off meeting in Phase 1. Approximately four hours per month over the 30-month project time frame is allocated for project coordination by the PIC/Project Manager (Wendy Nowak).

***Deliverables:***

- Weekly coordination with the City's designated Project Manager;
- Status reports (progress of work being performed, milestones attained, resources expended, problems encountered, corrective actions taken)
- Sub-Consultant Coordination
- Activities such as project start-up, minutes and agendas, budget and schedule tracking, and ongoing coordination with the Consultant's Team, City Staff, outside Agencies, and documentation of public comments-interactions, reports and memorandums, etc.
- Review and processing of project invoices

**Task 10.2 Project Team Meetings**

The Consultant's Team shall participate in conference calls and/or in-person meetings with City Staff scheduled on a fixed date and time—weekly or every two weeks—to coordinate work tasks and deliverable products among our team members and other service area consultants, review project progress, schedule future tasks, and discuss and identify solutions for any issues impacting the successful performance of the work program. At the conclusion of each meeting, participants shall identify the agenda of topics to be addressed in the following meeting, with additional topics identified in the intervening period as necessary. The meeting agendas shall be distributed to all participants two days in advance of the meeting to confirm their content.

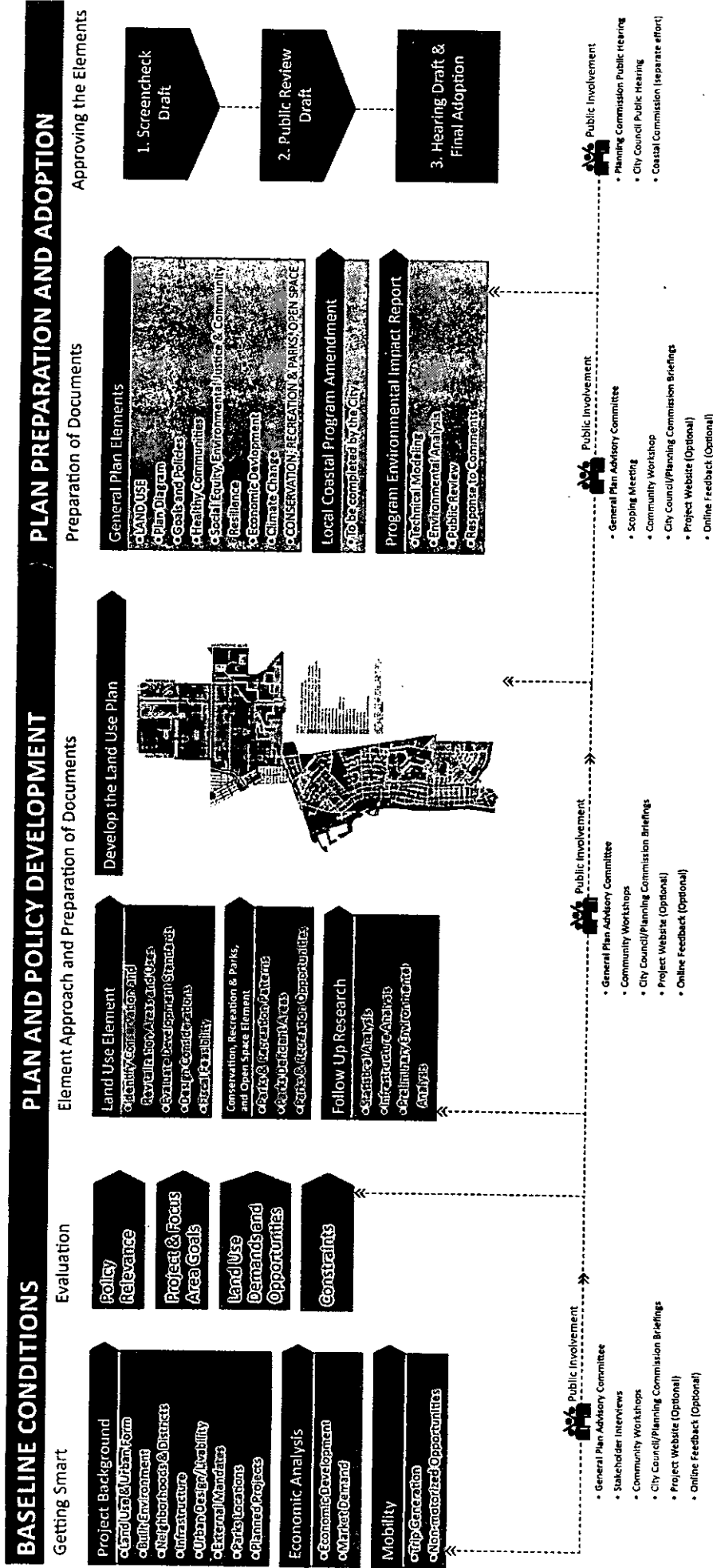
***Deliverables:***

- Project management meeting agendas
- Summary of project management meeting comments and actions

Project flow is attached as Attachment 1 to this Exhibit and is incorporated herein.

# ATTACHMENT 1 TO EXHIBIT "A" PROJECT FLOW

## CITY OF REDONDO BEACH "FOCUSED" GENERAL PLAN UPDATE



## **EXHIBIT "B"**

### **SCHEDULE FOR COMPLETION**

Term. The term of this Agreement shall commence on October 4, 2016 and expire April 3, 2019 ("Term ") unless otherwise terminated as herein provided.

Upon City Manager's notice of at least 30 days prior to the expiration of the Term, this Agreement shall automatically renew for a subsequent annual term. In no event shall this Agreement continue three and one half years beyond the commencement date which is April 3, 2020.

The "Project Schedule" which is attached hereto as Attachment 1 to this Exhibit and incorporated herein, assigns a general timeline to the phases and tasks outlined within the "Scope of Services" set forth in Exhibit "A". The Community Development Director will have the authority to make as needed adjustments in the "Project Schedule" as required.



# ATTACHMENT 1 TO EXHIBIT "B" PROJECT SCHEDULE

CITY OF REDONDO BEACH - GENERAL PLAN ELEMENTS UPDATE AND PROJECT EIR

## Project Schedule

		MONTH:																														
		Week																														
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
PHASE 1: PROJECT INITIATION																																
1.1 Kick-off Meeting & Project Protocol																																
1.2 Project Charter, Branding, Templates and Data Map																																
1.3 Data Gathering and Review																																
PHASE 2: COMMUNITY ENGAGEMENT PROGRAM																																
2.1 Develop Community Participation Plan																																
2.2 Stakeholder Interviews																																
2.3 General Plan Advisory Committee (10 mg)																																
2.4 Communitywide Workshops (2 meetings)																																
2.5 Study Sessions and Public Hearings (4 mg)																																
2.6 Project Charter & Content for City Website and Media																																
PHASE 3: REVIEW EXISTING CONDITIONS AND DATA																																
3.1 Land Use and Urban Form																																
3.2 Review of Existing General Plan Land Use and Zoning																																
3.3 Mobility and Traffic Analysis																																
3.4 Demographic and Economic Trends Analysis																																
PHASE 4: PREPARE DRAFT LAND USE ELEMENT																																
4.1 Update and Refine Land Use Diagram																																
4.2 Evaluate Land Use Goals and Policies																																
4.3 Evaluate Traffic Impacts of Land Use Scenarios																																
4.4 Evaluate Fiscal Impacts of Land Use Scenarios																																
4.5 Update Land Use Goals and Policies																																
PHASE 5: PREPARE DRAFT CONSERVATION, RECREATION & PARKS, AND OPEN SPACE ELEMENT																																
5.1 Evaluate Conservation, Parks and Recreation and Open Space Goals and Policies																																
5.2 Update Conservation, Recreation and Park and Open Space Element and Policies																																
PHASE 6: PREPARE UPDATED IMPLEMENTATION PLAN																																
6.1 Prepare Updated Implementation Plan																																
PHASE 7: PREPARE REVISED GENERAL PLAN ELEMENTS																																
7.1 Develop General Plan Writing Guide																																
7.2 Element Format and Structure																																
7.3 Element Production																																
PHASE 8: CIOA REVIEW PROCESS																																
8.1 Initial Study/ROP																																
8.2 Public Scoping Meeting																																
8.3 Program EIR (interim) Initial Analysis																																
8.4 Socioeconomic Draft EIR																																
8.5 Draft EIR for Public Review																																
8.6 Final EIR																																
8.7 Mitigation Monitoring & Reporting Program																																
8.8 Review of fact and statement of overriding considerations																																
8.9 CIOA Meetings and Project Management																																
8.10 CIOA Meetings and Hearings																																
8.11 CIOA Project Management																																
PHASE 9: TECHNICAL STUDIES																																
9.1 Biological Resources																																
9.2 Geology and Soils																																
9.3 Air Quality and GHG Emissions																																
9.4 Cultural Resources																																
9.5 Noise and Vibration																																
9.6 Traffic Impact Analysis																																
9.7 Water, Wastewater, and Stormwater Utility Systems																																
PHASE 10: PROJECT ADMINISTRATION																																
10.1 Project Administration and Schedule																																
10.2 Project Management Meetings																																
NOTES																																
1. Critical Path Item: Conceptual approval of Land Use Plan, Subdivision and project description needed to refine presentation of EIR Meetings																																

**EXHIBIT "C"**  
**COMPENSATION**

Provided Consultant is not in default under this Agreement, Consultant shall be compensated as provided below.

**I. COST QUOTE AND HOURLY RATES.**

- A. Amount. Consultant shall be paid a total of \$699,917 in accordance with the schedule and rate schedule attached hereto as Attachment 1 to this Exhibit and incorporate herein.

In the event Consultant's costs, including direct costs and costs of Sub-Consultants are less than the projected estimates described above Consultant's compensation shall be adjusted accordingly.

B. Hourly Rates.

- i. Consultant shall be paid pursuant to the hourly rates that are outlined in Attachment 1 to this Exhibit.
1. Consultant and Sub-Consultants shall be paid 1.5 times the hourly rate for time spent as an expert witness at court trials, mediation, arbitration hearings, and depositions.
  2. Consultant and Sub-Consultants shall be paid the standard hourly rate for the time spent preparing for trials, hearings, and depositions.
- ii. Sub-Consultants shall be paid pursuant to the hourly rates outlined in Attachment 1 to this Exhibit.

B. Reimbursable Expenses.

1. Routine other direct ("ODCs"), such as day-to-day copying, faxing, printing, telephone charges, and supplies are included in the hourly rates.
2. Non-routine ODC's, such as large scale reproduction specialty printing, equipment rentals etc. shall be charged at cost
3. Travel (i.e. air fares, lodging, meals, and rental cars) shall be charged at actual cost incurred and not at the hourly rate. Mileage will be charged at the current IRS rate per mile.
4. Any other non-routine direct costs, not specifically identified herein, shall be charged at cost.
5. Travel and other reimbursable expenses invoiced by Consultant shall not be paid unless first approved by the City in writing.

- II. **METHOD OF PAYMENT.** Consultant shall provide invoices to City for approval and payment. Invoices must be itemized, adequately detailed, based on accurate records, and in a form reasonably satisfactory to City. Consultant may be required to provide back-up material upon request.
- III. **SCHEDULE FOR PAYMENT.** City agrees to pay Consultant within thirty (30) days of receipt of the monthly invoice, provided, services are completed to City's reasonable satisfaction.

1. **NOTICE.** Written notices to City and Consultant shall be given by registered or certified mail, postage prepaid and addressed to or personally served on the following parties.

Consultant Wendy Nowak  
Woodie Tescher  
Placeworks, Inc.  
3 MacArthur Place, Suite 1100  
Santa Ana, California 92707

City Aaron Jones, Community Development Director  
415 Diamond Street  
Redondo Beach, CA 90277

All notices, including notices of address changes, provided under this Agreement are deemed received on the third day after mailing if sent by registered or certified mail. Changes in the respective address set forth above may be made from time to time by any party upon written notice to the other party.

# Redondo Beach General Plan Elements Update and ER COST PROPOSAL

Placa Works

## EXHIBIT "D"

### INSURANCE REQUIREMENTS FOR CONSULTANTS

Without limiting Consultant's indemnification obligations under this Agreement, Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees.

#### Minimum Scope of Insurance

Coverage shall be at least as broad as:

Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001).

Insurance Services Office form number CA 0001 (Ed. 1/87) covering Automobile Liability, code 1 (any auto).

Workers' Compensation insurance as required by the State of California.

Employer's Liability Insurance.

#### Minimum Limits of Insurance

Consultant shall maintain limits no less than:

General Liability: \$1,000,000 per occurrence for bodily injury, personal injury and property damage. The general aggregate limit shall apply separately to this project.

Automobile Liability: \$1,000,000 per accident for bodily injury and property damage.

Employer's Liability: \$1,000,000 per accident for bodily injury or disease.

#### Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of the City, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its officers, officials, employees and volunteers or (2) the Consultant shall provide a financial guarantee satisfactory to the City guaranteeing payment of losses and related investigations, claim administration and defense expenses.

### Other Insurance Provisions

The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

#### Additional Insured Endorsement:

**General Liability:** The City, its officers, elected and appointed officials, employees, and volunteers shall be covered as insureds with respect to liability arising out of work performed by or on behalf of the Consultant. General liability coverage can be provided in the form of an endorsement to the Consultant's insurance, or as a separate owner's policy.

**Automobile Liability:** The City, its officers, elected and appointed officials, employees, and volunteers shall be covered as insureds with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the Consultant.

For any claims related to this project, the Consultant's insurance coverage shall be primary insurance as respects the City, its officers, elected and appointed officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.

Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City.

Each insurance policy shall be endorsed to state that the inclusion of more than one insured shall not operate to impair the rights of one insured against another insured, and the coverages afforded shall apply as though separate policies had been issued to each insured.

Each insurance policy shall be in effect prior to awarding the contract and each insurance policy or a successor policy shall be in effect for the duration of the project. The maintenance of proper insurance coverage is a material element of the contract and failure to maintain or renew coverage or to provide evidence of renewal may be treated by the City as a material breach of contract on the Consultant's part.

#### Acceptability of Insurers

Insurance shall be placed with insurers with a current A.M. Best's rating of no less than A:VII and which are authorized to transact insurance business in the State of California by the Department of Insurance.

### Verification of Coverage

Consultant shall furnish the City with original certificates and amendatory endorsements effecting coverage required by this clause. The endorsements should be on the City authorized forms provided with the contract specifications. Standard ISO forms which shall be subject to City approval and amended to conform to the City's requirements may be acceptable in lieu of City authorized forms. All certificates and endorsements shall be received and approved by the City before the contract is awarded. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements effecting the coverage required by these specifications at any time.

### Subcontractors

Consultant shall include all subcontractors as insured under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.






### Risk Management

Consultant acknowledges that insurance underwriting standards and practices are subject to change, and the City reserves the right to make changes to these provisions in the reasonable discretion of its Risk Manager.

# Project Schedule

# REDONDO BEACH GENERAL PLAN UPDATE

[illegible]

Legend	
	PlaceWorks
	Subconsultant
	City
	Public Review
	Hearings





# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
06/29/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must have **ADDITIONAL INSURED** provisions or be endorsed. If **SUBROGATION** IS **WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Marsh Risk & Insurance Services 17901 Von Karman Avenue, Suite 1100 (949) 399-5800; License #0437153 Irvine, CA 92614 Attn: NewportBeach.CertRequest@marsh.com/F: 212-948-4323 CN115158923--01-23-24	<b>CONTACT NAME:</b>	<b>FAX (A/C, No):</b>	
	<b>PHONE (A/C, No, Ext):</b>	<b>E-MAIL ADDRESS:</b>	
<b>INSURED</b> PlaceWorks, Inc 3 MacArthur Place, Suite 1100 Santa Ana, CA 92707	<b>INSURER(S) AFFORDING COVERAGE</b>		<b>NAIC #</b>
	<b>INSURER A:</b> Crum & Forster Specialty Insurance Co		44520
	<b>INSURER B:</b> Travelers Property Casualty Co. of America		25674
	<b>INSURER C:</b> N/A		N/A
	<b>INSURER D:</b>		
	<b>INSURER E:</b>		
<b>INSURER F:</b>			

## COVERAGES

**CERTIFICATE NUMBER:**

LOS-002288075-18

**REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> BI & PD Ded. \$5,000 GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			EPK144434	07/01/2023	07/01/2024	EACH OCCURRENCE \$ 5,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 50,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 5,000,000 GENERAL AGGREGATE \$ 5,000,000 PRODUCTS - COMP/OP AGG \$ 5,000,000 Contractors Pollution \$ 5,000,000
B	<b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY			BA1N96406A2343G	07/01/2023	07/01/2024	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Comp/Coll Deductibles \$ 1,000
	<b>UMBRELLA LIAB</b> <input type="checkbox"/> OCCUR <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE DED <input type="checkbox"/> RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
B	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input checked="" type="checkbox"/> Y <input checked="" type="checkbox"/> N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	UB7K7286762343G	07/01/2023	07/01/2024	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
A	Errors & Omissions-Claims Made Retro Dates: See 2nd Page			EPK144434	07/01/2023	07/01/2024	Each Claim/Aggregate \$ 5,000,000

## DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

The City of Redondo Beach, its officers, elected, and appointed officials, employees, and volunteers are included as additional insured (except workers' compensation) where required by written contract. This insurance is primary and non-contributory over any existing insurance and limited to liability arising out of the operations of the named insured and where required by written contract with respect to General Liability.

## CERTIFICATE HOLDER

City of Redondo Beach  
415 Diamond Street  
Redondo Beach, CA 90277

## CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

*Marsh Risk & Insurance Services*

© 1988-2016 ACORD CORPORATION. All rights reserved.

**ADDITIONAL REMARKS SCHEDULE**Page 2 of 2

<b>AGENCY</b> Marsh Risk & Insurance Services		<b>NAMED INSURED</b> PlaceWorks, Inc 3 MacArthur Place, Suite 1100 Santa Ana, CA 92707
<b>POLICY NUMBER</b>		
<b>CARRIER</b>	<b>NAIC CODE</b>	<b>EFFECTIVE DATE:</b>

**ADDITIONAL REMARKS**

**THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,**  
**FORM NUMBER:** 25 **FORM TITLE:** Certificate of Liability Insurance

## Errors &amp; Omissions Retro Dates:

7/1/99 - Planning Center, Inc.

1/1/87 - Design Community &amp; Engineering Inc.

Subject to policy terms, conditions, limitations and exclusions.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## BUSINESS AUTO EXTENSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

### BUSINESS AUTO COVERAGE FORM

**GENERAL DESCRIPTION OF COVERAGE** - This endorsement broadens coverage. However, coverage for any injury, damage or medical expenses described in any of the provisions of this endorsement may be excluded or limited by another endorsement to the Coverage Part, and these coverage broadening provisions do not apply to the extent that coverage is excluded or limited by such an endorsement. The following listing is a general coverage description only. Limitations and exclusions may apply to these coverages. Read all the provisions of this endorsement and the rest of your policy carefully to determine rights, duties, and what is and is not covered.

- |   |   |
|---|---|
| <b>A. BROAD FORM NAMED INSURED</b>                                  | <b>H. HIRED AUTO PHYSICAL DAMAGE - LOSS OF USE - INCREASED LIMIT</b>  |
| <b>B. BLANKET ADDITIONAL INSURED</b>                                | <b>I. PHYSICAL DAMAGE - TRANSPORTATION EXPENSES - INCREASED LIMIT</b> |
| <b>C. EMPLOYEE HIRED AUTO</b>                                       | <b>J. PERSONAL PROPERTY</b>   |
| <b>D. EMPLOYEES AS INSURED</b>                                      | <b>K. AIRBAGS</b>   |
| <b>E. SUPPLEMENTARY PAYMENTS - INCREASED LIMITS</b>                 | <b>L. NOTICE AND KNOWLEDGE OF ACCIDENT OR LOSS</b>                    |
| <b>F. HIRED AUTO - LIMITED WORLDWIDE COVERAGE - INDEMNITY BASIS</b> | <b>M. BLANKET WAIVER OF SUBROGATION</b>                               |
| <b>G. WAIVER OF DEDUCTIBLE - GLASS</b>                              | <b>N. UNINTENTIONAL ERRORS OR OMISSIONS</b>                           |

### PROVISIONS

#### A. BROAD FORM NAMED INSURED

The following is added to Paragraph A.1., **Who Is An Insured**, of SECTION II - COVERED AUTOS LIABILITY COVERAGE:

Any organization you newly acquire or form during the policy period over which you maintain 50% or more ownership interest and that is not separately insured for Business Auto Coverage. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier.

#### B. BLANKET ADDITIONAL INSURED

The following is added to Paragraph c. in A.1., **Who Is An Insured**, of SECTION II - COVERED AUTOS LIABILITY COVERAGE:

Any person or organization who is required under a written contract or agreement between you and that person or organization, that is signed and executed by you before the "bodily injury" or "property damage" occurs and that is in effect during the policy period, to be named as an additional insured is an "insured" for Covered Autos Liability Coverage, but only for damages to which

this insurance applies and only to the extent that person or organization qualifies as an "insured" under the Who Is An Insured provision contained in Section II.

#### C. EMPLOYEE HIRED AUTO

1. The following is added to Paragraph A.1., **Who Is An Insured**, of SECTION II - COVERED AUTOS LIABILITY COVERAGE:

An "employee" of yours is an "insured" while operating an "auto" hired or rented under a contract or agreement in an "employee's" name, with your permission, while performing duties related to the conduct of your business.

2. The following replaces Paragraph b. in B.5., **Other Insurance**, of SECTION IV - BUSINESS AUTO CONDITIONS:

b. For Hired Auto Physical Damage Coverage, the following are deemed to be covered "autos" you own:

- (1) Any covered "auto" you lease, hire, rent or borrow; and
- (2) Any covered "auto" hired or rented by your "employee" under a contract in an "employee's" name, with your



## COMMERCIAL AUTO

permission, while performing duties related to the conduct of your business.

However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto".

#### D. EMPLOYEES AS INSURED

The following is added to Paragraph A.1., **Who Is An Insured**, of **SECTION II - COVERED AUTOS LIABILITY COVERAGE**:

Any "employee" of yours is an "insured" while using a covered "auto" you don't own, hire or borrow in your business or your personal affairs.

#### E. SUPPLEMENTARY PAYMENTS - INCREASED LIMITS

1. The following replaces Paragraph A.2.a.(2), of **SECTION II - COVERED AUTOS LIABILITY COVERAGE**:

(2) Up to \$3,000 for cost of bail bonds (including bonds for related traffic law violations) required because of an "accident" we cover. We do not have to furnish these bonds.

2. The following replaces Paragraph A.2.a.(4), of **SECTION II - COVERED AUTOS LIABILITY COVERAGE**:

(4) All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to \$500 a day because of time off from work.

#### F. HIRED AUTO - LIMITED WORLDWIDE COVERAGE - INDEMNITY BASIS

The following replaces Subparagraph (5) in Paragraph 8.7., **Policy Period, Coverage Territory**, of **SECTION IV - BUSINESS AUTO CONDITIONS**:

(5) Anywhere in the world, except any country or jurisdiction while any trade sanction, embargo, or similar regulation imposed by the United States of America applies to and prohibits the transaction of business with or within such country or jurisdiction, for Covered Autos Liability Coverage for any covered "auto" that you lease, hire, rent or borrow without a driver for a period of 30 days or less and that is not an "auto" you lease, hire, rent or borrow from any of your "employees", partners (if you are a partnership), members (if you are a limited liability company) or members of their households.

(a) With respect to any claim made or "suit" brought outside the United States of America, the territories and possessions of the United States of America, Puerto Rico and Canada:

(i) You must arrange to defend the "insured" against, and investigate or settle any such claim or "suit" and keep us advised of all proceedings and actions.

(ii) Neither you nor any other involved "insured" will make any settlement without our consent.

(iii) We may, at our discretion, participate in defending the "insured" against, or in the settlement of, any claim or "suit".

(iv) We will reimburse the "insured" for sums that the "insured" legally must pay as damages because of "bodily injury" or "property damage" to which this insurance applies, that the "insured" pays with our consent, but only up to the limit described in Paragraph C., **Limits Of Insurance**, of **SECTION II - COVERED AUTOS LIABILITY COVERAGE**.

(v) We will reimburse the "insured" for the reasonable expenses incurred with our consent for your investigation of such claims and your defense of the "insured" against any such "suit", but only up to and included within the limit described in Paragraph C., **Limits Of Insurance**, of **SECTION II - COVERED AUTOS LIABILITY COVERAGE**, and not in addition to such limit. Our duty to make such payments ends when we have used up the applicable limit of insurance in payments for damages, settlements or defense expenses.

(b) This insurance is excess over any valid and collectible other insurance available to the "insured" whether primary, excess, contingent or on any other basis.

(c) This insurance is not a substitute for required or compulsory insurance in any country outside the United States, its territories and possessions, Puerto Rico and Canada.

You agree to maintain all required or compulsory insurance in any such country up to the minimum limits required by local law. Your failure to comply with compulsory insurance requirements will not invalidate the coverage afforded by this policy, but we will only be liable to the same extent we would have been liable had you complied with the compulsory insurance requirements.

- (d) It is understood that we are not an admitted or authorized insurer outside the United States of America, its territories and possessions, Puerto Rico and Canada. We assume no responsibility for the furnishing of certificates of insurance, or for compliance in any way with the laws of other countries relating to insurance.

#### G. WAIVER OF DEDUCTIBLE - GLASS

The following is added to Paragraph D., **Deductible**, of **SECTION III - PHYSICAL DAMAGE COVERAGE**:

No deductible for a covered "auto" will apply to glass damage if the glass is repaired rather than replaced.

#### H. HIRED AUTO PHYSICAL DAMAGE - LOSS OF USE - INCREASED LIMIT

The following replaces the last sentence of Paragraph A.4.b., **Loss Of Use Expenses**, of **SECTION III - PHYSICAL DAMAGE COVERAGE**:

However, the most we will pay for any expenses for loss of use is \$65 per day, to a maximum of \$750 for any one "accident".

#### I. PHYSICAL DAMAGE - TRANSPORTATION EXPENSES - INCREASED LIMIT

The following replaces the first sentence in Paragraph A.4.a., **Transportation Expenses**, of **SECTION III - PHYSICAL DAMAGE COVERAGE**:

We will pay up to \$50 per day to a maximum of \$1,500 for temporary transportation expense incurred by you because of the total theft of a covered "auto" of the private passenger type.

#### J. PERSONAL PROPERTY

The following is added to Paragraph A.4., **Coverage Extensions**, of **SECTION III - PHYSICAL DAMAGE COVERAGE**:

##### Personal Property

We will pay up to \$400 for "loss" to wearing apparel and other personal property which is:

- (1) Owned by an "insured"; and

- (2) In or on your covered "auto".

This coverage applies only in the event of a total theft of your covered "auto".

No deductibles apply to this Personal Property coverage.

#### K. AIRBAGS

The following is added to Paragraph 8.3., **Exclusions**, of **SECTION III - PHYSICAL DAMAGE COVERAGE**:

Exclusion 3.a. does not apply to "loss" to one or more airbags in a covered "auto" you own that inflate due to a cause other than a cause of "loss" set forth in Paragraphs A.1.b. and A.1.c., but only:

- If that "auto" is a covered "auto" for Comprehensive Coverage under this policy;
- The airbags are not covered under any warranty; and
- The airbags were not intentionally inflated.

We will pay up to a maximum of \$1,000 for any one "loss".

#### L. NOTICE AND KNOWLEDGE OF ACCIDENT OR LOSS

The following is added to Paragraph A.2.a., of **SECTION IV - BUSINESS AUTO CONDITIONS**:

Your duty to give us or our authorized representative prompt notice of the "accident" or "loss" applies only when the "accident" or "loss" is known to:

- You (if you are an individual);
- A partner (if you are a partnership);
- A member (if you are a limited liability company);
- An executive officer, director or insurance manager (if you are a corporation or other organization); or
- Any "employee" authorized by you to give notice of the "accident" or "loss".

#### M. BLANKET WAIVER OF SUBROGATION

The following replaces Paragraph A.5., **Transfer Of Rights Of Recovery Against Others To Us**, of **SECTION IV - BUSINESS AUTO CONDITIONS**:

##### 5. Transfer Of Rights Of Recovery Against Others To Us

We waive any right of recovery we may have against any person or organization to the extent required of you by a written contract signed and executed prior to any "accident" or "loss", provided that the "accident" or "loss" arises out of operations contemplated by



COMMERCIAL AUTO

such contract. The waiver applies only to the person or organization designated in such contract.

**N. UNINTENTIONAL ERRORS OR OMISSIONS**

The following is added to Paragraph 8.2., **Concealment, Misrepresentation, Or Fraud**, of **SECTION IV - BUSINESS AUTO CONDITIONS**:

The unintentional omission of, or unintentional error in, any information given by you shall not prejudice your rights under this insurance. However this provision does not affect our right to collect additional premium or exercise our right of cancellation or non-renewal.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS -  
COMPLETED OPERATIONS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

Name of Addtional Person(s) or Organization(s):	Location And Description Of Completed Operations
Where Required By Written Contract.	Where Required By Written Contract.
Information required to complete this Schedule, if not shown above, will beshown in the Declarations.	

A. Section III - Who Is An Insured within the Common Provisions is amended to include as an insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" at the location designated and described in the schedule of this endorsement performed for that additional insured and included in the "products-completed operations hazard".



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **PRIMARY AND NON--CONTRIBUTORY ADDITIONAL INSURED WITH WAIVER OF SUBROGATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
CONTRACTORS POLLUTION LIABILITY COVERAGE PART  
ERRORS AND OMISSIONS LIABILITY COVERAGE PART  
THIRD PARTY POLLUTION LIABILITY COVERAGE PART

### **SCHEDULE**

Name of Additional Insured Person(s) or Organization(s) Where Required by Written Contract

- A. SECTION III - WHO IS AN INSURED within the Common Provisions is amended to include as an additional insured the person(s) or organization(s) indicated in the Schedule shown above, but solely with respect to "claims" caused in whole or in part, by "your work" for that person or organization performed by you, or by those acting on your behalf.

This insurance shall be primary and non-contributory, but only in the event of a named Insured's sole negligence.

- B. We waive any right of recovery we may have against the person(s) or organization(s) indicated in the Schedule shown above because of payments we make for "damages" arising out of "your work" performed under a designated project or contract with that person(s) or organization(s).
- C. This Endorsement does not reinstate or increase the Limits of Insurance applicable to any "claim" to which the coverage afforded by this Endorsement applies.

**ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.**





# Administrative Report

H.4., File # 24-0352

Meeting Date: 3/12/2024

**To: MAYOR AND CITY COUNCIL**

**From: SEAN SCULLY, ACTING COMMUNITY DEVELOPMENT DIRECTOR**

## **TITLE**

APPROVE AN AGREEMENT WITH ROBERT HALF, INC. FOR STAFF AUGMENTATION SERVICES TO PROVIDE A TEMPORARY ASSISTANT PLANNER FOR AN AMOUNT NOT TO EXCEED \$34,999 AND THE TERM MARCH 13, 2024 TO JUNE 30, 2024

## **EXECUTIVE SUMMARY**

The Community Development Department is in the process of recruiting candidates for two vacant Planning Division positions. While the recruitment efforts are underway, it is recommended that the City contract with Robert Half, Inc. (Robert Half) to provide temporary staff augmentation services, specifically the provision of a contract Assistant Planner, to support the Division's public counter functions and to assist with regular plan checks. The proposed contract would provide the Department an Assistant Planner for 36 hours per week, 9 hours per day, Monday through Thursday.

Providing a dedicated staff person to support the Planning Division's daily public information and plan check requests will allow the full time Associate and Senior Planners to focus on the review of formal planning and zoning applications and pending entitlement submittals. An investigation of costs for contract Assistant Planners identified hourly rates between \$66.98 and \$115.00. Robert Half was the least expensive provider contacted, with an hourly rate of \$66.98. Their services come highly recommended, and the firm has partnered successfully with the City on other temporary staff support assignments. Additionally, the individual identified to serve as the Assistant Planner under the proposed Agreement has recent experience working with the cities of Buena Park and Fullerton in similar roles.

## **BACKGROUND**

As of February 22, 2024, the Planning Division is without two full-time staff members dedicated to plan check and regular public counter services. Recruitments for these positions are underway, but will take a few months to complete.

Below is a summary of the service volumes processed by the Planning Division's public information services, including counter, phone, and email interactions, plus public records requests, for the month of January 2024, and the current planning (entitlements) in process as of March 2024:

- **Public Information Services - January 2024:**
  - Counter Visits: 193 (10.7/day)
  - Phone Calls - General: 216 (12/day)

- Emails - General: 287 (16/day)
- Public Records Requests: 8

- **Current Planning Services - Active as of March 2024:**

- Entitlements CUP/CDP/ADR/Modification Etc.: 51
- Building Permit Plan Checks: 77

Hiring an experienced contract Assistant Planner focused on the above services will allow the full time Senior and Associate Planners to reduce plan check review times and provide bandwidth to assist the Department Director with ongoing critical advanced planning initiatives, i.e. the General Plan Update and consistency zoning work.

### **COORDINATION**

The Community Development Department coordinated the proposed contract scope of work with the Human Resources Department. The Agreement has been approved as to form by the City Attorney's Office.

### **FISCAL IMPACT**

The cost of the contract is funded from salary savings in the Planning Division's FY 2023-24 adopted annual budget generated by the current staff vacancies. The total not to exceed cost of the Agreement is \$34,999. Costs are based on a 36-hour work week, for a term ending June 30, 2024, at a rate of \$66.98 per hour. The City will only pay the contractor for the hours worked and assigned by the Department Director.

### **APPROVED BY:**

*Mike Witzansky, City Manager*

### **ATTACHMENTS**

- Agmt - Robert Half, Inc.
- Certificate of Insurance - Robert Half, Inc.

**AGREEMENT FOR PROJECT SERVICES  
BETWEEN THE CITY OF REDONDO BEACH  
AND ROBERT HALF INC.**

THIS AGREEMENT FOR PROJECT SERVICES (this "Agreement") is made between the City of Redondo Beach, a chartered municipal corporation ("City") and Robert Half Inc., a Delaware corporation ("Contractor").

The parties hereby agree as follows:

- A. Description of Project or Scope of Services. Contractor agrees to assign one or more individuals (each an "Assigned Individual") to assist the City, as set forth in Exhibit "A".
- B. Term. The term of the agreement is set forth in Exhibit "B".
- C. Compensation. City agrees to pay Contractor for work performed in accordance with Exhibit "C".
- D. Insurance. Contractor agrees to comply with the insurance requirements set forth in Exhibit "D".

\* \* \* \* \*

**GENERAL PROVISIONS**

- 1. Independent Contractor. Contractor acknowledges, represents and warrants that Contractor is not a regular or temporary employee, officer, agent, joint venturer or partner of the City, but rather an independent contractor. This Agreement shall not be construed as a contract of employment. Contractor shall have no rights to any benefits which accrue to City employees unless otherwise expressly provided in this Agreement. Due to the independent contractor relationship created by this Agreement, the City shall not withhold state or federal income taxes, the reporting of which shall be Contractor's sole responsibility.
- 2. Brokers. Contractor acknowledges, represents and warrants that Contractor has not hired, retained or agreed to pay any entity or person any fee, commission, percentage, gift, or any other consideration, contingent upon or resulting from the award or making of this Agreement.
- 3. City Property. All plans, drawings, reports, calculations, data, specifications, videos, graphics or other materials prepared for or obtained by Assigned Individuals pursuant to this Agreement shall upon request be delivered to the City within a reasonable time, and the rights thereto shall be deemed assigned to the City. If applicable, Contractor shall prepare check prints upon request. Said

plans, drawings, reports, calculations, data, specifications, videos, graphics or other materials shall be specific for the project herein and shall not be used by the City for any other project without Contractor's consent. Notwithstanding the foregoing, Contractor shall not be obligated to assign any proprietary software or data developed by or at the direction of Contractor for Contractor's own use; provided, however, that Contractor shall, pursuant to Paragraph 14 below, indemnify, defend and hold the City harmless from and against any discovery or Public Records Act request seeking the disclosure of any such proprietary software or data.

4. Reserved.
5. Reserved.
6. Records. Contractor, including any of its subcontractors, shall maintain full and complete documents and records, including accounting records, employee time sheets, work papers, and correspondence pertaining to the project or services set forth in Exhibit "A". Contractor, including any of its subcontractors, shall make such documents and records available for City review or audit upon request and reasonable notice, and shall keep such documents and records, for at least four (4) years after Contractor's completion of performance of this Agreement. Copies of all pertinent reports and correspondence shall be furnished to the City for its files.
7. Changes and Extra Work. All changes and/or extra work under this Agreement shall be provided for by a subsequent written amendment executed by City and Contractor.
8. Reserved.
9. Professional Ability. Contractor acknowledges, represents and warrants that Contractor is skilled and able to competently provide the staffing services hereunder, and possesses all professional licenses, certifications, and approvals necessary to engage in its occupation. City has relied upon the professional ability and training of Contractor as a material inducement to enter into this Agreement. Contractor shall perform in accordance with generally accepted professional practices and standards of the staffing industry.
10. Business License. Contractor shall obtain a Redondo Beach Business License before performing any services required under this Agreement. The failure to so obtain such license shall be a material breach of this Agreement and grounds for immediate termination by City; provided, however, that City may waive the business license requirement in writing under unusual circumstances without necessitating any modification of this Agreement to reflect such waiver.

11. Termination Without Default. Notwithstanding any provision herein to the contrary, the City may, in its sole and absolute discretion and without cause, terminate this Agreement at any time prior to completion by Contractor of the project or services hereunder, immediately upon written notice to Contractor. In the event of any such termination, Contractor shall be compensated for: (1) all authorized work performed prior to the effective date of termination; and (2) any applicable conversion fees. In conjunction with any termination of this Agreement, the City may, at its own expense, make copies or extract information from any notes, sketches, computations, drawings, and specifications or other data, whether complete or not. Contractor may terminate this Agreement with thirty (30) days written notice to the City.
12. Termination in the Event of Default. Should Contractor fail to perform any of its obligations hereunder, within the time and in the manner provided or otherwise violate any of the terms of this Agreement, the City may immediately terminate this Agreement by giving written notice of such termination, stating the reasons for such termination. Contractor shall be compensated as provided immediately above, provided, however, there shall be deducted from such amount the amount of damages, if any, sustained by the City by virtue of Contractor's breach of this Agreement.
13. Conflict of Interest. Contractor acknowledges, represents and warrants that Contractor shall avoid all conflicts of interest (as defined under any federal, state or local statute, rule or regulation, or at common law) with respect to this Agreement. Contractor further acknowledges, represents and warrants that Contractor has no business relationship or arrangement of any kind with any City official or employee with respect to this Agreement.
14. Indemnity. To the maximum extent permitted by law, Contractor hereby agrees, at its sole cost and expense, to defend protect, indemnify, and hold harmless the City, its elected and appointed officials, officers, employees, volunteers, attorneys, and agents (collectively "Indemnitees") from and against any and all claims, including, without limitation, claims for bodily injury, death or damage to property, demands, charges, obligations, damages, causes of action, proceedings, suits, losses, stop payment notices, judgments, fines, liens, penalties, liabilities, reasonable attorney's fees, costs, and expenses of every kind and nature whatsoever, in any manner arising out of, incident to, related to, in connection with or arising from any negligence or willful misconduct of Contractor in performance of the Agreement (including negligence or willful misconduct by any of its officers, agents, employees, Subcontractors), or its failure to comply with any of its obligations contained in the Agreement, violation of law except for such loss or damage which was caused by the gross negligence or willful misconduct of the City. Contractor's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by Contractor or Indemnitees. This indemnification obligation shall survive this Agreement and

shall not be limited by any term of any insurance policy required under this Agreement.

- a. Nonwaiver of Rights. Indemnitees do not and shall not waive any rights that they may possess against Contractor because the acceptance by City, or the deposit with City, of any insurance policy or certificate required pursuant to this Agreement.
  - b. Waiver of Right of Subrogation. Contractor, on behalf of itself and all parties claiming under or through it, hereby waives all rights of subrogation and contribution against the Indemnitees.
15. Insurance. Contractor shall comply with the requirements set forth in Exhibit "D." Insurance requirements that are waived by the City's Risk Manager do not require amendments or revisions to this Agreement.
  16. Non-Liability of Officials and Employees of the City. No official or employee of the City shall be personally liable for any default or liability under this Agreement.
  17. Compliance with Laws. Contractor shall comply with all federal, state and local laws, statutes, ordinances, rules and regulations, and the orders and decrees of any courts or administrative bodies or tribunals, with respect to this Agreement, including without limitation all environmental laws, employment laws, and non-discrimination laws.
  18. Limitations upon Subcontracting and Assignment. Contractor acknowledges that the services which Contractor shall provide under this Agreement are unique, personal services which, except as otherwise provided herein, Contractor shall not assign or sublet to any other party without the prior written approval of City, which approval may be withheld in the City's sole and absolute discretion. In the event that the City, in writing, approves any assignment or subletting of this Agreement or the retention of subcontractors by Contractor, Contractor shall provide to the City upon request copies of each and every subcontract prior to the execution thereof by Contractor and subcontractor. Any attempt by Contractor to assign any or all of its rights under this Agreement without first obtaining the City's prior written consent shall constitute a material default under this Agreement.
  19. Subcontractors. Contractor shall provide properly skilled professional and technical personnel to perform any approved subcontracting duties. Contractor shall not engage the services of any person or persons now employed by the City without the prior written approval of City, which approval may be withheld in the City's sole and absolute discretion.
  20. Integration. This Agreement constitutes the entire agreement between the parties concerning the subject matter hereof and supersedes any previous oral or

written agreement; provided, however, that correspondence or documents exchanged between Contractor and City may be used to assist in the interpretation of the exhibits to this Agreement.

21. Amendment. This Agreement may be amended or modified only by a subsequent written amendment executed by both parties.
22. Conflicting Provisions. In the event of a conflict between the terms and conditions of this Agreement and those of any exhibit or attachment hereto, this Agreement proper shall prevail. In the event of a conflict between the terms and conditions of any two or more exhibits or attachments hereto, those prepared by the City shall prevail over those prepared by Contractor.
23. Non-Exclusivity. Notwithstanding any provision herein to the contrary, the services provided by Contractor hereunder shall be non-exclusive, and City reserves the right to employ other contractors in connection with the project.
24. Exhibits. All exhibits hereto are made a part hereof and incorporated herein by reference.
25. Reserved.
26. Confidentiality. To the extent permissible under law, Contractor shall keep confidential its obligations hereunder and the information acquired during the performance of the project or services hereunder.
27. Third Parties. Nothing herein shall be interpreted as creating any rights or benefits in any third parties. For purposes hereof, transferees or assignees as permitted under this Agreement shall not be considered "third parties."
28. Governing Law and Venue. This Agreement shall be construed in accordance with the laws of the State of California without regard to principles of conflicts of law. Venue for any litigation or other action arising hereunder shall reside exclusively in the Superior Court of the County of Los Angeles, Southwest Judicial District.
29. Attorneys' Fees. In the event either party to this Agreement brings any action to enforce or interpret this Agreement, the prevailing party in such action shall be entitled to reasonable attorneys' fees (including expert witness fees) and costs. This provision shall survive the termination of this Agreement.
30. Claims. Any claim by Contractor against City hereunder shall be subject to Government Code §§ 800 *et seq.* The claims presentation provisions of said Act are hereby modified such that the presentation of all claims hereunder to the City shall be waived if not made within six (6) months after accrual of the cause of action.

31. Interpretation. Contractor acknowledges that it has had ample opportunity to seek legal advice with respect to the negotiation of this Agreement. This Agreement shall be interpreted as if drafted by both parties.
32. Warranty. Contractor guarantees City's satisfaction with Contractor's Assigned Individuals by extending to City a two (2) day (16 hours) guarantee for members of the administrative & customer support and finance & accounting contract talent (as applicable, the "Guarantee Period"). If, for any reason, City is dissatisfied with the Assigned Individual assigned to City, Contractor will not charge for the Guarantee Period worked, provided Contractor is allowed to replace the Assigned Individual. Unless City contacts Contractor before the end of the guarantee period, City agrees that Contractor's Assigned Individual is satisfactory for purposes of this guarantee.
33. Severance. Any provision of this Agreement that is found invalid or unenforceable shall be deemed severed and all remaining provisions of this Agreement shall remain enforceable to the fullest extent permitted by law.
34. Authority. City warrants and represents that upon City Council approval, the Mayor of the City of Redondo Beach is duly authorized to enter into and execute this Agreement on behalf of City. The party signing on behalf of Contractor warrants and represents that he or she is duly authorized to enter into and execute this Agreement on behalf of Contractor, and shall be personally liable to City if he or she is not duly authorized to enter into and execute this Agreement on behalf of Contractor.
35. Waiver. The waiver by the City of any breach of any term or provision of this Agreement shall not be construed as a waiver of any subsequent breach.
36. Additional Terms. Nothing in this Agreement shall obligate Contractor's practice group or branch offices, other than Robert Half's administrative & customer support and finance & accounting contract talent practice group of the Contractor's branch office located in Torrance, CA (the "Branch"), to perform services under the terms and conditions contained herein this Agreement. Notwithstanding the foregoing, Contractor shall be responsible for any liability or claim arising out of the Branch's performance of the services under the terms of this Agreement.

City shall supervise Assigned Individuals providing services to City. City shall not permit or require Assigned Individuals (i) to perform services outside of the scope of Assigned Individual's assignment; (ii) to sign contracts or statements (including SEC documents); (iii) to make any management decisions; (iv) to make any final decisions regarding system design, software development or the acquisition of hardware or software; (v) to sign, endorse, wire, transport or otherwise convey cash, securities, checks, or any negotiable instruments or valuables; (vi) to use computers, or other electronic devices, software or network equipment owned or



licensed by Assigned Individual; (vii) to operate machinery (other than office machines) or automotive equipment. City may request that Contractor permit its Assigned Individuals to provide services to City remotely (i.e., from a location other than City's offices) using City's or Contractor's laptop and/or other computer or telecommunications equipment (the "Equipment"). City acknowledges and agrees that Contractor shall have no control over, and City shall be solely responsible for, (i) the logical and physical performance, reliability and security of the Equipment or related devices, network accessibility and availability, software, services, tools and e-mail accounts (collectively, "Computer Systems") used by the Assigned Individual, and (ii) the security, integrity, and backing up of the data and other information stored therein or transmitted thereby.

Moreover, City must not require Assigned Individual to save or store any of City's files or other data on the Computer Systems provided by Contractor (including, but not limited to, any virtual desktop infrastructure solution). Since Contractor is not a professional accounting firm, City agrees that City will not permit or require Assigned Individual (a) to render an opinion on behalf of Contractor or on City's behalf regarding financial statements; (b) to sign the name of Contractor on any document; or (c) to sign their own names on financial statements or tax returns.

It is understood that City has full responsibility for: (i) providing safe working conditions as required by law, including compliance with all public health and occupational safety regulations and guidelines applicable to City's business, and (ii) ensuring that safety plans exist for, and safety related training is provided to, Assigned Individuals working on City's premises.

If City requires Contractor to perform background checks or other placement screenings of Assigned Individuals, City agrees to notify Contractor prior to the start of services under this Agreement. Contractor will conduct such checks or screenings only if they are described in a signed, written amendment to this Agreement. If City requests a copy of the results of any checks conducted on Contractor's Assigned Individuals, City agrees to keep such results strictly confidential and to use such results in accordance with applicable laws..

Unless otherwise provided by law, City agrees to agree to implement and maintain reasonable security procedures and practices to protect such information from unauthorized access, use, modification or disclosure to hold in confidence the Assigned Individual's legally protected personal information.

*SIGNATURES FOLLOW ON NEXT PAGE*

IN WITNESS WHEREOF, the parties have executed this Agreement in Redondo Beach, California, as of this 12<sup>th</sup> day of March, 2024.

CITY OF REDONDO BEACH

ROBERT HALF INC.

\_\_\_\_\_  
James A. Light, Mayor

DocuSigned by:  
*David Saidnia*  
6A0D0A9C1CB2499  
By: \_\_\_\_\_  
Name: David Saidnia  
Title: Regional Director

ATTEST:

APPROVED:

\_\_\_\_\_  
Eleanor Manzano, City Clerk

\_\_\_\_\_  
Diane Strickfaden, Risk Manager

APPROVED AS TO FORM:

\_\_\_\_\_  
Michael W. Webb, City Attorney

**EXHIBIT “A”**  
**SCOPE OF SERVICES**

**CONTRACTOR’S DUTIES**

This following statement of work (“SOW”) is incorporated into the Agreement by this reference and made a part thereof. Capitalized terms not otherwise defined herein are defined in the Agreement.

1. Scope of Engagement. Contractor shall assign one or more individual(s) to the City to assist the City with the completion of the following tasks:
  - a. Assistant Planner: The Assigned Individual(s) shall perform the core duties and functions within the professional planner job category in the Planning Division of the City’s Community Development Department. These duties shall include, but will not be limited to:
    - i. Public Information Services:
      - a. Work professionally with the general public, development community, City staff, supervisors, and other departments.
      - b. Provide information on the department policies, general plan policy, and zoning ordinance regulations to the public as necessary.
      - c. Accurately apply ordinances and policies to development proposals, and communicate these requirements to the general public and development community both in writing and verbally.
      - d. Respond to public inquiries regarding zoning and planning matters by telephone, mail, email, or in person.
    - ii. Current Planning:
      - a. Review and process plans submitted by applicants.
      - b. Provide staff support to the Planning Commission, Preservation Commission, and Harbor Commission, City Council, neighborhood associations, and other groups or committees (collectively referred to as “Interested Parties”), including conducting research, processing entitlements, and drafting reports.
      - c. Attend meetings and make oral presentations before the Interested Parties.
      - d. Assist in the preparation of planning and zoning regulations, and department policies and procedures.
    - iii. Advanced Planning:
      - a. Tabulate, compile, analyze, and interpret statistical data and other data relating to social and economic trends concerning urban land

use, population, housing, business, industry, and economic characteristics

- b. Prepare maps, charts and graphs to interpret various planning studies and trends.
- c. Conduct research, analyze information, and draft reports regarding zoning and General Plan amendments and other advanced planning issues.
- d. Compile and disseminate census and other demographic information and forecasts.
- e. Research planning and zoning trends in other jurisdictions.
- f. Operate automated mapping/geographic information systems.
- g. Conduct other special studies as needed.

2. Assigned Individuals. Contractor shall assign the following individual(s) (each an "Assigned Individual") to City for this engagement:

Title	Name of Assigned Individual	Hourly Bill Rate	Estimated Start Date	Estimated End Date
Assistant Planner	Victor Estrada	\$66.98/hr	TBD - City designated date	06/30/2024

If additional placements are required, a written amendment will need to be agreed on by both parties and signed by authorized representatives of both parties. The amendment will state at minimum the Assigned Individual's name, role, start date, and hourly rate.

## **EXHIBIT "B"**

### **SCHEDULE FOR COMPLETION**

**TERM.** The term of this Agreement shall commence March 13, 2024 and expire June 30, 2024 ("Term"), unless otherwise terminated as herein provided.

## EXHIBIT "C"

### COMPENSATION

Provided Contractor is not in default under this Agreement, Contractor shall be compensated as provided below.

1. **AMOUNT.** Contractor shall be paid in accordance with the schedule set forth below.

Title	Name of Assigned Individual	Hourly Bill Rate
Assistant Planner	Victor Estrada	\$66.98/hr
Total Not to Exceed Amount of SOW		\$34,999

In the event City wishes to convert any of Contractor's Assigned Individuals, City agrees to pay a conversion fee in accordance with this Section. The conversion fee will equal a percentage of the Assigned Individual's aggregate annual compensation, including bonuses, based on length of assignment. City agrees to pay a conversion fee if Contractor's Assigned Individual is hired by an affiliate or other related business entity as a result of City's subsequent referral of the Assigned Individual or one of City's customers as a result of Assigned Individual providing services to that customer. The conversion fee is payable if City hires the Assigned Individual, regardless of the job classification, on either a full-time, temporary (including temporary assignments through another agency) or consulting basis within twelve months after the last day of the assignment. The same calculation will be used if City converts Contractor's Assigned Individual on a part-time basis using the full-time equivalent salary; however, the conversion fee will not be less than \$1,000.

The conversion fee will equal a percentage of the Professional's aggregate annual compensation, including bonuses, based on the length of assignment:

0-159 hours worked = 20% of person's annual base salary  
160+ hours worked = 17% of person's annual base salary  
320+ hours worked = 14% of person's annual base salary  
480+ hours worked = 11% of person's annual base salary  
640+ hours worked = 8% of person's annual base salary  
720+ hours worked = 5% of person's annual base salary  
880+ hours worked = \$2000 flat fee

2. **METHOD OF PAYMENT.** Assigned Individual will present a time sheet or an electronic time record to City for verification and approval at the end of each week. Contractor will bill City weekly for the total hours worked. If applicable, overtime will be billed at 1.50 times the normal billing rate. Federal law defines overtime as

hours in excess of 40 hours per week, state laws vary. If state law requires double time pay, the double time hours will be billed at 2.00 times the normal billing rate. Contractor may charge City a fee for the provision of equipment or technology, if City requests that Assigned Individual use equipment or technology provided by Contractor. Contractor may also increase Contractor's rates to reflect increases in Contractor's cost of doing business, including costs associated with higher wages for workers and/or related taxes, benefits or other costs. Contractor will provide written or verbal notice of technology charges and/or increases in rates. Any increase in rates will be prospective, starting as of the effective date Contractor specifies.

3. **SCHEDULE FOR PAYMENT.** City shall process payment within 30 days of receipt of invoice.
4. **NOTICE.** Written notices to City and Contractor shall be given by email, or registered or certified mail, postage prepaid and addressed to or personally served on the following parties.

Contractor: Robert Half Inc.  
970 W. 19<sup>th</sup> St. Suite 400  
Torrance, CA 90502  
Attention: David Saidnia, Regional Director / Vice President  
Email: David.Saidnia@roberthalf.com

With a Copy to:  
Robert Half Inc.  
2613 Camino Ramon  
San Ramon, CA 94583  
Attention: Client Contracts Dept.

Contractor: City of Redondo Beach  
Financial Services Department  
415 Diamond St.  
Redondo Beach, CA 90277  
Attention: Sean Scully, Acting Community Development Director  
Email: sean.scully@redondo.org

All notices, including notices of address changes, provided under this Agreement are deemed received on the second business day if sent by email or the third day after mailing if sent by registered or certified mail. Changes in the respective address set forth above may be made from time to time by any party upon written notice to the other party.

## **EXHIBIT "D"**

### **INSURANCE REQUIREMENTS FOR CONTRACTORS**

Without limiting Contractor's indemnification obligations under this Agreement, Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor, its agents, representatives, or employees.

#### **Minimum Scope of Insurance**

Coverage shall be at least as broad as:

Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001).

Insurance Services Office form number CA 0001 (Ed. 1/87) covering Automobile Liability, code 1 (any auto).

Workers' Compensation insurance as required by the State of California.

Employer's Liability Insurance.

#### **Minimum Limits of Insurance**

Contractor shall maintain limits no less than:

General Liability: \$2,000,000 per occurrence for bodily injury, personal injury and property damage. The general aggregate limit shall apply separately to this project.

Automobile Liability: \$1,000,000 per accident for bodily injury and property damage.

Employer's Liability: \$1,000,000 per accident for bodily injury or disease.

#### **Deductibles and Self-Insured Retentions**

Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of the City, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its officers, officials, employees and volunteers or (2) the Contractor shall provide a financial guarantee satisfactory to the City guaranteeing payment of losses and related investigations, claim administration and defense expenses.



### Other Insurance Provisions

The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

#### Additional Insured Endorsement:

General Liability: "The City of Redondo Beach, its officers, elected and appointed officials, employees, and volunteers" shall be covered as additional insureds with respect to liability arising out of work performed by or on behalf of the Contractor. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance, or as a separate owner's policy.

Automobile Liability: "The City of Redondo Beach, its officers, elected and appointed officials, employees, and volunteers" shall be covered as additional insureds with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the Contractor.

For any claims related to this project, the Contractor's insurance coverage shall be primary insurance as respects the City, its officers, elected and appointed officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.

Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City.

Each insurance policy shall be endorsed to state that the inclusion of more than one insured shall not operate to impair the rights of one insured against another insured, and the coverages afforded shall apply as though separate policies had been issued to each insured.

Each insurance policy shall be in effect prior to awarding the contract and each insurance policy or a successor policy shall be in effect for the duration of the project. The maintenance of proper insurance coverage is a material element of the contract and failure to maintain or renew coverage or to provide evidence of renewal may be treated by the City as a material breach of contract on the Contractor's part.

#### Acceptability of Insurers

Insurance shall be placed with insurers with a current A.M. Best's rating of no less than A:VII- and which are authorized to transact insurance business in the State of California by the Department of Insurance.

### Verification of Coverage

Contractor shall furnish the City with original certificates and amendatory endorsements effecting coverage required by this clause. The endorsements should be on the City authorized forms provided with the contract specifications. Standard ISO forms which shall be subject to City approval and amended to conform to the City's requirements may be acceptable in lieu of City authorized forms. All certificates and endorsements shall be received and approved by the City before the contract is awarded.

### Subcontractors

Contractor shall include all subcontractors as insured under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

5/25/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must have **ADDITIONAL INSURED** provisions or be endorsed. If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Arthur J. Gallagher Risk Management Services, LLC 500 N. Brand Boulevard, Suite 100 Glendale CA 91203	<b>CONTACT</b> NAME: Robert Half Certificates PHONE (A/C, No. Ext): 818-539-1463 E-MAIL ADDRESS: roberthalf_certificates@ajg.com	<b>FAX</b> (A/C, No):
License#: 0D69293 ROBEHAL-03	<b>INSURER(S) AFFORDING COVERAGE</b>	<b>NAIC #</b>
<b>INSURED</b> Robert Half International Inc. including Accountemps 2613 Camino Ramon San Ramon CA 94583	<b>INSURER A:</b> Federal Insurance Company	20281
	<b>INSURER B:</b> Underwriters at Lloyd's London	15792
	<b>INSURER C:</b> Safety National Casualty Corporation	15105
	<b>INSURER D:</b>	
	<b>INSURER E:</b>	
	<b>INSURER F:</b>	

**COVERAGES****CERTIFICATE NUMBER:** 417206239**REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> <b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Stop Gap Em.Liab <input checked="" type="checkbox"/> in OH, WA, WY, ND GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	Y	Y	35796687	6/1/2023	6/1/2024	EACH OCCURRENCE \$2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$2,000,000 MED EXP (Any one person) \$10,000 PERSONAL & ADV INJURY \$2,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMP/OP AGG \$2,000,000 Employer Liability \$1,000,000
A	<input checked="" type="checkbox"/> <b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY	Y		73233217	6/1/2023	6/1/2024	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Comp/Coll.Ded: \$1,000/\$1,000
A	<input checked="" type="checkbox"/> <b>UMBRELLA LIAB</b> <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 0			79217107	6/1/2023	6/1/2024	EACH OCCURRENCE \$5,000,000 AGGREGATE \$5,000,000 \$
C	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N <input checked="" type="checkbox"/> N	N/A	See Attached Supplemental	6/1/2023	6/1/2024	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE - EA EMPLOYEE \$1,000,000 E.L. DISEASE - POLICY LIMIT \$1,000,000
A B B	Personal Property w/ TIB Professional Liability Crime/Fidelity			35796687 W268C2230501 W26978230501	6/1/2023 3/31/2023 3/31/2023	6/1/2024 3/31/2024 3/31/2024	Property Limit \$500,000 Per Claim/Aggregate \$5,000,000 Each Loss \$5,000,000

**DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)**

Professional Liability coverage are claims made and reported during the policy period.  
Certificate Holder is deemed Additional Insured on the above referenced General Liability and Auto Liability policies as required by written contract for liability arising out of the Named Insureds' acts or omissions. Please refer to attached Chubb General Liability form 80-02-2367 for scope of Additional Insured status.  
Rights of Subrogation have been waived with respects to General Liability Policy as required by written contract executed prior to loss. Certificate Holder is completed as: The City of Redondo Beach, its officers, elected and appointed officials, employees and volunteers.

**CERTIFICATE HOLDER****CANCELLATION**

City of Redondo Beach  
415 Diamond Street  
Redondo Beach CA 90277

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

© 1988-2015 ACORD CORPORATION. All rights reserved.

**2023-2024 RHI Workers Compensation Policy Numbers**

<u>Policy#</u>	<u>States</u>	<u>Eff. Date</u>	<u>Exp. Date</u>	<u>Issuing Company</u>	<u>NAIC #</u>
<b>Robert Half International Inc. and Protiviti Inc.</b>					
LDS4064812	AOS: AK, AZ, AR, CA, CO, CT, DE, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MA, MI, MN, MS, MO, MT, NE, NV, NH, NJ, NM, NY, NC, OK, OR, PA RI, SC, SD, TN, TX, UT, VT, VA, WV, WY	6/1/2023	6/1/2024	Safety National Casualty Corp	15105
PS 4064813	WI	6/1/2023	6/1/2024	Safety National Casualty Corp	15105

# Liability Insurance

## Endorsement

<i>Policy Period</i>	JUNE 1, 2023 TO JUNE 1, 2024
<i>Effective Date</i>	JUNE 1, 2023
<i>Policy Number</i>	3579-66-87 SFO
<i>Insured</i>	ROBERT HALF INTERNATIONAL, INC
<i>Name of Company</i>	FEDERAL INSURANCE COMPANY
<i>Date Issued</i>	JUNE 1, 2023

This Endorsement applies to the following forms:

GENERAL LIABILITY

Under Who Is An Insured, the following provision is added.

### Who Is An Insured

#### *Additional Insured - Scheduled Person Or Organization*

Persons or organizations shown in the Schedule are **insureds**; but they are **insureds** only if you are obligated pursuant to a contract or agreement to provide them with such insurance as is afforded by this policy.

However, the person or organization is an **insured** only:

- if and then only to the extent the person or organization is described in the Schedule;
- to the extent such contract or agreement requires the person or organization to be afforded status as an **insured**;
- for activities that did not occur, in whole or in part, before the execution of the contract or agreement; and
- with respect to damages, loss, cost or expense for injury or damage to which this insurance applies.

No person or organization is an **insured** under this provision:

- that is more specifically identified under any other provision of the Who Is An Insured section (regardless of any limitation applicable thereto).
- with respect to any assumption of liability (of another person or organization) by them in a contract or agreement. This limitation does not apply to the liability for damages, loss, cost or expense for injury or damage, to which this insurance applies, that the person or organization would have in the absence of such contract or agreement.

---

**Liability Endorsement**  
(continued)

Under Conditions, the following provision is added to the condition titled Other Insurance.

**Conditions**

**Other Insurance –  
Primary, Noncontributory  
Insurance – Scheduled  
Person Or Organization**

If you are obligated, pursuant to a contract or agreement, to provide the person or organization shown in the Schedule with primary insurance such as is afforded by this policy, then in such case this insurance is primary and we will not seek contribution from insurance available to such person or organization.

---

**Schedule**

PERSONS OR ORGANIZATIONS THAT YOU ARE OBLIGATED, PURSUANT TO WRITTEN CONTRACT OR AGREEMENT BETWEEN YOU AND SUCH PERSON OR ORGANIZATION, TO PROVIDE WITH SUCH INSURANCE AS IS AFFORDED BY THIS POLICY; BUT THEY ARE INSURED ONLY IF AND TO THE MINIMUM EXTENT THAT SUCH CONTRACT OR AGREEMENT REQUIRES THE PERSON OR ORGANIZATION TO BE AFFORDED STATUS AS AN INSURED. HOWEVER, NO PERSON OR ORGANIZATION IS AN INSURED UNDER THIS PROVISION WHO IS MORE SPECIFICALLY DESCRIBED UNDER ANY OTHER PROVISION OF THE WHO IS INSURED SECTION OF THIS POLICY (REGARDLESS OF ANY LIMITATION APPLICABLE THERETO).

All other terms and conditions remain unchanged.

Authorized Representative



**Conditions**

(continued)

**Transfer Or Waiver Of  
Rights Of Recovery  
Against Others**

We will waive the right of recovery we would otherwise have had against another person or organization, for loss to which this insurance applies, provided the **insured** has waived their rights of recovery against such person or organization in a contract or agreement that is executed before such loss.

To the extent that the **insured's** rights to recover all or part of any payment made under this insurance have not been waived, those rights are transferred to us. The **insured** must do nothing after loss to impair them. At our request, the **insured** will bring **suit** or transfer those rights to us and help us enforce them.

This condition does not apply to **medical expenses**.

---

## **COMMERCIAL AUTOMOBILE – BLANKET ADDITIONAL INSURED – POLICY EXCERPT**

Insured	Robert Half International, Inc
Policy Number	7323-32-17
Policy Effective	June 1, 2023 – June 1, 2024; 12:01am Standard Time
Form Number	16-02-0292 (rev. 11-16)

### **BUSINESS AUTO COVERAGE FORM**

This endorsement modifies the Business Auto Coverage Form.

