



AGENDA

REGULAR MEETING OF THE HEMET CITY COUNCIL

January 13, 2015

6:00 p.m.

City of Hemet Council Chambers
450 E. Latham Avenue

www.cityofhemet.org

Please silence all cell phones

**Notice: Members of the Public attending shall comply with the Council's adopted Rules of Decorum in Resolution No. 4545. A copy of the Rules of Decorum are available from the City Clerk.*

Call to Order

Roll Call

ROLL CALL: Council Members Milne, Raver and Youssef, Mayor Pro Tem Wright and Mayor Krupa

Work Study

Discussion regarding this item, with possible direction to staff

1. City Council sponsored Public Safety Initiative – City Attorney Vail
-

Closed Session

Notice of Opportunity for Public Comment

Members of the Public may comment upon any identified item on the closed session agenda. Since the Council's deliberation on these items is confidential the City Council and City Staff will not be able to answer or address questions relating to the items other than procedural questions. At the conclusion of the closed session, the City Attorney will report any actions taken by the City Council which the Ralph M. Brown Act required to be publicly reported.

2. Conference with Labor Negotiators
Pursuant to Government Code section 54957.6
Agency designated representatives: City Manager Hill
Employee organization:
Service Employees International Union General Employees
Hemet Fire Fighters Association
3. Conference with Legal Counsel - Existing Litigation
Pursuant to Government Code section 54956.9(d)(1)
Name of cases: *Hemet Firefighters Association, et al. v. City of Hemet, et al.*
RSC Case No. RIC 1400175
4. Public Employee Recruitment/Appointment
Pursuant to Government Code section 54957.6
Title: Fire Chief

5. Conference with Legal Counsel - Anticipated Litigation
One (1) matter of significant exposure to litigation pursuant to Government Code section 54956.9(d)(2) & (3)
-

REGULAR SESSION

7:00 p.m.
City of Hemet City Council Chambers
450 E. Latham Avenue

Call to Order

Roll Call

ROLL CALL: Council Members Milne, Raver and Youssef, Mayor Pro Tem Wright and Mayor Krupa

Invocation

Pledge of Allegiance

City Attorney Closed Session Report

6. Conference with Labor Negotiators
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8. Public Employee Recruitment/Appointment
Pursuant to Government Code section 54957.6
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9. Conference with Legal Counsel - Anticipated Litigation
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-

Presentations

10. Presentation of Awards for the 2014 Hemet Christmas Parade Winner
 11. Police Department Strategic Plan Presentation – Chief Brown
-

City Council Business

Notice to the Public

The Consent Calendar contains items which are typically routine in nature and will be enacted by one motion by the Council unless an item is removed for discussion by a member of the public, staff, or Council. If you wish to discuss a Consent Calendar item please come to the microphone and state the number of the item you wish to discuss. Then wait near the lecture. When the Mayor calls your turn give your last name, and address, then begin speaking. You will have three minutes at that time to address the Council.

Consent Calendar

12. **Receive and File** – City Council Committee Appointments
13. **Receive and File** – Warrant Registers
 - a. Warrant registers dated December 2, 2014 in the amount of \$3,198,881.02 and December 11, 2014 in the amount of \$1,408,297.09. Payroll for the period of November 24, 2014 to December 7, 2014 was \$685,005.84 and December 8, 2014 to December 21, 2014 was \$584,098.48.
14. **Receive and File** – Investment Portfolio as of October 2014
15. **Receive and File** – FY 2014 Comprehensive Annual Financial Report (CAFR)
16. **Recommendation by Finance** – Amendment of Certain User Fees
 - a. Adopt a resolution to amend certain fees for service adopted by Resolution No. 4603. **Resolution Bill No. 14-081**
17. **Recommendation by Finance** - Comprehensive Fee Schedule
 - a. Adopt an ordinance amending Sections 2-379 and 2-380 of the Hemet Municipal Code regarding user fees **Ordinance Bill No. 14-066**
18. **Recommendation from Traffic and Parking Commission** – Speed Limits
 - a. Adopt a resolution adopting speed limits on various streets in the city. **Resolution Bill No. 15-001**
19. **Recommendation by Economic Development** – Real Property Advisory, Marketing and Sales Services
 - a. Authorize the City Manager to execute a contract for services with RSG, Inc. to provide real property advisory services to the City for certain City-owned real property; and

- b. Authorize the City Manager execute customary and standard California real estate industry documents and contracts per property, (brokerage, disclosure and listing agreements) with HomeStar Real Estate Services to market and sell certain City-owned real property; and
- c. Appropriate \$144,770 from the General Fund uncommitted fund balance to FY14-15 Economic Development Department Account, #120-8500-2710 to fund the cost of the real estate advisory services.

20. **Approval of Minutes** – December 9, 2014

Communications from the Public

Anyone who wishes to address the Council regarding items not on the agenda may do so at this time. As a courtesy, please complete a Request to Speak Form found at the City Clerk's desk. Submit your completed form to the City Clerk prior to the beginning of the meeting. Presentations are limited to three minutes in consideration of others who are here for agenda items. Please come forward to the lectern when the Mayor calls upon you. When you are recognized, you may proceed with our comments.

****Notice: Members of the Public attending shall comply with the adopted Rules of Decorum in Resolution No. 4545. A copy of the Rules of Decorum are available from the City Clerk.***

State law prohibits the City Council from taking action or discussing any item not appearing on the agenda except for brief responses to statements made or questions posed by the public. In addition, they may, on their own initiative or in response to questions posed by the public, ask a question for clarification, provide a reference to staff or other resources for factual information, or request staff to report back to them at a subsequent meeting. Furthermore, a member of the City Council or the Council itself may take action to direct staff to place a matter of business on a future agenda.

Discussion/Action Item

- 21. **City Council Town Hall Meetings** – City Manager Hill
 - a. Provide direction to staff as to the Council's interest in holding town hall meetings and the nature, timing, and location of them.
-

City Council Reports

- 22. CITY COUNCIL REPORTS AND COMMENTS
 - A. Council Member Milne
 - 1. Library Board
 - 2. League of California Cities
 - 3. Riverside County Habitat Conservation Agency (RCHCA)
 - 4. Riverside Transit Agency (RTA)
 - 5. Riverside Conservation Authority (RCA)
 - 6. Disaster Planning Commission

- B. Council Member Raver
 - C. Council Member Youssef
 - 1. Western Riverside County of Governments (WRCOG)
 - 2. Riverside County Transportation Commission (RCTC)
 - D. Mayor Pro Tem Wright
 - 1. Park Commission
 - 2. Planning Commission
 - 3. Indian Gaming Distribution Fund
 - 4. Riverside County Habitat Conservation Agency (RCHCA)
 - 5. Ramona Bowl Association
 - E. Mayor Krupa
 - 1. Traffic and Parking Commission
 - 2. Riverside Conservation Authority (RCA)
 - 3. Ramona Bowl Association
 - 4. Indian Gaming Distribution Fund
 - 5. Riverside Transit Agency (RTA)
 - 6. Watermaster Board
 - F. Ad-Hoc Committee Reports
 - 1. Crime Stoppers Plus Ad-Hoc Committee
 - 2. West Hemet MSHCP Ad-Hoc Committee
 - 3. Regent Development Agreement Ad-Hoc Committee
 - G. City Manager Hill
 - 1. Manager's Reports
-

Continued Closed Session

City Attorney Continued Closed Session Report

Future Agenda Items

If Members of Council have items for consideration at a future City Council meeting, please state the agenda item to provide direction to the City Manager.

Adjournment

Adjourn to Tuesday, January 27, 2015 at 7:00 p.m. for consideration of items placed on that agenda. The next regular meeting will be held February 10, 2015.

Staff reports and other disclosable public records related to open session agenda items are available at the City Clerk's Office or at the public counter located at 445 E. Florida Avenue during normal business hours.

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



#12

January 2015

COUNCIL COMMITTEES AND LIAISONS TO OUTSIDE ORGANIZATIONS

COUNCIL STANDING COMMITTEES	MEMBER(S)	ADMIN	CLERICAL	MEETING DATES/TIMES
Housing	Krupa/Wright	Jansons	Aguilar	As Needed
LIAISON TO CITY BOARDS/COMMISSIONS				
Library Board	Krupa	Caines	Caines	3rd Friday/ 10:00 a.m.
Park Commission	Wright	Jensen	Jensen	Last Monday/4:00 p.m.
Planning Commission	Raver	Elliano	Couden	1st & 3rd Tuesdays/6:00p.m.
Traffic and Parking Commission	Raver	Engineering	Stelse	2nd Tuesday/9:00 a.m.
Disaster Planning Commission	Milne		N/A	As Needed
LIAISON TO OUTSIDE ORGANIZATIONS				
League of CA Cities	Krupa/Wright			2nd Monday/6:00 p.m.
Riverside County Transportation Commission	Krupa/Raver	Engineering/Elliano		2nd Weds/9:00 a.m./ Riverside
Riverside County Habitat Conservation Agency Contact: Carolyn Syms-Luna	Milne/Wright	Elliano		As Needed, 3-6 meetings per year on Thursdays at 2:00 p.m./Riverside
Riverside Transit Agency	Krupa/Raver			4th Thurs/ 2:00 p.m./ Riverside (Nov & Dec - 3 rd Thurs)
RCA Contact: Honey	Krupa/Milne			1 st Monday/12:30 p.m. Riverside
Ramona Bowl Board of Dir. Ex-Officio	Krupa/Wright			As Needed
Watermaster Board	Krupa/Raver	Vail/Jensen		4 th Monday in Feb., May, Aug., and Nov. 4:00 p.m./EMWD
WRCOG	Wright/Krupa			1st Mon. / 2:00 p.m./ Riverside Admin Comm/2nd Wed/1:00pm/RCTC Building



Staff Report

TO: Honorable Mayor and Members of the City Council

FROM: Jessica A. Hurst, DCM/Administrative Services Director;
Wally Hill, City Manager *Wally Hill*

DATE: January 13, 2015

RE: Warrant Register

The City of Hemet's warrant registers dated December 2, 2014 in the amount of \$3,198,881.02 and December 11, 2014 in the amount of \$1,408,297.09 is currently posted on the City's website in the Finance Department section, under *Financial Information*. Payroll for the period of November 24, 2014 to December 7, 2014 was \$685,005.84 and December 8, 2014 to December 21, 2014 was \$584,098.48.

CLAIMS VOUCHER APPROVAL

"I, Jessica A. Hurst, Deputy City Manager/Administrative Services, do hereby certify that to the best of my knowledge and ability, that the warrant register posted on the city's website is a true and correct list of warrants for bills submitted to the City of Hemet, and the payroll register through the dates listed above, and that there will be sufficient monies in the respective funds for their payment."

Respectfully submitted,

A handwritten signature in blue ink that reads "Jessica A. Hurst".

Jessica A. Hurst
Deputy City Manager/Administrative Services Director

JAH: mh

CITY OF HEMET
VOUCHER/WARRANT REGISTER
FOR ALL PERIODS

CLAIMS VOUCHER APPROVAL

I, JESSICA A. HURST, DO HEREBY CERTIFY THAT TO THE BEST OF MY KNOWLEDGE AND ABILITY, THAT THE WR POSTED ON THE CITY WEBSITE IS A TRUE AND CORRECT LIST OF WARRANTS FOR BILLS SUBMITTED TO THE CITY OF HEMET THROUGH THE DATES LISTED ABOVE, AND THAT THERE WILL BE SUFFICIENT MONIES IN THE RESPECTIVE FUNDS FOR THEIR PAYMENT.

JESSICA A. HURST
DCM/ADMINISTRATIVE SERVICES DIRECTOR



Staff Report

TO: Honorable Mayor and members of the City Council
FROM: Judith L. Oltman, City Treasurer
DATE: January 13, 2015
RE: Investment Portfolio as of October 2014

RECOMMENDED ACTION:

Receive and file.

ANALYSIS:

The summary statement of activity and balances of the Treasurer's Investment Portfolio for the month of October 2014 is forwarded herewith for your review.

On 10/23/14 we purchased a reserve fund ten year Ashland Oregon bond #5025 for \$1,145,000 at 2.80% with a 2.93% yield. On 10/23/14 we purchased a reserve fund 6 year Calleguas Muni Water District bond #5026 for \$745,000 at 2.601% with a yield of 2.20%. On 10/30/14 we purchased a 5yr/3mo. call FFLMC #2280 for \$1,000,000 at 2.15%. On 10/3/14 our Sovereign Bank NCD matured and on 10/22/14 our BMW NCD matured. On 10/15/14 we closed out our secondary LAIF account. This account was used for RDA and Library bonds.

I hereby certify that this report accurately reflects all City of Hemet pooled investments and is in conformity with the investment policy of the City of Hemet and that a copy hereof is on file in the office of the City Clerk. Our third party custodial bank, Bank of New York Mellon, has provided us with the monthly market values.

It is further certified that there is sufficient liquidity to meet the next six months' estimated day-to-day operational expenses.

Respectfully Submitted,

Judith L. Oltman
City Treasurer

attachment

CITY OF HEMET, CALIFORNIA
Monthly Report of Investment Activities

OCTOBER 2014

INVESTMENT CLASSIFICATIONS	MONTHLY ACTIVITY	CONSOLIDATED BALANCE
PORTFOLIO AS OF SEPTEMBER	62,098,872.82	
CERTIFICATES OF DEPOSIT		
Placed this month		
Matured this month	-497,000.00	
Balance		6,689,000.00
LOCAL AGENCY INVESTMENT FUND: City of Hemet		
Deposits	19,179.20	
Withdrawals		
Balance		23,235,378.87
LOCAL AGENCY INVESTMENT FUND: City of Hemet		
Deposits	1.15	
Withdrawals	CLOSED -1,881.67	
Balance		0.00
BANK OF NEW YORK MELLON Custodial Acct.		
Deposits	1,542,145.71	
Withdrawals	-2,951,746.31	
Balance		597,746.90
MONEY MARKET ACCTS.		
Deposits		
Withdrawals		
Balance		200,000.00
CITIBANK: Money Market Account		
Deposits	45,216.25	
Withdrawals		
Balance		570,521.84
CITIBANK: Money Market Account 3		
Deposits	739,932.77	
Withdrawals	-3,465,616.52	
Balance		5,041,455.79
MUNICIPAL BONDS & NOTES		
Deposits	1,890,000.00	
Withdrawals		
Balance		13,085,000.00
GOVERNMENT AGENCIES		
2252 1.0% FNMA 8/21/17		500,000.00
2253 1.0% FNMA 11/29/17		500,000.00
2254 1.05 FHLB 1/17/18		500,000.00
2255 1.15% FNMA 2/28/18		500,000.00
2256 1.10% FHLMC 4/17/18		500,000.00
2257 1.15% FHLMC 4/25/18		500,000.00
2258 1.0% FNMA 4/30/18		500,000.00
2259 .70% FNMA 4/30/18		500,000.00
2260 1.0% FNMA 5/21/18		500,000.00
2261 1.17% FHLB 6/13/18		500,000.00
2262 1.40% FHLMC 6/26/18		500,000.00
2263 1.45% FHLB 6/27/18		500,000.00
2265 1.55% FHLMC 7/17/18		500,000.00
2274 1.81% FFCB 11/19/18		500,000.00
2276 2.07% FHLB 4/15/19		500,000.00
2277 2.00% FNMA 8/27/19		500,000.00
2278 2.0% FNMA 9/18/19		1,000,000.00
2279 2.0% FHLMC 9/19/19		1,000,000.00
2280 2.15% FHLMC 10/30/19	1,000,000.00	1,000,000.00
PORTFOLIO BALANCE AS OF OCTOBER 2014	60,419,103.40	60,419,103.40

INTEREST EARNINGS	14-15 FISCAL YEAR-TO-DATE	
EARNINGS BALANCE AS OCT. 1, 2014		-3,035.22
CERTIFICATES OF DEPOSIT INT.	8,604.97	
OTHER GOVERNMENT SECURITIES	32,474.26	
CITIBANK MONEY MARKET ACCOUNT	70.54	
CITIBANK MONEY MARKET ACCOUNT 3	761.93	
BANK OF NY MONEY MARKET ACCT.	21.42	
LOCAL AGENCY INVESTMENT FUNDS		
City of Hemet Interest	19,179.20	
City of Hemet Interest Account closed		
MONTHLY EARNINGS TOTAL	61,112.32	61,112.32
MEMO ONLY:		
MERCHANT BANK CHG.	-4,410.58	
LIBRARY CREDIT CARD FEES	-114.51	
ARMORED CAR	-408.78	
ASSET SEIZURE FUNDS		
Charges as of Sept. 1, 2014	-13,863.73	
	-18,797.60	
14-15 YEAR-TO-DATE INTEREST EARNINGS		58,077.10

CITY OF HEMET
Portfolio Management
Portfolio Details - Investments
October 31, 2014

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
Certificates of Deposit - Bank												
02004MB51	3124	Ally Bank		07/30/2010	247,000.00	250,866.19	247,000.00	2.450		2.451	271	07/30/2015
06740KEX1	3146	BARCLAYS BANK DE		12/07/2011	247,000.00	252,819.10	247,000.00	1.900		1.902	767	12/07/2016
SYS3174	3174	BANK OF HEMET		09/06/2013	494,000.00	494,000.00	494,000.00	0.500		0.500	675	09/06/2016
SYS3144	3144	BANK OF THE WEST		10/12/2011	249,000.00	254,074.42	249,000.00	1.750		1.750	711	10/12/2016
SYS3136	3136	CIT BANK		08/24/2011	247,000.00	252,112.55	247,000.00	1.800		1.800	662	08/24/2016
36160WVR7	3132	G.E. Capital Financial, Inc.		08/12/2011	247,000.00	252,242.08	247,000.00	1.850		1.850	650	08/12/2016
Subtotal and Average			1,899,000.00		1,731,000.00	1,756,114.34	1,731,000.00			1.536	630	
Managed Pool Accounts												
SYS1001	1001	LOCAL AGENCY INVESTMENT FUND			23,235,378.87	23,235,378.87	23,235,378.87	0.260		0.260	1	
Subtotal and Average			23,228,477.05		23,235,378.87	23,235,378.87	23,235,378.87			0.260	1	
Passbook/Checking Accounts												
SYS5009	5009	BANK OF NEW YORK			597,746.90	597,746.90	597,746.90			0.000	1	
SYS5001	5001	Citibank			570,521.84	570,521.84	570,521.84	0.450		0.450	1	
SYS5004	5004	CITIBANK3			5,041,455.79	5,041,455.79	5,041,455.79	0.450		0.450	1	
SYS5011	5011	RABOBANK		02/28/2013	200,126.93	200,126.93	200,126.93	0.260		0.260	1	
Subtotal and Average			8,726,682.08		6,409,851.46	6,409,851.46	6,409,851.46			0.402	1	
Local Government Bonds												
044555PA2	5025	ASHLAND OREGON		10/23/2014	1,145,000.00	1,106,905.85	1,132,422.22	2.800	AA	2.926	3,561	08/01/2024
048339SE6	5018	ATLANTIC CITY N.J.		06/02/2014	465,000.00	481,372.65	490,773.00	3.953	A	2.075	1,247	04/01/2018
048339SF3	5019	ATLANTIC CITY N.J.		06/02/2014	440,000.00	457,419.60	469,046.07	4.253	A	2.651	1,612	04/01/2019
13124MAH8	5026	CALLEGUAS CA MUNI WATER DIST		10/23/2014	745,000.00	750,147.95	760,813.93	2.601	AAA	2.018	2,069	07/01/2020
404476HH9	5022	HABERSHAM COUNTY HOSPITAL AUTH		08/13/2014	795,000.00	792,114.15	800,453.91	2.250		2.080	1,553	02/01/2019
423542KL2	5006	HEMET UNIFIED SCHOOL DISTRICT		07/22/2010	2,000,000.00	2,030,920.00	1,997,301.85	5.375		5.609	242	07/01/2015
533020DC4	5012	CITY OF LINCOLN		03/02/2013	995,000.00	1,008,631.50	995,000.00	3.000		3.000	305	09/02/2015
650035J66	5015	NEW YORK STATE REVENUE BONDS		03/25/2014	500,000.00	501,810.00	498,962.39	2.000		2.050	1,595	03/15/2019
13063CKL3	5017	STATE OF CALIFORNIA		05/16/2014	1,000,000.00	1,009,510.00	1,010,654.79	2.250		2.000	1,642	05/01/2019
Subtotal and Average			6,812,370.66		8,085,000.00	8,138,831.70	8,155,428.16			3.189	1,405	
Medium Term Notes												
037833AQ3	5016	APPLE		05/15/2014	1,000,000.00	1,005,640.00	1,005,988.27	2.100		1.960	1,647	05/06/2019
084670BL1	5023	BERKSHIRE HATHAWAY		08/14/2014	1,000,000.00	1,005,490.00	1,004,527.66	2.100		2.000	1,747	08/14/2019

CITY OF HEMET
Portfolio Management
Portfolio Details - Investments
October 31, 2014

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
Medium Term Notes												
14912L6B2	5020	CATERPILLAR		06/09/2014	1,000,000.00	1,003,110.00	1,003,491.01	2.100	A	2.020	1,681	06/09/2019
36962G7G3	5014	G.E. CAPITAL CORP.		03/14/2014	500,000.00	508,450.00	509,014.24	2.300		1.932	1,535	01/14/2019
68389XAN5	5010	ORACLE		03/28/2013	500,000.00	498,365.00	500,718.22	1.200		1.150	1,079	10/15/2017
90261XHE5	5024	UBS AG STAMFORD CT		08/18/2014	500,000.00	500,920.00	501,909.11	2.375		2.290	1,747	08/14/2019
94974BFG0	5013	WELLS FARGO		04/26/2013	500,000.00	498,930.00	502,320.19	1.500		1.350	1,172	01/16/2018
Subtotal and Average			5,028,223.65		5,000,000.00	5,020,905.00	5,027,968.70			1.869	1,568	
Federal Agency Issues - Coupon												
3133EDA51	2274	FEDERAL FARM CREDIT BANKS		11/19/2013	500,000.00	500,385.00	500,000.00	1.810		1.810	1,479	11/19/2018
313381MV4	2254	FEDERAL HOME LOAN BANK		01/17/2013	500,000.00	496,005.00	500,000.00	1.050		1.050	1,173	01/17/2018
313383GY1	2261	FEDERAL HOME LOAN BANK		06/13/2013	500,000.00	495,825.00	500,000.00	1.170		1.170	1,320	06/13/2018
313383JZ53	2263	FEDERAL HOME LOAN BANK		06/27/2013	500,000.00	498,565.00	500,000.00	1.450		1.450	1,334	06/27/2018
3130A1GQ5	2276	FEDERAL HOME LOAN BANK		04/15/2014	500,000.00	500,050.00	500,000.00	2.070		2.070	1,626	04/15/2019
3134G37C8	2256	FEDERAL HOME LOAN MTG ASSOC.		04/17/2013	500,000.00	498,300.00	500,000.00	1.100		1.100	1,263	04/17/2018
3134G37H7	2257	FEDERAL HOME LOAN MTG ASSOC.		04/25/2013	500,000.00	496,835.00	500,000.00	1.150		1.150	1,271	04/25/2018
3134G47G7	2262	FEDERAL HOME LOAN MTG ASSOC.		06/26/2013	500,000.00	498,870.00	500,000.00	1.400		1.400	1,333	06/26/2018
3134G4BG2	2265	FEDERAL HOME LOAN MTG ASSOC.		07/17/2013	500,000.00	500,885.00	500,000.00	1.550		1.550	1,354	07/17/2018
3134G5GY5	2279	FEDERAL HOME LOAN MTG ASSOC.		09/19/2014	1,000,000.00	1,001,250.00	1,000,000.00	2.000		2.000	1,783	09/19/2019
3134G5KX2	2280	FEDERAL HOME LOAN MTG ASSOC.		10/30/2014	1,000,000.00	993,110.00	1,000,000.00	2.150		2.150	1,824	10/30/2019
3135G0NF6	2252	FEDERAL NTL MORTGAGE ASSOC.		08/21/2012	500,000.00	498,795.00	500,000.00	1.000		1.000	1,024	08/21/2017
3136G04U2	2253	FEDERAL NTL MORTGAGE ASSOC.		11/29/2012	500,000.00	496,605.00	500,000.00	1.000		1.000	1,124	11/29/2017
3135G0UN1	2255	FEDERAL NTL MORTGAGE ASSOC.		02/28/2013	500,000.00	496,925.00	500,000.00	1.150		1.146	1,215	02/28/2018
3135G0WN9	2258	FEDERAL NTL MORTGAGE ASSOC.		04/30/2013	500,000.00	493,235.00	500,000.00	1.000		1.000	1,276	04/30/2018
3136G1LB3	2259	FEDERAL NTL MORTGAGE ASSOC.		04/30/2013	500,000.00	497,135.00	500,000.00	0.750		0.740	1,276	04/30/2018
3135G0XG3	2260	FEDERAL NTL MORTGAGE ASSOC.		05/21/2013	500,000.00	493,710.00	500,000.00	1.000		1.000	1,297	05/21/2018
3136G23T2	2277	FEDERAL NTL MORTGAGE ASSOC.		08/27/2014	500,000.00	500,245.00	500,000.00	2.000		2.000	1,760	08/27/2019
3136G25Q6	2278	FEDERAL NTL MORTGAGE ASSOC.		09/18/2014	1,000,000.00	998,580.00	1,000,000.00	2.000		2.000	1,782	09/18/2019
Subtotal and Average			10,064,516.13		11,000,000.00	10,955,310.00	11,000,000.00			1.497	1,450	
Negotiable CDs												
02437PAG8	3173	AMERICAN NATIONAL BANK DALLAS		08/12/2013	248,000.00	248,000.00	248,000.00	1.250		1.251	1,015	08/12/2017
02587CAW0	3180	AMERICAN EXPRESS FSB		08/21/2014	247,000.00	251,330.95	247,000.00	2.100		2.101	1,754	08/21/2019
0606247B3	3176	BANK OF BARODA N.Y.		11/12/2013	248,000.00	248,000.00	248,000.00	2.150		2.151	1,473	11/13/2018
856284-E3-4	3147	BANK OF INDIA NEW YORK		04/27/2012	248,000.00	254,625.52	248,000.00	2.000		2.001	908	04/27/2017
17037TDV6	3169	CHOICE FINANCIAL GROUP		11/20/2012	248,000.00	246,711.89	248,000.00	1.000		1.001	1,115	11/20/2017