## **2. BROAD FORM INSURED**

### **D. Persons And Organizations As Insureds Under A Written Insured Contract**

Paragraph A.1 – WHO IS AN INSURED – of SECTION II – LIABILITY COVERAGE is amended to add the following:

f. Any person or organization with respect to the operation, maintenance or use of a covered "auto", provided that you and such person or organization have agreed under an express provision in a written "insured contract", written agreement or a written permit issued to you by a governmental or public authority to add such person or organization to this policy as an "insured". However, such person or organization is an "insured" only:

- (1) with respect to the operation, maintenance or use of a covered "auto"; and
- (2) for "bodily injury" or "property damage" caused by an "accident" which takes place after:
  - (a) You executed the "insured contract" or written agreement; or
  - (b) The permit has been issued to you.





# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

5/25/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must have **ADDITIONAL INSURED** provisions or be endorsed. If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Arthur J. Gallagher Risk Management Services, LLC 500 N. Brand Boulevard, Suite 100 Glendale CA 91203	<b>CONTACT NAME:</b> Robert Half Certificates <b>PHONE (A/C, No. Ext):</b> 818-539-1463 <b>E-MAIL ADDRESS:</b> roberthalf_certificates@ajg.com <b>FAX (A/C, No):</b>
<b>INSURED</b> Robert Half International Inc. including Accountemps 2613 Camino Ramon San Ramon CA 94583	<b>INSURER(S) AFFORDING COVERAGE</b> <b>INSURER A:</b> Federal Insurance Company <b>INSURER B:</b> Underwriters at Lloyd's London <b>INSURER C:</b> Safety National Casualty Corporation <b>INSURER D:</b> <b>INSURER E:</b> <b>INSURER F:</b>
<b>License#:</b> 0D69293 ROBEHAL-03	<b>NAIC #</b> 20281 15792 15105

**COVERAGES****CERTIFICATE NUMBER:** 417206239**REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> <b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Stop Gap Em.Liab <input checked="" type="checkbox"/> in OH, WA, WY,ND GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	Y	Y	35796687	6/1/2023	6/1/2024	EACH OCCURRENCE \$2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$2,000,000 MED EXP (Any one person) \$10,000 PERSONAL & ADV INJURY \$2,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMP/OP AGG \$2,000,000 Employer Liability \$1,000,000
A	<input checked="" type="checkbox"/> <b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY	Y		73233217	6/1/2023	6/1/2024	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Comp/Coll.Ded: \$1,000/\$1,000
A	<input checked="" type="checkbox"/> <b>UMBRELLA LIAB</b> <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 0			79217107	6/1/2023	6/1/2024	EACH OCCURRENCE \$5,000,000 AGGREGATE \$5,000,000 \$
C	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N <input checked="" type="checkbox"/> N	N/A	See Attached Supplemental	6/1/2023	6/1/2024	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE - EA EMPLOYEE \$1,000,000 E.L. DISEASE - POLICY LIMIT \$1,000,000
A B B	Personal Property w/ TIB Professional Liability Crime/Fidelity			35796687 W268C2230501 W26978230501	6/1/2023 3/31/2023 3/31/2023	6/1/2024 3/31/2024 3/31/2024	Property Limit \$500,000 Per Claim/Aggregate \$5,000,000 Each Loss \$5,000,000

**DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)**

Professional Liability coverage are claims made and reported during the policy period. Certificate Holder is deemed Additional Insured on the above referenced General Liability and Auto Liability policies as required by written contract for liability arising out of the Named Insureds' acts or omissions. Please refer to attached Chubb General Liability form 80-02-2367 for scope of Additional Insured status. Rights of Subrogation have been waived with respects to General Liability Policy as required by written contract executed prior to loss. Certificate Holder is completed as: The City of Redondo Beach, its officers, elected and appointed officials, employees and volunteers.

**CERTIFICATE HOLDER****CANCELLATION**

City of Redondo Beach  
415 Diamond Street  
Redondo Beach CA 90277

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

© 1988-2015 ACORD CORPORATION. All rights reserved.

**2023-2024 RHI Workers Compensation Policy Numbers**

<u>Policy#</u>	<u>States</u>	<u>Eff. Date</u>	<u>Exp. Date</u>	<u>Issuing Company</u>	<u>NAIC #</u>
<b>Robert Half International Inc. and Protiviti Inc.</b>					
LDS4064812	AOS: AK, AZ, AR, CA, CO, CT, DE, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MA, MI, MN, MS, MO, MT, NE, NV, NH, NJ, NM, NY, NC, OK, OR, PA RI, SC, SD, TN, TX, UT, VT, VA, WV, WY	6/1/2023	6/1/2024	Safety National Casualty Corp	15105
PS 4064813	WI	6/1/2023	6/1/2024	Safety National Casualty Corp	15105

# Liability Insurance

## Endorsement

<i>Policy Period</i>	JUNE 1, 2023 TO JUNE 1, 2024
<i>Effective Date</i>	JUNE 1, 2023
<i>Policy Number</i>	3579-66-87 SFO
<i>Insured</i>	ROBERT HALF INTERNATIONAL, INC
<i>Name of Company</i>	FEDERAL INSURANCE COMPANY
<i>Date Issued</i>	JUNE 1, 2023

This Endorsement applies to the following forms:

GENERAL LIABILITY

Under Who Is An Insured, the following provision is added.

### Who Is An Insured

#### *Additional Insured - Scheduled Person Or Organization*

Persons or organizations shown in the Schedule are **insureds**; but they are **insureds** only if you are obligated pursuant to a contract or agreement to provide them with such insurance as is afforded by this policy.

However, the person or organization is an **insured** only:

- if and then only to the extent the person or organization is described in the Schedule;
- to the extent such contract or agreement requires the person or organization to be afforded status as an **insured**;
- for activities that did not occur, in whole or in part, before the execution of the contract or agreement; and
- with respect to damages, loss, cost or expense for injury or damage to which this insurance applies.

No person or organization is an **insured** under this provision:

- that is more specifically identified under any other provision of the Who Is An Insured section (regardless of any limitation applicable thereto).
- with respect to any assumption of liability (of another person or organization) by them in a contract or agreement. This limitation does not apply to the liability for damages, loss, cost or expense for injury or damage, to which this insurance applies, that the person or organization would have in the absence of such contract or agreement.

---

**Liability Endorsement**  
(continued)

Under Conditions, the following provision is added to the condition titled Other Insurance.

**Conditions**

**Other Insurance –  
Primary, Noncontributory  
Insurance – Scheduled  
Person Or Organization**

If you are obligated, pursuant to a contract or agreement, to provide the person or organization shown in the Schedule with primary insurance such as is afforded by this policy, then in such case this insurance is primary and we will not seek contribution from insurance available to such person or organization.

---

**Schedule**

PERSONS OR ORGANIZATIONS THAT YOU ARE OBLIGATED, PURSUANT TO WRITTEN CONTRACT OR AGREEMENT BETWEEN YOU AND SUCH PERSON OR ORGANIZATION, TO PROVIDE WITH SUCH INSURANCE AS IS AFFORDED BY THIS POLICY; BUT THEY ARE INSURED ONLY IF AND TO THE MINIMUM EXTENT THAT SUCH CONTRACT OR AGREEMENT REQUIRES THE PERSON OR ORGANIZATION TO BE AFFORDED STATUS AS AN INSURED. HOWEVER, NO PERSON OR ORGANIZATION IS AN INSURED UNDER THIS PROVISION WHO IS MORE SPECIFICALLY DESCRIBED UNDER ANY OTHER PROVISION OF THE WHO IS INSURED SECTION OF THIS POLICY (REGARDLESS OF ANY LIMITATION APPLICABLE THERETO).

All other terms and conditions remain unchanged.

Authorized Representative



**Conditions**

(continued)

**Transfer Or Waiver Of  
Rights Of Recovery  
Against Others**

We will waive the right of recovery we would otherwise have had against another person or organization, for loss to which this insurance applies, provided the **insured** has waived their rights of recovery against such person or organization in a contract or agreement that is executed before such loss.

To the extent that the **insured's** rights to recover all or part of any payment made under this insurance have not been waived, those rights are transferred to us. The **insured** must do nothing after loss to impair them. At our request, the **insured** will bring **suit** or transfer those rights to us and help us enforce them.

This condition does not apply to **medical expenses**.

---

## **COMMERCIAL AUTOMOBILE – BLANKET ADDITIONAL INSURED – POLICY EXCERPT**

Insured	Robert Half International, Inc
Policy Number	7323-32-17
Policy Effective	June 1, 2023 – June 1, 2024; 12:01am Standard Time
Form Number	16-02-0292 (rev. 11-16)

### **BUSINESS AUTO COVERAGE FORM**

This endorsement modifies the Business Auto Coverage Form.

## **2. BROAD FORM INSURED**

### **D. Persons And Organizations As Insureds Under A Written Insured Contract**

Paragraph A.1 – WHO IS AN INSURED – of SECTION II – LIABILITY COVERAGE is amended to add the following:

f. Any person or organization with respect to the operation, maintenance or use of a covered "auto", provided that you and such person or organization have agreed under an express provision in a written "insured contract", written agreement or a written permit issued to you by a governmental or public authority to add such person or organization to this policy as an "insured". However, such person or organization is an "insured" only:

- (1) with respect to the operation, maintenance or use of a covered "auto"; and
- (2) for "bodily injury" or "property damage" caused by an "accident" which takes place after:
  - (a) You executed the "insured contract" or written agreement; or
  - (b) The permit has been issued to you.



# Administrative Report

H.5., File # 24-0334

Meeting Date: 3/12/2024

**To:** MAYOR AND CITY COUNCIL  
**From:** CAMERON HARDING, COMMUNITY SERVICES DIRECTOR

## **TITLE**

ADOPT BY TITLE ONLY RESOLUTION NO. CC-2403-018, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, AMENDING THE OFFICIAL BOOK OF CLASS SPECIFICATIONS FOR THE POSITION OF TRANSIT OPERATIONS AND TRANSPORTATION FACILITIES MANAGER

## **EXECUTIVE SUMMARY**

The City maintains an official book of class specifications for positions in the service of Redondo Beach. Pursuant to Article 6, Chapter 3 of the Redondo Beach Municipal Code, as recruitments for open positions are initiated, class specifications are reviewed and updated to validate current job duties, responsibilities, and qualifications. Staff is recommending the adoption of the attached Resolution amending the job specification for the Transit Operations and Transportation Facilities Manager.

## **BACKGROUND**

This action is recommended pursuant to Section 2-3.502 of Article 5 and Section 2-3.603 of Article 6, Chapter 3, Title 2 of the Redondo Beach Municipal Code, which authorizes the Mayor and City Council to set forth from time to time the class titles and specifications for job classifications.

The Transit Operations and Transportation Facilities Manager position is housed in the Community Services Department and serves the critical role of overseeing and managing the Department's Transit Division, which includes the City's fixed route and paratransit operations services and transit center facility operations. This position directly oversees both full-time and part-time employees and is responsible for the selection, training, and onboarding of all new employees assigned to the Transit Division.

The current job specification for the Transit Operations and Transportation Facilities Manager was approved by the City Council on October 6, 2009, per Resolution CC-0910-244. Since that time, the responsibilities of this position have evolved with the opening of the Redondo Beach Transit Center. A review of the class specification revealed that it needed to be modernized to align with contemporary job functions and include the oversight of the Transit Center facility. The changes have been reviewed and approved by the Redondo Beach Professional & Supervisory Association.

## **COORDINATION**

Modernizing the classification specification for the Transit Operations and Transportation Facilities

Manager has been coordinated with the Community Services Department, Human Resources Department, and with representatives of the Redondo Beach Professional & Supervisory Association.

**FISCAL IMPACT**

There is no fiscal impact associated with modernizing the official book of class specifications.

**APPROVED BY:**

*Mike Witzansky, City Manager*

**ATTACHMENTS**

- Reso - No. CC-2403-018 Amending Transit Operations and Transportation Facilities Manager Classification Specification
- Classification Specification - Transit Operations and Transportation Facilities Manager



**RESOLUTION NO. CC-2403-018**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, AMENDING THE OFFICIAL BOOK OF CLASS SPECIFICATIONS TO UPDATE THE POSITION OF TRANSIT OPERATIONS AND TRANSPORTATION FACILITIES MANAGER**

WHEREAS, pursuant to Sections 2-3.602 and 2-3.603 of Article 6, Chapter 3, Title 2 of the Redondo Beach Municipal Code, the Mayor and City Council of the City of Redondo Beach ("City Council") shall set forth from time to time the Class Titles for job classifications; and,

WHEREAS, pursuant to Section 2-3.502 of Article 5, Chapter 3, Title 2 of the Redondo Beach Municipal Code, the Mayor and City Council shall set forth from time to time the Specifications for job classifications; and

WHEREAS, it is necessary to amend the Official Book of Class Specifications to reflect such action of the City Council.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. That the Official Book of Class Specifications is hereby amended, as reflected in the attached Exhibit "A" relating to updating the Class Specification for the position of Transit Operations and Transportation Facilities Manager.

SECTION 2. This resolution shall take effect immediately upon its adoption by the City Council.

SECTION 3. The City Clerk shall certify to the passage and adoption of this resolution and shall enter the same in the Book of Original Resolutions.

PASSED, APPROVED AND ADOPTED this 12<sup>th</sup> day of March, 2024.

\_\_\_\_\_  
James A. Light, Mayor

APPROVED AS TO FORM:

ATTEST:

\_\_\_\_\_  
Michael W. Webb, City Attorney

\_\_\_\_\_  
Eleanor Manzano, CMC, City Clerk

STATE OF CALIFORNIA                    )  
COUNTY OF LOS ANGELES            ) ss  
CITY OF REDONDO BEACH             )

I, Eleanor Manzano, City Clerk of the City of Redondo Beach, California, do hereby certify that Resolution No. CC- 2403-018 was passed and adopted by the City Council of the City of Redondo Beach, California, at a regular meeting of said City Council held on the 12<sup>th</sup> day of March, 2024, and thereafter signed and approved by the Mayor and attested by the City Clerk, and that said resolution was adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

---

Eleanor Manzano, CMC  
City Clerk

## **EXHIBIT A**

### **JOB SPECIFICATION FOR TRANSIT OPERATIONS AND TRANSPORTATION FACILITIES MANAGER**

See attached job specification.

**CITY OF REDONDO BEACH**  
**CLASSIFICATION SPECIFICATION**

---

**TITLE:** TRANSIT OPERATIONS AND TRANSPORTATION FACILITIES MANAGER

**DEFINITION**

Under general supervision of the Director of Community Services or designee, this position manages the City's fixed route and paratransit operations contract services, transit center facility operations and parking, and. responsible for policy development, program planning, fiscal management, administration, and operation of all public transit functions, programs, and activities. The Transit Operations and Transportation Facilities Manager is responsible for overall management of the Transit Division including: Administration and operations; contract and grant administration; budget administration and finance management; compliance with local, state and federal programs, procedures and regulations; policy implementation and development; planning; Transit capital projects, related to bus procurement, facilities development and project management; zero emission transition planning and implementation, problem solving, and other related duties as assigned.

**EXAMPLES OF DUTIES, RESPONSIBILITIES AND EXPECTATIONS**

The listed tasks are essential for this position and may include but are not limited to the following:

- Prepares, administers and manages the Transit Fund Budget, coordinates fiscal management and audits with Finance Department staff.
- Oversees delivery of fixed route transit and paratransit services, and transit center facility operations and parking.
- Develops and ensures conformance with contractual objectives, service quality standards, plans, schedules, and budget.
- Acts as primary liaison in managing the transit operation services contractor, transit center, and parking facilities operations, and related service contracts.
- Interprets and communicates agency policies, rules, regulations, plans and projects.
- Ensures consistency in application of agency policies and procedures.
- Manages complex capital improvement projects, transit center operations, transit operations facility and parking facilities operations.
- Assists in resolution of sensitive and complex matters.
- Represents transit interests in City's Zero Emission Bus planning and implementation efforts.
- Coordinates and participates in processes including project definition and scope, cost estimates, Requests for Proposal/bid preparation, contractor selection and contract administration.
- Interprets and effectively communicates City policies, procedures, rules and regulations to contract transit operators.
- Develops and maintains professional relationships and partnerships with governmental agencies and other entities to implement programs and planned operations.

- Administers the SCAQMD AB 2766 Local Subvention Fund Program and the Rule 2202 Employee Rideshare Program.
- Serves as liaison with transit agencies, governmental agencies, community organizations and the public, regarding operations matters.
- Coordinates and administers multi-jurisdictional transit programs and represents the City in local, regional, and state technical and policy groups.
- Collaborates with county transit operators, agencies, and neighboring jurisdictions to ensure regional coordination of services, operations, fares, policies and procedures.
- Oversees the conduct of and/or conducts surveys and studies and the collection, analysis and interpretation of data concerning transit programs.
- Prepares and maintains reporting data used in the transit process including National Transportation Data Base, Short Range Transit Plan updates and capital improvement programs.
- Prepares implementation plans within financial constraints.
- Prepares grant applications for transportation activities and capital facilities and related programs and projects.
- Prepares contracts, staff reports, agreements, scope of work and requests for proposals in coordination with City Attorney staff and/or other Departments.
- Prepares and executes surveys and develops, maintains and presents statistical data related to transit operations and other Division activity.
- Implements best management practices for communications at all levels of the organization.
- Represents the City in meetings and other venues as assigned and provides comprehensive reports to supervisors as needed.
- Makes oral presentations.
- Manages and may act as City employee transportation coordinator.
- Provides effective leadership to accomplish the administrative objectives of the City Manager and the policy goals of the City Council.
- Conducts regular performance evaluations of personnel, giving frequent and specific feedback about personnel performance; holding employee accountable for doing their jobs and celebrating accomplishments and successes.
- Delivers effective internal and external customer service while solving problems and proactively creating sustainable solutions to issues.
- Conducts duties, responsibilities, tasks and assignments with a constructive, cooperative, positive, professional attitude and demeanor.
- Supports the City's mission, goals, policies and objectives.
- Supports the City's core values of: Openness and honesty; integrity and ethics; accountability; outstanding customer service; teamwork; excellence; and fiscal and environmental responsibility.
- Performs other duties as assigned.

## **CLASSIFICATION**

This position is designated as a member of the Unclassified Service and is an at-will classification exempt from coverage under the Fair Labor Standards Act (FLSA) overtime regulations.

## **QUALIFICATIONS**

This position requires:

Supervisory experience in providing work direction to others; exceptional skill in oral and written communications and interpersonal relations including interaction with co-workers, supervisor, general public and stakeholders for effective delivery and exchange of information; integrity in supporting and meeting employer's goals and responsibilities; principled professional and team player with commitment to the practice and delivery of outstanding customer service; and, proficient in Microsoft Office Suite and email.

Experience in budgeting and fiscal management, managing contracts for consultants, transit fixed route transit/paratransit operations, transit center operations, security services and property management companies, principles and practices and knowledge of transit planning, capital facilities development and project management, parking facility operations, negotiations, and change management. Working knowledge of related zero emission buses technology and operations, zero emission bus facility requirements and technology and real-time systems, and transit technology is desirable.

**Knowledge of:** Knowledge of Fiscal management of Transportation-related funding and reporting applicable to Los Angeles County, such as Proposition A and Proposition C, and at the State and Federal levels. Working knowledge of transit reporting such as Transit Performance Measures, National Transportation Database, Federal Transit Administration TRAMS, State Controller and Short-Range Transit Plans. Knowledge of Federal Transit Administration regulations and procurement requirements. Effective managerial methods, budgets and finance, supervisory techniques, intergovernmental relations, grants administration, operational plans, contract management, facilities planning/operations as well as contemporary transit/transportation issues and operations.

**Ability to:** Efficiently and effectively manage the operation of the Transit Division under the supervision of the Director of Community Services or designee; prepare and administer operational and capital budgets; meet fiscal and operational reporting/compliance requirements; properly manage contracts; reason logically, plan ahead, think creatively, solve problems and achieve quality results aligned with the City's goals and objectives using high ethical standards and outstanding customer service; demonstrate initiative; perform as a team member; sustain positive relations with transit users, service providers, stakeholders and governmental agencies; participate in assigned regional transit/transportation organizations; manage projects; effectively supervise employees and develop their knowledge, skills, teamwork and excellence of performance; learn and apply complex transit/transportation information; link in support to resident, business development and regional activities; legally operate a motor vehicle in the State of California; and meet the physical employment standards for the position.

**Required Education, Experience and/or Licenses:** A Bachelor's degree in business or public administration, transportation, or a related field and five years of progressively responsible

experience in the administration of transit programs and services contract management and staff supervision is required. A valid California Driver License is required at all times.

### **PHYSICAL, MENTAL AND ENVIRONMENTAL WORKING CONDITIONS**

Physical Abilities: While performing the duties of this class, the employee is required to sit for extended periods of time, and occasionally to stand and walk. Finger dexterity and light grasping is required to handle, feel, or operate computer hardware and standard office equipment; and reach with hands and arms above and below shoulder level. The employee occasionally lifts and carries records and documents typically weighing less than 25 pounds.

Sensory Requirements: Some tasks require the ability to see, talk, hear, and perceive and distinguish colors or shades of colors and sounds.,

Environmental Factors: Classification typically works in office conditions with controlled temperature settings. Some tasks may require working outdoors and include exposure to weather conditions, air pollution, traffic noise, and/or other conditions associated with outdoor activities.

Job description statements describe the general nature and levels of work performed by employees and are not intended as an exhaustive list of all responsibilities, duties and skills required.

### **HISTORY**

Approved 10/6/09, Resolution No. CC-0910-244

Approved by Resolution No. 6981 – 7/19/88. Previously “Transit Manager”.



# Administrative Report

---

H.6., File # 24-0353

Meeting Date: 3/12/2024

---

**To:** MAYOR AND CITY COUNCIL  
**From:** WENDY COLLAZO, FINANCE DIRECTOR

## **TITLE**

APPROVE THE ANNUAL AUDITED FINANCIAL REPORTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

## **EXECUTIVE SUMMARY**

The City's independent auditors, Lance, Soll and Lunghard, LLP, have completed their annual audit of the City's fiscal activities for the Fiscal Year ended June 30, 2023. The resulting reports are listed below. We are pleased to report that the City received an unmodified opinion, which is the best opinion the City can receive. This means that the auditor believes the City's financial statements are fairly presented in all material respects and are in conformity with Generally Accepted Accounting Principles (GAAP) and Government Accounting Standards Board (GASB) requirements.

The annual audit reports are as follows:

- Annual Comprehensive Financial Report (ACFR)
- Inmate Trust Fund Financial Report
- Audit Communication Letter

The Single Audit report, which is not included, will follow and is on track to be completed prior to the U.S. Office of Management and Budget (OMB) deadline of March 31, 2024. The City's fiscal activities are discussed at length in the Letter of Transmittal and the Management's Discussion and Analysis (MD&A) sections of the ACFR.

On December 19, 2023, the City Council approved assignments of General Fund balance, which are included in the ACFR. The draft ACFR and corresponding financial statements were presented to the City's Budget and Finance Commission on February 16, 2024. An audit firm representative attended the meeting to review the materials with the Commission and respond to questions. On the afternoon of March 12, 2024, the ACFR and the related reports will be discussed with the City's Audit Committee. The audit firm's representative will present the findings to the Committee and will be available for any questions. The Audit Committee meeting was originally scheduled for the prior week.

## **BACKGROUND**

The ACFR is a comprehensive document reflecting the financial position of the City and its component units for the prior fiscal year. The primary purpose of the report, as defined by the City Charter, is to inform the Mayor and City Council of all financial and administrative activities of the



previous fiscal year. An audit is also required to obtain the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) and is often a requirement for grants or federal awards. The City has received this award for the past 30 years.

The Inmate Trust Fund Financial Statement is prepared and submitted as required by the state penal code. This fund accounts for the money received by the City from the telephone company for providing pay telephone service to City jail inmates. Monies received are to be used solely for the benefit of the inmates. This report includes a draft; staff does not anticipate any significant changes in the final document, which will be included as a blue folder item.

The Audit Communication Letter summarizes significant changes in accounting practices required by newly applicable accounting standards, describes sensitive accounting estimates which the auditors found reasonable, lists the corrected misstatements identified during the audit, and makes other similar disclosures.

The Single Audit Report, to be completed prior to the OMB deadline, is required for all federal and state funded programs. These programs are audited in conformity with the provisions of the Single Audit Act of 1984 and the OMB Circular A-133, Audits of State and Local Governments.

#### **COORDINATION**

The reports have been coordinated with the City's independent auditors and all City Departments.

#### **FISCAL IMPACT**

The total cost for this activity is included in the Financial Services Department's portion of the FY 2023-24 Adopted Budget and is part of the Department's annual work program.

#### **APPROVED BY:**

*Mike Witzansky, City Manager*

#### **ATTACHMENTS**

1. Annual Comprehensive Financial Report (ACFR), Fiscal Year Ended June 30, 2023
2. DRAFT Inmate Trust Fund Financial Report
3. Audit Communication Letter, February 28, 2024

# CITY OF REDONDO BEACH, CALIFORNIA

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED  
JUNE 30, 2023



CITY OF REDONDO BEACH, CALIFORNIA

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2023

Prepared by:  
Financial Services Department

**THIS PAGE INTENTIONALLY LEFT BLANK**

CITY OF REDONDO BEACH  
Annual Comprehensive Financial Report  
For The Year Ended June 30, 2023

Table of Contents

	<u>Page(s)</u>
INTRODUCTORY SECTION	
Letter of Transmittal.....	i
List of Principal Officials .....	xiv
Organizational Chart.....	xv
FINANCIAL SECTION	
Independent Auditors' Report.....	1
Management's Discussion and Analysis .....	5
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position .....	25
Statement of Activities .....	26
Fund Financial Statements	
Balance Sheet – Governmental Funds .....	30
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	33
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds .....	34
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	37
Statement of Net Position – Proprietary Funds .....	38
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds .....	40
Statement of Cash Flows – Proprietary Funds.....	42
Statement of Fiduciary Net Position – Fiduciary Funds .....	46
Statement of Changes in Fiduciary Net Position – Fiduciary Funds .....	47
Notes to Basic Financial Statements .....	51

CITY OF REDONDO BEACH  
Annual Comprehensive Financial Report  
For The Year Ended June 30, 2023

Table of Contents

	<u>Page(s)</u>
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Notes to Required Supplementary Information .....	99
Budgetary Comparison Information:	
Budgetary Comparison Schedule – General Fund .....	101
Budgetary Comparison Schedule – Other Intergovernmental Grants .....	102
Budgetary Comparison Schedule – Low-Mod Income Housing .....	103
Pension Information:	
Schedule of Changes in Net Pension Liability and Related Ratios - Miscellaneous Plan – Agent Multiple-Employer Plan .....	104
Schedule of Plan Contributions – Miscellaneous Plan - Agent Multiple-Employer Plan .....	106
Schedule of Changes in Net Pension Liability and Related Ratios - Safety Plan – Agent Multiple-Employer Plan .....	108
Schedule of Plan Contributions - Safety Plan - Agent Multiple-Employer Plan .....	110
OPEB Information:	
Schedule of Changes in Net OPEB Liability and Related Ratios .....	112
Schedule of Contributions .....	114
Modified Approach for City Streets Infrastructure Capital Assets .....	117
<b>COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES</b>	
Combining Balance Sheet – Non-Major Governmental Funds .....	122
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Governmental Funds .....	128
Budgetary Comparison Schedules - Special Revenue Funds:	
State Gas Tax .....	134
Parks and Recreation Facilities .....	135
Narcotic Seizure / Forfeiture .....	136
Proposition A .....	137
Proposition C .....	138
Measure R .....	139
Local Transportation Article 3 .....	140
Air Quality Improvement .....	141
Storm Drain Improvement .....	142
Street Landscaping and Lighting District .....	143
Community Development Block Grant .....	144
Disaster Recovery .....	145
Housing Authority .....	146
Subdivision Park Trust .....	147
Measure M .....	148
Measure W .....	149

CITY OF REDONDO BEACH  
Annual Comprehensive Financial Report  
For The Year Ended June 30, 2023

Table of Contents

	<u>Page(s)</u>
Budgetary Comparison Schedules – Capital Project Funds:	
Capital Improvement Projects .....	150
Major Facilities .....	151
Open Space Acquisition .....	152
Budgetary Comparison Schedules – Debt Service Funds:	
Public Financing Authority .....	153
Combining Statement of Net Position – Non-Major Enterprise Funds .....	155
Combining Statement of Revenues, Expenses and Changes in Fund Net Position – Non-Major Enterprise Funds .....	156
Combining Statement of Cash Flows – Non-Major Enterprise Funds .....	157
Combining Statement of Net Position – Internal Service Funds .....	158
Combining Statement of Revenues, Expenses and Changes in Fund Net Position – Internal Service Funds .....	160
Combining Statement of Cash Flows – Internal Service Funds .....	162

STATISTICAL SECTION

Net Position by Component .....	167
Changes in Net Position .....	169
Fund Balances of Governmental Funds .....	173
Changes in Fund Balances of Governmental Funds .....	175
Assessed Value and Estimated Actual Value of Taxable Property .....	177
Direct and Overlapping Property Tax Rates .....	179
Principal Property Taxpayers .....	180
Property Tax Levies and Collections .....	181
Ratios of Outstanding Debt by Type .....	182
Direct and Overlapping Governmental Activities Debt .....	183
Legal Debt Margin Information .....	184
Pledged - Revenue Coverage .....	185
Demographic and Economic Statistics .....	186
Principal Employers .....	187
Full - Time City Government Employees by Function .....	188
Operating Indicators by Function .....	189
Capital Asset Statistics by Function .....	190
Redondo Beach Public Financing Authority, Wastewater System Financing Project:	
Certification of Continuing Disclosure .....	191
Sewer Rates per Month .....	192
Top Ten Customers – Sewage Usage .....	193
Sewer Connections by Type of Customer .....	194

CITY OF REDONDO BEACH  
Annual Comprehensive Financial Report  
For The Year Ended June 30, 2023

Table of Contents

Page(s)

Redondo Beach Community Financing Authority; Leaseback Agreement: Certification of Continuing Disclosure.....	195
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	198



ANNUAL COMPREHENSIVE FINANCIAL  
REPORT  
OF THE  
CITY OF REDONDO BEACH, CALIFORNIA  
FOR THE  
FISCAL YEAR ENDED JUNE 30, 2023

PREPARED BY FINANCIAL  
SERVICES DEPARTMENT

**THIS PAGE INTENTIONALLY LEFT BLANK**

## INTRODUCTORY SECTION

**THIS PAGE INTENTIONALLY LEFT BLANK**



---

**Financial Services**

415 Diamond Street, P.O. Box 270  
Redondo Beach, California 90277-0270  
[www.redondo.org](http://www.redondo.org)

tel 310 318-0683  
fax 310 937-6666

February 28, 2023

Honorable Mayor, City Council and  
Residents of the City of Redondo Beach:

Typically, we deliver the Annual Comprehensive Financial Report (ACFR) by the second Council meeting in December of each year. The FY 2022-23 ACFR was delayed as a result of new requirements associated with Government Accounting Standards Board (GASB) 96 reporting for subscription-based information technology arrangements (SBITAs) but is now complete and ready for presentation on behalf of the City of Redondo Beach, California (City), for the fiscal year ended June 30, 2023. These financial statements are presented in conformance with generally accepted accounting principles (GAAP) and audited by an independent firm of licensed certified public accountants in accordance with generally accepted auditing standards.

As per the City Charter, the role of the ACFR is to inform the Mayor and City Council of all financial and administrative activities of the previous fiscal year. This report also informs the residents of Redondo Beach and the larger financial community. For the residents, the report provides an opportunity to correlate City services and accomplishments with the expenditure of financial resources. For the financial community, this report provides information necessary to evaluate financial practices of the City, assure their soundness in accordance with GAAP, and determine the financial capacity of the City to incur and service debt for long-range capital planning.

Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including disclosures, rests with the City. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed to protect the City's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformance with GAAP. Because the cost of internal controls should not outweigh the benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects. GAAP requires that management provide a narrative introduction, i.e., overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal complements the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors in the financial section of the ACFR.

## **PROFILE OF THE CITY OF REDONDO BEACH**

The City of Redondo Beach, incorporated in 1892, is located in the South Bay region of Los Angeles County and spans 6.3 square miles. The City of Redondo Beach has a population of approximately 66,484 and remains a highly residential, non-industrial community. The City is highly educated and largely upscale, with a median home cost of \$1,410,000, per HdL.

Redondo Beach has significant concentrations of employment in the northern portion of the City anchored by Northrop Grumman. It also maintains strong retail centers at the South Bay Galleria, on the east end of the City, a vibrant hospitality sector near the Harbor/Pier area, and an eclectic mix of specialty shops, restaurants and services in the Riviera Village, at the south end of the City. Based on the number of full-time employees, the top ten employers in Redondo Beach are Northrop Grumman, Redondo Beach Unified School District, City of Redondo Beach, The Cheesecake Factory, City of Redondo Beach, United States Postal Service, Prime Now LLC, Target Stores, Macy's, Frontier, and Silverado Beach Cities.

The City is divided into five Council Districts and operates under a Council-Manager form of government. One councilperson is elected from each district and serves a term of four years, with a limit of two full terms. The Mayor is elected by the City at-large and is also limited to serving two four-year terms. Other elected officials are the City Treasurer, City Attorney, and City Clerk. Each of these elected offices serves a term of four years, but differ from the Mayor and City Council in that individuals can be re-elected an unlimited number of times. The City Council is responsible for City policy, including passing Municipal Code Ordinances, adopting the budget, and appointing the City Manager along with various other Board, Commission, and Committee members.

In addition to serving as the governing board of the City, the Mayor and City Council act as the Board of Directors for various component units of the City, including: the Redondo Beach Housing Authority, the Redondo Beach Public Financing Authority, the Redondo Beach Community Financing Authority, the Parking Authority of the City of Redondo Beach, and the Redevelopment/Successor Agency of the City of Redondo Beach. The City Manager is responsible for carrying out the policies and ordinances of the City Council and for selecting the non-elected heads of the City's various departments. In May 2008, the Mayor and City Council established an audit committee to enhance the City's communication with its independent accounting firm, ensuring increased involvement by the governing board in the City's accounting processes. Also, in September 2015, the City Council adopted a resolution to expand the membership of the audit committee to include the elected City Clerk and the elected City Treasurer.

The City is classified as a full-service City, providing public safety through its Police and Fire Departments, along with a host of other services, including recreation and community services, libraries, parks, maintenance and improvement of streets and infrastructure, planning and zoning, housing, economic development, transit, and general government services. The City also operates and maintains a recreational harbor under a trust agreement with the State of California.

The annual budget serves as the foundation for the City's fiscal plan and policy prioritization. The City Council is required to adopt an annual budget on or before June 30 of each year for the General Fund, Special Revenue Funds, Enterprise Funds, Capital Projects Fund, and Internal Service Funds. The City also adopts a five-year capital improvement program and a Redevelopment/Successor Agency budget.

The total adopted budget represents the level of appropriated budgetary control, which is defined as the total budget for all funds and divisions, and all revisions and amendments approved by the City Council subsequent to the initial budget adoption. The City Manager may authorize transfers within each fund and between line items or programs within each department, however, supplemental appropriations and transfers between funds or departments during the budget year must be approved with four affirmative votes of the City Council. Unexpended or unencumbered appropriations expire at the end of each fiscal year. Encumbered appropriations and appropriations related to grants and donations are re-appropriated in the ensuing year's budget by action of the City Council. The City utilizes an encumbrance system, whereby commitments, such as purchase orders and unperformed contracts, are recorded as assigned fund balances at year end.

### ***Significant Events, Accomplishments and Economic Development Activities***

Over time, Redondo Beach has remained fiscally sound through proactive management, disciplined oversight of expenditures, development of a diversified revenue base, and optimizing public/ private partnerships that reduce City costs, creating new public amenities and increasing revenues. These financial practices have enabled the City to maintain healthy capital and operating funding reserves and achieve an Aa1 credit rating. During FY 2020-21, the COVID-19 pandemic created an unprecedented fiscal management challenge as two of the City's primary sources of revenue – sales taxes and transient occupancy taxes - were severely threatened by limited business operations. Both sales tax and transit occupancy tax continued to recover significantly in FY 2022-23.

For most of FY 2022-23, the City's economic development efforts focused on strengthening and supporting the three commercial zones within the City – the Artesia/Aviation Commercial Corridor (inclusive of the South Bay Social District (Galleria), the Riviera Village Business District, and the Redondo Beach Waterfront.

Within the Riviera Village Business District, the City worked with the Riviera Village Association to continue the success of the “parklet” program, which provided outdoor space for local business to operate under state mandated restrictions, but continues to bring additional life and commercial activity to this already vibrant area. While originally envisioned as temporary outdoor dining locations, parklets have been approved to operate until July 1 of 2026 due to the State’s extension of the emergency order that allowed the creation and led to their popularity and ongoing success in the community.

Within the Waterfront, the City continued the storefront improvement program for businesses located along International Boardwalk. Grant funding, ranging from \$2,500 to \$50,000, is available to support improvements/upgrades to storefronts and facades. The program aims to encourage private investment in the International Boardwalk commercial corridor; enhance the appearance of the storefronts, and reduce vacancies. In addition, as part of a long-term planning effort within King Harbor, the City has completed the process of preparing a Public Amenities Plan that identifies more than 40 projects to improve upon the public amenities offered to waterfront visitors. Key projects include constructing a new public boat launch, renovating Seaside Lagoon, improving pedestrian and bicycle connections, and general improvements to accommodate for Sea Level Rise among many others. The plan represents a financial commitment from the City to improve the existing building/infrastructure inventory for the commercial businesses located within the harbor.

The City has been making significant progress in making the Waterfront a welcoming destination. The City successfully hosts two Beach Life concert festivals each year which bring tens of thousands of people to the area. The Waterfront also saw the demolition of the old sport fishing pier as well as the initial development of the California Surf Club in the former Ruby’s and On The Rocks buildings. The project unites local luminaries, and creates fully revamped spaces connected by outdoor additions to make a 21,000 square feet facility, with a bar and restaurant, private conference rooms, private dining rooms, fireside ocean lounges, a great room, private listening and art rooms, a games den and more.

The City continues to work on revitalization efforts within the Artesia and Aviation commercial corridors. Specifically, City staff prepared municipal code text amendments to adjust development standards with the intent to reduce vacancies, encourage preferred uses such as restaurants and office space to locate within the area, and allow for larger buildings on each property. Relaxing minimum parking requirements and increasing the maximum allowed floor area ratio development standard are expected to encourage future development. As an example of the City’s revitalization efforts along Artesia Boulevard, the GrubHaus commercial development, located on Artesia Blvd & Mackay Lane, will include an 8,000 square-foot property that will house outdoor multi-unit micro-kitchens and other food options for the Redondo Beach community to enjoy. The project is currently progressing through plan check with the City working with the builder to ensure a smooth evaluation process.

The City Council approved the redevelopment of the South Bay Galleria Mall (South Bay Social District) on the Artesia Corridor as a mixed-use project, which proposes for a mix of retail expansion (including retail stores, dining, and entertainment), a 150-room hotel, 300 residential apartments of which 20% will be “affordable units,” and a skate park. Of the retail square footage, a minimum of at least 75,000 square feet will be commercial office space. The project has been separated into phases. Building permit plans for Phase 1A and 1B have been submitted for review by City staff and construction is expected to begin in mid-2024. Phase 1A includes the interior and exterior mall renovation, a great lawn/plaza that includes a skate park. Phase 1B includes 350 residential units with ground floor commercial development. Phase 1C includes the development of a new hotel. Permitting for Phases 1A and 1B are pending final Engineering approval with submission for Phase 1C expected in the near future. A plan for an additional 300 residential units, Phase 2, was recently submitted for a planning entitlement process that is expected to go before the Planning Commission in the Spring of 2024.

Outside of the commercial zones, construction has begun on a mixed-use project that includes 115 apartment units, a revitalized 110-room hotel (that had previously been dormant), and approximately 20,000 square feet of commercial space that was approved by the City Council on the corner of PCH and Palos Verdes Blvd. The City has conducted numerous inspections as the project advances and is working closely with the builder to ensure it is completed successfully.

Construction has also started on 36 residential town homes located on Fisk Lane & 190<sup>th</sup> Street, which will feature units ranging in size from 1,800-2,300 square feet. Sales of the units has taken place and the project is awaiting final inspections to issue the Certificates of Occupancy.

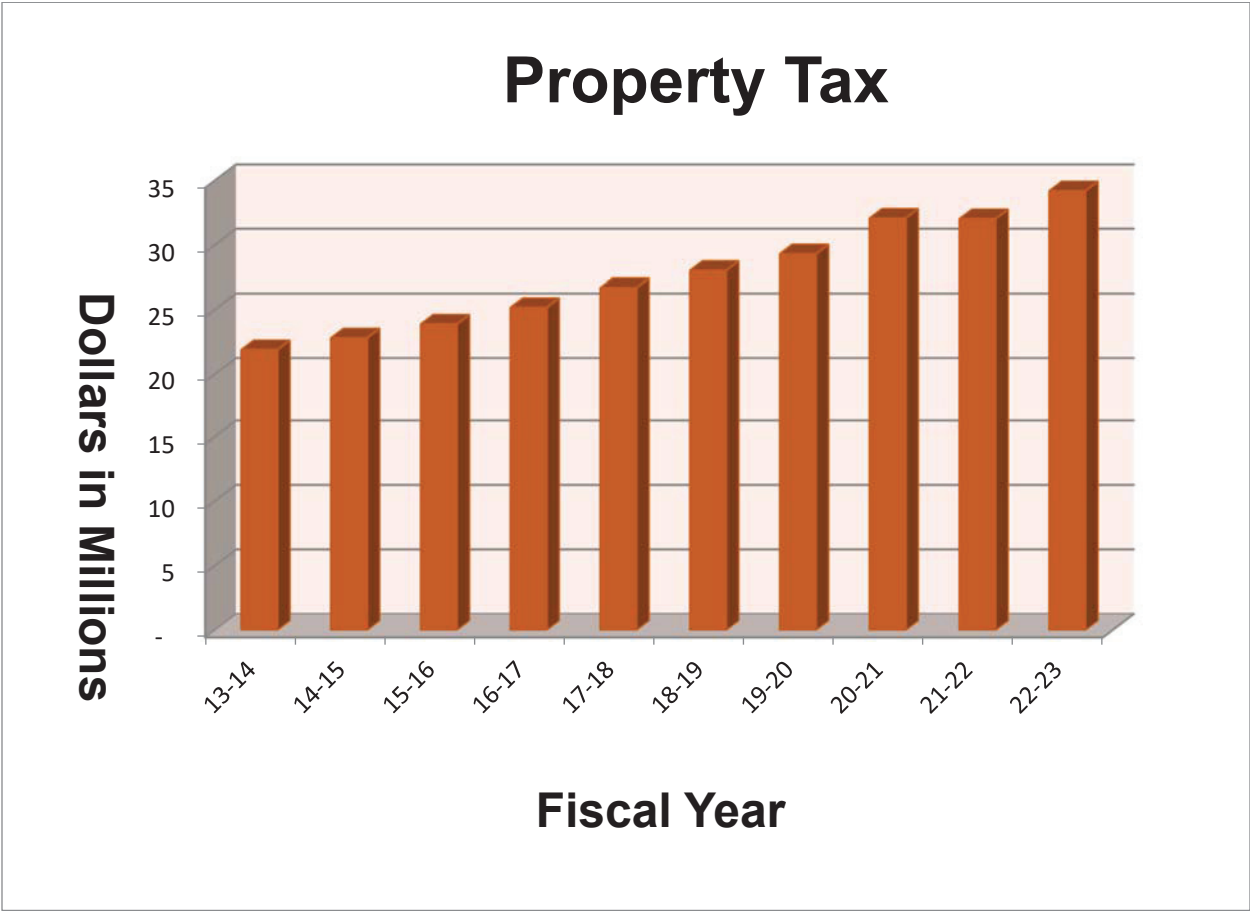
The number of projects under construction, or preparing for construction, reflect the City’s strong property values and signal the potential for increased tax revenues in the City, driven in large part by the Redondo Beach’s high quality of life, continued excellence of the Redondo Beach Unified School District and close proximity to LAX airport and the Silicon Beach technology hub.

**Property Tax**

Property tax is the City’s largest revenue source, which is imposed on real property (land and permanently attached improvements, such as buildings) and tangible personal property (moveable property) located within the City. Property is initially assessed by the County Assessor at a tax rate of 1.0% of the assessed value and can rise no more than 2.0% each year. The City receives revenues equal to 16.5% of the tax rate from the County of Los Angeles Auditor/Controller’s Office. This equals 16.5 cents out of each dollar of property tax collected in Los Angeles County.

For FY 2022-23, property tax revenue was based on calendar year 2021 property values. Actual revenues were higher than budgeted. The City’s FY 2022-23 citywide assessed valuation is above the prior year by \$1.2 billion, or 6.5%, increasing to \$20.5 billion. The City’s assessed valuation amount is derived 82.4% from residential properties, 7.9% from commercial properties, 3.4% from industrial properties, and the remaining 6.3% from vacant, institutional, and other properties.

During FY 2022-23, property tax revenue (including homeowners’ exemptions) increased by \$2.17 million, or 6.8%, to \$34.2 million, consistent with the strong assessed valuation increase over prior year.\.

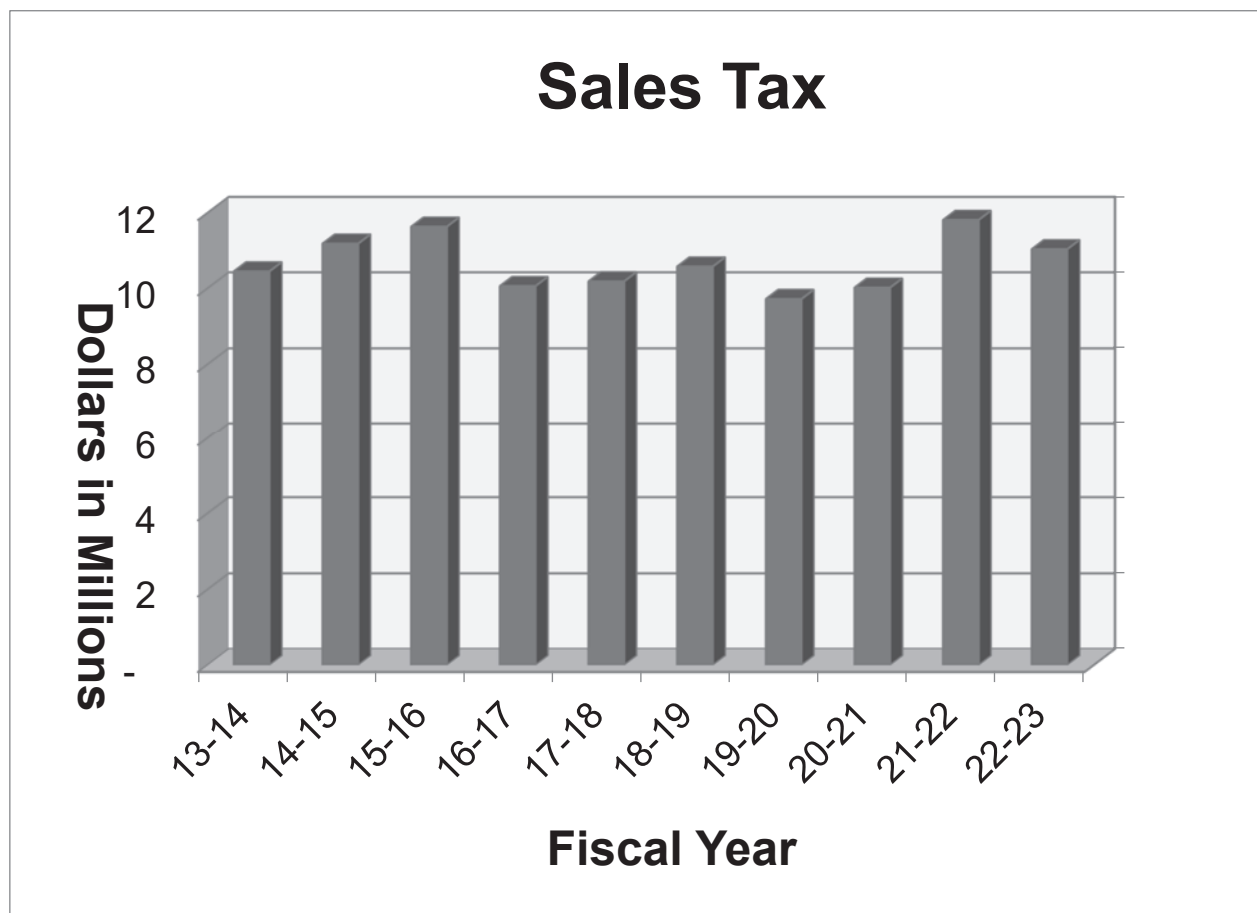




## Sales Tax

Sales tax is the City's second largest revenue source. The sales tax rate in Los Angeles County was 9.50% for FY 2022-23. Redondo Beach receives 1% of taxable sales from the California Department of Tax and Fee Administration. Until FY 2015-16, the data below includes revenue from the "triple flip" revenue swapping procedure, whereby 25 percent of the City's traditional sales tax base was committed to the State for deficit reduction bonds, and then reimbursed in the same amount as additional property tax revenue to the City. Starting FY 2016-17, data reflects the City's sales tax proportion only.

Fiscal year 2022-23 sales tax revenue decreased by \$0.7 million or 6.6% from prior year receipts as economic challenges including high inflation and Federal Reserve rate increases drove decreases in consumer spending, combined with the ongoing trend towards online purchasing. The City's largest business structure, including restaurants and hotels, experienced its first revenue slowdown since pandemic related losses, and the fuel sector showed large losses related to historically high pricing. These declines are consistent with state and nation-wide trends.

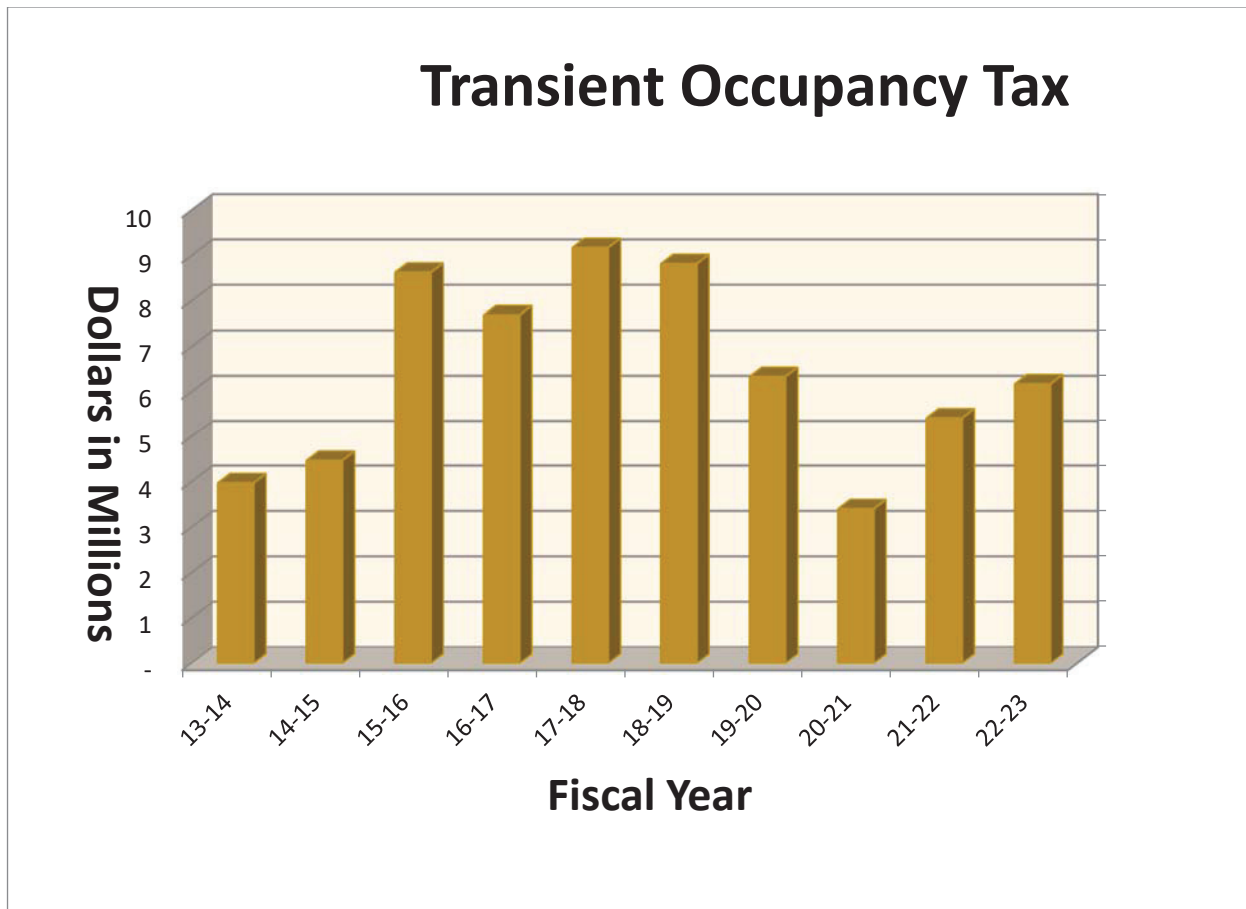


### ***Transient Occupancy Tax (TOT)***

Transient Occupancy Tax, the City's third largest single revenue source, is imposed on short-term occupants of hotels, motels, inns, tourist homes or other lodging facilities (those staying for 30 or fewer days). The current tax rate of 12% is applied to the customer's lodging bill. The rate was last increased in 2005 by 2%.

Through FY 2016-17, the City contributed 10% of TOT revenue to the Redondo Beach Chamber of Commerce and Visitors Bureau to support marketing and tourism in the City, offsetting the revenue received. In the following fiscal years, the City retains all TOT revenue.

Revenue continues to recover following the sharp decrease related to the pandemic, with FY 2022-23 revenue \$0.8 million or 13.9% above the prior fiscal year.



### **Vehicle License Fees (VLF)**

Vehicle license fee revenue, the City's fourth largest revenue source, comes from a State-imposed tax on owners of registered vehicles for the privilege of operating a vehicle on public highways. The revenue reflects 2% of the market value of the motor vehicle, which the City receives as motor vehicle in-lieu tax and through Property Tax receipts as property tax in lieu of vehicle license fees.

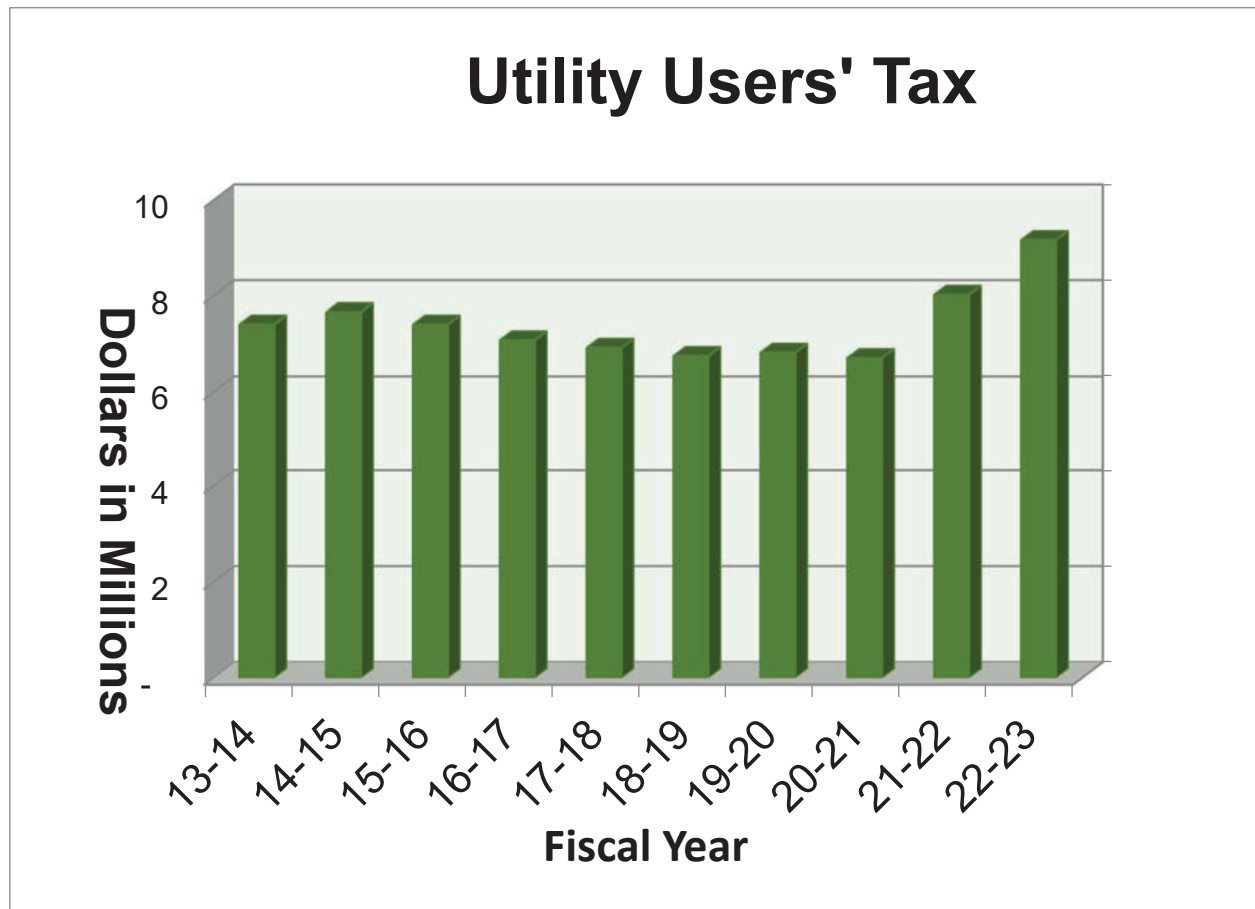
Vehicle License Fee revenue has increased consistently over the past 10 years, with an average annual increase of about 5%. Fiscal year 2022-23 revenue was \$9.3 million, a 6.4% increase over the prior year.



### Utility Users' Tax (UUT)

Utility users' tax (UUT), the City's fifth largest revenue source, is imposed on consumers of electric, gas, cable services, water and telephone services. Redondo Beach's UUT rate is set at 4.75%. In the last 10 years, the City's UUT revenue has declined or remained relatively flat as more consumers move away from cable to internet based streaming services which are not taxed. This trend has changed in the past two fiscal years, with increases in UUT driven by rate increases, population growth, more remote workers, inflation and gas prices.

Fiscal year FY 2022-23 revenue was \$9.2 million, a \$1.1 million or 14.2% increase over the prior year.



## **CAPITAL IMPROVEMENT PROJECT PLANNING, ACCOMPLISHMENTS AND ACTIVITIES**

Over the past year, the City continued to plan, design and construct a significant number of capital improvement projects. Street improvement projects, with the greatest variety of funding sources, continued to represent a large portion of the work plan, however, several other projects were completed throughout the City as well.

The City continued with several Regional Measure R funded transportation-related capital projects. Design for the right turn lane project located on Aviation Boulevard at Artesia Boulevard (\$1.4 million) is complete. Construction for Phase 1 of the southbound right turn lane on Inglewood Avenue at Manhattan Beach Boulevard (\$4.2 million) is substantially complete, with Phase 2 work, including signalized modifications, occurring in FY 2023-24. Similarly, the southbound Pacific Coast Highway at Torrance Boulevard Project (\$1 million) remains with Caltrans for design review pending resolution of right-of-way acquisition issues. The Transit center (\$13.6 million) was officially opened in January 2023 with Phase 2, Kingsdale Widening (\$1.6 million), under construction with completion anticipated in the first half of FY 2023-24.

Construction was completed on the Beryl Street – Flagler to Prospect - Drainage and Street Improvements Project (\$2.6 million). Construction for Residential Street Rehabilitation Cycle 2, Phase 3 (\$4.9 million), which includes Garnet Resurfacing, Avenue I Resurfacing, Deferred Maintenance and Green Street Improvements was substantially completed in FY 2022-23. The Grant Avenue Signal Improvements Project was awarded and construction occurring in FY 2023-24 with an anticipated completion in early calendar year 2024. Citywide Slurry Seal Phase 3 (\$640,000) was also awarded a construction contract with an anticipated completion in the first half of FY 2023-24.

The Skatepark Projects (\$413,000) at Perry Park and Pad 10 were completed. Both locations have been open to the public since April 2023. The Community Garden (\$80,000) at Alta Vista Park was completed. The rubberized play surfaces (\$220,000) were replaced at Turtle Park, Perry Park, Andrews Park and Aviation Park. Design of the SCE ROW West of PCH Landscape Improvements (\$312,000) is largely complete and construction for Phase 1 of the project is scheduled to occur in FY 2023-24. The City Council approved the plans and specifications for the Dominguez Park Play Equipment, Landscape and Walkways Project (\$1.8 million) and award of a construction contract is estimated to occur in FY 2023-24.

The City continues to devote significant resources to the maintenance and improvement of its wastewater infrastructure. Construction was completed for the Alta Vista Sewer Pump Station (\$3.7 million). Improvements and maintenance, including re-lining sewer pipes and root foaming, were continued citywide as part of the Sanitary Sewer Rehabilitation Project (\$700,000). City Council awarded a contract for reconstruction of the Yacht Club Way (\$3.95 million) and Portofino Sewer Pump Stations (\$5.12 million) and those projects will begin construction in FY 2023-24.

In the waterfront, plans and specifications for the Harbor Dredging Project were nearly completed for Council consideration, with an anticipated construction to occur in early 2024. City staff continued with Pier restroom improvements (\$100,000), with restroom 5 at the International Boardwalk the facility that most recently upgraded. The Harbor Railing Project (\$1.57 million), which replaced or rehabilitated most of the rails on the pier and added new rails around the Skatepark, was also completed. The Pier Light Fixture Project (\$300,000) which replaced old fixtures with modern, more energy efficient, lights was also completed. Additionally, a design contract was awarded to Nuvis to prepare plans to reconstruct the Seaside Lagoon (\$3.1 million).

The City officially completed 20 CIP projects in FY 2022-23 and designed and/or awarded contracts for construction of an additional 21 projects, for a total capital expenditure of \$29.5 million, which is approximately \$17 million dollars more than what was executed in FY 2021-22.

## CASH MANAGEMENT POLICIES AND PRACTICES

The City invests all idle cash in various investment instruments, as authorized within the City's Statement of Investment Policy. The City Treasurer employs a buy and hold philosophy of cash management, ensuring the full return of all investment principal. In February of 2013, the City commenced utilization of Meeder Public Funds (formerly FHN Mainstreet Advisors) in providing non-discretionary investment management services to the City Treasurer. Composition of the City's investment portfolio consists of a well-diversified mix of US Treasury securities, Federal Agency securities, FDIC insured collateralized deposits, and a blend of A-AAA rated Corporate Medium-Term Notes, all of which are structured along a five-year laddered maturity schedule. In addition, sufficient portfolio liquidity is maintained through continued maintenance of a significant portion of the investment portfolio's position in the State managed Local Agency Investment Fund, or LAIF.

The City maintains an Investment Policy certified for reporting excellence by the Government Investment Officers Association (GIOA) and has established both a written investment policy and investment procedures manual. The Investment Policy is reviewed by both the City Council and the Budget and Finance Commission on an annual basis. The investment policy's established performance benchmark is the thirty-month moving average of the ICE B of A zero to five-year Treasury index.

The level of investments maintained with LAIF fluctuates in accordance with variations in both the City's operational and capital improvement program cash flow requirements. The LAIF balance is maintained at a level of \$5 to \$25 million, or a range of 5% to 25% of the general portfolio's assets on average, ensuring maintenance of sufficient investment portfolio liquidity. The yield provided by LAIF has increased over the past year as short-term market interest rates increased. Idle investment funds above the liquidity threshold have been placed primarily in Federal Agency investments within the two to five-year investment maturity range. The increase in market interest rates experienced over the past year have been both anticipated and well managed, proactively responding to both the City's operating and capital improvement cash flow requirements. The City's investment portfolio consistently meets the primary objectives set forth in the City's investment policy.

As of June 30, 2023, the City's general portfolio was invested as follows:

Comparison of Investment Portfolio Positions F.Y. 2022-2023								
	1st Quarter		2nd Quarter		3rd Quarter		4th Quarter	
Investment Type		%						
Cash in Banks	\$10,955,229	*	9,223,658	*	\$6,359,470	*	\$ 9,742,075	*
Money Market	\$0	0.0%	\$5,149,678	4.38%	\$13,392,052	11.33%	\$ 8,931,843	7.80%
Local Agency Investment Fund	\$16,071,480	14.5%	\$27,137,556	23.1%	\$5,225,372	4.42%	\$ 1,087,813	0.95%
Federal Agency Issues	\$53,439,957	48.3%	\$47,448,367	40.4%	\$56,867,881	48.12%	\$ 56,918,780	49.70%
Commercial Paper	\$0	0.0%	\$0	0.0%	\$0	0.00%	\$0	0.00%
Corporate Medium Term Notes	\$6,981,521	6.3%	\$8,847,387	7.5%	\$8,866,737	7.50%	\$ 8,885,872	7.76%
Bank Certificates of Deposit	\$1,239,564	1.1%	\$991,622	0.8%	\$991,680	0.84%	\$ 991,738	0.87%
Treasuries	\$32,895,368	29.7%	\$27,910,842	23.8%	\$32,831,737	27.78%	\$ 37,713,483	32.93%
Total: Investment Portfolio	\$110,627,890	100%	\$117,485,452	100.0%	\$118,175,459	100.00%	\$ 114,529,529	100.00%
Weighted Average Maturity (Yrs)	1.99		1.72		1.97		1.91	
Portfolio Effective Rate of Return (YTD)	1.51%		1.71%		2.10%		2.29%	
L.A.I.F. Yield	1.60%		2.17%		2.83%		3.17%	
Yield on Benchmark	0.97%		1.38%		1.76%		2.19%	
Interest earned YTD	\$425,011.78		\$952,194.05		\$1,695,368		\$2,435,724	
General Fund Contribution (60%)	\$255,007		\$571,316.00		\$1,017,221		\$1,461,434.40	

As required by GASB 31, the City recorded the unrealized gain/loss on certain investments to account for the market value on June 30, 2023. The portfolio market value, \$110,357,578, dropped below the book value of \$114,529,529 by -\$4,171,951 of the current market value of the investments within the City's investment portfolio. This unrealized loss in the value of investments results from structural factors and interest rate movements within the financial marketplace over the past year impacting the market valuation of the City's investments in both Federal Agency issues and Corporate Medium-Term Notes

## **RISK MANAGEMENT**

The City maintains a self-insurance program for workers' compensation and liability claims. The program accumulates resources in the Self-Insurance Program internal service fund to meet potential losses. For FY 2022-23, the self-insurance retention (SIR) is \$750,000 for workers' compensation and \$500,000 for general liability. Excess coverage up to \$50 million for each workers' compensation claim is provided by a third-party private insurer, and excess liability up to \$30 million for each occurrence is covered by Public Risk Innovation, Solutions, and Management (PRISM), formally the California State Association of Counties – Excess Insurance Authority (CSAC-EIA).

PRISM is a joint powers authority for 95% of California counties as well as 68% of California municipalities where risks and losses are pooled together to keep annual premiums low. Both the workers' compensation and liability claim programs are managed by a third-party claims administrator under the direction of the Risk Management Division of the Human Resources Department.

The amounts included in the Self-Insurance Program internal service fund are significant, partly due to requirements of GASB 10. In complying with GASB 10, the City must record as a liability and expenditure not only actual risk/loss experienced in the areas of workers' compensation and liability, but also claims incurred but not reported (IBNR). IBNR claims include exposure for losses of which a city is not yet aware, as well as any statistically probable increase in costs for accidents that are already known to the City. The appropriate amount to include on the financial statements for IBNR claims is typically developed by an actuary.

As of June 30, 2023, the City recorded the following:

### ***Workers' Compensation Claims***

Claims payable totaled \$13.3 million representing a decrease of approximately \$3.3 million, or 20%, from the prior period. This decrease is attributable to lower estimated reserve requirements and the settlement of claims in previous years.

### ***Liability Claims***

Claims payable totaled \$7.7 million representing a decrease of approximately \$52.8 thousand, or 0.7%, from the prior period. This decrease is attributable to the settlement of \$7.3 million claims from the previous years.

### ***Unemployment Insurance***

The City participates in a direct-cost reimbursement method for unemployment insurance. This program is administered by the State Employment Development Department (EDD) to provide salary continuance for terminated employees. For FY 2022-23, reimbursement to EDD was \$16,118.

## **PENSION AND OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

The City provides three Tier 1 defined benefit pension plans – two for safety employees (3% at 55 for Fire and 3% at 50 for Police) and one for miscellaneous employees (2% at 55). Beginning July 2012, two additional Tier 2 defined benefit pension plans were provided – one for safety employees (3% at 55 for both Fire and Police) and one for miscellaneous employees (2% at 60). Beginning January 2013, pursuant to the California Public Employee's Pension Reform Act of 2013 (PEPRA), Tier 3 defined benefit pension plans were added, 2.7% at 57 for safety employees and 2% at 62 for miscellaneous employees. These plans are part of the California Public Employees Retirement System (CalPERS), which acts as a common investment and administrative agent for participating public employers within the State of California. The City makes contributions to the plans based on amounts determined by CalPERS actuaries. Employees of some bargaining groups paid a portion of the employee and/or employer contribution to CalPERS.

CalPERS began to separate the City's employer contributions into their "normal cost" and "unfunded liability" portions in FY 2017-18. The normal cost portion continued to be paid as a percentage of payroll, while the unfunded liability portion was paid as a flat dollar amount. In FY 2022-23, the percentage-based portion of the rate decreased from 9.30% to 9.23% for the miscellaneous group and from 32.67% to 31.91% for public safety. The balance of the CalPERS annual expense is made up by the City's unfunded liability contribution for all funds, which increased from \$5,220,816 to \$5,777,050 for the miscellaneous group and from \$10,301,929 to \$11,356,847 for public safety and a total payment amount of \$17,133,897. During FY 2021-2022 the City issued lease revenue bonds to pay off over \$220M in unfunded liability thus reducing future costs and creating budget stability for the future.

In addition to the unfunded liability payoff of \$193.2 million paid from the bond proceeds, the contributions paid by the City for pension benefit employer and employer-paid member contributions was \$6.6 million. Approximately 83.7%, or \$5.5 million, was charged to the General Fund. The budget in all funds for these FY 2022-23 contributions was \$7.1 million.

Aside from contributing to CalPERS, the City also contributes to Social Security. The FY 2022-23 total cost for Social Security and Medicare coverage was \$2.1 million, of which \$1.5 million, or 67.7%, was from the General Fund. Safety employees do not participate in Social Security and Medicare, except for those employees hired after 1986, who are required to participate in Medicare.

The City also provides post-retirement health care benefits to its employees in accordance with agreements reached with various employee bargaining groups. The City pays for retirees' health care premiums in these plans up to limits established in the agreements with the bargaining units. After age 64, only the City's minimum health premium contribution under the Public Employees' Medical and Hospital Care Act (PEHMCA) is paid. These payments are paid via an Other Post-Employment Benefits (OPEB) trust, which was established by the City in FY 2009-2010 to comply with GASB 45. The OPEB trust allows the City to prefund actuarially derived OPEB costs that are expected to be incurred in future periods. In FY 2022-23, the City contributed \$2.02 million to the OPEB trust to cover current and future retiree medical benefits; however, future contributions may vary based on updated actuarial studies. As of June 30, 2023, the City was providing full benefits to 167 participants.

## **AWARDS**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Redondo Beach for its Annual Comprehensive Financial Report (ACFR) for the year ended June 30, 2022. This makes 30 consecutive years that the City has been awarded this achievement. In order to be awarded this certificate, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

For FY 2022-23, the City will again apply to the GFOA for the Certificate of Achievement for Excellence in Financial Reporting. We believe that our current annual comprehensive financial report continues to meet and exceed the criteria to receive this certificate, and we will be submitting it to GFOA for consideration.



## ACKNOWLEDGMENTS

The preparation of this report has been accomplished with the efficient and dedicated services of the staff of the Financial Services Department. We also thank the City's independent auditors, Lance, Soll, & Lunghard, LLP, Certified Public Accountants, for their assistance and expertise, and all the City departments for their cooperation during the audit engagement and their participation in preparing the required data. We would like to express our appreciation to the Mayor and City Council, the City's Audit Committee, and the Budget and Finance Commission for conducting the City's financial affairs in an engaged and responsible manner.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read 'Mike Witzansky', with a long horizontal flourish extending to the right.

MIKE WITZANSKY  
City Manager

# CITY OF REDONDO BEACH

## MAYOR AND CITY COUNCIL



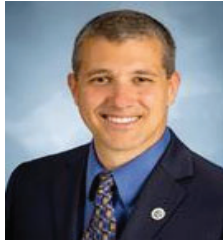
**Bill Brand**  
Mayor



**Nils Nehrenheim**  
Councilmember  
District 1



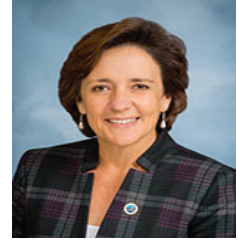
**Todd Loewenstein**  
Councilmember  
District 2



**Christian Horvath**  
Councilmember  
District 3



**Zein Obagi, Jr.**  
Councilmember  
District 4



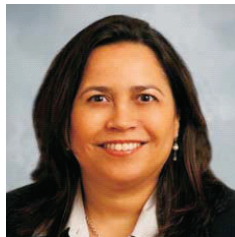
**Laura Emdee**  
Councilmember  
District 5

## CITY OFFICIALS

**Michael Witzansky**  
City Manager



**Michael Webb**  
City Attorney



**Eleanor Manzano**  
City Clerk



**Steven Diels**  
City Treasurer

**Cameron Harding**  
Interim Community Services Director

**Keith Kauffman**  
Fire Chief

**Greg Kapovich**  
Waterfront and Economic Development Director

**Chris Benson**  
Information Technology Director

**Jennifer Paul**  
Finance Director

**Elizabeth Hause**  
Assistant to the City Manager

**Brandy Forbes**  
Community Development Director

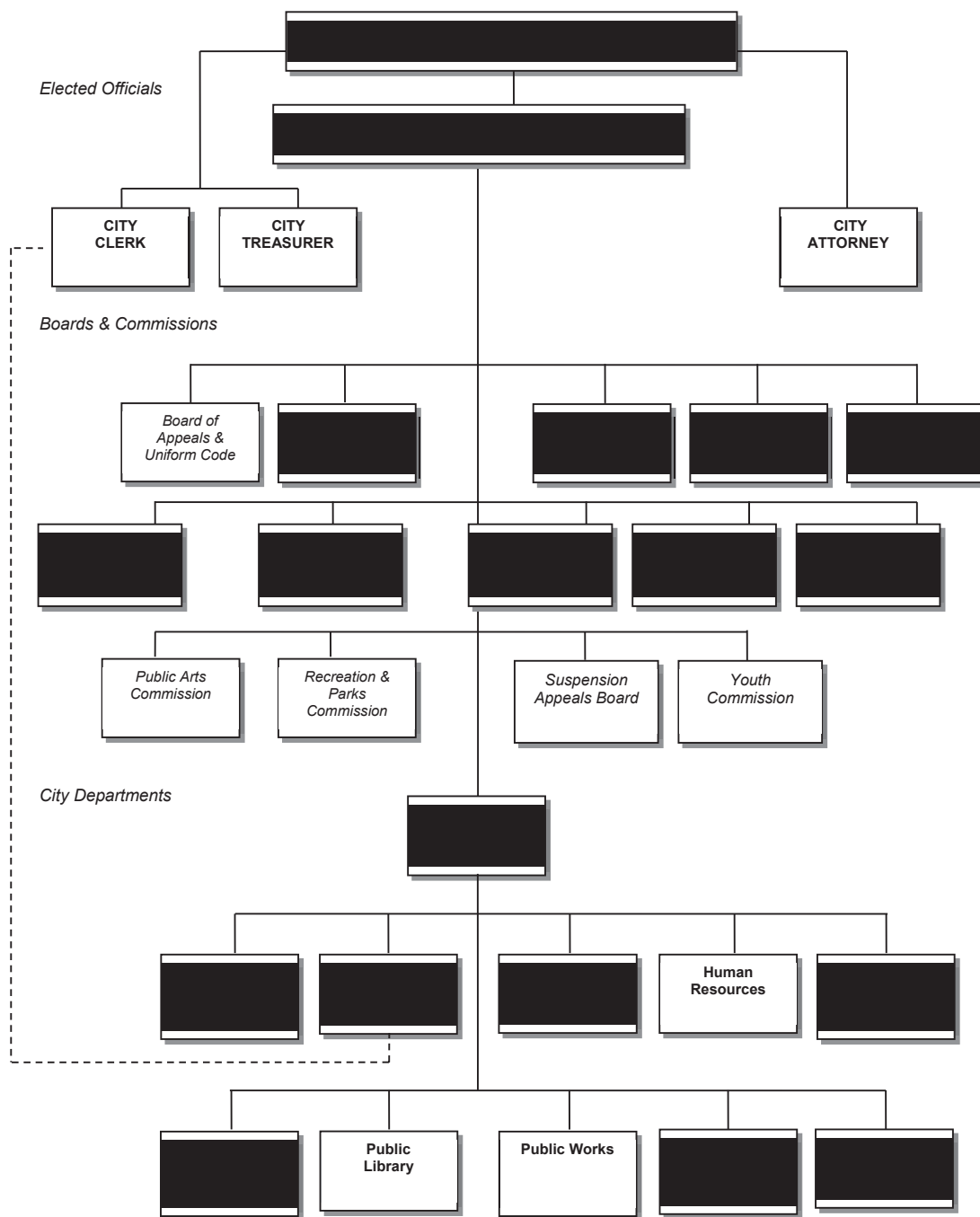
**Joe Hoffman**  
Police Chief

**Susan Anderson**  
Library Director

**Ted Semaan**  
Public Works Director

**Diane Strickfaden**  
Human Resources Director

**Luke Smude**  
Assistant to the City Manager



**THIS PAGE INTENTIONALLY LEFT BLANK**

## FINANCIAL SECTION

This Section Contains The Following Subsections:

REPORT OF INDEPENDENT AUDITORS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
BASIC FINANCIAL STATEMENTS  
NOTES TO FINANCIAL STATEMENTS  
REQUIRED SUPPLEMENTARY INFORMATION  
SUPPLEMENTAL INFORMATION

**THIS PAGE INTENTIONALLY LEFT BLANK**

## **FINANCIAL SECTION**

**THIS PAGE INTENTIONALLY LEFT BLANK**





**THIS PAGE INTENTIONALLY LEFT BLANK**



## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council  
City of Redondo Beach, California

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Redondo Beach, California, (the City) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Emphasis of Matter**

##### *Change in Accounting Principle*

As described in Note 1 to the financial statements, in 2023, the City adopted new accounting guidance, GASB Statement No. 96, *Subscription Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



To the Honorable Mayor and Members of the City Council  
City of Redondo Beach, California

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedule for the General Fund and major special revenue funds, the modified approach for the City's infrastructure assets, and the required pension and other postemployment benefits schedules, as listed on the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



To the Honorable Mayor and Members of the City Council  
City of Redondo Beach, California

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual fund financial statements and schedules (supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

Brea, California  
February 28, 2024

**THIS PAGE INTENTIONALLY LEFT BLANK**



**THIS PAGE INTENTIONALLY LEFT BLANK**



## CITY OF REDONDO BEACH

### MANAGEMENT'S DISCUSSION AND ANALYSIS

Management of the City of Redondo Beach (the "City") provides the Management Discussion and Analysis of the City's Annual Comprehensive Financial Report (ACFR) for readers of the City's financial statements. This narrative overview and analysis of the financial activities of the City is for the fiscal year ended June 30, 2023. We encourage readers to consider this information in conjunction with the additional information that is furnished in the letter of transmittal, which can be found preceding this narrative, and with the City's financial statements, which follow. Keep in mind that the Financial Highlights, immediately following, are strictly snapshots of information. Net position, changes in net position, and fund disclosures are discussed in more detail later in the report.

#### ***Financial Highlights - Primary Government***

- *Government-Wide Highlights*

*Net Position* - Assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at fiscal year ending June 30, 2023, by \$136.6 million. Assets and deferred outflows for governmental activities exceeded liabilities and deferred inflows by \$54.2 million and assets and deferred outflows for business-type activities exceeded liabilities and deferred inflows by \$82.4 million.

*Changes in Net Position* - The City's net position increased \$15.3 million in fiscal year 2022-2023. Net position of governmental activities increased \$11.7 million, and net position of business-type activities increased \$3.6 million.

- *Fund Highlights*

*Governmental Funds* - At the close of fiscal year 2022-2023, the City's total governmental funds reported a fund balance of \$69.1 million, an increase of \$0.1 million from the prior year. Highlighted below are this year's major funds included in this grouping.

*General Fund* - The fund balance of the General Fund (including Special Revenue – CalPERS Reserve Fund is zero) on June 30, 2023, was \$33.2 million, an increase of \$3.8 million from the prior year.

*Special Revenue - Other Intergovernmental Grants Fund* – The fund balance of the Special Revenue – Other Intergovernmental Grants Fund on June 30, 2023, was negative \$(6.1) million, a decrease to the negative fund balance by \$805 thousand from the prior year.

*Special Revenue - Low-Mod Income Housing Fund* - The fund balance of the Special Revenue - Low-Mod Income Housing Fund on June 30, 2023, was \$3.5 million, a decrease of \$344 thousand from the prior year.

#### **OVERVIEW OF FINANCIAL STATEMENTS**

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

## ***Government-Wide Financial Statements***

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business. They are comprised of the following:

- ***Statement of Net Position***

The Statement of Net Position presents summarized information of all the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. This financial statement combines and consolidates governmental funds' current financial resources with capital assets and long-term obligations.

- ***Statement of Activities***

The Statement of Activities presents information showing how the government's net assets changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned, but unused vacation leave).

Government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the city include general government, public safety, public works, cultural and leisure services and housing and community development. Business type activities include operations of the harbor, sewer (wastewater), solid waste, and transit.

The government-wide financial statements include not only the City itself (known as the primary government), but also the activities of legally separate component units: the Parking Authority of the City of Redondo Beach, the Redondo Beach Public Financing Authority (PFA), the Redondo Beach Community Financing Authority (CFA), and the Redondo Beach Housing Authority. Because the City Council acts as the governing board for each of these component units and because they function as part of the city government, their activities are blended with those of the primary government.

The government-wide financial statements can be found behind the tab section titled Government-Wide Financial Statements.

## ***Fund Financial Statements***

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: Governmental funds, proprietary funds, and fiduciary funds.

The fund financial statements provide detail information about each of the City's most significant funds, called Major Funds. The concept of Major Funds, and the determination of which are major funds, was established by GASB Statement No. 34 (GASB 34) and replaces the concept of combining like funds and presenting them in total. Instead, each Major Fund is presented individually, while all Non-Major Funds are summarized and presented in a single column.

- *Governmental Funds*

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. A reconciliation of both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balance with the government-wide financial statements can be found on pages behind the tab section titled Government-Wide Financial Statements.

The City has 25 governmental funds, of which three are considered major funds for presentation purposes. Each major fund is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances. The City's four major funds are: the General Fund, the Other Intergovernmental Grants Special Revenue Fund, and the Low-Mod Income Housing Special Revenue Fund. Data from the non-major governmental funds (e.g., State Gas Tax Fund, Proposition A Fund, Storm Drain Fund, Disaster Recovery Fund...) are combined into a single aggregated presentation. The governmental funds financial statements can be found on pages behind the tab section titled Fund Financial Statements. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements on pages behind the tab section titled Non-Major Governmental Funds.

- *Proprietary Funds*

The City maintains two types of proprietary funds: enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Enterprise funds are used to account for harbor activities, solid waste (i.e., collection, recycling and hazardous waste disposal), operations and maintenance of City sewers, and transit activities. Internal service funds are used to accumulate and account for the City's vehicles, building maintenance and repair, major facilities repair, information technology, emergency communications, and insurance. Because internal services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds' financial statements provide the same type of information as the government-wide financial statements, only in more detail. Like the government-wide financial statements, proprietary funds' financial statements use the accrual basis of accounting. Separate financial statements are provided for Harbor Uplands, Harbor Tidelands, Solid Waste, Wastewater, and Transit. Conversely, the internal service funds are combined into a single, aggregated presentation in the proprietary funds' financial statements. Individual fund data for each internal service fund is provided in the form of combining statements in the Internal Service Funds section of this report.

The basic proprietary funds financial statements can be found behind the tab section titled Fund Financial Statements.

- *Fiduciary Funds*

Fiduciary (Custodial and Private-Purpose Trust Fund) funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support City programs.

## Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found behind the tab section titled Notes to the Financial Statements.

## Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. The required supplementary information includes disclosure of the modified approach for the city pavement infrastructure and budgetary, pension plan information, and other post-employment benefit (OPEB) information. This information can be found behind the tab section titled Required Supplementary Information.

### City of Redondo Beach's Change in Net Position Fiscal Year Ended June 30, 2023

	Governmental Activities		Business-Type Activities		Total	
	2022-2023	2021-2022	2022-2023	2021-2022	2022-2023	2021-2022
Current and Other Assets	\$ 131,728,388	\$ 130,567,291	\$ 104,316,496	\$ 110,578,388	\$ 236,044,884	\$ 241,145,679
Capital Assets, Net Depreciation	192,378,900	173,951,544	73,756,456	65,507,733	266,135,356	239,459,277
Total Assets	324,107,288	304,518,835	178,072,952	176,086,121	502,180,240	480,604,956
Deferred Outflows of Resources	54,650,270	212,434,927	6,740,913	19,788,365	61,391,183	232,223,292
Long-Term Liabilities Outstanding	282,879,717	394,961,140	26,978,708	37,928,561	309,858,425	432,889,701
Other Liabilities	28,605,475	24,170,684	6,366,421	2,802,326	34,971,896	26,973,010
Total Liabilities	311,485,192	419,131,824	33,345,129	40,730,887	344,830,321	459,862,711
Deferred Inflows of Resources	13,080,793	55,334,762	69,019,014	76,333,391	82,099,807	131,668,153
Net Investment in Capital Assets	189,024,081	171,948,912	66,054,613	60,441,156	255,078,694	232,390,068
Restricted	29,038,880	31,374,924	-	-	29,038,880	31,374,924
Unrestricted	(163,871,388)	(160,836,660)	16,395,109	18,369,052	(147,476,279)	(142,467,608)
Total Net Position	\$ 54,191,573	\$ 42,487,176	\$ 82,449,722	\$ 78,810,208	\$ 136,641,295	\$ 121,297,384

*Current and Other Assets include Cash and investments; Accounts receivable; Receivables for interest, taxes, and notes and loans; Internal balances (due to/from and advances between business activities and governmental activities); Due from other governments; Advances to Successor Agency; Prepaid items; and Restricted cash and investments with fiscal agents.*

*Capital Assets include: Asset's net of depreciation as well as assets not being depreciated (e.g., Streets, Land, and Construction in progress).*

*Deferred Outflows of Resources include: Deferred charge on debt refunding, pension related items, and OPEB related items.*

*Long-Term Liabilities Outstanding include: Compensated absences payable, Claims and judgments payable, and Long-term debt payable.*

*Other Liabilities include: Accounts payable, Accrued liabilities; Pollution remediation liability; Accrued interest; Unearned revenue; and Deposits payable.*

*Deferred Inflows of Resources include: Pension related items and OPEB related items.*

### ***Net Position***

The chart above reflects the City's combined net position (governmental and business-type activities) of \$136.6 million at the close of fiscal year ending June 30, 2023.

The largest portion of the City's total net position (186.7%) reflects investment in capital assets (e.g., land, streets, sewers, buildings, machinery, and equipment) net of outstanding debt used to acquire those assets. The city uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The remaining City net position represents resources that are either subject to external restrictions (e.g., certain capital projects, debt service) or unrestricted. The unrestricted net position is negative primarily as a result of pension related reporting first implemented in Fiscal Year 2014-2015 pursuant to GASB Statement No. 68.

### ***Changes in Net Position***

Also noted in the chart above, the City's Fiscal Year 2022-2023 total net position increased by \$15.3 million, or 12.7%, from the prior year. The governmental activities net position increased \$11.7 million, or 27.6%, and business-type activities net position increased \$3.6 million, or 4.6%.

Within total assets, capital assets, net of accumulated depreciation, increased by \$26.7 million, or 11.1%. This increase in capital assets also resulted in a corresponding increase in Net Investments in Capital Assets of \$22.7 million, or 9.76%. The increase in net position is due to these capital asset increases and a decrease in deferred inflows of resources related to pensions and other post-employment benefits (OPEB) of \$49.6 million. The significant decrease in deferred inflows, outflows, and long-term liabilities reflects the impact of the City's 2021 payment related to the pension liability.

**City of Redondo Beach's Change in Net Position**  
**Fiscal Year Ended June 30, 2023**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2022-2023</b>	<b>2021-2022</b>	<b>2022-2023</b>	<b>2021-2022</b>	<b>2022-2023</b>	<b>2021-2022</b>
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 36,282,944	\$ 37,519,643	\$ 25,120,063	\$ 24,818,750	\$ 61,403,007	\$ 62,338,393
Operating grants and contributions	16,501,962	14,317,249	4,191,328	4,291,625	20,693,290	18,608,874
Capital grants and contributions	3,088,905	7,786,097	-	-	3,088,905	7,786,097
Total program revenues	55,873,811	59,622,989	29,311,391	29,110,375	85,185,202	88,733,364
General revenues:						
Property taxes	45,649,338	44,424,757	-	-	45,649,338	44,424,757
Transient occupancy taxes	6,174,326	5,419,197	-	-	6,174,326	5,419,197
Sales taxes	11,036,523	11,813,896	-	-	11,036,523	11,813,896
Franchise taxes	2,131,206	1,864,336	-	-	2,131,206	1,864,336
Business license taxes	1,301,224	1,193,814	-	-	1,301,224	1,193,814
Utility users' taxes	9,166,031	8,024,511	-	-	9,166,031	8,024,511
Other taxes	1,173,417	1,133,754	-	-	1,173,417	1,133,754
Motor vehicle in-lieu - unrestricted	72,000	77,111	-	-	72,000	77,111
Use of money and property	3,558,292	83,927	1,055,954	(576,550)	4,614,246	(492,623)
Other	470,103	714,946	-	-	470,103	714,946
Gain on sale of capital asset	17,785	-	1,241	-	19,026	-
Total general revenues	80,750,245	74,750,249	1,057,195	(576,550)	81,807,440	74,173,699
<b>Total revenue</b>	<b>136,624,056</b>	<b>134,373,238</b>	<b>30,368,586</b>	<b>28,533,825</b>	<b>166,992,642</b>	<b>162,907,063</b>
<b>Expenses:</b>						
General government	8,875,247	10,676,673	-	-	8,875,247	10,676,673
Public safety	77,329,726	50,336,195	-	-	77,329,726	50,336,195
Public works	11,459,350	17,327,400	-	-	11,459,350	17,327,400
Cultural and leisure services	11,227,624	11,259,954	-	-	11,227,624	11,259,954
Housing and community development	10,119,877	12,241,640	-	-	10,119,877	12,241,640
Interest on long-term debt	6,046,346	7,161,637	-	-	6,046,346	7,161,637
Harbor Tidelands	-	-	6,414,101	7,593,555	6,414,101	7,593,555
Harbor Uplands	-	-	3,877,153	5,671,184	3,877,153	5,671,184
Wastewater	-	-	4,852,027	2,766,293	4,852,027	2,766,293
Solid Waste	-	-	5,627,344	5,270,585	5,627,344	5,270,585
Transit	-	-	5,819,936	4,437,245	5,819,936	4,437,245
Total expenses	125,058,170	109,003,499	26,590,561	25,738,862	151,648,731	134,742,361
Change in net position before special item and transfers	11,565,886	25,369,739	3,778,025	2,794,963	15,343,911	28,164,702
Transfers	138,511	233,575	(138,511)	(233,575)	-	-
<b>Change in net position</b>	<b>11,704,397</b>	<b>25,603,314</b>	<b>3,639,514</b>	<b>2,561,388</b>	<b>15,343,911</b>	<b>28,164,702</b>
Net position, beginning of year	42,487,176	16,883,862	78,810,208	76,248,820	121,297,384	93,132,682
<b>Net position, end of year</b>	<b>\$ 54,191,573</b>	<b>\$ 42,487,176</b>	<b>\$ 82,449,722</b>	<b>\$ 78,810,208</b>	<b>\$ 136,641,295</b>	<b>\$ 121,297,384</b>

Levels of revenues and expenditures also impact current assets and other liabilities and, therefore, cause changes in net position. As reflected above, total revenues increased in fiscal year 2022-2023 by \$4 million, or 2.5%. Decreases in program revenues are primarily reflected in charges for services. General revenue decreased overall as a result of lower transient occupancy tax revenue.

Citywide total expenses increased \$16.9 million, or 12.5%, when compared to fiscal year 2021-2022. The increase in expenses was primarily related to increased personnel costs with higher CalPERS contributions and fiscal year 2020-2021 work on capital improvement projects.

## Governmental Activities

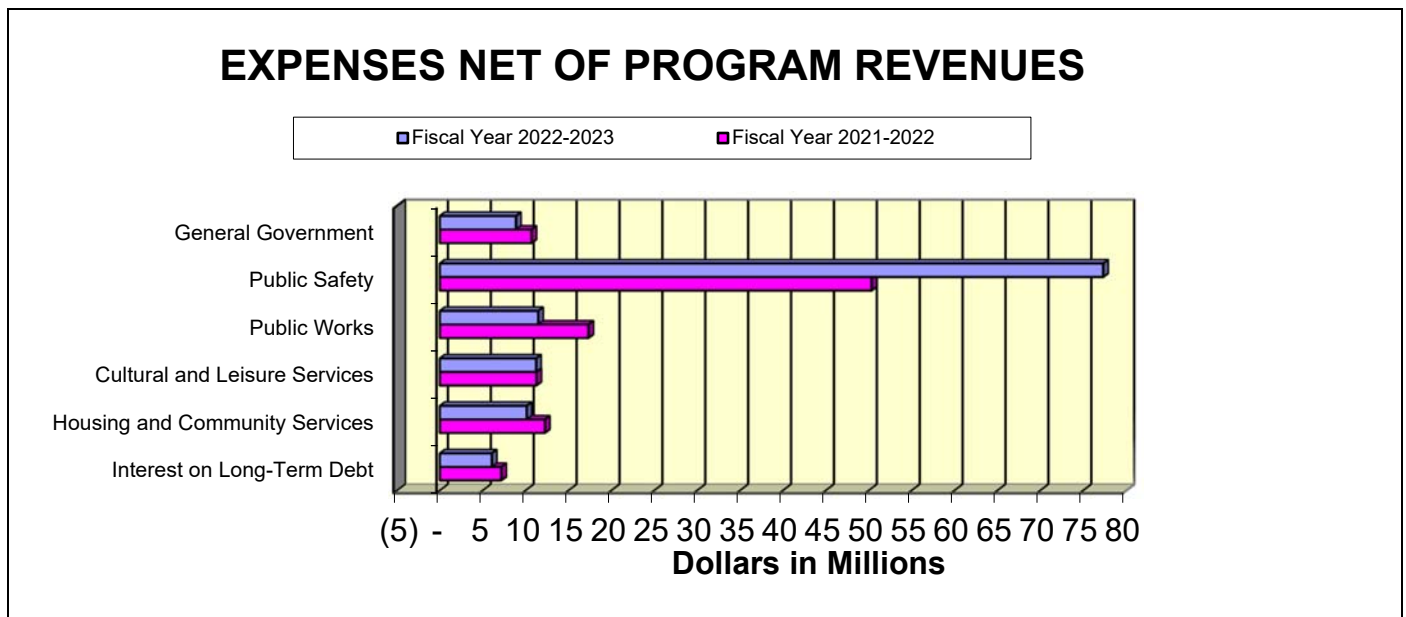
As reflected in the Changes in Net Position schedule above, the total governmental activity expenses were \$125.1 million in fiscal year 2022-2023; and total revenues from governmental activities were \$136.6 million, of which 40% were derived from program revenues primarily consisting of charges for services and grants.

As shown on the following chart, the governmental activity expenses net of program revenues, increased \$16.1 million, or 12.84%, in fiscal year 2022-2023. As with the increase in citywide total expenses, the increase reflects higher expenditures for pension-related items and capital improvement projects.

Governmental Activities	Impact to Net Assets		Percent
	Fiscal Year 2022-2023	Fiscal Year 2021-2022	Increase (Decrease)
<i>Expenses Net of Program Revenues*</i>			
General Government	\$ 8,875,247	\$ 10,676,673	(20.30) %
Public Safety	77,329,726	50,336,195	34.91 %
Public Works	11,459,350	17,327,400	(51.21) %
Cultural and leisure services	11,227,624	11,259,954	(0.29) %
Housing and community services	10,119,877	12,241,640	(20.97) %
Interest on long-term debt	6,046,346	7,161,637	(18.45) %
<i>Total Governmental Activity Expenses Net of Program Revenues</i>	125,058,170	109,003,499	12.84 %

\*Program revenues are derived directly from the program itself or from parties outside the reporting government's taxpayers or citizenry. They reduce the net cost of the function to be financed from the government's general revenues.

The chart below is a graphical representation of the schedule above.

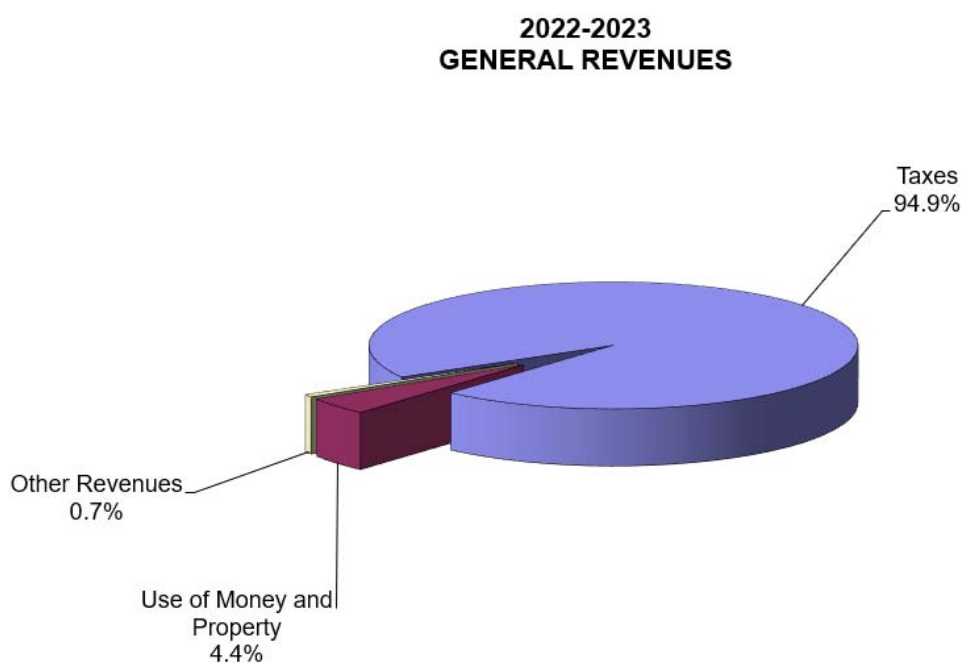




### General Revenues Related to Governmental Activities

<b>General Revenues</b>	<b>2022-2023</b>	<b>2021-2022</b>	<b>Increase / (Decrease)</b>
Taxes	\$ 76,632,065	\$ 73,874,265	3.7%
Use of Money and Property	3,558,292	83,927	4139.7%
Other Revenues	559,888	792,057	-29.3%
Total General Revenues	<u>80,750,245</u>	<u>74,750,249</u>	8.0%

General revenues are all other revenues not attributable to a specific program and, therefore, not categorized as program revenues. These revenues include taxes, use of money and property, and other revenues and increased 8%.





### ***Business-Type Activities***

The city has five business-type activities: Harbor Tidelands, Harbor Uplands, Solid Waste, Wastewater, and Transit. The total net position of the business-type activities increased by \$3.6 million from the prior year.

Harbor Tidelands is used for the operations of small boat harbor facilities available to the general public, including related pier activities. This fund is restricted under the City Tidelands Trust Agreement with the State of California. In fiscal year 2022-2023, the total net position of the Harbor Tidelands increased by \$1.7 million from the prior year.

Harbor Uplands is also used for the operations of small boat harbor facilities available to the general public, including related pier activities. However, the use of these funds is subject only to the decisions of the City Council. In fiscal year 2022-2023, the total net position of Harbor Uplands increases by \$577 thousand from the prior year.

Wastewater is funded by a capital facility charge, more commonly referred to as a sewer user fee. These funds are used to support the City's sewer infrastructure operations and improvements. In fiscal year 2022-2023, the total net position of Wastewater increased \$792 thousand from the prior year.

Solid Waste is the City's comprehensive solid waste program, which includes refuse collection, recycling, and hazardous waste disposal services. The solid waste program is supported through user service fees. In fiscal year FY 2022-2023, the total net position of Solid Waste increased \$542 thousand from the prior year.

Transit operations provide transportation services mainly to the cities of Redondo Beach, Hermosa Beach, and Manhattan Beach. The transit system is supported through bus passes, passenger fares, Transportation Development Act Article 4 funding, and Propositions A and C discretionary funding. In fiscal year 2022-2023, the total net position of Transit decreased \$90 from the prior year.

### **INTERNAL SERVICE FUNDS**

The City has six internal service funds, as well as overhead. The internal service funds are: Vehicle Replacement, Building Occupancy, Information Technology, Self-Insurance Program, Emergency Communications, and Major Facilities Repair. These funds are used to account for interdepartmental operations where service providers (e.g., fleet, IT, building maintenance) recoup costs by charging user departments.

### **FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Please note that unlike the Government-Wide financial statements displayed previously, the fund financial statements which follow are not reflected on a full accrual basis. Therefore, amounts reflected in the fund financial statements versus the Government-Wide statements may differ due to this change in accounting methodology.

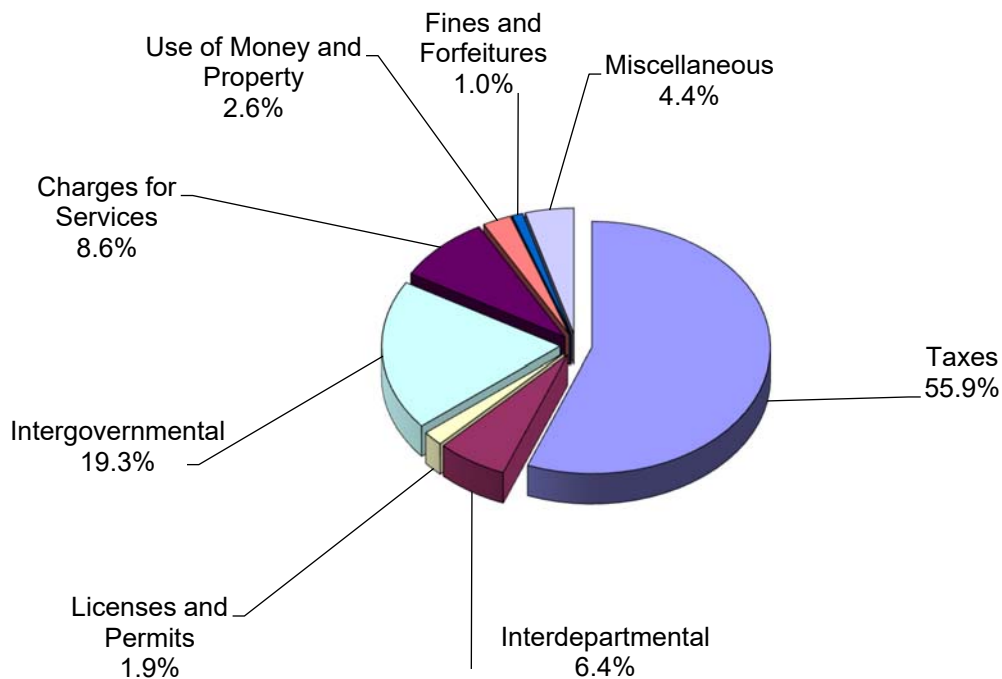
## Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financial requirements. In particular, unrestricted fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Governmental Funds - The following schedule is a summary of governmental fund revenues for fiscal year ended June 30, 2023, and includes Major and Non-Major Funds. It reflects the amount and percent of increase or decrease of each source of revenue compared to the prior year.

Source of Revenue	FY 22-23 Amount	Percent of Total	FY 21-22 Amount	Increase (Decrease) Over Prior Year	Percent / Increase (Decrease) Percent
Taxes	\$ 76,632,065	55.9%	\$ 73,874,265	\$ 2,757,800	3.73 %
Interdepartmental	8,745,517	6.4%	10,034,053	(1,288,536)	(12.84) %
Licenses and Permits	2,607,527	1.9%	1,731,396	876,131	50.60 %
Intergovernmental	26,443,713	19.3%	29,628,555	(3,184,842)	(10.75) %
Charges for Services	11,805,303	8.6%	10,895,140	910,163	8.35 %
Use of Money and Property	3,558,292	2.6%	83,927	3,474,365	4,139.75 %
Fines and Forfeitures	1,347,895	1.0%	1,247,572	100,323	8.04 %
Miscellaneous	6,049,378	4.4%	3,727,529	2,321,849	62.29 %
Total	\$ 137,189,690	100.0%	\$ 131,222,437	\$ 5,967,253	4.55 %

## Governmental Funds Source of Revenue Fiscal Year 2022-2023

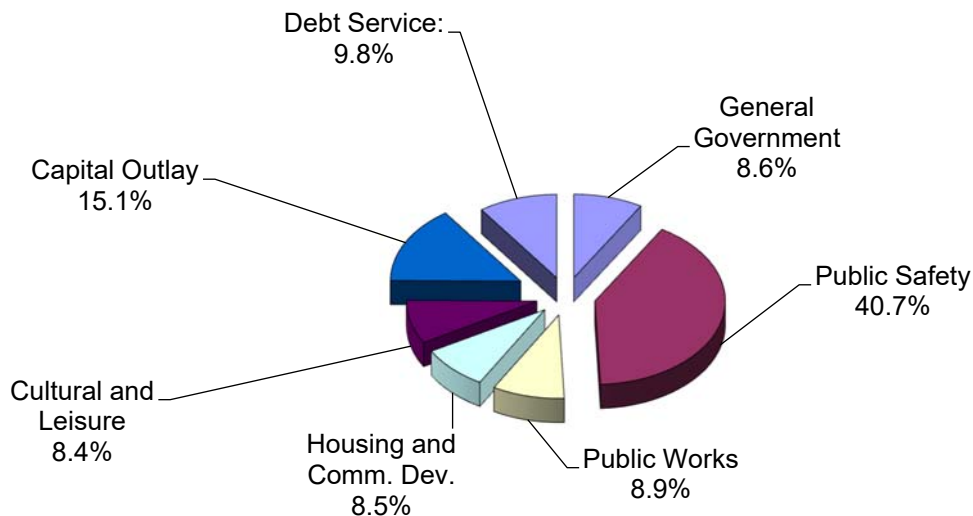


Total governmental fund revenues increased \$5.9 million, or 4.5%, from fiscal year 2021-2022. Taxes increased \$2.7 million, or 3.7%, primarily from secured and unsecured property tax consistent with expected growth projections. Interdepartmental revenue decreased \$1.3 million, or (12.8) %, with higher funding from sources recorded in the Intergovernmental Grants Fund for various capital improvement projects and bus purchases.

The following schedule is a summary of governmental fund expenditures by function for fiscal year ended June 30, 2023, and includes both Major and Non-Major Funds. It reflects the amount and percent of increase or decrease for each functional category of expenditures compared to the prior year.

<b>Expenditures</b>	<b>FY 22-23 Amount</b>	<b>Percent of Total</b>	<b>FY 21-22 Amount</b>	<b>Increase (Decrease) From Prior Year</b>	<b>Percent Increase (Decrease)</b>
Current:					
General Government	\$ 11,874,752	8.6%	\$ 24,894,820	\$ (13,020,068)	-52.3%
Public Safety	56,313,610	40.7%	209,643,074	(153,329,464)	-73.1%
Public Works	12,372,547	8.9%	23,081,641	(10,709,094)	-46.4%
Housing and Comm. Dev.	11,686,810	8.5%	16,644,042	(4,957,232)	-29.8%
Cultural and Leisure	11,603,710	8.4%	15,492,140	(3,888,430)	-25.1%
Total Current Expenditures	103,851,429	75.1%	289,755,717	(185,904,288)	-64.2%
Capital Outlay	20,838,116	15.1%	14,567,037	6,271,079	43.0%
Debt Service:	13,556,851	9.8%	6,859,846	6,697,005	97.6%
Total	\$ 138,246,396	100.0%	\$ 311,182,600	\$ (172,936,204)	-55.6%

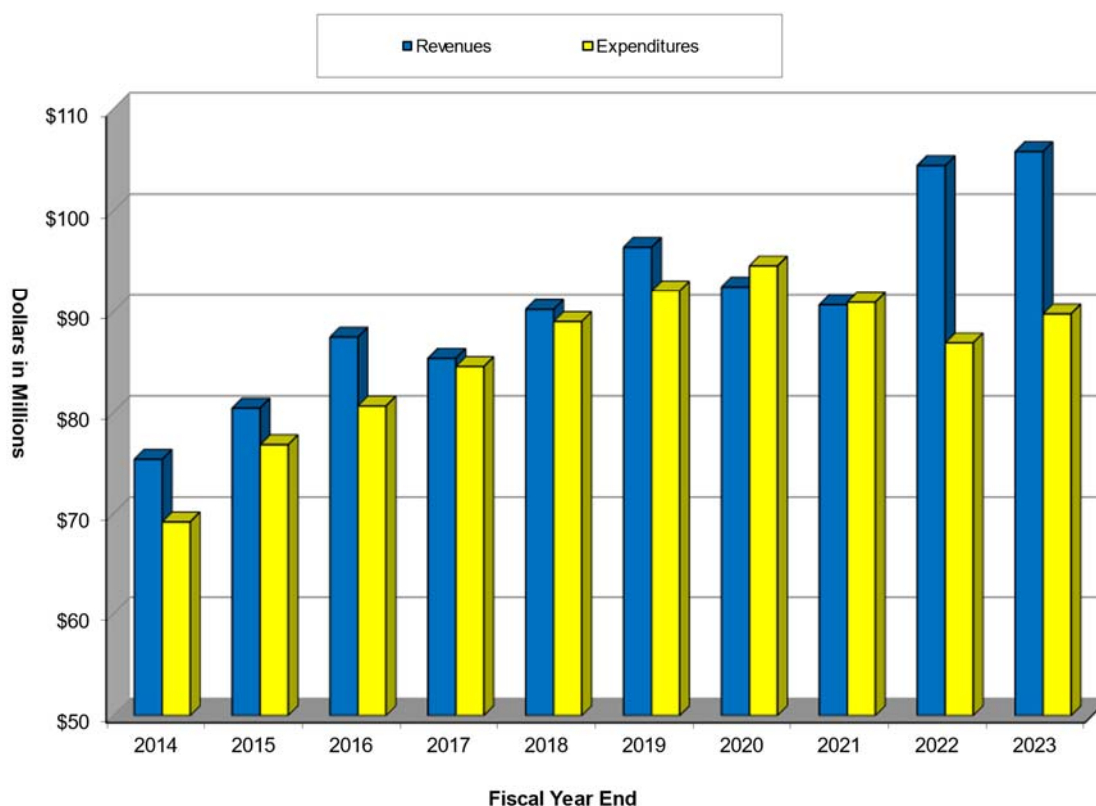
### Governmental Funds Expenditures by Category Fiscal Year 2022-2023



Total governmental fund expenditures decreased \$173 million, or 56%, from fiscal year 2021-2022. As mentioned earlier, the variances are attributable to:

- Current expenditures decreased by \$186 million, or 64.2%, with lower personnel costs from lower CalPERS contributions.
- Capital outlay expenditures increased by \$6.3 million, or 43%, reflecting the fluctuating nature of capital improvement project expenses.
- Debt service expenditures increased by \$6.7 million or 97.6% in accordance with the debt payment schedules, including the first year of payments on the 2021A Lease Revenue Refunding Bonds.

Although there are three major funds in the City of Redondo Beach (the General Fund, the Other Intergovernmental Grants Fund, and the Low-Mod Income Housing Fund), the following discussions focus on the General Fund, which is the major operating fund of the City.



General Fund expenditures had exceeded revenues during fiscal years 2020-2021 and 2021-2022 which were fiscal years most impacted by the COVID-19 pandemic. When compared to the previous year, fiscal year 2023 revenues increased by \$1.4 million, or 1.3%, while expenditures decreased \$2.9 million, or 3.3%.

### **General Fund Balance**

The fund balance of the General Fund as of June 30, 2023 was \$33.2 million, an increase of \$3.8 million or 13%, when compared to the prior year. The City Council approved the constraints of the General Fund balance reflected below.

	FY 2019-2020	FY 2020-2021	FY 2021-2022	FY 2022-2023
General Fund Contingency	\$ 7,585,231	\$ 7,241,252	\$ 8,599,208	\$ 8,599,208
Compensated Absences	770,942	756,422	785,832	785,832
Carryover Assignments	502,930	289,290	1,845,807	4,732,775
Capital Projects	-	1,000,000	-	-
Encumbrances	1,292,166	981,809	1,270,389	2,029,853
Petty Cash	10,800	12,800	12,800	12,800
CalPERS	6,572,307	5,105,721	7,975,721	7,975,721
Future Year's Appropriations	-	762,577	8,531,279	8,691,279
Unassigned Balance	704,067	2,039,523	276,536	190,951

As part of year-end activities, the City Council reviews the General Fund balance and determines how the City should commit/assign the unrestricted portion. As illustrated above, Council constraints of General Fund balance over the past several years reflect the City's Strategic Plan. Aside from policy-designated amounts (i.e., General Fund Contingency and Compensated Absences), much of the money is committed or assigned to accomplish strategic goals.

### **Other Intergovernmental Grants Fund Balance**

The fund balance of the Other Intergovernmental Grants Fund as of June 30, 2023 was \$(6.1) million, a decrease to the negative fund balance of \$805 thousand, when compared to the prior year. Revenues and expenditures of the fund, where monies from Federal, State and other governmental agencies are used primarily for capital improvement projects, tend to fluctuate from year to year depending on resources received from other governmental agencies.

### **Low-Mod Income Housing Fund Balance**

The fund balance of the Low-Mod Income Housing Fund as of June 30, 2023 was \$3.4 million, a decrease of \$344 thousand, when compared to the prior year. Housing assets transferred from the dissolved Redevelopment Agency and funds generated from those assets are used to assist with housing needs for low- and moderate- income individuals.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

The final amended fiscal year 2022-2023 budget totaled \$108.6 million, including net amendments to the originally adopted budget and excluding transfers out of \$4.1 million. The City Council adopts budget adjustments during the year to reflect both changed priorities and consideration of events that took place subsequent to the budget adoption. The amendments can be briefly summarized as follows:

- Funding of prior-year encumbrances of \$1,270,389
- Funding of carry-over appropriations of \$1,845,807.
- Increased mid-year appropriations by \$861,121.

Budget amendments were funded from/credited to available fund balance. During the year, however, revenues exceeded budgetary estimates by approximately \$3.6 million and expenditures were \$8.6 million less than budgetary estimates, primarily due to contractual services that were not completed by year-end and 2021A bond principal and interest payments budgeted in Department operating budgets, but charged to transfers out.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

### ***Capital Assets***

Capital assets of the city, including infrastructure assets are those assets used in the performance of the City's functions. At June 30, 2023, net capital assets of the governmental and business-type activities totaled \$191.2 million and \$73.8 million, respectively. Depreciation on capital assets is recognized in the Government-Wide financial statements.

The city has elected to use the "Modified Approach" as defined by GASB 34 for infrastructure reporting for its paving system (streets). Under GASB 34, eligible infrastructure capital assets are not required to be depreciated as long as:

- The City manages the eligible infrastructure capital assets using an asset management system with characteristics of: 1) an up-to-date inventory, 2) condition assessments which summarize the results using a measurement scale, and 3) estimated annual amounts budgeted to maintain and preserve an established condition assessment level.
- The City documents the eligible infrastructure capital assets being preserved approximately at the established and disclosed condition assessment level.

Prior to fiscal year 2008-2009, the City's PQI rating, an amalgam of the PCR and the International Roughness Index (IRI) established by the World Bank, was based on a 10.0 scale. In fiscal year 2008-2009, the PQI rating was converted to a 100-point scale to make it comparable to alternative pavement rating methods. In fiscal year 2017-2018, the city moved to the PCI rating, an alternate paving rating method, which is most frequently used by adjacent cities for an easier comparison. In line with the Capital Improvement Program and as presented to the City Council on January 16, 2018, City policy is to achieve an average PCI rating of 75 for all streets beginning in fiscal year 2028. This rating allows minor cracking and raveling of the pavement along with minor roughness that could be noticeable to drivers traveling at posted speeds. As of June 30, 2023, the City's Street system was rated at a PCI of 68.

The City's budget for street maintenance for the fiscal year ended June 30, 2023 was \$40.3 million. Actual expenditures were \$14.5 million, with the remaining budget carried forward as continuing appropriations. The city is judiciously investing in this infrastructure asset as part of the five-year Capital Improvement Program and will continue to rehabilitate and maintain its streets in order to achieve this goal. The estimated expenditures required to maintain and improve the overall condition of the streets from July 1, 2022 through June 30, 2023 is a minimum of \$4.6 million.

More information on the modified approach for City streets infrastructure capital assets is behind the tab section titled Required Supplementary Information.

	Original Cost	Accumulated Depreciation	Book Value
<b>Capital Assets - Governmental Activities</b>			
Land	\$ 16,522,947	\$ -	\$ 16,522,947
Construction in Progress	42,314,513	-	42,314,513
Infrastructure - Street	54,054,036	-	54,054,036
Building and Improvements	58,523,343	(29,849,247)	28,674,096
Furniture and Equipment	13,730,204	(10,230,226)	3,499,978
Automotive Equipment	19,603,617	(15,170,169)	4,433,448
Right-to-use buildings	2,245,558	(528,367)	1,717,191
Right-to-use subscriptions	1,422,465	(245,987)	1,176,478
Infrastructure - other than Street	102,696,119	(62,709,906)	39,986,213
<b>Total</b>	<b>\$ 311,112,802</b>	<b>\$ (118,733,902)</b>	<b>\$ 192,378,900</b>

<b>Capital Assets - Business-Type Activities</b>			
Land	\$ 20,323,255	-	\$ 20,323,255
Construction in Progress	10,289,560	-	10,289,560
Building and Improvements	45,184,647	(22,589,622)	22,595,025
Furniture and Equipment	1,094,505	(989,771)	104,734
Automotive Equipment	3,698,852	(2,277,921)	1,420,931
Infrastructure	33,634,671	(14,611,720)	19,022,951
<b>Total</b>	<b>\$ 114,225,490</b>	<b>\$ (40,469,034)</b>	<b>\$ 73,756,456</b>

For more information on the City's capital assets, refer to Note 8 of the Notes to Financial Statements.

## DEBT ADMINISTRATION

Debt service funds are used to account for the accumulation of resources for payment of interest and principal on bonds issued by the City. The ratio of net bonded debt to assessed valuation and the amount of bonded debt per capita for the fiscal year 2022-2023 are provided below. These indicators provide important information for management and concerned citizens, as well as potential investors.

	Amount	Ratio of Debt to Assessed Value of Property	Debt per Capita
Net Direct Bonded Debt	\$20,512,490,095	1.19%	\$ 3,575.73

Bonds issued by the Community Financing Authority (CFA), a component unit of the City, were issued to finance various improvements to, and to remedy a variety of deficiencies in the facilities of the Wastewater Enterprise. In FY 2018-2019, the CFA issued bonds to refund various leaseback contingencies and finance the purchase of a sublease between the City and Redondo Fisherman's Cove Company. The city has no general obligation bond indebtedness.

For a complete listing of the City's long-term debt obligations, refer to Note 10 of the Notes to Financial Statements.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

In considering Fiscal Year 2023-2024, the local economy will be impacted by high interest rates and economic uncertainty, with key revenue sources showing slower revenues following exceptionally strong returns in FY 2022-23.

- Only impacted by possible payment delinquencies, property tax revenue for fiscal year 2023-2024 is projected at \$33.4 million, reflecting an incremental improvement in property values as assessed in calendar year 2022. Redondo Beach's housing market has remained fairly stable due to its coastal location. Property tax revenue is the City's primary source of operating revenue.
- Sales and Use Tax revenue is projected to increase by about \$115,000, or 1.0%, to \$11.5 million, reflecting a small increase over a revised FY 2022-23 projection that reflected data from midyear FY 2022-23 indicating a projected sales tax recovery that was slower than projected following the pandemic. Even at the moderated pace, revenue is well ahead of the City's pre-pandemic (FY 2018-19) revenue of approximately \$10.6 million.
- Utility Users' Tax (UUT) revenue is projected to decrease by about \$140,000 or 2% to \$8.5 million. This slight decrease reflects more moderate estimates following exceptionally strong FY 2022-23 receipts. The estimate is based upon analysis of the projected performance from each of the categorical components of the City's UUT tax base, including electricity, natural gas, telecommunications, water, and cable television. UUT revenue provides support for essential City operational services.
- Transient Occupancy Tax (TOT) revenue is projected to increase by \$0.6 million, or 12.5% over prior year receipts to \$6.8 million which is still below pre-pandemic levels of approximately \$9,000,000. In addition to the anticipated slow recovery in tourism, nearly all of the TOT revenue for the Marine Avenue hotels will be returned to replenish the reserve account that has been used during the pandemic.

General Fund appropriations for fiscal year 2023-2024 are projected at \$106.8 million, excluding transfers; or \$110.6 million, including \$3.8 million in transfers out. Personnel costs in the General Fund decreased by \$1.8 million, or 3.3%, reflecting adjustments to budgeting methodology. The FY 2023-24 proposed personnel amounts also reflect restoration of previously deauthorized positions.

During fiscal year 2022-2023, Redondo Beach experienced a 6.5% change in real property assessed valuations, compared to the 2021-2022 increase of 3.3%. Additionally, for the 2022-23 fiscal year, the actual value increase was due to the transfers of ownership which continues to be expected. Finally, The California Consumer Price Index (the "CCPI") for 2022-23 that has been approved by the State is 2.0% which will have impact to the annual adjustment and are directly correlated to economic recovery.

Transient occupancy tax FY 2022-23 actual receipts saw a 13.9% revenue increase over FY 2021-22, and actual sales tax receipts saw an 6.6% decrease while falling from ranking 42 out of 62 in total taxable retail sales out of 88 cities in Los Angeles County. The unemployment rate for Redondo Beach in 2023 fell to 3.3% from 6.5% in 2022 and a pandemic-high peak of 9.4% in 2020. This is below the Los Angeles County and the State of California 2022 unemployment rates of 4.2% and 4.1%, respectively.

## **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

The financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact the Financial Services Department at 415 Diamond Street, Redondo Beach California 90277, phone 310-697-3138, or e-mail [FinanceMail@redondo.org](mailto:FinanceMail@redondo.org).