CITY OF HEMET
Portfolio Management
Portfolio Details - Investments
October 31, 2014

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
Negotiable CDs												
20033AAG13	3168	COMENITY CAPITAL BANK		10/25/2012	249,000.00	248,318.54	249,000.00	1.050		1.065	1,089	10/25/2017
20451PEN2	3175	COMPASS BANK		09/25/2013	247,000.00	252,032.43	247,000.00	2.000		2.001	1,424	09/25/2018
20786AAL9	3177	CONNECTONE BANK N.J.		12/13/2013	247,000.00	250,065.96	247,000.00	1.850		1.851	1,503	12/13/2018
2546714X5	3181	DISCOVER BANK		08/27/2014	247,000.00	251,345.35	247,000.00	2.100		2.101	1,760	08/27/2019
29976DNY2	3166	EVERBANK		10/15/2012	248,000.00	248,000.00	248,000.00	1.000		1.001	1,080	10/16/2017
373128DS3	3167	GEORGIA BANK AND TRUST		10/17/2012	249,000.00	247,955.77	249,000.00	1.000		1.014	1,081	10/17/2017
36159CRZ1	3126	GE Money Bank		07/30/2010	247,000.00	250,773.12	247,000.00	2.400		2.400	271	07/30/2015
48124JSB5	3171	JP MORGAN CHASE BANK		01/28/2013	248,000.00	248,000.00	248,000.00	0.850		0.850	1,184	01/28/2018
628779FJ4	3178	NBT BANK		06/06/2014	247,000.00	248,343.38	247,000.00	1.800		1.801	1,678	06/06/2019
700654AV8	3182	PARK NATIONAL BANK		09/26/2014	249,000.00	254,251.76	249,000.00	2.100		2.099	1,606	03/26/2019
74267GUQ8	3179	PRIVATEBANK & TRUST CO.		07/21/2014	247,000.00	247,000.00	247,000.00	2.000		2.001	1,724	07/22/2019
7865803L2	3164	SAFRA NATIONAL BANK		09/27/2012	249,000.00	249,000.00	249,000.00	0.800		0.800	331	09/28/2015
795450NR2	3163	SALLIE MAE		07/25/2012	248,000.00	248,000.00	248,000.00	1.200		1.200	268	07/27/2015
909557CL2	3170	UNITED BANKERS' BANK		11/29/2012	249,000.00	248,229.02	249,000.00	1.100		1.115	1,124	11/29/2017
94986TMF1	3172	WELLS FARGO		03/28/2013	248,000.00	248,000.00	248,000.00	1.000		1.000	1,243	03/28/2018
Subtotal and Average			4,974,064.52		4,958,000.00	4,987,983.69	4,958,000.00			1.539	1,181	
Total and Average			60,733,334.08		60,419,230.33	60,504,375.06	60,517,627.19			1.170	699	

**CITY OF HEMET
Portfolio Management
Portfolio Details - Cash
October 31, 2014**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity
		Average Balance	0.00	Accrued Interest at Purchase		31,333.89	31,333.89				0
				Subtotal		31,333.89	31,333.89				
		Total Cash and Investments	60,733,334.08		60,419,230.33	60,535,708.95	60,548,961.08			1.170	699

CITY OF HEMET
Portfolio Management
Portfolio Details - Investments
October 31, 2014

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
Certificates of Deposit - Bank												
02004MB51	3124	Ally Bank		07/30/2010	247,000.00	250,866.19	247,000.00	2.450		2.451	271	07/30/2015
06740KEX1	3146	BARCLAYS BANK DE		12/07/2011	247,000.00	252,819.10	247,000.00	1.900		1.902	767	12/07/2016
SYS3174	3174	BANK OF HEMET		09/06/2013	494,000.00	494,000.00	494,000.00	0.500		0.500	675	09/06/2016
SYS3144	3144	BANK OF THE WEST		10/12/2011	249,000.00	254,074.42	249,000.00	1.750		1.750	711	10/12/2016
SYS3136	3136	CIT BANK		08/24/2011	247,000.00	252,112.55	247,000.00	1.800		1.800	662	08/24/2016
36160WVR7	3132	G.E. Capital Financial, Inc.		08/12/2011	247,000.00	252,242.08	247,000.00	1.850		1.850	650	08/12/2016
Subtotal and Average			1,899,000.00		1,731,000.00	1,756,114.34	1,731,000.00			1.536	630	
Managed Pool Accounts												
SYS1001	1001	LOCAL AGENCY INVESTMENT FUND			23,235,378.87	23,235,378.87	23,235,378.87	0.260		0.260	1	
Subtotal and Average			23,228,477.05		23,235,378.87	23,235,378.87	23,235,378.87			0.260	1	
Passbook/Checking Accounts												
SYS5009	5009	BANK OF NEW YORK			597,746.90	597,746.90	597,746.90			0.000	1	
SYS5001	5001	Citibank			570,521.84	570,521.84	570,521.84	0.450		0.450	1	
SYS5004	5004	CITIBANK3			5,041,455.79	5,041,455.79	5,041,455.79	0.450		0.450	1	
SYS5011	5011	RABOBANK		02/28/2013	200,126.93	200,126.93	200,126.93	0.260		0.260	1	
Subtotal and Average			8,726,682.08		6,409,851.46	6,409,851.46	6,409,851.46			0.402	1	
Local Government Bonds												
044555PA2	5025	ASHLAND OREGON		10/23/2014	1,145,000.00	1,106,905.85	1,132,422.22	2.800	AA	2.926	3,561	08/01/2024
048339SE6	5018	ATLANTIC CITY N.J.		06/02/2014	465,000.00	481,372.65	490,773.00	3.953	A	2.075	1,247	04/01/2018
048339SF3	5019	ATLANTIC CITY N.J.		06/02/2014	440,000.00	457,419.60	469,046.07	4.253	A	2.651	1,612	04/01/2019
13124MAH8	5026	CALLEGUAS CA MUNI WATER DIST		10/23/2014	745,000.00	750,147.95	760,813.93	2.601	AAA	2.018	2,069	07/01/2020
404476HH9	5022	HABERSHAM COUNTY HOSPITAL AUTH		08/13/2014	795,000.00	792,114.15	800,453.91	2.250		2.080	1,553	02/01/2019
423542KL2	5006	HEMET UNIFIED SCHOOL DISTRICT		07/22/2010	2,000,000.00	2,030,920.00	1,997,301.85	5.375		5.609	242	07/01/2015
533020DC4	5012	CITY OF LINCOLN		03/02/2013	995,000.00	1,008,631.50	995,000.00	3.000		3.000	305	09/02/2015
650035J66	5015	NEW YORK STATE REVENUE BONDS		03/25/2014	500,000.00	501,810.00	498,962.39	2.000		2.050	1,595	03/15/2019
13063CKL3	5017	STATE OF CALIFORNIA		05/16/2014	1,000,000.00	1,009,510.00	1,010,654.79	2.250		2.000	1,642	05/01/2019
Subtotal and Average			6,812,370.66		8,085,000.00	8,138,831.70	8,155,428.16			3.189	1,405	
Medium Term Notes												
037833AQ3	5016	APPLE		05/15/2014	1,000,000.00	1,005,640.00	1,005,988.27	2.100		1.960	1,647	05/06/2019
084670BL1	5023	BERKSHIRE HATHAWAY		08/14/2014	1,000,000.00	1,005,490.00	1,004,527.66	2.100		2.000	1,747	08/14/2019

CITY OF HEMET
Portfolio Management
Portfolio Details - Investments
October 31, 2014

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
Medium Term Notes												
14912L6B2	5020	CATERPILLAR		06/09/2014	1,000,000.00	1,003,110.00	1,003,491.01	2.100	A	2.020	1,681	06/09/2019
36962G7G3	5014	G.E. CAPITAL CORP.		03/14/2014	500,000.00	508,450.00	509,014.24	2.300		1.932	1,535	01/14/2019
68389XAN5	5010	ORACLE		03/28/2013	500,000.00	498,365.00	500,718.22	1.200		1.150	1,079	10/15/2017
90261XHE5	5024	UBS AG STAMFORD CT		08/18/2014	500,000.00	500,920.00	501,909.11	2.375		2.290	1,747	08/14/2019
94974BFG0	5013	WELLS FARGO		04/26/2013	500,000.00	498,930.00	502,320.19	1.500		1.350	1,172	01/16/2018
Subtotal and Average			5,028,223.65		5,000,000.00	5,020,905.00	5,027,968.70			1.869	1,568	

Federal Agency Issues - Coupon												
3133EDA51	2274	FEDERAL FARM CREDIT BANKS		11/19/2013	500,000.00	500,385.00	500,000.00	1.810		1.810	1,479	11/19/2018
313381MV4	2254	FEDERAL HOME LOAN BANK		01/17/2013	500,000.00	496,005.00	500,000.00	1.050		1.050	1,173	01/17/2018
313383GY1	2261	FEDERAL HOME LOAN BANK		06/13/2013	500,000.00	495,825.00	500,000.00	1.170		1.170	1,320	06/13/2018
313383JZ53	2263	FEDERAL HOME LOAN BANK		06/27/2013	500,000.00	498,565.00	500,000.00	1.450		1.450	1,334	06/27/2018
3130A1GQ5	2276	FEDERAL HOME LOAN BANK		04/15/2014	500,000.00	500,050.00	500,000.00	2.070		2.070	1,626	04/15/2019
3134G37C8	2256	FEDERAL HOME LOAN MTG ASSOC.		04/17/2013	500,000.00	498,300.00	500,000.00	1.100		1.100	1,263	04/17/2018
3134G37H7	2257	FEDERAL HOME LOAN MTG ASSOC.		04/25/2013	500,000.00	498,835.00	500,000.00	1.150		1.150	1,271	04/25/2018
3134G47G7	2262	FEDERAL HOME LOAN MTG ASSOC.		06/26/2013	500,000.00	498,870.00	500,000.00	1.400		1.400	1,333	06/26/2018
3134G4BG2	2265	FEDERAL HOME LOAN MTG ASSOC.		07/17/2013	500,000.00	500,885.00	500,000.00	1.550		1.550	1,354	07/17/2018
3134G5GY5	2279	FEDERAL HOME LOAN MTG ASSOC.		09/19/2014	1,000,000.00	1,001,250.00	1,000,000.00	2.000		2.000	1,783	09/19/2019
3134G5KX2	2280	FEDERAL HOME LOAN MTG ASSOC.		10/30/2014	1,000,000.00	993,110.00	1,000,000.00	2.150		2.150	1,824	10/30/2019
3135G0NF6	2252	FEDERAL NTL MORTGAGE ASSOC.		08/21/2012	500,000.00	498,795.00	500,000.00	1.000		1.000	1,024	08/21/2017
3136G04U2	2253	FEDERAL NTL MORTGAGE ASSOC.		11/29/2012	500,000.00	496,605.00	500,000.00	1.000		1.000	1,124	11/29/2017
3135G0UN1	2255	FEDERAL NTL MORTGAGE ASSOC.		02/28/2013	500,000.00	496,925.00	500,000.00	1.150		1.146	1,215	02/28/2018
3135G0WN9	2258	FEDERAL NTL MORTGAGE ASSOC.		04/30/2013	500,000.00	493,235.00	500,000.00	1.000		1.000	1,276	04/30/2018
3136G1LB3	2259	FEDERAL NTL MORTGAGE ASSOC.		04/30/2013	500,000.00	497,135.00	500,000.00	0.750		0.740	1,276	04/30/2018
3135G0XG3	2260	FEDERAL NTL MORTGAGE ASSOC.		05/21/2013	500,000.00	493,710.00	500,000.00	1.000		1.000	1,297	05/21/2018
3136G23T2	2277	FEDERAL NTL MORTGAGE ASSOC.		08/27/2014	500,000.00	500,245.00	500,000.00	2.000		2.000	1,760	08/27/2019
3136G25Q6	2278	FEDERAL NTL MORTGAGE ASSOC.		09/18/2014	1,000,000.00	998,580.00	1,000,000.00	2.000		2.000	1,782	09/18/2019
Subtotal and Average			10,064,516.13		11,000,000.00	10,955,310.00	11,000,000.00			1.497	1,450	

Negotiable CDs												
02437PAG8	3173	AMERICAN NATIONAL BANK DALLAS		08/12/2013	248,000.00	248,000.00	248,000.00	1.250		1.251	1,015	08/12/2017
02587CAW0	3180	AMERICAN EXPRESS FSB		08/21/2014	247,000.00	251,330.95	247,000.00	2.100		2.101	1,754	08/21/2019
0606247B3	3176	BANK OF BARODA N.Y.		11/12/2013	248,000.00	248,000.00	248,000.00	2.150		2.151	1,473	11/13/2018
856284-E3-4	3147	BANK OF INDIA NEW YORK		04/27/2012	248,000.00	254,625.52	248,000.00	2.000		2.001	908	04/27/2017
17037TDV6	3169	CHOICE FINANCIAL GROUP		11/20/2012	248,000.00	246,711.89	248,000.00	1.000		1.001	1,115	11/20/2017

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CITY OF HEMET
Portfolio Management
Portfolio Details - Investments
October 31, 2014

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
Negotiable CDs												
20033AAG13	3168	COMENITY CAPITAL BANK		10/25/2012	249,000.00	248,318.54	249,000.00	1.050		1.065	1,089	10/25/2017
20451PEN2	3175	COMPASS BANK		09/25/2013	247,000.00	252,032.43	247,000.00	2.000		2.001	1,424	09/25/2018
20786AAL9	3177	CONNECTONE BANK N.J.		12/13/2013	247,000.00	250,065.96	247,000.00	1.850		1.851	1,503	12/13/2018
2546714X5	3181	DISCOVER BANK		08/27/2014	247,000.00	251,345.35	247,000.00	2.100		2.101	1,760	08/27/2019
29976DNY2	3166	EVERBANK		10/15/2012	248,000.00	248,000.00	248,000.00	1.000		1.001	1,080	10/16/2017
373128DS3	3167	GEORGIA BANK AND TRUST		10/17/2012	249,000.00	247,955.77	249,000.00	1.000		1.014	1,081	10/17/2017
36159CRZ1	3126	GE Money Bank		07/30/2010	247,000.00	250,773.12	247,000.00	2.400		2.400	271	07/30/2015
48124JSB5	3171	JP MORGAN CHASE BANK		01/28/2013	248,000.00	248,000.00	248,000.00	0.850		0.850	1,184	01/28/2018
628779FJ4	3178	NBT BANK		06/06/2014	247,000.00	248,343.38	247,000.00	1.800		1.801	1,678	06/06/2019
700654AV8	3182	PARK NATIONAL BANK		09/26/2014	249,000.00	254,251.76	249,000.00	2.100		2.099	1,606	03/26/2019
74267GUQ8	3179	PRIVATEBANK & TRUST CO.		07/21/2014	247,000.00	247,000.00	247,000.00	2.000		2.001	1,724	07/22/2019
7865803L2	3164	SAFRA NATIONAL BANK		09/27/2012	249,000.00	249,000.00	249,000.00	0.800		0.800	331	09/28/2015
795450NR2	3163	SALLIE MAE		07/25/2012	248,000.00	248,000.00	248,000.00	1.200		1.200	268	07/27/2015
909557CL2	3170	UNITED BANKERS' BANK		11/29/2012	249,000.00	248,229.02	249,000.00	1.100		1.115	1,124	11/29/2017
94986TMF1	3172	WELLS FARGO		03/28/2013	248,000.00	248,000.00	248,000.00	1.000		1.000	1,243	03/28/2018
Subtotal and Average			4,974,064.52		4,958,000.00	4,987,983.69	4,958,000.00			1.539	1,181	
Total and Average			60,733,334.08		60,419,230.33	60,504,375.06	60,517,627.19			1.170	699	

**CITY OF HEMET
Portfolio Management
Portfolio Details - Cash
October 31, 2014**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity
Average Balance			0.00	Accrued Interest at Purchase		31,333.89	31,333.89				0
				Subtotal		31,333.89	31,333.89				
Total Cash and Investments			60,733,334.08		60,419,230.33	60,535,708.95	60,548,961.08			1.170	699

CITY OF HEMET
Received Interest
Sorted by Issuer
Received October 1, 2014 - October 31, 2014

Issuer	CUSIP	Investment #	Security Type	Par Value	Current Rate	Date Due	Date Received	Interest		Variance
								Amount Due	Amount Received	
ATLANTIC CITY N.J.	048339SE6	5018	NCB	465,000.00	3.953	10/01/2014	10/01/2014	6,076.09	9,190.73	3,114.64
							Subtotal	6,076.09	9,190.73	
ATLANTIC CITY N.J.	048339SF3	5019	NCB	440,000.00	4.253	10/01/2014	10/01/2014	6,185.75	9,356.60	3,170.85
							Subtotal	6,185.75	9,356.60	
BMW BANK OF NORTH AMERICA, UT	05568PYZ4	3130	BCD	0.00	1.550	10/22/2014	10/23/2014	1,927.27	1,927.27	-
							Subtotal	1,927.27	1,927.27	
BANK OF HEMET	SYS3174	3174	BCD	494,000.00	0.500	10/06/2014	10/07/2014	203.01	203.01	-
							Subtotal	203.01	203.01	
BANK OF INDIA NEW YORK	856284-E3-4	3147	NC2	248,000.00	2.000	10/27/2014	10/28/2014	2,486.79	2,486.80	0.01
							Subtotal	2,486.79	2,486.80	
BANK OF THE WEST	SYS3144	3144	BCD	249,000.00	1.750	10/12/2014	10/15/2014	358.15	358.15	-
							Subtotal	358.15	358.15	
COMENITY CAPITAL BANK	20033AAG13	3168	NC2	249,000.00	1.050	10/25/2014	10/28/2014	217.88	214.89	-2.99
							Subtotal	217.88	214.89	
CONNECTONE BANK N.J.	20786AAL9	3177	NC2	247,000.00	1.850	10/13/2014	10/15/2014	375.58	375.58	-
							Subtotal	375.58	375.58	
EVERBANK	29976DNY2	3166	NC2	248,000.00	1.000	10/16/2014	10/16/2014	1,243.40	1,243.40	-
							Subtotal	1,243.40	1,243.40	
FEDERAL HOME LOAN BANK	3130A1GQ5	2276	FAC	500,000.00	2.070	10/15/2014	10/16/2014	5,175.00	5,175.00	-
							Subtotal	5,175.00	5,175.00	
FEDERAL HOME LOAN MTG ASSOC.	3134G37C8	2256	FAC	500,000.00	1.100	10/17/2014	10/21/2014	2,750.00	2,750.00	-
	3134G37H7	2257	FAC	500,000.00	1.150	10/25/2014	10/28/2014	2,875.00	2,875.00	-

CITY OF HEMET
Received Interest
Received October 1, 2014 - October 31, 2014

Issuer	CUSIP	Investment #	Security Type	Par Value	Current Rate	Date Due	Date Received	Interest		Variance
								Amount Due	Amount Received	
							Subtotal	5,625.00	5,625.00	
GEORGIA BANK AND TRUST	373128DS3	3167	NC2	249,000.00	1.000	10/17/2014	10/20/2014	207.50	204.66	-2.84
							Subtotal	207.50	204.66	
ORACLE	68389XAN5	5010	MTN	500,000.00	1.200	10/15/2014	10/15/2014	3,000.00	3,000.00	-
							Subtotal	3,000.00	3,000.00	
PARK NATIONAL BANK	700654AV8	3182	NC2	249,000.00	2.100	10/26/2014	10/28/2014	429.78	429.78	-
							Subtotal	429.78	429.78	
SOVEREIGN BANK	84603M2W5	3165	NC2	0.00	0.750	10/03/2014	10/03/2014	936.31	936.31	-
							Subtotal	936.31	936.31	
UNITED BANKERS' BANK	909557CL2	3170	NC2	249,000.00	1.100	10/28/2014	10/30/2014	228.25	225.12	-3.13
							Subtotal	228.25	225.12	
Total								34,675.76	40,952.30	
Total Cash Overpayment								6,285.50		
Total Cash Shortfall								-8.96		

CITY OF HEMET
Received Interest
Received October 1, 2014 - October 31, 2014

Issuer	CUSIP	Investment #	Security Type	Par Value	Current Rate	Date Received	Interest
							Amount Received
Cash Accounts							
BANK OF NEW YORK	SYS5009	5009	PA1	597,746.90		10/03/2014	21.42
						Subtotal	21.42
Citibank	SYS5001	5001	PA1	570,451.30	0.450	10/31/2014	70.54
						Subtotal	70.54
CITIBANK3	SYS5004	5004	PA1	5,040,693.86	0.450	10/31/2014	761.93
						Subtotal	761.93
LOCAL AGENCY INVESTMENT FUND	SYS1001	1001	LA1	23,235,378.87	0.260	10/15/2014	19,179.20
						Subtotal	19,179.20
RABOBANK	SYS5011	5011	PA1	200,126.93	0.260	10/07/2014	126.93
						Subtotal	126.93
						Total	20,160.02

Local Agency Investment Fund
 P.O. Box 942809
 Sacramento, CA 94209-0001
 (916) 653-3001
 CITY OF HEMET

www.treasurer.ca.gov/pmia-laif/laif.asp
 November 03, 2014

CITY TREASURER
 445 EAST FLORIDA AVENUE
 HEMET, CA 92543-4209

PMIA Average Monthly Yields

Account Number:
 98-33-362

Tran Type Definitions

October 2014 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
10/15/2014	10/14/2014	QRD	1447534	SYSTEM	19,179.20

Account Summary

Total Deposit:	19,179.20	Beginning Balance:	23,216,199.67
Total Withdrawal:	0.00	Ending Balance:	23,235,378.87

Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001
HEMET

www.treasurer.ca.gov/pmia-laif/laif.asp
November 03, 2014

TREASURER
445 EAST FLORIDA AVENUE
HEMET, CA 92543-4209

PMIA Average Monthly Yields

Account Number:
65-33-006

Tran Type Definitions

October 2014 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	0.00
Total Withdrawal:	0.00	Ending Balance:	0.00

HEMET REDEVELOPMENT AGENCY
Cash W/Fiscal Agent: US BANK and LAIF
1999 TAX ALLOCATION BONDS/RDA

Date	Activity	98510810 496-1502 Interest Fund	98510811 Principal Fund	98510812 Sinking Fund	98510813 496-1503 Reserve Fund	98510814 Redemption Fund	98510815 390-1502 Cost of Issuance	RDA 390-1503 Acquisition Fund	TOTAL All Accounts
	BALANCE	8.36	0.66	0.00	607,203.12	0.00	0.00	(0.00)	607,212.14
7/31/2014	Interest				8.00				8.00
	Interfund transfer								0.00
	Debt Service from City of Hemet								0.00
	Debt Service Payment								0.00
	BALANCE	8.36	0.66	0.00	607,211.12	0.00	0.00	(0.00)	607,220.14
8/31/2014	Interest				8.26				8.26
	Interfund transfer								0.00
	Debt Service from City of Hemet								0.00
	Debt Service Payment								0.00
	BALANCE	8.36	0.66	0.00	607,219.38	0.00	0.00	(0.00)	607,228.40
9/30/2014	Interest				8.26				8.26
	Interfund transfer	49.04			(49.04)				0.00
	Debt Service from City of Hemet	157,743.85	314,999.34						472,743.19
	Debt Service Payment	(157,801.25)	(315,000.00)						(472,801.25)
	BALANCE	0.00	0.00	0.00	607,178.60	0.00	0.00	(0.00)	607,178.60
10/31/2014	Interest	0.35	0.69		8.00				9.04
	Interfund transfer								0.00
	Debt Service from City of Hemet								0.00
	Debt Service Payment								0.00
	BALANCE	0.35	0.69	0.00	607,186.60	0.00	0.00	(0.00)	607,187.64

First American Treas Oblig CL D Corp Tr	607,187.64
Money Market/RDA	<u>607,187.64</u>
	0.00

CITY OF HEMET
Cash W/Fiscal Agent: US BANK
2006 Refunding Bonds Series Heartland Project

Date	Activity		103852000 788-1508 Bond	103852001 788-1508 Prepayment	103852002 Special	103852003 788-1510 Escrow	103852004 788-1502 Cost of	103852005 788-1506 Reserve	TOTAL
	BALANCE	0.00	0.00	3,002,471.66	(0.00)	0.00	0.00	466,136.25	3,468,607.91
7/31/2014	Interest								0.00
	Transfer funds								0.00
	City of Hemet								0.00
	Debt Service								0.00
	Khov prepay (31 lots)								0.00
	Trust fees								0.00
	BALANCE	0.00	0.00	3,002,471.66	(0.00)	0.00	0.00	466,136.25	3,468,607.91
8/31/2014	Interest								0.00
	Transfer funds			259,046.25					259,046.25
	City of Hemet								0.00
	Debt Service								0.00
	Khov prepay (31 lots)								0.00
	Trust fees								0.00
	BALANCE	0.00	0.00	3,261,517.91	(0.00)	0.00	0.00	466,136.25	3,727,654.16
9/30/2014	Interest								0.00
	Transfer funds		3,150,741.25	(2,958,746.25)				(191,995.00)	0.00
	City of Hemet								0.00
	Debt Service		(2,958,746.25)						(2,958,746.25)
	Khov prepay (31 lots)								0.00
	Trust fees								0.00
	BALANCE	0.00	191,995.00	302,771.66	(0.00)	0.00	0.00	274,141.25	768,907.91
10/31/2014	Interest								0.00
	Transfer funds								0.00
	City of Hemet								0.00
	Debt Service								0.00
	Khov prepay (31 lots)								0.00
	Trust fees								0.00
	BALANCE	0.00	191,995.00	302,771.66	(0.00)	0.00	0.00	274,141.25	768,907.91

First American Treasury Oblig	768,907.91	
US Treasury Notes, various		not carried on COH books
Misc Assets	1.00	
	<u>768,908.91</u>	
Cash held by FA, net of Escrow acct	768,907.91	
	0.00	

HEMET REDEVELOPMENT AGENCY
Cash W/Fiscal Agent: US BANK and LAIF
2002 TAX ALLOCATION BONDS/RDA

Date	Activity	98510818	98510819		98510816	98510815	98510817	RDA		TOTAL All Accounts
		496-1504 Interest Fund	Principal Fund	Sinking Fund	496-1506 Reserve Fund	Redemption Fund	389-1502 Cost of Issuance	389-1503 Acquisition Fund		
	BALANCE	6.76	0.32	0.00	477,088.16	0.00	(0.00)	0.00		477,095.24
7/31/2014	Interest				6.28					6.28
	Interfund transfer									0.00
	Debt Service from City of Hemet									0.00
	Debt Service Pmt									0.00
	BALANCE	6.76	0.32	0.00	477,094.44	0.00	(0.00)	0.00		477,101.52
8/31/2014	Interest				6.49					6.49
	Interfund transfer									0.00
	Debt Service from City of Hemet									0.00
	Debt Service Pmt									0.00
	BALANCE	6.76	0.32	0.00	477,100.93	0.00	(0.00)	0.00		477,108.01
9/30/2014	Interest				6.49					6.49
	Interfund transfer	38.52	(150,000.00)		(38.52)					(150,000.00)
	Debt Service from City of Hemet	156,917.23	149,999.68							306,916.91
	Debt Service Pmt	(156,962.51)								(156,962.51)
	BALANCE	0.00	0.00	0.00	477,068.90	0.00	(0.00)	0.00		477,068.90
10/31/2014	Interest	0.34	0.33		6.28					6.95
	Interfund transfer									0.00
	Debt Service from City of Hemet									0.00
	Debt Service Pmt									0.00
	BALANCE	0.34	0.33	0.00	477,075.18	0.00	(0.00)	0.00		477,075.85
	First American Treas Oblig CL D Corp Tr		477,075.85							
	LAIF/RDA		0.00							
			<u>477,075.85</u>							
			0.00							



Staff Report

TO: Honorable Mayor and Members of the Hemet City Council
FROM: Jessica Hurst, Deputy City Manager/Administrative Services
Wally Hill, City Manager *Wally Hill*
DATE: January 13, 2015
RE: 2014 Comprehensive Annual Financial Report (CAFR)

RECOMMENDED ACTION:

It is recommended that the City Council receive and file the 2014 Comprehensive Annual Financial Report (CAFR).

BACKGROUND:

The City's independent auditor, Van Lant & Fankhanel CPA, LLP has completed the annual audit of the City's financial statements for FY 2013-2014. The audit report is distributed to the City Council, federal and state government agencies per contract requirements, bond holders, rating agencies and financial institutions, and is made available in the library, on the City's website, and at City Hall for interested citizens.

Respectfully submitted,

Jessica Hurst
Deputy City Manager/Administrative Services



Staff Report

TO: Honorable Mayor and Members of the City Council

FROM: Jessica A. Hurst, Deputy City Manager/Administrative Services
Wally Hill, City Manager *Wally Hill*

DATE: January 13, 2015

RE: Amendment of Certain User Fees

RECOMMENDATION:

It is recommended that the City Council approve Resolution No. 14-081 to amend certain fees for service adopted by Resolution No. 4603.

BACKGROUND:

In 2012, the City contracted with Willdan Financial Services (Willdan) to prepare a Comprehensive Fee Schedule (CFS) to determine the true costs of City provided services, and recommendations for changes in the fees charged for those services. The CFS required input from virtually every City department to determine the direct, indirect and overhead costs of each service. As a part of the process to determine the actual costs of providing services, the City contracted with Willdan to prepare a Cost Allocation Plan (CAP) to determine indirect and overhead costs based on budgeted amounts to be included in staff's fully-burdened hourly rate; budgeted costs are used to ensure the most up-to-date costs are captured rather than previous year actual costs which may not represent the current service model and are not available for several months into the new fiscal year. The CAP was presented to the City Council at its July 22, 2014 meeting.

On September 23, 2014, the City Council opened a public hearing to elicit public comment regarding new and changed City fees for service per the Comprehensive Fee Schedule. On October 14 the City Council adopted Resolution No. 4603 updating City fees for service per the Comprehensive Fee Schedule. Since that time, through collaboration with the Building Industry Association (BIA), various building fees were reviewed and updated.

On December 9, 2014, the City Council was presented with updated building fees as a result of the collaboration with the BIA. At that time, Councilmember Raver expressed concern about the fee calculation methodology and how some fees would be administered. He requested the ordinance and resolution to update and adopt the user fees be brought back in January to allow time for staff to address specific questions and concerns; responses are attached to this staff report.

ANALYSIS:

The City charges user fees for various services provided by the departments. The majority of the fees, both in number and in dollar impact, are in the Planning, Building, Code Enforcement divisions, and the Engineering department. The CFS prepared by Willdan analyzed the cost of providing those services. By State law, the City cannot charge more than the cost of the service. A majority of the fees previously in place had not been updated since 2005 or longer. Based on the actual costs to provide services, the CFS was updated to capture 100% of the cost for most services.

The process for adopting the Comprehensive Fee Schedule included a public hearing and adoption of a resolution to set the fee amounts; adoption of an ordinance to authorize the fees has not yet been approved. Through the public hearing process the Building Industry Association (BIA) expressed concern over the methodology used to determine several building-related fees. In response to the BIA’s concerns, staff reviewed all building fees which resulted in an additional adjustment of seven (7) fees. The revised fees continue to represent 100% cost recovery for those activities.

In order to enact the updated fees, Resolution No. 14-081 is being presented to Council for approval. Only those fees presented as Exhibit A to the resolution will be updated; all other approved fees will remain at their adopted rates. Upon adoption of Ordinance Bill No. 14-066, the fees will become effective following a 60-day waiting period.

FISCAL IMPACT:

The Fiscal Year 2014-15 Budget assumes an additional \$510,000 in revenue due to new and changed fees for service; however, the true effects of these changes are unknown at this time. The actual effect will depend on the level of building activity that the City experiences.

Respectfully submitted,



Jessica A. Hurst
Deputy City Manager/
Administrative Services

Approved:



Wally Hill
City Manager

ATTACHMENT:

- 1) Responses to fee questions
- 2) Resolution No. 14-081

Responses to fee questions
(as conveyed by Councilmember Raver)

Police fees

#5 – DUI Accident Investigation

Per Government Code 53150 any person who is under the influence of alcohol or drugs whose negligent operation of a motor vehicle causes an incident resulting in an emergency response is liable for the expense to the public agency. Thus, the suspect or operator is the one that is charged. The Code does not require conviction but does state the person must have mental or physical abilities impaired to a degree that he/she can no longer operate a vehicle safely.

#21 – Traffic collision w/injury

#22 – Traffic collision without injury

Accident report copy fees. A traffic collision report can be released to any “involved party,” driver, injured passenger, attorney, owner of damaged property, etc.

Police fees are billed by the Police Department Records Bureau or Finance, depending on the particular fee being assessed.

Fire fees

#127 through #132 – Incident response recovery – Motor vehicle accidents

These charges are assessed whenever the Hemet FD responds to a traffic collision and performs the tasks labeled in each section (i.e. 127 Level 1 Response – HazMat assessment and scene stabilization). Once the RMS report is completed it is ready to be downloaded. Every evening at 5pm SPT the reports are downloaded into Fire Recovery USA’s database. They are in drafts form that will await review, additional information and then possible submittal by an employee of the Hemet FD.

The fees are “triggered” when they are reviewed, approved and then submitted for billing. If the call is uncollectable for a number of reasons it is deleted out of the database.

There is no minimum amount of “leakage” that triggers the cleanup fee. Only water is allowed into storm drains, so any and all fluids necessitate cleanup utilizing absorbent.

#139 through #141 – Incident response recovery – Fire/fire investigation

This billing section is also handled by the contract company Fire Recovery USA. Each report is reviewed and either deleted or submitted. The criteria used to determine submittal for billings is dependent upon the outcome of the investigation. If the investigator determines the fire to be accidental or caused by means outside of the occupants control (i.e. act of God) then the bill is deleted. If the occupant caused the fire but it was not a criminal act but an unsafe act then it will be submitted for billing. All bills are submitted to the responsible parties insurance. If they are underinsured or

noninsured then they will receive a bill directly. Also if the fire is a small contained fire and required minimal firefighting efforts, regardless of the cause, the bill will be deleted.

#147 and #150 through #154 – Incident response recovery – various staff and equipment

Fees for additional staff and equipment are assessed whenever additional support is needed or for incident situations not covered within other fees. Fees are charged based on actual services provided. The criteria used to determine submittal for billings is dependent upon the outcome of the investigation (see #139 through #141 above).

#148 – New construction – additional plan review

Charges for additional plan review necessitated by the submitter. Fire prevention fees are generated from the following activities:

- Plan review
- New construction inspections
- State mandated inspections
- General mandated – business occupancies
- Complaint generated inspections

#149 – Incident response recovery – skilled nursing facilities non-emergency situations

Charges are assessed whenever the Hemet FD responds to an occupant lift assist inside of a skilled nursing facility. The facility is assessed the fee, not the occupant. Billing is not in addition to any other billings.

#159 – Fire report

This fee is assessed whenever a customer requests a copy of a fire report.

Additional information

HFD in concert with Fire Recovery USA has adopted a “soft recovery” approach to collecting fees – this allows for HFD to review and make exceptions to fee recovery should the customer be in severe financial hardship. This is on a case by case basis and only after review and approval through the Office of the Fire Chief. Fire incident recovery fees have averaged approximately \$20,000 annually since fiscal year 2010.

Current Collection Statistics

	YTD \$	YTD Claims	Rate	All Time \$	All Time Claims	Rate
Collected	\$4,364.68	7	100%	\$237,943.45	494	80%
Denied	\$0.00	0	0%	\$71,117.50	124	20%
Non-Billable (No Coverage)	\$0.00	3		\$135,130.00	396	

	YTD \$	YTD Claims	Rate	All Time \$	All Time Claims	Rate
Non-Billable (Insufficient Info)	\$0.00	9		\$43,387.50	146	

Currently In Progress

	# Claims	Total
In Progress	127	\$71,030.15

Incident Driven

An important component of HFD's cost recovery efforts is participation under the "Agreement for Local Government Fire and Emergency Assistance to the State of California and Federal Fire Agencies" which allows for cost recovery – example, HFD processed over \$200,000 this fiscal year through Cal OES for its participation in several fires in the State of California, capturing the cost of personnel and in some cases equipment. The agreement includes the agreed upon hourly/ paid rate, as well as cost for daily rates of vehicle types – typically HFD participates in this process by sending an engine to participate as part of a strike team. Strike team resources are assigned so as to ensure there are no daily operational impacts to the City.



**CITY OF HEMET
Hemet, California
RESOLUTION BILL NO. 14-081**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF HEMET, CALIFORNIA, AMENDING CERTAIN USER
FEES ADOPTED BY RESOLUTION NO. 4603**

WHEREAS, the City Council ("Council") of the City of Hemet ("City") adopted Resolution No. 4603 setting user fees on October 14, 2014 pursuant to Government Code sections 66016 and 66018; and,

WHEREAS, the City Council, after receipt of stakeholder input and further analysis, desires to change the dollar amount of certain previously approved user fees.

NOW, THEREFORE, the City Council of the City of Hemet does hereby resolve:

1. Findings. The City Council hereby finds that

a. The above-referenced recitals are true and correct and material to this Resolution.

b. The adoption of this Resolution is not subject to CEQA review pursuant to CEQA Guideline 15378(b)(4), which provides that the creation of government funding mechanisms or other government fiscal activities that do not involve any commitment to any specific project are not projects subject to CEQA review.

c. The user fees established by this resolution reflect the City's actual and reasonable costs of providing the services for which the fees are charged.

2. Amendment of Certain User Fees. The dollar amount of certain user fees previously adopted by the City Council in Resolution No. 4603 are hereby changed as set forth in Exhibit A, which is attached hereto and incorporated by this reference.

3. Effect on Prior Resolutions. To the extent that this resolution approves fees that overlap and are inconsistent with previous resolutions setting fees, this resolution supersedes those previous resolutions. This resolution does not supersede any previous resolution setting fees that are not included in Exhibit A to this resolution.

4. Severability. If any action, subsection, sentence, clause or phrase of this Resolution or the fees levied by this Resolution shall be held invalid or unconstitutional by a court of competent jurisdiction, such invalidity shall not affect the validity of the

City of Hemet

Community Development Fees

Exhibit A

Ref #	Department	Major Group	Group	Fee	Project Threshold	Rate	Unit	To/From Party / Direct Costs	Reported Costs		Targeted Costs	
									Full Cost	Share of Fee	Level Fee	Recamended Fee
142	Building	Assembly	Assembly TI: IIB, IIIB, VB	Assembly - Tenant Improvement Permit	0.0047	x FBHR SBI Ea Additional Sq. Ft.	1,250		\$ 3,643.80	Estimate	100%	\$ 3,643.80
166	Building	Business	Business: IIA, VA, IV	Shell Group B Building Inspection	0.0012	x FBHR SBI Ea Additional Sq. Ft.	3,000		\$ 3,110.98	\$ 7,438.20	100%	\$ 3,110.98
305	Building	Mercantile	M: IIA, IIIA, VA, IV	Mercantile: Retail Market Building Permit	0.0023	x FBHR SBI Ea Additional Sq. Ft.	5,000		\$ 4,396.09	\$ 6,259.96	100%	\$ 4,396.09
391	Building	Residential	R-3 Single Family Dwelling	Residential: Single Family Dwelling Building Permit	0.0072	x B11 Time for ea sq. ft.	1,500		\$ 1,432.03	\$ 3,168.19	100%	\$ 1,432.03
392	Building	Residential	R-3 Single Family Dwelling Production	Residential: Single Family Dwelling Building Permit Production	0.00525	x B11 Time for ea sq. ft.	1,500		\$ 1,245.01	\$ 2,376.08	100%	\$ 1,245.01
415	Building	Residential	Room Addition	Room Addition Building Permit			833		\$ 2,094.16	Estimate	100%	\$ 2,094.16
417	Building	Residential	Room Addition	Room Addition Building Permit			1,250		\$ 2,744.35	Estimate	110%	\$ 2,744.35



**CITY OF HEMET
Hemet, California
ORDINANCE BILL NO. 14-066**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF
HEMET, CALIFORNIA, AMENDING SECTIONS 2-379 AND 2-380
OF THE HEMET MUNICIPAL CODE REGARDING USER FEES.**

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WHEREAS, Section 2-379 of the Hemet Municipal Code, which was last revised in 2008, authorizes certain fees to be collected by the City; and

WHEREAS, on September 23, 2014, the City received the "Comprehensive User Fee Study Report" prepared by Willdan Financial Services ("User Fee Study") to determine the true costs of delivering City services, and the new User Fee Study includes various new and renamed user fees that are not included in Section 2-379; and

WHEREAS, the City Council has determined that it is appropriate to recover the costs of certain services through fees charged to the individuals and entities receiving those services; and

WHEREAS, the City Council desires to amend Section 2-379 to reflect the new list of user fees contained in the User Fee Study; and

WHEREAS, Section 2-380 of the Hemet Municipal Code states the procedure for establishing new user fees or increasing existing user fees; and

WHEREAS, Section 2-380 references Government Code sections that have been repealed; and

WHEREAS, the City Council desires to revise Section 2-380 to remove references to repealed code sections and clarify that increases in fees due to an approved annual escalator are not subject to the public notice and hearing requirements of that section.

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**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF HEMET DOES
HEREBY ORDAIN AS FOLLOWS:**

SECTION 1: AMEND SECTION 2-379. Section 2-379 of the HMC is hereby amended to read as shown in Exhibit A to this Ordinance.

SECTION 2: AMEND SECTION 2.380. Section 2-380 is amended to read as follows:

"2-380. Public hearing on new or increased fees

(a) Prior to adopting any new or increased fees, the City Council shall hold at least one public hearing on the new or increased fees. The city clerk shall cause notice of the public hearing to be published as set forth in Government Code § 6062a.

(b) The City Council may approve annual fee increases tied to a set escalator for any new or increased fee for which a public hearing was held pursuant to subsection (a) of this section and the escalator was approved as a part of that proceeding. A noticed public hearing pursuant to subsection (a) of this section is not required prior to any such fee increase."

SECTION 3: SEVERABILITY.

If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance is, for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance, and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared invalid or unconstitutional.

SECTION 4: EFFECTIVE DATE.

This Ordinance shall take effect sixty (60) days from its passage by the City Council of the City of Hemet.

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SECTION 5: PUBLICATION.

The City Clerk is authorized and directed to cause this Ordinance to be published within fifteen (15) days after its passage in a newspaper of general circulation and circulated within the City in accordance with Government Code Section 36933(a) or, to cause this Ordinance to be published in the manner required by law using the alternative summary and pasting procedure authorized under Government Code Section 39633(c).

INTRODUCED at the regular meeting of Hemet City Council on October 14, 2014.

APPROVED AND ADOPTED this 13^h day of January, 2015.

Linda Krupa, Mayor

ATTEST:

APPROVED AS TO FORM:

Sarah McComas, City Clerk

Eric S. Vail, City Attorney

1 State of California)
2 County of Riverside)
3 City of Hemet)

4 I, Sarah McComas, City Clerk of the City of Hemet, do hereby certify that the
5 foregoing Ordinance was introduced and first read on the 14th day of October, 2014,
6 and had its second reading at the regular meeting of the Hemet City Council on the 13th
7 day of January, 2015, and was passed by the following vote:

8 **AYES:**

9 **NOES:**

10 **ABSTAIN:**

11 **ABSENT:**

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13 Sarah McComas, City Clerk

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EXHIBIT A

Sec. 2-379. Schedule of fees and service charges.

(a) The City is authorized to collect fees for the services listed in this subsection. The amount of each fee shall be set by resolution of the City Council.