**THIS PAGE INTENTIONALLY LEFT BLANK**

## **BASIC FINANCIAL STATEMENTS**

**THIS PAGE INTENTIONALLY LEFT BLANK**

## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**THIS PAGE INTENTIONALLY LEFT BLANK**

**CITY OF REDONDO BEACH**  
**Statement of Net Position**  
**June 30, 2023**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets:</b>			
Cash and investments	\$ 96,832,814	\$ 33,208,159	\$ 130,040,973
Receivables:			
Accounts	2,879,572	1,325,097	4,204,669
Taxes	5,834,434	182,197	6,016,631
Accrued interest	473,279	254,293	727,572
Notes and loans	2,842,962	-	2,842,962
Leases	5,221,162	69,023,358	74,244,520
Internal balances	1,175,456	(1,175,456)	-
Prepaid costs	160,070	-	160,070
Due from other governments	14,469,092	1,498,449	15,967,541
Advances to Successor Agency	535,731	-	535,731
Restricted assets:			
Cash with fiscal agent	1,303,816	399	1,304,215
Capital assets not being depreciated	112,891,496	30,612,815	143,504,311
Capital assets, net of depreciation	79,487,404	43,143,641	122,631,045
<b>Total Assets</b>	<b>324,107,288</b>	<b>178,072,952</b>	<b>502,180,240</b>
<b>Deferred Outflows of Resources:</b>			
Deferred charge on refunding	-	282,785	282,785
Deferred pension related items	51,137,663	6,036,045	57,173,708
Deferred OPEB related items	3,512,607	422,083	3,934,690
<b>Total Deferred Outflows of Resources</b>	<b>54,650,270</b>	<b>6,740,913</b>	<b>61,391,183</b>
<b>Liabilities:</b>			
Accounts payable	8,788,877	4,901,568	13,690,445
Accrued liabilities	3,439,472	-	3,439,472
Accrued interest	832,289	75,310	907,599
Unearned revenue	486,201	43,712	529,913
Deposits payable	5,103,378	241,117	5,344,495
Pollution remediation liability	150,000	-	150,000
Compensated absences due in one year	947,382	137,234	1,084,616
Claims payable due in one year	748,564	-	748,564
Long-term obligations due in one year	8,109,312	967,480	9,076,792
Noncurrent liabilities:			
Compensated absences due in more than one year	2,842,145	411,690	3,253,835
Claims payable due in more than one year	20,172,822	-	20,172,822
Long-term obligations due in more than one year	220,463,048	22,182,420	242,645,468
Net pension liability	27,806,069	2,991,244	30,797,313
Net OPEB liability	11,595,633	1,393,354	12,988,987
<b>Total Liabilities</b>	<b>311,485,192</b>	<b>33,345,129</b>	<b>344,830,321</b>
<b>Deferred Inflows of Resources:</b>			
Deferred pension related items	3,663,675	567,024	4,230,699
Deferred OPEB related items	4,260,579	511,958	4,772,537
Deferred leases related items	5,156,539	67,940,032	73,096,571
<b>Total Deferred Inflows of Resources</b>	<b>13,080,793</b>	<b>69,019,014</b>	<b>82,099,807</b>
<b>Net Position:</b>			
Net investment in capital assets	189,024,081	66,054,613	255,078,694
Restricted for:			
Housing and community development	12,406,540	-	12,406,540
Public safety	495,635	-	495,635
Public works	5,906,803	-	5,906,803
Debt service	5,375,387	-	5,375,387
Low and moderate income housing	4,854,515	-	4,854,515
Unrestricted	(163,871,388)	16,395,109	(147,476,279)
<b>Total Net Position</b>	<b>\$ 54,191,573</b>	<b>\$ 82,449,722</b>	<b>\$ 136,641,295</b>

CITY OF REDONDO BEACH  
Statement of Activities  
Year Ended June 30, 2023

		Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
	Expenses			
<b>Functions/Programs</b>				
<b>Primary Government:</b>				
Governmental Activities:				
General government	\$ 8,875,247	\$ 11,449,964	\$ 7,563	\$ -
Public safety	77,329,726	5,214,506	3,897,642	-
Housing and community development	10,119,877	5,923,067	812,381	-
Cultural and leisure services	11,227,624	10,742,331	7,913,452	1,277,561
Public works	11,459,350	2,953,076	3,870,924	1,811,344
Interest on long-term debt and fiscal charges	6,046,346	-	-	-
<b>Total Governmental Activities</b>	<b>125,058,170</b>	<b>36,282,944</b>	<b>16,501,962</b>	<b>3,088,905</b>
Business-Type Activities:				
Harbor Tidelands	6,414,101	7,624,821	20,000	-
Harbor Uplands	3,877,153	5,754,907	-	-
Wastewater	4,852,027	5,433,482	-	-
Solid Waste	5,627,344	6,141,657	28,234	-
Transit	5,819,936	165,196	4,143,094	-
<b>Total Business-Type Activities</b>	<b>26,590,561</b>	<b>25,120,063</b>	<b>4,191,328</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 151,648,731</b>	<b>\$ 61,403,007</b>	<b>\$ 20,693,290</b>	<b>\$ 3,088,905</b>

**General Revenues:**

Taxes:

Property taxes, levied for general purpose  
 Transient occupancy taxes  
 Sales taxes  
 Franchise taxes  
 Business licenses taxes  
 Utility users tax  
 Other taxes  
 Motor vehicle in lieu - unrestricted  
 Use of money and property  
 Other  
 Gain on sale of capital asset

**Transfers**

**Total General Revenues and Transfers**

Change in Net Position

Net Position at Beginning of Year

**Net Position at End of Year**



Net (Expenses) Revenues and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ 2,582,280	\$ -	\$ 2,582,280
(68,217,578)	-	(68,217,578)
(3,384,429)	-	(3,384,429)
8,705,720	-	8,705,720
(2,824,006)	-	(2,824,006)
(6,046,346)	-	(6,046,346)
<b>(69,184,359)</b>	<b>-</b>	<b>(69,184,359)</b>
-	1,230,720	1,230,720
-	1,877,754	1,877,754
-	581,455	581,455
-	542,547	542,547
-	(1,511,646)	(1,511,646)
-	<b>2,720,830</b>	<b>2,720,830</b>
<b>(69,184,359)</b>	<b>2,720,830</b>	<b>(66,463,529)</b>
45,649,338	-	45,649,338
6,174,326	-	6,174,326
11,036,523	-	11,036,523
2,131,206	-	2,131,206
1,301,224	-	1,301,224
9,166,031	-	9,166,031
1,173,417	-	1,173,417
72,000	-	72,000
3,558,292	1,055,954	4,614,246
470,103	-	470,103
17,785	1,241	19,026
138,511	(138,511)	-
<b>80,888,756</b>	<b>918,684</b>	<b>81,807,440</b>
11,704,397	3,639,514	15,343,911
42,487,176	78,810,208	121,297,384
<b>\$ 54,191,573</b>	<b>\$ 82,449,722</b>	<b>\$ 136,641,295</b>

**THIS PAGE INTENTIONALLY LEFT BLANK**

## **FUND FINANCIAL STATEMENTS**

*Governmental Fund Financial Statements*

*Proprietary Fund Financial Statements*

*Fiduciary Fund Financial Statements*

## CITY OF REDONDO BEACH

## Balance Sheet

## Governmental Funds

June 30, 2023

		Special Revenue Funds	
	General	Other Intergovernmental Grants	Low-Mod Income Housing
<b>Assets:</b>			
Pooled cash and investments	\$ 24,931,434	\$ 16,911	\$ 1,491,790
Receivables:			
Accounts	2,257,139	429,000	-
Taxes	5,378,629	-	-
Accrued interest	415,855	-	-
Notes and loans	21,839	-	2,494,896
Leases	3,933,367	-	-
Prepaid costs	148,160	-	-
Due from other governments	1,622,672	7,429,039	-
Due from other funds	8,103,574	-	-
Advances to Successor Agency	-	-	535,731
Restricted assets:			
Cash and investments with fiscal agents	1,246,492	-	-
<b>Total Assets</b>	<b>\$ 48,059,161</b>	<b>\$ 7,874,950</b>	<b>\$ 4,522,417</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 2,077,857	\$ 1,590,188	\$ 52,498
Accrued liabilities	3,439,472	-	-
Unearned revenues	153,601	332,600	-
Deposits payable	5,103,378	-	-
Due to other funds	-	5,739,212	582,213
Pollution remediation liability	150,000	-	-
<b>Total Liabilities</b>	<b>10,924,308</b>	<b>7,662,000</b>	<b>634,711</b>
<b>Deferred Inflows of Resources:</b>			
Unavailable revenues	59,493	6,266,304	389,992
Deferred leases related items	3,886,942	-	-
<b>Total Deferred Inflows of Resources</b>	<b>3,946,435</b>	<b>6,266,304</b>	<b>389,992</b>
<b>Fund Balances:</b>			
<b>Nonspendable:</b>			
Prepaid costs	148,160	-	-
Notes and loans	21,839	-	-
<b>Restricted for:</b>			
Housing and community development	-	-	-
Public safety	-	-	-
Public works	-	-	-
Debt service	-	-	-
Low and moderate income housing	-	-	3,497,714
<b>Committed to:</b>			
Contingency	8,599,208	-	-
<b>Assigned to:</b>			
Capital projects	-	-	-
Compensated absences	785,832	-	-
Future pension payments	7,975,721	-	-
Continuing operations	15,466,707	-	-
<b>Unassigned</b>	<b>190,951</b>	<b>(6,053,354)</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>33,188,418</b>	<b>(6,053,354)</b>	<b>3,497,714</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 48,059,161</b>	<b>\$ 7,874,950</b>	<b>\$ 4,522,417</b>

## CITY OF REDONDO BEACH

## Balance Sheet

## Governmental Funds

June 30, 2023

	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>		
Pooled cash and investments	\$ 34,544,676	\$ 60,984,811
Receivables:		
Accounts	130,167	2,816,306
Taxes	455,805	5,834,434
Accrued interest	57,424	473,279
Notes and loans	326,227	2,842,962
Leases	1,287,795	5,221,162
Prepaid costs	-	148,160
Due from other governments	5,417,381	14,469,092
Due from other funds	4,411,513	12,515,087
Advances to Successor Agency	-	535,731
Restricted assets:		
Cash and investments with fiscal agents	57,324	1,303,816
<b>Total Assets</b>	<b>\$ 46,688,312</b>	<b>\$ 107,144,840</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>		
<b>Liabilities:</b>		
Accounts payable	\$ 1,388,367	\$ 5,108,910
Accrued liabilities	-	3,439,472
Unearned revenues	-	486,201
Deposits payable	-	5,103,378
Due to other funds	5,018,206	11,339,631
Pollution remediation liability	-	150,000
<b>Total Liabilities</b>	<b>6,406,573</b>	<b>25,627,592</b>
<b>Deferred Inflows of Resources:</b>		
Unavailable revenues	538,428	7,254,217
Deferred leases related items	1,269,597	5,156,539
<b>Total Deferred Inflows of Resources</b>	<b>1,808,025</b>	<b>12,410,756</b>
<b>Fund Balances:</b>		
<b>Nonspendable:</b>		
Prepaid costs	-	148,160
Notes and loans	-	21,839
<b>Restricted for:</b>		
Housing and community development	12,406,540	12,406,540
Public safety	495,635	495,635
Public works	5,906,803	5,906,803
Debt service	5,375,387	5,375,387
Low and moderate income housing	1,356,801	4,854,515
<b>Committed to:</b>		
Contingency	-	8,599,208
<b>Assigned to:</b>		
Capital projects	12,960,508	12,960,508
Compensated absences	-	785,832
Future pension payments	-	7,975,721
Continuing operations	-	15,466,707
<b>Unassigned</b>	<b>(27,960)</b>	<b>(5,890,363)</b>
<b>Total Fund Balances</b>	<b>38,473,714</b>	<b>69,106,492</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 46,688,312</b>	<b>\$ 107,144,840</b>

**THIS PAGE INTENTIONALLY LEFT BLANK**

**CITY OF REDONDO BEACH**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Position**  
**June 30, 2023**

---

Fund balances of governmental funds \$ 69,106,492

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets net of depreciation have not been included as financial resources in governmental fund activity. 183,120,502

Long-term debt and compensated absences that have not been included in the governmental fund activity:

Bonds payable	\$ (215,882,891)	
Leases and subscriptions	(2,512,149)	
Net OPEB liability	(10,930,304)	
Net pension liability	(26,673,713)	
Compensated absences	<u>(3,486,700)</u>	(259,485,757)

Accrued interest payable for the current portion of interest due on Bonds has not been reported in the governmental funds. (787,465)

Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity. 7,254,217

Deferred outflows and inflows of resources in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:

Deferred outflows of resources - pension related items	48,667,633	
Deferred inflows of resources - pension related items	(3,389,210)	
Deferred outflows of resources - OPEB related items	3,311,061	
Deferred inflows of resources - OPEB related items	<u>(4,016,118)</u>	

Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position. 10,410,218

**Net Position of Governmental Activities \$ 54,191,573**

**CITY OF REDONDO BEACH**  
**Statement of Revenues,**  
**Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**Year Ended June 30, 2023**

		Special Revenue Funds	
	General	Other Intergovernmental Grants	Low-Mod Income Housing
<b>Revenues:</b>			
Taxes	\$ 76,446,608	\$ -	\$ -
Interdepartmental	8,745,517	-	-
Licenses and permits	2,607,527	-	-
Intergovernmental	331,107	8,149,118	-
Charges for services	9,924,671	-	-
Use of money and property	2,535,421	-	41,781
Fines and forfeitures	1,341,895	-	-
Miscellaneous	3,917,756	-	-
<b>Total Revenues</b>	<b>105,850,502</b>	<b>8,149,118</b>	<b>41,781</b>
<b>Expenditures:</b>			
Current:			
General government	11,433,726	437,769	-
Public safety	55,465,035	672,852	-
Housing and community development	3,425,042	67,402	106,722
Cultural and leisure services	11,054,870	268,712	279,000
Public works	7,515,994	86,759	-
Capital outlay	469,495	6,178,217	-
Debt service:			
Principal retirement	379,343	67,743	-
Interest and fiscal charges	10,452	10,968	-
<b>Total Expenditures</b>	<b>89,753,957</b>	<b>7,790,422</b>	<b>385,722</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	16,096,545	358,696	(343,941)
<b>Other Financing Sources (Uses):</b>			
Transfers in	1,650,733	-	-
Transfers out	(14,343,215)	-	-
Subscription financing	415,357	446,705	-
<b>Total Other Financing Sources (Uses):</b>	<b>(12,277,125)</b>	<b>446,705</b>	<b>-</b>
Net Change in Fund Balances	3,819,420	805,401	(343,941)
Fund Balances, Beginning of Year	29,368,998	(6,858,755)	3,841,655
<b>Fund Balances, End of Year</b>	<b>\$ 33,188,418</b>	<b>\$ (6,053,354)</b>	<b>\$ 3,497,714</b>



**CITY OF REDONDO BEACH**  
**Statement of Revenues,**  
**Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**Year Ended June 30, 2023**

	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues:</b>		
Taxes	\$ 185,457	\$ 76,632,065
Interdepartmental	-	8,745,517
Licenses and permits	-	2,607,527
Intergovernmental	17,963,488	26,443,713
Charges for services	1,880,632	11,805,303
Use of money and property	981,090	3,558,292
Fines and forfeitures	6,000	1,347,895
Miscellaneous	2,131,622	6,049,378
<b>Total Revenues</b>	<b>23,148,289</b>	<b>137,189,690</b>
<b>Expenditures:</b>		
Current:		
General government	3,257	11,874,752
Public safety	175,723	56,313,610
Housing and community development	8,087,644	11,686,810
Cultural and leisure services	1,128	11,603,710
Public works	4,769,794	12,372,547
Capital outlay	14,190,404	20,838,116
Debt service:		
Principal retirement	7,172,018	7,619,104
Interest and fiscal charges	5,916,327	5,937,747
<b>Total Expenditures</b>	<b>40,316,295</b>	<b>138,246,396</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(17,168,006)	(1,056,706)
<b>Other Financing Sources (Uses):</b>		
Transfers in	14,361,809	16,012,542
Transfers out	(1,510,726)	(15,853,941)
Subscription financing	118,410	980,472
<b>Total Other Financing Sources (Uses):</b>	<b>12,969,493</b>	<b>1,139,073</b>
Net Change in Fund Balances	(4,198,513)	82,367
Fund Balances, Beginning of Year	42,672,227	69,024,125
<b>Fund Balances, End of Year</b>	<b>\$ 38,473,714</b>	<b>\$ 69,106,492</b>

**THIS PAGE INTENTIONALLY LEFT BLANK**

**CITY OF REDONDO BEACH**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**Year Ended June 30, 2023**

---

Net change in fund balances - total governmental funds \$ 82,367

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay	\$ 22,231,590	
Depreciation	<u>(4,421,043)</u>	17,810,547

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal repayments	7,148,148	
Leases and subscriptions principal repayments	470,956	
Subscriptions financing	(980,472)	
Amortization of bond premiums/discounts	<u>(25,732)</u>	6,612,901

Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period. 178,863

Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. 19,007

Governmental funds report all contributions in relation to the annual required contribution for pensions as expenditures, however, in the Statement of Activities, pension expense is actually determined and certain pension related adjustments are deferred to future periods. (13,507,188)

Governmental funds report all contributions in relation to the annual required contribution for OPEB as expenditures, however, in the Statement of Activities, OPEB expense is actually determined and certain pension related adjustments are deferred to future periods. 891,428

Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity. (583,419)

Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The net revenues (expenses) of the internal service funds is reported with governmental activities. 199,891

**Change in Net Position of Governmental Activities \$ 11,704,397**

**CITY OF REDONDO BEACH**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2023**

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>Harbor Tidelands</b>	<b>Harbor Uplands</b>	<b>Wastewater</b>
<b>Assets:</b>			
Current:			
Cash and investments	\$ 10,043,321	\$ 1,795,542	\$ 19,043,970
Receivables:			
Accounts	625,024	354,050	21,048
Taxes	-	-	82,563
Accrued interest	115,580	41,648	97,065
Leases	45,196,992	23,826,366	-
Prepaid costs	-	-	-
Due from other governments	20,000	-	-
Due from other funds	292,173	-	-
Restricted:			
Cash with fiscal agent	-	-	399
<b>Total Current Assets</b>	<b>56,293,090</b>	<b>26,017,606</b>	<b>19,245,045</b>
Noncurrent:			
Capital assets - net of accumulated depreciation	24,733,629	23,638,213	23,959,001
<b>Total Noncurrent Assets</b>	<b>24,733,629</b>	<b>23,638,213</b>	<b>23,959,001</b>
<b>Total Assets</b>	<b>81,026,719</b>	<b>49,655,819</b>	<b>43,204,046</b>
<b>Deferred Outflows of Resources:</b>			
Deferred charge on refunding	-	-	282,785
Deferred pension related items	2,882,095	1,347,600	957,127
Deferred OPEB related items	195,760	92,439	72,196
<b>Total Deferred Outflows of Resources</b>	<b>3,077,855</b>	<b>1,440,039</b>	<b>1,312,108</b>
<b>Liabilities:</b>			
Current:			
Accounts payable	2,037,667	151,421	1,592,629
Accrued interest	39,427	13,082	13,263
Unearned revenues	-	-	-
Deposits payable	142,879	98,238	-
Due to other funds	544,986	-	-
Accrued compensated absences	53,192	12,137	35,487
Accrued claims and judgments	-	-	-
Subscriptions - due within one year	-	-	-
Long-term debt - due within one year	328,860	108,864	450,376
<b>Total Current Liabilities</b>	<b>3,147,011</b>	<b>383,742</b>	<b>2,091,755</b>
Noncurrent:			
Accrued compensated absences	159,576	36,411	106,459
Accrued claims and judgments	-	-	-
Subscriptions - due in more than one year	-	-	-
Long-term debt - due in more than one year	9,160,550	3,039,696	7,765,729
Net pension liability	1,536,418	692,906	403,717
Net OPEB liability	646,233	305,153	238,331
<b>Total Noncurrent Liabilities</b>	<b>11,502,777</b>	<b>4,074,166</b>	<b>8,514,236</b>
<b>Total Liabilities</b>	<b>14,649,788</b>	<b>4,457,908</b>	<b>10,605,991</b>
<b>Deferred Inflows of Resources:</b>			
Deferred pension related items	220,697	114,986	122,580
Deferred OPEB related items	237,445	112,122	87,570
Deferred lease related items	44,585,408	23,354,624	-
<b>Total Deferred Inflows of Resources</b>	<b>45,043,550</b>	<b>23,581,732</b>	<b>210,150</b>
<b>Net Position:</b>			
Net investment in capital assets	23,087,779	23,605,366	17,935,855
Unrestricted	1,323,457	(549,148)	15,764,158
<b>Total Net Position</b>	<b>\$ 24,411,236</b>	<b>\$ 23,056,218</b>	<b>\$ 33,700,013</b>

**CITY OF REDONDO BEACH**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2023**

	<b>Business-Type Activities - Enterprise Funds</b>		<b>Governmental Activities- Internal Service Funds</b>
	<b>Other Non-major Enterprise Funds</b>	<b>Totals</b>	
<b>Assets:</b>			
Current:			
Cash and investments	\$ 2,325,326	\$ 33,208,159	\$ 35,848,003
Receivables:			
Accounts	324,975	1,325,097	63,266
Taxes	99,634	182,197	-
Accrued interest	-	254,293	-
Leases	-	69,023,358	-
Prepaid costs	-	-	11,910
Due from other governments	1,478,449	1,498,449	-
Due from other funds	-	292,173	-
Restricted:			
Cash with fiscal agent	-	399	-
<b>Total Current Assets</b>	<b>4,228,384</b>	<b>105,784,125</b>	<b>35,923,179</b>
Noncurrent:			
Capital assets - net of accumulated depreciation	1,425,613	73,756,456	9,258,398
<b>Total Noncurrent Assets</b>	<b>1,425,613</b>	<b>73,756,456</b>	<b>9,258,398</b>
<b>Total Assets</b>	<b>5,653,997</b>	<b>179,540,581</b>	<b>45,181,577</b>
<b>Deferred Outflows of Resources:</b>			
Deferred charge on refunding	-	282,785	-
Deferred pension related items	849,223	6,036,045	2,470,030
Deferred OPEB related items	61,688	422,083	201,546
<b>Total Deferred Outflows of Resources</b>	<b>910,911</b>	<b>6,740,913</b>	<b>2,671,576</b>
<b>Liabilities:</b>			
Current:			
Accounts payable	1,119,851	4,901,568	3,679,967
Accrued interest	9,538	75,310	44,824
Unearned revenues	43,712	43,712	-
Deposits payable	-	241,117	-
Due to other funds	922,643	1,467,629	-
Accrued compensated absences	36,418	137,234	75,707
Accrued claims and judgments	-	-	748,564
Subscriptions - due within one year	-	-	-
Long-term debt - due within one year	79,380	967,480	438,112
<b>Total Current Liabilities</b>	<b>2,211,542</b>	<b>7,834,050</b>	<b>4,987,174</b>
Noncurrent:			
Accrued compensated absences	109,244	411,690	227,120
Accrued claims and judgments	-	-	20,172,822
Subscriptions - due in more than one year	-	-	-
Long-term debt - due in more than one year	2,216,445	22,182,420	9,739,208
Net pension liability	358,203	2,991,244	1,132,356
Net OPEB liability	203,637	1,393,354	665,329
<b>Total Noncurrent Liabilities</b>	<b>2,887,529</b>	<b>26,978,708</b>	<b>31,936,835</b>
<b>Total Liabilities</b>	<b>5,099,071</b>	<b>34,812,758</b>	<b>36,924,009</b>
<b>Deferred Inflows of Resources:</b>			
Deferred pension related items	108,761	567,024	274,465
Deferred OPEB related items	74,821	511,958	244,461
Deferred lease related items	-	67,940,032	-
<b>Total Deferred Inflows of Resources</b>	<b>183,582</b>	<b>69,019,014</b>	<b>518,926</b>
<b>Net Position:</b>			
Net investment in capital assets	1,425,613	66,054,613	8,740,054
Unrestricted	(143,358)	16,395,109	1,670,164
<b>Total Net Position</b>	<b>1,282,255</b>	<b>\$ 82,449,722</b>	<b>\$ 10,410,218</b>

**CITY OF REDONDO BEACH**  
**Statement of Revenues, Expenses**  
**and Changes in Net Position**  
**Proprietary Funds**  
**Year Ended June 30, 2023**

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>Harbor Tidelands</b>	<b>Harbor Uplands</b>	<b>Wastewater</b>
<b>Operating Revenues:</b>			
Sales and service charges	\$ 888,641	\$ 1,908,261	\$ 5,433,482
Harbor rentals	6,725,680	3,846,646	-
Miscellaneous	10,500	-	-
<b>Total Operating Revenues</b>	<b>7,624,821</b>	<b>5,754,907</b>	<b>5,433,482</b>
<b>Operating Expenses:</b>			
Administration and general	711,609	555,909	333,834
Personnel services	2,792,260	231,799	2,614,048
Contractual services	1,033,339	623,243	588,302
Internal service charges	1,197,114	1,960,748	554,855
Depreciation/amortization expense	435,229	424,344	458,235
<b>Total Operating Expenses</b>	<b>6,169,551</b>	<b>3,796,043</b>	<b>4,549,274</b>
Operating Income (Loss)	1,455,270	1,958,864	884,208
<b>Nonoperating Revenues (Expenses):</b>			
Intergovernmental	20,000	-	-
Interest revenue	493,719	350,503	211,732
Interest expense	(244,550)	(81,110)	(302,753)
Gain (loss) on disposal of capital assets	-	-	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>269,169</b>	<b>269,393</b>	<b>(91,021)</b>
Income (Loss) Before Transfers	1,724,439	2,228,257	793,187
Transfers in	1,787	417	-
Transfers out	-	(1,650,733)	(389)
Changes in Net Position	1,726,226	577,941	792,798
<b>Net Position:</b>			
Beginning of Year	22,685,010	22,478,277	32,907,215
<b>End of Fiscal Year</b>	<b>\$ 24,411,236</b>	<b>\$ 23,056,218</b>	<b>\$ 33,700,013</b>

**CITY OF REDONDO BEACH**  
**Statement of Revenues, Expenses**  
**and Changes in Net Position**  
**Proprietary Funds**  
**Year Ended June 30, 2023**

	<b>Business-Type Activities - Enterprise Funds</b>		<b>Governmental Activities- Internal Service Funds</b>
	<b>Other Non-major Enterprise Funds</b>	<b>Totals</b>	
<b>Operating Revenues:</b>			
Sales and service charges	\$ 6,116,024	\$ 14,346,408	\$ 23,392,322
Harbor rentals	-	10,572,326	-
Miscellaneous	190,829	201,329	224,311
<b>Total Operating Revenues</b>	<b>6,306,853</b>	<b>25,120,063</b>	<b>23,616,633</b>
<b>Operating Expenses:</b>			
Administration and general	740,442	2,341,794	10,604,906
Personnel services	1,585,689	7,223,796	6,387,910
Contractual services	8,264,664	10,509,548	2,505,954
Internal service charges	643,526	4,356,243	2,181,442
Depreciation/amortization expense	154,263	1,472,071	1,472,494
<b>Total Operating Expenses</b>	<b>11,388,584</b>	<b>25,903,452</b>	<b>23,152,706</b>
Operating Income (Loss)	(5,081,731)	(783,389)	463,927
<b>Nonoperating Revenues (Expenses):</b>			
Intergovernmental	4,171,328	4,191,328	-
Interest revenue	-	1,055,954	-
Interest expense	(58,696)	(687,109)	(261,731)
Gain (loss) on disposal of capital assets	1,241	1,241	17,785
<b>Total Nonoperating Revenues (Expenses)</b>	<b>4,113,873</b>	<b>4,561,414</b>	<b>(243,946)</b>
Income (Loss) Before Transfers	(967,858)	3,778,025	219,981
Transfers in	1,510,824	1,513,028	2,396
Transfers out	(417)	(1,651,539)	(22,486)
Changes in Net Position	542,549	3,639,514	199,891
<b>Net Position:</b>			
Beginning of Year	739,706	78,810,208	10,210,327
<b>End of Fiscal Year</b>	<b>\$ 1,282,255</b>	<b>\$ 82,449,722</b>	<b>\$ 10,410,218</b>

CITY OF REDONDO BEACH  
Statement of Cash Flows  
Proprietary Funds  
Year Ended June 30, 2023

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>Harbor Tidelands</b>	<b>Harbor Uplands</b>	<b>Wastewater</b>
<b>Cash Flows from Operating Activities:</b>			
Cash received from customers and users	\$ 7,024,049	\$ 5,458,503	\$ 5,486,967
Cash paid to suppliers for goods and services	(1,158,656)	(2,991,036)	(101,839)
Cash paid to employees for services	(3,735,875)	(1,764,767)	(2,133,435)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>2,129,518</b>	<b>702,700</b>	<b>3,251,693</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>			
Cash transfers out	-	(1,650,733)	(389)
Cash transfers in	1,787	417	-
Repayment received from other funds	-	-	-
Payment made to other funds	(57,876)	-	-
Principal paid on non-capital debt issued	(326,802)	(108,432)	(109,937)
Payment for cost of issuance	-	-	-
Interest paid on non-capital debt	(244,550)	(81,110)	(94,871)
Cash received from other governments	-	-	-
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>(627,441)</b>	<b>(1,839,858)</b>	<b>(205,197)</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Acquisition and construction of capital assets	(4,450,097)	(516,147)	(4,435,155)
Principal paid on capital debt	-	-	(325,000)
Interest paid on capital debt	-	-	(208,430)
Proceeds from sale of capital assets	-	-	-
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(4,450,097)</b>	<b>(516,147)</b>	<b>(4,968,585)</b>
<b>Cash Flows from Investing Activities:</b>			
Interest received	475,067	345,704	174,692
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>475,067</b>	<b>345,704</b>	<b>174,692</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(2,472,953)</b>	<b>(1,307,601)</b>	<b>(1,747,397)</b>
Cash and Cash Equivalents at Beginning of Year	12,516,274	3,103,143	20,791,766
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 10,043,321</b>	<b>\$ 1,795,542</b>	<b>\$ 19,044,369</b>



CITY OF REDONDO BEACH  
Statement of Cash Flows  
Proprietary Funds  
Year Ended June 30, 2023

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>Harbor Tidelands</b>	<b>Harbor Uplands</b>	<b>Wastewater</b>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>			
Operating income (loss)	\$ 1,455,270	\$ 1,958,864	\$ 884,208
<b>Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:</b>			
Depreciation/amortization	435,229	424,344	458,235
(Increase) decrease in accounts receivable	(273,558)	(20,108)	(1,735)
(Increase) decrease in taxes receivable	-	-	55,220
(Increase) decrease in leases receivable	1,777,991	224,146	-
(Increase) decrease in deferred outflow pension related items	7,128,453	2,068,004	2,336,287
(Increase) decrease in deferred outflow OPEB related items	(11,979)	(8,557)	(9,601)
(Increase) decrease in prepaid expense	30,000	-	-
Increase (decrease) in accounts payable	1,659,901	95,988	1,325,076
Increase (decrease) in deposits payable	-	15,483	-
Increase (decrease) in unearned revenue	-	-	-
Increase (decrease) in claims and judgments	-	-	-
Increase (decrease) in net pension liability	(5,691,020)	(2,486,868)	(1,224,667)
Increase (decrease) in OPEB liability	93,505	52,876	50,076
Increase (decrease) in deferred pension related items	(2,238,534)	(1,093,705)	(654,148)
Increase (decrease) in deferred OPEB related items	(118,574)	(50,372)	(33,688)
Increase (decrease) in deferred inflow lease related items	(2,105,205)	(515,925)	-
Increase (decrease) in compensated absences	(11,961)	38,530	66,430
<b>Total Adjustments</b>	<b>674,248</b>	<b>(1,256,164)</b>	<b>2,367,485</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 2,129,518</b>	<b>\$ 702,700</b>	<b>\$ 3,251,693</b>
<b>Non-Cash Investing, Capital, and Financing Activities:</b>			
Net Amortization of Premium and Deferred Loss	\$ -	\$ -	\$ 547
Subscription financing	-	-	-
Subscription assets aquired	-	-	-

CITY OF REDONDO BEACH  
Statement of Cash Flows  
Proprietary Funds  
Year Ended June 30, 2023

	<b>Business-Type Activities - Enterprise Funds</b>		<b>Governmental Activities- Internal Service Funds</b>
	<b>Other Enterprise Funds</b>	<b>Totals</b>	
<b>Cash Flows from Operating Activities:</b>			
Cash received from customers and users	\$ 6,142,271	\$ 24,111,790	\$ 23,785,259
Cash paid to suppliers for goods and services	(9,187,342)	(13,438,873)	(16,809,158)
Cash paid to employees for services	(1,423,596)	(9,057,673)	(5,062,987)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(4,468,667)</b>	<b>1,615,244</b>	<b>1,913,114</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>			
Cash transfers out	(417)	(1,651,539)	(22,486)
Cash transfers in	1,510,824	1,513,028	2,396
Repayment received from other funds	884,888	884,888	-
Payment made to other funds	-	(57,876)	-
Principal paid on non-capital debt issued	(79,065)	(624,236)	-
Payment for cost of issuance	-	-	(24,308)
Interest paid on non-capital debt	(58,696)	(479,227)	(256,055)
Cash received from other governments	3,273,935	3,273,935	-
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>5,531,469</b>	<b>2,858,973</b>	<b>(300,453)</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Acquisition and construction of capital assets	(319,393)	(9,720,792)	(2,089,546)
Principal paid on capital debt	-	(325,000)	(89,562)
Interest paid on capital debt	-	(208,430)	(2,186)
Proceeds from sale of capital assets	1,240	1,240	18,029
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(318,153)</b>	<b>(10,252,982)</b>	<b>(2,163,265)</b>
<b>Cash Flows from Investing Activities:</b>			
Interest received	-	995,463	-
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>-</b>	<b>995,463</b>	<b>-</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>744,649</b>	<b>(4,783,302)</b>	<b>(550,604)</b>
Cash and Cash Equivalents at Beginning of Year	1,580,677	37,991,860	36,398,607
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 2,325,326</b>	<b>\$ 33,208,558</b>	<b>\$ 35,848,003</b>

CITY OF REDONDO BEACH  
Statement of Cash Flows  
Proprietary Funds  
Year Ended June 30, 2023

	Business-Type Activities - Enterprise Funds		Governmental Activities- Internal Service Funds
	Other Enterprise Funds	Totals	
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>			
Operating income (loss)	\$ (5,081,731)	\$ (783,389)	\$ 463,927
<b>Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:</b>			
Depreciation/amortization	154,263	1,472,071	1,472,495
(Increase) decrease in accounts receivable	(162,495)	(457,896)	(11,736)
(Increase) decrease in taxes receivable	-	55,220	-
(Increase) decrease in leases receivable	-	2,002,137	-
(Increase) decrease in deferred outflow pension related items	1,524,179	13,056,923	7,780,456
(Increase) decrease in deferred outflow OPEB related items	(5,042)	(35,179)	(3,658)
(Increase) decrease in prepaid expense	-	30,000	(4,915)
Increase (decrease) in accounts payable	428,016	3,508,981	1,723,783
Increase (decrease) in deposits payable	-	15,483	-
Increase (decrease) in unearned revenue	(2,087)	(2,087)	-
Increase (decrease) in claims and judgments	-	-	(3,316,793)
Increase (decrease) in net pension liability	(853,711)	(10,256,266)	(4,161,862)
Increase (decrease) in OPEB liability	33,274	229,731	70,175
Increase (decrease) in deferred pension related items	(469,314)	(4,455,701)	(1,967,402)
Increase (decrease) in deferred OPEB related items	(34,912)	(237,546)	(138,887)
Increase (decrease) in deferred inflow lease related items	-	(2,621,130)	-
Increase (decrease) in compensated absences	893	93,892	7,531
<b>Total Adjustments</b>	<b>613,064</b>	<b>2,398,633</b>	<b>1,449,187</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ (4,468,667)</b>	<b>\$ 1,615,244</b>	<b>\$ 1,913,114</b>
<b>Non-Cash Investing, Capital, and Financing Activities:</b>			
Net Amortization of Premium and Deferred Loss	\$ -	\$ 547	\$ -
Subscription financing	-	-	-
Subscription assets aquired	-	-	-

CITY OF REDONDO BEACH  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2023

		Private-Purpose Trust Fund
	Custodial Funds	Redevelopment Obligation Retirement Fund
<b>Assets:</b>		
Pooled cash and investments	\$ 178,012	\$ 1,426,199
Receivables:		
Accounts	37,758	22,082
Accrued interest	-	14,873
<b>Total Assets</b>	<b>215,770</b>	<b>1,463,154</b>
<b>Liabilities:</b>		
Accrued interest	-	121,496
Due to other governments	-	2,443,621
Long-term liabilities:		
Due in one year	-	595,000
Due in more than one year	-	12,406,131
Advances from City	-	535,731
<b>Total Liabilities</b>	<b>-</b>	<b>16,101,979</b>
<b>Net Position:</b>		
Restricted for other purposes	215,770	(14,638,825)
<b>Total Net Position</b>	<b>\$ 215,770</b>	<b>\$ (14,638,825)</b>

**CITY OF REDONDO BEACH**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**Year Ended June 30, 2023**

		Private-Purpose Trust Fund
		Redevelopment Obligation Retirement Fund
	Custodial Funds	
<b>Additions:</b>		
Charges for services	\$ -	\$ 262,386
RPTTF distributions	-	2,698,872
Investment earnings	-	42,039
<b>Total Additions</b>	<b>-</b>	<b>3,003,297</b>
<b>Deductions:</b>		
Interest expense	-	242,993
Contributions to other governments	-	812,381
<b>Total Deductions</b>	<b>-</b>	<b>1,055,374</b>
<b>Changes in Net Position</b>	<b>-</b>	<b>1,947,923</b>
<b>Net Position:</b>		
Beginning of the year	215,770	(16,586,748)
<b>End of the Year</b>	<b>\$ 215,770</b>	<b>\$ (14,638,825)</b>

**THIS PAGE INTENTIONALLY LEFT BLANK**



**THIS PAGE INTENTIONALLY LEFT BLANK**



## **NOTES TO FINANCIAL STATEMENTS**

**THIS PAGE INTENTIONALLY LEFT BLANK**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the City of Redondo Beach, California (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

**A. Financial Reporting Entity**

The City was incorporated on April 29, 1892, under the laws of the State of California and enjoys all the rights and privileges applicable to a Charter City. It is governed by an elected Mayor and a five-member council.

As required by GAAP, the financial statements present the City and its component units, entities for which the City is substantively the same governing body of the component unit's governing body and there is either a financial benefit or burden relationship between the City and the component units. Blended component units, although legally separate entities are, in substance, part of the City's operations and data from these units are combined with data of the City. Each blended component unit has a June 30 year-end. The City had no discretely presented component units. The following entities are reported as blended component units:

The Parking Authority of the City of Redondo Beach (Parking Authority) was established on March 3, 1969, pursuant to the provisions of the Streets and Highway Code of the State of California. The principal purpose of the Parking Authority is to provide public off-street parking within the City. The Parking Authority serves all the citizens of the government and is governed by a board comprised of the government's elected council. The Parking Authority is considered a blended component unit due to the financial benefit or burden relationship the Parking Authority shares with the City as its financial transactions are reported in a Debt Service Fund. Separate financial statements are not prepared for this blended component unit.

The Redondo Beach Housing Authority (Housing Authority) was formed on June 2, 1975, for the purpose of providing affordable, decent housing for lower income residents of the City. The Housing Authority operates the Fair Housing and Section 8 housing programs. The Housing Authority serves all the citizens of the government and is governed by a board comprised of the government's elected council. The Housing Authority is considered a blended component unit due to the financial benefit or burden relationship the Housing Authority shares with the City as its financial transactions are reported in a Special Revenue Fund. Separate financial statements are not prepared for this blended component unit.

The Redondo Beach Public Financing Authority (Public Financing Authority), a joint powers authority, was formed on June 25, 1996, to provide financing for capital improvement projects. The Redevelopment Agency joined with the City to form the Public Financing Authority to operate rental property and issue bonds to provide funds for public capital improvements. The Public Financing Authority has the same governing board as the City, which also performs all accounting and administrative functions for the Public Financing Authority. The Public Financing Authority is considered a blended component unit due to the financial benefit or burden relationship the Public Financing Authority shares with the City as its financial transactions are reported in a Debt Service Fund. Separate financial statements are not prepared for this blended component unit.

The Redondo Beach Community Financing Authority (Community Financing Authority), a joint powers authority, was formed on January 31, 2012, to provide financing for capital improvement projects as the State's elimination of the Redevelopment Agency, which was a member of the Public Financing Authority, created the need for a new financing authority. The Parking Authority joined with the City to form the Community Financing Authority. The Community Financing Authority has the same governing board as the City, which also performs all accounting and administrative functions for the Community Financing Authority. The Community Financing Authority is considered a blended component unit due to the financial benefit or burden relationship the Community Financing Authority shares with the City as its financial transactions are combined with the Public Financing Authority and reported in a Debt Service Fund. The Community Financing Authority does not issue separate financial statements.

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Accounting and Measurement Focus**

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

**Government - Wide Financial Statements**

The City's government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of governmental and business-type activities for the City accompanied by a total column. Fiduciary activities of the City are not included in these statements. These basic financial statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets, deferred outflows of resources, deferred inflows of resources, and liabilities, including capital assets (as well as infrastructure assets) and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Certain indirect costs are included in the program expenses reported for specific functions.

Certain types of transactions are reported as program revenues for the City in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Certain eliminations have been made in regard to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

- Due to/from other funds
- Advances to/from other funds
- Transfers in/out

**Governmental Fund Financial Statements**

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. The City has presented all major funds that have met the applicable criteria.

All governmental funds are accounted for on a spending, or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Revenues are recorded when received in cash, except for revenues subject to accrual (generally 60 days after year-end), which are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property taxes, sales taxes, franchise taxes, special assessments, intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Unavailable revenues arise when potential revenues do not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when the government receives resources before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the government has a legal claim to the resources, the unavailable or unearned revenue is removed, and revenue is recognized.

The reconciliations of the Fund Financial Statements to the Government-Wide Financial Statements are provided to explain the differences created by the integrated approach of GASB Statement No. 34.

The City reports the following major governmental funds:

- General Fund - The City's primary operating fund that accounts for all financial resources of the general government except those required to be accounted for in another fund.
- Other Intergovernmental Grants Special Revenue Fund - To account for federal, state and other governmental agencies grant funding that supplements local funding.
- Low-Mod Income Housing Asset Special Revenue Fund - To account for all transferred housing assets of the dissolved Redevelopment Agency and funds generated from those housing assets.

*Proprietary Fund Financial Statements*

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows for each proprietary fund. A separate column representing internal service funds is also presented in these statements. However, internal service balances and activities have been combined with the governmental activities in the government-wide financial statements.

Proprietary funds are accounted for using the "*economic resources*" measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. In these funds, receivables have been recorded as revenue and provisions have been made for uncollectible amounts.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

The City reports the following enterprise funds as major proprietary funds:

- Harbor Tidelands Fund – To account for the operations of small boat harbor facilities available to the general public, including related pier activities. The use of this fund is restricted under the City Tideland Trust Agreement with the State of California.
- Harbor Uplands Fund – To account for the operations of small boat harbor facilities available to the general public, including related pier activities. The use of this fund is subject only to the decisions of the City Council.

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

- Wastewater Fund – To account for the capital facility charge and a sewer user fee. The charges are designed to reimburse the City's wastewater system for the capital and maintenance and operations costs necessary for providing wastewater capacity to system users. These charges are associated with the expansion of the system required over time to address increases in wastewater flow generated by new development.

*Fiduciary Fund Financial Statements*

Fiduciary Funds are using the "*economic resources*" measurement focus and the accrual basis of accounting. The City reports a private-purpose trust and a custodial fund. Private-purpose trust funds are used to report trust arrangements under which principal and income benefit individuals, private organizations, or other governments. Custodial funds account for assets held by the city for other governments or individuals in a custodial capacity.

**C. Cash, Cash Equivalents and Investments**

The City pools its available cash for investment purposes. The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturity of three months or less from the date of acquisition. Cash and cash equivalents are combined with investments and displayed as Cash and Investments.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

The City participates in an investment pool managed by the State of California, titled Local Agency Investment Fund (LAIF), which has invested a portion of the pool funds in Structured Notes and Asset-Backed Securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset-Backed Securities are subject to market risk as to change in interest rates.

In accordance with GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, certain disclosure requirements, if applicable, are provided for deposit and investment risk in the following areas:

- Interest Rate Risk
- Credit Risk
  - Overall
  - Custodial Credit Risk
  - Concentration of Credit Risk
- Foreign Currency Risk

For purposes of the statement of cash flows of the proprietary fund types, cash and cash equivalents include all investments, as the City operates an internal cash management pool which maintains the general characteristics of a demand deposit account.

**D. Restricted Cash and Investments**

Certain restricted cash and investments are held by fiscal agents for the redemption of bonded debt, for acquisition and construction of capital projects, or to serve as collateral for debt. Cash and investments are also restricted for deposits held for others within the enterprise funds.

**E. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. Interfund Transactions**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans)." Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as "internal balances."

**G. Capital Assets**

In the Government-Wide Financial Statements, capital assets, which include land, buildings, right-to-use buildings, improvements, equipment, furniture, subscriptions and infrastructure assets (e.g., roads, sidewalks, and similar items), are reported in the applicable governmental or business-type activities. Capital assets are recorded at historical cost or estimated historical cost if actual cost is not available. Donated assets and capital assets received in a service concession are valued at their acquisition value rather than fair value. City policy has set the capitalization threshold for reporting capital assets at the following:

General Capital Assets	\$ 5,000
Infrastructure Capital Assets	25,000
Buildings, Paring Structures and Parking Lots	100,000

The City has chosen the Modified Approach for reporting of the Street Pavement Subsystem infrastructure assets, and as a result no depreciation is recorded for that system; instead, all expenditures made for these assets, except for additions and improvements, are expensed in the year incurred. For all other assets, depreciation is recorded on a straight-line basis over the useful lives of the assets as follows:

<u>Asset</u>	<u>Years</u>
Buildings and Improvements	5-45
Equipment	5-20
Vehicles	4-20
Infrastructure	5-60

The City defines infrastructure as the physical assets that allow the City to function. These assets include:

- Streets system
- Site amenities such as parking and landscaped areas used by the City in the conduct of its business
- Underground utilities

Each major infrastructure system can be divided into subsystems. For example, the street system can be divided into concrete and asphalt pavements, concrete curb and gutters, sidewalks, medians, etc. Subsystem detail is not presented in these financial statements; however, the City maintains detailed information on these subsystems.

In May 2020, a physical assessment of all pavement segments was conducted to assess the existing surface condition of each of the individual pavement segments. Upon completion of the study, a Pavement Condition Index (PCI) was calculated for each segment in the City's pavement network to reflect the overall pavement condition. Ratings ranged from 0 to 100. A PCI of 0 would correspond to badly deteriorated pavement with virtually no remaining life; a PCI of 100 would correspond to pavement with proper engineering design and construction at the beginning of its life cycle. During the year, the comprehensive survey is updated to reflect the pavement's current condition.



**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The following conditions were defined:

<u>Condition</u>	<u>Rating</u>
Very Good	70-100
Good	50-69
Poor	25-49
Very Poor	0-24

In line with the Capital Improvement Program and as presented to the City Council on January 16, 2018, City policy is to achieve an average PCI rating of 75 for all streets beginning in fiscal year 2028. This rating allows minor cracking and raveling of the pavement along with minor roughness that could be noticeable to drivers traveling at posted speeds. For 2021, 2022 and 2023, the City's street system was rated at a PCI of 70, 69 and 68 on the average, respectively.

For a detailed description of the Modified Approach, see the Required Supplementary Information section of this report.

For all other infrastructure systems, the City elected to use the Basic Approach for infrastructure reporting. As such, the City records the assets at historical cost and depreciates them over their useful lives, and regularly evaluates them for impairment. Expenditures that extend the life of the asset are capitalized.

In the governmental fund financial statements, capital assets are not presented. Consequently, capital assets are a reconciling item and are shown in the Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.

**H. Interest Payable**

In the government-wide financial statements, interest payable on long-term debt is recognized as the liability is incurred for governmental activities and business-type activities.

In the fund financial statements, governmental fund types do not recognize interest payable, while proprietary fund and fiduciary fund types recognize the interest payable when the liability is incurred.

**I. Unearned/Unavailable Revenue**

In the financial statements, unearned revenue is recognized for transactions in which revenue has not yet been earned, and unavailable revenue is recognized for transactions in which revenue is measurable but not available. Typical transactions recorded as unearned revenues in the financial statements are prepaid charges for services, and grants received but not yet earned. Typical transactions recorded as unavailable revenues in the financial statements are long term loans receivable, and reimbursable grants that are not collected in the City's availability period.

**J. Compensated Absences Payable**

Only the short-term liability for compensated absences (the amount due to employees for future absences, such as vacation and compensatory time, which are attributable to services already rendered) is reported as a current liability in the governmental funds and only if they have matured, for example, as a result of employee resignations and retirements; the long-term liability is reported in the government-wide financial statements. The short-term liability is the amount that will be liquidated with current financial resources and is expected to be paid during the next fiscal year. All of the liability for compensated absences applicable to proprietary funds is reported in those funds.



**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Vacation pay is payable to employees at the time a vacation is taken or upon termination of employment. Employees may accrue from two to three times their annual accrual rate. Upon termination an employee will be paid for any unused accrued vacation pay. Sick leave is payable when an employee is unable to work because of illness. Unused sick leave is forfeited upon termination.

**K. Claims and Judgments Payable**

The short-term and long-term claims are reported as liabilities in the Self-Insurance Program Internal Service Fund. The short-term liability which will be liquidated with *current financial resources* is the amount of the settlement reached, but unpaid, related to claims and judgments entered.

**L. Long-Term Debt**

*Government-Wide Financial Statements*

Long-term debt and other long-term obligations are reported as liabilities in the appropriate activities. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable is reported net of the applicable bond premium or discount.

*Fund Financial Statements*

The fund financial statements do not present long-term debt. Consequently, long-term debt is a reconciling item and is shown in the Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.

Bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as other financing sources net of the applicable premium or discount.

**M. Pension Plans**

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

Valuation Date (VD)	June 30, 2021
Measurement Date (MD)	June 30, 2022
Measurement Period (MP)	July 1, 2021 to June 30, 2022

**N. Other Post-Employment Benefits (OPEB)**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's plan (OPEB Plan), the assets of which are held by California Employers' Retiree Benefit Trust (CERBT), and additions to/deductions from the OPEB Plan's fiduciary net position have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date (VD)	June 30, 2021
Measurement Date (MD)	June 30, 2022
Measurement Period (MP)	July 1, 2021 to June 30, 2022

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

The recognition period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on pension plan investments	5 years
All other amounts	Expected average remaining service lifetime (EARL) (8.5 years at July 1, 2021)

**O. Net Position**

In the Government-Wide Financial Statements, net position is classified in the following categories:

Net Investment in Capital Assets - This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt attributed to the acquisition, construction, or improvement of the assets.

Restricted Net Position - This amount is restricted by external creditors, grantors, contributors, laws or regulations of other governments.

Unrestricted Net Position - This amount is all net position that does not meet the definition of "net investment in capital assets" or "restricted net position."

**P. Fund Balances**

In the Governmental Fund Financial Statements, fund balances are classified in the following categories:

Nonspendable – Nonspendable fund balances are items that are not expected to be converted to cash, such as prepaid items and inventories, or items that are required to be maintained intact, such as principal of an endowment or revolving loan funds.

Restricted - Restricted fund balances include amounts that can be spent only for the specific purposes stipulated by external resources providers, such as grant providers, constitutionally, or through enabling legislation. Effectively, restrictions may be changed or lifted only with the consent of resource providers.

Committed - Committed fund balances include amounts that can be used only for the specific purposes when the City Council passes a resolution that places specific constraints on how the resources may be used. The City Council can modify or rescind the resolution at any time through passage of an additional resolution.

Assigned - Assigned fund balances comprise amounts intended to be used by the government for specific purposes, but are neither restricted nor committed. Intent is expressed when the City Council approves which resources should be assigned to expenditures of particular purposes during the adoption of the annual budget. The City Manager uses that information to determine whether those resources should be classified as assigned or unassigned for presentation in the City's fund financial statements.

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Unassigned - Unassigned fund balance is a residual (surplus) classification used for the General Fund only and includes amounts not contained in the other classifications. Unassigned amounts in the General Fund are technically available for any purpose. If a governmental fund, other than the General Fund, has a fund balance deficit, it will be reported as a negative amount in the unassigned classification in that fund.

**Q. Spending Policy**

Government-Wide Financial Statements and the Proprietary Fund Financial Statements

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the City's policy is to apply restricted net position first.

Governmental Fund Financial Statements

When expenditures are incurred for purposes for which all restricted, committed, assigned and unassigned fund balances are available, the City's policy is to apply in the following order, except for instances wherein an ordinance specifies the source:

- Restricted
- Committed
- Assigned
- Unassigned

**R. Property Taxes**

Under California law, property taxes are assessed and collected by the counties on up to 1% of assessed property value, plus other increases approved by the voters. Property taxes collected are pooled and then allocated to the cities based on complex formulas.

January 1	Lien Date
June 30	Levy Date
November 1 and February 1	Due Dates
December 10 and April 10	Collection Date

**S. Use of Estimates**

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. In addition, estimates affect the reported amount of expenses. Actual results could differ from these estimates and assumptions.

**T. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City only has three items that qualify for reporting in this category. One is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunding or refunded debt. Secondly, the City also has deferred outflows related to pensions, which arises only under a full accrual basis of accounting. Accordingly, this item (pension related items), is reported only in the government-wide statement of net position. This includes

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

pension contributions subsequent to the measurement date of the net pension liability and other amounts (see Note 11), which are amortized by an actuarial determined period. Thirdly, the City has deferred outflows related to Other Post-Employment Benefits (OPEB), which include contributions subsequent to the measurement date of the total OPEB liability and other amounts:

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has several items that qualify for reporting in this category:

1. Unavailable revenue reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from grant revenues. These amounts are deferred and recognized as an inflow of resources in the period when they become available.
2. Pension and OPEB related deferred inflows are reported only on the Statement of Net Position. The government reports deferred inflows of resources related to items arising from certain changes in the net pension liability, net pension asset, net OPEB asset or net OPEB liability. Deferred inflows and outflows of resources related to changes in the net pension liability, net pension asset, net OPEB asset or net OPEB liability are recognized systematically over time. Amounts are first recognized in the year the change occurs. The remaining amounts are to be recognized in future periods. The recognition period differs depending on the source of the change, and the changes are currently amortized over 5 years or the average remaining service life time.
3. A deferred inflow of resources related to leases is reported for the value of lease receivable payments to be recognized as an inflow of resources in a systematic and rational manner over the term of the lease agreements.

**U. New GASB Pronouncements Effective during Fiscal Year**

The following Government Accounting Standards Board (GASB) pronouncements were effective for and/or early implemented for the fiscal year ended June 30, 2023:

***1. GASB Statement No. 91, Conduit Debt Obligations***

The requirements of this Statement will improve financial reporting by eliminating the existing option for issuers to report conduit debt obligations as their own liabilities, thereby ending significant diversity in practice. The clarified definition will resolve stakeholders' uncertainty as to whether a given financing is, in fact, a conduit debt obligation. Requiring issuers to recognize liabilities associated with additional commitments extended by issuers and to recognize assets and deferred inflows of resources related to certain arrangements associated with conduit debt obligations also will eliminate diversity, thereby improving comparability in reporting by issuers. Revised disclosure requirements will provide financial statement users with better information regarding the commitments issuers extend and the likelihood that they will fulfill those commitments. That information will inform users of the potential impact of such commitments on the financial resources of issuers and help users assess issuers' roles in conduit debt obligations.

***2. GASB Statement No. 96, Subscription-Based Information Technology Arrangements***

The requirements of this Statement will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.

**NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

Deficit Fund Balance

The following funds had a deficit balance as of June 30, 2023:

Major Funds

Other Intergovernmental Grants	\$ (6,053,354)
--------------------------------	----------------

Non-Major Funds

Local Transportation Article 3	(907)
--------------------------------	-------

Community Development Block Grant	(27,053)
-----------------------------------	----------

Internal Service Funds

Self-Insurance Program	(10,337,391)
------------------------	--------------

Private-Purpose Trust Fund	(14,638,825)
----------------------------	--------------

The deficit fund balances are expected to be recovered through grant and other reimbursement revenues. For the Private-Purpose Trust Fund, deficit will be recovered from future payments from the County Redevelopment Property Tax Trust Fund.

**CITY OF REDONDO BEACH**  
**Notes to the Financial Statements**  
**Fiscal Year Ended June 30, 2023**

---

**NOTE 3: CASH AND INVESTMENTS**

Cash and investments are presented on the Statement of Net Position as follows at June 30, 2023:

	Government-Wide Statement of Net Position			Fiduciary Funds	
	Governmental Activities	Business-type Activities	Total	Statement of Net Position	Total
Cash and investments	\$ 96,832,814	\$ 33,208,159	\$ 130,040,973	\$ 1,604,211	\$ 131,645,184
Restricted cash and investments with fiscal agents	1,303,816	399	1,304,215	-	1,304,215
	<u>\$ 98,136,630</u>	<u>\$ 33,208,558</u>	<u>\$ 131,345,188</u>	<u>\$ 1,604,211</u>	<u>\$ 132,949,399</u>

Cash, cash equivalents, and investments consisted of the following at June 30, 2023:

Cash and cash equivalents:

Petty cash	\$ 12,800
Demand deposits - City	18,190,112
Demand deposits - Successor Agency	1,052,374
Total cash and cash equivalents	<u>19,255,286</u>

Investments:

Local Agency Investment Fund (LAIF) - City	1,254,519
Local Agency Investment Fund (LAIF) - Successor Agency	1,865,614
Negotiable certificates of deposit	963,862
Money market mutual funds	8,931,843
Corporate Bonds	8,770,250
US Government Securities	35,806,770
Federal Agency Securities	54,797,040

Total investments	<u>112,389,898</u>
-------------------	--------------------

Total cash and investments	<u>131,645,184</u>
----------------------------	--------------------

Cash and investments with fiscal agents	<u>1,304,215</u>
---	------------------

Total	<u>\$ 132,949,399</u>
-------	-----------------------

**NOTE 3: CASH AND INVESTMENTS (CONTINUED)**

**A. Cash Deposits**

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash and investments is allocated on an accounting period basis to the various funds based on the period-end cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

**B. Investments**

Under the provisions of the City's investment policy, and in accordance with California Government Code, the following investments are authorized:

- United States Treasury Bills, Notes and Bonds
- Obligations issued by the Federal Government
- Bankers' Acceptances with a maturity of 180 days or less
- Time Certificates of Deposits
- Negotiable Certificates of Deposit
- Commercial Paper with a maturity of 270 days or less
- Local Agency Investment Fund (LAIF) limited to \$65,000,000 by LAIF
- Medium-Term Notes (5 year maximum) of Domestic Corporations or Depository Institutions
- Mutual Funds
- Guaranteed Investment Contracts not to exceed \$5 million annually
- Certificate of Deposit Placement Services
- Collateralized Bank Deposits
- Supranationals

The City investment policy applies to all financial assets, investment activities and debt issues of the City (including funds which are invested by trustees appointed under debt trust indentures, with direction from the City Treasurer).

The City is a participant in LAIF which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City's investments with LAIF at June 30, 2023, include a portion of the pool funds invested in Structured Notes and Asset-Backed Securities.

Structured Notes - Debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/ or that have embedded forwards or options.

Asset-Backed Securities - Generally mortgage-backed securities that entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (for example, Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2023, the City and the Successor Agency had \$1,865,614 invested in LAIF, which had invested 0.201% of the pool investment funds in Structured Notes and Mortgage-Backed Securities. The LAIF fair value factor of 0.984828499 was used to calculate the fair value of the investments in LAIF.

**C. Deposit and Investment Risk**

Credit Risk

The City's investment policy limits investments in medium-term notes (MTN's) to those rated "A" or higher by Standard and Poor's (S&P) or "A2" or higher by Moody's. As of June 30, 2023, all MTN's were rated "A2" or higher by Moody's. As of June 30, 2023, the City's Federal Agency investments were rated "AA+" by Moody's



**NOTE 3: CASH AND INVESTMENTS (CONTINUED)**

and “Aaa” by S&P. All securities were investment grade and were in accordance with State and City law. Investments in U.S. government securities are not considered to have credit risk; therefore, their credit quality is not disclosed. As of June 30, 2023, the City's investments in external investment pools are unrated.

*Custodial Credit Risk*

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party.

The carrying amounts of the City's cash deposits were \$19,242,486 at June 30, 2023. Bank balances at June 30, 2023, were \$19,887,674 which were fully insured or collateralized with securities held by the pledging financial institutions in the City's name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City's name.

The fair value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total cash deposits. The City may waive collateral requirements for cash deposits which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. The City, however, has not waived the collateralization requirements.

*Concentration of Credit Risk*

The City's investment policy imposes restrictions on the maximum percentage it can invest in a single type of investment. Investments in Federal Agencies have the implied guarantee of the United States government. While all the City's investments are in compliance with the City's investment policy as of June 30, 2023, in accordance with GASB Statement No. 40, if a City has invested more than 5% of its total investments in any one issuer, they are exposed to concentration of credit risk. Investments guaranteed by the U.S. government and investments in mutual funds and external investment pools are excluded from this requirement.

As of June 30, 2023, the City has invested more than 5% of its total investment value with the following issuers:

		% of Total Investments
Federal Home Loan Bank	\$ 17,681,110	16%
Federal Farm Credit Bank	18,229,400	16%
Federal National Mortgage Association	4,752,730	4%
Federal Home Loan Mortgage Corporation	14,133,800	13%
	<u>\$ 54,797,040</u>	49%



**NOTE 3: CASH AND INVESTMENTS (CONTINUED)**

*Interest Rate Risk*

The City's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City's investment policy states that at least 50% of the City's portfolio shall mature in three years or less; and at least 25% in one year or less. The only exception to these maturity limits shall be the investment of the gross proceeds of tax-exempt bonds. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk. As of June 30, 2023, the City had the following investments and remaining maturities:

Investment Types	Investment Maturities				Fair Value
	Up to 1 year	1 to 2 years	2 to 3 years	3 to 5 years	
External Investment Pools -	\$ 3,120,133	\$ -	\$ -	\$ -	\$ 3,120,133
Local Agency Investment Fund					
Negotiable certificate of deposits	726,442	237,420	-	-	963,862
US Treasury Notes	8,915,950	1,898,900	20,534,480	4,457,440	35,806,770
Federal Agencies					
Federal Farm Credit Bank	10,414,450	2,883,100	-	4,931,850	18,229,400
Federal Home Loan Bank	-	6,733,010	-	10,948,100	17,681,110
Federal Home Loan Mortgage Corporation	-	-	-	14,133,800	14,133,800
Federal National Mortgage Association	-	4,752,730	-	-	4,752,730
Money Market	8,931,843	-	-	-	8,931,843
Corporate Bonds	6,910,590	1,859,660	-	-	8,770,250
Total Investments	<u>\$ 39,019,408</u>	<u>\$ 18,364,820</u>	<u>\$ 20,534,480</u>	<u>\$ 34,471,190</u>	<u>\$ 112,389,898</u>

*Fair Value Measurements*

GASB Statement No. 72, *Fair Value Measurements and Application*, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of quoted prices (unadjusted) for identical assets and liabilities in active markets that a government can access at the measurement date, Level 2 inputs consist of inputs other than quoted prices that are observable for an asset or liability, either directly or indirectly, and Level 3 inputs have the lowest priority and consist of unobservable inputs for an asset or liability.

*Fair Value Hierarchy*

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

**NOTE 3: CASH AND INVESTMENTS (CONTINUED)**

The following table presents the balances of the assets measured at fair value on a recurring basis as of June 30, 2023.

Investments by Fair Value Level	Fair Value Measurement Using			
	Total	Level 1	Level 2	Level 3
US Treasury Notes	\$ 35,806,770	\$ 35,806,770	\$ -	\$ -
Federal Farm Credit Bank	18,229,400	-	18,229,400	-
Federal Home Loan Bank	17,681,110	-	17,681,110	-
Federal Home Loan Mortgage Corporation	14,133,800	-	14,133,800	-
Federal National Mortgage Association	4,752,730	-	4,752,730	-
Corporate Bonds	8,770,250	-	8,770,250	-
Money Market	8,931,843	8,931,843	-	-
Negotiable Certificates of Deposit	963,862	-	963,862	-
Total Investments by Fair Value Level	109,269,765	\$ 44,738,613	\$ 64,531,152	\$ -
Investments measured at Net Asset Value				
Local Agency Investment Fund (LAIF)	3,120,133			
Total Investments	\$ 112,389,898			

Investments classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Investments classified in Level 2 of the fair value hierarchy are valued using specified fair value factors. Federal Agency Securities classified in Level 2 of the fair value hierarchy are valued using institutional bond quotes.

**NOTE 4: RECEIVABLES**

The following is a summary of receivables net of allowances for uncollectible amounts at June 30, 2023:

	Government-wide Statement of Net Position		Fiduciary Funds Statement of Net Position	Total
	Governmental Activities	Business-Type Activities		
Accounts Receivable	\$ 2,879,572	\$ 1,325,097	\$ 59,840	\$ 4,264,509
Taxes receivable	5,834,434	182,197	-	6,016,631
Accrued interest receivable	473,279	254,293	14,873	742,445
Notes and loans receivable	2,842,962	-	-	2,842,962
Leases receivable	5,221,162	69,023,358	-	74,244,520
	<u>\$ 17,251,409</u>	<u>\$ 70,784,945</u>	<u>\$ 74,713</u>	<u>\$ 88,111,067</u>

**NOTE 4: RECEIVABLES (CONTINUED)**

At June 30, 2023, the Fund Financial Statements show the following receivables:

**A. Accounts Receivable**

Accounts receivable consisted of amounts accrued in separate funds in the ordinary course of operations. The total amount of accounts receivable for each major fund and non-major fund in the aggregate as of June 30, 2023, was as follows:

Governmental Funds:	
General Fund	\$ 2,257,139
Other Intergovernmental Grants	429,000
Remaining Governmental Funds	130,167
Total Governmental Funds	<u>2,816,306</u>
Proprietary Funds:	
Harbor Tidelands	625,024
Harbor Uplands	354,050
Wastewater	21,048
Other Non-major Enterprise Funds	324,975
Internal Service Funds	63,266
Total proprietary funds	<u>1,388,363</u>
Total	<u>\$ 4,204,669</u>

**B. Accrued Interest Receivable**

Interest receivable consists of interest from investments pooled by the City and is distributed among the funds according to their ending cash balances. The interest receivable as of June 30, 2023, was as follows:

Governmental Funds:	
General Fund	\$ 415,855
Remaining Governmental Funds	57,424
Total Governmental Funds	<u>473,279</u>
Proprietary Funds:	
Harbor Tidelands	115,580
Harbor Uplands	41,648
Wastewater	97,065
Total proprietary funds	<u>254,293</u>
Total	<u>\$ 727,572</u>

**CITY OF REDONDO BEACH**  
**Notes to the Financial Statements**  
**Fiscal Year Ended June 30, 2023**

**NOTE 4: RECEIVABLES (CONTINUED)**

**C. Taxes Receivable**

At June 30, 2023, the City had the following taxes receivable:

Type of Taxes	Governmental Funds		Proprietary Funds		Total
	General Fund	Non-Major Governmental Funds	Wastewater Fund	Solid Waste Fund	
Property Taxes	\$ 1,137,855	\$ 455,805	\$ 82,563	\$ 99,634	\$ 1,775,857
Sales Taxes	2,020,322	-	-	-	2,020,322
Transient Occupancy Taxes	1,058,232	-	-	-	1,058,232
Utility Users Taxes	692,023	-	-	-	692,023
Franchise Taxes	267,157	-	-	-	267,157
Transfer Taxes	203,040	-	-	-	203,040
Total Taxes	<u>\$ 5,378,629</u>	<u>\$ 455,805</u>	<u>\$ 82,563</u>	<u>\$ 99,634</u>	<u>\$ 6,016,631</u>

**D. Notes and Loans Receivable**

At June 30, 2023, the City had the following notes and loans receivable:

	Governmental Funds			Total
	General Fund	Low-Mod Income Housing	Non-Major Governmental Funds	
Home Rehabilitation Loans	\$ -	\$ 389,992	\$ -	\$ 389,992
Housing Assistance Loans	-	-	326,227	326,227
Senior Housing Program	-	2,104,904	-	2,104,904
Computer Loan Program	21,839	-	-	21,839
Total	<u>\$ 21,839</u>	<u>\$ 2,494,896</u>	<u>\$ 326,227</u>	<u>\$ 2,842,962</u>

**Home Rehabilitation Loans**

At June 30, 2023, the City was owed, in its Low and Moderate Income Housing Asset Special Revenue Fund, \$389,992 for various home rehabilitation loans made by the City. The terms of repayment vary. Because the notes do not meet the City's availability criteria for revenue recognition, the City has classified the revenue related to these loans as deferred inflows of resources in the governmental funds. Revenue is recognized in the year of repayment. All loans are secured by trust deeds.

**Housing Assistance Loans**

At June 30, 2023, the City was owed, in its Community Development Block Grant Special Revenue Fund, \$326,227 for various housing assistance loans made by the City. The terms of repayment vary. Because the notes do not meet the City's availability criteria for revenue recognition, the City has classified the revenue related to these loans as deferred inflows of resources. Revenue is recognized in the year of repayment. All loans are secured by trust deeds.

**NOTE 4: RECEIVABLES (CONTINUED)**

Senior Housing Program

On June 21, 1995, the Agency loaned \$2,200,000 to the Corporate Fund for Housing (a California non-profit public benefit corporation) for the McCandless senior housing complex. The loan term is for 45 years and bears interest at 2% per annum. Any portion of the Agency loan remaining unpaid upon the 45th anniversary of completion will be forgiven. Repayments will be made from residual receipts of the housing complex. The loan is secured by the Agency Deed of Trust. At June 30, 2023, the loan receivable included accrued interest of \$55,000.

Computer Loan Program

The City has a computer loan program for employees to purchase computers. The maximum loan amount per employee is \$1,500 with a repayment term maximum of two years. Repayments from the employees are made through payroll deductions. At June 30, 2023, the loan receivable balance was \$21,839.

**NOTE 5: LEASES**

Leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

**A. Leases Receivable and Deferred Inflows of Resources**

The City entered into 40 leases as a Lessor for the use of various pieces of land and building. The terms range from 2 to 90 year beginning on the contract commencement date. As of June 30, 2023, the City reported a lease receivable of \$74,244,520, \$5,221,162 for governmental funds and \$69,023,358 for proprietary funds, respectively. The lessees were required to make monthly payments in fiscal year 2023 ranging from \$788 to \$105,400. The leases have interest rates ranging from 0.218% to 2.217%. The value of the deferred inflow of resources as of June 30, 2023, was \$73,096,571, \$5,156,539 for governmental funds and \$67,940,032 for proprietary funds respectively, and the City recognized lease revenue of \$4,577,398, \$266,196 for governmental funds and \$4,311,204 for proprietary funds, respectively. The lessees have various extension options, ranging from one 12-month option to two 60-month options. Variable and other miscellaneous payments are not included in the amount receivable.