BUILDING FEES

Plan Check & Plan Review
Building Permit
Inspections
Assembly Vanilla (Empty): Shell to TI
Addressing
Residential Carport - Standard City of Hemet Handout
Deck & Balcony – Standard Plan
Block Wall – Standard Plan
Certificates of Occupancy
Change of Occupancy Use
Demolition Permit
Drywall repair permit
Electrical Meter Pedestal
Electrical Panel Upgrade
EVR Upgrade
Fence
Fire Damage Assessment
HVAC Replacement
Training Fee
Computer Fee
Plan Storage
Microfilm/Scanning
Patio Cover - Standard Nationally Recognized Approved Plan
Re-roofing
Residential Siding
Sewer hookup
Sewer repair
Spa/hot tub permit
Spray booth permit
Stucco – Application to existing home
Residential swimming pools
Temporary utilities
Underground utilities to shed
Replacement wall heater
Replacement water heater
Replacement windows
Mechanical permits
Plumbing permits
Electrical permits

CITY CLERK FEES

Copying and Printing Service
Clerk Certification
Research Service
Minute/Agenda Mailing Service - With Stamped Envelope Provided
Minute/Agenda Mailing Service - Without Stamped Envelope Provided
City Clerk Document Research
City Clerk Documents Covered Under Fair Political Practices Commission Regulations
(electronic or hard copy)
Faxing of City Documents per Statute
Municipal Code Update Service
Title 17 Packet Service

Electronic document request (Technology)
City Clerk Documents Covered Under Fair Political Practices Commission Regulations
(Research fee)

ENGINEERING FEES

Plan Checking: Grading (Clear & Grub - Stockpile - Mass – Rough)
Plan Checking: Precise Grading
Plan Checking: Erosion & Sediment Control Plans
Plan Checking: Storm Water Pollution Prevention Plan (SWPPP)
Grading Permit issuance
Grading Permit extensions and renewals
Grading Plan revisions
Traffic Control Plans
Encroachment Permits
Improvement Plan reviews
Permit issuance for on/off-site improvements
Improvement Plan revisions
Plan storage and scanning
Easement dedication
Easement vacation
Summary street vacation
Parcel maps
Parcel map waiver
Reversion to acreage
Final maps
Subdivision improvement agreements and bond processing
Bond replacement/reduction
Record of Survey
Amended map
Certificate of Compliance
Certificate of Correction
Centerline Ties Review
Landscape and Lighting Maintenance District (LLMD) Formation
LLMD Processing

Traffic Impact Analysis
Conditional Letter of Map Revision
Letter of Map Revision
Letter of Map Amendment
Elevation Certificate
Flod Zone Clearance Letter/FIRmette
Hydrology and Hydraulics study
Water Quality Management Plan (WQMP) - Preliminary and Final
Inspections: Grading (Clear & Grub - Stockpile - Mass – Rough)
Inspections: Precise Grading
Inspections: Erosion and Sediment Control Plans
Special Inspections
Improvements Inspections
Traffic control inspections
SWPPP Inspection
WQMP Facilities Inspection
WQMP Annual Inspection
Driveways
Curb and Core
Block Party
Excavations
Transportation Permits
Documents/Plans Research

FINANCE FEES

Returned Check Processing
Copying and Printing

FIRE FEES

Scanning of Submitted Documentation and File Retention
Technology Support
Plan Check Residential Fire Alarm & Life Safety Systems
Permit/Inspection Residential Fire Alarm & Life Safety Systems
Plan Check New Fire Alarm System
Inspection New Fire Alarm System
Plan Check Tenant Improvement Fire Alarm
Inspection Tenant Improvement Fire Alarm
Plan Check Fire Sprinkler System
Inspection Fire Sprinkler System
Plan Check Tenant Improvement Fire Sprinkler
Inspection Tenant Improvement Fire Sprinkler
Plan Check ESFR System
Plan Check Standpipe Piping
Inspection Standpipe Piping
Plan Check Underground Piping
Inspection Underground Piping
Plan Check Hood & Duct Systems

Inspection Hood & Duct Systems
Plan Check Fire Pump
Inspection Fire Pump
Plan Check Special Suppression System
Inspection Special Suppression System
Plan Check Medical Gases
Inspection Medical Gas Systems
Plan Check Industrial Gases
Industrial Gases Inspection
Plan Check Expedite Request
Inspection Expedite Request
Plan Review Special Event
Special Event Expedite Request
Off-Hours Inspection Request
Weekend Or Holiday Inspection Request
Special Event, Pre-Event Inspection Services
Occupant Load
New Occupancy
New construction plan review and inspection
Pre-submittal Review
Fire, Life Safety Or Special Hazard Consultation
Closure Report Review
RMPP Consultation Review
Fire Lane Plan Review (Fire Master Plan)
Fuel Modification Plan Revision Review (Change to Existing Plan)
Appeal for Alternate Methods and Materials
Appeal of Alternate Methods and Materials to the Board of Appeals
Appeal of a ruling by the Fire and/or Building Code Official
Plan Check Tank Installation Or Removal Above Or Below Ground
Inspection Tank Installation Or Removal Above Or Below
Plan Check Hazardous Materials Piping
Inspection Hazardous Materials Piping
Initial Plan Review Hazardous Processes Or Occupancies
Annual Permit Hazardous Processes Or Occupancies
Hazardous Processes Or Occupancies, Single Event Permit
State Mandated Inspections
Hazardous Materials Business Plan, Inventory Disclosure And Applicable Permit
Incident Response Recovery, Motor Vehicle Accidents
Incident Response Recovery, Hazardous Materials
Incident Response Recovery, Pipeline and Power Line Incidents
Incident Response Recovery, Fire/Fire Investigation
Incident Response Recovery, Water Incidents
Incident Response Recovery, Special Rescue
Incident Response Recovery, Chief Officer Response
Incident Response Recovery, Skilled nursing facilities non-emergency situations
Mobile Home Park inspection

Engine Company inspection
Fire Report
Hazardous Materials Review and Inspection
Fire False Alarm Response
Weed Inspection/Abatement
Private Fire System Flow test
Fire Suppression Stand-By
Community Care Facility Pre-Inspection
CA Fire Code/International Fire Code Required Permits

LIBRARY FEES

Late fees for all materials
Replacement fees
Copies and printing
Public fax
Collection agency fees
Replacement Card
Visitors Card
Buying computer time
Passport processing
Conference Room Rental
Main Hall/ Kitchen Rental
Half Hall/ No Kitchen Rental
Preparation
Cleanup

PLANNING AND CODE ENFORCEMENT FEES

ABC Review- Finding of Public Convenience and Necessity (Director Review)
Administrative Use Permit Modification
Administrative Use Permit
Administrative Adjustment
Adult Business Permit
Airport Influence Area Review
Airport Compatibility Study Review
Annexation
Appeal of Community Development Director Decision
Appeal of Planning Commission Decision
Auto Center Plan Review - Site Development Review
CEQA: Environmental Impact Report
CEQA: Initial Study w/Mitigated Negative Declaration
CEQA: Initial Study w/Negative Declaration
CEQA: Categorical Exemption
Certificate of Compliance (Not Including Lot Line Adjustment)
City attorney review/meetings
Amendment to conditions of Approval
Conversion from Senior Housing Permit
Conversion to condominiums

CUP – major
CUP – minor
CUP – modification
Density Bonus Agreement
Determination of Use
Development Agreement
Development Agreement Amendment
Downtown Project Review- major
Downtown Project Review-minor
Extension of Time – director review
Extension of Time – planning commission review
Foreclosure Registration and Re-registration
Garage Sale Permit
General Plan Amendment
GIS Mapping Fee
Habitat Acquisition & negotiation Strategy (HANS) Application
Home Occupation Permit
Homemade Food Operator Permit
Homemade Food Operator Permit Annual Renewal
Lot Line Adjustment
Environmental Mitigation Monitoring
Mobile Home Park conversion
Model home plan complex
Parcel map waiver
Planned Community Development
Planned Community Development Amendment
Planned Unit Development
Planned Unit Development Amendment
Planning Research fee
Preliminary Review (DRC)
Public Hearing Notice Publication fee (Newspaper ad)
Public Hearing Notice Property Radius Mailing (mailed notice)
Residential Rental Registration and Inspection Program fees
Shopping cart impound fee (Public Works)
Shopping cart plan containment plan review
Site Development Review - Minor
Site Development Review - Major
Site Development Review Modification- Minor
Site Development Review Modification- Major
Sign permit review
Sign Program review
Sign Program amendment
Small Group Home Permit
Specific Plan
Specific Plan Amendment

Sphere of Influence amendment
Subdivision – Reversion to acreage or lot merger
Subdivision- Amended Final Map
Substantial Conformance Determination- Subdivision/SDR/CUP
Technical Study Review
Temporary Sign/Banner Permit
Temporary Use Permit
Tentative Map Revision/Resubmitted Map
Tentative Tract Map
Tentative Tract Map - Vesting
Tentative Parcel Map
Variance
Zone Change
Zoning/Planning letter
Zoning Ordinance amendment
Code Compliance reinspection

POLICE FEES

Animal Control Services - Dog License, Neutered
Animal Control Services - Dog License, Non Neutered
Animal Control Services - Disposal
Animal Control Services - Shelter
DUI Accident Investigation
Abandoned Vehicle Removal
Crime Scene Photo Reproduction
Concealed Weapons Investigation
False 911 calls
Civil Subpoenas
Massage Establishment Inspection
Firearms Dealers
Photographs
Other Agency Citation: Non-Resident/Resident. HPD Citation
Duplicate Citations
Towing Fee
Massage Technician/Establishment Hearing
Gun Storage Admin Fee
Police Report (Non-Collision Report)
Call for Service
Traffic Collision w / injury Report
Traffic Collision without injury Report
Agency Live-scan fee
Subpoena Fee: Clerical Retrieval
Subpoena Fee: Copies up to 8.5 x 14
Bicycle License
Repossession Fee
VIN Verification
Vehicle Impound Fee

Statistical Report (per location)

Clearance Letter

Witness Fee (Civil)

Taxi Vendors HPD Inspection/admin processing

Ice Cream Vendors HPD Inspection/admin processing

2nd Hand Dealer / Pawn Broker HPD Clerical/Admin DOJ License Processing Recovery

(b) The fees listed in this section shall be as defined in that certain document entitled "Comprehensive User Fee Study Report" dated September 2014, prepared by Willdan Financial Services and approved by the City Council.

(c) The city manager, finance director and each city department head, under the direction of the city manager, shall periodically review the fees listed in subsection (a) and make recommendations to the City Council as to whether any fees should be removed or added to subsection (a)."



AGENDA # 18

Staff Report

To: Honorable Mayor and Members of the City Council

From: Jorge Biagioni, Director of Engineering/City Engineer
Wally Hill, City Manager *Wally Hill*

Date: January 13, 2015

Subject: Speed Limits Approval
Traffic and Parking Commission Recommendation
From its regular meeting of December 9, 2014

RECOMMENDED ACTION:

That the City Council adopts Resolution Bill No. 15-001, approving speed limits for various street segments.

BACKGROUND: Radar speed surveys were conducted in June/July 2014 for various City streets, as required by law. In order to enforce radar speeding tickets it is required that radar speed surveys be completed every five years.

ANALYSIS:

An engineering survey was conducted, for each segment, to determine the eighty-five percentile (85%) speed of the corresponding reach. With this information and the physical condition of the surrounding areas, a maximum speed limit was determined, resulting in ten (10) increases, twenty (20) reductions, forty two (42) with no changes, and one (1) new posting.

A summary sheet of all studied segment is attached.

FISCAL IMPACT: No impact to the General Fund. The work for this item will be performed by City forces, and will be funded by the existing operating budget in the Gas Tax Fund No. 221-4200-2450.

Respectfully submitted,

Jorge Biagioni, P.E.
Director of Engineering/City Engineer

CITY OF HEMET
2014 SPEED SURVEY SUMMARY
 Surveys completed in June/July 2014

	STREET	SEGMENT	POSTED SPEED	RECOMMENDED SPEED
1	Acacia Ave.	SR-74 to Sanderson	45	40
2		Sanderson to Kirby	40	35
3		Kirby to Lyon	35	35
4		Lyon to Gilbert	35	30
5		Gilbert to State	35	30
6		State to San Jacinto	30	30
7	Columbia St.	Park to Devonshire	35	35
8	Devonshire Ave.	Myers to Sanderson	40	40
9		Sanderson to Kirby	35	30
10		Kirby to Lyon	35	30
11		Lyon to State	35	30
12		State to San Jacinto	30	30
13		San Jacinto to Girard	30	30
14		Girard to Cornell	35	30
15	Esplanade Ave.	Sanderson to Kirby	45	40
16		Kirby to Lyon	45	40
17		Lyon to State	45	40
18	Girard St.	Florida to Devonshire	30	30
19		Devonshire to Oakland	30	30
20	Hemet St.	Florida to Lincoln	35	30
21		Lincoln to Charlton	35	35
22	Johnston Ave.	Kirby to Lyon	35	35
23	Kirby St.	Esplanade to Commonwealth	40	35
24		Commonwealth to Menlo	40	35
25		Devonshire to Florida	35	35
26		Florida to Acacia	35	35
27		Acacia to Johnston	40	35
28		Johnston to Stetson	40	35
29	Latham Ave.	Gilmore to Lyon	35	35
30		Lyon to Elk	35	35
31		Elk to Palm	30	30
32		Palm to State	30	30
33	Lyon Ave.	Esplanade to Menlo	40	40
34		Menlo to Devonshire	40	40
35		Latham to Florida	25	25
36		Florida to Acacia	30	30

CITY OF HEMET
2014 SPEED SURVEY SUMMARY
 Surveys completed in June/July 2014

	STREET	SEGMENT	POSTED SPEED	RECOMMENDED SPEED
37	Menlo Ave.	Cawston to Sanderson	35	40
38		Sanderson to Kirby	40	40
39		Kirby to Lyon	40	40
40		Lyon to Palm	40	40
41		Palm to State	40	40
42		State to Santa Fe	35	35
43		Santa Fe to San Jacinto	35	35
44		San Jacinto to Park	40	35
45	Millie Dr.	Eaton to Fruitvale	25	25
46	Mustang Way	Fisher to Cawston	NP	40
47	Oakland Ave.	Lyon to State	30	30
48		San Jacinto to Park	35	35
49	Palm Ave.	Esplanade to Oakland	35	40
50	Park Ave.	W. City Limits to Dartmouth	40	40
51		Dartmouth to E. City Limits	40	40
52	San Jacinto Ave.	Florida to Acacia	25	30
53		Acacia to Stetson	30	30
54	Sanderson Ave.	Esplanade to Menlo	50	45
55		Menlo to Devonshire	45	45
56		Devonshire to Florida	35	30
57	Santa Fe St.	Florida to Acacia	30	30
58	Seattle St.	Menlo to Cawston	30	30
59	Seven Hills Dr.	Stetson to S. City Limits	25	30
60	Soboba St.	Florida to Lincoln	35	35
61		Lincoln to Charlton	35	35
62		Charlton to Berkley	35	40
63		Berkley to Mountain	35	40
64	State St.	Esplanade to Fruitvale	40	40
65		Fruitvale to Menlo	35	40
66		Menlo to Oakland	35	40
67		Oakland to Devonshire	35	40
68		Devonshire to Latham	30	30
69		Latham to Florida	35	30
70		Florida to Acacia	30	30
71		Acacia to Central	25	30
72		Central to Whittier	30	30
73	Johnston to Stetson	30	30	

20 segments - Lower speed
 10 segments - Higher speed
 42 segments - Unchanged
 1 Segment - Not Posted





**CITY OF HEMET
Hemet, California
RESOLUTION NO. 15-001**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
HEMET, CALIFORNIA, ADOPTING SPEED LIMITS ON
VARIOUS STREETS IN THE CITY**

WHEREAS, the adoption of appropriate speed limits provides for the safe and orderly movement of traffic; and

WHEREAS, Section 22358 of the California Vehicle Code (CVC) allows local authorities to adopt speed limits below 55 mph on the basis of an engineering and traffic survey; and

WHEREAS, an engineering and traffic survey has been conducted for the subject street in accordance with CVC Section 627; and

WHEREAS, the result of this survey was used in determining the appropriate speed limit,

NOW, THEREFORE, BE IT RESOLVED AND ORDERED AS FOLLOWS:

- A. The City Council finds, from all evidence submitted, that adoption of the following speed limit (attached as Exhibit A) would be for the benefit of the motoring public.
- B. The City Council authorizes the Department of Public Works to install such signs and markings necessary to inform the public of the adopted speed limit.

PASSED, APPROVED, AND ADOPTED this 13th day of January, 2015.

Linda Krupa, Mayor

ATTEST:

APPROVED AS TO FORM:

Sarah McComas, City Clerk

Eric S. Vail, City Attorney

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State of California)
County of Riverside)
City of Hemet)

I, Sarah McComas, City Clerk of the City of Hemet, do hereby certify that the foregoing Resolution is the actual Resolution adopted by the City Council of the City of Hemet and was passed at a regular meeting of the City Council on the 13th day of January, 2015 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Sarah McComas, City Clerk



Staff Report

TO: Honorable Mayor Krupa and City Council

FROM: John Jansons, Community Investment Director
Economic Development Department

DATE: January 13, 2015

SUBJECT: Real Property Advisory, Marketing and Sales Services

RECOMMENDATION:

That the City Council authorize the City Manager to:

- 1) Execute a Contract for services with RSG, Inc. to provide real property advisory services to the City for certain City-owned real property,
- 2) Execute customary and standard California real estate industry documents and contracts per property, (brokerage, disclosure and listing agreements) with HomeStar Real Estate Services to market and sell certain City-owned real property, and
- 3) Appropriate \$144,770 from the General Fund uncommitted fund balance to FY14-15 Economic Development Department Account, #120-8500-2710 to fund the cost of the real estate advisory services.

BACKGROUND and DISCUSSION:

On July 8, 2014, the Council provided direction to staff regarding a review of City-owned properties for potential sale and development. Also on July 8, 2014, the City Council directed staff to proceed with the marketing and eventual sale of seven City-owned properties commonly known as:

SITE	APN
A. 669 Mariposa	442-313-046
B. 410 Block of E.Devonshire	443-140-013
C. 302 E. Florida (NE corner Carmalita)	443-233-010
D. 555 St John Place	443-245-001
E. 327 S. Taylor	446-083-016

On August 12, 2014, the Council further directed staff to proceed with contracting with a professional real estate advisory firm to analyze and advise on the highest and best use potential, capable developer identification and potential transaction and development support for three City-owned properties (all or part), including: APNs: 456-050-013 and 456-050-044, 465-140-032, and 448-310-027.

SITE	APN
1. Sanderson / Stetson	456-050-013 456-050-044
2. Dominegoni / Simpson	465-140-032
3. W. Florida / Kirby	448-310-027

On September 29, 2014, the City issued two Request for Proposal (RFP) documents soliciting both sales and advisory services. By October 30, 2014 the City had received three proposals for advisory services and four proposals for sales services.

The real estate advisory services proposals received were reviewed and evaluated per the following criteria: 1) Assess Development Potential, 2) Perform Market Feasibility Analysis 3) Identification and Solicitation of Master Developer(s) / Buyer (s), 5) Negotiation and Preparation Purchase and Sales Agreements and Disposition and Development Agreements 6) Facilitate Eventual Sales Transactions, 7) Coordination and Collaboration with City, and 8) Cost.

Firm	Score (1-35)	Comments
Developer's Research	23	focused on residential development
Global	32	out of area / high travel costs proposed
Rosenow-Spevacek Group Inc.	34	very familiar with Hemet and I.E. mkt. and lowest net cost proposal.

For marketing and brokerage services, four proposals were received and were evaluated per the following criteria and requirements of the City: 1) create individual property profiles for each offering, 2) understand and communicate the current land use regulations reading each property, 3) aspire to sell for highest and best use scenarios, 4) aggressively advertise and market the properties for sale, 5) negotiate with buyers on behalf of the City, and 6) close the sales following approval by City.

Additionally, consideration was given to the proposers response to: a) attendance at City coordination meetings, public hearings and City Council meetings, b) statement of qualifications and personnel to be assigned to the project, c) Relevant project experience and five references, d) proposed scope of work, e) detailed cost estimate by task and deliverables and commission schedule, f) proposed project schedule, g) description and examples of marketing approach and marketing strategy to sell properties for their highest & best use, and h) schedule of any additional fees or costs that seller may be subject.

Firm	Score (1-70)	Comments
Home Star	70	good local mkt. knowledge & plan, affordable
OPC	52	higher commissions & hourly charges, located in Irvine
CR-RE	52	higher hourly rates and located in No Cal.
Fischer	55	additional charges for profiles, land use reviews and marketing packages.

From an evaluation of the proposals, staff is recommending that the City contract with Rosenow Spevacek Group Inc. (RSG) for advisory services of the larger holdings and with HomeStar Real Estate Services for direct marketing and sales of the smaller properties.

Attachment 1 to this report is the proposed contract for professional services for real estate advisory services with RSG. RSG proposes to perform this work for the City for a Not to

Exceed (NTE) amount of \$144,770 for the analytical and advisory services. The analytical portion of the assignment is estimated at \$99,580 and the additional transaction related advisory work is anticipated to cost approximately \$43,690. A flat fee of 1,500.00 is also included in the total for incidental and reimbursable expenses associated with this work.

Uniquely, RSG further proposes to credit the City for the pre-sale analytical and advisory work upon the sale of any of these properties as a credit against their proposed commission rate of 2.5% which provides the City valuable savings over traditional consulting fees and commissions. RSG, Inc. provides licensed California real estate broker services under license No. 011326693.

Attachment 2 to this report includes the proposal received from HomeStar Real Estate Services of Hemet (HomeStar) to market and sell the City-owned properties. HomeStar is owned by David G. Hale, JD, a licensed California real estate broker since 1977. HomeStar proposes no out-of-pocket expenses to the City to list and market the properties for sale. HomeStar proposes to be paid according to a commission schedule of 6% for properties with existing buildings and 8% for vacant land from the City's gross sales proceeds upon sale of the properties and at close of escrow.

The Common Benefit Sales Process

All sales will be conducted under the auspices of the "Common Benefit Process" as discussed with the Council on July 8, 2014 and August 12, 2014. As the Council will recall, disposal of property for the Common Benefit is when the City may dispose of public property in any way it chooses, if the disposition is for the Common Benefit. California Government Code^a section 37350 provides, "A city may purchase, lease, receive, hold, and enjoy real and personal property, and control and dispose of it for the common benefit." In addition, Section 37351 permits the legislative body to "control, dispose of, and convey" public property "for the benefit of the city." Therefore, if the City can make findings that the disposal will benefit the citizenry, the City can dispose of its real property as it deems fit.

The only mandatory legal procedure to sell City property requires the Planning Commission to approve a report finding that the disposition of the property conforms to the General Plan.^b Planning Commission approval of this report is required regardless of the method by which the City chooses to dispose of real property.

Once the report is approved, the City Council may adopt a resolution to authorize the sale of the property. If the disposal is "for the common benefit" as described above, the sale can occur on the open market without requiring any competitive bidding or even obtaining an appraisal of the property. Note that while an appraisal may be preferable to ensure that the City is obtaining a reasonable price for the property and potentially prevent a challenge that the sale constitutes a gift of public funds,^c it is not strictly necessary.

ALTERNATIVES:

None proposed – the recommendation fulfills the Council's previous direction.

^a All further statutory references are to the Government Code unless otherwise stated.

^b Cal. Government Code ("GC") § 65402.

^c See Cal. Const. art. XVI, § 6.

FISCAL IMPACT:

The fiscal impacts are yet to be specifically determined. But, in order to proceed with Council's direction, a budget allocation to fund the real estate advisory work needs to occur. Eventual sales proceeds from the properties will repay the cost of advisory services and commissions to the City General Fund. Assuming a market rate sale of any property and costs associated with those sales, the sale of city-owned property will return significant revenue to the City near the estimated or appraised values. As previously discussed above, any transaction or advisory costs would be paid or reimbursed from sales proceeds.

COORDINATION AND REVIEW:

The recommended action(s) has been coordinated with the City Manager, City Attorney and the Deputy City Manager - Department of Administrative Services.

CONCLUSION:

That the City Council authorize the City Manager to:

1. Execute a Contract for services with RSG, Inc. to provide real property advisory services to the City for certain City-owned property,
2. Execute customary and standard California real estate industry documents and contracts per property, (brokerage, disclosure and listing agreements) with HomeStar Real Estate Services to market and sell certain City-owned real property, and
3. Appropriate \$144,770 from the General Fund uncommitted fund balance to FY14-15 Economic Development Department Account, #120-8500-2710 to fund the cost of the real estate advisory services.

ATTACHMENTS:

- 1) Draft Professional Services Agreement w/ RSG Inc.
- 2) HomeStar Realty Proposal

Recommended By:



 Wally Hill, City Manager

Reviewed By:



 Jessica Hurst, Deputy City Manager

Prepared By:



 John Jansons,
 Director of Community Investment
 Economic Development Department

**AGREEMENT FOR REAL ESTATE ADVISORY AND BROKER
SERVICES**

DRAFT

By and Between

**THE CITY OF HEMET,
a municipal corporation**

and

**ROSENOW SPEVACEK GROUP, INC.
a California corporation**

**AGREEMENT FOR REAL ESTATE ADVISORY AND BROKER SERVICES
BETWEEN
THE CITY OF HEMET, CALIFORNIA
AND
ROSENOW SPEVACEK GROUP, INC.**

This Agreement for Real Estate Advisory and Broker Services (“Agreement”) is entered into as of this ____ day of _____, 2015 by and between the City of Hemet, a municipal corporation (“City”) and Rosenow Spevacek Group, Inc., a corporation in the State of California (CalBRE #01930929) (“Service Provider/Broker”) and has been executed to facilitate the sale of certain real property of the City, and provide other related real estate advisory services.

City and Service Provider/Broker are sometimes hereinafter individually referred to as “Party” and hereinafter collectively referred to as the “Parties.”

RECITALS

A. City has sought, by request for proposals, the performance of the services defined and described particularly in Section 2 of this Agreement.

B. Service Provider/Broker, following submission of a proposal, for the performance of the services defined and described particularly in Section 2 of this Agreement, was selected by the City to perform those services.

C. Pursuant to the City of Hemet’s Municipal Code, City has authority to enter into this Services Agreement and the City Manager has authority to execute this Agreement.

D. The Parties desire to formalize the selection of Service Provider/Broker for performance of those services defined and described particularly in Section 2 of this Agreement and desire that the terms of that performance be as particularly defined and described herein.

OPERATIVE PROVISIONS

NOW, THEREFORE, in consideration of the mutual promises and covenants made by the Parties and contained here and other consideration, the value and adequacy of which are hereby acknowledged, the Parties agree as follows:

SECTION 1. TERM OF AGREEMENT.

Subject to the provisions of Section 20 "Termination of Agreement" of this Agreement, the Term of this Agreement is for eighteen (18) months (the Parties estimate six months for analysis and advisory services and up to twelve months for initial brokerage service period) commencing on the date first ascribed above.

SECTION 2. SCOPE OF SERVICES & SCHEDULE OF PERFORMANCE.

(a) Scope of Services. Service Provider/Broker agrees to perform the services set forth in Exhibit “A” “Scope of Services” (hereinafter, the “Services”) and made a part of this Agreement by this reference.

(b) Schedule of Performance. The Services shall be completed pursuant to the schedule specified in Exhibit “A.” Should the Services not be completed pursuant to that schedule, the Service Provider/Broker shall be deemed to be in Default of this Agreement. The City, in its sole discretion, may choose not to enforce the Default provisions of this Agreement and may instead allow Service Provider/Broker to continue performing the Services.

SECTION 3. ADDITIONAL SERVICES.

Service Provider/Broker shall not be compensated for any work rendered in connection with its performance of this Agreement that are in addition to or outside of the Services unless such additional services are authorized in advance and in writing in accordance with Section 26 “Administration and Implementation” or Section 28 “Amendment” of this Agreement. If and when such additional work is authorized, such additional work shall be deemed to be part of the Services.

SECTION 4. EXCLUSIVE AGENT.

City authorizes Service Provider/Broker to act as the exclusive agent for the City in the sale of real estate comprised of land and/or improved real property located in the City identified as APN Nos. 456-050-013, 456-050-044, 465-140-032 and 448-310-027 (the “Properties”), as may be approved by the City. During the Term of this Agreement, City will not engage other brokers, representatives or agents of buyers for the sale of the Properties without prior written authorization from Service Provider/Broker. City shall remain liable to pay Service Provider/Broker the full commission authorized and payable under Section 5 herein on any sale of one or more of the Properties procured by Service Provider/Broker during the Term of this Agreement, notwithstanding closing of the sale of such property(ies) after expiration or early termination of the Term.. Service Provider/Broker will represent only the City and shall not engage in representing any other party to a prospective sale of the properties identified herein. City is not required to sell all properties within any specified time.

SECTION 5. COMPENSATION AND METHOD OF PAYMENT.

(a) City agrees to pay Service Provider/Broker total compensation in an amount not to exceed one hundred forty-four thousand seven hundred and seventy dollars (\$144,770) for the Services provided under this Agreement, excluding real estate broker fees/commissions paid to Service Provider/Broker out of escrow from the sale of one or more of the Properties, as follows:

(i) For the work outlined in the Scope of Work (Tasks 1, 2, 3 and 6 (“Advisory Services”)) the total compensation shall not exceed ninety nine thousand five hundred and eighty dollars (\$99,580, unless additional compensation is approved in writing in accordance with Section 26 “Administration and Implementation” or Section 28 “Amendment” of this Agreement.).

(ii) For the work outlined in the Scope of Work (Tasks 4 and 5) (“Transactional Work”) the total compensation shall not to exceed forty-three thousand six hundred ninety dollars (\$43,690), unless additional compensation is approved in writing in accordance with Section 26 “Administration and Implementation” or Section 28 “Amendment” of this Agreement.

(iii) For Reimbursable Expenses, defined below, incurred by Service Provider/Broker, in an amount not to exceed one thousand five hundred dollars (\$1,500). For the purpose of this Agreement “Reimbursable Expenses” are those costs actually and reasonably incurred by Service Provider in the performance of the Advisory Services and Transactional Services.

(iv) For real estate broker fees/commissions, Service Provider/Broker shall be entitled to a real estate broker fee/commission equal to 2.5% of the Gross Purchase Price (“Commission”) of any one or more of the Properties for which Service Provider procures a buyer during the Term of the Agreement, after the prior deduction from the Commission, and reimbursement to the City, of the total compensation paid to Service Provider/Broker by City for Advisory Services (not to exceed \$99,580) and Transactional Services (not to exceed \$43,690).

(1) For example, the Parties estimate that total Commissions from the sale of all of the Properties would be approximately \$200,000, from which the City would be reimbursed first up to \$143,270 and Service Provider/Broker would receive a total of \$56,730. This example is not a representation by or to either Party concerning the actual value, sales price or Commission related to any particular property or sale.

(2) The Commission shall be due and payable to Service Provider/Broker through escrow on the date such grant deed is recorded in the Official Records. Service Provider/Broker expressly acknowledges and agrees that such Commission shall not be earned, due, or payable UNLESS AND UNTIL the grant deed or other property conveyance agreement for the Property is recorded in the Official Records in favor of the Buyer (the “Sale Date”).

(3) No Party represents to the other what the actual value or sales price of the Properties will be provided. City does not represent that Service Provider/Broker will in fact earn any Commission and Service Provider/Broker does not represent to City that the sale of the Properties will generate sufficient Commission to reimburse the City for compensation paid to Service Provider/Broker. Should the Commission for the sale of such of the Properties that are sold pursuant to this Agreement be insufficient to offset the amounts paid by City to Service Provider/Broker for services rendered under this Agreement, then Service Provider/Broker shall not receive any Commission or further compensation for its brokerage services..

(4) The City acknowledges and agrees that the time period identified in Section 1 shall be extended for any option to purchase or lease option time period agreed by and between the City and the buyer of one or more Properties.

(b) Each month Service Provider/Broker shall furnish to City an original invoice for all work performed and expenses incurred during the preceding month. The invoice shall detail charges by the following categories: labor (by sub-category), travel, materials, equipment, supplies, and sub-Service Provider/Broker contracts. Sub-Service Provider/Broker

charges shall be detailed by the following categories: labor, travel, materials, equipment and supplies. If the compensation set forth in subsection (a) and Exhibit "B" include payment of labor on an hourly basis (as opposed to labor and materials being paid as a lump sum), the labor category in each invoice shall include detailed descriptions of task performed and the amount of time incurred for or allocated to that task. City shall independently review each invoice submitted by the Service Provider/Broker to determine whether the work performed and expenses incurred are in compliance with the provisions of this Agreement. In the event that no charges or expenses are disputed, the invoice shall be approved and paid according to the terms set forth in subsection (c). In the event any charges or expenses are disputed by City, the original invoice shall be returned by City to Service Provider/Broker for correction and resubmission.

(c) Except as to any charges for work performed or expenses incurred by Service Provider/Broker which are disputed by City, City will use its best efforts to cause Service Provider/Broker to be paid within forty-five (45) days of receipt of Service Provider/Broker's correct and undisputed invoice.

(d) Payment to Service Provider/Broker for work performed pursuant to this Agreement shall not be deemed to waive any defects in work performed by Service Provider/Broker.

SECTION 6. INSPECTION AND FINAL ACCEPTANCE.

City may inspect and accept or reject any of Service Provider/Broker's work under this Agreement, either during performance or when completed. City shall reject or finally accept Service Provider/Broker's work within sixty (60) days after submitted to City. City shall reject work by a timely written explanation, otherwise Service Provider/Broker's work shall be deemed to have been accepted. City's acceptance shall be conclusive as to such work except with respect to latent defects, fraud and such gross mistakes as amount to fraud. Acceptance of any of Service Provider/Broker's work by City shall not constitute a waiver of any of the provisions of this Agreement including, but not limited to, Section 16 "Indemnification" and Section 17 "Insurance."

SECTION 7. OWNERSHIP OF DOCUMENTS.

All original maps, models, designs, drawings, photographs, studies, surveys, reports, data, notes, computer files, files and other documents prepared, developed or discovered by Service Provider/Broker in the course of providing the Services pursuant to this Agreement shall become the sole property of City and may be used, reused or otherwise disposed of by City without the permission of the Service Provider/Broker. Upon completion, expiration or termination of this Agreement, Service Provider/Broker shall turn over to City all such original maps, models, designs, drawings, photographs, studies, surveys, reports, data, notes, computer files, files and other documents.

If and to the extent that City utilizes for any purpose not related to this Agreement any maps, models, designs, drawings, photographs, studies, surveys, reports, data, notes, computer files, files or other documents prepared, developed or discovered by Service Provider/Broker in the course of providing the Services pursuant to this Agreement, Service Provider/Broker's

guarantees and warranties in Section 9 "Standard of Performance" of this Agreement shall not extend to such use of the maps, models, designs, drawings, photographs, studies, surveys, reports, data, notes, computer files, files or other documents.

SECTION 8. SERVICE PROVIDER/BROKER'S BOOKS AND RECORDS.

(a) Service Provider/Broker shall maintain any and all documents and records demonstrating or relating to Service Provider/Broker's performance of the Services. Service Provider/Broker shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, or other documents or records evidencing or relating to work, services, expenditures and disbursements charged to City pursuant to this Agreement. Any and all such documents or records shall be maintained in accordance with generally accepted accounting principles and shall be sufficiently complete and detailed so as to permit an accurate evaluation of the services provided by Service Provider/Broker pursuant to this Agreement. Any and all such documents or records shall be maintained for three (3) years from the date of execution of this Agreement and to the extent required by laws relating to audits of public agencies and their expenditures.

(b) Any and all records or documents required to be maintained pursuant to this section shall be made available for inspection, audit and copying, at any time during regular business hours, upon request by City or its designated representative. Copies of such documents or records shall be provided directly to the City for inspection, audit and copying when it is practical to do so; otherwise, unless an alternative is mutually agreed upon, such documents and records shall be made available at Service Provider/Broker's address indicated for receipt of notices in this Agreement.

(c) Where City has reason to believe that any of the documents or records required to be maintained pursuant to this section may be lost or discarded due to dissolution or termination of Service Provider/Broker's business, City may, by written request, require that custody of such documents or records be given to the City. Access to such documents and records shall be granted to City, as well as to its successors-in-interest and authorized representatives.

SECTION 9. INDEPENDENT CONTRACTOR.

(a) Service Provider/Broker is and shall at all times remain a wholly independent contractor and not an officer, employee or agent of City. Service Provider/Broker shall have no authority to bind City in any manner, nor to incur any obligation, debt or liability of any kind on behalf of or against City, whether by contract or otherwise, unless such authority is expressly conferred under this Agreement or is otherwise expressly conferred in writing by City.

(b) The personnel performing the Services under this Agreement on behalf of Service Provider/Broker shall at all times be under Service Provider/Broker's exclusive direction and control. Neither City, nor any elected or appointed boards, officers, officials, employees or agents of City, shall have control over the conduct of Service Provider/Broker or any of Service Provider/Broker's officers, employees, or agents except as set forth in this Agreement. Service Provider/Broker shall not at any time or in any

manner represent that Service Provider/Broker or any of Service Provider/Broker's officers, employees, or agents are in any manner officials, officers, employees or agents of City.

(c) Neither Service Provider/Broker, nor any of Service Provider/Broker's officers, employees or agents, shall obtain any rights to retirement, health care or any other benefits which may otherwise accrue to City's employees. Service Provider/Broker expressly waives any claim Service Provider/Broker may have to any such rights.

SECTION 10. STANDARD OF PERFORMANCE.

Service Provider/Broker represents and warrants that it has the qualifications, experience and facilities necessary to properly perform the Services required under this Agreement in a thorough, competent and professional manner. Service Provider/Broker shall at all times faithfully, competently and to the best of its ability, experience and talent, perform all Services. In meeting its obligations under this Agreement, Service Provider/Broker shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing services similar to the Services required of Service Provider/Broker under this Agreement. In addition to the general standards of performance set forth this section, additional specific standards of performance and performance criteria may be set forth in Exhibit "A" "Scope of Work" that shall also be applicable to Service Provider/Broker's work under this Agreement. Where there is a conflict between a general and a specific standard of performance or performance criteria, the specific standard or criteria shall prevail over the general.

SECTION 11. COMPLIANCE WITH APPLICABLE LAWS; PERMITS AND LICENSES.

Service Provider/Broker shall keep itself informed of and comply with all applicable federal, state and local laws, statutes, codes, ordinances, regulations and rules in effect during the term of this Agreement. Service Provider/Broker shall obtain any and all licenses, permits and authorizations necessary to perform the Services set forth in this Agreement. Neither City, nor any elected or appointed boards, officers, officials, employees or agents of City, shall be liable, at law or in equity, as a result of any failure of Service Provider/Broker to comply with this section.

SECTION 12. PREVAILING WAGE LAWS

It is the understanding of City and Service Provider/Broker that California prevailing wage laws do not apply to this Agreement because the Agreement does not involve any of the following services subject to prevailing wage rates pursuant to the California Labor Code or regulations promulgated thereunder: Construction, alteration, demolition, installation, or repair work performed on public buildings, facilities, streets or sewers done under contract and paid for in whole or in part out of public funds. In this context, "construction" includes work performed during the design and preconstruction phases of construction including, but not limited to, inspection and land surveying work.

SECTION 13. NONDISCRIMINATION.

Service Provider/Broker shall not discriminate, in any way, against any person on the basis of race, color, religious creed, national origin, ancestry, sex, age, physical handicap, medical condition or marital status in connection with or related to the performance of this Agreement.

SECTION 14. UNAUTHORIZED ALIENS.

Service Provider/Broker hereby promises and agrees to comply with all of the provisions of the Federal Immigration and Nationality Act, 8 U.S.C.A. §§ 1101, *et seq.*, as amended, and in connection therewith, shall not employ unauthorized aliens as defined therein. Should Service Provider/Broker so employ such unauthorized aliens for the performance of the Services, and should the any liability or sanctions be imposed against City for such use of unauthorized aliens, Service Provider/Broker hereby agrees to and shall reimburse City for the cost of all such liabilities or sanctions imposed, together with any and all costs, including attorneys' fees, incurred by City.

SECTION 15. CONFLICTS OF INTEREST.

(a) Service Provider/Broker covenants that neither it, nor any officer or principal of its firm, has or shall acquire any interest, directly or indirectly, which would conflict in any manner with the interests of City or which would in any way hinder Service Provider/Broker's performance of the Services. Service Provider/Broker further covenants that in the performance of this Agreement, no person having any such interest shall be employed by it as an officer, employee, agent or subcontractor without the express written consent of the City Manager. Service Provider/Broker agrees to at all times avoid conflicts of interest or the appearance of any conflicts of interest with the interests of City in the performance of this Agreement.

(b) City understands and acknowledges that Service Provider/Broker is, as of the date of execution of this Agreement, independently involved in the performance of non-related services for other governmental agencies and private parties. Service Provider/Broker is unaware of any stated position of City relative to such projects. Any future position of City on such projects shall not be considered a conflict of interest for purposes of this section.

(c) City understands and acknowledges that Service Provider/Broker will perform non-related services for other governmental agencies and private Parties following the completion of the Services under this Agreement. Any such future service shall not be considered a conflict of interest for purposes of this section.

SECTION 16. CONFIDENTIAL INFORMATION; RELEASE OF INFORMATION.

(a) All information gained or work product produced by Service Provider/Broker in performance of this Agreement shall be considered confidential, unless such information is in the public domain or already known to Service Provider/Broker. Service Provider/Broker shall not release or disclose any such information or work product to persons or entities other than City without prior written authorization from the City Manager, except as may be required by law.

(b) Service Provider/Broker, its officers, employees, agents or subcontractors, shall not, without prior written authorization from the City Manager or unless requested by the City Attorney of City, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement. Response to a subpoena or court order shall not be considered "voluntary" provided Service Provider/Broker gives City notice of such court order or subpoena.

(c) If Service Provider/Broker, or any officer, employee, agent or subcontractor of Service Provider/Broker, provides any information or work product in violation of this Agreement, then City shall have the right to reimbursement and indemnity from Service Provider/Broker for any damages, costs and fees, including attorneys fees, caused by or incurred as a result of Service Provider/Broker's conduct.

(d) Service Provider/Broker shall promptly notify City should Service Provider/Broker, its officers, employees, agents or subcontractors, be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the work performed thereunder. City retains the right, but has no obligation, to represent Service Provider/Broker or be present at any deposition, hearing or similar proceeding. Service Provider/Broker agrees to cooperate fully with City and to provide City with the opportunity to review any response to discovery requests provided by Service Provider/Broker. However, this right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

SECTION 17. INDEMNIFICATION.

(a) Indemnification for Professional Liability. Where the law establishes a professional standard of care for Service Provider/Broker's services, to the fullest extent permitted by law, Service Provider/Broker shall indemnify, protect, defend and hold harmless City and any and all of its officials, employees and agents ("Indemnified Parties") from and against any and all liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including attorney's fees and costs, court costs, interest, defense costs, and expert witness fees) arise out of, are a consequence of, or are in any way attributable to, in whole or in part, any negligent or wrongful act, error or omission of Service Provider/Broker, or by any individual or entity for which Service Provider/Broker is legally liable, including but not limited to officers, agents, employees or sub-contractors of Service Provider/Broker, in the performance of professional services under this Agreement.

(b) Indemnification for Other than Professional Liability. Other than in the performance of professional services and to the full extent permitted by law, Service Provider/Broker shall indemnify, protect, defend and hold harmless City, and any and all of its employees, officials and agents from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including attorney's fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise

out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this Agreement by Service Provider/Broker, or by any individual or entity for which Service Provider/Broker is legally liable, including but not limited to officers, agents, employees or sub-contractors of Service Provider/Broker.

(c) Indemnification from Sub-Service Provider/Brokers. Service Provider/Broker agrees to obtain executed indemnity agreements with provisions identical to those set forth in this section from each and every sub-Service Provider/Broker or any other person or entity involved by, for, with or on behalf of Service Provider/Broker in the performance of this Agreement naming the Indemnified Parties as additional indemnitees. In the event Service Provider/Broker fails to obtain such indemnity obligations from others as required herein, Service Provider/Broker agrees to be fully responsible according to the terms of this section. Failure of City to monitor compliance with these requirements imposes no additional obligations on City and will in no way act as a waiver of any rights hereunder. This obligation to indemnify and defend City as set forth herein is binding on the successors, assigns or heirs of Service Provider/Broker and shall survive the termination of this Agreement or this section.

(d) Limitation of Indemnification. Notwithstanding any provision of this section to the contrary, design professionals are required to defend and indemnify the City only to the extent permitted by Civil Code Section 2782.8, which limits the liability of a design professional to claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the design professional. The term “design professional,” as defined in Section 2782.8, is limited to licensed architects, licensed landscape architects, registered professional engineers, professional land surveyors, and the business entities that offer such services in accordance with the applicable provisions of the California Business and Professions Code.

(e) City’s Negligence. The provisions of this section do not apply to claims occurring as a result of City’s sole negligence. The provisions of this section shall not release City from liability arising from gross negligence or willful acts or omissions of City or any and all of its officials, employees and agents.

SECTION 18. INSURANCE.

Service Provider/Broker agrees to obtain and maintain in full force and effect during the term of this Agreement the insurance policies set forth in Exhibit “D” “Insurance” and made a part of this Agreement. All insurance policies shall be subject to approval by City as to form and content. These requirements are subject to amendment or waiver if so approved in writing by the City Manager. Service Provider/Broker agrees to provide City with copies of required policies upon request.

SECTION 19. ASSIGNMENT.

The expertise and experience of Service Provider/Broker are material considerations for this Agreement. City has an interest in the qualifications and capability of the persons and entities who will fulfill the duties and obligations imposed upon Service Provider/Broker under this Agreement. In recognition of that interest, Service Provider/Broker shall not assign or

transfer this Agreement or any portion of this Agreement or the performance of any of Service Provider/Broker's duties or obligations under this Agreement without the prior written consent of the City. Any attempted assignment shall be ineffective, null and void, and shall constitute a material breach of this Agreement entitling City to any and all remedies at law or in equity, including termination of this Agreement pursuant to Section 20 "Termination of Agreement." City acknowledges, however, that Service Provider/Broker, in the performance of its duties pursuant to this Agreement, may utilize sub-contractors.

SECTION 20. CONTINUITY OF PERSONNEL.

Service Provider/Broker shall make every reasonable effort to maintain the stability and continuity of Service Provider/Broker's staff and sub-contractors, if any, assigned to perform the Services. Service Provider/Broker shall notify City of any changes in Service Provider/Broker's staff and sub-contractors, if any, assigned to perform the Services prior to and during any such performance.

SECTION 21. TERMINATION OF AGREEMENT.

(a) City may terminate this Agreement, with or without cause, at any time by giving thirty (30) days written notice of termination to Service Provider/Broker. In the event such notice is given, Service Provider/Broker shall cease immediately all work in progress.

(b) Service Provider/Broker may terminate this Agreement for cause at any time upon thirty (30) days written notice of termination to City.

(c) If either Service Provider/Broker or City fail to perform any material obligation under this Agreement, then, in addition to any other remedies, either Service Provider/Broker, or City may terminate this Agreement immediately upon written notice.

(d) Upon termination of this Agreement by either Service Provider/Broker or City, all property belonging exclusively to City which is in Service Provider/Broker's possession shall be returned to City. Service Provider/Broker shall furnish to City a final invoice for work performed and expenses incurred by Service Provider/Broker, prepared as set forth in Section 4 "Compensation and Method of Payment" of this Agreement. This final invoice shall be reviewed and paid in the same manner as set forth in Section 4 "Compensation and Method of Payment" of this Agreement.

SECTION 22. DEFAULT.

In the event that Service Provider/Broker is in default under the terms of this Agreement, the City shall not have any obligation or duty to continue compensating Service Provider/Broker for any work performed after the date of default. Instead, the City may give notice to Service Provider/Broker of the default and the reasons for the default. The notice shall include the timeframe in which Service Provider/Broker may cure the default. This timeframe is presumptively thirty (30) days, but may be extended, though not reduced, if circumstances warrant. During the period of time that Service Provider/Broker is in default, the City shall hold all invoices and shall, when the default is cured, proceed with payment on the invoices. In the alternative, the City may, in its sole discretion, elect to pay some or all of the outstanding

invoices during the period of default. If Service Provider/Broker does not cure the default, the City may take necessary steps to terminate this Agreement under Section 20 "Termination of Agreement." Any failure on the part of the City to give notice of the Service Provider/Broker's default shall not be deemed to result in a waiver of the City's legal rights or any rights arising out of any provision of this Agreement.

SECTION 23. EXCUSABLE DELAYS.

Service Provider/Broker shall not be liable for damages, including liquidated damages, if any, caused by delay in performance or failure to perform due to causes beyond the control of Service Provider/Broker. Such causes include, but are not limited to, acts of God, acts of the public enemy, acts of federal, state or local governments, acts of City, court orders, fires, floods, epidemics, strikes, embargoes, and unusually severe weather. The term and price of this Agreement shall be equitably adjusted for any delays due to such causes.

SECTION 24. COOPERATION BY CITY.

All public information, data, reports, records, and maps as are existing and available to City as public records, and which are necessary for carrying out the Services shall be furnished to Service Provider/Broker in every reasonable way to facilitate, without undue delay, the Services to be performed under this Agreement.

SECTION 25. NOTICES.

All notices required or permitted to be given under this Agreement shall be in writing and shall be personally delivered, or sent by telecopier or certified mail, postage prepaid and return receipt requested, addressed as follows:

To City: City of Hemet
Attn: City Manager
445 E. Florida Avenue
Hemet, CA 92543

To Service Provider/Broker: RSG, Inc.
309 West 4th Street
Santa Ana, CA 92701

Notice shall be deemed effective on the date personally delivered or transmitted by facsimile or, if mailed, three (3) days after deposit of the same in the custody of the United States Postal Service.

SECTION 26. AUTHORITY TO EXECUTE.