**CITY OF REDONDO BEACH**  
**Notes to the Financial Statements**  
**Fiscal Year Ended June 30, 2023**

**NOTE 5: LEASES (CONTINUED)**

The following is a schedule, by year, of minimum future lease rentals on non-cancellable operating leases as of June 30, 2023:

Fiscal Year	Governmental Activities		
	Lease Receivable	Interest Income	Minimum Future Rental Revenue
2024	\$ 437,852	\$ 75,753	\$ 513,605
2025	357,334	71,636	428,971
2026	361,387	67,584	428,971
2027	365,485	63,485	428,971
2028	317,448	59,361	376,808
2029 - 2033	100,881	284,119	385,000
2034 - 2038	109,851	275,148	385,000
2039 - 2043	119,620	265,380	385,000
2044 - 2048	130,257	254,743	385,000
2049 - 2053	141,840	243,160	385,000
2054 - 2058	154,453	230,547	385,000
2059 - 2063	168,187	216,813	385,000
2064 - 2068	183,143	201,857	385,000
2069 - 2073	199,428	185,571	385,000
2074 - 2078	217,162	167,837	385,000
2079 - 2083	236,473	148,526	385,000
2084 - 2088	257,501	127,498	385,000
2089 - 2093	280,399	104,601	385,000
2094 - 2098	305,333	79,667	385,000
2099 - 2103	332,484	52,515	385,000
2104 - 2108	362,050	22,950	385,000
2109 - 2110	82,593	824	83,417
Total	<u>\$ 5,221,162</u>	<u>\$ 3,199,574</u>	<u>\$ 8,420,735</u>

Fiscal Year	Business-Type Activities		
	Lease Receivable	Interest Income	Minimum Future Rental Revenue
2024	\$ 3,842,702	\$ 1,081,463	\$ 4,924,165
2025	3,748,520	1,035,324	4,783,844
2026	3,795,048	988,751	4,783,799
2027	3,133,237	942,346	4,075,583
2028	1,779,170	904,716	2,683,886
2029 - 2033	7,654,483	4,149,028	11,803,512
2034 - 2038	6,156,199	3,582,148	9,738,346
2039 - 2043	6,556,406	3,046,244	9,602,651
2044 - 2048	7,139,355	2,463,296	9,602,651
2049 - 2053	7,774,135	1,828,516	9,602,651
2054 - 2058	8,465,356	1,137,295	9,602,651
2059 - 2063	6,748,275	425,048	7,173,323
2064 - 2068	2,108,649	101,651	2,210,300
2069 - 2073	121,823	607	122,430
Total	<u>\$ 69,023,358</u>	<u>\$ 21,686,433</u>	<u>\$ 90,709,791</u>

**NOTE 5: LEASES (CONTINUED)**

**B. Lease Payable and Right to Use Lease Assets**

On 07/01/2021, City of Redondo Beach, CA entered into a 102-month lease as Lessee for the use of 1922 Artesia Boulevard - Community Services Dept Building - Chuka. An initial lease liability was recorded in the amount of \$2,245,558. As of 06/30/2023, the value of the lease liability is \$1,754,910. The City of Redondo Beach, CA is required to make monthly fixed payments of \$20,798. The lease has an interest rate of 0.4570%. The buildings estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 of \$2,245,558 with accumulated amortization of \$528,367 is included with Buildings on the Lease Class activities table found below. City of Redondo Beach, CA has 1 extension option(s), each for 60 months.

The right to use leased assets at June 30, 2023, include the following:

<u>Lease Underlying Asset</u>	<u>Amount of Leased Capital Assets</u>	<u>Accumulated Amortization</u>
Community Service Department Building	<u>\$ 2,245,558</u>	<u>\$ 528,367</u>

Future principal and interest requirements to maturity for the lease liability are as follows:

<u>Fiscal Year</u>	<u>Governmental Activities</u>		
	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Payments</u>
2024	\$ 253,481	\$ 7,492	\$ 260,973
2025	259,349	6,321	265,670
2026	265,328	5,124	270,452
2027	271,422	3,899	275,320
2028	277,631	2,645	280,276
2029 - 2030	427,699	1,555	429,254
Total	<u>\$ 1,754,910</u>	<u>\$ 27,036</u>	<u>\$ 1,781,945</u>

**NOTE 6: SUBSCRIPTIONS**

For the year ended June 30, 2023, the financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset.

As of June 30, 2023, the City has 17 subscription-based information technology arrangements (SBITA) for the use of various software. The City is required to make principal and interest payments through fiscal year 2030. An initial lease liability was recorded in the amount of \$1,298,779. As of June 30, 2023, the value of the subscription liability was \$985,983. The subscriptions have interest rates ranging from 1.7103% to 3.3050%. The value of the subscription asset at June 30, 2023 is \$1,422,465 with accumulated amortization of \$245,987.

The subscription assets at June 30, 2023, include the following:

<u>Asset class</u>	<u>Subscription Asset Value</u>	<u>Accumulated Amortization</u>
Software	<u>\$ 1,422,465</u>	<u>\$ 245,987</u>

Future principal and interest requirements to maturity for the subscription liability are as follows:

<u>Fiscal Year</u>	<u>Governmental Activities</u>		
	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Payments</u>
2024	\$ 318,312	\$ 24,347	\$ 342,659
2025	224,344	17,259	241,602
2026	180,668	11,312	191,981
2027	106,027	6,392	112,419
2028	77,422	3,618	81,040
2029 - 2030	79,210	1,830	81,040
Total	<u>\$ 985,983</u>	<u>\$ 64,757</u>	<u>\$ 1,050,740</u>

**NOTE 7: INTERFUND TRANSACTIONS**

**A. Government-Wide Financial Statements**

Internal Balances: At June 30, 2023, the City had the following internal receivables and payables for covering cash shortfalls:

	Internal Balances
	Receivable
	Governmental
	Activities
Internal Balances Payable	
Business-Type Activities	<u>\$ 1,175,456</u>



**NOTE 7: INTERFUND TRANSACTIONS (CONTINUED)**

Transfers:

The City had the following transfers as of June 30, 2023:

	Transfers In Business-Type Activities
Transfers Out Governmental Activities	<u>\$ 295,271</u>

**B. Fund Financial Statements**

Due to/from Other Funds

The City had the following due to/from other funds as of June 30, 2023:

Due to Other Funds	Due from Other Funds			
	Governmental Funds		Enterprise Funds	
	General Fund	Other Governmental Funds	Harbor Tidelands	Total
Governmental funds:				
Other Intergovernmental Grants	\$ 5,739,212	\$ -	\$ -	\$ 5,739,212
Low-Mod Income Housing	582,213	-	-	582,213
Other Governmental Funds	859,506	3,866,527	292,173	5,018,206
Enterprise Funds:				
Harbor Tidelands	-	544,986	-	544,986
Transit	922,643	-	-	922,643
Total	<u>\$ 8,103,574</u>	<u>\$ 4,411,513</u>	<u>\$ 292,173</u>	<u>\$ 12,807,260</u>

The \$5,739,212 due to other funds in the Other Intergovernmental Grants Fund is to cover negative cash balances.

The \$582,213 due to other funds in the Low-Mod Income Housing Fund is due to the General Fund for housing compliance services.

Of the \$5,018,206 due to other funds in Other Governmental Funds, \$3,866,527 is due to the Capital Improvement Projects fund to cover project expenditures, \$109,478 is due to the General Fund for expenditures made on behalf of the Public Financing Authority, \$292,173 is for Kincaids rental income passed through to the Harbor Tidelands Fund, \$723,593 is due to the General for expenditure made on behalf of the Housing Authority, and \$25,528 and \$907 are due to the General Fund to cover negative cash balance in the Community Development Block Grant fund and Local Transportation Article 3 fund respectively.

The \$544,986 due to other funds in the Harbor Tidelands Fund is to cover the obligations of the Public Financing Authority (PFA) including a loan payoff and any excess of the Kincaid's Restaurant rental income.

**NOTE 7: INTERFUND TRANSACTIONS (CONTINUED)**

Transfers

The City had the following transfers as of June 30, 2023:

Transfers Out	Transfers In						Total
	Governmental Funds		Enterprise Funds			Internal Service Funds	
	General Fund	Other Governmental Funds	Harbor Tidelands	Harbor Uplands	Other Enterprise Funds		
Governmental funds:							
General Fund	\$ -	\$ 14,338,934	\$ 1,787	\$ -	\$ 98	\$ 2,396	\$ 14,343,215
Other Governmental Funds	-	-	-	-	1,510,726	-	1,510,726
Enterprise Funds:							
Harbor Uplands	1,650,733	-	-	-	-	-	1,650,733
Wastewater	-	389	-	-	-	-	389
Other Enterprise Funds	-	-	-	417	-	-	417
Internal Service Funds	-	22,486	-	-	-	-	22,486
Total	\$ 1,650,733	\$ 14,361,809	\$ 1,787	\$ 417	\$ 1,510,824	\$ 2,396	\$ 17,527,966

Of the \$14,343,215 transfer from the General Fund, \$14,338,934 was to fund debt service payments.

The \$1,510,726 transfer from the non-major governmental funds to the Other Enterprise Fund for a transit subsidy.

The \$1,650,733 transfer from the Harbor Tidelands Enterprise Fund to the General Fund to reimburse rental payments.

**NOTE 8: CAPITAL ASSETS**

The City elected to use the "Modified Approach" as defined by GASB Statement No. 34 for infrastructure reporting for its street pavement system. As a result, no accumulated depreciation or depreciation expense has been recorded for this system. A more detailed discussion of the "Modified Approach" is presented in the Required Supplementary Information section of this report. All other capital assets including other infrastructure systems were reported using the Basic Approach whereby accumulated depreciation and depreciation expense have been recorded.

**NOTE 8: CAPITAL ASSETS (CONTINUED)**

At June 30, 2023, the City's capital assets consisted of the following:

	Governmental Activities	Business-Type Activities	Total
Non-depreciable assets:			
Land	\$ 16,522,947	\$ 20,323,255	\$ 36,846,202
Construction in progress	42,314,513	10,289,560	52,604,073
Infrastructure-streets	54,054,036	-	54,054,036
Total non-depreciable assets	<u>112,891,496</u>	<u>30,612,815</u>	<u>143,504,311</u>
Depreciable assets:			
Buildings and improvements	58,523,343	45,184,647	103,707,990
Right-to-use buildings	2,245,558	-	2,245,558
Right-to-use subscriptions	1,422,465	-	1,422,465
Furniture and equipment	13,730,204	1,094,505	14,824,709
Automotive equipment	19,603,617	3,698,852	23,302,469
Infrastructure	102,696,119	33,634,671	136,330,790
Total depreciable assets	<u>198,221,306</u>	<u>83,612,675</u>	<u>281,833,981</u>
Less accumulated depreciation for:			
Buildings and improvements	29,849,247	22,589,621	52,438,868
Right-to-use buildings	528,367	-	528,367
Right-to-use subscriptions	245,987	-	245,987
Furniture and equipment	10,230,226	989,771	11,219,997
Automotive equipment	15,170,169	2,277,921	17,448,090
Infrastructure	62,709,906	14,611,721	77,321,627
Total accumulated depreciation	<u>118,733,902</u>	<u>40,469,034</u>	<u>159,202,936</u>
Total depreciable assets, net	<u>79,487,404</u>	<u>43,143,641</u>	<u>122,631,045</u>
Total capital assets, net	<u>\$ 192,378,900</u>	<u>\$ 73,756,456</u>	<u>\$ 266,135,356</u>

**CITY OF REDONDO BEACH**  
**Notes to the Financial Statements**  
**Fiscal Year Ended June 30, 2023**

**NOTE 8: CAPITAL ASSETS (CONTINUED)**

The following is a summary of changes in the capital assets for governmental activities during the fiscal year:

	Balance at June 30, 2022	Additions	Deletions	Transfers	Balance at June 30, 2023
Non-depreciable assets:					
Land	\$ 16,522,947	\$ -	\$ -	\$ -	\$ 16,522,947
Construction in progress	25,823,514	16,903,385	-	(412,386)	42,314,513
Infrastructure - streets	54,054,036	-	-	-	54,054,036
Total non-depreciable assets	96,400,497	16,903,385	-	(412,386)	112,891,496
Depreciable assets:					
Buildings and improvements	58,117,371	218,838	-	187,134	58,523,343
Right-to-use buildings	2,245,558	-	-	-	2,245,558
Right-to-use subscriptions	-	1,422,465	-	-	1,422,465
Furniture and equipment	13,326,744	414,689	(11,229)	-	13,730,204
Automotive equipment	18,247,872	2,561,130	(1,205,385)	-	19,603,617
Infrastructure	99,670,237	2,800,630	-	225,252	102,696,119
Total depreciable assets	191,607,782	7,417,752	(1,216,614)	412,386	198,221,306
Less accumulated depreciation for:					
Buildings and improvements	28,216,727	1,632,520	-	-	29,849,247
Right-to-use buildings	264,926	263,441	-	-	528,367
Right-to-use subscriptions	-	245,987	-	-	245,987
Furniture and equipment	9,761,089	480,366	(11,229)	-	10,230,226
Automotive equipment	14,739,373	1,635,937	(1,205,141)	-	15,170,169
Infrastructure	61,074,620	1,635,286	-	-	62,709,906
Total accumulated depreciation	114,056,735	5,893,537	(1,216,370)	-	118,733,902
Total depreciable assets, net	77,551,047	1,524,215	(244)	412,386	79,487,404
Governmental activities capital assets, net	\$ 173,951,544	\$ 18,427,600	\$ (244)	\$ -	\$ 192,378,900

Depreciation expense was charged to functions/programs of governmental activities for the fiscal year ended June 30, 2023, as follows:

General Government	
General Government	\$ 469,202
Public Safety	250,768
Public Works	2,692,697
Cultural and Leisure Services	1,008,376
Internal Services Funds	
Vehicle Replacement	1,066,247
Building Occupancy	11,750
Information Technology	141,476
Emergency Communications	230,330
Major Facilities Repair	22,691
Total Depreciation and Amortization Expense	<u>\$ 5,893,537</u>

**CITY OF REDONDO BEACH**  
**Notes to the Financial Statements**  
**Fiscal Year Ended June 30, 2023**

**NOTE 8: CAPITAL ASSETS (CONTINUED)**

The following is a summary of changes in the capital assets for business-type activities for the year ended June 30, 2023:

	Balance at June 30, 2022	Additions	Deletions	Transfers	Balance at June 30, 2023
Non-depreciable assets:					
Land	\$ 20,323,255	\$ -	\$ -	\$ -	\$ 20,323,255
Construction in progress	7,068,218	4,882,769	-	(1,661,427)	10,289,560
Total non-depreciable assets	<u>27,391,473</u>	<u>4,882,769</u>	<u>-</u>	<u>(1,661,427)</u>	<u>30,612,815</u>
Depreciable assets:					
Buildings and improvements	39,016,662	4,506,558	-	1,661,427	45,184,647
Furniture and equipment	1,082,431	12,074	-	-	1,094,505
Automotive equipment	3,601,229	319,393	(221,770)	-	3,698,852
Infrastructure	33,634,671	-	-	-	33,634,671
Total depreciable assets	<u>77,334,993</u>	<u>4,838,025</u>	<u>(221,770)</u>	<u>1,661,427</u>	<u>83,612,675</u>
Less accumulated depreciation for:					
Buildings and improvements	21,743,313	846,308	-	-	22,589,621
Furniture and equipment	975,251	14,520	-	-	989,771
Automotive equipment	2,346,350	153,341	(221,770)	-	2,277,921
Infrastructure	14,153,819	457,902	-	-	14,611,721
Total accumulated depreciation	<u>39,218,733</u>	<u>1,472,071</u>	<u>(221,770)</u>	<u>-</u>	<u>40,469,034</u>
Total depreciable assets, net	<u>38,116,260</u>	<u>3,365,954</u>	<u>-</u>	<u>1,661,427</u>	<u>43,143,641</u>
Business-type activities capital assets, net	<u>\$ 65,507,733</u>	<u>\$ 8,248,723</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 73,756,456</u>

Depreciation expense for business-type activities for the fiscal year ended June 30, 2023, was charged as follows:

Harbor Tidelands	\$ 435,229
Harbor Uplands	424,344
Wastewater	458,235
Other Non-major Enterprise Funds	<u>154,263</u>
	<u>\$ 1,472,071</u>

In the governmental fund financial statements, capital assets are not presented. Consequently, capital assets are a reconciling item and are shown in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position.

**CITY OF REDONDO BEACH**  
**Notes to the Financial Statements**  
**Fiscal Year Ended June 30, 2023**

**NOTE 9: COMPENSATED ABSENCES PAYABLE**

The following is a summary of compensated absences payable transactions for the year ended June 30, 2023:

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023	Amounts Due Within One Year
Governmental Activities:					
Compensated absences payable	\$ 3,801,003	\$ 3,288,702	\$ (3,300,178)	\$ 3,789,527	\$ 947,382
Business-Type Activities:					
Compensated absences payable	455,032	502,303	(408,411)	548,924	137,234
Total	<u>\$ 4,256,035</u>	<u>\$ 3,791,005</u>	<u>\$ (3,708,589)</u>	<u>\$ 4,338,451</u>	<u>\$ 1,084,616</u>

The long-term portion of compensated absences payable has been accrued for the Governmental Activities on the Government-Wide Financial Statement. Also, compensated absences are generally liquidated by the General Fund. There is no fixed payment schedule to pay these liabilities.

**NOTE 10: LONG-TERM LIABILITIES**

The following is a summary of long-term liabilities transactions for the year ended June 30, 2023:

	Balance at June 30, 2022	Additions	Deletions	Balance at June 30, 2023	Amounts Due Within One Year
Governmental Activities:					
CFA 2019A Lease Revenue Refunding Bonds	\$ 26,540,000	\$ -	\$ (585,000)	\$ 25,955,000	\$ 605,000
Unamortized bond discount	(673,180)	-	25,732	(647,448)	-
CFA Lease Revenue Bonds Series 2021A	207,429,678	-	(6,905,763)	200,523,915	6,932,520
Leases (See Note 5 b.)	2,002,632	-	(247,722)	1,754,910	253,481
Subscriptions (See Note 6)	-	1,298,779	(312,796)	985,983	318,312
Total governmental activities	<u>\$ 235,299,130</u>	<u>\$ 1,298,779</u>	<u>\$ (8,025,549)</u>	<u>\$ 228,572,360</u>	<u>\$ 8,109,312</u>
Business-type Activities:					
Wastewater Revenue Refunding 2014 Series A	\$ 5,060,000	\$ -	\$ (325,000)	\$ 4,735,000	\$ 340,000
Unamortized bond premium	315,070	-	(26,255)	288,815	-
CFA Lease Revenue Bonds Series 2021A	18,750,322	-	(624,237)	18,126,085	627,480
Total business-type activities	<u>\$ 24,125,392</u>	<u>\$ -</u>	<u>\$ (975,492)</u>	<u>\$ 23,149,900</u>	<u>\$ 967,480</u>

**NOTE 10: LONG-TERM LIABILITIES (CONTINUED)**

*Community Financing Authority (CFA) 2019A Lease Revenue Refunding Bonds*

The Community Financing Authority issued refunding revenue bonds dated February 2019, totaling \$28,015,000. The proceeds of the bonds were used to refund the various leaseback contingencies and finance the purchase of a sublease between the City and Redondo Fisherman's Cove Company. The bonds bear interest at rates between 4.00% and 5.00% and interest is payable on each May 1 and November 1, commencing November 1, 2019. The bonds are payable from base rental payments. Principal is due annually beginning on May 1, 2020, in amounts ranging from \$350,000 to \$1,585,000. The bonds mature on May 1, 2049. The bonds are subject to optional and mandatory early redemption provisions. As of June 30, 2023, the balance outstanding was \$25,955,000, with an unamortized discount of \$647,448.

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2023, including interest, are as follows:

Year Ending June 30	Principal	Interest	Total
2024	\$ 605,000	\$ 1,048,188	\$ 1,653,188
2025	625,000	1,030,038	1,655,038
2026	640,000	1,010,506	1,650,506
2027	665,000	989,706	1,654,706
2028	685,000	968,094	1,653,094
2029-2033	3,815,000	4,445,475	8,260,475
2034-2038	4,640,000	3,616,569	8,256,569
2039-2043	5,690,000	2,569,731	8,259,731
2044-2048	7,005,000	1,255,025	8,260,025
2049	1,585,000	67,363	1,652,363
Total	<u>\$ 25,955,000</u>	<u>\$ 17,000,695</u>	<u>\$ 42,955,695</u>

The following is a summary of the 2019A Lease Revenue Refunding unamortized discount outstanding at June 30, 2023:

Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
<u>\$ (673,180)</u>	<u>\$ -</u>	<u>\$ 25,732</u>	<u>\$ (647,448)</u>

**NOTE 10: LONG-TERM LIABILITIES (CONTINUED)**

Wastewater Revenue Bonds 2014, Series A

On March 25, 2014, the City issued \$7,230,000 of Wastewater Revenue Refunding Bonds for the purpose of refunding \$7,230,000 of then-outstanding 2004 Wastewater Revenue Refunding Bonds. The purpose of the bonds was to finance certain improvements and related facilities that constitute part of the Wastewater Enterprise Fund. The serial bonds in the amount of \$4,795,000 mature through May 1, 2029 and bear a variable interest rate ranging from 3% to 5% per annum. Term bonds in the amount of \$2,435,000 mature through May 1, 2034, and bear interest at the rate of 4%. The serial bonds maturing on or after May 1, 2015, are subject to optional redemption provisions. The term bonds are subject to optional and mandatory redemption provisions. The bonds are payable solely from and secured by a pledge of and lien upon the net revenues of the Wastewater Enterprise Fund.

As of June 30, 2023, the balance outstanding was \$4,735,000, with an unamortized bond premium of \$288,815.

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2023, including interest, are as follows:

Year Ending June 30	Principal	Interest	Total
2024	\$ 340,000	\$ 205,488	\$ 545,488
2025	355,000	188,488	543,488
2026	375,000	170,738	545,738
2027	395,000	151,988	546,988
2028	405,000	139,150	544,150
2029-2033	2,340,000	397,500	2,737,500
2034	525,000	21,000	546,000
Total	<u>\$ 4,735,000</u>	<u>\$ 1,274,352</u>	<u>\$ 6,009,352</u>

The following is a summary of the 2014 Revenue Bond Series A unamortized premium outstanding at June 30, 2023:

Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
\$ 315,070	\$ -	\$ (26,255)	\$ 288,815

Community Financing Authority (CFA) Lease revenue Bonds Series 2021A

In July 2021, the Redondo Beach Community Financing Authority (CFA) issued \$226,180,000 Lease Revenue Bonds Series 2021A (federally taxable) to fund a portion of the City's obligation to the California Public Employees' Retirement System. The bond will be payable from base rental payment made by the City to the Authority as rental for portion of certain street located in the City. The bonds include \$115,865,000 serial bonds with principal due on May 1 of each year starting in 2023 until 2026 and ranging in amount of \$7,530,000 to \$9,485,000. The bonds also include term bonds in the amount of \$51,785,000 and 58,530,000 due May 1, 2041 and 2049 respectively. Interest payable on the bonds ranges from 0.415% to 3.068% payable semiannually.



**NOTE 10: LONG-TERM LIABILITIES (CONTINUED)**

As of June 30, 2023, \$200,523,915 of the liability is reported in governmental activities and \$18,126,085 is reported in business-type activities. The annual requirements to amortize the outstanding bond indebtedness including interest are as follows:

Year Ending June 30	Principal	Interest	Total
2024	\$ 7,560,000	\$ 5,540,302	\$ 13,100,302
2025	7,615,000	5,484,283	13,099,283
2026	7,695,000	5,408,057	13,103,057
2027	7,795,000	5,306,406	13,101,406
2028	7,920,000	5,306,406	13,226,406
2029-2033	42,035,000	23,474,871	65,509,871
2034-2038	47,515,000	17,995,254	65,510,254
2039-2043	51,635,000	10,601,664	62,236,664
2044-2048	34,640,000	3,572,993	38,212,993
2049	4,240,000	130,083	4,370,083
Total	<u>\$ 218,650,000</u>	<u>\$ 82,820,319</u>	<u>\$ 301,470,319</u>

In the event of default, there is no remedy of acceleration of any Base Rental Payments which have not come due, and no right for the Authority to terminate the Lease and re-let the Leased Property. The sole remedy provided for in the Lease is to exercise any action at law or in equity necessary or desirable to collect the amounts due under the Lease.

In addition, the City is reporting a deferred charge on refunding as a deferred outflows of resources. The following is a summary of the amortization of the deferred charge for the fiscal year ending June 30, 2023:

Deferred outflows of resources	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
Deferred loss on refunding	<u>\$ 308,493</u>	<u>\$ -</u>	<u>\$ (25,708)</u>	<u>\$ 282,785</u>

**NOTE 11: RISK MANAGEMENT**

The City is exposed to risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters; and currently reports all of its risk management activities in its Self-Insurance Program Internal Service Fund.

The City has adopted a self-insurance workers' compensation program, which is administered by a third-party agent, AdminSure. The self-insurance coverage for each claim is limited to \$750,000. Excess coverage of up to \$50,000,000 for each claim is provided by the Public Risk Innovations, Solutions, and Management (PRISM), an insurance pool, in which a consortium of counties and cities has agreed to share risks and losses. As of June 30, 2023, the estimated claims payable for workers' compensation was \$13,269,916, which included claims incurred but not reported (IBNR). The current year's portion of the claims was \$456,300.

**NOTE 11: RISK MANAGEMENT (CONTINUED)**

For general liability claims, the City is also self-insured up to \$500,000 for each occurrence. The self-insurance program is administered by a third-party agent, AdminSure. Each claim in excess of the self-insured retention of up to \$30,000,000 is covered by the CSAC-EIA. As of June 30, 2023, the estimated claims payable for general liability was \$7,651,470, which included IBNR. The current year's portion was \$292,264. Governmental activities claims and judgments are generally liquidated by the General Fund.

	Liability on June 30, 2023
General Liability	\$ 7,651,470
Workers' Compensation	13,269,916
Total Claims Payable	<u>\$ 20,921,386</u>
Due within on year	\$ 748,564
Due in more than one year	20,172,822
	<u>\$ 20,921,386</u>

The following is a summary of the changes in the claim liability over the past two fiscal years. Changes in the reported liability resulted from the following:

Fiscal Year	Beginning Balance	Increase	Decrease	Ending Balance	Due Within One Year
2021-2022					
Workers'comp	\$ 16,858,982	\$ 1,326,703	\$ (1,651,748)	\$ 16,533,937	\$ 623,656
General liabilities	6,609,560	6,977,768	(5,883,086)	7,704,242	296,313
Total	<u>\$ 23,468,542</u>	<u>\$ 8,304,471</u>	<u>\$ (7,534,834)</u>	<u>\$ 24,238,179</u>	<u>\$ 919,969</u>
2022-2023					
Workers'comp	\$ 16,533,937	\$ 1,331,205	\$ (4,595,226)	\$ 13,269,916	\$ 456,300
General liabilities	7,704,242	7,423,908	(7,476,680)	7,651,470	292,264
Total	<u>\$ 24,238,179</u>	<u>\$ 8,755,113</u>	<u>\$ (12,071,906)</u>	<u>\$ 20,921,386</u>	<u>\$ 748,564</u>

Settled claims have not exceeded any of the City's coverage amounts in any of the last three fiscal years and there were no reductions in the City's coverage during the year. The estimated claims payable for workers' compensation and general liability is based on estimates provided by the third-party administrator, the City Attorney, the Risk Management staff, and the City's actuary.

**NOTE 12: EMPLOYEE RETIREMENT PLANS**

**A. Pension Plans**

***Plan Description***

The Plans are agent, multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). A full description of the pension plans regarding number of employees covered, benefit provisions, assumptions (for funding, but not account purposes), and membership information are listed in the June 30, 2021 Annual Actuarial Valuation Report (funding valuation). Details of the benefits provided can be obtained in Appendix B of the actuarial valuation report. The actuarial valuation report and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website, at [www.calpers.ca.gov](http://www.calpers.ca.gov).

**NOTE 12: EMPLOYEE RETIREMENT PLANS (CONTINUED)**

***Benefits Provided***

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

	Miscellaneous		
	Tier 1 *	Tier 2 *	Tier 3
		On or after May 1, 2012 and before January 1, 2013	On or after January 1, 2013
Hire date	Prior to May 1, 2012		
Benefit formula	2% @ 55	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50-63	50-63	52-67
Monthly benefits, as a % of eligible compensation	1.426%-2.418%	1.092%-2.418%	1.0%-2.5%
Required employee contribution rates	7.00%	7.00%	7.25%
Required employer contribution rates.	35.490%	35.490%	35.490%

\* Closed to new entrants

	Safety		
	Tier 1 *	Tier 2 *	Tier 3
		On or after May 1, 2012 and before January 1, 2013	On or after January 1, 2013
Hire date	Prior to May 1, 2012		
Benefit formula	Police - 3% @ 50 Fire - 3% @ 55	Police & Fire 3% @ 55	Police & Fire 2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50-55	50-55	50-57
Monthly benefits, as a % of eligible compensation	2.4-3%	2.4-3%	2%-2.7%
Required employee contribution rates	9.00%	9.00%	12.00%
Required employer contribution rates	82.670%	82.670%	82.670%

\* Closed to new entrants

**NOTE 12: EMPLOYEE RETIREMENT PLANS (CONTINUED)**

As of the valuation date of June 30, 2021, the following employees were covered by the benefit terms of the Plan:

	<u>Miscellaneous</u>	<u>Safety</u>
Inactive employees or beneficiaries currently receiving benefits	527	320
Inactive employees entitled to but not yet receiving benefits	430	57
Active employees	<u>276</u>	<u>145</u>
Total	<u><u>1,233</u></u>	<u><u>522</u></u>

***Contributions***

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. The actuarially determined rate is based on the estimated amount necessary to finance the costs and benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

For the year ended June 30, 2023, the employer contributions recognized as a reduction to the net position liability for all the Plans was \$22,877,497.

***Net Pension Liability***

The net pension liability is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2022, using an annual actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

***Changes of Assumptions***

Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates 2017 through 2021, 7.65% for measurement dates 2015 through 2016, and 7.50% for measurement date 2014.

**NOTE 12: EMPLOYEE RETIREMENT PLANS (CONTINUED)**

***Actuarial Methods and Assumptions Used to Determine Total Pension Liability***

The June 30, 2021 valuation was rolled forward to determine the June 30, 2022 total pension liability based on the following actuarial methods and assumptions:

	Miscellaneous	Safety
Valuation Date	June 30, 2021	June 30, 2021
Measurement Date	June 30, 2022	June 30, 2022
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Asset Valuation Method	Market Value of Assets	Market Value of Assets
Actuarial Assumptions		
Discount Rate	6.90%	6.90%
Inflation	2.50%	2.50%
Salary Increases (1)	3.30% to 14.20%	3.30% to 10.90%
Mortality Rate Table (2)	Derived using CalPERS membership data for all funds the lesser of contract COLA up to 2.50% until purchasing power protection allowance floor on purchasing power applies, 2.50% thereafter	
Post Retirement Benefit Increase		

(1) Annual increases vary by category, entry age, and duration of service.

(2) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website at [www.calpers.ca.gov](http://www.calpers.ca.gov).

***Long-term Expected Rate of Return***

The long-term expected rate of return on pension plan investments was determined using a building-block method in which future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points.

**NOTE 12: EMPLOYEE RETIREMENT PLANS (CONTINUED)**

The expected real rates of return by asset class are as followed:

<b>Asset Class (1)</b>	<b>Assumed Asset Allocation</b>	<b>Real Return (1, 2)</b>
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%

(1) An expected price inflation of 2.30% used for this period.

(2) Figures are based on the 2021-22 Asset Liability Management study.

**Discount Rate**

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Subsequent Events**

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the board. These new assumptions will be reflected in the GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

In July 2021, the Redondo Beach Community Financing Authority (CFA) issued \$226,180,000 Lease Revenue Bonds Series 2021A (federally taxable) to fund a portion of the City's obligation to the CalPERS.

**NOTE 12: EMPLOYEE RETIREMENT PLANS (CONTINUED)**

***Changes in the Net Pension Liability***

The following table shows the changes in net pension liability recognized over the measurement period for the City Miscellaneous Plan.

<b>Miscellaneous Plan</b>	Increase (Decrease)		
	Plan Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Plan Net Pension Liability (c) = (a) - (b)
Balance at: 6/30/2021 - Measurement Date	<b>\$ 232,076,841</b>	<b>\$ 192,185,019</b>	<b>\$ 39,891,822</b>
Changes Recognized for the Measurement Period:			
Service Cost	3,349,243	-	3,349,243
Interest on the Total Pension Liability	15,836,385	-	15,836,385
Changes of Assumptions	6,057,682	-	6,057,682
Differences between Expected and Actual Experience	(3,768,503)	-	(3,768,503)
Contributions from the Employer	-	70,759,414	(70,759,414)
Contributions from the Employees	-	1,393,334	(1,393,334)
Net Investment Income	-	(18,874,022)	18,874,022
Benefit Payments, including Refunds of Employee Contributions	(13,055,631)	(13,055,631)	-
Administrative Expense	-	(119,720)	119,720
Net Changes during 2021-22	<b>8,419,176</b>	<b>40,103,375</b>	<b>(31,684,199)</b>
Balance at: 6/30/2022 - Measurement Date (1)	<b>\$ 240,496,017</b>	<b>\$ 232,288,394</b>	<b>\$ 8,207,623</b>

The following table shows the changes in net pension liability recognized over the measurement period for the City Safety Plan.

<b>Safety Plan</b>	Increase (Decrease)		
	Plan Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Plan Net Pension Liability (c) = (a) - (b)
Balance at: 6/30/2021 - Measurement Date	<b>\$ 401,931,335</b>	<b>\$ 297,489,934</b>	<b>\$ 104,441,401</b>
Changes Recognized for the Measurement Period:			
Service Cost	6,249,142	-	6,249,142
Interest on the Total Pension Liability	27,763,771	-	27,763,771
Changes of Assumptions	11,089,291	-	11,089,291
Differences between Expected and Actual Experience	(1,796,249)	-	(1,796,249)
Contributions from the Employer	-	155,865,005	(155,865,005)
Contributions from the Employees	-	1,976,975	(1,976,975)
Net Investment Income	-	(32,498,996)	32,498,996
Benefit Payments, including Refunds of Employee Contributions	(23,950,891)	(23,950,891)	-
Administrative Expense	-	(185,318)	185,318
Net Changes during 2021-22	<b>19,355,064</b>	<b>101,206,775</b>	<b>(81,851,711)</b>
Balance at: 6/30/2022 - Measurement Date (1)	<b>\$ 421,286,399</b>	<b>\$ 398,696,709</b>	<b>\$ 22,589,690</b>

(1) The fiduciary net position includes receivables for employee service buybacks, deficiency reserves, fiduciary self-insurance and OPEB expense. As described in the previous section of this note, this may differ from the plan assets reported in the funding actuarial valuation report.



**NOTE 12: EMPLOYEE RETIREMENT PLANS (CONTINUED)**

***Sensitivity of the Net Pension Liability to Changes in the Discount Rate***

The following presents the net pension liability for the Plan as of the measurement date, calculated using the discount rate of 6.90 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90 percent) or 1 percentage-point higher (7.90 percent) than the current rate:

	<b>Net Pension Liability</b>		
	<b>Discount Rate - 1% (5.90%)</b>	<b>Current Discount Rate (6.90%)</b>	<b>Discount Rate + 1% (7.90%)</b>
Miscellaneous Plan	\$ 38,519,477	\$ 8,207,623	\$ (16,904,420)
Safety Plan	75,612,650	22,589,690	(21,248,588)
	<u>\$ 114,132,127</u>	<u>\$ 30,797,313</u>	<u>\$ (38,153,008)</u>

***Pension Plan Fiduciary Net Position***

The plan fiduciary net position disclosed in the GASB 68 accounting valuation report may differ from the plan assets reported in the funding actuarial valuation report due to several reasons. First, for the accounting valuations, CalPERS must keep items such as deficiency reserves, fiduciary self-insurance and OPEB expense included as assets. These amounts are excluded for rate setting purposes in the funding actuarial valuation. In addition, differences may result from early Comprehensive Annual Financial Report closing and final reconciled reserves. Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports. See CalPERS website for additional information.

For the measurement period ending June 30, 2022 (the measurement date) and fiscal year ending June 30, 2023, the City incurred a pension expense of \$5,076,109 and \$15,105,242 the miscellaneous and safety plans, respectively.

As of June 30, 2023, the following were the reported deferred outflows of resources and deferred inflows of resources related to all pension plans:

	<b>Miscellaneous</b>		<b>Safety</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
City pension contribution subsequent to measurement date	\$ 1,995,492	\$ -	\$ 4,682,522	\$ -
Difference between expected and actual experience	-	(2,492,071)	113,917	(1,738,628)
Change in Assumptions	3,533,648	-	7,920,922	-
Net difference between projected and actual earnings on pension plan investments	13,929,406	-	24,997,801	-
<b>Total</b>	<b>\$ 19,458,546</b>	<b>\$ (2,492,071)</b>	<b>\$ 37,715,162</b>	<b>\$ (1,738,628)</b>



**NOTE 12: EMPLOYEE RETIREMENT PLANS (CONTINUED)**

Contributions subsequent to the measurement date in the amount of \$1,995,492 and \$4,682,522 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period ended June 30:	<i>Miscellaneous</i>	<i>Safety</i>
	Deferred Outflows/(Inflows) of Resources	Deferred Outflows/(Inflows) of Resources
2023	\$ 3,352,494	\$ 7,377,283
2024	2,912,073	7,324,476
2025	1,875,900	5,066,217
2026	6,830,516	11,526,036
	<u>\$ 14,970,983</u>	<u>\$ 31,294,012</u>

**B. Other Post-Employment Benefits**

***Plan Description and Eligibility***

In addition to the pension benefits described above, the City provides certain health insurance benefits, in accordance with memorandums of understanding, to retired employees through the California Employers' Retiree Benefit Trust (CERBT) Fund, which is an agent multiple-employer plan administered by CalPERS. The City provides medical insurance for employees in accordance with agreements reached with various bargaining groups. The City shall pay the single retiree medical premium rate, for qualified retirees, for a medical insurance plan in which the retiree is enrolled from among those medical plans provided by the City. These contributions of the City for such medical premiums shall cease on the date the retiree becomes eligible to enroll in the Federal Medicare program and/or any Medicare supplemental plans. Membership of the plan consisted of the following at June 30, 2022 (the measurement date).

	Number of Employees
Active Employees	390
Inactives currently receiving benefits	167
Inactives entitled to but not yet receiving benefits	325
Total	<u>882</u>

***Contributions***

The required contribution of the City is based on a percentage of PERSable payroll. For the measurement date ended June 30, 2022 the City's cash contributions were \$2,024,400.

**NOTE 12: EMPLOYEE RETIREMENT PLANS (CONTINUED)**

***Actuarial Methods and Assumptions Used to Determine Net OPEB Liability***

The City's net OPEB Liability was measured as of June 30, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2021 based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2021
Contribution Policy	City contributes full actuarially determined contribution
Discount Rate and	6.25% at June 30, 2022
Long-Term Expected Rate	6.25% at June 30, 2021
of Return on Assets	Expected City contributions projected to keep sufficient plan assets to pay all benefits from trust
General Inflation	2.5%
Mortality, Retirement, Disability, Termination	CalPERS 2000-2019 Experience Study
Mortality Improvement	Mortality projected fully generational with Scale MP-2021
Salary Increases	Aggregate - 2.75% annually
Medical Trend	Merit - CalPERS 2000-2019 Experience Study
	Non-Medicare - 6.5% for 2023, decreasing to an ultimate rate of 3.75% in 2076
	Medicare - n/a
PEMHCA Minimum Increases	4% annually
Medical Participation for Additional Benefit	Currently covered - 100%, 90%, 60%, 50% for employees receiving 100%, 75%, 50%, 25% City paid premium respectively
	Not currently covered - 90% of above rates
PEMHCA Medical Participation	Currently covered - 10% for 2021, increasing to ultimate rate of 50% in 2033
	Not currently covered - 90% of above rates
Life Insurances Participation	Future retirees: 10%
Change of assumptions	None
Changes of benefit items	None

**NOTE 12: EMPLOYEE RETIREMENT PLANS (CONTINUED)**

***Long-term Expected Rate of Return***

The expected real rates of return by asset class are as followed:

<u>Asset Class Component</u>	<u>Target Allocation CERBT - Strategy 1</u>	<u>Expected Real Rate of Return</u>
Global Equity	49%	4.56%
Fixed Income	23%	1.56%
TIPS	5%	-0.08%
Commodities	3%	1.22%
REITs	20%	4.06%
(1) Assumed Long-Term Rate of Inflation		2.50%
(2) Expected Long-Term Net Rate of Return, rounded to the nearest quarter percent		6.25%

The long-term expected real rates of return are presented as geometric means.

***Discount Rate***

The discount rate used to measure the total OPEB liability was 6.25 percent. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

***Changes in the OPEB Liability***

	<u>Total OPEB Liability (a)</u>	<u>Fiduciary Net Position (b)</u>	<u>Net OPEB Liability (c) = (a) - (b)</u>
Balance at June 30, 2022 (measurement date June 30, 2021)	\$ 21,727,995	\$ 10,418,552	\$ 11,309,443
Changes recognized for the measurement period:			
Service cost	732,825	-	732,825
Interest	1,351,025	-	1,351,025
Benefit changes	-	-	-
Actual vs. expected experience	-	-	-
Assumption changes	-	-	-
Contributions - employer	-	2,024,400	(2,024,400)
Net investment income	-	(1,612,311)	1,612,311
Benefit payments	(1,688,875)	(1,688,875)	-
Administrative expenses	-	(7,783)	7,783
Net changes	394,975	(1,284,569)	1,679,544
Balance at June 30, 2023 (measurement date June 30, 2022)	<u>\$ 22,122,970</u>	<u>\$ 9,133,983</u>	<u>\$ 12,988,987</u>

**NOTE 12: EMPLOYEE RETIREMENT PLANS (CONTINUED)**

***Sensitivity of the Net OPEB Liability to Changes in the Discount Rate***

The following presents the net OPEB liability of the City if it were calculated using discount rate that is one percentage point lower or one percentage point higher than the current rate for the measurement period ended June 30, 2022.

	1% Decrease (5.25%)	Current Discount Rate (6.25%)	1% Increase (7.25%)
Net OPEB Liability	\$ 15,130,994	\$ 12,988,987	\$ 11,128,826

***Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates***

The following presents the net OPEB liability of the City if it were calculated using health care cost-trend rates that are one percentage point lower or one percentage point higher than the current rate for the measurement period ended June 30, 2022.

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Net OPEB Liability	\$ 10,670,810	\$ 12,988,987	\$ 15,749,470

***OPEB Plan Fiduciary Net Position***

CalPERS issues a publicly available financial report that includes financial statements and required supplementary information. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95814.

***OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB.***

For the fiscal year ended June 30, 2023, the City recognized OPEB expense of \$815,857. As of fiscal year ended June 30, 2023 (June 30, 2022 measurement date), the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 1,822,393	\$ -
Differences between expected and actual experience	-	3,829,317
Changes of assumptions	1,295,811	943,220
Net difference between projected and actual earnings on OPEB plan investments	816,486	-
Total	<u>\$ 3,934,690</u>	<u>\$ 4,772,537</u>

**NOTE 12: EMPLOYEE RETIREMENT PLANS (CONTINUED)**

The \$1,822,393 reported as deferred outflows of resources related to contributions subsequent to measurement date will be recognized as a reduction to net OPEB liability in the year ended June 30, 2023. Other amounts reported as deferred inflows of resources related to OPEB will be recognized as expense as follows:

Year Ended June 30	Deferred Outflow / (Inflows) of Resources
2024	\$ (549,803)
2025	(540,755)
2026	(523,625)
2027	(137,831)
2028	(428,963)
Thereafter	(479,263)
	<u>\$ (2,660,240)</u>

**NOTE 13: COMMITMENTS AND CONTINGENCIES**

**A. Lawsuits**

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the City's legal counsel that resolution of these matters will not have a material adverse effect on the financial condition of the City.

**B. Federal and State Grant Programs**

The City participates in Federal and State grant programs. These programs are subject to audit. No cost disallowance is expected as a result of any audits. Expenditures which may be disallowed, if any, by the granting agencies cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

**C. Commitments**

The following material construction commitments existed at June 30, 2023:

Project Name	Contract Amount	Expenditures to date as of June 30, 2023	Remaining Commitments
Portofino Way Sewer Pump Station	\$ 7,514,000	\$ -	\$ 7,514,000
Torr Blvd Resurf-PCH to Prospect	4,008,633	2,474,879	1,533,754
Seaside Lagoon	3,112,534	286,168	2,826,366
Sanitary Sewers Facilities Rehab	1,290,000	301,283	988,717
Portofino Way Sewer Pump Station	694,302	14,842	679,460

**NOTE 14: POLLUTION REMEDIATION OBLIGATIONS**

The Department of Toxic Substances Control (DTSC) filed a regulatory Notice of Violation against the City regarding the Redondo Beach Police Department's gun range concerning issues with contamination from lead bullet fragments. Cleanup, fines, assessments, and settlements incurred by the City for this DTSC action were approximately \$282,000. This liability has been accrued in the General Fund, and the City does not anticipate any recoveries reducing the liability, nor any further liability from this DTSC investigation as the DTSC has closed the matter.

**NOTE 14: POLLUTION REMEDIATION OBLIGATIONS (CONTINUED)**

Neighboring property owners adjacent to the gun range also filed civil claims for bodily injury and property damage due to alleged lead exposure. This matter is currently in mediation and in preparation for arbitration. Defense costs are being covered by several of the City's historical insurance policies and the related insurance carriers defending under a reservation of rights.

Cleanup and settlements currently are estimated to be \$150,000, using assumptions based on similar cleanup and settlements previously paid in the DTSC matter. Plaintiffs' demands are significantly higher. The pollution remediation obligation is an estimate and is subject to revision because of price increases or reductions, changes in technology, changes in evidence, or changes in applicable laws or regulations. Similarly, bodily injury claims are estimated based on current evidence (or lack thereof) presented by the various plaintiffs and are subject to revision if additional admissible evidence is presented during preparation for arbitration.

**NOTE 15: SUCCESSOR AGENCY**

**Dissolution of California Redevelopment Agencies**

On December 29, 2011, the California Supreme Court upheld Assembly Bill X1 26 (Bill) that provides for the dissolution of all redevelopment agencies in the State of California. Most cities in California had established a redevelopment agency that was included in the reporting entity of the City as a blended component unit (since the City Council, in many cases, also served as the governing board for those agencies).

The Bill provides that upon dissolution of a redevelopment agency, either the City or another unit of local government will agree to serve as the "successor agency" to hold the assets until they are distributed to other units of state and local government. If the City declines to accept the role of successor agency, other local agencies may elect to perform this role. If no local agency accepts the role of successor agency, the Governor is empowered by the Bill to establish a local "designated local authority" to perform this role. On January 10, 2012 the City Council met and created a Successor Agency in accordance with the Bill as part of the City's resolution number 12-01.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

**A. Long Term Debt**

In future fiscal years, successor agencies will only be allocated tax revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full.

The Bill directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012. Prior to that date, the final seven months of the activity of the redevelopment agency is reported in the governmental funds of the City. After the date of dissolution, activities of the dissolved redevelopment agency are reported in a fiduciary trust fund (private purpose trust fund) in the fiduciary statements of the City.

**NOTE 15: SUCCESSOR AGENCY (CONTINUED)**

In accordance with the provisions of Assembly Bill X1 26 (Bill) and the California Supreme Court's decision to uphold the Bill, the obligations of the former redevelopment agency became vested with the funds established for the successor agency upon the date of dissolution, February 1, 2012. Former tax increment revenues pledged to fund the debts of the former redevelopment agency will be distributed to the Successor Agency subject to the reapportionment of such revenues as provided by the Bill.

The debt of the Successor Agency as of June 30, 2023 is as follows:

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023	Amounts Due Within One Year
Successor Agency:					
County Deferral Loan-1983 Tax Increment	\$ 6,019,095	\$ -	\$ 1,335,463	\$ 4,683,632	\$ -
County Deferral Loan-1984 Tax Increment	6,286,162	-	683,663	5,602,499	-
City Loan-South Bay Center	3,260,000	-	545,000	2,715,000	595,000
Total	<u>\$ 15,565,257</u>	<u>\$ -</u>	<u>\$ 2,564,126</u>	<u>\$ 13,001,131</u>	<u>\$ 595,000</u>

**1983 Tax Increment Deferral** - On November 15, 1983, the Agency and the County of Los Angeles (County) entered into an agreement for reimbursement of tax increment funds. It was recognized that the South Bay Center Project Area needed to utilize a substantial portion of the annual tax increment in the early years to finance its redevelopment activities. Therefore, the County taxing entities agreed to defer receipt of tax increment reimbursement from the Agency. This deferral is debt of the Agency to be repaid only from the Agency's share of future pledged tax increment. There is no fixed payment schedule to repay this loan and the loan is non-interest bearing. The balance outstanding at June 30, 2023, was \$4,683,632.

**1984 Tax Increment Deferral** - On February 14, 1984, the Agency and the County entered into an agreement for reimbursement of tax increment funds. It was recognized that the Aviation High School Project Area needed to utilize a substantial portion of the annual tax increment in the early years to finance its redevelopment activities. Therefore, the County taxing entities agreed to defer receipt of tax increment reimbursement from the Agency. This deferral is debt of the Agency to be repaid only from the Agency's share of future pledged tax increment. There is no fixed payment schedule to repay this loan and the loan is non-interest bearing. The balance outstanding at June 30, 2023, was \$5,602,499.

**South Bay Center City Loan** – On July 1, 1996, the Public Financing Authority advanced \$8,660,000 to the former Redevelopment Agency for improvements within the South Bay Center Redevelopment Project Area. This advance was made through the Authority's purchase of the Agency's 1996 tax allocation bonds and bears interest at 8.95% per annum. As of June 30, 2023, the balance outstanding was \$2,715,000.

**B. Advances from City**

During the 2014-2015 fiscal year, the Successor Agency Oversight Board adopted resolutions approving the repayment of loans from the Low and Moderate Income Housing fund of the former Redevelopment Agency for legally required payments to the Supplemental Educational Revenue Augmentation Fund (SERAF) for Fiscal Years 2009-2010 and 2010-2011. As of June 30, 2023, the outstanding balance was \$535,731.

**NOTE 16: RISKS AND UNCERTAINTIES**

**A. Grants**

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

**NOTE 16: RISKS AND UNCERTAINTIES (CONTINUED)**

**B. Successor Agency**

Deductions (expenses) incurred by the Successor Agency for the year ended June 30, 2023 (and subsequent years in which the Successor Agency is in operation) are subject to review by various State agencies and the County in which the Successor Agency resides. If any expenses incurred by the Successor Agency are disallowed by the State agencies or County, the City, acting as the Successor Agency could be liable for the repayment of the disallowed costs from either its own funds or by the State withholding remittances normally paid to the City. The amount, if any, of expenses that may be disallowed by the State agencies or County cannot be determined at this time, although the Successor Agency expects such amounts, if any, to be immaterial.





**THIS PAGE INTENTIONALLY LEFT BLANK**

## **REQUIRED SUPPLEMENTARY INFORMATION**

**THIS PAGE INTENTIONALLY LEFT BLANK**

**CITY OF REDONDO BEACH**  
**Notes to the Required Supplementary Information**  
**For the Year Ended June 30, 2023**

---

**NOTE 1: BUDGETARY INFORMATION**

Through the budget, the City Council sets the direction of the City, allocates its resources and establishes its priorities. The Annual Budget assures the efficient and effective uses of the City's economic resources, as well as establishing that the highest priority objectives are accomplished.

The Annual Budget serves from July 1 to June 30, and is a vehicle that openly communicates these priorities to the community, businesses, vendors, employees and other public agencies. Additionally, it establishes the foundation of effective financial planning by providing resource planning performance measures and controls that permit the evaluation and adjustment of the City's performance.

The City follows these procedures in establishing the budgetary data reflected in the basic financial statements:

1. The City Council approves each year's budget submitted by the City Manager prior to the beginning of the new fiscal year.
2. The City Council's policy is to adopt an annual line-item budget for the general, special revenue, debt service, and capital projects funds.
3. Public hearings are conducted prior to its adoption by the Council.
4. Supplemental appropriations, when required during the period, are also approved by the Council. Intradepartmental budget changes are approved by the City Manager.
5. Expenditures may not exceed appropriations at the departmental level, which is the legal level of control.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the general, special revenue, debt service, and capital projects funds. Unexpended and unencumbered appropriations of these governmental funds automatically lapse at the end of the fiscal year. Encumbrances outstanding at year-end are reported with restricted, committed, assigned, and/or unassigned fund balances. They do not constitute expenditures or estimated liabilities. Budgets were legally adopted for all governmental funds with the exception of the Parking Authority Debt Service Fund, the Pier Parking Structure Rehabilitation Capital Projects Fund, and Major Facilities Reconstruction Capital Projects Fund.

The following are the budget comparison schedules for General Fund, Other Intergovernmental Grants Special Revenue Fund and Low-Mod Income Housing Special Revenue Fund.

For the fiscal year ended June 30, 2023, the following departments have excess expenditures over appropriations:

	Expenditures	Appropriations	Excess on Expenditure over Appropriations
General Fund			
Community services	\$ 6,688,048	\$ 6,525,001	\$ 163,047
Other Intergovernmental Grants			
Public works	86,759	85,821	938
Narcotic Seizure / Forfeiture			
Capital outlay	26,048	563	25,485
Proposition C			
Public works	3,900	2,825	1,075
Housing Authority			
Housing and community development	7,564,464	6,737,666	826,798

**THIS PAGE INTENTIONALLY LEFT BLANK**

**CITY OF REDONDO BEACH**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Year Ended June 30, 2023**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Budgetary Fund Balance, July 1	\$ 29,368,998	\$ 29,368,998	\$ 29,368,998	\$ -
<b>Resources (Inflows):</b>				
Taxes	73,531,428	76,488,843	76,446,608	(42,235)
Interdepartmental	10,036,226	8,747,688	8,745,517	(2,171)
Licenses and permits	2,267,859	2,267,859	2,607,527	339,668
Intergovernmental	240,000	249,496	331,107	81,611
Charges for services	7,694,515	7,694,515	9,924,671	2,230,156
Use of money and property	2,510,396	2,510,396	2,535,421	25,025
Fines and forfeitures	1,446,200	1,446,200	1,341,895	(104,305)
Miscellaneous	3,153,922	3,153,922	3,917,756	763,834
Transfers in	1,750,927	1,750,927	1,650,733	(100,194)
Subscription financing	-	-	415,357	415,357
<b>Amounts Available for Appropriations</b>	<b>132,000,471</b>	<b>133,678,844</b>	<b>137,285,590</b>	<b>3,606,746</b>
<b>Charges to Appropriation (Outflow):</b>				
General government				
Mayor and city council	916,670	935,204	691,918	243,286
City clerk	1,471,931	1,717,386	1,584,077	133,309
City treasurer	405,921	403,580	312,872	90,708
City attorney	3,678,341	3,722,490	3,279,374	443,116
City manager	1,142,831	1,159,598	1,045,122	114,476
Human resources	2,645,842	2,591,849	2,129,597	462,252
Financial services	2,796,337	2,771,038	2,390,766	380,272
Public safety				
Police	39,239,497	38,945,359	37,939,105	1,006,254
Fire	18,760,495	18,412,075	17,525,930	886,145
Housing and community development				
Community development	3,688,732	3,613,563	3,123,262	490,301
Waterfront and economic development	358,707	456,269	301,780	154,489
Cultural and leisure services				
Community services	6,109,718	6,524,001	6,688,048	(164,047)
Library	4,315,967	4,608,023	4,366,822	241,201
Public works				
Public works	7,223,525	8,011,317	7,515,994	495,323
Capital outlay	3,101,130	3,508,669	469,495	3,039,174
Debt service:				
Principal retirement	6,458,866	6,458,866	379,343	6,079,523
Interest and fiscal charges	4,779,660	4,779,660	10,452	4,769,208
Transfers out	4,068,582	4,068,582	14,343,215	(10,274,633)
<b>Total Charges to Appropriations</b>	<b>111,162,752</b>	<b>112,687,529</b>	<b>104,097,172</b>	<b>8,590,357</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 20,837,719</b>	<b>\$ 20,991,315</b>	<b>\$ 33,188,418</b>	<b>\$ 12,197,103</b>

**CITY OF REDONDO BEACH**  
**Budgetary Comparison Schedule**  
**Other Intergovernmental Grants**  
**Year Ended June 30, 2023**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Budgetary Fund Balance, July 1	\$ (6,858,755)	\$ (6,858,755)	\$ (6,858,755)	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	11,690,794	15,069,918	8,149,118	(6,920,800)
<b>Amounts Available for Appropriations</b>	<b>4,832,039</b>	<b>8,211,163</b>	<b>1,737,068</b>	<b>(6,474,095)</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	616,128	1,221,221	437,769	783,452
Public safety	182,380	769,843	672,852	96,991
Community development	310,000	849,336	67,402	781,934
Cultural and leisure services	-	362,979	268,712	94,267
Public works	83,821	85,821	86,759	(938)
Capital outlay	10,498,465	28,642,725	6,178,217	22,464,508
Debt service:				
Principal retirement	-	-	67,743	(67,743)
Interest and fiscal charges	-	-	10,968	(10,968)
<b>Total Charges to Appropriations</b>	<b>11,690,794</b>	<b>31,931,925</b>	<b>7,790,422</b>	<b>24,141,503</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ (6,858,755)</b>	<b>\$ (23,720,762)</b>	<b>\$ (6,053,354)</b>	<b>\$ 17,667,408</b>



CITY OF REDONDO BEACH  
 Budgetary Comparison Schedule  
 Low-Mod Income Housing  
 Year Ended June 30, 2023

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$3,841,655	\$ 3,841,655	\$ 3,841,655	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	-	-	41,781	41,781
Miscellaneous	217,891	217,891	-	(217,891)
<b>Amounts Available for Appropriations</b>	<b>4,059,546</b>	<b>4,059,546</b>	<b>3,883,436</b>	<b>(176,110)</b>
<b>Charges to Appropriation (Outflow):</b>				
Housing and community development	150,000	150,000	106,722	43,278
Cultural and leisure services	279,000	279,000	279,000	-
<b>Total Charges to Appropriations</b>	<b>429,000</b>	<b>429,000</b>	<b>385,722</b>	<b>43,278</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$3,630,546</b>	<b>\$ 3,630,546</b>	<b>\$ 3,497,714</b>	<b>\$ (132,832)</b>

**CITY OF REDONDO BEACH**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**Miscellaneous Plan - Agent Multiple-Employer**  
**As of June 30, For the Last Ten Fiscal Years (1)**

	2015	2016	2017	2018
<b>TOTAL PENSION LIABILITY</b>				
Service Cost	\$ 2,874,216	\$ 2,537,587	\$ 2,658,781	\$ 3,296,064
Interest	12,419,054	12,947,817	13,391,115	13,844,417
Difference between Expected and Actual Experience	-	(58,913)	(717,631)	808,043
Changes in Assumptions	-	(3,072,251)	-	11,132,579
Benefit Payments, Including				
Refunds of Employee Contributions	(7,872,679)	(8,784,656)	(9,282,593)	(10,173,782)
<b>Net Change in Total Pension Liability</b>	<b>7,420,591</b>	<b>3,569,584</b>	<b>6,049,672</b>	<b>18,907,321</b>
<b>Total Pension Liability - Beginning</b>	<b>168,086,614</b>	<b>175,507,205</b>	<b>179,076,789</b>	<b>185,126,461</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 175,507,205</b>	<b>\$ 179,076,789</b>	<b>\$ 185,126,461</b>	<b>\$ 204,033,782</b>
<b>PLAN FIDUCIARY NET POSITION</b>				
Contributions - Employer	\$ 2,678,754	\$ 2,783,258	\$ 3,517,596	\$ 4,018,170
Contributions - Employee	1,301,991	1,282,878	1,361,650	1,404,270
Plan to Plan Resource Movement	-	2,745	(2,463)	-
Net Investment Income	21,314,935	3,161,165	777,656	14,967,632
Benefit Payments, Including				
Refunds of Employee Contributions	(7,872,679)	(8,784,656)	(9,282,593)	(10,173,782)
Administrative Expense	-	(158,175)	(85,184)	(200,883)
Other Miscellaneous Income/(Expense)	-	-	-	-
<b>Net Change in Fiduciary Net Position</b>	<b>17,423,001</b>	<b>(1,712,785)</b>	<b>(3,713,338)</b>	<b>10,015,407</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>124,062,963</b>	<b>141,485,964</b>	<b>139,773,179</b>	<b>136,059,841</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 141,485,964</b>	<b>\$ 139,773,179</b>	<b>\$ 136,059,841</b>	<b>\$ 146,075,248</b>
<b>Plan Net Pension Liability/(Assets) - Ending (a) - (b)</b>	<b>\$ 34,021,241</b>	<b>\$ 39,303,610</b>	<b>\$ 49,066,620</b>	<b>\$ 57,958,534</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>80.62%</b>	<b>78.05%</b>	<b>73.50%</b>	<b>71.59%</b>
<b>Covered Payroll</b>	<b>\$ 17,538,911</b>	<b>\$ 17,124,613</b>	<b>\$ 19,222,807</b>	<b>\$ 19,613,902</b>
<b>Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll</b>	<b>193.98%</b>	<b>229.52%</b>	<b>255.25%</b>	<b>295.50%</b>

(1) Historical information is required only for measurement years for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only nine years are shown.

**Notes to Schedule:**

Benefit Changes:

The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the Valuation Date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

Changes of Assumptions:

Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates 2017 through 2021, 7.65% for measurement dates 2015 through 2016, and 7.50% for measurement date 2014.

2019	2020	2021	2022	2023
\$ 3,370,814	\$ 3,397,192	\$ 3,426,450	\$ 3,267,559	\$ 3,349,243
14,225,068	14,990,021	15,398,568	15,785,975	15,836,385
(291,950)	4,185,447	(1,088,566)	(1,273,036)	(3,768,503)
(1,050,285)	-	-	-	6,057,682
(10,849,928)	(11,341,781)	(11,856,917)	(12,251,572)	(13,055,631)
<b>5,403,719</b>	<b>11,230,879</b>	<b>5,879,535</b>	<b>5,528,926</b>	<b>8,419,176</b>
<b>204,033,782</b>	<b>209,437,501</b>	<b>220,668,380</b>	<b>226,547,915</b>	<b>232,076,841</b>
<b>\$ 209,437,501</b>	<b>\$ 220,668,380</b>	<b>\$ 226,547,915</b>	<b>\$ 232,076,841</b>	<b>\$ 240,496,017</b>
\$ 4,408,505	\$ 5,141,337	\$ 5,895,816	\$ 6,313,617	\$ 70,759,414
1,456,828	1,461,551	1,487,258	1,370,930	1,393,334
(355)	-	-	-	-
12,226,183	9,905,031	7,811,724	36,083,015	(18,874,022)
(10,849,928)	(11,341,781)	(11,856,917)	(12,251,572)	(13,055,631)
(227,625)	(108,939)	(222,338)	(160,659)	(119,720)
(432,265)	355	-	-	-
<b>6,581,343</b>	<b>5,057,554</b>	<b>3,115,543</b>	<b>31,355,331</b>	<b>40,103,375</b>
<b>146,075,248</b>	<b>152,656,591</b>	<b>157,714,145</b>	<b>160,829,688</b>	<b>192,185,019</b>
<b>\$ 152,656,591</b>	<b>\$ 157,714,145</b>	<b>\$ 160,829,688</b>	<b>\$ 192,185,019</b>	<b>\$ 232,288,394</b>
<b>\$ 56,780,910</b>	<b>\$ 62,954,235</b>	<b>\$ 65,718,227</b>	<b>\$ 39,891,822</b>	<b>\$ 8,207,623</b>
72.89%	71.47%	70.99%	82.81%	96.59%
\$ 20,156,748	\$ 21,343,149	\$ 20,914,206	\$ 19,503,029	\$ 18,792,136
281.70%	294.96%	314.23%	204.54%	43.68%

**CITY OF REDONDO BEACH**  
**Schedule of Plan Contributions**  
**Miscellaneous Plan - Agent Multiple-Employer**  
**As of June 30, For the Last Ten Fiscal Years (1)**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Actuarially Determined Contribution	\$ 2,783,258	\$ 3,517,053	\$ 4,018,056	\$ 4,399,141
Contribution in Relation to the Actuarially Determined Contribution	<u>(2,783,258)</u>	<u>(3,517,053)</u>	<u>(4,018,056)</u>	<u>(4,399,141)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 17,124,613	\$ 19,222,807	\$ 19,613,902	\$ 20,156,748
Contributions as a Percentage of Covered Payroll	16.25%	18.30%	20.49%	21.82%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only nine years are shown.

**Note to Schedule:**

Valuation Date:

June 30, 2021

Methods and assumptions used to determine contribution rates:

Actuarial cost method

Entry Age Normal Cost Method

Amortization method

Level percentage of payroll, closed

Assets valuation method

Fair Value of Assets.

Discount rate

6.90% (net of investment and administrative expenses)

Projected Salary Increases

Varies by Entry Age and Service

Inflation

2.50%

Payroll growth

2.75%

---

<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
\$ 5,140,690	\$ 5,895,512	\$ 6,314,575	\$ 4,739,046	\$ 1,995,492
(5,140,690)	(5,895,512)	(6,314,575)	(70,741,465)	(1,995,492)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (66,002,419)</u>	<u>\$ -</u>
\$ 21,343,149	\$ 20,914,206	\$ 19,503,029	\$ 18,792,136	\$ 20,726,906
24.09%	28.19%	32.38%	376.44%	9.63%

**CITY OF REDONDO BEACH**  
**Safety Plan- Agent Multiple-Employer**  
**Safety Plan- Agent Multiple-Employer**  
**As of June 30, For the Last Ten Fiscal Years (1)**

	2015	2016	2017	2018
<b>TOTAL PENSION LIABILITY</b>				
Service Cost	\$ 4,500,890	\$ 4,369,526	\$ 4,352,710	\$ 5,065,945
Interest	21,930,219	22,764,197	23,438,824	23,940,703
Difference between Expected and Actual Experience	-	854,509	(769,075)	(493,558)
Changes in Assumptions	-	(5,276,514)	-	19,087,843
Benefit Payments, Including				
Refunds of Employee Contributions	(16,352,903)	(17,197,393)	(17,877,775)	(18,716,805)
<b>Net Change in Total Pension Liability</b>	<b>10,078,206</b>	<b>5,514,325</b>	<b>9,144,684</b>	<b>28,884,128</b>
<b>Total Pension Liability - Beginning</b>	<b>298,328,930</b>	<b>308,407,136</b>	<b>313,921,461</b>	<b>323,066,145</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 308,407,136</b>	<b>\$ 313,921,461</b>	<b>\$ 323,066,145</b>	<b>\$ 351,950,273</b>
<b>PLAN FIDUCIARY NET POSITION</b>				
Contributions - Employer	\$ 5,790,913	\$ 6,493,477	\$ 7,448,334	\$ 8,431,955
Contributions - Employee	2,003,854	1,397,695	1,457,236	1,592,490
Plan to Plan Resource Movement	-	(2,745)	2,463	-
Net Investment Income	34,672,500	5,030,896	1,150,020	23,744,382
Benefit Payments, Including				
Refunds of Employee Contributions	(16,352,903)	(17,197,393)	(17,877,775)	(18,716,805)
Administrative Expense	-	(251,346)	(136,109)	(317,989)
Other Miscellaneous Income/(Expense)	-	-	-	-
<b>Net Change in Fiduciary Net Position</b>	<b>26,114,364</b>	<b>(4,529,416)</b>	<b>(7,955,831)</b>	<b>14,734,033</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>201,747,147</b>	<b>227,861,511</b>	<b>223,332,095</b>	<b>215,376,264</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 227,861,511</b>	<b>\$ 223,332,095</b>	<b>\$ 215,376,264</b>	<b>\$ 230,110,297</b>
<b>Plan Net Pension Liability/(Assets) - Ending (a) - (b)</b>	<b>\$ 80,545,625</b>	<b>\$ 90,589,366</b>	<b>\$ 107,689,881</b>	<b>\$ 121,839,976</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>73.88%</b>	<b>71.14%</b>	<b>66.67%</b>	<b>65.38%</b>
<b>Covered Payroll</b>	<b>\$ 14,418,451</b>	<b>\$ 15,122,058</b>	<b>\$ 15,770,385</b>	<b>\$ 16,424,748</b>
<b>Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll</b>	<b>558.63%</b>	<b>599.05%</b>	<b>682.86%</b>	<b>741.81%</b>

(1) Historical information is required only for measurement years for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only nine years are shown.

**Notes to Schedule:**

Benefit Changes:

The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the Valuation Date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

Changes of Assumptions:

Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates 2017 through 2021, 7.65% for measurement dates 2015 through 2016, and 7.50% for measurement date 2014.

2019	2020	2021	2022	2023
\$ 5,468,356	\$ 5,753,947	\$ 5,883,763	\$ 5,458,828	\$ 6,249,142
24,611,566	25,990,861	26,796,647	27,413,478	27,763,771
817,752	9,616,039	968,299	(1,214,915)	(1,796,249)
(1,235,646)	-	-	-	11,089,291
(20,097,705)	(20,998,140)	(22,018,409)	(23,233,659)	(23,950,891)
<b>9,564,323</b>	<b>20,362,707</b>	<b>11,630,300</b>	<b>8,423,732</b>	<b>19,355,064</b>
<b>351,950,273</b>	<b>361,514,596</b>	<b>381,877,303</b>	<b>393,507,603</b>	<b>401,931,335</b>
<b>\$ 361,514,596</b>	<b>\$ 381,877,303</b>	<b>\$ 393,507,603</b>	<b>\$ 401,931,335</b>	<b>\$ 421,286,399</b>
\$ 9,310,708	\$ 10,499,397	\$ 11,860,288	\$ 12,912,307	\$ 155,865,005
1,887,216	1,753,382	1,816,584	1,789,951	1,976,975
(559)	-	-	-	-
19,399,983	15,582,752	12,249,408	56,472,719	(32,498,996)
(20,097,705)	(20,998,140)	(22,018,409)	(23,233,659)	(23,950,891)
(358,575)	(170,963)	(347,134)	(249,533)	(185,318)
(680,940)	559	-	-	-
<b>9,460,128</b>	<b>6,666,987</b>	<b>3,560,737</b>	<b>47,691,785</b>	<b>101,206,775</b>
<b>230,110,297</b>	<b>239,570,425</b>	<b>246,237,412</b>	<b>249,798,149</b>	<b>297,489,934</b>
<b>\$ 239,570,425</b>	<b>\$ 246,237,412</b>	<b>\$ 249,798,149</b>	<b>\$ 297,489,934</b>	<b>\$ 398,696,709</b>
<b>\$ 121,944,171</b>	<b>\$ 135,639,891</b>	<b>\$ 143,709,454</b>	<b>\$ 104,441,401</b>	<b>\$ 22,589,690</b>
66.27%	64.48%	63.48%	74.02%	94.64%
\$ 17,552,942	\$ 18,388,027	\$ 18,508,977	\$ 18,079,966	\$ 15,212,797
694.72%	737.65%	776.43%	577.66%	148.49%

**CITY OF REDONDO BEACH**  
**Schedule of Plan Contributions**  
**Safety Plan- Agent Multiple-Employer**  
**As of June 30, For the Last Ten Fiscal Years (1)**

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Actuarially Determined Contribution	\$ 6,493,477	\$ 7,448,335	\$ 8,431,955	\$ 9,310,585
Contribution in Relation to the Actuarially Determined Contribution	(6,493,477)	(7,448,335)	(8,431,955)	(9,310,585)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 15,122,058	\$ 15,770,385	\$ 16,424,748	\$ 17,552,942
Contributions as a Percentage of Covered Payroll	42.94%	47.23%	51.34%	53.04%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only nine years are shown.

**Note to Schedule:**

Valuation Date:

June 30, 2021

Methods and assumptions used to determine contribution rates:

Actuarial cost method

Entry Age Normal Cost Method

Amortization method

Level percentage of payroll, closed

Assets valuation method

Fair Value of Assets.

Discount rate

6.90% (net of investment and administrative expenses)

Projected Salary Increases

Varies by Entry Age and Service

Inflation

2.50%

Payroll growth

2.75%



---

<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
\$ 10,498,710	\$ 11,860,372	\$ 12,915,506	\$ 9,558,876	\$ 4,682,522
(10,498,710)	(11,860,372)	(12,915,506)	(155,882,954)	(4,682,522)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (146,324,078)</u>	<u>\$ -</u>
 \$ 18,388,027	 \$ 18,508,977	 \$ 18,079,966	 \$ 15,212,797	 \$ 16,696,199
 57.10%	 64.08%	 71.44%	 1024.68%	 28.05%

**CITY OF REDONDO BEACH**  
**Schedule of Changes in Net OPEB Liability and Related Ratios**  
**As of June 30, For the Last Ten Fiscal Years (1)**

	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Total OPEB Liability</b>			
Service cost	\$ 560,000	\$ 885,210	\$ 911,766
Interest on the total OPEB liability	1,521,000	1,581,920	1,635,748
Actual and expected experience difference	(3,502,000)	-	(147,110)
Changes in assumptions	2,900,000	-	(1,415,841)
Changes in benefit terms	2,593,000	-	-
Benefit payments	(2,002,000)	(1,868,747)	(1,523,667)
<b>Net change in total OPEB liability</b>	<b>2,070,000</b>	<b>598,383</b>	<b>(539,104)</b>
<b>Total OPEB liability - beginning</b>	<b>21,415,000</b>	<b>23,485,000</b>	<b>24,083,383</b>
<b>Total OPEB liability - ending (a)</b>	<b>23,485,000</b>	<b>24,083,383</b>	<b>23,544,279</b>
<b>Plan Fiduciary Net Position</b>			
Contribution - employer	1,428,000	2,191,008	2,217,998
Net investment income	632,000	469,710	497,289
Benefit payments	(2,002,000)	(1,868,747)	(1,523,667)
Administrative expense	(3,000)	(9,679)	(5,691)
<b>Net change in plan fiduciary net position</b>	<b>55,000</b>	<b>782,292</b>	<b>1,185,929</b>
<b>Plan fiduciary net position - beginning</b>	<b>4,818,000</b>	<b>4,873,000</b>	<b>5,655,292</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>4,873,000</b>	<b>5,655,292</b>	<b>6,841,221</b>
<b>Net OPEB Liability/(Assets) - ending (a) - (b)</b>	<b>\$ 18,612,000</b>	<b>\$ 18,428,091</b>	<b>\$ 16,703,058</b>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	20.75%	23.48%	29.06%
<b>Covered-employee payroll</b>	\$ 35,816,000	\$ 36,708,000	\$ 38,823,317
<b>Net OPEB liability as a percentage of covered-employee payroll</b>	51.97%	50.20%	43.02%

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

**Notes to Schedule: None**

**Changes in assumptions:** The discount rate was updated based on newer capital market assumptions as of measurement date June 30, 2022. ACA excise tax was removed as of measurement date June 30, 2020. The discount rate was changed from 6.75 percent to 6.25 percent for the measurement period ended June 30, 2022.

2021	2022	2023
\$ 854,481	\$ 869,592	\$ 732,825
1,592,234	1,620,655	1,351,025
-	(3,732,173)	-
(359,831)	700,641	-
-	-	-
(1,620,198)	(1,741,685)	-
<b>466,686</b>	<b>(2,282,970)</b>	<b>2,083,850</b>
<b>23,544,279</b>	<b>24,010,965</b>	<b>21,727,995</b>
<b>24,010,965</b>	<b>21,727,995</b>	<b>23,811,845</b>
2,214,831	1,975,728	2,024,400
300,557	2,465,620	(1,612,311)
(1,620,198)	(1,741,685)	-
(9,132)	(8,390)	(7,783)
<b>886,058</b>	<b>2,691,273</b>	<b>404,306</b>
<b>6,841,221</b>	<b>7,727,279</b>	<b>10,418,552</b>
<b>7,727,279</b>	<b>10,418,552</b>	<b>10,822,858</b>
<b>\$ 16,283,686</b>	<b>\$ 11,309,443</b>	<b>\$ 12,988,987</b>
32.18%	47.95%	45.45%
\$ 38,202,693	\$ 37,142,464	\$ 37,783,818
42.62%	30.45%	34.38%

**CITY OF REDONDO BEACH**  
**Schedule of Contributions**  
**As of June 30, For the Last Ten Fiscal Years (1)**

	2018	2019	2020
Actuarially Determined Contribution	\$ 1,802,000	\$ 2,217,998	\$ 2,214,831
Contribution in Relation to the Actuarially Determined Contributions	(705,000)	(2,217,998)	(2,214,831)
Contribution Deficiency (Excess)	\$ 1,097,000	\$ -	\$ -
Covered employee payroll	\$ 36,708,000	\$ 38,823,317	\$ 38,202,693
Contributions as a percentage of covered-employee payroll	4.91%	5.71%	5.80%

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

**Methods and assumptions used to determine contributions:**

Actuarial Cost Method	Entry Age Normal
Amortization Valuation Method	Level percent of payroll
Amortization Valuation Period	16-year average remaining fixed period for 2022/23
Asset Valuation Method	Investment gains and losses spread over 5-year rolling period
Discount Rate	6.25%
Inflation	2.50%
Mortality	Mortality projected fully generational with Scale MP-2021

2021	2022	2023
\$ 1,975,728	\$ 2,024,144	\$ 1,822,393
(1,975,728)	(2,024,144)	(1,822,393)
\$ -	\$ -	\$ -
\$ 37,142,464	\$ 37,783,818	\$ 40,375,037
5.32%	5.36%	4.51%

**THIS PAGE INTENTIONALLY LEFT BLANK**

## **MODIFIED APPROACH FOR CITY STREETS INFRASTRUCTURE CAPITAL ASSETS**

In accordance with GASB Statement No. 34, the City is required to account for and report infrastructure capital assets. GASB Statement No. 34 defines infrastructure assets as "long-lived capital assets that are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets..." Major infrastructure systems include the street system, storm water system, sewer system, and traffic control system. Each major infrastructure system can be divided into subsystems. For example, the street system can be divided into concrete and asphalt pavements, concrete curb and gutters, sidewalks, medians, etc. Subsystem detail is not presented in these basic financial statements; however, the City maintains detailed information on these subsystems.

The City has elected to use the "Modified Approach" as defined by GASB Statement No. 34 for infrastructure reporting for its Streets Pavement System. Under GASB Statement No. 34, eligible infrastructure capital assets are not required to be depreciated under the following requirements:

- The City manages the eligible infrastructure capital assets using an asset management system with characteristics of (1) an up-to-date inventory; (2) condition assessments which summarize results using a measurement scale; and (3) estimated annual amounts budgeted to maintain and preserve an established condition assessment level.
- The City documents that the eligible infrastructure capital assets are being preserved approximately at or above the established and disclosed condition assessment level.

The City commissioned a physical assessment of the street conditions as of June 30, 2020. The study assisted the City by providing inspection data used to evaluate pavement condition. This helped to establish a City-defined target level of pavement performance, while optimizing the expenditure of limited fiscal resources. The entire pavement network within the City is composed of approximately 125 centerline miles of paved surfaces. The City's street system can be grouped by function class as follows:  
22 centerline miles of arterial, 5 centerline miles of collector and 98 centerline miles of residential.

In May 2020, a physical assessment of all pavement segments was conducted to assess the existing surface condition of each of the individual pavement segments based on the ASTM D6433-11 standards for Pavement Condition Index (PCI). The PCI method only looks at distresses in the pavement since all of the City streets are structurally adequate and have speed limits less than 45mph. Evaluating the pavement based on PCI is a widely used standard in the United States, internationally, and commonly used by adjacent cities. This change allows the City to easily compare street conditions with comparable adjacent cities.

Upon completion of the study, the PCI was calculated for each segment in the City's pavement network to reflect the overall pavement condition. Ratings range from 0 to 100. A newly constructed street will have a PCI of 100, while a failed street will have a PCI of 25 or less. The pavement condition is primarily affected by the climate, traffic loads and volumes, construction materials and age. During the year, the comprehensive survey is updated to reflect the pavement's current condition.

**CITY OF REDONDO BEACH**  
**Notes to the Required Supplementary Information**  
**For the Year Ended June 30, 2023**

---

**MODIFIED APPROACH FOR CITY STREETS INFRASTRUCTURE CAPITAL ASSETS**

The following conditions were defined:

<u>Condition</u>	<u>Rating</u>
Very Good	70-100
Good	50-69
Poor	25-49
Very Poor	0-24

In line with the Capital Improvement Program and as presented to City Council on January 16, 2018, City policy is to achieve a citywide average rating of 75 PCI, by fiscal year 2027/28. This rating allows minor cracking and raveling of the pavement along with minor roughness that could be noticeable to drivers traveling at posted speeds.

The condition assessments for the most recent years since implementation are as follows:

<u>Year</u>	<u>PQI Rate</u>	<u>Condition</u>	<u>% of Streets</u>
2021	70 PCI	Very Good	52%
		Good	34%
		Poor	13%
		Very Poor	1%
2022	69 PCI	Very Good	49%
		Good	34%
		Poor	16%
		Very Poor	1%
2023	68 PCI	Very Good	49%
		Good	35%
		Poor	16%
		Very Poor	0%

The City expended \$14,536,314 on street improvement projects for the fiscal year ended June 30, 2023. These capital improvements expenditures enhanced the condition of many streets and delayed deterioration on others. The estimated expenditures required to maintain and improve the overall condition of the streets from July 1, 2023 through June 30, 2024 is a minimum of \$4,620,000.

A schedule of budget versus actual for the most recent years since implementation, which preserved City streets at the current 68 PCI rating, is presented in the following:

<u>Fiscal Year</u>	<u>Final Budget</u>	<u>Funded By Capital Improvement Project Fund</u>	<u>Funded By Other Funds</u>	<u>Total Expenditures</u>
2015-2016	\$ 18,316,725	\$ 349,942	\$ 2,225,322	\$ 2,575,264
2016-2017	18,181,254	426,308	2,176,521	2,602,829
2017-2018	25,410,860	2,277,323	3,029,105	5,306,428
2018-2019	28,101,756	858,836	1,567,341	2,426,177
2019-2020	25,722,992	983,290	5,101,794	6,085,084
2020-2021	25,883,121	1,303,631	3,707,000	5,010,631
2021-2022	35,923,606	1,329,143	2,556,402	3,885,545
2022-2023	40,322,463	2,107,750	12,428,564	14,536,314



**CITY OF REDONDO BEACH**  
**Notes to the Required Supplementary Information**  
**For the Year Ended June 30, 2023**

**MODIFIED APPROACH FOR CITY STREETS INFRASTRUCTURE CAPITAL ASSETS**

As of June 30, 2023, 50% of City streets were rated below the targeted average condition level of 75 PCI. However, as noted above, the City is investing in these infrastructure assets as part of the five-year Capital Improvement Program and will continue to rehabilitate and maintain its streets in order to achieve this goal.

<b>Project</b>	<b>Project #</b>	<b>Budget</b>	<b>General Fund Expenditures</b>	<b>Other Fund Expenditures</b>	<b>Total Expenditures</b>
Residential Street Rehabilitation	40190	4,052,098	444,538	3,294,689	3,739,227
Citywide Curb Ramp Improvements	40399	408,510	-	37,804	37,804
Traffic Calming Project	40470	1,243,425	84,514	153,721	238,235
Bicycle Trans Plan Implementation	40510	219,427	-	81,958	81,958
Artesia/Aviation NB Rt Turn Lane	40780	1,413,728	-	68,554	68,554
PCH Study Recommendations	40800	1,046,648	-	9,537	9,537
Kingsdale Resurfacing- 182nd/Grant Ave	40880	456,118	-	35,072	35,072
Bike Plan Grant - Beryl St. Bike Lanes	40940	136,829	-	-	-
Bike Plan Grant - N Catalina Bikelane	40941	414,370	-	-	-
Bike Plan Grant - S Catalina/I Bikelane	40942	44,640	-	-	-
Bike Plan Grant - Lilienthal Bikelane	40943	282,525	-	-	-
Bike Plan Grant - Torrance Blvd Bike Lane	40944	215,790	-	-	-
Bike Plan Grant - Citywide Bike Facilities	40945	853,340	-	-	-
Inglewood at MBB Rt Turn Lane Feasibility	40960	4,205,807	-	1,389,044	1,389,044
Torrance Blvd & Francisca Traffic Signal Mod	41070	256,061	-	251,788	251,788
Artesia Blvd Improvements - Phase 1	41080	169,943	-	-	-
Grant Ave Signal Improvements	41090	998,418	-	28,342	28,342
Median Reno - PV Blvd/Prospect/MBB	41110	101,543	13,723	-	13,723
Beryl Resurfacing & Drainage - Prospect to Flag	41130	2,756,636	927,785	1,872,845	2,800,630
Citywide Slurry Seal Program	41140	894,571	10,000	8,030	18,030
Kingsdale Avenue Widening	41150	977,153	-	1,528,324	1,528,324
Manhattan Beach Boulevard Resurfacing	41160	2,694,955	-	109,477	109,477
Citywide Striping	41180	508,670	97,145	248,670	345,815
Artesia Blvd Resurfacing - Harper to Hawthorne	41190	1,496,790	-	-	-
Citywide Traffic Signal Upgrades	41200	112,609	16,370	-	16,370
Inglewood Ave Resurfacing - Marine to MBB	41210	130,000	-	-	-
RB Blvd Resurfacing - Artesia to Hawthorne	41220	70,000	-	-	-
Torrance Blvd Resurfacing - PCH to Prospect	41230	4,241,209	-	1,962,247	1,962,247
Anita/Heronado & PCH WB RT Turn Lane	41240	2,500,000	-	-	-
NRB Bikeway Ext - Felton to Inglewood	41250	1,000,000	-	-	-
NRB Bikeway Ext - Inglewood Design	41260	200,000	-	1,936	1,936
Sidewalk Improvements & Repairs	41270	461,160	117,561	-	117,561
Traffic Signal Comm & Network System	41280	2,000,000	-	371,360	371,360
Dow/Vail/Johnston Bicycle Implementation Plan	41290	150,000	-	6,500	6,500
Residential Street Reconstruction-Deferred Maintenance	41300	1,500,000	-	750,000	750,000
Riviera Village Sidewalk Pavers	41310	300,000	14,320	-	14,320
Garnet Resurfacing- Broadway to Francisca	41320	250,000	250,000	-	250,000
Artesia Intesection Safety Implementation	41330	389,490	-	8,665	8,665
Grant Ave Bulb-outs	41340	375,000	-	-	-
Grant Ave Flash Crosswalks	41350	75,000	-	-	-
Alleyway Resurfacing with PCI<25	41370	320,000	-	-	-
Avenue I Resurfacing	41380	400,000	131,794	210,000	341,794
		<b>40,322,463</b>	<b>2,107,750</b>	<b>12,428,564</b>	<b>14,536,314</b>

**THIS PAGE INTENTIONALLY LEFT BLANK**

## **SUPPLEMENTARY INFORMATION**

CITY OF REDONDO BEACH  
Combining Balance Sheet  
Non-Major Governmental Funds  
June 30, 2023

	Special Revenue Funds			
	State Gas Tax	Parks and Recreation Facilities	Narcotic Seizure / Forfeiture	Proposition A
<b>Assets:</b>				
Pooled cash and investments	\$ 2,501,555	\$ 99,643	\$ 192,764	\$ 2,631,849
Receivables:				
Accounts	3,372	-	-	-
Taxes	428,746	-	-	-
Notes and loans	-	-	-	-
Accrued interest	10,847	-	2,518	9,688
Leases	-	-	-	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
<b>Total Assets</b>	<b>\$ 2,944,520</b>	<b>\$ 99,643</b>	<b>\$ 195,282</b>	<b>\$ 2,641,537</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 217,386	\$ -	\$ 11,965	\$ -
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b>217,386</b>	<b>-</b>	<b>11,965</b>	<b>-</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	-	-	-	-
Deferred leases related items	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
<b>Restricted for:</b>				
Housing and community development	-	99,643	-	2,641,537
Public safety	-	-	183,317	-
Public works	2,727,134	-	-	-
Debt service	-	-	-	-
Low and moderate income housing	-	-	-	-
<b>Assigned to:</b>				
Capital projects	-	-	-	-
<b>Unassigned</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>2,727,134</b>	<b>99,643</b>	<b>183,317</b>	<b>2,641,537</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 2,944,520</b>	<b>\$ 99,643</b>	<b>\$ 195,282</b>	<b>\$ 2,641,537</b>

CITY OF REDONDO BEACH  
Combining Balance Sheet  
Non-Major Governmental Funds  
June 30, 2023

(CONTINUED)

	Special Revenue Funds			
	Proposition C	Measure R	Local Transportation Article 3	Air Quality Improvement
<b>Assets:</b>				
Pooled cash and investments	\$ 4,075,024	\$ 1,830,354	\$ -	\$ 257,858
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	21,115	-	-	1,214
Leases	-	-	-	-
Due from other governments	-	-	-	23,003
Due from other funds	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
<b>Total Assets</b>	<b>\$ 4,096,139</b>	<b>\$ 1,830,354</b>	<b>\$ -</b>	<b>\$ 282,075</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 367,668	\$ 35,834	\$ -	\$ 588
Due to other funds	-	-	907	-
<b>Total Liabilities</b>	<b>367,668</b>	<b>35,834</b>	<b>907</b>	<b>588</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	-	-	-	-
Deferred leases related items	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
<b>Restricted for:</b>				
Housing and community development	3,728,471	1,794,520	-	281,487
Public safety	-	-	-	-
Public works	-	-	-	-
Debt service	-	-	-	-
Low and moderate income housing	-	-	-	-
<b>Assigned to:</b>				
Capital projects	-	-	-	-
<b>Unassigned</b>	<b>-</b>	<b>-</b>	<b>(907)</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>3,728,471</b>	<b>1,794,520</b>	<b>(907)</b>	<b>281,487</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 4,096,139</b>	<b>\$ 1,830,354</b>	<b>\$ -</b>	<b>\$ 282,075</b>

CITY OF REDONDO BEACH  
Combining Balance Sheet  
Non-Major Governmental Funds  
June 30, 2023

	Special Revenue Funds			
	Storm Drain Improvement	Street Landscaping and Lighting District	Community Development Block Grant	Disaster Recovery
<b>Assets:</b>				
Pooled cash and investments	\$ 245,955	\$ 226,168	\$ -	\$ 321,736
Receivables:				
Accounts	-	600	-	-
Taxes	-	27,059	-	-
Notes and loans	-	-	326,227	-
Accrued interest	-	-	-	-
Leases	-	-	-	-
Due from other governments	-	-	235,757	-
Due from other funds	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
<b>Total Assets</b>	<b>\$ 245,955</b>	<b>\$ 253,827</b>	<b>\$ 561,984</b>	<b>\$ 321,736</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 11,540	\$ 140,507	\$ 25,081	\$ 9,418
Due to other funds	-	-	25,528	-
<b>Total Liabilities</b>	<b>11,540</b>	<b>140,507</b>	<b>50,609</b>	<b>9,418</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	-	-	538,428	-
Deferred leases related items	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>538,428</b>	<b>-</b>
<b>Fund Balances:</b>				
<b>Restricted for:</b>				
Housing and community development	-	113,320	-	-
Public safety	-	-	-	312,318
Public works	234,415	-	-	-
Debt service	-	-	-	-
Low and moderate income housing	-	-	-	-
<b>Assigned to:</b>				
Capital projects	-	-	-	-
<b>Unassigned</b>	<b>-</b>	<b>-</b>	<b>(27,053)</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>234,415</b>	<b>113,320</b>	<b>(27,053)</b>	<b>312,318</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 245,955</b>	<b>\$ 253,827</b>	<b>\$ 561,984</b>	<b>\$ 321,736</b>

CITY OF REDONDO BEACH  
Combining Balance Sheet  
Non-Major Governmental Funds  
June 30, 2023

(CONTINUED)

	Special Revenue Funds			
	Housing Authority	Subdivision Park Trust	Measure M	Measure W
<b>Assets:</b>				
Pooled cash and investments	\$ 2,080,394	\$ 3,765,883	\$ 2,271,817	\$ 851,963
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	-	-	10,582	-
Leases	-	-	-	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
<b>Total Assets</b>	<b>\$ 2,080,394</b>	<b>\$ 3,765,883</b>	<b>\$ 2,282,399</b>	<b>\$ 851,963</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 18,321	\$ 172,748	\$ 16,360
Due to other funds	723,593	-	-	-
<b>Total Liabilities</b>	<b>723,593</b>	<b>18,321</b>	<b>172,748</b>	<b>16,360</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	-	-	-	-
Deferred leases related items	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
<b>Restricted for:</b>				
Housing and community development	-	3,747,562	-	-
Public safety	-	-	-	-
Public works	-	-	2,109,651	835,603
Debt service	-	-	-	-
Low and moderate income housing	1,356,801	-	-	-
<b>Assigned to:</b>				
Capital projects	-	-	-	-
<b>Unassigned</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>1,356,801</b>	<b>3,747,562</b>	<b>2,109,651</b>	<b>835,603</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 2,080,394</b>	<b>\$ 3,765,883</b>	<b>\$ 2,282,399</b>	<b>\$ 851,963</b>

CITY OF REDONDO BEACH  
Combining Balance Sheet  
Non-Major Governmental Funds  
June 30, 2023

	Capital Projects Funds			
	Capital Improvement Projects	Pier Parking Structure Rehabilitation	Major Facilities Reconstruction	Open Space Acquisition
<b>Assets:</b>				
Pooled cash and investments	\$ 7,443,909	\$ 831	\$ 633,994	\$ 1,217,121
Receivables:				
Accounts	122,452	-	-	-
Taxes	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	-	-	-	-
Leases	-	-	-	-
Due from other governments	-	-	-	-
Due from other funds	3,866,527	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
<b>Total Assets</b>	<b>\$ 11,432,888</b>	<b>\$ 831</b>	<b>\$ 633,994</b>	<b>\$ 1,217,121</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 324,326	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b>324,326</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	-	-	-	-
Deferred leases related items	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
<b>Restricted for:</b>				
Housing and community development	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Debt service	-	-	-	-
Low and moderate income housing	-	-	-	-
<b>Assigned to:</b>				
Capital projects	11,108,562	831	633,994	1,217,121
<b>Unassigned</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>11,108,562</b>	<b>831</b>	<b>633,994</b>	<b>1,217,121</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 11,432,888</b>	<b>\$ 831</b>	<b>\$ 633,994</b>	<b>\$ 1,217,121</b>



**CITY OF REDONDO BEACH**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2023**

	<b>Debt Service Funds</b>		
	<b>Public Financing Authority</b>	<b>Parking Authority</b>	<b>Total Other Governmental Funds</b>
<b>Assets:</b>			
Pooled cash and investments	\$ 3,889,712	\$ 6,146	\$ 34,544,676
Receivables:			
Accounts	3,743	-	130,167
Taxes	-	-	455,805
Notes and loans	-	-	326,227
Accrued interest	1,419	41	57,424
Leases	1,287,795	-	1,287,795
Due from other governments	5,158,621	-	5,417,381
Due from other funds	544,986	-	4,411,513
Restricted assets:			
Cash and investments with fiscal agents	57,324	-	57,324
<b>Total Assets</b>	<b>\$ 10,943,600</b>	<b>\$ 6,187</b>	<b>\$ 46,688,312</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 36,625	\$ -	\$ 1,388,367
Due to other funds	4,268,178	-	5,018,206
<b>Total Liabilities</b>	<b>4,304,803</b>	<b>-</b>	<b>6,406,573</b>
<b>Deferred Inflows of Resources:</b>			
Unavailable revenues	-	-	538,428
Deferred leases related items	1,269,597	-	1,269,597
<b>Total Deferred Inflows of Resources</b>	<b>1,269,597</b>	<b>-</b>	<b>1,808,025</b>
<b>Fund Balances:</b>			
<b>Restricted for:</b>			
Housing and community development	-	-	12,406,540
Public safety	-	-	495,635
Public works	-	-	5,906,803
Debt service	5,369,200	6,187	5,375,387
Low and moderate income housing	-	-	1,356,801
<b>Assigned to:</b>			
Capital projects	-	-	12,960,508
<b>Unassigned</b>	<b>-</b>	<b>-</b>	<b>(27,960)</b>
<b>Total Fund Balances</b>	<b>5,369,200</b>	<b>6,187</b>	<b>38,473,714</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 10,943,600</b>	<b>\$ 6,187</b>	<b>\$ 46,688,312</b>

**CITY OF REDONDO BEACH**  
**Combining Statement of Revenues,**  
**Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**Year Ended June 30, 2023**

	<b>Special Revenue Funds</b>			
	<b>State Gas Tax</b>	<b>Parks and Recreation Facilities</b>	<b>Narcotic Seizure / Forfeiture</b>	<b>Proposition A</b>
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	3,326,711	-	-	1,747,512
Charges for services	-	20,000	-	-
Use of money and property	36,699	-	164	28,275
Fines and forfeitures	-	-	6,000	-
Miscellaneous	13,578	-	-	-
<b>Total Revenues</b>	<b>3,376,988</b>	<b>20,000</b>	<b>6,164</b>	<b>1,775,787</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	158,869	-
Housing and community development	-	-	-	-
Culture and leisure services	-	-	-	-
Public works	1,714,699	-	-	-
Capital outlay	1,970,359	-	26,048	-
Debt service:				
Principal retirement	-	-	23,870	-
Interest and fiscal charges	-	-	1,479	-
<b>Total Expenditures</b>	<b>3,685,058</b>	<b>-</b>	<b>210,266</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(308,070)	20,000	(204,102)	1,775,787
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	(1,510,726)
Subscription financing	-	-	118,410	-
<b>Total Other Financing Sources (Uses):</b>	<b>-</b>	<b>-</b>	<b>118,410</b>	<b>(1,510,726)</b>
Net Change in Fund Balances	(308,070)	20,000	(85,692)	265,061
Fund Balances, Beginning of Year	3,035,204	79,643	269,009	2,376,476
<b>Fund Balances, End of Year</b>	<b>\$ 2,727,134</b>	<b>\$ 99,643</b>	<b>\$ 183,317</b>	<b>\$ 2,641,537</b>

**CITY OF REDONDO BEACH**  
**Combining Statement of Revenues,**  
**Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**Year Ended June 30, 2023**

**(CONTINUED)**

	<b>Special Revenue Funds</b>			
	<b>Proposition C</b>	<b>Measure R</b>	<b>Local Transportation Article 3</b>	<b>Air Quality Improvement</b>
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,449,511	1,086,820	-	91,027
Charges for services	-	-	-	-
Use of money and property	98,215	46,168	-	749
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>1,547,726</b>	<b>1,132,988</b>	<b>-</b>	<b>91,776</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Housing and community development	-	-	-	32,964
Culture and leisure services	566	562	-	-
Public works	3,900	2,144	-	-
Capital outlay	4,103,976	1,387,955	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>4,108,442</b>	<b>1,390,661</b>	<b>-</b>	<b>32,964</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,560,716)	(257,673)	-	58,812
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Subscription financing	-	-	-	-
<b>Total Other Financing Sources (Uses):</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	(2,560,716)	(257,673)	-	58,812
Fund Balances, Beginning of Year	6,289,187	2,052,193	(907)	222,675
<b>Fund Balances, End of Year</b>	<b>\$ 3,728,471</b>	<b>\$ 1,794,520</b>	<b>\$ (907)</b>	<b>\$ 281,487</b>

**CITY OF REDONDO BEACH**  
**Combining Statement of Revenues,**  
**Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**Year Ended June 30, 2023**

	<b>Special Revenue Funds</b>			
	<b>Storm Drain Improvement</b>	<b>Street Landscaping and Lighting District</b>	<b>Community Development Block Grant</b>	<b>Disaster Recovery</b>
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	163,840	-
Charges for services	33,660	1,512,590	-	339
Use of money and property	-	-	-	-
Fines and forfeitures	-	-	-	-
Miscellaneous	-	4,914	-	17,630
<b>Total Revenues</b>	<b>33,660</b>	<b>1,517,504</b>	<b>163,840</b>	<b>17,969</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	16,854
Housing and community development	-	-	84,235	-
Culture and leisure services	-	-	-	-
Public works	-	2,676,692	-	500
Capital outlay	258,592	-	37,804	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>258,592</b>	<b>2,676,692</b>	<b>122,039</b>	<b>17,354</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(224,932)	(1,159,188)	41,801	615
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	1,272,508	-	-
Transfers out	-	-	-	-
Subscription financing	-	-	-	-
<b>Total Other Financing Sources (Uses):</b>	<b>-</b>	<b>1,272,508</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	(224,932)	113,320	41,801	615
Fund Balances, Beginning of Year	459,347	-	(68,854)	311,703
<b>Fund Balances, End of Year</b>	<b>\$ 234,415</b>	<b>\$ 113,320</b>	<b>\$ (27,053)</b>	<b>\$ 312,318</b>

**CITY OF REDONDO BEACH**  
**Combining Statement of Revenues,**  
**Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**Year Ended June 30, 2023**

(CONTINUED)

	<b>Special Revenue Funds</b>			
	<b>Housing Authority</b>	<b>Subdivision Park Trust</b>	<b>Measure M</b>	<b>Measure W</b>
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	7,338,128	-	1,229,425	718,133
Charges for services	-	-	-	-
Use of money and property	2,073	-	54,697	-
Fines and forfeitures	-	-	-	-
Miscellaneous	-	2,087,500	-	-
<b>Total Revenues</b>	<b>7,340,201</b>	<b>2,087,500</b>	<b>1,284,122</b>	<b>718,133</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Housing and community development	7,564,464	-	-	-
Culture and leisure services	-	-	-	-
Public works	-	-	-	213,364
Capital outlay	-	415,372	2,569,079	14,879
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>7,564,464</b>	<b>415,372</b>	<b>2,569,079</b>	<b>228,243</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(224,263)	1,672,128	(1,284,957)	489,890
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Subscription financing	-	-	-	-
<b>Total Other Financing Sources (Uses):</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	(224,263)	1,672,128	(1,284,957)	489,890
Fund Balances, Beginning of Year	1,581,064	2,075,434	3,394,608	345,713
<b>Fund Balances, End of Year</b>	<b>\$ 1,356,801</b>	<b>\$ 3,747,562</b>	<b>\$ 2,109,651</b>	<b>\$ 835,603</b>

**CITY OF REDONDO BEACH**  
**Combining Statement of Revenues,**  
**Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**Year Ended June 30, 2023**

	<b>Capital Project Funds</b>			
	<b>Capital Improvement Projects</b>	<b>Pier Parking Structure Rehabilitation</b>	<b>Major Facilities Reconstruction</b>	<b>Open Space Acquisition</b>
<b>Revenues:</b>				
Taxes	\$ 185,457	\$ -	\$ -	\$ -
Intergovernmental	812,381	-	-	-
Charges for services	314,043	-	-	-
Use of money and property	-	-	-	-
Fines and forfeitures	-	-	-	-
Miscellaneous	8,000	-	-	-
<b>Total Revenues</b>	<b>1,319,881</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	3,257
Public safety	-	-	-	-
Housing and community development	-	-	-	-
Culture and leisure services	-	-	-	-
Public works	158,495	-	-	-
Capital outlay	3,304,922	-	19,220	82,198
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>3,463,417</b>	<b>-</b>	<b>19,220</b>	<b>85,455</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,143,536)	-	(19,220)	(85,455)
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Subscription financing	-	-	-	-
<b>Total Other Financing Sources (Uses):</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	(2,143,536)	-	(19,220)	(85,455)
Fund Balances, Beginning of Year	13,252,098	831	653,214	1,302,576
<b>Fund Balances, End of Year</b>	<b>\$ 11,108,562</b>	<b>\$ 831</b>	<b>\$ 633,994</b>	<b>\$ 1,217,121</b>

**CITY OF REDONDO BEACH**  
**Combining Statement of Revenues,**  
**Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**Year Ended June 30, 2023**

	<b>Debt Service Funds</b>		
	<b>Public Financing Authority</b>	<b>Parking Authority</b>	<b>Total Other Governmental Funds</b>
<b>Revenues:</b>			
Taxes	\$ -	\$ -	\$ 185,457
Intergovernmental	-	-	17,963,488
Charges for services	-	-	1,880,632
Use of money and property	713,924	126	981,090
Fines and forfeitures	-	-	6,000
Miscellaneous	-	-	2,131,622
<b>Total Revenues</b>	<b>713,924</b>	<b>126</b>	<b>23,148,289</b>
<b>Expenditures:</b>			
Current:			
General government	-	-	3,257
Public safety	-	-	175,723
Housing and community development	405,981	-	8,087,644
Culture and leisure services	-	-	1,128
Public works	-	-	4,769,794
Capital outlay	-	-	14,190,404
Debt service:			
Principal retirement	7,148,148	-	7,172,018
Interest and fiscal charges	5,914,848	-	5,916,327
<b>Total Expenditures</b>	<b>13,468,977</b>	<b>-</b>	<b>40,316,295</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,755,053)	126	(17,168,006)
<b>Other Financing Sources (Uses):</b>			
Transfers in	13,089,301	-	14,361,809
Transfers out	-	-	(1,510,726)
Subscription financing	-	-	118,410
<b>Total Other Financing Sources (Uses):</b>	<b>13,089,301</b>	<b>-</b>	<b>12,969,493</b>
Net Change in Fund Balances	334,248	126	(4,198,513)
Fund Balances, Beginning of Year	5,034,952	6,061	42,672,227
<b>Fund Balances, End of Year</b>	<b>\$ 5,369,200</b>	<b>\$ 6,187</b>	<b>\$ 38,473,714</b>

**CITY OF REDONDO BEACH**  
**Budgetary Comparison Schedule**  
**State Gas Tax**  
**Year ended June 30, 2023**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Budgetary Fund Balance, July 1	\$3,035,204	\$ 3,035,204	\$ 3,035,204	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	3,449,852	3,449,852	3,326,711	(123,141)
Use of money and property	20,000	20,000	36,699	16,699
Miscellaneous	6,000	6,000	13,578	7,578
Transfers in	147	147	-	(147)
<b>Amounts Available for Appropriations</b>	<b>6,511,203</b>	<b>6,511,203</b>	<b>6,412,192</b>	<b>(99,011)</b>
<b>Charges to Appropriation (Outflow):</b>				
Public works	1,936,218	1,885,155	1,714,699	170,456
Capital outlay	1,340,000	3,020,591	1,970,359	1,050,232
Debt service:				
Principal retirement	44,351	44,351	-	44,351
Interest and fiscal charges	32,821	32,821	-	32,821
<b>Total Charges to Appropriations</b>	<b>3,353,390</b>	<b>4,982,918</b>	<b>3,685,058</b>	<b>1,297,860</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$3,157,813</b>	<b>\$ 1,528,285</b>	<b>\$ 2,727,134</b>	<b>\$ 1,198,849</b>



CITY OF REDONDO BEACH  
 Budgetary Comparison Schedule  
 Parks and Recreation Facilities  
 Year ended June 30, 2023

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 79,643	\$ 79,643	\$ 79,643	\$ -
<b>Resources (Inflows):</b>				
Charges for services	31,500	31,500	20,000	(11,500)
<b>Amounts Available for Appropriations</b>	<b>111,143</b>	<b>111,143</b>	<b>99,643</b>	<b>(11,500)</b>
<b>Charges to Appropriation (Outflow):</b>				
Capital outlay	-	100,000	-	100,000
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>100,000</b>	<b>-</b>	<b>100,000</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 111,143</b>	<b>\$ 11,143</b>	<b>\$ 99,643</b>	<b>\$ 88,500</b>

**CITY OF REDONDO BEACH**  
**Budgetary Comparison Schedule**  
**Narcotic Seizure / Forfeiture**  
**Year ended June 30, 2023**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Budgetary Fund Balance, July 1	\$ 269,009	\$ 269,009	\$ 269,009	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	10,000	10,000	164	(9,836)
Fines and forfeitures	20,000	20,000	6,000	(14,000)
Transfers in	5,742	5,742	-	(5,742)
<b>Amounts Available for Appropriations</b>	<b>304,751</b>	<b>304,751</b>	<b>393,583</b>	<b>88,832</b>
<b>Charges to Appropriation (Outflow):</b>				
Public safety	66,872	169,505	158,869	10,636
Capital outlay	-	563	26,048	(25,485)
Debt service:				
Principal retirement	-	-	23,870	(23,870)
Interest and fiscal charges	-	-	1,479	(1,479)
<b>Total Charges to Appropriations</b>	<b>66,872</b>	<b>170,068</b>	<b>210,266</b>	<b>(40,198)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 237,879</b>	<b>\$ 134,683</b>	<b>\$ 183,317</b>	<b>\$ 48,634</b>

CITY OF REDONDO BEACH  
 Budgetary Comparison Schedule  
 Proposition A  
 Year ended June 30, 2023

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$2,376,476	\$ 2,376,476	\$ 2,376,476	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	1,621,996	1,621,996	1,747,512	125,516
Use of money and property	30,000	30,000	28,275	(1,725)
<b>Amounts Available for Appropriations</b>	<b>4,028,472</b>	<b>4,028,472</b>	<b>4,152,263</b>	<b>123,791</b>
<b>Charges to Appropriation (Outflow):</b>				
Capital outlay	-	75,000	-	75,000
Transfers out	993,724	993,724	1,510,726	(517,002)
<b>Total Charges to Appropriations</b>	<b>993,724</b>	<b>1,068,724</b>	<b>1,510,726</b>	<b>(442,002)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$3,034,748</b>	<b>\$ 2,959,748</b>	<b>\$ 2,641,537</b>	<b>\$ (318,211)</b>

CITY OF REDONDO BEACH  
 Budgetary Comparison Schedule  
 Proposition C  
 Year ended June 30, 2023

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$6,289,187	\$ 6,289,187	\$ 6,289,187	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	1,345,403	1,345,403	1,449,511	104,108
Use of money and property	120,000	120,000	98,215	(21,785)
<b>Amounts Available for Appropriations</b>	<b>7,754,590</b>	<b>7,754,590</b>	<b>7,836,913</b>	<b>82,323</b>
<b>Charges to Appropriation (Outflow):</b>				
Cultural and leisure services	343	566	566	-
Public works	1,262	3,900	3,900	-
Capital outlay	1,500,000	5,446,287	4,103,976	1,342,311
<b>Total Charges to Appropriations</b>	<b>1,501,605</b>	<b>5,450,753</b>	<b>4,108,442</b>	<b>1,342,311</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$6,252,985</b>	<b>\$ 2,303,837</b>	<b>\$ 3,728,471</b>	<b>\$ 1,424,634</b>

CITY OF REDONDO BEACH  
 Budgetary Comparison Schedule  
 Measure R  
 Year ended June 30, 2023

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$2,052,193	\$ 2,052,193	\$ 2,052,193	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	1,009,052	1,009,052	1,086,820	77,768
Use of money and property	15,000	15,000	46,168	31,168
<b>Amounts Available for Appropriations</b>	<b>3,076,245</b>	<b>3,076,245</b>	<b>3,185,181</b>	<b>108,936</b>
<b>Charges to Appropriation (Outflow):</b>				
Culture and leisure services	-	562	562	-
Public works	-	2,144	2,144	-
Capital outlay	1,135,000	2,850,046	1,387,955	1,462,091
<b>Total Charges to Appropriations</b>	<b>1,135,000</b>	<b>2,852,752</b>	<b>1,390,661</b>	<b>1,462,091</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$1,941,245</b>	<b>\$ 223,493</b>	<b>\$ 1,794,520</b>	<b>\$ 1,571,027</b>

CITY OF REDONDO BEACH  
 Budgetary Comparison Schedule  
 Local Transportation Article 3  
 Year ended June 30, 2023

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ (907)	\$ (907)	\$ (907)	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	62,594	62,594	-	(62,594)
<b>Amounts Available for Appropriations</b>	<b>61,687</b>	<b>61,687</b>	<b>(907)</b>	<b>(62,594)</b>
<b>Charges to Appropriation (Outflow):</b>				
Capital outlay	62,594	64,843	-	64,843
<b>Total Charges to Appropriations</b>	<b>62,594</b>	<b>64,843</b>	<b>-</b>	<b>64,843</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ (907)</b>	<b>\$ (3,156)</b>	<b>\$ (907)</b>	<b>\$ 2,249</b>

CITY OF REDONDO BEACH  
 Budgetary Comparison Schedule  
 Air Quality Improvement  
 Year ended June 30, 2023

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 222,675	\$ 222,675	\$ 222,675	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	88,000	88,000	91,027	3,027
Use of money and property	2,000	2,000	749	(1,251)
Transfers in	45	45	-	(45)
<b>Amounts Available for Appropriations</b>	<b>312,720</b>	<b>312,720</b>	<b>314,451</b>	<b>1,731</b>
<b>Charges to Appropriation (Outflow):</b>				
Housing & community development	69,499	66,022	32,964	33,058
Capital outlay	-	41,400	-	41,400
Debt service:				
Principal retirement	1,919	1,919	-	1,919
Interest and fiscal charges	1,420	1,420	-	1,420
<b>Total Charges to Appropriations</b>	<b>72,838</b>	<b>110,761</b>	<b>32,964</b>	<b>77,797</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 239,882</b>	<b>\$ 201,959</b>	<b>\$ 281,487</b>	<b>\$ 79,528</b>

CITY OF REDONDO BEACH  
Budgetary Comparison Schedule  
Storm Drain Improvement  
Year ended June 30, 2023

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 459,347	\$ 459,347	\$ 459,347	\$ -
Resources (Inflows):				
Charges for services	30,000	30,000	33,660	3,660
Amounts Available for Appropriations	489,347	489,347	493,007	3,660
Charges to Appropriation (Outflow):				
Capital outlay	-	287,017	258,592	28,425
Total Charges to Appropriations	-	287,017	258,592	28,425
Budgetary Fund Balance, June 30	\$ 489,347	\$ 202,330	\$ 234,415	\$ 32,085



**CITY OF REDONDO BEACH**  
**Budgetary Comparison Schedule**  
**Street Landscaping and Lighting District**  
**Year ended June 30, 2023**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
<b>Resources (Inflows):</b>				
Charges for services	1,523,600	1,523,600	1,512,590	(11,010)
Miscellaneous	7,000	7,000	4,914	(2,086)
Transfers in	1,382,194	1,382,194	1,272,508	(109,686)
<b>Amounts Available for Appropriations</b>	<b>2,912,794</b>	<b>2,912,794</b>	<b>2,790,012</b>	<b>(122,782)</b>
<b>Charges to Appropriation (Outflow):</b>				
Public works	2,815,344	2,787,031	2,676,692	110,339
Debt service:				
Principal retirement	56,005	56,005	-	56,005
Interest and fiscal charges	41,445	41,445	-	41,445
<b>Total Charges to Appropriations</b>	<b>2,912,794</b>	<b>2,884,481</b>	<b>2,676,692</b>	<b>207,789</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ -</b>	<b>\$ 28,313</b>	<b>\$ 113,320</b>	<b>\$ 85,007</b>

CITY OF REDONDO BEACH  
 Budgetary Comparison Schedule  
 Community Development Block Grant  
 Year ended June 30, 2023

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ (68,854)	\$ (68,854)	\$ (68,854)	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	285,916	285,916	163,840	(122,076)
<b>Amounts Available for Appropriations</b>	<b>217,062</b>	<b>217,062</b>	<b>94,986</b>	<b>(122,076)</b>
<b>Charges to Appropriation (Outflow):</b>				
Housing and community development	140,071	140,071	84,235	55,836
Capital outlay	145,845	265,743	37,804	227,939
<b>Total Charges to Appropriations</b>	<b>285,916</b>	<b>405,814</b>	<b>122,039</b>	<b>283,775</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ (68,854)</b>	<b>\$ (188,752)</b>	<b>\$ (27,053)</b>	<b>\$ 161,699</b>

CITY OF REDONDO BEACH  
 Budgetary Comparison Schedule  
 Disaster Recovery  
 Year ended June 30, 2023

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 311,703	\$ 311,703	\$ 311,703	\$ -
<b>Resources (Inflows):</b>				
Charges for services	1,000	1,000	339	(661)
Miscellaneous	50,000	50,000	17,630	(32,370)
<b>Amounts Available for Appropriations</b>	<b>362,703</b>	<b>362,703</b>	<b>329,672</b>	<b>(33,031)</b>
<b>Charges to Appropriation (Outflow):</b>				
Public safety	17,060	24,439	16,854	7,585
Public works	-	-	500	(500)
<b>Total Charges to Appropriations</b>	<b>17,060</b>	<b>24,439</b>	<b>17,354</b>	<b>7,085</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 345,643</b>	<b>\$ 338,264</b>	<b>\$ 312,318</b>	<b>\$ (25,946)</b>

CITY OF REDONDO BEACH  
 Budgetary Comparison Schedule  
 Housing Authority  
 Year ended June 30, 2023

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 1,581,064	\$ 1,581,064	\$ 1,581,064	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	6,627,168	6,627,168	7,338,128	710,960
Use of money and property	-	-	2,073	2,073
Transfers in	298	298	-	(298)
<b>Amounts Available for Appropriations</b>	<b>8,208,530</b>	<b>8,208,530</b>	<b>8,921,265</b>	<b>712,735</b>
<b>Charges to Appropriation (Outflow):</b>				
Housing and community development	6,728,170	6,737,666	7,564,464	(826,798)
<b>Total Charges to Appropriations</b>	<b>6,728,170</b>	<b>6,737,666</b>	<b>7,564,464</b>	<b>(826,798)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 1,480,360</b>	<b>\$ 1,470,864</b>	<b>\$ 1,356,801</b>	<b>\$ (114,063)</b>

CITY OF REDONDO BEACH  
 Budgetary Comparison Schedule  
 Subdivision Park Trust  
 Year ended June 30, 2023

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$2,075,434	\$ 2,075,434	\$ 2,075,434	\$ -
<b>Resources (Inflows):</b>				
Miscellaneous	1,162,500	1,162,500	2,087,500	925,000
<b>Amounts Available for Appropriations</b>	<b>3,237,934</b>	<b>3,237,934</b>	<b>4,162,934</b>	<b>925,000</b>
<b>Charges to Appropriation (Outflow):</b>				
Capital outlay	741,025	2,449,657	415,372	2,034,285
<b>Total Charges to Appropriations</b>	<b>741,025</b>	<b>2,449,657</b>	<b>415,372</b>	<b>2,034,285</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$2,496,909</b>	<b>\$ 788,277</b>	<b>\$ 3,747,562</b>	<b>\$ 2,959,285</b>

CITY OF REDONDO BEACH  
 Budgetary Comparison Schedule  
 Measure M  
 Year ended June 30, 2023

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$3,394,608	\$ 3,394,608	\$ 3,394,608	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	1,143,593	1,143,593	1,229,425	85,832
Use of money and property	30,000	30,000	54,697	24,697
<b>Amounts Available for Appropriations</b>	<b>4,568,201</b>	<b>4,568,201</b>	<b>4,678,730</b>	<b>110,529</b>
<b>Charges to Appropriation (Outflow):</b>				
Capital outlay	1,300,342	3,451,163	2,569,079	882,084
<b>Total Charges to Appropriations</b>	<b>1,300,342</b>	<b>3,451,163</b>	<b>2,569,079</b>	<b>882,084</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$3,267,859</b>	<b>\$ 1,117,038</b>	<b>\$ 2,109,651</b>	<b>\$ 992,613</b>

**CITY OF REDONDO BEACH**  
**Budgetary Comparison Schedule**  
**Measure W**  
**Year ended June 30, 2023**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Budgetary Fund Balance, July 1	\$ 345,713	\$ 345,713	\$ 345,713	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	720,000	720,000	718,133	(1,867)
<b>Amounts Available for Appropriations</b>	<b>1,065,713</b>	<b>1,065,713</b>	<b>1,063,846</b>	<b>(1,867)</b>
<b>Charges to Appropriation (Outflow):</b>				
Public works	230,578	252,947	213,364	39,583
Capital outlay	500,000	1,371,527	14,879	1,356,648
Debt service:				
Principal retirement	6,618	6,618	-	6,618
Interest and fiscal charges	4,897	4,897	-	4,897
<b>Total Charges to Appropriations</b>	<b>742,093</b>	<b>1,635,989</b>	<b>228,243</b>	<b>1,407,746</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 323,620</b>	<b>\$ (570,276)</b>	<b>\$ 835,603</b>	<b>\$ 1,405,879</b>

**CITY OF REDONDO BEACH**  
**Budgetary Comparison Schedule**  
**Capital Improvement Projects**  
**Year Ended June 30, 2023**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Budgetary Fund Balance, July 1	\$ 13,252,098	\$ 13,252,098	\$ 13,252,098	\$ -
<b>Resources (Inflows):</b>				
Taxes	180,000	180,000	185,457	5,457
Intergovernmental	812,381	812,381	812,381	-
Charges for services	311,370	311,370	314,043	2,673
Miscellaneous	-	-	8,000	8,000
<b>Amounts Available for Appropriations</b>	<b>14,555,849</b>	<b>14,555,849</b>	<b>14,571,979</b>	<b>16,130</b>
<b>Charges to Appropriation (Outflow):</b>				
Public works	151,851	180,109	158,495	21,614
Capital outlay	3,214,021	11,607,229	3,304,922	8,302,307
Debt service:				
Principal retirement	13,085	13,085	-	13,085
Interest and fiscal charges	9,683	9,683	-	9,683
<b>Total Charges to Appropriations</b>	<b>3,388,640</b>	<b>11,810,106</b>	<b>3,463,417</b>	<b>8,346,689</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 11,167,209</b>	<b>\$ 2,745,743</b>	<b>\$ 11,108,562</b>	<b>\$ 8,362,819</b>



CITY OF REDONDO BEACH  
 Budgetary Comparison Schedule  
 Major Facilities Reconstruction  
 Year Ended June 30, 2023

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 653,214	\$ 653,214	\$ 653,214	\$ -
<b>Resources (Inflows):</b>				
Transfers in	500,000	500,000	-	(500,000)
<b>Amounts Available for Appropriation</b>	<b>1,153,214</b>	<b>1,153,214</b>	<b>653,214</b>	<b>(500,000)</b>
<b>Charges to Appropriation (Outflow):</b>				
Capital outlay	-	608,750	19,220	589,530
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>608,750</b>	<b>19,220</b>	<b>589,530</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 1,153,214</b>	<b>\$ 544,464</b>	<b>\$ 633,994</b>	<b>\$ 89,530</b>

CITY OF REDONDO BEACH  
 Budgetary Comparison Schedule  
 Open Space Acquisition  
 Year Ended June 30, 2023

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 1,302,576	\$ 1,302,576	\$ 1,302,576	\$ -
<b>Resources (Inflows):</b>				
Transfers in	500,000	500,000	-	(500,000)
<b>Amounts Available for Appropriations</b>	<b>1,802,576</b>	<b>1,802,576</b>	<b>1,302,576</b>	<b>(500,000)</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	-	18,047	3,257	14,790
Capital outlay	476,000	661,380	82,198	579,182
<b>Total Charges to Appropriations</b>	<b>476,000</b>	<b>679,427</b>	<b>85,455</b>	<b>593,972</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 1,326,576</b>	<b>\$ 1,123,149</b>	<b>\$ 1,217,121</b>	<b>\$ 93,972</b>

**CITY OF REDONDO BEACH**  
**Budgetary Comparison Schedule**  
**Public Financing Authority**  
**Year Ended June 30, 2023**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Budgetary Fund Balance, July 1	\$ 5,034,952	\$ 5,034,952	\$ 5,034,952	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	273,975	273,975	713,924	439,949
Miscellaneous	13,102,314	13,102,314	-	(13,102,314)
Transfers in	1,650,738	1,650,738	13,089,301	11,438,563
<b>Amounts Available for Appropriations</b>	<b>20,061,979</b>	<b>20,061,979</b>	<b>18,838,177</b>	<b>(1,223,802)</b>
<b>Charges to Appropriation (Outflow):</b>				
Housing and community development	273,975	273,975	405,981	(132,006)
Debt service:				
Principal retirement	8,115,000	8,115,000	7,148,148	966,852
Interest and fiscal charges	6,638,052	6,638,052	5,914,848	723,204
<b>Total Charges to Appropriations</b>	<b>15,027,027</b>	<b>15,027,027</b>	<b>13,468,977</b>	<b>1,558,050</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 5,034,952</b>	<b>\$ 5,034,952</b>	<b>\$ 5,369,200</b>	<b>\$ 334,248</b>

**THIS PAGE INTENTIONALLY LEFT BLANK**

**CITY OF REDONDO BEACH**  
**Combining Statement of Net Position**  
**Non-Major Enterprise Funds**  
**June 30, 2023**

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>Solid Waste</b>	<b>Transit</b>	<b>Totals</b>
<b>Assets:</b>			
Current:			
Cash and investments	\$ 2,168,566	\$ 156,760	\$ 2,325,326
Receivables:			
Accounts	323,594	1,381	324,975
Taxes	99,634	-	99,634
Due from other governments	-	1,478,449	1,478,449
<b>Total Current Assets</b>	<b>2,591,794</b>	<b>1,636,590</b>	<b>4,228,384</b>
Noncurrent:			
Capital assets - net of accumulated depreciation	15,439	1,410,174	1,425,613
<b>Total Noncurrent Assets</b>	<b>15,439</b>	<b>1,410,174</b>	<b>1,425,613</b>
<b>Total Assets</b>	<b>2,607,233</b>	<b>3,046,764</b>	<b>5,653,997</b>
<b>Deferred Outflows of Resources:</b>			
Deferred pension related items	470,433	378,790	849,223
Deferred OPEB related items	33,115	28,573	61,688
<b>Total Deferred Outflows of Resources</b>	<b>503,548</b>	<b>407,363</b>	<b>910,911</b>
<b>Liabilities:</b>			
Current:			
Accounts payable	446,748	673,103	1,119,851
Accrued interest	5,087	4,451	9,538
Unearned revenues	42,218	1,494	43,712
Due to other funds	-	922,643	922,643
Accrued compensated absences	10,606	25,812	36,418
Long-term debt - due within one year	42,336	37,044	79,380
<b>Total Current Liabilities</b>	<b>546,995</b>	<b>1,664,547</b>	<b>2,211,542</b>
Noncurrent:			
Accrued compensated absences	31,817	77,427	109,244
Accrued claims and judgments	-	-	-
Long-term debt - due in more than one year	1,182,104	1,034,341	2,216,445
Net pension liability	198,429	159,774	358,203
Net OPEB liability	109,315	94,322	203,637
<b>Total Noncurrent Liabilities</b>	<b>1,521,665</b>	<b>1,365,864</b>	<b>2,887,529</b>
<b>Total Liabilities</b>	<b>2,068,660</b>	<b>3,030,411</b>	<b>5,099,071</b>
<b>Deferred Inflows of Resources:</b>			
Deferred pension related items	60,249	48,512	108,761
Deferred OPEB related items	40,165	34,656	74,821
<b>Total Deferred Inflows of Resources</b>	<b>100,414</b>	<b>83,168</b>	<b>183,582</b>
<b>Net Position:</b>			
Net investment in capital assets	15,439	1,410,174	1,425,613
Unrestricted	926,268	(1,069,626)	(143,358)
<b>Total Net Position</b>	<b>\$ 941,707</b>	<b>\$ 340,548</b>	<b>\$ 1,282,255</b>

**CITY OF REDONDO BEACH**  
**Combining Statement of Revenues, Expenses**  
**and Changes in Fund Net Position**  
**Non-Major Enterprise Funds**  
**Year Ended June 30, 2023**

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>Solid Waste</b>	<b>Transit</b>	<b>Totals</b>
<b>Operating Revenues:</b>			
Sales and service charges	\$ 5,950,872	\$ 165,152	\$ 6,116,024
Miscellaneous	190,785	44	190,829
<b>Total Operating Revenues</b>	<b>6,141,657</b>	<b>165,196</b>	<b>6,306,853</b>
<b>Operating Expenses:</b>			
Administration and general	33,032	707,410	740,442
Personnel services	566,040	1,019,649	1,585,689
Contractual services	4,663,220	3,601,444	8,264,664
Internal service charges	331,478	312,048	643,526
Depreciation expense	2,084	152,179	154,263
<b>Total Operating Expenses</b>	<b>5,595,854</b>	<b>5,792,730</b>	<b>11,388,584</b>
Operating Income (Loss)	545,803	(5,627,534)	(5,081,731)
<b>Nonoperating Revenues (Expenses):</b>			
Intergovernmental	28,234	4,143,094	4,171,328
Interest expense	(31,490)	(27,206)	(58,696)
Gain (loss) on disposal of capital assets	-	1,241	1,241
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(3,256)</b>	<b>4,117,129</b>	<b>4,113,873</b>
Income (Loss) Before Transfers	542,547	(1,510,405)	(967,858)
Transfers in	98	1,510,726	1,510,824
Transfers out	(6)	(411)	(417)
Changes in Net Position	542,639	(90)	542,549
<b>Net Position:</b>			
Beginning of Year	399,068	340,638	739,706
<b>End of Fiscal Year</b>	<b>\$ 941,707</b>	<b>\$ 340,548</b>	<b>\$ 1,282,255</b>