The person or persons executing this Agreement on behalf of Service Provider/Broker represents and warrants that he/she/they has/have the authority to so execute this Agreement and to bind Service Provider/Broker to the performance of its obligations hereunder.

SECTION 27. ADMINISTRATION AND IMPLEMENTATION.

This Agreement shall be administered and executed by the City Manager or his or her designated representative. The City Manager shall have the authority to issue interpretations and to make amendments to this Agreement, including amendments that commit additional funds, consistent with Section 28 "Amendment" and the City Manager's contracting authority under the Hemet Municipal Code.

SECTION 28. BINDING EFFECT.

This Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the Parties.

SECTION 29. AMENDMENT.

No amendment to or modification of this Agreement shall be valid unless made in writing and approved by the Service Provider/Broker and by the City. The City Manager shall have the authority to approve any amendment to this Agreement if the total compensation under this Agreement, as amended, would not exceed the City Manager's contracting authority under the Hemet Municipal Code. All other amendments shall be approved by the City Council. The Parties agree that the requirement for written modifications cannot be waived and that any attempted waiver shall be void.

SECTION 30. WAIVER.

Waiver by any Party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any Party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision nor a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by City of any work or services by Service Provider/Broker shall not constitute a waiver of any of the provisions of this Agreement.

SECTION 31. LAW TO GOVERN; VENUE.

This Agreement shall be interpreted, construed and governed according to the laws of the State of California. In the event of litigation between the Parties, venue in state trial courts shall lie exclusively in the County of Riverside, California. In the event of litigation in a U.S. District Court, venue shall lie exclusively in the Central District of California, in Riverside.

SECTION 32. ATTORNEYS FEES, COSTS AND EXPENSES.

In the event litigation or other proceeding is required to enforce or interpret any provision of this Agreement, the prevailing Party in such litigation or other proceeding shall be entitled to an award of reasonable attorney's fees, costs and expenses, in addition to any other relief to which it may be entitled.

SECTION 33. ENTIRE AGREEMENT.

This Agreement, including the attached Exhibits "A" through "C", is the entire, complete, final and exclusive expression of the Parties with respect to the matters addressed therein and supersedes all other agreements or understandings, whether oral or written, or entered into between Service Provider/Broker and City prior to the execution of this Agreement. No statements, representations or other agreements, whether oral or written, made by any Party which are not embodied herein shall be valid and binding.

SECTION 34. SEVERABILITY.

If any term, condition or covenant of this Agreement is declared or determined by any court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of this Agreement shall not be affected thereby and the Agreement shall be read and construed without the invalid, void or unenforceable provision(s).

SECTION 35. CONFLICTING TERMS.

Except as otherwise stated herein, if the terms of this Agreement conflict with the terms of any Exhibit hereto, or with the terms of any document incorporated by reference into this Agreement, the terms of this Agreement shall control.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the date and year first-above written.

CITY OF HEMET

City Manager

ATTEST:

Sarah McComas
City Clerk

APPROVED AS TO FORM

Eric S. Vail
City Attorney

By: _____
Hitta Mosesman, Principal_
Its: RSG

By: _____
Jim Draughon, Vice President/Director
Its: RSG

NOTE: SERVICE PROVIDER/BROKER'S SIGNATURES SHALL BE DULY NOTARIZED, AND APPROPRIATE ATTESTATIONS SHALL BE INCLUDED AS MAY BE REQUIRED BY THE BYLAWS, ARTICLES OF INCORPORATION, OR OTHER RULES OR REGULATIONS APPLICABLE TO SERVICE PROVIDER/BROKER'S BUSINESS ENTITY.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

STATE OF CALIFORNIA

COUNTY OF _____

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

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

WITNESS my hand and official seal.

Signature: _____

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- INDIVIDUAL
- CORPORATE OFFICER
_____ TITLE(S)
- PARTNER(S) LIMITED
 GENERAL
- ATTORNEY-IN-FACT
- TRUSTEE(S)
- GUARDIAN/CONSERVATOR
- OTHER _____

_____ TITLE OR TYPE OF DOCUMENT

_____ NUMBER OF PAGES

_____ DATE OF DOCUMENT

SIGNER IS REPRESENTING:
(NAME OF PERSON(S) OR ENTITY(IES))

_____ SIGNER(S) OTHER THAN NAMED ABOVE

EXHIBIT "A"
SCOPE OF SERVICES

I. Service Provider/Broker will perform the following Services:

• **Task 1: Feasibility for Highest and best use options**

Task 1a. Property Data Analysis

Meet with the Director of Community Investment and other City staff to review and discuss the specifics of each disposition or a Broker Property Offering Memorandum, the most beneficial disposition process, any previous development proposals or plans for the property, and the current City economic development goals, objectives and priorities.

Collect any relevant City documents and information that would assist with determining potential highest-and-best use development options, such as City entitlement and existing market data. This information will also be incorporated as an attachment to the property marketing material.

Task 1b. Competitive Market and Valuation Analyses

Gather and analyze real estate and property information to understand the market demand for commercial retail uses, business parks, and other potential uses for the properties. This research would include the review and analysis of the following:

- Property research and comparable sales data
- Vacancy rates
- Rents
- Recent new construction projects
- Pipeline projects (approved)
- Potential for site consolidation with adjacent properties
- Demographic statistics (U.S. Census, Bureau of Labor Statistics, ESRI, and SCAG)

Evaluate highest-and-best use to establish the individual properties' value based on the respective market demand. As part of this valuation analysis, a formal Broker Opinion of Value may be prepared by RSG or an independent third-party property appraisal may be utilized for the properties, as coordinated by RSG and City staff.

• **Task 2: Feasibility Analysis**

RSG staff will perform financial pro forma analyses to determine reasonable and financially feasible development options for the individual properties. These pro formas will be prepared utilizing the competitive market analyses from Task 1b above, development cost

data identified in Marshal and Swift Valuation Services (a national industry construction costs data source), and RSG's independent construction cost experience.

Further, RSG will identify those uses that can be brought to market quickly and efficiently given current supply and demand conditions.

- **Task 3: Identify Prospective Buyers/Market Outreach**

In a real estate advisory and broker capacity, RSG will prepare a property disposition strategy and marketing materials for the properties, consisting of:

- Background
- Market analysis
- Development feasibility and recommendations
- Marketing opportunities
- Disposition terms and conditions that would satisfy the City's goals and objectives.

RSG would proceed with the marketing the sale of the property, which would include either soliciting developer interest through a broker Property Offering Memorandum or an RFP/Q process through to the development community.

It is important to note that there would be substantial similarities between the content and materials that would be provided in either an Offering Memorandum or an RFQ/P. However, we believe that the Memorandum provides for a far more streamlined process in effecting a timely Purchase and Sale Agreement, which can result in achieving the same City economic development goals and objectives.

The marketing materials would be submitted to staff for review, and upon completion of edits, RSG would finalize and post the property offerings on appropriate real estate marketing sites including, but not limited to, LoopNet.com, Real Capital Markets (www.RCM1.com) and other related industry and broker property listing sites.

RSG would maintain a complete broker contact list of developers and investors expressing property interest and a record of all market discussions, which would be shared at least weekly with City staff. RSG staff would network with other brokers, developers and investors and respond to property interest inquiries as well as host site visits. RSG staff would also be available for status update meetings with City staff as needed.

- **Task 4: Negotiate and Prepare Transaction Documents**

RSG would represent the City exclusively under a Real Estate Broker Agreement (see Exhibit C to this Agreement) in all property offering discussions and transaction negotiations with prospective developers and investors. In coordination with City staff and the City's attorney, RSG would:

- Evaluate and negotiate purchase offer terms, including attendance by RSG's Principal-in-Charge and Vice President/Director for meetings with the City staff, City Attorney, City Manager and City Council to review all negotiations with prospective buyers of the properties
- Prepare all transaction documents (including purchase and sale agreements, Disposition and Development Agreement or other property disposition agreements)

- **Task 5: Transaction Management**

RSG would oversee the entire transaction process to ensure that sales close in a timely manner. More specifically, RSG will manage and coordinate the following:

- Transaction due-diligence activities
- Opening escrow and funding
- Preliminary title reports
- Phase 1 Environmental investigations (if applicable)
- Property condition assessments
- Soils and geologic investigations (if applicable)
- Planning, zoning and building entitlements
- Other conditions precedent to closing
- Escrow closing and recording

- **Task 6: Attendance at up to nine (9) City Coordination Meetings, Public Hearings, and City Council Meetings as Needed (per hourly fee schedule)**

This Scope of Services and Cost Estimate includes the attendance of RSG's Principal-in-Charge and Vice President/Director at a total of up to nine (9) meetings with the City staff, City Additional meetings would be billed in accordance with the hourly fee schedule in Exhibit "B").

II. As part of the Services, Service Provider/Broker will prepare and deliver the following tangible work products to the City:

- A. Summary Memorandum of Project Work Scope & Data Needs
- B. Market Comparable Summaries and Properties Data Sheets (3)

- C. Competitive Market and Valuation Analysis (3)
- D. Broker Opinion of Valuation Reports for Each Property (3)
- E. Highest & Best Use Analyses for Each Property (3)
- F. Financial Pro Forma Feasibility Analyses (3)
- G. Market Study (3)
- H. Summary Property Disposition Strategy Memorandum
- I. Broker Offering Memorandum [Alt. RFP] (3)
- J. Draft Purchase and Sale Agreements (3)
- K. Final Purchase and Sale Agreements (3)
- L. City Council Property Disposition Reports (3)

Work product items B through G and I through L will include one per property, for total of three each.

III. During performance of the Services, Service Provider/Broker will keep the City apprised of the status of performance by delivering the following status reports:

- A. RSG will provide monthly status reports via email to John Jansons and other designated City staff as directed by City.

IV. The tangible work products and status reports will be delivered to the City pursuant to the following schedule:

- A. Tasks 1 through 3 – 8 to 10 weeks
- B. Tasks 4 and 5 – Timing will be dependent on responses and offers.

V. Service Provider/Broker will utilize the following personnel to accomplish the Services:

- A. Hitta Mosesman, Principal
- B. Jim Draughon, Director/Real Estate Broker
- C. Andrew Gee, Senior Associate/Real Estate Broker
- D. Dmitry Galkin, Analyst
- E. Michael Dietz, Research Assistant

VI. Service Provider/Broker will utilize the following subcontractors to accomplish the Services:

A. N/A

.

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EXHIBIT "B"
COMPENSATION

I. Service Provider/Broker shall use the following rates of pay in the performance of the Services:

Principal / Director	\$ 210
Senior Associate	\$ 165
Associate	\$ 150
Senior Analyst	\$ 125
Analyst	\$ 115
Research Assistant	\$ 100
Technician	\$ 75
Clerical	\$ 60
Reimbursable Expenses	NTE \$1,500

II. Service Provider/Broker may not utilize sub-contractors as indicated in this Agreement without prior written consent of City.

The hourly rate for any subcontractor is not to exceed \$ N/A per hour without written authorization from the City Manager or his designee.

IV. The total compensation for the Services shall not exceed \$144,770 inclusive of expenses as provided in Section 5 "Compensation and Method of Payment" of this Agreement.

Should Service Provider/Broker consummate sales of one or more of the Properties, then Service Provider/Broker (under CA DRE Brokers License #01930929) will be entitled to Commission net of reimburse to City of compensation paid by City to Service Provider/Broker as provided in Section 5 of the Agreement. .

EXHIBIT "D"
INSURANCE

A. Insurance Requirements. Service Provider/Broker shall provide and maintain insurance, acceptable to the City, in full force and effect throughout the term of this Agreement, against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Services by Service Provider/Broker, its agents, representatives or employees. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII.

Service Provider/Broker shall provide the following scope and limits of insurance:

1. Minimum Scope of Insurance. Coverage shall be at least as broad as:

(1) Commercial General Liability. Insurance Services Office form Commercial General Liability coverage (Occurrence Form CG 0001).

(2) Automobile. Insurance Services Office form number CA 0001 (Ed. 1/87) covering Automobile Liability, including code 1 "any auto" and endorsement CA 0025, or equivalent forms subject to the written approval of the City.

(3) Workers' Compensation. Workers' Compensation insurance as required by the Labor Code of State of California covering all persons providing Services on behalf of the Service Provider/Broker and all risks to such persons under this Agreement.

(4) Professional Liability. Professional liability insurance appropriate to the Service Provider/Broker's profession. This coverage may be written on a "claims made" basis, and must include coverage for contractual liability. The professional liability insurance required by this Agreement must be endorsed to be applicable to claims based upon, arising out of or related to Services performed under this Agreement. The insurance must be maintained for at least three (3) consecutive years following the completion of Service Provider/Broker's services or the termination of this Agreement. During this additional three (3) year period, Service Provider/Broker shall annually and upon request of the City submit written evidence of this continuous coverage.

2. Minimum Limits of Insurance. Service Provider/Broker shall maintain limits of insurance no less than:

(1) Commercial General Liability. \$1,000,000 general aggregate for bodily injury, personal injury and property damage.

(2) Automobile. \$1,000,000 per accident for bodily injury and property damage. A combined single limit policy with aggregate limits in an amount of not less

than \$2,000,000 shall be considered equivalent to the said required minimum limits set forth above.

(3) Workers' Compensation. Workers' Compensation as required by the Labor Code of the State of California of not less than \$1,000,000 per occurrence.

(4) Professional Liability. \$1,000,000 per occurrence.

B. Other Provisions. Insurance policies required by this Agreement shall contain the following provisions:

1. All Policies. Each insurance policy required by this Agreement shall be endorsed and state the coverage shall not be suspended, voided, cancelled by the insurer or either Party to this Agreement, reduced in coverage or in limits except after 30 days' prior written notice by certified mail, return receipt requested, has been given to City.

2. Commercial General Liability and Automobile Liability Coverages.

(1) City, and its respective elected and appointed officers, officials, and employees and volunteers are to be covered as additional insureds as respects: liability arising out of activities Service Provider/Broker performs; products and completed operations of Service Provider/Broker; premises owned, occupied or used by Service Provider/Broker; or automobiles owned, leased, hired or borrowed by Service Provider/Broker. The coverage shall contain no special limitations on the scope of protection afforded to City, and their respective elected and appointed officers, officials, or employees.

(2) Service Provider/Broker's insurance coverage shall be primary insurance with respect to City, and its respective elected and appointed, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by City, and its respective elected and appointed officers, officials, employees or volunteers, shall apply in excess of, and not contribute with, Service Provider/Broker's insurance.

(3) Service Provider/Broker's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

(4) Any failure to comply with the reporting or other provisions of the insurance policies, including breaches of warranties, shall not affect coverage provided to City, and its respective elected and appointed officers, officials, employees or volunteers.

3. Workers' Compensation Coverage. Unless the City Manager otherwise agrees in writing, the insurer shall agree to waive all rights of subrogation against City, and its respective elected and appointed officers, officials, employees and agents for losses arising from work performed by Service Provider/Broker.

C. Other Requirements. Service Provider/Broker agrees to deposit with City, at or before the effective date of this Agreement, certificates of insurance necessary to satisfy City that the insurance provisions of this contract have been complied with. The City may require that Service Provider/Broker furnish City with copies of original endorsements effecting coverage required by this Exhibit "C". The certificates and endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. City reserves the right to inspect complete, certified copies of all required insurance policies, at any time.

1. Service Provider/Broker shall furnish certificates and endorsements from each sub-contractor identical to those Service Provider/Broker provides.

2. Any deductibles or self-insured retentions must be declared to and approved by City. At the option of City, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects City or its respective elected or appointed officers, officials, employees and volunteers, or the Service Provider/Broker shall procure a bond guaranteeing payment of losses and related investigations, claim administration, defense expenses and claims.

3. The procuring of such required policy or policies of insurance shall not be construed to limit Service Provider/Broker's liability hereunder nor to fulfill the indemnification provisions and requirements of this Agreement.

Exhibit A

PROPOSAL

CITY OF HEMET

PROFESSIONAL REAL ESTATE ADVISORY SERVICES



**BETTER COMMUNITIES.
BOLDER FUTURES.**

ROSENOW SPEVACEK GROUP INC.
309 WEST 4TH STREET
SANTA ANA, CA 92701
WWW.WEBRSG.COM

Hitta Mosesman, Principal
714.316.2137 / hmosesman@webrsg.com

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BETTER COMMUNITIES. BOLDER FUTURES.

ROSENOW SPEVACEK GROUP INC.
309 WEST 4TH STREET
SANTA ANA, CALIFORNIA
92701-4502

T 714 541 4585
F 714 541 1175
E INFO@WEBRSG.COM
WEBRSG.COM

October 29, 2014

CITY OF HEMET
Attention: John Jansons, Community Investment Director
445 E. Florida Avenue
Hemet, CA 92543

Proposal for Professional Real Estate Advisory Services

Dear Mr. Jansons:

We are pleased to present this Proposal for Professional Real Estate Advisory Services to the City of Hemet (“City”) pursuant to the City’s Request for Proposals (“RFP”). As you are aware, RSG has a long history in providing municipal and financial consulting services to the City over the past fifteen years, ranging from real estate advisory services related to the proposed Stetson Crossing project, Successor Agency property disposition activities, as well as redevelopment plan adoption, amendment, and implementation services.



We would like to present a short list of reasons why we believe that RSG is the most qualified firm to provide these services to the City.

Why Hire RSG?

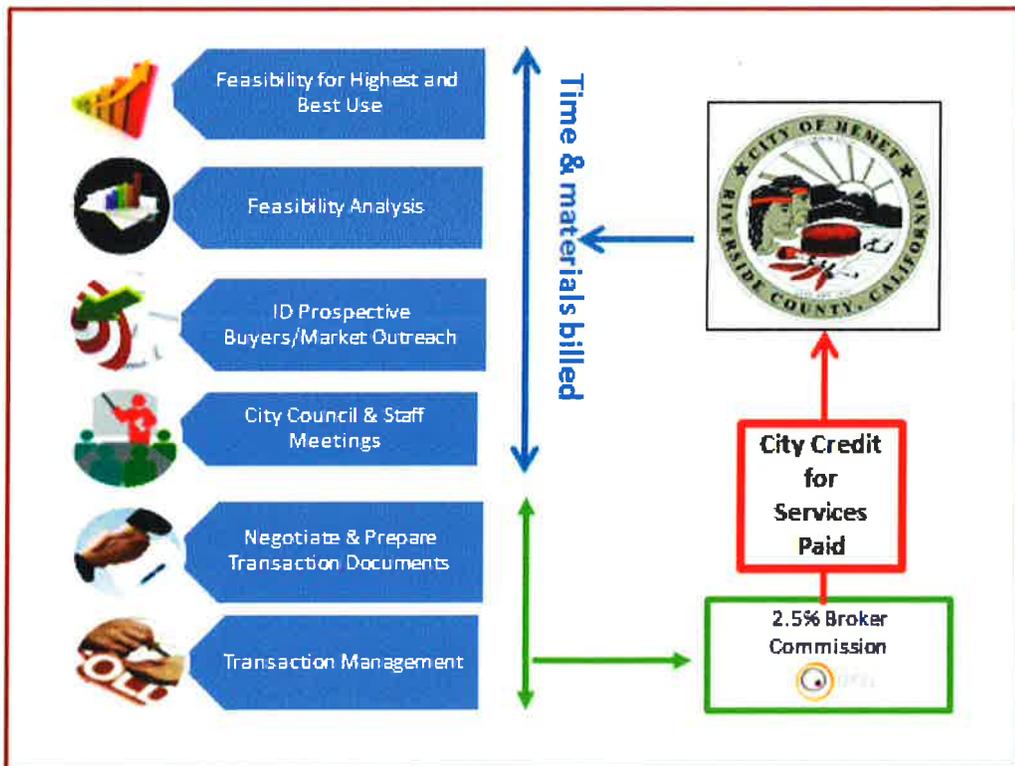
1. **15 Years Experience Providing Consulting Services to Hemet** - RSG has a proven track record for 15 years providing consulting services to the City of Hemet, including:
 - Previous analysis for the Stetson Crossing site
 - Real estate research and analysis in connection with the Long Range Property Management Plan for the Successor Agency
 - Redevelopment Plan adoption, amendments, and Implementation Plans

2. **We Know the Community** – RSG has worked with the City of Hemet for 15 years and we understand:

- Community goals and objectives
- Unique characteristics
- Local real estate market (resulting from significant real estate research related to RSG's preparation of the Long Range Property Management Plan for the Successor Agency)

Our experience in Hemet allows *RSG staff to efficiently and effectively* analyze highest and best use options and represent the City's interests.

3. **RSG Provides More Value for the Price** – RSG charges a lower than average *broker commission at 2.5%* and *all fees paid by the City will credit back* upon RSG's receipt of commission on all transactions.



4. **Three Decades of Real Estate Experience** - RSG analyzed nearly \$50 billion in real estate development, resulting in the construction of over 11,000 residential units, nearly 4,300 hotel rooms, and over \$100 million square feet of commercial, industrial, office, retail, and mixed use buildings.

5. **Expertise with Disposition of Publicly Owned Property** - We have an excellent understanding and track record regarding the sale and disposition process for public agencies and can ensure that highest and best uses are achieved to fulfill the City's objectives and provide maximum community benefit.

Our proposal includes all of the elements requested in the RFP, including:

- *Statement of Qualifications - a full description of our real estate advisory and broker services qualifications that make us the best candidate to assist the City throughout the entire real estate disposition process.*
- *Relevant Project Experience and References- selected engagements that demonstrate the experience necessary to provide services.*
- *Proposed Scope of Work – all tasks needed for this engagement.*
- *Detailed Cost Estimate – by task and deliverable.*
- *Proposed Project Schedule*

We look forward to discussing our qualifications and proposed work plan in greater detail, and look forward to the chance to work with the City on this endeavor. In the meantime, if you have any questions, please do not hesitate to contact me at (714) 316-2137 or hmosesman@webrsg.com.

Sincerely,
ROSENOW SPEVACEK GROUP, INC.



Hitta Mosesman
Principal



I. QUALIFICATIONS

In 1979, RSG started providing real estate and economic development services to a few clients. More than thirty years later, improving the social and economic wellbeing of communities is not only at the core of our business, it is the driving force behind our passion for the work we do. We like it, and we excel at the mechanics of it:

- Identifying economic drivers
- Analyzing the real estate marketplace
- Implementing specific plans
- Financing projects; and
- Growing and retaining local businesses.

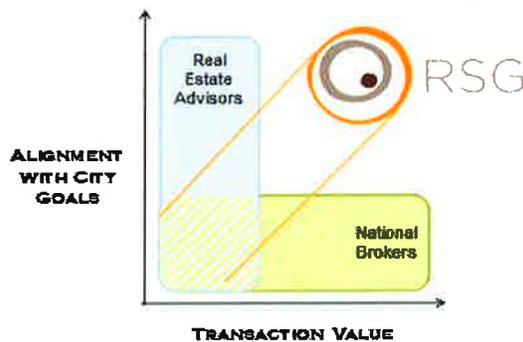
Our results are straightforward, functional, and effective. Moreover, we arm our clients with insight and intelligence so that they are empowered to make decisions and transform communities.

RSG is the City's best partner for this engagement because:

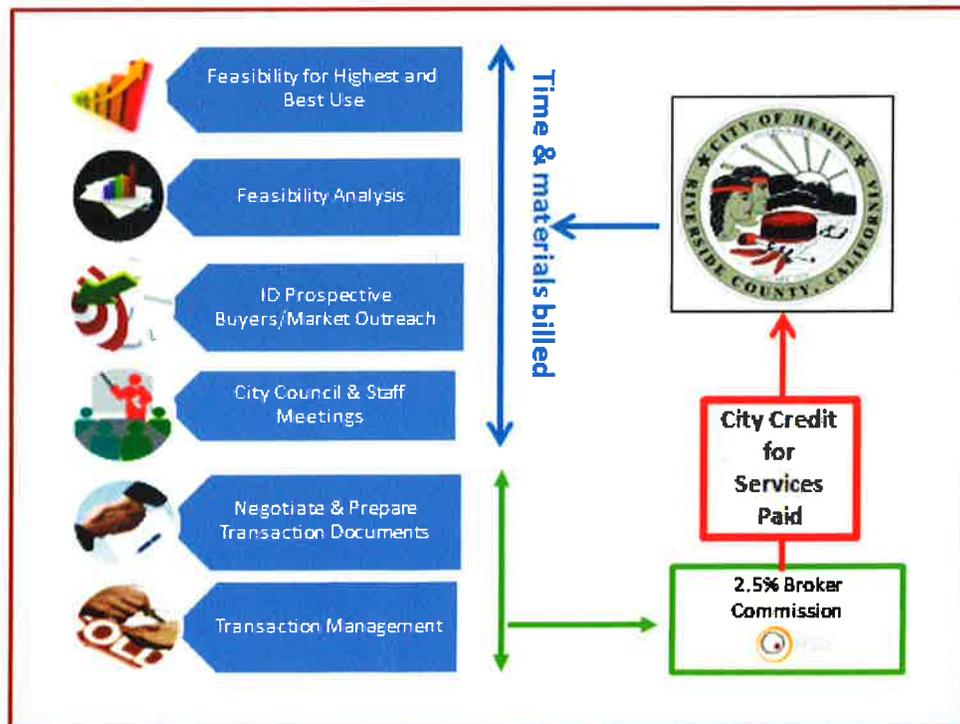
- **15 Years Experience Providing Consulting Services to Hemet** - RSG has a proven track record for 15 years providing consulting services to the City of Hemet, including:
 - Previous analysis for the Stetson Crossing site
 - Real estate research and analysis in connection with the Long Range Property Management Plan for the Successor Agency
 - Redevelopment Plan adoption, amendments, and Implementation Plans



- **We Know the Community** – RSG has worked with the City of Hemet for 15 years and we understand:
 - Community goals and objectives
 - Unique characteristics
 - Local real estate market (resulting from significant real estate research related to RSG’s preparation of the Long Range Property Management Plan for the Successor Agency)
 - Our experience in Hemet allows RSG staff to efficiently and effectively analyze highest and best use options and represent the City’s interests.



- **RSG Provides More Value for the Price** – RSG charges a lower than average broker commission at 2.5% and all fees paid by the City will credit back upon RSG’s receipt of



commission on all transactions.

- **Three Decades of Real Estate Experience** - RSG has analyzed hundreds of commercial, industrial, office, retail, and mixed use real estate development projects totaling billions of dollars over the last 35 years.
- **Expertise with Disposition of Publicly Owned Property** - We have an excellent understanding and track record regarding the sale and disposition process for public agencies and can ensure that highest and best uses are achieved to fulfill the City's objectives and provide maximum community benefit.
- **Our Staff is Outstanding** - While a core team is assigned to this engagement, it has the full backing of all RSG resources including 20 professionals, a real estate brokerage license, and multiple tools and databases.
- **RSG is Well-Respected in the Industry** -other real estate, planning and consulting firms regularly reach out to us to partner on projects.
- **We recognize our job is to serve you and the community, and it's a role we treasure.**

PROPERTY DISPOSITION/REAL ESTATE SERVICES

In total, RSG has analyzed nearly \$50 billion in real estate development, resulting in the construction of over 11,000 residential units, nearly 4,300 hotel rooms, and over 100 million square feet of commercial, industrial, office, retail, and mixed use buildings.

We take pride in advising public and private clients to help make strategic investments and improvements in their communities. Throughout California, RSG has advised our clients on a variety of real estate and economic development projects, including:

- Repositioning of multiple outdated strip centers in a small central valley town;
- Attraction and selection of retail and automobile tenants/developers in the Coachella Valley;
- Analyzing potential funding sources for public infrastructure in coastal Orange County;
- Deal structuring for an affordable housing development in Northern California wine country;
- Developing detailed pro formas for a mixed use TOD project in the Bay Area; and
- Negotiations for retail, office, and industrial development for a client in Los Angeles County.

MARKET ANALYSIS

RSG's real estate advisory and brokerage background provides our clients with sophisticated tools and insight on real estate trends and opportunities. We do our homework, and never rely on theoretical models that overlook local influences and preferences. As an alternative to traditional market studies, RSG is working to pioneer the development of trends analysis; market studies that analyze local economic drivers over a long period of time in order to align strategic planning with land use policies.

ECONOMIC DEVELOPMENT

Our economic development work is collaborative, designed to help clients make progress, not just plans. While the process is neither exact nor fully predictable, our objective in any economic development engagement is to ensure that the short-term gains and easier wins help fuel long-term strategies that withstand the test of time.

PROJECT FEASIBILITY

RSG is well respected by cities across the state to conduct market assessments and project feasibility analyses, site selection and evaluation, and pre-entitlement services. Our background working with over 100 communities lends credibility to developers as well as cities.

FINANCING DEVELOPMENT

RSG is a recognized expert in analyzing the economics of projects such as residential single-family rehabilitation and mixed income apartments, as well as commercial uses including retail stand-alone buildings, outlet centers, lifestyle centers, office towers, industrial condos, gas stations, ground leases, digital billboards, data centers and fulfillment complexes. We specialize in public-financing structures – helping communities know when it's reasonable to provide financial assistance and when a project's profitability meets current market yields.



2. PERSONNEL ASSIGNED TO PROJECT

RSG has assembled an experienced and efficient Project Team with staff that has worked, or is currently working with, the City of Hemet on various assignments. RSG dedicates a Principal to each one of our engagements to oversee project deliverables, attend meetings, and manage all facets of the consultation process.

Hitta Mosesman, Principal-in-Charge, will lead this engagement. Jim Draughon, Vice President/Director, will manage the real estate advisory and broker services components of the engagement. Additional staffing assistance will be provided by Andrew Gee, Senior Associate, Dmitry Galkin, Analyst, and Michael Dietz, Research Assistant. Their resumes are included in this section, and on our website, webrsg.com. Other staff may be assigned as appropriate.

HITTA MOESMAN

PRINCIPAL

Hitta produces solutions to community problems with her expertise in public financing opportunities and economic development. She forms dynamic collaborations with her clients large and small, ranging from cities to public entities and agencies. Her work includes property tax projections, real estate valuation analysis, cash flow analyses, successor agency consulting, methodology reviews, audits of assessed value projections, and fiscal impact analyses.

FOCUS AREAS: Municipal Finance, Fiscal Health, Economic Development, Real Estate

RECENT ENGAGEMENTS:

- Prepared complex property disposition plan for a former redevelopment agency that owns over 100 properties, including a valuation analysis of each property.
- Calculated multiple cash flow analysis scenarios to determine the maximum amount of loan repayment (and most beneficial repayment structure) to a city to fund a large-scale and regionally-significant recreation area in Orange County.
- Formulated multi-year property tax projections for a large special district for budgeting purposes. These projections incorporate new development projects, appeals, and annexations as well as an economic analysis to forecast future growth rates in assessed valuation.

Hitta originally joined RSG in 1989 as intern while completing her BS in Economics with a minor in Business Management from the University of California, Irvine. After working for two boutique municipal consulting firms, Hitta re-joined RSG in 1996.

WHAT I LOVE ABOUT THE WORK: I have the chance to discover and build upon the unique qualities and character present in every community. I help communities improve and thrive in the face of challenges to revenues and increased levels of services.



OUT AND ABOUT:

League of California Cities City Manager's Group, Economic Development Focus Group Member

Speaker, San Gabriel Valley City Manager's Association (League of California Cities) on Economic Development

JIM DRAUGHON

VICE PRESIDENT/DIRECTOR

Jim takes charge of real estate concerns with over 30 years of experience. He is an expert in private sector development, public sector community development, and real estate advisory services to public entities. He provides technical reviews and negotiations assistance for property acquisitions, disposition and development agreements, as well as affordable housing programs and projects. He performs property valuations, market assessments and feasibility analyses to identify reasonable economic returns. Jim conducts project financial statements audit reviews for affordable housing projects to ensure compliance under public agency loan and regulatory agreements. He also oversees the preparation of residential and commercial nexus studies and impact linkage fee analyses.

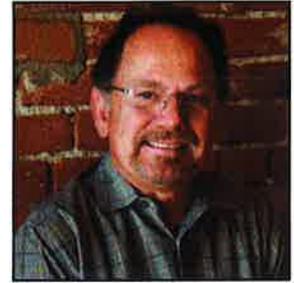
FOCUS AREAS: Real Estate and Housing

RECENT ENGAGEMENTS:

- Project manager for a variety of real estate economics assignments, including development programming and feasibility analyses, negotiations of property acquisitions, real estate disposition and development agreements, and programs implementation to fulfill the objectives of public agency clients.
- Manages the preparation of residential and commercial nexus studies and impact linkage fee analyses pursuant to updating or formulating inclusionary housing ordinances for various jurisdictions.
- Conducted annual audit reviews of financial statements for over twenty affordable housing projects to ensure timely and accurate payments of receivables and compliance under applicable public agency loan and regulatory agreements.
- Performed property valuations, market assessments, and feasibility analyses for a large number of public agency real estate assets to identify reasonableness of economic returns.

Jim joined RSG in 2006. He received a BA in Environmental Design, with a Minor in Public Administration. He completed graduate studies in Landscape Architecture at California State Poly University, Pomona.

WHAT I LOVE ABOUT THE WORK: I love the diversity of assignments and the challenges of bringing public-private developments and affordable housing programs and projects to fruition at a reasonable level of public assistance and revenue participation.



OUT AND ABOUT:

California Licensed
Real Estate Broker
No. 011326693

California Association
for Local Economic
Development

ANDREW GEE

SENIOR ASSOCIATE

With over 12 years of experience, Andrew takes responsibility of real estate concerns. Andrew brings significant experience in real estate and affordable housing industries having worked as a consultant for public agencies and in the private sector for developers. Andrew provides technical review and negotiations assistance for property acquisition and development agreements, as well as affordable housing projects. He performs property valuations, market assessments and feasibility analyses to identify reasonable economic returns.

FOCUS AREAS: Real Estate and Housing

RECENT ENGAGEMENTS:

- Undertook discounted cash flow analysis of market and subsidized rental income for a retail commercial project as part of an evaluation of potential relocation benefits that could be sought by businesses
- Underwrote and presented to investment committee acquisitions for various projects while with Marcus & Millichap, including a \$3.5M medical office building campus and a \$30M DaVita Dialysis portfolio of build-to-suit development projects.
- Project manager for a variety of real estate economics assignments, including portfolio analysis and financial underwriting for a portfolio of multifamily housing units held by a private investor.
- Performed property valuations, market assessments, and feasibility analyses for a large number of public agency real estate assets to identify reasonableness of economic returns.
- Prepared sales and financial packages for a 64-unit apartment complex in Sylmar (approximate asking price of \$10.5M).

Andrew re-joined RSG in 2014 as a Senior Associate, as he previously spent 2004-2006 as an Analyst at RSG. He holds a Bachelor's Degree in Architecture from Cal Poly Pomona, as well as a Master's in Urban Planning from UCLA and an MBA from the Haas School of Business at UC Berkeley.

WHAT I LOVE ABOUT THE WORK: I love the challenges of bringing innovative real estate developments and affordable housing to communities and positively impacting the lives of the residents in these communities.



OUT AND ABOUT:

UCLA Real Estate Alumni Group

Santa Monica New Technologists Meetup

DIMA GALKIN

ANALYST

Dima contributes a strong interdisciplinary knowledge base to RSG's project teams. He analyzes demographic, socioeconomic and business data along with trends to form recommendations for business attraction, real estate development investment and economic growth for cities. He composes long range property management plans. He creates maps, graphs and other visual elements for different types of projects to communicate research findings to a variety of clients. He also assisted in the research and implementation of a model focused on general fund revenue for economic development analysis.

FOCUS AREAS: Economic Development, Fiscal Analysis, Real Estate

RECENT ENGAGEMENTS:

- Calculated property taxes, pass-through payments, and excess revenues for multiple clients, including reviews of past receipts and projections of future receipts.
- Collaborated with other staff members to estimate development feasibility and impacts of different types of projects in cities throughout California.
- Analyzed demographic, socioeconomic, and business data, and trends to form recommendations for business attraction, real estate development investment, and economic growth for several cities.
- Synthesized information from clients, proprietary and other research, and site visits to help write, and assist with implementation of, five Long-Range Property Management Plans, with more than 300 properties total.

Dima joined RSG in 2013. He received a BA in Urban Studies and Political Science from Washington University in Saint Louis, and an MPL in Urban Planning from the University of Southern California.

WHAT I LOVE ABOUT THE WORK: When a client faces challenges, I am eager to find new paths for success. I look for innovative solutions to help cities improve their budgetary and financial paradigms. I'll take on any task to help cities efficiently provide better services to their residents.



OUT AND ABOUT:

American Planning Association

California Association for Economic Development

ESRI Certified Geographic Information Systems

Fluent in Russian

MICHAEL DIETZ

RESEARCH ASSISTANT

Michael brings an analytical and adaptable background to RSG's project teams. He researches a wide variety of data and translates it into a reliable source of information. He then helps to analyze this data in an efficient and effective manner. Furthermore, he assists in the drafting of advanced plans, spreadsheets, and reports for clients. His unique blend of knowledge allows him to understand communities and solve problems. He is a flexible and integral piece of the team.

FOCUS AREAS: Community Development, Land Use Planning, Urbanization

RECENT ENGAGEMENTS:

- Conducted a feasibility analysis to assess a proposed hotel's impact on residual growth of both the local and regional economy
- Evaluated the assessed values of parcels across a wide project area by taxpayer contribution and land use for a local government
- Examined and evaluated existing land uses and development standards with regard to their economic potential across multiple communities
- Drafted a report that analyzed existing senior housing availability and projected demand over the next 10 years, including a synthesis of data from comparable cities

Michael joined RSG in 2014. He received a Master's Degree in Urban and Regional Planning from University of California, Irvine and graduated with magna cum laude honors with a BA in Psychology from California State University, Long Beach.

WHAT I LOVE ABOUT THE WORK: I am highly committed to the betterment of communities through the adoption of creative and progressive solutions. I enjoy thoroughly analyzing a community to ensure I discover its core character, and then using that knowledge to help people improve their quality of life.



OUT AND ABOUT:

American Planning Association



3. RELEVANT PROJECT EXPERIENCE AND REFERENCES

RSG's consultant team has extensive experience working on real estate performance, pro forma analysis, development feasibility, demographic trends, retail leakage, and implementation efforts that capitalize on strengths and reduce barriers. Over the past 35 years, RSG has analyzed nearly \$50 billion in real estate development projects, developed numerous trend analyses, tracked and projected market demand, and maintained a progressive outlook on local economics, including the shift from sales-tax driven efforts to economic rainforests that are dynamic and interconnected despite municipal boundaries.

REAL ESTATE ADVISORY AND BROKER SERVICES FOR SALE OF LRPMP PROPERTIES - CITY OF IRWINDALE

During the past five years, RSG has assisted the City of Irwindale in the provision of various real estate advisory services for the City and RDA/ Successor Agency including, but not limited to:

- Securing the City's Long Range Property Management Plan (LRPMP) approval on behalf of the SA
- Preparing highest and best use evaluations and opinion of value determinations
- Marketing economic development catalyst properties; and
- Solicitation of purchase offers, evaluation and negotiations of purchase agreements, and coordination of the Buyers' due diligence process.

RSG recently coordinated the City/SA advisory and brokerage services needs with staff and is currently slated to begin work on the disposition of eight highly visible LRPMP properties identified for immediate sale and for which there is substantial interest. The property disposition scope of work for the LRPMP properties involve the preparation of market evaluations, highest and best use analyses, property valuations, assembling of site due-diligence data, preparation of appropriate and marketing outreach materials, marketing the sale of the individual properties, evaluation of purchase offer terms and conditions, negotiations with prospective buyers, and preparation of sale and purchase agreements and coordination of due diligence and closing activities.

*Contact: Gustavo Romo, Director of Community Development
626-430-2206*

ECONOMIC & REAL ESTATE ADVISORY CONSULTING SERVICES - CITY OF SAN CARLOS

During the past eight years, RSG has worked with the City of San Carlos on a variety of economic development, affordable housing, and real estate efforts. Projects have included property acquisitions, market analyses, Opinion of Value Reports, financial pro forma modeling, annexation proceedings, and redevelopment implementation plans. RSG has prepared development programming analyses, conducted developer outreach, performed financial analyses, and reuse valuations to assist in identifying appropriate disposition terms for Agency-owned properties proposed for redevelopment.

Over the last several years RSG has played a key role in the progress of one of the City's most important projects, Wheeler Plaza. The TOD project is located in the center of the City's downtown and will redevelop a City-owned surface parking lot and six other retail and residential buildings. It includes 108 condominiums, a 451-space parking garage, 19,855 square feet of retail and restaurant space, and a 31-unit very-low income senior tax credit equity project. When RSG was retained in 2006, the project was nearly dead. Through RSG's leadership and project management, the necessary parcels were purchased, a developer was selected through an extensive RFP process, and the Agency's investment was reduced (while increasing project benefits). RSG assisted the City with identifying and executing an economic strategy, including the current and ongoing development cost and feasibility analysis, property acquisitions using layered financing, solicitation and evaluation of developer proposals, and negotiations for disposition of an assembled site for a proposed hotel development. RSG's involvement also entailed ground lease valuation and buyout negotiations with an adjacent property owner.

*Contact: Al Savay, Community Development Director
650.802.4209*

GRAND AVENUE REAL ESTATE ADVISORY SERVICES - CITY OF LOS ANGELES

RSG was retained by the Office of the Chief Legislative Analyst in February 2014 following the approval by the Grand Avenue Authority (GAA) of the Related Companies/Gerhy Partners conceptual site plan and 4th amendment to the disposition and development agreement. Due to the GAA's aggressive schedule that compels the developer and City to execute additional agreements conditioned upon financial analysis, RSG had less than 60 days to commence and deliver a draft report on this iconic, \$950 million mixed-use project. Preliminary findings were delivered approximately 3 weeks after receipt of information, shared with the developer the following week, and a refined analysis and comprehensive draft report was presented within less than 2 months. The report evaluated the financial feasibility and fiscal and economic benefits of the project for both the City and County of Los Angeles, and lays the groundwork for ongoing negotiations on a revised funding agreement for City participation in the financing.

*Contact: John Wickham, Office of the Chief Legislative Analyst
213.473.5738*

VILLAGE AT TOPANGA ECONOMIC FEASIBILITY AND FISCAL IMPACT ANALYSIS - CITY OF LOS ANGELES

The Office of the Chief Legislative Analyst for the City of Los Angeles contracted with RSG to conduct a Feasibility and Fiscal Impact Assessment for the Village at Topanga Westfield Mall ("Project") in 2012. The Project feasibility conclusion, which indicated the developer was facing a significant funding shortfall, was based on an estimate of construction costs and the project valuation using the direct capitalization, discounted cash flow and internal rate of return methodologies. To assist in the development, the City structured a subvention payment not to exceed 50% of the net new site-specific tax revenues generated by the Project over a 25-year period. Based on RSG's analysis, the City Council approved a subvention of up to \$25 million in exchange for expediting the Project into a single phase, and generating about 1,300 new permanent jobs for the West Valley.

*Contact: Ivania Sobalvarro, Office of the Chief Legislative Analyst
213.473.5745
Oscar Ixco, Office of the Chief Legislative Analyst
213.473.5705*

MARKET TREND & DEMAND FORECAST - DYETT & BHATIA / CITY OF CARLSBAD

In 2010, RSG served as a sub consultant to Dyett & Bhatia, a San Francisco-based urban planning and design firm, for the comprehensive update of the City of Carlsbad's general plan. RSG prepared a market-based land use demand forecast that studied current and future demographic, employment, retail, and hotel/tourism trends, and translated the data into future land use demands and economic development objectives for the city. RSG's deliverables included a comprehensive report and formal presentation to a 19-member stakeholder group, the Envision Carlsbad Citizens Committee (EC3), which required translation of a large volume of highly technical data into a series of clear and concise issues and questions for collaborative discussion by the EC3 and City staff. Upon preparation of alternative land use scenarios by Dyett & Bhatia, RSG's role in Envision Carlsbad continued with the preparation of an economic and fiscal impact analysis of the alternative land use plans.

*Contact: Rajeev Bhatia, Principal & President of Dyett & Bhatia
415.956.4300 ext. 15
Gary Barberio, Community & Economic Development Director
760.602.2710*

In addition to the case studies referenced above, the table on the following page presents some of our recent related projects.

Entity	Purpose	End Date
City of Irwindale	LRPMP RE Advisory and Broker Services AMVETS Leasehold Valuation Estimate	2014
ATKINS / City of Santa Monica	Roberts Center Development Agreement Analysis (Santa Monica)	2013
City of San Carlos	San Carlos Transit Village Feasibility Study, Fiscal Impact Analysis and BMR Analysis	2013
County of Orange	The Ranch Affordable Housing Development RE Advisory Services and Fiscal Analysis	2013
City of Santa Monica	Economic Impact/Nexus Analysis for Affordable Housing Inclusionary Fee	2013
City of Westminster	Civic Campus Redevelopment Program RE Advisory Services and Market Analysis	2013
City of Dana Point	Towne Center Development RE Advisory Services and Feasibility Analysis	2013
City of Bell	Economic Impacts on the City of Bell from the Interstate-710 Freeway Corridor Project	2013
City of Irwindale	Panattoni DDA Negotiations and Fiscal Benefit RE Advisory Services and Fiscal Analysis	2013
ARD Group	Multifamily Rental Project Feasibility Study and Concession Permit Application (Pasadena, CA)	2013
City of Dana Point	Economic Development General Plan Element	2012
City of Carlsbad	Economic Trends Analysis	2012
City of Rancho Mirage	Ritz-Carlton Hotel Development Equity Analysis and Due Diligence Review	2012
City of La Quinta	RE Advisory Services and Economic Trends Analysis	2012
Innovation Factory, Inc.	EB-5 Economic Impact Analysis for Mixed Use Tech Accelerator	2012
City of West Hollywood	Community Outreach Presentation – Dissolution	2012
City of Carlsbad	General Plan Update Impact Analysis	2012
City of Camarillo	Hotel Fiscal Analysis	2011
Selleck Development	Shoppes at Westlake Fiscal Impact Analysis	2011
City of Brea	Brea Public Trails Outreach	2011
Town of Yucca Valley	RE Advisory Services and Retail Recruitment	2011
City of Irwindale	Economic Development Strategic Plan	2011
City of Grand Terrace	General Fund Financial Sustainability Model	2011

South Irdell Chamber of Commerce	Mooreville Comprehensive Economic Development Strategy Update	2011
City of Hercules	Waterfront Development Program Analysis	2011
City of La Quinta	Washington Street Apartment Project	2011
City of Sparks (Nevada)	RE Advisory Services, Feasibility Analysis East Truckee River Canyon Annexation Fiscal Impact and Development Study	2011
City of Hemet	Stetson Crossing Retail Center	2010
Oroville Redevelopment Agency	Oroville Inn Reuse Feasibility Studies (Commercial and Residential)	2010
City of Goleta	City Hall Condominium Interest RE Advisory Services and Negotiations	2010
Santa Clarita Redevelopment Agency	San Fernando Road & Highway 14 Development Programming Analysis	2010
City of Dana Point	Towne Center Specific Plan RE Advisory Services and Fiscal Analysis	2009
Lemoore Redevelopment Agency	Site Reuse Study	2009
City of Fountain Valley	City-owned Property Infill Development Feasibility and Programming Analysis	2008
City of Carlsbad	Strawberry Farms Economic Impact Analysis of General Plan Initiative	2007
Civic Partners	The Diamond Market and Fiscal Impact Analysis	2007
City of South Pasadena	DECOMA / Downtown Infill Redevelopment Fiscal Impact Analysis	2007
Westminster Redevelopment Agency	Springdale Site RE Advisory Services and Economic Analysis	2007



4. PROPOSED SCOPE OF WORK

The City has identified three surplus properties, which are to be made available for private development to realize new economic development activity, job creation, and municipal revenue. Accordingly, the City wishes to retain a qualified real estate advisory services consultant to identify the most beneficial disposition for three City-owned sites that would both maximize value and result in the development and use of the property in a manner consistent with the City's economic development objectives and goals.