**CITY OF REDONDO BEACH**  
**Statement of Cash Flows**  
**Non-Major Enterprise Funds**  
**Year Ended June 30, 2023**

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>Solid Waste</b>	<b>Transit</b>	<b>Totals</b>
<b>Cash Flows from Operating Activities:</b>			
Cash received from customers and users	\$ 5,980,543	\$ 161,728	\$ 6,142,271
Cash paid to suppliers for goods and services	(4,631,167)	(4,556,175)	(9,187,342)
Cash paid to employees for services	(715,843)	(707,753)	(1,423,596)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>633,533</b>	<b>(5,102,200)</b>	<b>(4,468,667)</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>			
Cash transfers out	(6)	(411)	(417)
Cash transfers in	98	1,510,726	1,510,824
Repayment received from other funds	-	884,888	884,888
Principal paid on non-capital debt issued	(42,168)	(36,897)	(79,065)
Interest paid on non-capital debt	(31,490)	(27,206)	(58,696)
Grant subsidies	28,234	3,245,701	3,273,935
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>(45,332)</b>	<b>5,576,801</b>	<b>5,531,469</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Acquisition and construction of capital assets	-	(319,393)	(319,393)
Proceeds from sales of capital assets	-	1,240	1,240
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>-</b>	<b>(318,153)</b>	<b>(318,153)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>588,201</b>	<b>156,448</b>	<b>744,649</b>
Cash and Cash Equivalents at Beginning of Year	1,580,365	312	1,580,677
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 2,168,566</b>	<b>\$ 156,760</b>	<b>\$ 2,325,326</b>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>			
Operating income (loss)	\$ 545,803	\$ (5,627,534)	\$ (5,081,731)
<b>Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:</b>			
Depreciation	2,084	152,179	154,263
(Increase) decrease in accounts receivable	(161,114)	(1,381)	(162,495)
Increase (decrease) in accounts payable	379,307	48,709	428,016
Increase (decrease) in unearned revenue	-	(2,087)	(2,087)
Increase (decrease) in net pension liability	(613,370)	(240,341)	(853,711)
Increase (decrease) in OPEB liability	17,256	16,018	33,274
Increase (decrease) in deferred pension related items	488,062	566,803	1,054,865
Increase (decrease) in deferred OPEB related items	(21,636)	(18,318)	(39,954)
Increase (decrease) in compensated absences	(2,859)	3,752	893
<b>Total Adjustments</b>	<b>87,730</b>	<b>525,334</b>	<b>613,064</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 633,533</b>	<b>\$ (5,102,200)</b>	<b>\$ (4,468,667)</b>
<b>Non-Cash Investing, Capital, and Financing Activities:</b>			
None			

**CITY OF REDONDO BEACH**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**June 30, 2023**

	<b>Governmental Activities - Internal Service Funds</b>		
	<b>Vehicle Replacement</b>	<b>Building Occupancy</b>	<b>Information Technology</b>
<b>Assets:</b>			
Current:			
Cash and investments	\$ 10,683,224	\$ 2,881,350	\$ 2,089,732
Receivables:			
Accounts	63,266	-	-
Prepaid costs	-	-	11,910
<b>Total Current Assets</b>	<b>10,746,490</b>	<b>2,881,350</b>	<b>2,101,642</b>
Noncurrent:			
Capital assets - net of accumulated depreciation	5,819,495	135,086	1,356,568
<b>Total Noncurrent Assets</b>	<b>5,819,495</b>	<b>135,086</b>	<b>1,356,568</b>
<b>Total Assets</b>	<b>16,565,985</b>	<b>3,016,436</b>	<b>3,458,210</b>
<b>Deferred Outflows of Resources:</b>			
Deferred pension related items	349,633	764,291	736,861
Deferred OPEB related items	27,461	56,528	52,576
<b>Total Deferred Outflows of Resources</b>	<b>377,094</b>	<b>820,819</b>	<b>789,437</b>
<b>Liabilities:</b>			
Current:			
Accounts payable	227,941	230,534	114,412
Accrued interest	7,796	10,538	11,228
Accrued compensated absences	8,195	22,384	18,287
Accrued claims and judgments	-	-	-
Long-term debt - due within one year	82,653	87,696	141,511
<b>Total Current Liabilities</b>	<b>326,585</b>	<b>351,152</b>	<b>285,438</b>
Noncurrent:			
Accrued compensated absences	24,585	67,152	54,863
Accrued claims and judgments	-	-	-
Long-term debt - due in more than one year	1,273,340	2,448,644	2,470,156
Net pension liability	147,476	322,379	310,808
Net OPEB liability	90,652	186,608	173,560
<b>Total Noncurrent Liabilities</b>	<b>1,536,053</b>	<b>3,024,783</b>	<b>3,009,387</b>
<b>Total Liabilities</b>	<b>1,862,638</b>	<b>3,375,935</b>	<b>3,294,825</b>
<b>Deferred Inflows of Resources:</b>			
Deferred pension related items	44,778	97,883	94,370
Deferred OPEB related items	33,308	68,565	63,771
<b>Total Deferred Inflows of Resources</b>	<b>78,086</b>	<b>166,448</b>	<b>158,141</b>
<b>Net Position:</b>			
Net investment in capital assets	5,582,887	135,086	1,259,376
Unrestricted	9,419,468	159,786	(464,695)
<b>Total Net Position</b>	<b>\$ 15,002,355</b>	<b>\$ 294,872</b>	<b>\$ 794,681</b>



**CITY OF REDONDO BEACH**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**June 30, 2023**

	<b>Governmental Activities - Internal Service Funds</b>			
	<b>Self-Insurance Program</b>	<b>Emergency Communications</b>	<b>Major Facilities Repair</b>	<b>Totals</b>
<b>Assets:</b>				
Current:				
Cash and investments	\$ 13,412,557	\$ 5,737,377	\$ 1,043,763	\$ 35,848,003
Receivables:				
Accounts	-	-	-	63,266
Prepaid costs	-	-	-	11,910
<b>Total Current Assets</b>	<b>13,412,557</b>	<b>5,737,377</b>	<b>1,043,763</b>	<b>35,923,179</b>
Noncurrent:				
Capital assets - net of accumulated depreciation	146,731	1,162,893	637,625	9,258,398
<b>Total Noncurrent Assets</b>	<b>146,731</b>	<b>1,162,893</b>	<b>637,625</b>	<b>9,258,398</b>
<b>Total Assets</b>	<b>13,559,288</b>	<b>6,900,270</b>	<b>1,681,388</b>	<b>45,181,577</b>
<b>Deferred Outflows of Resources:</b>				
Deferred pension related items	108,415	510,830	-	2,470,030
Deferred OPEB related items	5,741	59,240	-	201,546
<b>Total Deferred Outflows of Resources</b>	<b>114,156</b>	<b>570,070</b>	<b>-</b>	<b>2,671,576</b>
<b>Liabilities:</b>				
Current:				
Accounts payable	2,828,275	94,261	184,544	3,679,967
Accrued interest	727	14,535	-	44,824
Accrued compensated absences	-	26,841	-	75,707
Accrued claims and judgments	748,564	-	-	748,564
Long-term debt - due within one year	6,048	120,204	-	438,112
<b>Total Current Liabilities</b>	<b>3,583,614</b>	<b>255,841</b>	<b>184,544</b>	<b>4,987,174</b>
Noncurrent:				
Accrued compensated absences	-	80,520	-	227,120
Accrued claims and judgments	20,172,822	-	-	20,172,822
Long-term debt - due in more than one year	168,872	3,378,196	-	9,739,208
Net pension liability	45,729	305,964	-	1,132,356
Net OPEB liability	18,950	195,559	-	665,329
<b>Total Noncurrent Liabilities</b>	<b>20,406,373</b>	<b>3,960,239</b>	<b>-</b>	<b>31,936,835</b>
<b>Total Liabilities</b>	<b>23,989,987</b>	<b>4,216,080</b>	<b>184,544</b>	<b>36,924,009</b>
<b>Deferred Inflows of Resources:</b>				
Deferred pension related items	13,885	23,549	-	274,465
Deferred OPEB related items	6,963	71,854	-	244,461
<b>Total Deferred Inflows of Resources</b>	<b>20,848</b>	<b>95,403</b>	<b>-</b>	<b>518,926</b>
<b>Net Position:</b>				
Net investment in capital assets	146,731	1,162,893	453,081	8,740,054
Unrestricted	(10,484,122)	1,995,964	1,043,763	1,670,164
<b>Total Net Position</b>	<b>\$ (10,337,391)</b>	<b>\$ 3,158,857</b>	<b>\$ 1,496,844</b>	<b>\$ 10,410,218</b>

**CITY OF REDONDO BEACH**  
**Combining Statement of Revenues, Expenses**  
**and Changes in Net Position**  
**Internal Service Funds**  
**Year Ended June 30, 2023**

	<b>Governmental Activities - Internal Service Funds</b>		
	<b>Vehicle Replacement</b>	<b>Building Occupancy</b>	<b>Information Technology</b>
<b>Operating Revenues:</b>			
Sales and service charges	\$ 3,977,986	\$ 3,684,113	\$ 3,695,264
Miscellaneous	224,301	-	10
<b>Total Operating Revenues</b>	<b>4,202,287</b>	<b>3,684,113</b>	<b>3,695,274</b>
<b>Operating Expenses:</b>			
Administration and general	1,426,076	1,346,414	625,460
Personnel services	697,532	1,152,405	1,178,104
Contractual services	65,243	292,543	1,540,413
Internal service charges	347,398	421,424	696,966
Depreciation and amortization expense	1,066,247	11,750	141,476
<b>Total Operating Expenses</b>	<b>3,602,496</b>	<b>3,224,536</b>	<b>4,182,419</b>
Operating Income (Loss)	599,791	459,577	(487,145)
<b>Nonoperating Revenues (Expenses):</b>			
Interest expense	(34,263)	(65,164)	(66,935)
Gain (loss) on disposal of capital assets	17,785	-	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(16,478)</b>	<b>(65,164)</b>	<b>(66,935)</b>
Income (Loss) Before Transfers	583,313	394,413	(554,080)
Transfers in	133	135	902
Transfers out	(6)	(77)	-
Changes in Net Position	583,440	394,471	(553,178)
<b>Net Position:</b>			
Beginning of Year	14,418,915	(99,599)	1,347,859
<b>End of Fiscal Year</b>	<b>\$ 15,002,355</b>	<b>\$ 294,872</b>	<b>\$ 794,681</b>

**CITY OF REDONDO BEACH**  
**Combining Statement of Revenues, Expenses**  
**and Changes in Net Position**  
**Internal Service Funds**  
**Year Ended June 30, 2023**

	<b>Governmental Activities - Internal Service Funds</b>			
	<b>Self-Insurance Program</b>	<b>Emergency Communications</b>	<b>Major Facilities Repair</b>	<b>Totals</b>
<b>Operating Revenues:</b>				
Sales and service charges	\$ 8,602,706	\$ 3,321,707	\$ 110,546	\$ 23,392,322
Miscellaneous	-	-	-	224,311
<b>Total Operating Revenues</b>	<b>8,602,706</b>	<b>3,321,707</b>	<b>110,546</b>	<b>23,616,633</b>
<b>Operating Expenses:</b>				
Administration and general	7,148,937	58,019	-	10,604,906
Personnel services	8,004	3,351,865	-	6,387,910
Contractual services	191,255	416,500	-	2,505,954
Internal service charges	332,973	382,681	-	2,181,442
Depreciation and amortization expense	-	230,330	22,691	1,472,494
<b>Total Operating Expenses</b>	<b>7,681,169</b>	<b>4,439,395</b>	<b>22,691</b>	<b>23,152,706</b>
Operating Income (Loss)	921,537	(1,117,688)	87,855	463,927
<b>Nonoperating Revenues (Expenses):</b>				
Interest expense	(4,622)	(90,747)	-	(261,731)
Gain (loss) on disposal of capital assets	-	-	-	17,785
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(4,622)</b>	<b>(90,747)</b>	<b>-</b>	<b>(243,946)</b>
Income (Loss) Before Transfers	916,915	(1,208,435)	87,855	219,981
Transfers in	177	1,049	-	2,396
Transfers out	-	(22,403)	-	(22,486)
Changes in Net Position	917,092	(1,229,789)	87,855	199,891
<b>Net Position:</b>				
Beginning of Year	(11,254,483)	4,388,646	1,408,989	10,210,327
<b>End of Fiscal Year</b>	<b>\$ (10,337,391)</b>	<b>\$ 3,158,857</b>	<b>\$ 1,496,844</b>	<b>\$ 10,410,218</b>

**CITY OF REDONDO BEACH**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**Year ended June 30, 2023**

	<b>Governmental Activities - Internal Service Funds</b>		
	<b>Vehicle Replacement</b>	<b>Building Occupancy</b>	<b>Information Technology</b>
<b>Cash Flows from Operating Activities:</b>			
Cash received from customers and users	\$ 4,190,551	\$ 3,684,113	\$ 3,695,274
Cash paid to suppliers for goods and services	(1,737,617)	(2,290,548)	(2,873,772)
Cash paid to employees for services	(565,717)	(1,165,259)	(1,135,031)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>1,887,217</b>	<b>228,306</b>	<b>(313,529)</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>			
Principal paid on non-capital debt	129,585	(87,348)	59,959
Interest paid on non-capital debt	(31,256)	(65,164)	(64,266)
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>98,456</b>	<b>(152,454)</b>	<b>(3,405)</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Acquisition and construction of capital assets	(1,168,570)	-	(589,634)
Principal paid on capital debt	(40,200)	-	(49,362)
Interest paid on capital debt	(298)	-	(1,888)
Proceeds from sale of capital assets	18,029	-	-
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(1,191,039)</b>	<b>-</b>	<b>(640,884)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>794,634</b>	<b>75,852</b>	<b>(957,818)</b>
Cash and Cash Equivalents at Beginning of Year	9,888,590	2,805,498	3,047,550
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 10,683,224</b>	<b>\$ 2,881,350</b>	<b>\$ 2,089,732</b>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>			
Operating income (loss)	\$ 599,791	\$ 459,577	\$ (487,145)
<b>Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:</b>			
Depreciation and amortization	1,066,247	11,750	141,476
(Increase) decrease in accounts receivable	(11,736)	-	-
(Increase) decrease in deferred outflow pension related items	917,068	1,887,026	1,875,737
(Increase) decrease in deferred outflow OPEB related items	(2,002)	(3,117)	2,369
(Increase) decrease in prepaid expense	-	-	(4,915)
Increase (decrease) in accounts payable	87,018	(256,141)	(14,329)
Increase (decrease) in claims and judgments	-	-	-
Increase (decrease) in net pension liability	(506,351)	(1,262,922)	(1,127,292)
Increase (decrease) in net OPEB liability	14,082	25,974	8,311
Increase (decrease) in deferred inflow pension related items	(267,093)	(658,294)	(591,594)
Increase (decrease) in deferred inflow OPEB related items	(16,012)	(34,902)	(42,668)
Increase (decrease) in compensated absences	6,205	59,355	(73,479)
<b>Total Adjustments</b>	<b>1,287,426</b>	<b>(231,271)</b>	<b>173,616</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 1,887,217</b>	<b>\$ 228,306</b>	<b>\$ (313,529)</b>
<b>Non-Cash Investing, Capital, and Financing Activities:</b>			
Subscription financing	-	-	-
Subscription assets acquired	-	-	-

**CITY OF REDONDO BEACH**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**Year ended June 30, 2023**

	<b>Governmental Activities - Internal Service Funds</b>			
	<b>Self-Insurance Program</b>	<b>Emergency Communications</b>	<b>Major Facilities Repair</b>	<b>Totals</b>
<b>Cash Flows from Operating Activities:</b>				
Cash received from customers and users	\$ 8,602,706	\$ 3,321,708	\$ 290,907	\$ 23,785,259
Cash paid to suppliers for goods and services	(9,126,400)	(780,821)	-	(16,809,158)
Cash paid to employees for services	(324,410)	(1,872,570)	-	(5,062,987)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(848,104)</b>	<b>668,317</b>	<b>290,907</b>	<b>1,913,114</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>				
Principal paid on non-capital debt	(6,024)	(120,480)	-	(24,308)
Interest paid on non-capital debt	(4,622)	(90,747)	-	(256,055)
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>(10,469)</b>	<b>(232,581)</b>	<b>-</b>	<b>(300,453)</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Acquisition and construction of capital assets	(101,370)	-	(229,972)	(2,089,546)
Principal paid on capital debt	-	-	-	(89,562)
Interest paid on capital debt	-	-	-	(2,186)
Proceeds from sale of capital assets	-	-	-	18,029
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(101,370)</b>	<b>-</b>	<b>(229,972)</b>	<b>(2,163,265)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(959,943)</b>	<b>435,736</b>	<b>60,935</b>	<b>(550,604)</b>
Cash and Cash Equivalents at Beginning of Year	14,372,500	5,301,641	982,828	36,398,607
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 13,412,557</b>	<b>\$ 5,737,377</b>	<b>\$ 1,043,763</b>	<b>\$ 35,848,003</b>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>				
Operating income (loss)	\$ 921,537	\$ (1,117,688)	\$ 87,855	\$ 463,927
<b>Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:</b>				
Depreciation and amortization	-	230,331	22,691	1,472,495
(Increase) decrease in accounts receivable	-	-	-	(11,736)
(Increase) decrease in deferred outflow pension related items	82,630	3,017,995	-	7,780,456
(Increase) decrease in deferred outflow OPEB related items	(1,741)	833	-	(3,658)
(Increase) decrease in prepaid expense	-	-	-	(4,915)
Increase (decrease) in accounts payable	1,665,384	61,490	180,361	1,723,783
Increase (decrease) in claims and judgments	(3,316,793)	-	-	(3,316,793)
Increase (decrease) in net pension liability	(132,587)	(1,132,710)	-	(4,161,862)
Increase (decrease) in net OPEB liability	6,919	14,889	-	70,175
Increase (decrease) in deferred inflow pension related items	(71,170)	(379,251)	-	(1,967,402)
Increase (decrease) in deferred inflow OPEB related items	(787)	(44,518)	-	(138,887)
Increase (decrease) in compensated absences	(1,496)	16,946	-	7,531
<b>Total Adjustments</b>	<b>(1,769,641)</b>	<b>1,786,005</b>	<b>203,052</b>	<b>1,449,187</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ (848,104)</b>	<b>\$ 668,317</b>	<b>\$ 290,907</b>	<b>\$ 1,913,114</b>
<b>Non-Cash Investing, Capital, and Financing Activities:</b>				
Subscription financing	-	-	-	-
Subscription assets acquired	-	-	-	-

**THIS PAGE INTENTIONALLY LEFT BLANK**

## STATISTICAL SECTION

Statistical tables differ from financial statements because they usually cover more than one fiscal year and may present non-accounting data. They reflect social and economic data, financial trends and the fiscal capacity of the government.

**THIS PAGE INTENTIONALLY LEFT BLANK**



**STATISTICAL SECTION  
(UNAUDITED)**

**City of Redondo Beach**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year				
	2014	2015 *	2016	2017	2018
Governmental Activities:					
Net investment in capital assets	\$ 138,614,141	\$ 139,555,634	\$ 135,628,091	\$ 139,053,697	\$ 147,515,377
Restricted	19,059,951	16,503,649	26,346,341	22,833,987	24,348,682
Unrestricted	28,918,308	(85,699,247)	(81,186,849)	(83,567,317)	(118,477,214)
Total governmental activities net position	186,592,400	70,360,036	80,787,583	78,320,367	53,386,845
Business-type activities:					
Net investment in capital assets	36,646,484	37,629,261	37,542,589	37,169,598	43,285,102
Restricted	-	-	-	-	-
Unrestricted	27,250,666	18,257,918	24,136,647	28,549,056	24,562,294
Total business-type activities net position	63,897,150	55,887,179	61,679,236	65,718,654	67,847,396
Primary government:					
Net investment in capital assets	175,260,625	177,184,895	173,170,680	176,223,295	190,800,479
Restricted	19,059,951	16,503,649	26,346,341	22,833,987	24,348,682
Unrestricted	56,168,974	(67,441,329)	(57,050,202)	(55,018,261)	(93,914,920)
Total primary government net position	\$ 250,489,550	\$ 126,247,215	\$ 142,466,819	\$ 144,039,021	\$ 121,234,241

NOTE: \* In FY 2014-2015, GASB Statement 68 was implemented and contributed to the decrease in net position.

Source: City of Redondo Beach Comprehensive Annual Financial Report, Government-Wide Financial Statements.

**City of Redondo Beach**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year				
	2019	2020	2021	2022	2023
Governmental Activities:					
Net investment in capital assets	\$ 149,571,518	\$ 155,670,310	\$ 164,993,054	\$ 146,082,092	\$ 189,024,081
Restricted	36,179,269	29,323,216	27,392,685	31,365,112	29,038,880
Unrestricted	(150,061,607)	(169,266,411)	(175,501,877)	(134,974,819)	(163,871,388)
Total governmental activities net position	<u>35,689,180</u>	<u>15,727,115</u>	<u>16,883,862</u>	<u>42,472,385</u>	<u>54,191,573</u>
Business-type activities:					
Net investment in capital assets	44,986,964	58,077,077	59,334,911	60,441,156	66,054,613
Restricted	-	-	-	-	-
Unrestricted	23,360,854	18,858,253	16,913,909	18,369,052	16,395,109
Total business-type activities net position	<u>68,347,818</u>	<u>76,935,330</u>	<u>76,248,820</u>	<u>78,810,208</u>	<u>82,449,722</u>
Primary government:					
Net investment in capital assets	194,558,482	213,747,387	224,327,965	206,523,248	255,078,694
Restricted	36,179,269	29,323,216	27,392,685	31,365,112	29,038,880
Unrestricted	(126,700,753)	(150,408,158)	(158,587,968)	(116,605,767)	(147,476,279)
Total primary government net position	<u>\$ 104,036,998</u>	<u>\$ 92,662,445</u>	<u>\$ 93,132,682</u>	<u>\$ 121,282,593</u>	<u>\$ 136,641,295</u>

**City of Redondo Beach**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year				
	2014	2015	2016	2017	2018
<b>Expenses</b>					
Government activities:					
General government	\$ 10,177,409	\$ 10,293,394	\$ 10,946,935	\$ 10,846,646	\$ 14,142,348
Public Safety	44,022,014	47,331,250	46,362,851	55,489,827	60,845,022
Housing and community development	10,115,114	9,229,689	8,936,256	9,769,288	11,797,299
Cultural and leisure services	10,042,640	10,990,481	11,556,891	12,496,716	14,539,255
Public works	11,817,281	15,500,144	12,616,719	14,135,326	16,496,964
Interest on long-term debt	194,200	152,348	124,522	80,782	51,658
Total governmental activities expenses	86,368,658	93,497,306	90,544,174	102,818,585	117,872,546
Business-type activities:					
Harbor Tidelands	5,040,308	5,279,836	5,652,988	6,395,134	7,035,921
Harbor Uplands	4,051,432	4,230,371	4,469,890	4,479,269	3,224,093
Wastewater	2,557,592	2,022,271	2,144,353	2,917,527	3,667,593
Solid Waste	3,580,040	3,506,271	3,763,513	3,973,666	3,968,186
Transit	3,346,989	3,366,535	3,536,593	3,626,075	3,844,008
Total business-type activities expenses	18,576,361	18,405,284	19,567,337	21,391,671	21,739,801
Total primary government expenses	104,945,019	111,902,590	110,111,511	124,210,256	139,612,347
<b>Component Units:</b>					
<b>Program Revenues</b>					
Governmental activities:					
Charges for Services:					
General government	7,539,299	9,083,395	8,689,834	8,570,506	8,305,869
Public Safety	4,942,725	4,611,279	4,503,948	4,764,211	5,310,033
Housing and community development	2,858,612	2,681,729	2,160,284	3,577,756	3,458,586
Cultural and leisure services	5,942,540	6,733,424	6,606,802	5,837,816	6,709,262
Public works	2,386,890	2,154,679	2,334,537	2,579,475	2,459,268
Operating grants and contributions	8,052,877	8,170,736	8,135,187	8,563,072	8,090,195
Capital grants and contributions	294,342	2,310,026	912,045	492,146	1,872,910
Total governmental activities program revenues	32,017,285	35,745,268	33,342,637	34,384,982	36,206,123

**City of Redondo Beach**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year				
	2019	2020	2021	2022	2023
<b>Expenses</b>					
Government activities:					
General government	\$ 12,380,308	\$ 13,574,385	\$ 11,692,177	\$ 10,676,673	\$ 8,875,247
Public Safety	62,740,166	71,807,026	68,527,338	50,336,195	77,329,726
Housing and community development	11,460,619	11,456,603	11,119,995	12,241,640	10,119,877
Cultural and leisure services	12,296,505	11,810,514	10,033,842	11,259,954	11,227,624
Public works	14,655,265	15,373,701	14,439,178	17,327,400	11,459,350
Interest on long-term debt	641,587	1,272,259	1,117,677	7,161,637	6,046,346
Total governmental activities expenses	114,174,450	125,294,488	116,930,207	109,003,499	125,058,170
Business-type activities:					
Harbor Tidelands	9,433,807	9,067,251	4,636,895	7,593,555	6,414,101
Harbor Uplands	5,016,104	4,707,797	5,898,608	5,671,184	3,877,153
Wastewater	3,406,302	3,809,885	3,319,536	2,766,293	4,852,027
Solid Waste	4,690,425	4,894,581	5,115,305	5,270,585	5,627,344
Transit	4,004,654	3,975,884	4,440,739	4,437,245	5,819,936
Total business-type activities expenses	26,551,292	26,455,398	23,411,083	25,738,862	26,590,561
Total primary government expenses	140,725,742	151,749,886	140,341,290	134,742,361	151,648,731
<b>Component Units:</b>					
<b>Program Revenues</b>					
Governmental activities:					
Charges for Services:					
General government	9,769,717	10,699,014	10,760,125	17,442,962	11,449,964
Public Safety	5,766,102	4,922,828	6,414,431	6,389,408	5,214,506
Housing and community development	3,491,863	3,189,541	3,274,369	3,426,571	5,923,067
Cultural and leisure services	7,283,873	6,609,840	6,182,448	7,840,440	10,742,331
Public works	2,737,458	2,297,396	3,447,892	2,420,262	2,953,076
Operating grants and contributions	10,151,972	10,326,680	14,547,505	14,317,249	16,501,962
Capital grants and contributions	485,693	2,882,105	2,285,961	7,786,097	3,088,905
Total governmental activities program revenues	39,686,678	40,927,404	46,912,731	59,622,989	55,873,811

**City of Redondo Beach**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year				
	2014	2015	2016	2017	2018
Business-type activities:					
Charges for services:					
Harbor Tidelands	\$ 5,870,760	\$ 6,526,625	\$ 6,483,927	\$ 6,694,914	\$ 6,565,619
Harbor Uplands	4,311,358	4,585,998	5,314,448	5,378,886	5,267,564
Wastewater	4,568,330	5,433,185	5,618,086	5,546,090	5,575,855
Solid Waste	3,369,217	3,569,336	3,832,166	3,792,964	3,836,976
Transit	352,756	360,519	366,314	344,071	336,962
Operating grants and contributions	1,754,397	1,848,671	2,200,958	1,888,902	2,247,490
Capital grants and contributions	-	-	-	-	-
Total business-type activities program revenues	20,226,818	22,324,334	23,815,899	23,645,827	23,830,466
Total primary government program revenues	52,244,103	58,069,602	57,158,536	58,030,809	60,036,589
Net (expense)/revenue					
Governmental activities	(54,351,373)	(57,752,038)	(57,201,537)	(68,433,603)	(81,666,423)
Business-type activities	1,650,457	3,919,050	4,248,562	2,254,156	2,090,665
Total primary government net expense	(52,700,916)	(53,832,988)	(52,952,975)	(66,179,447)	(79,575,758)
<b>General Revenues and Other Changes in Net Position</b>					
Governmental Activities					
Taxes					
Property taxes, levied for general purpose	30,175,663	31,424,789	32,766,493	34,375,818	36,847,562
Transient occupancy taxes	3,970,786	4,464,811	8,627,801	7,689,889	9,172,934
Sales taxes	10,450,402	11,889,190	12,347,884	10,059,087	10,185,208
Franchise taxes	1,973,182	1,981,936	1,963,752	1,706,371	1,896,809
Business licenses taxes	1,296,531	1,178,016	1,186,567	1,201,068	1,322,333
Utility users taxes	7,412,250	7,664,385	7,411,930	7,085,063	6,928,129
Other taxes	1,840	5,149	-	731,571	632,084
Motor vehicle in lieu	28,894	27,910	27,475	31,132	36,272
Investment earnings	1,251,129	1,069,970	1,184,588	3,038,633	3,134,966
Other revenues	1,885,242	2,271,960	2,826,066	1,521,902	1,407,243
Gain (loss) on sale of capital assets	12,657	27,676	71,254	-	-
Special item	-	-	-	-	-
Transfers	(1,350,534)	(1,462,139)	(784,726)	(1,474,147)	(1,106,621)
Gain (loss) on dissolution of Redevelopment Agency	-	-	-	-	-
Total governmental activities	57,108,042	60,543,653	67,629,084	65,966,387	70,456,919
Business-type activities:					
Investment earnings	331,919	237,235	450,632	99,085	237,280
Gain (loss) on sale of capital assets	(79,277)	-	11,868	5,606	-
Other revenues	400,396	375,982	296,269	206,424	282,370
Special item	-	-	-	-	-
Transfers	1,350,534	1,462,139	784,726	1,474,147	1,106,621
Total business-type activities	2,003,572	2,075,356	1,543,495	1,785,262	1,626,271
Total primary government	59,111,614	62,619,009	69,172,579	67,751,649	72,083,190
<b>Change in Net Position</b>					
Governmental activities	2,756,669	2,791,615	10,427,547	(2,467,216)	(11,209,504)
Business-type activities	3,654,029	5,994,406	5,792,057	4,039,418	3,716,936
Totally primary government	\$ 6,410,698	\$ 8,786,021	\$ 16,219,604	\$ 1,572,202	\$ (7,492,568)

Source: City of Redondo Beach Comprehensive Annual Financial Report, Government-Wide Financial Statements

**City of Redondo Beach**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year				
	2019	2020	2021	2022	2023
Business-type activities:					
Charges for services:					
Harbor Tidelands	\$ 6,714,763	\$ 5,729,264	\$ 4,816,599	\$ 7,611,643	\$ 7,624,821
Harbor Uplands	6,129,658	4,886,188	4,945,241	6,239,484	5,754,907
Wastewater	5,419,215	5,523,009	5,487,873	5,417,916	5,433,482
Solid Waste	3,965,662	4,330,439	4,780,684	5,549,427	6,141,657
Transit	338,835	250,758	-	280	165,196
Operating grants and contributions	2,362,021	2,958,743	2,853,567	4,291,625	4,191,328
Capital grants and contributions	-	-	-	-	-
Total business-type activities program revenues	24,930,154	23,678,401	22,883,964	29,110,375	29,311,391
Total primary government program revenues	64,616,832	64,605,805	69,796,695	88,733,364	85,185,202
Net (expense)/revenue					
Governmental activities	(74,487,772)	(84,367,084)	(70,017,476)	(49,380,510)	(69,184,359)
Business-type activities	(1,621,138)	(2,776,997)	(527,119)	3,371,513	2,720,830
Total primary government net expense	(76,108,910)	(87,144,081)	(70,544,595)	(46,008,997)	(66,463,529)
<b>General Revenues and Other Changes in Net Position</b>					
Governmental Activities					
Taxes					
Property taxes, levied for general purpose	38,249,535	39,774,170	43,705,194	44,424,757	45,649,338
Transient occupancy taxes	8,816,739	6,335,445	3,400,322	5,419,197	6,174,326
Sales taxes	10,578,527	9,716,883	10,018,217	11,813,896	11,036,523
Franchise taxes	1,647,287	1,706,355	1,731,846	1,864,336	2,131,206
Business licenses taxes	1,295,050	1,251,673	1,211,539	1,193,814	1,301,224
Utility users taxes	6,757,622	6,824,873	6,713,480	8,024,511	9,166,031
Other taxes	917,102	969,721	1,019,041	1,133,754	1,173,417
Motor vehicle in lieu	32,965	54,193	49,136	77,111	72,000
Investment earnings	5,483,218	5,219,501	1,408,878	69,136	3,558,292
Other revenues	2,314,681	1,640,662	1,642,581	714,946	470,103
Gain (loss) on sale of capital assets	19,352	-	-	-	17,785
Special item	(18,823,249)	(1,595,860)	-	-	-
Transfers	(498,722)	(7,492,597)	273,989	233,575	138,511
Gain (loss) on dissolution of Redevelopment Agency	-	-	-	-	-
Total governmental activities	56,790,107	64,405,019	71,174,223	74,969,033	80,888,756
Business-type activities:					
Investment earnings	1,442,556	1,563,880	(72,233)	(576,550)	1,055,954
Gain (loss) on sale of capital assets	244	-	-	-	1,241
Other revenues	180,038	712,172	186,831	-	-
Special item	-	1,595,860	-	-	-
Transfers	498,722	7,492,597	(273,989)	(233,575)	(138,511)
Total business-type activities	2,121,560	11,364,509	(159,391)	(810,125)	918,684
Total primary government	58,911,667	75,769,528	71,014,832	74,158,908	81,807,440
<b>Change in Net Position</b>					
Governmental activities	(17,697,665)	(19,962,065)	1,156,747	25,588,523	11,704,397
Business-type activities	500,422	8,587,512	(686,510)	2,561,388	3,639,514
Totally primary government	\$ (17,197,243)	\$ (11,374,553)	\$ 470,237	\$ 28,149,911	\$ 15,343,911

Source: City of Redondo Beach Comprehensive Annual Financial Report, Government-Wide

**City of Redondo Beach**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	Fiscal Year				
	2014	2015	2016	2017	2018
General fund					
Nonspendable	\$ 82,255	\$ 90,836	\$ 87,345	\$ 1,013,152	\$ 93,705
Restricted	-	-	3,000,000	-	-
Committed	6,188,191	6,738,848	7,154,237	7,409,689	7,605,573
Assigned	12,025,746	10,500,675	9,303,536	9,134,516	9,431,007
Unassigned	2,674,597	5,786,193	1,694,671	945,992	653,649
Total general fund	20,970,789	23,116,552	21,239,789	18,503,349	17,783,934
All other governmental funds					
Nonspendable	2,952,500	2,749,394	-	-	-
Nonspendable, reported in:					
Special revenue funds	-	-	-	-	-
Restricted	13,408,799	12,107,627	22,309,801	18,625,842	20,061,786
Restricted, reported in:					
Special revenue funds	-	-	-	4,208,145	4,286,896
Debt service funds	6,450,252	6,310,008	-	-	-
Committed	-	-	-	-	-
Assigned	6,956,943	6,466,871	2,150,834	2,152,347	2,152,347
Assigned, reported in:					
Capital projects funds	-	-	11,112,946	12,372,901	10,057,599
Special revenue funds	-	-	-	-	-
Unassigned	(99,891)	(64,425)	(106,954)	(66,919)	(5,146)
Unassigned, reported in:					
Special revenue funds	(1,551,713)	(1,852,352)	(1,335,382)	(1,453,532)	(3,031,772)
Capital projects funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Total all other governmental funds	\$ 28,116,890	\$ 25,717,123	\$ 34,131,245	\$ 35,838,784	\$ 33,521,710

Source: City of Redondo Beach Comprehensive Annual Financial Report, Governmental Fund Financial Statements



**City of Redondo Beach**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	Fiscal Year				
	2019	2020	2021	2022	2023
General fund					
Nonspendable	\$ 980,737	\$ 107,697	\$ 89,771	\$ 71,426	\$ 169,999
Restricted	-	-	-	-	-
Committed	7,989,184	7,585,231	7,241,252	8,599,208	8,599,208
Assigned	10,999,817	9,149,145	8,908,619	20,421,828	24,228,260
Unassigned	753,238	704,067	2,039,523	271,557	190,951
Total general fund	20,722,976	17,546,140	18,279,165	29,364,019	33,188,418
All other governmental funds					
Nonspendable	-	-	-	-	-
Nonspendable, reported in:					
Special revenue funds	-	-	-	-	-
Restricted	17,751,026	25,180,005	23,255,534	22,498,317	25,541,166
Restricted, reported in:					
Special revenue funds	4,296,752	4,143,211	4,137,151	3,841,655	3,497,714
Debt service funds	14,131,491	-	-	5,025,140	-
Committed	-	-	-	-	-
Assigned	2,352,347	9,708,041	8,013,238	15,208,719	12,960,508
Assigned, reported in:					
Capital projects funds	9,158,315	-	-	-	-
Special revenue funds	-	-	-	-	-
Unassigned	(403)	(878,585)	(310,276)	(69,761)	(27,960)
Unassigned, reported in:					
Special revenue funds	(2,974,945)	(2,679,430)	(4,008,147)	(6,858,755)	(6,053,354)
Capital projects funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Total all other governmental funds	\$ 44,714,583	\$ 35,473,242	\$ 31,087,500	\$ 39,645,315	\$ 35,918,074

**City of Redondo Beach**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	Fiscal Year				
	2014	2015	2016	2017	2018
<b>Revenues:</b>					
Taxes	\$ 55,958,439	\$ 58,603,127	\$ 64,304,427	\$ 62,848,867	\$ 67,323,695
Interdepartmental	7,143,371	7,588,928	8,176,790	8,292,178	8,170,297
Licenses and permits	1,504,502	1,333,512	1,701,786	1,755,119	1,801,502
Intergovernmental	11,096,634	14,091,278	12,259,088	12,359,047	12,574,428
Charges for services	8,401,697	8,511,455	9,618,003	9,128,589	9,732,500
Use of money and property	2,499,563	2,795,350	3,113,269	3,038,633	3,134,966
Fines and forfeitures	1,836,166	1,960,083	1,645,777	1,523,928	1,368,615
Other revenues	1,816,196	2,147,500	2,678,261	2,540,369	2,498,976
Total Revenues	90,256,568	97,031,233	103,497,401	101,486,730	106,604,979
<b>Expenditures:</b>					
Current:					
General government	9,157,309	9,757,869	10,189,258	10,535,983	9,920,879
Public safety	43,653,885	48,274,212	50,019,597	52,875,881	57,451,797
Housing and community development	9,116,267	8,883,086	9,546,763	9,759,833	10,156,777
Cultural and leisure services	8,789,002	10,023,420	11,001,375	11,265,379	11,598,804
Public works	9,362,140	10,325,935	11,198,389	11,235,682	11,016,488
Capital outlay	1,248,965	7,382,451	3,235,047	4,682,977	7,442,754
Debt service:					
Principal	665,000	695,000	715,000	745,000	775,000
Interest	240,736	187,296	152,896	121,999	89,856
Debt issuance costs	-	-	-	-	-
Total Expenditures	82,233,304	95,529,269	96,058,325	101,222,734	108,452,355
Excess of Revenues Over (Under) Expenditures	8,023,264	1,501,964	7,439,076	263,996	(1,847,376)
<b>Other Financing Sources (Uses):</b>					
Transfers in	2,768,840	1,394,604	8,464,353	4,031,647	2,326,416
Transfers out	(4,160,973)	(3,150,572)	(9,366,070)	(5,324,544)	(3,372,317)
Leases	-	-	-	-	-
Refunding bonds issued	-	-	-	-	-
Other debts issued	-	-	-	-	-
Bond premium	-	-	-	-	-
Refunding bonds redeemed	-	-	-	-	-
Gain (loss) on Redevelopment Agency dissolution	-	-	-	-	-
Total Other Financing Sources (Uses)	(1,392,133)	(1,755,968)	(901,717)	(1,292,897)	(1,045,901)
Special item	-	-	-	-	-
Net Change in Fund Balances	\$ 6,631,131	\$ (254,004)	\$ 6,537,359	\$ (1,028,901)	\$ (2,893,277)
Debt service as a percentage of noncapital expenditures	1.13%	1.01%	0.94%	0.91%	0.86%

Source: City of Redondo Beach Comprehensive Annual Financial Report, Government-Wide Financial Statements

**City of Redondo Beach**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	Fiscal Year				
	2019	2020	2021	2022	2023
<b>Revenues:</b>					
Taxes	\$ 68,325,779	\$ 66,579,120	\$ 67,799,639	\$ 73,874,265	\$ 76,632,065
Interdepartmental	8,503,283	9,417,289	9,379,851	10,034,053	8,745,517
Licenses and permits	1,555,407	1,503,909	1,641,684	1,731,398	2,607,527
Intergovernmental	15,303,534	18,215,129	19,252,605	29,628,555	26,443,713
Charges for services	10,211,917	8,851,688	8,482,823	10,895,140	11,805,303
Use of money and property	5,483,218	5,219,501	1,408,878	69,136	3,558,292
Fines and forfeitures	1,489,424	1,163,678	1,331,574	1,247,572	1,347,895
Other revenues	5,049,393	3,835,968	6,194,701	3,727,529	6,049,378
Total Revenues	115,921,955	114,786,282	115,491,755	131,207,648	137,189,690
<b>Expenditures:</b>					
Current:					
General government	11,546,126	12,701,080	11,365,610	24,894,820	11,874,752
Public safety	58,235,693	61,281,401	60,812,252	209,643,074	56,313,610
Housing and community development	11,185,303	11,075,922	10,936,532	16,644,042	11,686,810
Cultural and leisure services	11,997,745	10,466,375	9,364,095	15,492,140	11,603,710
Public works	11,004,195	11,543,612	11,522,810	23,081,641	12,372,547
Capital outlay	5,142,247	19,525,792	13,563,804	14,567,037	20,838,116
Debt service:	-	-	-	-	-
Principal	805,000	795,000	555,000	812,926	7,619,104
Interest	412,427	1,322,680	1,095,981	6,046,920	5,937,747
Debt issuance costs	-	-	-	-	-
Total Expenditures	110,328,736	128,711,862	119,216,084	311,182,600	138,246,396
Excess of Revenues Over (Under) Expenditures	5,593,219	(13,925,580)	(3,724,329)	(179,974,952)	(1,056,706)
<b>Other Financing Sources (Uses):</b>					
Transfers in	3,701,950	4,918,105	10,407,106	10,782,356	16,012,542
Transfers out	(3,607,949)	(3,410,702)	(10,335,494)	(10,548,781)	(15,853,941)
Leases	-	-	-	2,245,558	980,472
Refunding bonds issued	-	-	-	-	-
Other debts issued	28,015,000	-	-	197,138,488	-
Bond premium	(747,056)	-	-	-	-
Refunding bonds redeemed	-	-	-	-	-
Gain (loss) on Redevelopment Agency dissolution	-	-	-	-	-
Total Other Financing Sources (Uses)	27,361,945	1,507,403	71,612	199,617,621	1,139,073
Special item	(18,823,249)	-	-	-	-
Net Change in Fund Balances	\$ 14,131,915	\$ (12,418,177)	\$ (3,652,717)	\$ 19,642,669	\$ 82,367
Debt service as a percentage of noncapital expenditures	1.17%	1.98%	1.59%	2.37%	13.05%

**City of Redondo Beach**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30	City			Taxable Assessed Value
	Secured	Unsecured	Less: Exemptions	
2014	\$ 12,119,561,792	\$ 479,888,191	\$ (86,536,840)	\$ 12,512,913,143
2015	12,740,467,541	424,217,169	(73,103,981)	13,091,580,729
2016	13,389,390,286	445,897,750	(74,129,707)	13,761,158,329
2017	14,185,826,554	422,121,124	(72,679,071)	14,535,268,607
2018	14,985,005,088	475,749,665	(72,464,646)	15,388,290,107
2019	15,796,994,740	475,845,459	(72,083,515)	16,200,756,684
2020	16,570,567,490	495,949,088	(43,871,304)	17,022,645,274
2021	17,457,397,477	537,895,062	(55,071,992)	17,940,220,547
2022	18,203,914,759	581,594,262	(79,188,547)	18,706,320,474
2023	19,357,977,502	637,683,663	(101,991,595)	19,893,669,570

In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only re-assessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Source: HdL Coren & Cone, Los Angeles County Auditor-Controller/Tax Division 2022/2023 Combined Tax Rolls

# City of Redondo Beach

## Assessed Value and Estimated Actual Value of Taxable Property

### Last Ten Fiscal Years

Fiscal Year Ended June 30	Redevelopment			Taxable Assessed Value	Total Direct Tax Rate
	Secured	Unsecured	Exemptions		
2014	\$ 453,832,698	\$ 38,326,859	\$ (352,000)	\$ 491,807,557	0.15783
2015	470,317,505	55,967,662	(221,000)	526,064,167	0.15797
2016	481,010,582	48,097,617	-	529,108,199	0.15808
2017	492,828,395	26,806,104	-	519,634,499	0.15834
2018	502,042,344	27,984,358	-	530,026,702	0.15871
2019	522,861,449	26,288,663	-	549,150,112	0.15883
2020	533,318,662	25,264,657	-	558,583,319	0.16317
2021	683,183,671	22,737,911	-	705,921,582	0.16331
2022	537,056,295	19,303,263	-	556,359,558	0.16340
2023	599,090,312	19,730,213	-	618,820,525	0.16353

**City of Redondo Beach**  
**Direct and Overlapping Property Tax Rates**  
**(Rate per \$100 of taxable value)**  
**Last Ten Fiscal Years**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
City basic rate	0.16539	0.16539	0.16539	0.16539	0.16539	0.16539	0.16539	0.16539	0.16539	0.16539
Overlapping Rates:										
Los Angeles County Detention Facilities 1987 Debt	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Flood Control	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Metropolitan Water District	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350
Community College	0.01750	0.01742	0.01745	0.02294	0.02120	0.02223	0.02155	0.02362	0.02264	0.02299
Unified School District	0.09242	0.09689	0.09174	0.09079	0.08630	0.08086	0.08428	0.08430	0.07201	0.07711
Total Direct Rate	0.15783	0.15797	0.15808	0.15834	0.15871	0.15883	0.16317	0.16331	0.16340	0.16353

Notes: General fund tax rates are representative and based upon the direct and overlapping rates for the largest general fund tax rate area (TRA) by net taxable value.

Total Direct Rate is the weighted average of all individual direct rates applied by the City of Redondo Beach.

RDA rate is based on the largest RDA tax rate area(TRA) and includes only rate(s) from indebtedness adopted prior to 1969 per California State statute.

RDA direct and overlapping rates are applied only to the incremental property values.

In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage to assessed property values for the payment of any voter approved bonds.

Source: HdL Coren & Cone, Los Angeles County Assessor 2022/2023 Tax Rate Table

**City of Redondo Beach**  
**Principal Property Taxpayers**  
**Current Year and Nine Years Ago**

Taxpayer	2023		2014	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Northrop Grumman Systems Corporation	\$ 610,145,755	2.97%	\$ 511,257,190	3.93%
South Bay Center SPE LLC *	269,342,550	1.31%	197,906,507	1.52%
Rexford Industrial 2410 Santa Fe LLC	99,639,264	0.49%	-	0.00%
The Kobe Group Inc	81,897,237	0.40%	75,794,844	0.58%
Noble House Recp Hotel Venture LLC	75,593,468	0.37%	63,330,777	0.49%
AES Redondo Beach LLC	72,214,092	0.35%	159,452,370	1.23%
Ray Pellegrino Trust *	71,333,399	0.35%	-	0.00%
9300 Willshire LLC ET AL *	68,051,442	0.33%	-	0.00%
Redondo Beach Distribution Center LLC	57,672,330	0.28%	-	0.00%
HPT IHG 2 Properties Trust *	53,083,872	0.26%	44,531,038	0.34%
LPF Redondo Beach Inc *	-	-	45,669,852	0.35%
MKEG P LLC	-	-	38,486,407	0.30%
Lightning PropCo I LLC	-	-	35,196,909	0.27%
Target Corporation	-	-	33,923,544	0.26%
	<u>\$ 1,458,973,409</u>	<u>7.11%</u>	<u>\$ 1,205,549,438</u>	<u>9.27%</u>

NOTE: The amounts shown above include assessed value date for both the City and the Successor Agency (former Redevelopment Agency).

\* (Pending appeals on parcels)

Source: HdL Coren & Cone, Los Angeles County Assessor 2022/2023 Combined Tax Rolls

**City of Redondo Beach**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Percentage of			Percentage
		Amount	Levy		Amount	of Levy
2014	\$ 29,413,514	\$ 28,953,089	98.43%	\$ 487,130	\$ 29,440,219	100.09%
2015	31,503,828	31,035,789	98.51%	451,369	31,487,158	99.95%
2016	32,883,797	32,440,070	98.65%	405,762	32,845,833	99.88%
2017	34,125,966	33,690,049	98.72%	388,499	34,078,548	99.86%
2018	35,718,202	35,230,091	98.63%	383,301	35,613,392	99.71%
2019	37,267,914	36,719,102	98.53%	364,627	37,083,729	99.51%
2020	39,182,819	38,271,140	97.67%	404,113	38,675,253	98.70%
2021	40,917,175	40,165,051	98.16%	602,163	40,767,215	99.63%
2022	42,386,631	41,678,608	98.33%	594,526	42,273,134	99.73%
2023	45,094,012	44,393,742	98.45%	574,364	44,968,106	99.72%

Source: County of Los Angeles Auditor-Controller



**City of Redondo Beach**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year	Governmental Activities					Business-type Activities					Total Primary Government	Percentage of Personal Income	Per Capita
	Refunding		Capital			Wastewater		Construction Loans	Capital Leases				
	Revenue					Revenue							
	Bonds	Loans	Leases	Subscriptions	Bonds	Bonds							
2014	\$ 4,271,142	\$ -	\$ 444,896	\$ -	\$ 7,755,117	\$ -	\$ 2,355,354	\$ -	114,597	\$ 14,826,509	0.41%	219	
2015	3,553,356	-	750,436	-	7,503,861	-	2,045,512	-	-	13,967,762	0.39%	205	
2016	2,815,570	-	565,029	-	7,232,606	-	1,721,727	-	58,404	12,393,336	0.35%	180	
2017	2,047,784	-	253,265	-	6,951,350	-	1,383,372	-	-	10,635,771	0.30%	154	
2018	1,250,000	-	28,902	-	6,660,094	-	1,029,790	-	-	8,968,786	0.24%	131	
2019	27,712,944	-	-	-	6,353,838	-	660,298	-	-	34,727,080	0.91%	507	
2020	26,942,846	-	186,587	-	6,037,582	-	274,194	-	-	33,441,209	0.84%	499	
2021	26,411,918	-	96,652	-	5,711,326	-	-	-	-	32,219,896	0.76%	485	
2022	233,296,498	-	2,002,632	-	5,375,070	18,750,322	-	-	-	259,424,522	6.02%	3,761	
2023	225,831,468	-	1,754,910	985,983	5,023,814	18,126,085	-	-	-	251,722,260	5.26%	3,680	

Source: Note 10 of the Notes to Financial Statements

**City of Redondo Beach**  
**Direct and Overlapping Governmental Activities Debt**  
**June 30, 2023**

City Assessed Valuation		\$	20,512,490,095	
	Percentage Applicable		Outstanding Debt 6/30/23	Estimated Share of Overlapping Debt
Direct Debt:				
Community Financing Authority Lease Revenue Bonds 2021A	100%	\$	218,650,000	\$ 218,650,000
Community Financing Authority Lease Revenue Refunding Bonds 2019A	100%		25,955,000	25,955,000
Community Financing Authority 2019A Unamortized Bond Premium	100%		(647,448)	(647,448)
Total direct debt		\$	243,957,552	\$ 243,957,552
Overlapping Debt:				
* Metropolitan Water District	0.564%	\$	19,215,000	\$ 108,373
Los Angeles County General Fund Obligations	1.083%		2,601,551,282	28,174,800
Los Angeles County Superintendent of Schools Certificates of Participation	1.083%		3,403,487	36,860
Los Angeles County Sanitation District No.5 Authority	8.200%		1,269,835	104,126
El Camino Community College District	14.718%		463,537,057	68,223,384
Los Angeles County Sanitation District South Bay Cities Authority	17.243%		216,354	37,306
Redondo Beach Unified School District	100%		204,951,837	204,951,837
Total overlapping debt		\$	3,294,144,852	301,636,686
Total direct and overlapping debt				\$ 545,594,238

NOTE: \* This fund is a portion of a larger agency and is responsible for debt in areas outside the City.

Source: HdL Coren & Cone, Los Angeles County Assessor and Auditor Combined 2022/2023 Lien Date Tax Rolls

City of Redondo Beach
Legal Debt Margin Information
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2023										
	Assessed value									
	\$ 20,512,490,095									
	Debt Limit (15% of assessed value)									
	3,076,873,514									
	Debt applicable to limit									
	-									
	Legal debt margin									
	\$ 3,076,873,514									
	Fiscal Year				Fiscal Year					
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	\$ 1,950,708,105	\$ 2,042,646,734	\$ 2,143,539,979	\$ 2,258,235,466	\$ 2,387,747,521	\$ 2,512,486,019	\$ 2,637,184,289	\$ 2,796,921,319	\$ 2,889,402,005	\$ 3,076,873,514
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	1,950,708,105	2,042,646,734	2,143,539,979	2,258,235,466	2,387,747,521	2,512,486,019	2,637,184,289	2,796,921,319	2,889,402,005	3,076,873,514
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Source: County of Los Angeles Auditor-Controller

**City of Redondo Beach**  
**Pledged-Revenue Coverage**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Wastewater Revenue Bonds					
	Wastewater Revenue	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2014*	\$ 4,311,350	\$ 1,214,545	\$ 3,096,805	\$ -	\$ 208,634	14.84
2015	5,290,338	1,432,699	3,857,640	225,000	322,459	7.05
2016	5,320,916	1,575,501	3,745,415	245,000	301,988	6.85
2017	5,475,892	2,283,864	3,192,028	255,000	289,738	5.86
2018	5,521,455	2,597,120	2,924,335	265,000	279,538	5.37
2019	5,364,859	2,751,925	2,612,934	280,000	268,938	4.76
2020	5,455,997	3,148,875	2,307,122	290,000	257,189	4.22
2021	5,368,274	2,768,598	2,599,676	300,000	246,138	4.76
2022	5,332,000	2,257,488	3,074,512	310,000	234,138	5.65
2023	5,344,095	3,607,690	1,736,405	325,000	221,738	3.18

NOTE: \*The Redondo Beach Public Financing Authority issued the Wastewater System Financing Project Revenue Bonds in fiscal year 2003/2004.  
It was replaced in fiscal year 2013-14 with the issue of the 2014 Wastewater Refunding Revenue Bonds.

**City of Redondo Beach**  
**Demographic and Economic Statistics**  
**June 30, 2023**

---

<b>Calendar Year</b>	<b>Population</b>	<b>Personal Income * (in thousands)</b>	<b>Per Capita Personal Income *</b>	<b>Unemployment Rate **</b>
2014	67,717	\$ 3,593,809	\$ 53,071	7.7%
2015	68,095	3,602,147	53,169	6.9%
2016	68,844	3,562,911	51,269	5.0%
2017	68,907	3,587,933	52,069	4.7%
2018	68,677	3,707,238	53,980	4.1%
2019	68,473	3,835,542	56,015	4.0%
2020	66,994	3,961,378	59,130	13.6%
2021	66,484	4,215,803	63,410	7.4%
2022	68,972	4,311,229	62,506	6.5%
2023	68,407	4,789,934	70,021	3.9%

NOTES: \* Personal income data was not available from the California Department of Finance subsequent to fiscal year 2019/2020. Per Capita Personal Income is based on the metropolitan area of Los Angeles-Long Beach-Anaheim, CA. Statistics not available subsequent to fiscal year 2019/2020. \*\* Unemployment rate is based on the metropolitan area of Los Angeles-Long Beach-Anaheim, CA.

Sources: HdL Coren & Cone, Los Angeles  
California State Department of Finance  
US Census Bureau

**City of Redondo Beach**  
**Principal Employers**  
**Current Year and Nine Years Ago**

Employer	2023		2014	
	Employees	Percentage of Total City Employment	Employees	Percentage of Total City Employment
Northrup Grumman Corporation	11,064	29.35%	4,591	14.14%
Redondo Beach Unified School District	1,027	2.72%	995	3.06%
The Cheesecake Factory	261	0.69%	261	0.80%
City of Redondo Beach	425	1.13%	430	1.32%
United States Postal Service	350	0.93%	260	0.80%
Prime Now LLC	233	0.62%	-	-
Target Stores	217	0.58%	217	0.67%
Macy's	206	0.55%	203	0.63%
Frontier	164	0.43%	-	-
Silverado Beach Cities	140	0.37%	-	-
Crowne Plaza Redondo Beach	-	-	339	1.04%
Nordstrom, Inc.	-	-	251	0.77%
DHL Global Forwarding	-	-	209	0.64%

Source: City of Redondo Beach

**City of Redondo Beach**  
**Full-Time City Government Employees by Function**  
**Last Ten Fiscal Years**

Function	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government	49	51	51	53	54	54	51	48	54	54
Public Safety										
Police										
Officers	96	93	96	96	96	96	95	92	95	95
Civilians	59	59	58	58	58	58	58	53	58	58
Fire										
Firefighters and Officers	60	62	62	62	62	62	62	56	59	59
Civilians	3	3	3	3	5	5	5	4	5	5
Public Works	111	111	111	112	112	110	109	104	108	108
Cultural and Leisure Services	33	34	34	33	33	32	31	26	29	29
Housing & Community Development	15	17	17	17	18	18	18	16	14	14
Harbor, Business, & Transit	3	3	4	4	4	4	3	3	3	3
TOTAL	429	433	436	438	442	439	432	402	425	425

Source: City of Redondo Beach

**City of Redondo Beach**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public Safety										
Police										
Physical arrests	2,141	2,146	2,325	2,490	2,184	2,108	1,497	2,022	1,693	1,966
Traffic citations issued	4,966	4,516	3,898	4,699	4,220	4,015	2,651	3,386	2,932	3,489
Fire										
Number of runs - rescues	4,338	4,604	4,702	5,025	4,665	4,791	4,472	4,561	5,503	5,555
Number of runs - structures & other	1,822	1,989	2,115	2,107	2,605	2,602	2,833	2,890	2,530	3,002
Public Works										
Street rehabilitation (miles)	3.1	1.1	2.4	-	4.1	0.7	1.4	4.1	-	4.6
Culture and Leisure Services										
Library										
Number of items borrowed	621,139	584,643	545,316	476,837	479,575	447,966	402,964	242,530	411,909	420,318
Number of visitors	333,869	350,958	343,395	332,181	308,542	314,093	210,999	18,821	134,103	177,873
Recreation and Community Services										
Admissions - Seaside Lagoon	82,414	81,328	87,422	79,833	79,856	60,419	- *	- *	35,367	42,020
Number of facility rentals - Seaside Lagoon	387	381	388	378	382	422	- *	- *	765	275
Housing & Community Development										
Number of permits issued	2,955	3,295	6,899	3,435	3,522	3,172	2,655	5,651	3,023	- **
Number of plan checks issued	1,471	1,559	4,200	2,492	2,436	2,060	2,038	3,997	1,294	- **
Number of inspections	4,411	10,326	12,827	12,276	11,748	17,007	9,723	19,130	10,372	- **
Number of real estate reports	922	973	1,925	861	814	807	672	1,559	800	- **
Number of bus boardings - Transit	410,585	415,259	407,272	383,112	375,545	367,087	288,912	166,176	295,365	277,558
Revenue miles - Transit	475,564	459,468	458,198	448,682	448,541	448,016	414,401	365,731	437,141	436,056

NOTE: \* Seaside Lagoon did not operate for the 2019-2020 fiscal year and reopened June 18, 2021 due to the COVID-19 closure.

\*\* Information no longer being made available as of Fiscal year 2022-2023.

Source: City of Redondo Beach - Financial Services Department



**City of Redondo Beach**  
**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**

Function	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Sub-station	1	1	1	1	1	1	1	1	1	1
Fire Stations	3	3	3	3	3	3	3	3	3	3
Public Works										
Streets (miles)	127	127	127	127	127	127	127	127	127	127
Streetlights *	1892	1892	1892	1892	1892	1892	1892	1892	1899	1899
Street Traffic Controllers	84	84	84	84	84	84	84	84	84	84
Sanitary sewers (miles)	112	112	112	112	112	112	112	112	112	112
Culture and Leisure Services										
Parks	15	15	15	15	15	15	15	15	15	15
Parkettes	13	13	13	13	13	13	13	13	13	13
Total Park Acreage	143.26	143.26	143.26	143.26	143.26	143.26	143.26	143.26	143.26	143.26
Boat Slips	1509	1509	1509	1509	1509	1509	1509	1509	1509	1509
Harbor acreage:										
Total water area (exclusive of the pier)	107	107	107	107	107	107	107	107	107	107
Total land area	52.5	52.5	52.5	52.5	52.5	52.5	52.5	52.5	52.5	52.5
Libraries	2	2	2	2	2	2	2	2	2	2
Community Centers	5	5	5	5	5	5	5	5	5	5

NOTE: \* Methodology modification made in fiscal year 2004/2005 to reflect city-owned street lights only.

Source: City of Redondo Beach

**City of Redondo Beach**  
**Certification of Continuing Disclosure**  
**Redondo Beach Community Financing Authority 2014 Wastewater Refunding Revenue Bonds**  
**(Wastewater System Financing Project)**  
**June 30, 2023**

---

This Certification of Continuing Disclosure is provided by the City of Redondo Beach ("the City") and the Redondo Beach Community Financing Authority through US Bank, as Dissemination Agent pursuant to a Continuing Disclosure Certificate dated March 25, 2014 executed and delivered by the City of Redondo Beach and the Community Financing Authority and the Dissemination Agent in connection with the issuance of \$7,230,000 Refunding Revenue Bonds, City of Redondo Beach Wastewater System Financing Project Bonds ("the Bonds"). The Bonds were issued pursuant to an Indenture of Trust dated as of March 25, 2014 between the Financing Authority and US Bank. The proceeds of the Bonds were issued to provide funds to (a) finance the Improvements and related facilities which constitute part of the Wastewater Enterprise of the City, (b) fund capitalized interest on the Bonds through November 1, 2014, (c) fund a reserve fund for the Bonds, and (d) pay the cost of issuance for the Bonds.

This Certification is made pursuant to the requirements of Section 3(a) of the Continuing Disclosure Certificate with respect to the 2020-21 fiscal year.

The City and the Community Financing Authority hereby report the following:

1. The audited financial statements of the City, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board, for the fiscal year ended June 30, 2021 comprise the book in which this report is included.
2. During the fiscal year ended June 30, 2021, neither the City nor the Community Financing Authority has given or caused to be given notice of the occurrence of any of the following events:
  - a. Principal and interest payment delinquencies;
  - b. Non-payment related defaults;
  - c. Unscheduled draws on debt service reserves reflecting financial difficulties;
  - d. Unscheduled draws on credit enhancements reflecting financial difficulties;
  - e. Substitution of credit or liquidity providers, or their failure to perform;
  - f. Adverse tax opinions or events affecting the tax-exempt status of the security;
  - g. Modifications to rights of security holders;
  - h. Contingent or unscheduled bond calls;
  - i. Defeasances;
  - j. Resale, substitution, or sale of property securing repayment of the securities; or
  - k. Rating changes

**City of Redondo Beach**  
**Sewer Rates Per Month**  
**Last Ten Fiscal Years**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Use Classification</b>										
Each single family dwelling unit	\$ 13.25	\$ 16.25	\$ 16.25	\$ 16.25	\$ 16.25	\$ 16.25	\$ 16.25	\$ 16.25	\$ 16.25	16.25
Each unit in a 2-3 unit condo structure	13.25	16.25	16.25	16.25	16.25	16.25	16.25	16.25	16.25	16.25
Each unit in a 2-3 unit apartment structure	10.31	12.64	12.64	12.64	12.64	12.64	12.64	12.64	12.64	12.64
Each unit in a 4 or more unit condo structure	10.31	12.64	12.64	12.64	12.64	12.64	12.64	12.64	12.64	12.64
Each unit in a 4 or more unit apartment structure	7.09	8.70	8.70	8.70	8.70	8.70	8.70	8.70	8.70	8.70
Commercial/Industrial/Institutional parcels	1.13 *	1.39 *	1.39 *	1.39 *	1.39 *	1.39 *	1.39 *	1.39 *	1.39 *	1.39

NOTE: The Redondo Beach Public Financing Authority issued the Wastewater System Financing Project Revenue Bonds in fiscal year 2003/2004. A reissue of the Bonds was done in fiscal year 2013/2014 by the Community Financing Authority.

\* Per 100 cubic feet of average monthly water usage. 100 cubic feet of water is equal to 748 gallons, average monthly water usage is established based on the latest actual annual water usage record available to the City. On an annual basis, the city will recalculate the monthly charge by using the latest available annual water usage record of each non-residential user at the same \$1.13 per 100 cubic feet rate to set a new monthly rate. Any water proven to be used for boilers, cooling towers or similar devices that will not be discharged into the sewer system may be deducted from the annual water usage record for rate calculation purposes.

Source: City of Redondo Beach

**City of Redondo Beach**  
**Top Ten Customers - Sewage Usage**  
**June 30, 2023**

---

<u>Account Name</u>	<u>Type of Use</u>	<u>Usage (ccf)</u>	<u>Billed Amount</u>	<u>% of Revenue</u>
AES Redondo Beach LLC	Power Plant	150,127	\$208,677	3.8%
Northrop Grumman Systems	Aerospace	45,419	\$63,132	1.2%
Redondo Beach Unified - South Bay Union High	Education	26,163	\$36,367	0.7%
Hilton Garden Inn	Hotel	16,464	\$22,885	0.4%
Marina Way Mole B	Harbor Facilities	16,181	\$22,492	0.4%
City of Redondo Beach Leased Properties	Harbor Facilities	16,151	\$22,450	0.4%
Beach Cities Health District	Hospital	15,970	\$22,198	0.4%
Sonesta Redondo Beach & Marina	Hotel	14,276	\$19,844	0.4%
South Bay Center SPE LLC	Shopping Mall	12,357	\$17,176	0.3%
Village at Redondo LLC - 160 Unit	Apartment	12,017	\$16,704	0.3%
				<hr/> 8.3% <hr/>

**City of Redondo Beach**  
**Sewer Connections by Type of Customer**  
**Last Ten Fiscal Years**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Type of Customer</b>										
Residential	13,104	13,105	13,105	13,111	13,113	13,114	13,116	13,117	13,121	13,123
Industrial	61	61	59	59	59	58	57	57	57	53
Commercial	463	461	462	464	463	465	465	464	458	456
Institutional	59	59	59	58	58	57	56	56	56	56
Mixed use	43	43	43	43	43	43	43	43	44	44
<b>Total</b>	<b>13,730</b>	<b>13,729</b>	<b>13,728</b>	<b>13,735</b>	<b>13,736</b>	<b>13,737</b>	<b>13,737</b>	<b>13,737</b>	<b>13,736</b>	<b>13,732</b>

NOTE: The Redondo Beach Public Financing Authority issued the Wastewater System Financing Project Revenue Bonds in fiscal year 2003/2004.  
A reissue of the Bonds was done in fiscal year 2013/2014 by the Community Financing Authority.

Source: City of Redondo Beach

**City of Redondo Beach**  
**Certification of Continuing Disclosure**  
**Redondo Beach Community Financing Authority Lease Revenue Refunding Bonds Series 2019A**  
**(Leaseback Agreement)**  
**June 30, 2023**

---

This Certification of Continuing Disclosure is provided by the City of Redondo Beach ("the City") and the Redondo Beach Community Financing Authority through US Bank, as Dissemination Agent pursuant to a Continuing Disclosure Certificate dated February 1, 2019 executed and delivered by the City of Redondo Beach and the Community Financing Authority and the Dissemination Agent in connection with the issuance of \$28,015,000 Lease Revenue Refunding Bonds ("the Bonds"). The Bonds were issued pursuant to an Indenture of Trust dated as of February 1, 2019 between the Financing Authority and US Bank. The proceeds of the Bonds were issued to provide funds to (a) refund the City of Redondo Beach's (the "City") \$8,300,000 Leaseback Agreement (Redondo Beach Pier Plaza), dated as of March 1, 2012, by and between Compass Bank and the City, currently outstanding in the principal amount of \$6,314,012.91; (b) refund the City's \$2,700,000 Leaseback Agreement (Redondo Beach International Boardwalk Project), dated as of May 1, 2012 by and between Compass Bank and the City, currently outstanding in the principal amount of \$2,021,296.58; (c) refund the City's \$12,500,000 Leaseback Agreement (Redondo Beach Marina Project), dated as of May 1, 2014, by and between Compass Bank and the City, currently outstanding in the principal amount of \$10,076,474.18; (d) finance the purchase of a Sublease between the City and Redondo Fisherman's Cove Company; and (e) pay costs of issuance of the Bonds.

This Certification is made pursuant to the requirements of Section 3 and 4 of the Continuing Disclosure Certificate with respect to the 2020-21 fiscal year.

The City and the Community Financing Authority hereby report the following:

1. The audited financial statements of the City, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board, for the fiscal year ended June 30, 2021 comprise the book in which this report is included.
2. During the fiscal year ended June 30, 2021, neither the City nor the Community Financing Authority has given or caused to be given notice of the occurrence of any of the following events:
  - a. Principal and interest payment delinquencies;
  - b. Non-payment related defaults;
  - c. Unscheduled draws on debt service reserves reflecting financial difficulties;
  - d. Unscheduled draws on credit enhancements reflecting financial difficulties;
  - e. Substitution of credit or liquidity providers, or their failure to perform;
  - f. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
  - g. Modifications to rights of security holders;
  - h. Contingent or unscheduled bond calls;
  - i. Defeasances;
  - j. Resale, substitution, or sale of property securing repayment of the securities;
  - k. Rating changes
  - l. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;
  - m. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; and
  - n. Appointment of a successor or additional trustee or the change of name of a trustee.

## COMPLIANCE SECTION

Additional elements of the report prepared  
in accordance with the provisions of the  
*Government Auditing Standards*

**THIS PAGE INTENTIONALLY LEFT BLANK**



## COMPLIANCE SECTION

**THIS PAGE INTENTIONALLY LEFT BLANK**



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Mayor and Members of the City Council  
City of Redondo Beach, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Redondo Beach, California (the "City"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 28, 2024.

### Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

### Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



To the Honorable Mayor and Members of the City Council  
City of Redondo Beach, California

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Lance, Soll &amp; Lughard, LLP". The signature is written in a cursive, flowing style.

Brea, California  
February 28, 2024



# CITY OF REDONDO BEACH, CALIFORNIA INMATE TRUST FUND

FOR THE YEAR ENDED JUNE 30, 2023

FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT

DRAFT

Focused  
on YOU



CITY OF REDONDO BEACH, CALIFORNIA  
INMATE TRUST FUND  
FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITORS' REPORT  
FOR THE YEAR ENDED JUNE 30, 2023

DRAFT

CITY OF REDONDO BEACH, CALIFORNIA  
INMATE TRUST FUND  
FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITORS' REPORT  
FOR THE YEAR ENDED JUNE 30, 2023  
TABLE OF CONTENTS

Page  
Number

Independent Auditors' Report.....	1
Balance Sheet.....	4
Statement of Revenues, Expenditures and Changes in Fund Balance .....	5
Notes to Financial Statements .....	6

DRAFT

## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council  
City of Redondo Beach, California

### **Report on the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the Inmate Trust Fund (the "Fund") of the City of Redondo Beach, California, (the "City") as of and for the year ended June 30, 2023, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Inmate Trust Fund of the City as of June 30, 2023, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Emphasis of Matter***

As discussed in Note 1, the financial statements present only the Fund of the City, and do not purport to, and do not, present fairly the financial position of the City as of June 30, 2023, the changes in its financial position, or when applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted. Our opinion is not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the date of the financial statements.





To the Honorable Mayor and Members of the City Council  
City of Redondo Beach, California

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with the GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2024, on our consideration of the City's internal control over the Fund's financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over the Fund's financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over the Fund's financial reporting and compliance.

*Lance, Solt & Luyhard, LLP*

Brea, California  
February 28, 2024

DRAFT

CITY OF REDONDO BEACH

BALANCE SHEET  
INMATE TRUST FUND  
JUNE 30, 2023

---

Assets:

Cash and investments	\$ 82,980
<b>Total Assets</b>	<b>\$ 82,980</b>

Fund Balance:

Restricted	\$ 82,980
<b>Total Fund Balance</b>	<b>\$ 82,980</b>

DRAFT

The accompanying notes are an integral part of these financial statements.

CITY OF REDONDO BEACH

STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
INMATE TRUST FUND  
YEAR ENDED JUNE 30, 2023

---

REVENUES:

Interest income	\$ 1,308
<b>Total Revenues</b>	<b>1,308</b>

<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>1,308</b>
---	--------------

FUND BALANCE:

Beginning of year	81,672
<b>End of Fiscal Year</b>	<b>\$ 82,980</b>

DRAFT

The accompanying notes are an integral part of these financial statements.

## I. SIGNIFICANT ACCOUNTING POLICIES

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance were presented in a format required by the City of Redondo Beach (the City) Inmate Trust Fund (the Fund). The purpose of the financial statements is to present in summary form the financial position and the revenues and expenditures of the Fund.

The accompanying financial statements are not intended to present the financial position or results of operations of the City, taken as a whole.

#### A. Financial Reporting Entity

This Fund is a project within the City's General Fund. The purpose of the Fund is to accumulate funds from revenues of pay telephones used in the jail facilities for the benefit, education, and welfare of the inmates, as well as for the maintenance of the jail facilities.

#### B. Basis of Accounting and Measurement Focus

The Fund is accounted for on a spending or *current financial resources* measurement focus. Operating statements of the Fund present increases (revenues and other financial sources) and decrease (expenditures and other financial uses) in net current assets.

The Fund is accounted for using the modified accrual basis of accounting wherein revenues are recognized in the accounting period in which they become measurable and available to pay liabilities of the current period. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

#### C. Cash, Cash Equivalents and Investments

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash and investments is allocated on an accounting period basis to the various funds based on the period-end cash and investments balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

For more information on the City's cash and investments as of June 30, 2023, please see the City of Redondo Beach's audited financial statements.

#### D. Fund Balances

In the Governmental Fund Financial Statements, fund balances are classified in the following category:

Restricted – Restricted fund balances include amounts that can be spent only for the specific purposes stipulated by external providers, constitutionally, or through enabling legislation. Effectively, restrictions may be changed or lifted only with the consent of resource providers.

**NOTE 2: CASH AND INVESTMENTS**

The Fund has the following cash and investments at June 30, 2023:

Cash and Cash Equivalents	<u>\$ 82,980</u>
---------------------------	------------------

The Fund does not own specifically identifiable securities and their cash is pooled with the other funds of the City.

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash and investments is allocated on an accounting period basis to the various funds based on the period-end cash and investments balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

For more information on the City's cash and investments as of June 30, 2023, please see the City of Redondo Beach's audited financial statements.

DRAFT



February 28, 2024

To the Honorable Mayor and Members of the City Council  
City of Redondo Beach, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Redondo Beach, California (the City) for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 8, 2023. Professional standards also require that we communicate to you the following information related to our audit.

#### Significant Audit Matters

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. As described in Note 1 to the financial statements, the City changed its accounting policies related to subscriptions by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 96, Subscription-Bases Information Technology Arrangements. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in the Statement of Net Position. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City's financial statements were:

Management's estimates of the net pension liability, net other postemployment benefits liability, and claims and judgments liability are based on actuarial valuation estimates. We evaluated the methods, assumptions, and data used to develop the actuarial valuation estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

##### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

##### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We are pleased to report that no such misstatements were identified during the course of our audit.



To the Honorable Mayor and Members of the City Council  
City of Redondo Beach, California

#### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated February 28, 2024.

#### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

#### Other Matters

We applied certain limited procedures to the management's discussion and analysis, the budgetary comparison schedules for the General Fund, the Other Intergovernmental Grant special revenue fund, and the Low-Mod Income Housing special revenue fund; the required pension and other postemployment benefits schedules; and the infrastructure modified approach information; which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual fund financial statements and schedules which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on other information included in the annual report which is comprised of the introductory and statistical sections, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.





To the Honorable Mayor and Members of the City Council  
City of Redondo Beach, California

Future GASB Pronouncements

The following Government Accounting Standards Board (GASB) pronouncements will be effective for the following fiscal years' audits and should be reviewed for proper implementation by management:

Fiscal Year 2023-2024

GASB Statement No. 99, *Omnibus 2022*.

Fiscal Year 2024-2025

GASB Statement No. 101, *Compensated Absences*.

Future Projects

Comprehensive Project, *Financial Reporting Model*.

Comprehensive Project, *Revenue and Expense Recognition*.

Major Project, *Going Concern Uncertainties and Severe Financial Stress*.

Major Project, *Infrastructure Assets*.

Practice Issue, *Classification of Nonfinancial Assets*.

Practice Issue, *Risks and Uncertainties Disclosures*.

Pre-Agenda Research Activities, *Subsequent Events* .

Restriction on Use

This information is intended solely for the information and use of the City Council and management of the City and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Brea, California



# Administrative Report

---

J.1., File # 24-0341

Meeting Date: 3/12/2024

---

**TITLE**

*For eComments and Emails Received from the Public*



# Administrative Report

---

N.1., File # 24-0361

Meeting Date: 3/12/2024

---

**To:** MAYOR AND CITY COUNCIL  
**From:** LUKE SMUDE, ASSISTANT TO THE CITY MANAGER

## **TITLE**

DISCUSSION AND POSSIBLE ACTION REGARDING THE CITY COUNCIL'S POLICY POSITION ON CALIFORNIA ASSEMBLY BILL 2560 (ALVAREZ) WHICH PROPOSES TO ELIMINATE THE PROVISION IN EXISTING LAW THAT PREVENTS HOUSING DENSITY BONUS APPLICATION IN THE COASTAL ZONE

PROVIDE DIRECTION TO STAFF ON THE PREPARATION OF A LETTER OR RESOLUTION ARTICULATING THE CITY COUNCIL'S POSITION ON AB 2560

## **EXECUTIVE SUMMARY**

California Assembly Bill 2560 (AB2560) was introduced on February 14, 2024 by Assembly Member David Alvarez, co-authored by State Senator Scott Wiener, and seeks to remove the existing Coastal Zone exemption from the State's Density Bonus Law.

## **BACKGROUND**

The Coastal Zone is a legislatively-defined geographic region that establishes the area regulated under the Coastal Act, and encompasses both land and water areas along the length of the California coastline. The California Coastal Act (Act) of 1976 regulates development in the Coastal Zone and requires that any new development must comply with the requirements of the Act as set forth by the California Coastal Commission which regulates proposed developments through coastal development permits and certification of Local Coastal Plans.

Density Bonus Law is a State statute created to support the development of affordable housing by providing incentives to developers. Under this law, which only applies in areas already zoned residential, developers who include a certain percentage of affordable housing units in their projects are eligible for various bonuses, such as increased density (i.e., the ability to build more units than typically allowed by local zoning regulations), reduced parking requirements, and other regulatory concessions. To qualify for these bonuses, developers must set aside a certain percentage of their units for low-income, moderate-income, or very low-income households, as defined by state law. The exact requirements and incentives vary depending on the local jurisdiction and the specifics of the development project. Currently, the Coastal Zone is exempted from Density Bonus Law.

AB 2560 would remove the exemption of Density Bonus Law within the Coastal Zone and allow developers of qualifying projects to apply for the density bonus or other incentives afforded under Density Bonus Law. The approval of AB 2560 would effectively undermine the City's Local Coastal

Plan, which regulates development within the Coastal Zone while ensuring the preservation of and access to the coast. This agenda item provides the City Council an opportunity to discuss AB 2560 and give direction on the preparation of a letter or Resolution that reflects the City's position on the bill.

**COORDINATION**

This item was coordinated with the Waterfront and Economic Development Department.

**FISCAL IMPACT**

There is no fiscal impact associated with the item.

**APPROVED BY:**

*Mike Witzansky, City Manager*

**ATTACHMENTS**

- California Assembly Bill 2560

**ASSEMBLY BILL**

**No. 2560**

**Introduced by Assembly Member Alvarez**  
(Coauthor: Senator Wiener)

February 14, 2024

---

An act to amend Section 65915 of the Government Code, relating to housing.

LEGISLATIVE COUNSEL'S DIGEST

AB 2560, as introduced, Alvarez. Density Bonus Law: California Coastal Act of 1976.

Existing law, referred to as the Density Bonus Law, requires a city or county to provide a developer that proposes a housing development within the city or county with a density bonus and other incentives or concessions, as specified, if the developer agrees to construct specified percentages of units for lower income households or very low income households, and meets other requirements. Existing law, the California Coastal Act of 1976 (act), regulates development, as defined, in the coastal zone, as defined, and requires a new development to comply with specified requirements. The Density Bonus Law provides that its provisions do not supersede or in any way alter or lessen the effect or application of the act, and requires that any density bonus, concessions, incentives, waivers or reductions of development standards, and parking ratios to which an applicant is entitled under the Density Bonus Law be permitted in a manner consistent with the act.

This bill would provide that any density bonus, concessions, incentives, waivers or reductions of development standards, and parking ratios to which an applicant is entitled under the Density Bonus Law be permitted notwithstanding the act.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 65915 of the Government Code is  
2     amended to read:  
3     65915. (a) (1) When an applicant seeks a density bonus for  
4     a housing development within, or for the donation of land for  
5     housing within, the jurisdiction of a city, county, or city and county,  
6     that local government shall comply with this section. A city,  
7     county, or city and county shall adopt an ordinance that specifies  
8     how compliance with this section will be implemented. Except as  
9     otherwise provided in subdivision (s), failure to adopt an ordinance  
10    shall not relieve a city, county, or city and county from complying  
11    with this section.  
12    (2) A local government shall not condition the submission,  
13    review, or approval of an application pursuant to this chapter on  
14    the preparation of an additional report or study that is not otherwise  
15    required by state law, including this section. This subdivision does  
16    not prohibit a local government from requiring an applicant to  
17    provide reasonable documentation to establish eligibility for a  
18    requested density bonus, as described in subdivision (b), and  
19    parking ratios, as described in subdivision (p).  
20    (3) In order to provide for the expeditious processing of a density  
21    bonus application, the local government shall do all of the  
22    following:  
23    (A) Adopt procedures and timelines for processing a density  
24    bonus application.  
25    (B) Provide a list of all documents and information required to  
26    be submitted with the density bonus application in order for the  
27    density bonus application to be deemed complete. This list shall  
28    be consistent with this chapter.  
29    (C) Notify the applicant for a density bonus whether the  
30    application is complete in a manner consistent with the timelines  
31    specified in Section 65943.  
32    (D) (i) If the local government notifies the applicant that the  
33    application is deemed complete pursuant to subparagraph (C),  
34    provide the applicant with a determination as to the following  
35    matters:

1 (I) The amount of density bonus, calculated pursuant to  
2 subdivision (f), for which the applicant is eligible.

3 (II) If the applicant requests a parking ratio pursuant to  
4 subdivision (p), the parking ratio for which the applicant is eligible.

5 (III) If the applicant requests incentives or concessions pursuant  
6 to subdivision (d) or waivers or reductions of development  
7 standards pursuant to subdivision (e), whether the applicant has  
8 provided adequate information for the local government to make  
9 a determination as to those incentives, concessions, waivers, or  
10 reductions of development standards.

11 (ii) Any determination required by this subparagraph shall be  
12 based on the development project at the time the application is  
13 deemed complete. The local government shall adjust the amount  
14 of density bonus and parking ratios awarded pursuant to this section  
15 based on any changes to the project during the course of  
16 development.

17 (b) (1) A city, county, or city and county shall grant one density  
18 bonus, the amount of which shall be as specified in subdivision  
19 (f), and, if requested by the applicant and consistent with the  
20 applicable requirements of this section, incentives or concessions,  
21 as described in subdivision (d), waivers or reductions of  
22 development standards, as described in subdivision (e), and parking  
23 ratios, as described in subdivision (p), if an applicant for a housing  
24 development seeks and agrees to construct a housing development,  
25 excluding any units permitted by the density bonus awarded  
26 pursuant to this section, that will contain at least any one of the  
27 following:

28 (A) Ten percent of the total units of a housing development,  
29 including a shared housing building development, for rental or  
30 sale to lower income households, as defined in Section 50079.5  
31 of the Health and Safety Code.

32 (B) Five percent of the total units of a housing development,  
33 including a shared housing building development, for rental or  
34 sale to very low income households, as defined in Section 50105  
35 of the Health and Safety Code.

36 (C) A senior citizen housing development, as defined in Sections  
37 51.3 and 51.12 of the Civil Code, or a mobilehome park that limits  
38 residency based on age requirements for housing for older persons  
39 pursuant to Section 798.76 or 799.5 of the Civil Code. For purposes

1 of this subparagraph, “development” includes a shared housing  
2 building development.

3 (D) Ten percent of the total dwelling units of a housing  
4 development are sold to persons and families of moderate income,  
5 as defined in Section 50093 of the Health and Safety Code,  
6 provided that all units in the development are offered to the public  
7 for purchase.

8 (E) Ten percent of the total units of a housing development for  
9 transitional foster youth, as defined in Section 66025.9 of the  
10 Education Code, disabled veterans, as defined in Section 18541,  
11 or homeless persons, as defined in the federal McKinney-Vento  
12 Homeless Assistance Act (42 U.S.C. Sec. 11301 et seq.). The units  
13 described in this subparagraph are subject to a recorded  
14 affordability restriction of 55 years and shall be provided at the  
15 same affordability level as very low income units.

16 (F) (i) Twenty percent of the total units for lower income  
17 students in a student housing development that meets the following  
18 requirements:

19 (I) All units in the student housing development shall be used  
20 exclusively for undergraduate, graduate, or professional students  
21 enrolled full time at an institution of higher education accredited  
22 by the Western Association of Schools and Colleges or the  
23 Accrediting Commission for Community and Junior Colleges. In  
24 order to be eligible under this subclause, the developer shall, as a  
25 condition of receiving a certificate of occupancy, provide evidence  
26 to the city, county, or city and county that the developer has entered  
27 into an operating agreement or master lease with one or more  
28 institutions of higher education for the institution or institutions  
29 to occupy all units of the student housing development with  
30 students from that institution or institutions. An operating  
31 agreement or master lease entered into pursuant to this subclause  
32 is not violated or breached if, in any subsequent year, there are  
33 insufficient students enrolled in an institution of higher education  
34 to fill all units in the student housing development.

35 (II) The applicable 20-percent units shall be used for lower  
36 income students.

37 (III) The rent provided in the applicable units of the development  
38 for lower income students shall be calculated at 30 percent of 65  
39 percent of the area median income for a single-room occupancy  
40 unit type.



1 (IV) The development shall provide priority for the applicable  
2 affordable units for lower income students experiencing  
3 homelessness. A homeless service provider, as defined in paragraph  
4 (3) of subdivision (e) of Section 103577 of the Health and Safety  
5 Code, or institution of higher education that has knowledge of a  
6 person's homeless status may verify a person's status as homeless  
7 for purposes of this subclause.

8 (ii) For purposes of calculating a density bonus granted pursuant  
9 to this subparagraph, the term "unit" as used in this section means  
10 one rental bed and its pro rata share of associated common area  
11 facilities. The units described in this subparagraph are subject to  
12 a recorded affordability restriction of 55 years.

13 (G) One hundred percent of all units in the development,  
14 including total units and density bonus units, but exclusive of a  
15 manager's unit or units, are for lower income households, as  
16 defined by Section 50079.5 of the Health and Safety Code, except  
17 that up to 20 percent of the units in the development, including  
18 total units and density bonus units, may be for moderate-income  
19 households, as defined in Section 50053 of the Health and Safety  
20 Code. For purposes of this subparagraph, "development" includes  
21 a shared housing building development.

22 (2) For purposes of calculating the amount of the density bonus  
23 pursuant to subdivision (f), an applicant who requests a density  
24 bonus pursuant to this subdivision shall elect whether the bonus  
25 shall be awarded on the basis of subparagraph (A), (B), (C), (D),  
26 (E), (F), or (G) of paragraph (1).

27 (c) (1) (A) An applicant shall agree to, and the city, county,  
28 or city and county shall ensure, the continued affordability of all  
29 very low and low-income rental units that qualified the applicant  
30 for the award of the density bonus for 55 years or a longer period  
31 of time if required by the construction or mortgage financing  
32 assistance program, mortgage insurance program, or rental subsidy  
33 program.

34 (B) (i) Except as otherwise provided in clause (ii), rents for the  
35 lower income density bonus units shall be set at an affordable rent,  
36 as defined in Section 50053 of the Health and Safety Code.

37 (ii) For housing developments meeting the criteria of  
38 subparagraph (G) of paragraph (1) of subdivision (b), rents for all  
39 units in the development, including both base density and density  
40 bonus units, shall be as follows:

1 (I) The rent for at least 20 percent of the units in the  
2 development shall be set at an affordable rent, as defined in Section  
3 50053 of the Health and Safety Code.

4 (II) The rent for the remaining units in the development shall  
5 be set at an amount consistent with the maximum rent levels for  
6 lower income households, as those rents and incomes are  
7 determined by the California Tax Credit Allocation Committee.

8 (2) (A) An applicant shall agree to ensure, and the city, county,  
9 or city and county shall ensure, that a for-sale unit that qualified  
10 the applicant for the award of the density bonus meets one of the  
11 following conditions:

12 (i) The unit is initially sold to and occupied by a person or family  
13 of very low, low, or moderate income, as required, and it is offered  
14 at an affordable housing cost, as that cost is defined in Section  
15 50052.5 of the Health and Safety Code and is subject to an equity  
16 sharing agreement.

17 (ii) If the unit is not purchased by an income-qualified person  
18 or family within 180 days after the issuance of the certificate of  
19 occupancy, the unit is purchased by a qualified nonprofit housing  
20 corporation that meets all of the following requirements pursuant  
21 to a recorded contract that satisfies all of the requirements specified  
22 in paragraph (10) of subdivision (a) of Section 402.1 of the  
23 Revenue and Taxation Code:

24 (I) The nonprofit corporation has a determination letter from  
25 the Internal Revenue Service affirming its tax-exempt status  
26 pursuant to Section 501(c)(3) of the Internal Revenue Code and  
27 is not a private foundation as that term is defined in Section 509  
28 of the Internal Revenue Code.

29 (II) The nonprofit corporation is based in California.

30 (III) All of the board members of the nonprofit corporation have  
31 their primary residence in California.

32 (IV) The primary activity of the nonprofit corporation is the  
33 development and preservation of affordable home ownership  
34 housing in California that incorporates within their contracts for  
35 initial purchase a repurchase option that requires a subsequent  
36 purchaser of the property that desires to resell or convey the  
37 property to offer the qualified nonprofit corporation the right to  
38 repurchase the property prior to selling or conveying that property  
39 to any other purchaser pursuant to an equity sharing agreement or  
40 affordability restrictions on the sale and conveyance of the property

1 that ensure that the property will be preserved for lower income  
2 housing for at least 45 years for owner-occupied housing units and  
3 will be sold or resold only to persons or families of very low, low,  
4 or moderate income, as defined in Section 50052.5 of the Health  
5 and Safety Code.

6 (B) For purposes of this paragraph, a “qualified nonprofit  
7 housing corporation” is a nonprofit housing corporation organized  
8 pursuant to Section 501(c)(3) of the Internal Revenue Code that  
9 has received a welfare exemption under Section 214.15 of the  
10 Revenue and Taxation Code for properties intended to be sold to  
11 low-income families who participate in a special no-interest loan  
12 program.

13 (C) The local government shall enforce an equity sharing  
14 agreement required pursuant to clause (i) or (ii) of subparagraph  
15 (A), unless it is in conflict with the requirements of another public  
16 funding source or law or may defer to the recapture provisions of  
17 the public funding source. The following apply to the equity  
18 sharing agreement:

19 (i) Upon resale, the seller of the unit shall retain the value of  
20 any improvements, the downpayment, and the seller’s proportionate  
21 share of appreciation.

22 (ii) Except as provided in clause (v), the local government shall  
23 recapture any initial subsidy, as defined in clause (iii), and its  
24 proportionate share of appreciation, as defined in clause (iv), which  
25 amount shall be used within five years for any of the purposes  
26 described in subdivision (e) of Section 33334.2 of the Health and  
27 Safety Code that promote homeownership.

28 (iii) For purposes of this subdivision, the local government’s  
29 initial subsidy shall be equal to the fair market value of the home  
30 at the time of initial sale minus the initial sale price to the  
31 moderate-income household, plus the amount of any downpayment  
32 assistance or mortgage assistance. If upon resale the market value  
33 is lower than the initial market value, then the value at the time of  
34 the resale shall be used as the initial market value.

35 (iv) For purposes of this subdivision, the local government’s  
36 proportionate share of appreciation shall be equal to the ratio of  
37 the local government’s initial subsidy to the fair market value of  
38 the home at the time of initial sale.

39 (v) If the unit is purchased or developed by a qualified nonprofit  
40 housing corporation pursuant to clause (ii) of subparagraph (A)

1 the local government may enter into a contract with the qualified  
2 nonprofit housing corporation under which the qualified nonprofit  
3 housing corporation would recapture any initial subsidy and its  
4 proportionate share of appreciation if the qualified nonprofit  
5 housing corporation is required to use 100 percent of the proceeds  
6 to promote homeownership for lower income households as defined  
7 by Section 50079.5 of the Health and Safety Code within the  
8 jurisdiction of the local government.

9 (3) (A) An applicant shall be ineligible for a density bonus or  
10 any other incentives or concessions under this section if the housing  
11 development is proposed on any property that includes a parcel or  
12 parcels on which rental dwelling units are located or, if the dwelling  
13 units have been vacated or demolished in the five-year period  
14 preceding the application, have been subject to a recorded covenant,  
15 ordinance, or law that restricts rents to levels affordable to persons  
16 and families of lower or very low income; subject to any other  
17 form of rent or price control through a public entity's valid exercise  
18 of its police power; or occupied by lower or very low income  
19 households, unless the proposed housing development replaces  
20 those units, and either of the following applies:

21 (i) The proposed housing development, inclusive of the units  
22 replaced pursuant to this paragraph, contains affordable units at  
23 the percentages set forth in subdivision (b).

24 (ii) Each unit in the development, exclusive of a manager's unit  
25 or units, is affordable to, and occupied by, either a lower or very  
26 low income household.

27 (B) For the purposes of this paragraph, "replace" shall mean  
28 either of the following:

29 (i) If any dwelling units described in subparagraph (A) are  
30 occupied on the date of application, the proposed housing  
31 development shall provide at least the same number of units of  
32 equivalent size to be made available at affordable rent or affordable  
33 housing cost to, and occupied by, persons and families in the same  
34 or lower income category as those households in occupancy. If  
35 the income category of the household in occupancy is not known,  
36 it shall be rebuttably presumed that lower income renter households  
37 occupied these units in the same proportion of lower income renter  
38 households to all renter households within the jurisdiction, as  
39 determined by the most recently available data from the United  
40 States Department of Housing and Urban Development's

1 Comprehensive Housing Affordability Strategy database. For  
2 unoccupied dwelling units described in subparagraph (A) in a  
3 development with occupied units, the proposed housing  
4 development shall provide units of equivalent size to be made  
5 available at affordable rent or affordable housing cost to, and  
6 occupied by, persons and families in the same or lower income  
7 category as the last household in occupancy. If the income category  
8 of the last household in occupancy is not known, it shall be  
9 rebuttably presumed that lower income renter households occupied  
10 these units in the same proportion of lower income renter  
11 households to all renter households within the jurisdiction, as  
12 determined by the most recently available data from the United  
13 States Department of Housing and Urban Development's  
14 Comprehensive Housing Affordability Strategy database. All  
15 replacement calculations resulting in fractional units shall be  
16 rounded up to the next whole number. If the replacement units will  
17 be rental dwelling units, these units shall be subject to a recorded  
18 affordability restriction for at least 55 years. If the proposed  
19 development is for-sale units, the units replaced shall be subject  
20 to paragraph (2).

21 (ii) If all dwelling units described in subparagraph (A) have  
22 been vacated or demolished within the five-year period preceding  
23 the application, the proposed housing development shall provide  
24 at least the same number of units of equivalent size as existed at  
25 the highpoint of those units in the five-year period preceding the  
26 application to be made available at affordable rent or affordable  
27 housing cost to, and occupied by, persons and families in the same  
28 or lower income category as those persons and families in  
29 occupancy at that time, if known. If the incomes of the persons  
30 and families in occupancy at the highpoint is not known, it shall  
31 be rebuttably presumed that low-income and very low income  
32 renter households occupied these units in the same proportion of  
33 low-income and very low income renter households to all renter  
34 households within the jurisdiction, as determined by the most  
35 recently available data from the United States Department of  
36 Housing and Urban Development's Comprehensive Housing  
37 Affordability Strategy database. All replacement calculations  
38 resulting in fractional units shall be rounded up to the next whole  
39 number. If the replacement units will be rental dwelling units,  
40 these units shall be subject to a recorded affordability restriction

1 for at least 55 years. If the proposed development is for-sale units,  
2 the units replaced shall be subject to paragraph (2).

3 (C) Notwithstanding subparagraph (B), for any dwelling unit  
4 described in subparagraph (A) that is or was, within the five-year  
5 period preceding the application, subject to a form of rent or price  
6 control through a local government's valid exercise of its police  
7 power and that is or was occupied by persons or families above  
8 lower income, the city, county, or city and county may do either  
9 of the following:

10 (i) Require that the replacement units be made available at  
11 affordable rent or affordable housing cost to, and occupied by,  
12 low-income persons or families. If the replacement units will be  
13 rental dwelling units, these units shall be subject to a recorded  
14 affordability restriction for at least 55 years. If the proposed  
15 development is for-sale units, the units replaced shall be subject  
16 to paragraph (2).

17 (ii) Require that the units be replaced in compliance with the  
18 jurisdiction's rent or price control ordinance, provided that each  
19 unit described in subparagraph (A) is replaced. Unless otherwise  
20 required by the jurisdiction's rent or price control ordinance, these  
21 units shall not be subject to a recorded affordability restriction.

22 (D) For purposes of this paragraph, "equivalent size" means  
23 that the replacement units contain at least the same total number  
24 of bedrooms as the units being replaced.

25 (E) Subparagraph (A) does not apply to an applicant seeking a  
26 density bonus for a proposed housing development if the  
27 applicant's application was submitted to, or processed by, a city,  
28 county, or city and county before January 1, 2015.

29 (d) (1) An applicant for a density bonus pursuant to subdivision  
30 (b) may submit to a city, county, or city and county a proposal for  
31 the specific incentives or concessions that the applicant requests  
32 pursuant to this section, and may request a meeting with the city,  
33 county, or city and county. The city, county, or city and county  
34 shall grant the concession or incentive requested by the applicant  
35 unless the city, county, or city and county makes a written finding,  
36 based upon substantial evidence, of any of the following:

37 (A) The concession or incentive does not result in identifiable  
38 and actual cost reductions, consistent with subdivision (k), to  
39 provide for affordable housing costs, as defined in Section 50052.5

1 of the Health and Safety Code, or for rents for the targeted units  
2 to be set as specified in subdivision (c).

3 (B) The concession or incentive would have a specific, adverse  
4 impact, as defined in paragraph (2) of subdivision (d) of Section  
5 65589.5, upon public health and safety or on any real property that  
6 is listed in the California Register of Historical Resources and for  
7 which there is no feasible method to satisfactorily mitigate or avoid  
8 the specific, adverse impact without rendering the development  
9 unaffordable to low-income and moderate-income households.

10 (C) The concession or incentive would be contrary to state or  
11 federal law.

12 (2) The applicant shall receive the following number of  
13 incentives or concessions:

14 (A) One incentive or concession for projects that include at least  
15 10 percent of the total units for lower income households, at least  
16 5 percent for very low income households, or at least 10 percent  
17 for persons and families of moderate income in a development in  
18 which the units are for sale.

19 (B) Two incentives or concessions for projects that include at  
20 least 17 percent of the total units for lower income households, at  
21 least 10 percent for very low income households, or at least 20  
22 percent for persons and families of moderate income in a  
23 development in which the units are for sale.

24 (C) Three incentives or concessions for projects that include at  
25 least 24 percent of the total units for lower income households, at  
26 least 15 percent for very low income households, or at least 30  
27 percent for persons and families of moderate income in a  
28 development in which the units are for sale.

29 (D) Five incentives or concessions for a project meeting the  
30 criteria of subparagraph (G) of paragraph (1) of subdivision (b).  
31 If the project is located within one-half mile of a major transit stop  
32 or is located in a very low vehicle travel area in a designated  
33 county, the applicant shall also receive a height increase of up to  
34 three additional stories, or 33 feet.

35 (E) One incentive or concession for projects that include at least  
36 20 percent of the total units for lower income students in a student  
37 housing development.

38 (F) Four incentives or concessions for projects that include at  
39 least 16 percent of the units for very low income households or at

1 least 45 percent for persons and families of moderate income in a  
2 development in which the units are for sale.

3 (3) The applicant may initiate judicial proceedings if the city,  
4 county, or city and county refuses to grant a requested density  
5 bonus, incentive, or concession. If a court finds that the refusal to  
6 grant a requested density bonus, incentive, or concession is in  
7 violation of this section, the court shall award the plaintiff  
8 reasonable attorney's fees and costs of suit. This subdivision shall  
9 not be interpreted to require a local government to grant an  
10 incentive or concession that has a specific, adverse impact, as  
11 defined in paragraph (2) of subdivision (d) of Section 65589.5,  
12 upon health or safety, and for which there is no feasible method  
13 to satisfactorily mitigate or avoid the specific, adverse impact.  
14 This subdivision shall not be interpreted to require a local  
15 government to grant an incentive or concession that would have  
16 an adverse impact on any real property that is listed in the  
17 California Register of Historical Resources. The city, county, or  
18 city and county shall establish procedures for carrying out this  
19 section that shall include legislative body approval of the means  
20 of compliance with this section.

21 (4) The city, county, or city and county shall bear the burden  
22 of proof for the denial of a requested concession or incentive.

23 (e) (1) In no case may a city, county, or city and county apply  
24 any development standard that will have the effect of physically  
25 precluding the construction of a development meeting the criteria  
26 of subdivision (b) at the densities or with the concessions or  
27 incentives permitted by this section. Subject to paragraph (3), an  
28 applicant may submit to a city, county, or city and county a  
29 proposal for the waiver or reduction of development standards that  
30 will have the effect of physically precluding the construction of a  
31 development meeting the criteria of subdivision (b) at the densities  
32 or with the concessions or incentives permitted under this section,  
33 and may request a meeting with the city, county, or city and county.  
34 If a court finds that the refusal to grant a waiver or reduction of  
35 development standards is in violation of this section, the court  
36 shall award the plaintiff reasonable attorney's fees and costs of  
37 suit. This subdivision shall not be interpreted to require a local  
38 government to waive or reduce development standards if the waiver  
39 or reduction would have a specific, adverse impact, as defined in  
40 paragraph (2) of subdivision (d) of Section 65589.5, upon health



or safety, and for which there is no feasible method to satisfactorily mitigate or avoid the specific, adverse impact. This subdivision shall not be interpreted to require a local government to waive or reduce development standards that would have an adverse impact on any real property that is listed in the California Register of Historical Resources, or to grant any waiver or reduction that would be contrary to state or federal law.

(2) A proposal for the waiver or reduction of development standards pursuant to this subdivision shall neither reduce nor increase the number of incentives or concessions to which the applicant is entitled pursuant to subdivision (d).

(3) A housing development that receives a waiver from any maximum controls on density pursuant to clause (ii) of subparagraph (D) of paragraph (3) of subdivision (f) shall only be eligible for a waiver or reduction of development standards as provided in subparagraph (D) of paragraph (2) of subdivision (d) and clause (ii) of subparagraph (D) of paragraph (3) of subdivision (f), unless the city, county, or city and county agrees to additional waivers or reductions of development standards.

(f) For the purposes of this chapter, “density bonus” means a density increase over the otherwise maximum allowable gross residential density as of the date of application by the applicant to the city, county, or city and county, or, if elected by the applicant, a lesser percentage of density increase, including, but not limited to, no increase in density. The amount of density increase to which the applicant is entitled shall vary according to the amount by which the percentage of affordable housing units exceeds the percentage established in subdivision (b).

(1) For housing developments meeting the criteria of subparagraph (A) of paragraph (1) of subdivision (b), the density bonus shall be calculated as follows:

Percentage Low-Income Units	Percentage Density Bonus
10	20
11	21.5
12	23
13	24.5
14	26
15	27.5

1	16	29
2	17	30.5
3	18	32
4	19	33.5
5	20	35
6	21	38.75
7	22	42.5
8	23	46.25
9	24	50

10

11 (2) For housing developments meeting the criteria of  
 12 subparagraph (B) of paragraph (1) of subdivision (b), the density  
 13 bonus shall be calculated as follows:

14

15	Percentage Very Low Income Units	Percentage Density Bonus
16	5	20
17	6	22.5
18	7	25
19	8	27.5
20	9	30
21	10	32.5
22	11	35
23	12	38.75
24	13	42.5
25	14	46.25
26	15	50

27

28 (3) (A) For housing developments meeting the criteria of  
 29 subparagraph (C) of paragraph (1) of subdivision (b), the density  
 30 bonus shall be 20 percent of the number of senior housing units.

31 (B) For housing developments meeting the criteria of  
 32 subparagraph (E) of paragraph (1) of subdivision (b), the density  
 33 bonus shall be 20 percent of the number of the type of units giving  
 34 rise to a density bonus under that subparagraph.

35 (C) For housing developments meeting the criteria of  
 36 subparagraph (F) of paragraph (1) of subdivision (b), the density  
 37 bonus shall be 35 percent of the student housing units.

38 (D) For housing developments meeting the criteria of  
 39 subparagraph (G) of paragraph (1) of subdivision (b), the following  
 40 shall apply:

(i) Except as otherwise provided in clauses (ii) and (iii), the density bonus shall be 80 percent of the number of units for lower income households.

(ii) If the housing development is located within one-half mile of a major transit stop, the city, county, or city and county shall not impose any maximum controls on density.

(iii) If the housing development is located in a very low vehicle travel area within a designated county, the city, county, or city and county shall not impose any maximum controls on density.

(4) For housing developments meeting the criteria of subparagraph (D) of paragraph (1) of subdivision (b), the density bonus shall be calculated as follows:

Percentage Moderate-Income Units	Percentage Density Bonus
10	5
11	6
12	7
13	8
14	9
15	10
16	11
17	12
18	13
19	14
20	15
21	16
22	17
23	18
24	19
25	20
26	21
27	22
28	23
29	24
30	25
31	26
32	27
33	28
34	29
35	30

1	36	31
2	37	32
3	38	33
4	39	34
5	40	35
6	41	38.75
7	42	42.5
8	43	46.25
9	44	50

10  
11 (5) All density calculations resulting in fractional units shall be  
12 rounded up to the next whole number. The granting of a density  
13 bonus shall not require, or be interpreted, in and of itself, to require  
14 a general plan amendment, local coastal plan amendment, zoning  
15 change, or other discretionary approval.

16 (g) (1) When an applicant for a tentative subdivision map,  
17 parcel map, or other residential development approval donates  
18 land to a city, county, or city and county in accordance with this  
19 subdivision, the applicant shall be entitled to a 15-percent increase  
20 above the otherwise maximum allowable residential density for  
21 the entire development, as follows:

22		
23	Percentage Very Low Income	Percentage Density Bonus
24	10	15
25	11	16
26	12	17
27	13	18
28	14	19
29	15	20
30	16	21
31	17	22
32	18	23
33	19	24
34	20	25
35	21	26
36	22	27
37	23	28
38	24	29
39	25	30
40	26	31

1	27	32
2	28	33
3	29	34
4	30	35

(2) This increase shall be in addition to any increase in density mandated by subdivision (b), up to a maximum combined mandated density increase of 35 percent if an applicant seeks an increase pursuant to both this subdivision and subdivision (b). All density calculations resulting in fractional units shall be rounded up to the next whole number. Nothing in this subdivision shall be construed to enlarge or diminish the authority of a city, county, or city and county to require a developer to donate land as a condition of development. An applicant shall be eligible for the increased density bonus described in this subdivision if all of the following conditions are met:

(A) The applicant donates and transfers the land no later than the date of approval of the final subdivision map, parcel map, or residential development application.

(B) The developable acreage and zoning classification of the land being transferred are sufficient to permit construction of units affordable to very low income households in an amount not less than 10 percent of the number of residential units of the proposed development.

(C) The transferred land is at least one acre in size or of sufficient size to permit development of at least 40 units, has the appropriate general plan designation, is appropriately zoned with appropriate development standards for development at the density described in paragraph (3) of subdivision (c) of Section 65583.2, and is or will be served by adequate public facilities and infrastructure.

(D) The transferred land shall have all of the permits and approvals, other than building permits, necessary for the development of the very low income housing units on the transferred land, not later than the date of approval of the final subdivision map, parcel map, or residential development application, except that the local government may subject the proposed development to subsequent design review to the extent authorized by subdivision (i) of Section 65583.2 if the design is not reviewed by the local government before the time of transfer.

1 (E) The transferred land and the affordable units shall be subject  
2 to a deed restriction ensuring continued affordability of the units  
3 consistent with paragraphs (1) and (2) of subdivision (c), which  
4 shall be recorded on the property at the time of the transfer.

5 (F) The land is transferred to the local agency or to a housing  
6 developer approved by the local agency. The local agency may  
7 require the applicant to identify and transfer the land to the  
8 developer.

9 (G) The transferred land shall be within the boundary of the  
10 proposed development or, if the local agency agrees, within  
11 one-quarter mile of the boundary of the proposed development.

12 (H) A proposed source of funding for the very low income units  
13 shall be identified not later than the date of approval of the final  
14 subdivision map, parcel map, or residential development  
15 application.

16 (h) (1) When an applicant proposes to construct a housing  
17 development that conforms to the requirements of subdivision (b)  
18 and includes a childcare facility that will be located on the premises  
19 of, as part of, or adjacent to, the project, the city, county, or city  
20 and county shall grant either of the following:

21 (A) An additional density bonus that is an amount of square  
22 feet of residential space that is equal to or greater than the amount  
23 of square feet in the childcare facility.

24 (B) An additional concession or incentive that contributes  
25 significantly to the economic feasibility of the construction of the  
26 childcare facility.

27 (2) The city, county, or city and county shall require, as a  
28 condition of approving the housing development, that the following  
29 occur:

30 (A) The childcare facility shall remain in operation for a period  
31 of time that is as long as or longer than the period of time during  
32 which the density bonus units are required to remain affordable  
33 pursuant to subdivision (c).

34 (B) Of the children who attend the childcare facility, the children  
35 of very low income households, lower income households, or  
36 families of moderate income shall equal a percentage that is equal  
37 to or greater than the percentage of dwelling units that are required  
38 for very low income households, lower income households, or  
39 families of moderate income pursuant to subdivision (b).

1 (3) Notwithstanding any requirement of this subdivision, a city,  
2 county, or city and county shall not be required to provide a density  
3 bonus or concession for a childcare facility if it finds, based upon  
4 substantial evidence, that the community has adequate childcare  
5 facilities.

6 (4) “Childcare facility,” as used in this section, means a child  
7 daycare facility other than a family daycare home, including, but  
8 not limited to, infant centers, preschools, extended daycare  
9 facilities, and schoolage childcare centers.

10 (i) “Housing development,” as used in this section, means a  
11 development project for five or more residential units, including  
12 mixed-use developments. For the purposes of this section, “housing  
13 development” also includes a subdivision or common interest  
14 development, as defined in Section 4100 of the Civil Code,  
15 approved by a city, county, or city and county and consists of  
16 residential units or unimproved residential lots and either a project  
17 to substantially rehabilitate and convert an existing commercial  
18 building to residential use or the substantial rehabilitation of an  
19 existing multifamily dwelling, as defined in subdivision (d) of  
20 Section 65863.4, where the result of the rehabilitation would be a  
21 net increase in available residential units. For the purpose of  
22 calculating a density bonus, the residential units shall be on  
23 contiguous sites that are the subject of one development  
24 application, but do not have to be based upon individual  
25 subdivision maps or parcels. The density bonus shall be permitted  
26 in geographic areas of the housing development other than the  
27 areas where the units for the lower income households are located.

28 (j) (1) The granting of a concession or incentive shall not require  
29 or be interpreted, in and of itself, to require a general plan  
30 amendment, local coastal plan amendment, zoning change, study,  
31 or other discretionary approval. For purposes of this subdivision,  
32 “study” does not include reasonable documentation to establish  
33 eligibility for the concession or incentive or to demonstrate that  
34 the incentive or concession meets the definition set forth in  
35 subdivision (k). This provision is declaratory of existing law.

36 (2) Except as provided in subdivisions (d) and (e), the granting  
37 of a density bonus shall not require or be interpreted to require the  
38 waiver of a local ordinance or provisions of a local ordinance  
39 unrelated to development standards.

(k) For the purposes of this chapter, concession or incentive means any of the following:

(1) A reduction in site development standards or a modification of zoning code requirements or architectural design requirements that exceed the minimum building standards approved by the California Building Standards Commission as provided in Part 2.5 (commencing with Section 18901) of Division 13 of the Health and Safety Code, including, but not limited to, a reduction in setback and square footage requirements and in the ratio of vehicular parking spaces that would otherwise be required that results in identifiable and actual cost reductions, to provide for affordable housing costs, as defined in Section 50052.5 of the Health and Safety Code, or for rents for the targeted units to be set as specified in subdivision (c).

(2) Approval of mixed-use zoning in conjunction with the housing project if commercial, office, industrial, or other land uses will reduce the cost of the housing development and if the commercial, office, industrial, or other land uses are compatible with the housing project and the existing or planned development in the area where the proposed housing project will be located.

(3) Other regulatory incentives or concessions proposed by the developer or the city, county, or city and county that result in identifiable and actual cost reductions to provide for affordable housing costs, as defined in Section 50052.5 of the Health and Safety Code, or for rents for the targeted units to be set as specified in subdivision (c).

(l) Subdivision (k) does not limit or require the provision of direct financial incentives for the housing development, including the provision of publicly owned land, by the city, county, or city and county, or the waiver of fees or dedication requirements.

~~(m) This section does not supersede or in any way alter or lessen the effect or application of the California Coastal Act of 1976 (Division 20 (commencing with Section 30000) of the Public Resources Code). Any density bonus, concessions, incentives, waivers or reductions of development standards, and parking ratios to which the an applicant is entitled under this section shall be permitted in a manner that is consistent with this section and Division notwithstanding the California Coastal Act of 1976 (Division 20 (commencing with Section 30000) of the Public Resources Code. Code).~~



1 (n) If permitted by local ordinance, nothing in this section shall  
2 be construed to prohibit a city, county, or city and county from  
3 granting a density bonus greater than what is described in this  
4 section for a development that meets the requirements of this  
5 section or from granting a proportionately lower density bonus  
6 than what is required by this section for developments that do not  
7 meet the requirements of this section.

8 (o) For purposes of this section, the following definitions shall  
9 apply:

10 (1) “Designated county” includes the Counties of Alameda,  
11 Contra Costa, Los Angeles, Marin, Napa, Orange, Riverside,  
12 Sacramento, San Bernardino, San Diego, San Mateo, Santa  
13 Barbara, Santa Clara, Solano, Sonoma, and Ventura, and the City  
14 and County of San Francisco.

15 (2) “Development standard” includes a site or construction  
16 condition, including, but not limited to, a height limitation, a  
17 setback requirement, a floor area ratio, an onsite open-space  
18 requirement, a minimum lot area per unit requirement, or a parking  
19 ratio that applies to a residential development pursuant to any  
20 ordinance, general plan element, specific plan, charter, or other  
21 local condition, law, policy, resolution, or regulation that is adopted  
22 by the local government or that is enacted by the local  
23 government’s electorate exercising its local initiative or referendum  
24 power, whether that power is derived from the California  
25 Constitution, statute, or the charter or ordinances of the local  
26 government.

27 (3) “Located within one-half mile of a major transit stop” means  
28 that any point on a proposed development, for which an applicant  
29 seeks a density bonus, other incentives or concessions, waivers or  
30 reductions of development standards, or a vehicular parking ratio  
31 pursuant to this section, is within one-half mile of any point on  
32 the property on which a major transit stop is located, including  
33 any parking lot owned by the transit authority or other local agency  
34 operating the major transit stop.

35 (4) “Lower income student” means a student who has a  
36 household income and asset level that does not exceed the level  
37 for Cal Grant A or Cal Grant B award recipients as set forth in  
38 paragraph (1) of subdivision (k) of Section 69432.7 of the  
39 Education Code. The eligibility of a student to occupy a unit for  
40 lower income students under this section shall be verified by an

1 affidavit, award letter, or letter of eligibility provided by the  
2 institution of higher education in which the student is enrolled or  
3 by the California Student Aid Commission that the student receives  
4 or is eligible for financial aid, including an institutional grant or  
5 fee waiver from the college or university, the California Student  
6 Aid Commission, or the federal government.

7 (5) “Major transit stop” has the same meaning as defined in  
8 subdivision (b) of Section 21155 of the Public Resources Code.

9 (6) “Maximum allowable residential density” or “base density”  
10 means the greatest number of units allowed under the zoning  
11 ordinance, specific plan, or land use element of the general plan,  
12 or, if a range of density is permitted, means the greatest number  
13 of units allowed by the specific zoning range, specific plan, or land  
14 use element of the general plan applicable to the project. Density  
15 shall be determined using dwelling units per acre. However, if the  
16 applicable zoning ordinance, specific plan, or land use element of  
17 the general plan does not provide a dwelling-units-per-acre standard  
18 for density, then the local agency shall calculate the number of  
19 units by:

20 (A) Estimating the realistic development capacity of the site  
21 based on the objective development standards applicable to the  
22 project, including, but not limited to, floor area ratio, site coverage,  
23 maximum building height and number of stories, building setbacks  
24 and stepbacks, public and private open-space requirements,  
25 minimum percentage or square footage of any nonresidential  
26 component, and parking requirements, unless not required for the  
27 base project. Parking requirements shall include considerations  
28 regarding number of spaces, location, design, type, and circulation.  
29 A developer may provide a base density study and the local agency  
30 shall accept it, provided that it includes all applicable objective  
31 development standards.

32 (B) Maintaining the same average unit size and other project  
33 details relevant to the base density study, excepting those that may  
34 be modified by waiver or concession to accommodate the bonus  
35 units, in the proposed project as in the study.

36 (7) (A) (i) “Shared housing building” means a residential or  
37 mixed-use structure, with five or more shared housing units and  
38 one or more common kitchens and dining areas designed for  
39 permanent residence of more than 30 days by its tenants. The  
40 kitchens and dining areas within the shared housing building shall

1 be able to adequately accommodate all residents. If a local  
2 ordinance further restricts the attributes of a shared housing  
3 building beyond the requirements established in this section, the  
4 local definition shall apply to the extent that it does not conflict  
5 with the requirements of this section.

6 (ii) A “shared housing building” may include other dwelling  
7 units that are not shared housing units, provided that those dwelling  
8 units do not occupy more than 25 percent of the floor area of the  
9 shared housing building. A shared housing building may include  
10 100 percent shared housing units.

11 (B) “Shared housing unit” means one or more habitable rooms,  
12 not within another dwelling unit, that includes a bathroom, sink,  
13 refrigerator, and microwave, is used for permanent residence, that  
14 meets the “minimum room area” specified in Section R304 of the  
15 California Residential Code (Part 2.5 of Title 24 of the California  
16 Code of Regulations), and complies with the definition of  
17 “guestroom” in Section R202 of the California Residential Code.  
18 If a local ordinance further restricts the attributes of a shared  
19 housing building beyond the requirements established in this  
20 section, the local definition shall apply to the extent that it does  
21 not conflict with the requirements of this section.

22 (8) (A) “Total units” or “total dwelling units” means a  
23 calculation of the number of units that:

24 (i) Excludes a unit added by a density bonus awarded pursuant  
25 to this section or any local law granting a greater density bonus.

26 (ii) Includes a unit designated to satisfy an inclusionary zoning  
27 requirement of a city, county, or city and county.

28 (B) For purposes of calculating a density bonus granted pursuant  
29 to this section for a shared housing building, “unit” means one  
30 shared housing unit and its pro rata share of associated common  
31 area facilities.

32 (9) “Very low vehicle travel area” means an urbanized area, as  
33 designated by the United States Census Bureau, where the existing  
34 residential development generates vehicle miles traveled per capita  
35 that is below 85 percent of either regional vehicle miles traveled  
36 per capita or city vehicle miles traveled per capita. For purposes  
37 of this paragraph, “area” may include a travel analysis zone,  
38 hexagon, or grid. For the purposes of determining “regional vehicle  
39 miles traveled per capita” pursuant to this paragraph, a “region”  
40 is the entirety of incorporated and unincorporated areas governed

1 by a multicounty or single-county metropolitan planning  
2 organization, or the entirety of the incorporated and unincorporated  
3 areas of an individual county that is not part of a metropolitan  
4 planning organization.

5 (p) (1) Except as provided in paragraphs (2), (3), and (4), upon  
6 the request of the developer, a city, county, or city and county shall  
7 not require a vehicular parking ratio, inclusive of parking for  
8 persons with a disability and guests, of a development meeting the  
9 criteria of subdivisions (b) and (c), that exceeds the following  
10 ratios:

11 (A) Zero to one bedroom: one onsite parking space.

12 (B) Two to three bedrooms: one and one-half onsite parking  
13 spaces.

14 (C) Four and more bedrooms: two and one-half parking spaces.

15 (2) (A) Notwithstanding paragraph (1), if a development  
16 includes at least 20 percent low-income units for housing  
17 developments meeting the criteria of subparagraph (A) of paragraph  
18 (1) of subdivision (b) or at least 11 percent very low income units  
19 for housing developments meeting the criteria of subparagraph  
20 (B) of paragraph (1) of subdivision (b), is located within one-half  
21 mile of a major transit stop, and there is unobstructed access to  
22 the major transit stop from the development, then, upon the request  
23 of the developer, a city, county, or city and county shall not impose  
24 a vehicular parking ratio, inclusive of parking for persons with a  
25 disability and guests, that exceeds 0.5 spaces per unit.  
26 Notwithstanding paragraph (1), if a development includes at least  
27 40 percent moderate-income units for housing developments  
28 meeting the criteria of subparagraph (D) of paragraph (1) of  
29 subdivision (b), is located within one-half mile of a major transit  
30 stop, as defined in subdivision (b) of Section 21155 of the Public  
31 Resources Code, and the residents of the development have  
32 unobstructed access to the major transit stop from the development  
33 then, upon the request of the developer, a city, county, or city and  
34 county shall not impose a vehicular parking ratio, inclusive of  
35 parking for persons with a disability and guests, that exceeds 0.5  
36 spaces per bedroom.

37 (B) For purposes of this subdivision, “unobstructed access to  
38 the major transit stop” means a resident is able to access the major  
39 transit stop without encountering natural or constructed  
40 impediments. For purposes of this subparagraph, “natural or

1 constructed impediments” includes, but is not limited to, freeways,  
2 rivers, mountains, and bodies of water, but does not include  
3 residential structures, shopping centers, parking lots, or rails used  
4 for transit.

5 (3) Notwithstanding paragraph (1), if a development meets the  
6 criteria of subparagraph (G) of paragraph (1) of subdivision (b),  
7 then, upon the request of the developer, a city, county, or city and  
8 county shall not impose vehicular parking standards if the  
9 development meets any of the following criteria:

10 (A) The development is located within one-half mile of a major  
11 transit stop and there is unobstructed access to the major transit  
12 stop from the development.

13 (B) The development is a for-rent housing development for  
14 individuals who are 55 years of age or older that complies with  
15 Sections 51.2 and 51.3 of the Civil Code and the development has  
16 either paratransit service or unobstructed access, within one-half  
17 mile, to fixed bus route service that operates at least eight times  
18 per day.

19 (C) The development is either a special needs housing  
20 development, as defined in Section 51312 of the Health and Safety  
21 Code, or a supportive housing development, as defined in Section  
22 50675.14 of the Health and Safety Code. A development that is a  
23 special needs housing development shall have either paratransit  
24 service or unobstructed access, within one-half mile, to fixed bus  
25 route service that operates at least eight times per day.

26 (4) If the total number of parking spaces required for a  
27 development is other than a whole number, the number shall be  
28 rounded up to the next whole number. For purposes of this  
29 subdivision, a development may provide onsite parking through  
30 tandem parking or uncovered parking, but not through onstreet  
31 parking.

32 (5) This subdivision shall apply to a development that meets  
33 the requirements of subdivisions (b) and (c), but only at the request  
34 of the applicant. An applicant may request parking incentives or  
35 concessions beyond those provided in this subdivision pursuant  
36 to subdivision (d).

37 (6) This subdivision does not preclude a city, county, or city  
38 and county from reducing or eliminating a parking requirement  
39 for development projects of any type in any location.

(7) Notwithstanding paragraphs (2) and (3), if a city, county, city and county, or an independent consultant has conducted an areawide or jurisdictionwide parking study in the last seven years, then the city, county, or city and county may impose a higher vehicular parking ratio not to exceed the ratio described in paragraph (1), based upon substantial evidence found in the parking study, that includes, but is not limited to, an analysis of parking availability, differing levels of transit access, walkability access to transit services, the potential for shared parking, the effect of parking requirements on the cost of market-rate and subsidized developments, and the lower rates of car ownership for low-income and very low income individuals, including seniors and special needs individuals. The city, county, or city and county shall pay the costs of any new study. The city, county, or city and county shall make findings, based on a parking study completed in conformity with this paragraph, supporting the need for the higher parking ratio.

(8) A request pursuant to this subdivision shall neither reduce nor increase the number of incentives or concessions to which the applicant is entitled pursuant to subdivision (d).

(q) Each component of any density calculation, including base density and bonus density, resulting in fractional units shall be separately rounded up to the next whole number. The Legislature finds and declares that this provision is declaratory of existing law.

(r) This chapter shall be interpreted liberally in favor of producing the maximum number of total housing units.

(s) Notwithstanding any other law, if a city, including a charter city, county, or city and county has adopted an ordinance or a housing program, or both an ordinance and a housing program, that incentivizes the development of affordable housing that allows for density bonuses that exceed the density bonuses required by the version of this section effective through December 31, 2020, that city, county, or city and county is not required to amend or otherwise update its ordinance or corresponding affordable housing incentive program to comply with the amendments made to this section by the act adding this subdivision, and is exempt from complying with the incentive and concession calculation amendments made to this section by the act adding this subdivision as set forth in subdivision (d), particularly subparagraphs (B) and

1 (C) of paragraph (2) of that subdivision, and the amendments made  
2 to the density tables under subdivision (f).

3 (t) When an applicant proposes to construct a housing  
4 development that conforms to the requirements of subparagraph  
5 (A) or (B) of paragraph (1) of subdivision (b) that is a shared  
6 housing building, the city, county, or city and county shall not  
7 require any minimum unit size requirements or minimum bedroom  
8 requirements that are in conflict with paragraph (7) of subdivision  
9 (o).

10 (u) (1) The Legislature finds and declares that the intent behind  
11 the Density Bonus Law is to allow public entities to reduce or even  
12 eliminate subsidies for a particular project by allowing a developer  
13 to include more total units in a project than would otherwise be  
14 allowed by the local zoning ordinance in exchange for affordable  
15 units. It further reaffirms that the intent is to cover at least some  
16 of the financing gap of affordable housing with regulatory  
17 incentives, rather than additional public subsidy.

18 (2) It is therefore the intent of the Legislature to make  
19 modifications to the Density Bonus Law by the act adding this  
20 subdivision to further incentivize the construction of very low,  
21 low-, and moderate-income housing units. It is further the intent  
22 of the Legislature in making these modifications to the Density  
23 Bonus Law to ensure that any additional benefits conferred upon  
24 a developer are balanced with the receipt of a public benefit in the  
25 form of adequate levels of affordable housing. The Legislature  
26 further intends that these modifications will ensure that the Density  
27 Bonus Law creates incentives for the construction of more housing  
28 across all areas of the state.

29 (v) (1) Provided that the resulting housing development would  
30 not restrict more than 50 percent of the total units to  
31 moderate-income, lower income, or very low income households,  
32 a city, county, or city and county shall grant an additional density  
33 bonus calculated pursuant to paragraph (2) when an applicant  
34 proposes to construct a housing development that conforms to the  
35 requirements of paragraph (1) of subdivision (b), agrees to include  
36 additional rental or for-sale units affordable to very low income  
37 households or moderate income households, and meets any of the  
38 following requirements:

(A) The housing development conforms to the requirements of subparagraph (A) of paragraph (1) of subdivision (b) and provides 24 percent of the total units to lower income households.

(B) The housing development conforms to the requirements of subparagraph (B) of paragraph (1) of subdivision (b) and provides 15 percent of the total units to very low income households.

(C) The housing development conforms to the requirements of subparagraph (D) of paragraph (1) of subdivision (b) and provides 44 percent of the total units to moderate-income households.

(2) A city, county, or city and county shall grant an additional density bonus for a housing development that meets the requirements of paragraph (1), calculated as follows:

Percentage Very Low Income Units	Percentage Density Bonus
5	20
6	23.75
7	27.5
8	31.25
9	35
10	38.75

Percentage Moderate-Income Units	Percentage Density Bonus
5	20
6	22.5
7	25
8	27.5
9	30
10	32.5
11	35
12	38.75
13	42.5
14	46.25
15	50

(3) The increase required by paragraphs (1) and (2) shall be in addition to any increase in density granted by subdivision (b).



- 1     (4) The additional density bonus required under this subdivision
- 2     shall be calculated using the number of units excluding any density
- 3     bonus awarded by this section.

O