The City desires a consultant to provide a full range of advisory and broker services to advise, market, and negotiate disposition transactions for the sites.

The graphic below provides a pictorial overview of the proposed Scope of Work for this assignment.



A detailed description of the individual work tasks is provided on the following page.

TASK 1: FEASIBILITY FOR HIGHEST AND BEST USE OPTIONS

Task 1a. Property Data Analysis

Meet with the Director of Community Investment and other City staff to review and discuss the specifics of each disposition or a Broker Property Offering Memorandum, the most beneficial disposition process, any previous development proposals or plans for the property, and the current City economic development goals, objectives and priorities.

Collect any relevant City documents and information that would assist with determining potential highest-and-best use development options, such as City entitlement and existing market data. This information will also be incorporated as an attachment to the property marketing material.

Task 1b. Competitive Market and Valuation Analyses

Gather and analyze real estate and property information to understand the market demand for commercial retail uses, business parks, and other potential uses for the properties. This research would include the review and analysis of the following:

- Property research and comparable sales data
- Vacancy rates
- Rents
- Recent new construction projects
- Pipeline projects (approved)
- Potential for site consolidation with adjacent properties
- Demographic statistics (U.S. Census, Bureau of Labor Statistics, ESRI, and SCAG)

Evaluate highest-and-best use to establish the individual properties' value based on the respective market demand. As part of this valuation analysis, a formal Broker Opinion of Value may be prepared by RSG or an independent third-party property appraisal may be utilized for the properties, as coordinated by RSG and City staff.

Deliverables:

- **Summary Memorandum of Project Work Scope & Data Needs**
- **Market Comparable Summaries and Properties Data Sheets (3)**
- **Competitive Market and Valuation Analysis (3)**
- **Broker Opinion of Valuation Reports for Each Property (3)**
- **Highest & Best Use Analyses for Each Property (3)**

TASK 2: FEASIBILITY ANALYSIS

RSG staff will perform financial pro forma analyses to determine reasonable and financially feasible development options for the individual properties. These pro formas will be prepared utilizing the competitive market analyses from Task 1b above, development cost data identified

in Marshal and Swift Valuation Services (a national industry construction costs data source), and RSG's independent construction cost experience.

Further, RSG will identify those uses that can be brought to market quickly and efficiently given current supply and demand conditions.

Deliverables:

- **Financial Pro Forma Feasibility Analyses (3)**
- **Market Study (3)**

TASK 3: IDENTIFY PROSPECTIVE BUYERS/MARKET OUTREACH

In a real estate advisory and broker capacity, RSG will prepare a property disposition strategy and marketing materials for the properties, consisting of:

- Background
- Market analysis
- Development feasibility and recommendations
- Marketing opportunities
- Disposition terms and conditions that would satisfy the City's goals and objectives.

RSG would proceed with the marketing the sale of the property, which would include either soliciting developer interest through a broker Property Offering Memorandum or an RFP/Q process through to the development community.

It is important to note that there would be substantial similarities between the content and materials that would be provided in either an Offering Memorandum or an RFQ/P. However, we believe that the Memorandum provides for a far more streamlined process in effecting a timely Purchase and Sale Agreement, which can result in achieving the same City economic development goals and objectives.

The marketing materials would be submitted to staff for review, and upon completion of edits, RSG would finalize and post the property offerings on appropriate real estate marketing sites including, but not limited to, LoopNet.com, Real Capital Markets (www.RCM1.com) and other related industry and broker property listing sites.

RSG would maintain a complete broker contact list of developers and investors expressing property interest and a record of all market discussions, which would be shared at least weekly with City staff. RSG staff would network with other brokers, developers and investors and respond to property interest inquiries as well as host site visits. RSG staff would also be available for status update meetings with City staff as needed.

Deliverables:

- **Summary Property Disposition Strategy Memorandum**
- **Broker Offering Memorandum [Alt. RFP] (3)**

TASK 4: NEGOTIATE AND PREPARE TRANSACTION DOCUMENTS

RSG would represent the City exclusively under a Real Estate Broker Agreement (see Attachment 1 to this Proposal) in all property offering discussions and transaction negotiations with prospective developers and investors. In coordination with City staff and the City's attorney, RSG would:

- Evaluate and negotiate purchase offer terms, including attendance by RSG's Principal-in-Charge and Vice President/Director for meetings with the City staff, City Attorney, City Manager and City Council to review all negotiations with prospective buyers of the properties
- Prepare all transaction documents (including purchase and sale agreements, Disposition and Development Agreement or other property disposition agreements)

Deliverables:

- **Draft Purchase and Sale Agreements (3)**
- **Final Purchase and Sale Agreements (3)**
- **City Council Property Disposition Reports (3)**

TASK 5: TRANSACTION MANAGEMENT

RSG would oversee the entire transaction process to ensure that sales close in a timely manner. More specifically, RSG will manage and coordinate the following:

- Transaction due-diligence activities
- Opening escrow and funding
- Preliminary title reports
- Phase 1 Environmental investigations (if applicable)
- Property condition assessments
- Soils and geologic investigations (if applicable)
- Planning, zoning and building entitlements
- Other conditions precedent to closing
- Escrow closing and recording

TASK 6: ATTENDANCE AT SIX (6) CITY COORDINATION MEETINGS, PUBLIC HEARINGS, AND CITY COUNCIL MEETINGS AS NEEDED (PER HOURLY FEE SCHEDULE)

This Scope of Services and Cost Estimate includes the attendance of RSG's Principal-in-Charge and Vice President/Director at a total of six (6) meetings with the City staff, City Additional meetings would be billed in accordance with the hourly fee schedule included in RSG's Cost Estimate (found on page 23).



5. COST ESTIMATE (BY TASK AND DELIVERABLE)

RSG proposes to complete the real estate advisory services outlined in the Scope of Work for a not-to-exceed fee of **\$99,580** plus any reimbursable expenses and additional expenses incurred as described below. A detailed cost estimate by task and deliverable is shown on page 24.

The proposed fee reflects the \$87,655 amount identified as the Cumulative Advisory Services Budget in the following Budget Detail Sheet together with the \$11,925 budget amount identified for City Coordination Meetings and Public Hearings (please see next page for detail). The City would only directly incur costs and be billed for the actual hours worked under the not to exceed amount rather than charged a flat fee for services.

As a performance inducement, additional amounts that may accrue under Tasks 4 and 5 (related to the subsequent transaction negotiations, preparation of transaction documents, and for transaction management undertaken by RSG in accordance the Real Estate Broker Agreement) would be indirectly incurred and paid by the City through brokerage commission only when the individual properties are sold and the grant deeds are recorded. ***In other words, all amounts paid directly by the City to RSG for advisory services would be credited dollar for dollar against amounts paid to RSG for commission (under the terms of the Broker Services Agreement by and between the City and RSG, included as Attachment 1).***

The following illustrates the payment provisions identified above.

City Direct Consultant Advisory Services Payments:	\$ 99,580
Estimated City Indirect Brokerage Commission Payments:	\$210,000
Less: Amount Credited to City for Consultant Advisory Services:	< \$99,580>
Adjusted Brokerage Commission Payments to RSG:	\$110,420

The forgoing fee structure serves to cap the City's direct expenditure obligation, which would have RSG share the financial risks as an inducement for performance.

A detailed cost estimate, by task and deliverable, is presented below.

Real Estate Advisory Services Fee Structure										
	Principal/ Director \$210		Senior Associate \$165		Analyst \$115		Research Assistant \$100		Total	Total
	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost
Consultant Real Estate Advisory Hours by Task										
Property Disposition Coordination/Management	30	\$6,300	10	\$1,650	0	\$0	0	\$0	40	\$7,950
Task 1 - Highest & Best Use Analyses										
1a. - Property Data Analyses										
Define City Objectives & Priorities	4	\$840	4	\$660	2	\$230	2	\$200	12	\$1,930
Collect City Entitlement & Market Data	4	\$840	4	\$660	2	\$230	2	\$200	12	\$1,930
Total Task 1a	8	\$1,680	8	\$1,320	4	\$460	4	\$400	24	\$3,860
1b - Competitive Market & Opinion of Value Analysis										
Prepare Competitive Market & Valuation Analyses (3)	9	\$1,890	12	\$1,980	9	\$1,035	6	\$600	36	\$5,505
Prepare Broker Opinion of Values (3)	18	\$3,780	18	\$2,970	12	\$1,380	6	\$600	54	\$8,730
Total Task 1b	27	\$5,670	30	\$4,950	21	\$2,415	12	\$1,200	90	\$14,235
Total Task 1	35	\$7,350	38	\$6,270	25	\$2,875	16	\$1,600	114	\$18,095
Task 2 - Feasibility Analyses										
Development Feasibility for Highest & Best Use Options	6	\$1,260	12	\$2,520	9	\$1,890	3	\$630	30	\$6,300
Prepare Development Programming Evaluations (3)	6	\$1,260	12	\$2,520	9	\$1,890	3	\$630	30	\$6,300
Prepare Financial Pro Forma Feasibility Analyses (3)	6	\$1,260	12	\$2,520	9	\$1,890	3	\$630	30	\$6,300
Total Task 2	12	\$2,520	24	\$5,040	18	\$3,780	6	\$1,260	60	\$12,600
Task 3 - Identification of Buyers / Marketing Outreach										
Property Disposition Strategy and Marketing Materials	9	\$1,890	9	\$1,485	3	\$345	3	\$300	24	\$4,020
Develop Property Marketing Strategy	9	\$1,890	9	\$1,485	3	\$345	3	\$300	24	\$4,020
Identify Prospective Developers and Investors	12	\$2,520	18	\$2,970	12	\$1,380	9	\$900	51	\$7,770
Prepare RFP / Property Offering Memorandum (3)	2	\$420	6	\$990	4	\$460	4	\$400	16	\$2,270
Place Property Listing on Appropriate Site(s)	24	\$5,040	12	\$1,980	2	\$230	2	\$200	40	\$7,450
Perform Directed Marketing Outreach	24	\$5,040	12	\$1,980	2	\$230	2	\$200	40	\$7,450
Network with Brokers, Developers, and Investors	20	\$4,200	20	\$3,300	6	\$690	4	\$400	50	\$8,590
Respond to Property Interest Inquiries	9	\$1,890	18	\$2,970	12	\$1,380	12	\$1,200	51	\$7,440
Host Property Visits	9	\$1,890	18	\$2,970	12	\$1,380	12	\$1,200	51	\$7,440
Total Task 3	109	\$22,890	104	\$17,160	44	\$5,060	39	\$3,900	296	\$49,010
Cumulative Advisory Services Budget										
	186	\$39,060	176	\$30,120	87	\$11,715	61	\$6,760	510	\$87,655
Task 4 - Negotiation & Preparation of Transaction Documents										
Property Disposition Transactions	36	\$7,560	24	\$3,960	6	\$690	3	\$300	69	\$12,510
Evaluate and Negotiate Purchase Offer Terms (3)	24	\$5,040	18	\$2,970	6	\$690	3	\$300	51	\$9,000
Prepare Purchase and Sale/Disposition Agreements (3)	9	\$1,890	12	\$1,980	6	\$690	3	\$300	30	\$4,860
Draft CC Property Disposition Reports (3)	9	\$1,890	12	\$1,980	6	\$690	3	\$300	30	\$4,860
Total Task 4	69	\$14,490	54	\$8,910	18	\$2,070	9	\$900	150	\$26,370
Task 5 - Transaction Management										
Coordinate Due Diligence Activities	3	\$630	6	\$990	3	\$345	2	\$200	14	\$2,165
Escrow Opening and Funding	3	\$630	6	\$990	3	\$345	2	\$200	14	\$2,165
Preliminary Title Reports	3	\$630	6	\$990	3	\$345	2	\$200	14	\$2,165
Phase I Environmental Investigations	3	\$630	6	\$990	3	\$345	2	\$200	14	\$2,165
Property Condition Assessments	3	\$630	6	\$990	3	\$345	2	\$200	14	\$2,165
Soils and Geologic Investigations	3	\$630	6	\$990	3	\$345	2	\$200	14	\$2,165
Planning, Zoning, and Building Entitlements	3	\$630	6	\$990	3	\$345	2	\$200	14	\$2,165
Other Conditions Precedent to Closing	3	\$630	6	\$990	3	\$345	2	\$200	14	\$2,165
Escrow Closing and Recording	3	\$630	6	\$990	3	\$345	2	\$200	14	\$2,165
Total Task 5	24	\$5,040	48	\$7,920	24	\$2,760	16	\$1,600	112	\$17,320
Contingency									0	\$0
Task 6 - City Coordination Meetings & Public Hearings (6)	45	\$9,450	15	\$2,475	0	\$0	0	\$0	60	\$11,925
Total Cost Real Estate Advisory Services	324	\$68,040	293	\$49,425	129	\$16,545	86	\$9,260	832	\$143,270
	38.9%		35.2%		15.5%		10.3%			

Note:

Budgets identified for Tasks 4 and 5 are minimum estimates to serve only as place holders since the actual hours associated with the individual tasks can not be reasonably estimated due to the nature of the marketing and negotiations activities.

99,540
26,370
17,320
43,690



6. PROPOSED PROJECT SCHEDULE

RSG staff anticipates that the real estate advisory services work detailed primarily in Tasks 1 through 3 above will be completed in 8 to 10 weeks from the date of City authorization to begin work. The schedule for real estate broker services work identified primarily in Tasks 4 and 5 above, however, is subject to conditions beyond direct control of the consultant including, but not limited to, marketing outreach and receipt of viable purchase offers, negotiations of agreeable disposition terms and conditions, and the completion of due diligence investigations and other precedence conditions to escrow closing.



ATTACHMENT 1

REAL ESTATE BROKER SERVICES AGREEMENT

ATTACHMENT 1

REAL ESTATE BROKER SERVICES AGREEMENT
BETWEEN THE CITY OF HEMET AND ROSENOW SPEVACEK GROUP, INC. (CALBRE
CORPORATE LICENSE NO. 01930929) TO SERVE AS THE EXCLUSIVE AGENT FOR THE
SALE OF REAL ESTATE

This Broker Services Agreement (“Agreement”) between the City of Hemet, or any assignee of its right, title, and interest in the Property (collectively, “City” or “Seller”), and Rosenow Spevacek Group Inc. (CalBRE Corporate License No. 01930929), or any assignee of its rights hereunder (collectively “Broker”) has been executed to facilitate the sale of certain real property of the City.

City and Broker, for the mutual purpose and consideration agreed to herein, as follows:

1. Exclusive Agent. City authorizes Broker to act as the exclusive agent for the City in the sale of real estate comprised of land and/or improved real properties located in the City identified in Attachment “A” (the “Property”), as may be approved by the City.
2. Scope of Work. The scope of real estate brokerage and marketing services are to be undertaken in conjunction with a Professional Real Estate Advisory Services Agreement by and between the City and Broker. The real estate broker services hereunder involves the preparation of property valuation analyses and assembling of appropriate due-diligence and marketing outreach materials pursuant to marketing the sale of the properties, evaluation of purchase offer terms and conditions, negotiations with prospective buyers, and preparation of transaction documents. The services are to be performed in coordination with City staff, the City Attorney, the City Finance, the City Clerk, the City Council, and escrow officers.

RSG’s scope of work for the real estate services include, but are not limited to, following tasks:

- A. Evaluation of Potential Highest and Best Use Programs Sought on Subject Properties. Working with City Community Development staff, RSG would develop highest and best use analyses of the potential reuse/development opportunities for each of the three (3) identified properties to be offered for sell by the City. As part of this effort, RSG would evaluate market feasibility and analyze the potential valuation of these sites and estimate the potential number of jobs and fiscal benefits accruing to the City on each of the properties upon their sale and development.
- B. Preparation of Broker Opinion of Value. RSG will perform pricing and financial evaluations to identify the range of the indicated property values based on current comparable market conditions and available financing alternatives. The broker opinion of value will serve as a basis for setting sales prices and marketing strategies on the subject properties.
- C. Collect Preliminary Title Reports. Working with the title company of the City’s choosing, RSG would coordinate the collection of preliminary title reports for each of the subject properties. These title reports would be shared with the City for their files and uploading to the City’s webpage. We anticipate collecting these reports from a title company at little or no cost to the City given that the title company stands to gain proceeds from the transaction closings, however these costs are not part of our advisory fee budget as is

BROKER SERVICES AGREEMENT
CITY OF HEMET

customary so the City may have some additional costs outside our contract for these preliminary reports.

- D. Coordinate Preparation of Phase I Environmental Studies. Where not already in hand, RSG would work with City staff to obtain Phase I environmental studies to assess the potential risk of hazardous materials on the sites. Again, copies of the completed reports should be uploaded to the City's webpage. These reports will be an important adjunct to negotiations with prospective buyers. These costs are outside the customary advisory fee and broker commission and would be charged separately to the Successor City.

Together with the advisory services tasks identified above, RSG's scope of work for the real estate brokerage and marketing services include, but are not limited to, the following:

- E. Prepare Marketing Strategy and Materials. RSG would prepare and deliver for approval a marketing strategy for each of the properties, along with a copy of the marketing materials that may be employed to solicit bids (e.g. brochure, offering memorandum, etc.). In general, these materials would describe each property, summarize the area economic and demographic conditions, identifies the City's disposition process and requirements, and outline the proposed pricing terms and conditions, including potential public financing options, if any. It is expected that the Broker Opinion of Value and the Offering Memorandum would together comprise the marketing outreach materials for property sale. RSG representatives would be prepared to discuss the marketing strategy and related items at a closed session of the City Council, as may be needed.
- F. Marketing Outreach and Disposition Negotiations. RSG will coordinate with City staff to ensure the broadest distribution of the property sale materials to private investors, developers and the real estate broker community. This would include outreach with the Hemet Chamber of Commerce, and local and regional real estate investors and developers, as well as typical broker networks.

RSG will also draft purchase and sale agreements and work with the City Attorney to review and evaluate all offers to identify the pros and cons associated with terms and conditions of each offer, and to make recommendations as to counteroffer terms and conditions as may be appropriate.

- G. Other Due Diligence. RSG would coordinate with escrow agent(s), title companies, buyer representatives, and City staff for disclosure documents dissemination, deposit payments, review of contingencies and/or releases, property inspections, closing, recording and other matters pertinent to the execution of purchase and sale agreements with the City as an extension of staff.
- H. Meetings. RSG staff members will attend meetings with City staff as may be requested to present our findings and recommendations.
3. Compensation to Broker. If a Purchase and Sale Agreement or similar document transferring title from the City to a third party (the "Purchase Agreement") for the Properties is executed between City and Buyer, and a grant deed or other property conveyance is made pursuant thereunder, Broker shall be entitled to a real estate broker fee/commission equal to 2.5% of the Purchase Price for each property. City acknowledges and agrees that

BROKER SERVICES AGREEMENT
CITY OF HEMET

the time period identified above shall be extended for any option to purchase or lease option time period agreed by and between City and the Buyer.

All real estate broker Property Sale commission amounts shall be paid to Broker by Seller through escrow pursuant to the terms of the Purchase Agreement, which amounts shall be offset, dollar for dollar, by the prorated amount identified in Attachment A of the real estate advisory fee paid to the Broker under the terms of the Professional Real Estate Advisory Services Agreement by and between the City and Rosenow Spevacek Group, Inc. dated _____.

The fee/commission shall be due and payable to Broker through escrow on the date such grant deed or ground lease in favor of the Buyer is recorded in the Official Records. Broker expressly acknowledges and agrees that such fee/commission shall not be earned, due, or payable UNLESS AND UNTIL the grant deed or other property conveyance agreement for the Property is recorded in the Official Records in favor of the Buyer (the "Sale Date").

4. No Dual City. Broker agrees to represent only the City and shall not engage in representing any other party to a prospective sale of the properties identified herein.
5. Non-Circumvention. City will not participate in any contact, negotiation or arrangement with a prospective buyers, other brokers, representatives or agents of buyers without the knowledge of the Broker, and in any event, shall remain liable to pay Broker the full commission authorized and payable under Article 2 hereinabove.
6. Protect Against Claims. Broker agrees to protect, indemnify, defend, and hold City, and its respective affiliates, employees, and agents harmless from any and all claims, liabilities, and causes of action for a commission, finder's fee, or other compensation (collectively, a "Claim") with respect to the purchase and sale of the Properties or any matter related thereto arising out of any communications or other dealings which Broker may have had with any other person, firm, or other entity regarding the purchase and sale of the Properties or any matter related thereto whether or not such communication was ever reduced to a writing.
7. Broker's Use of Best Efforts. Unless otherwise permitted by City, Broker agrees to use its best efforts to represent only City in any negotiation or sale of land and/or improved real properties subject to this Agreement and to perform any rights and duties hereunder in compliance with the laws of the State of California.
8. Confidentiality by City. City agrees not to reveal confidential information as disclosed by Broker about land and/or improved real properties subject to purchase.
9. Confidentiality by Broker. Broker agrees not to reveal confidential information obtained from or about City save and except in furtherance of the purpose of a transaction as permitted by this Agreement.
10. Notice. Any correspondence or notice permitted or required under this Agreement shall be made by personal delivery, certified or registered United States mail with receipt requested or by national courier service with receipt required to the respective addresses of the parties as follows:

BROKER SERVICES AGREEMENT
CITY OF HEMET

Address of City:

John Jansons, Community Investment Director
City of Hemet
445 E. Florida Avenue
Hemet, CA 92543
jjansons@cityofhemet.org

Address of Broker:

James Draughon, Vice President
Rosenow Spevacek Group Inc.
309 W. 4th Street
Santa Ana, CA 92701-4502
jdraughon@webrsg.com

11. Attorneys Fees. If City sells a property identified on Attachment "A" hereto without paying the compensation due to Broker under this Agreement, City agrees to pay all reasonable attorneys fees incurred by Broker in collecting said compensation.
12. Applicable Law and Construction. If any term or condition of this Agreement shall be found to be invalid by a court of competent jurisdiction, the remainder of this Agreement shall remain in effect insofar as possible and is to be construed and enforced according to the laws of the State of California.

Rosenow Spevacek Group Inc.,
a California Subchapter S Corporation.
CA BRE Corporate Broker License # 01930929

By: _____
Name: Hitta Mosesman
Its: Principal/Secretary

By: _____
Name: James A. Draughon
Its: Vice President

ACKNOWLEDGED AND AGREED TO:

City of Hemet

By: _____
Name:
Its:

ATTACHMENT "A"

INVENTORY OF PROPERTIES TO BE LISTED UNDER
RSG/CITY OF HEMET BROKER SERVICES AGREEMENT

APN(s)	Situs Address(es)	Lot Acres	Zoning
456 050 044 456 050 013	NWC Sanderson and Stetson	18.74	SP07-4
456 140 032	North of Domenigoni	22.88	A-2-10
448 310 027	NWC Florida and Kirby	8.24	R-A

ATTACHMENT 2



REQUEST FOR PROPOSALS

FIVE PROPERTIES

OWNED BY THE

CITY OF HEMET

RESPECTFULLY SUBMITTED

MARSHALL L. McINTYRE, SRA/MAI

DIANE D. SCHOOLER, APPRAISER

M. SAMUEL MITCHELL, APPRAISER

DAVID G. HALE, REAL ESTATE BROKER.

October 30, 2014

PROPOSED PROJECT SCHEDULE

Once the properties are approved for sale, the appraisal process will begin. Estimated time for completion of appraisals should be 15 to 20 working days. Approval of the values is on the city's schedule, but if it is a City Council approved item, depending on the schedule could be another 30 days.

Once approved, properties must be listed individually and signed by an authorized person in the city, 5-7 days. At that time the properties will have signage on the properties, and be listed on the Mls. The anticipated time for marketing would be 60 to 90 days with 30 to 45 days of escrow period following an acceptable contract.

The total time period after approval of sale should be 5 to 6 months.

COST ESTIMATES

APPRAISERS

\$550.00 per property for a highest and best use analysis which would include investigating and documenting the City's regulation. At the City's option the appraisers would generate a "restricted use appraisal" that could be part of the marketing package to share with a buyer or for use as a negotiation strategy. The cost of a "restricted use appraisal" would be \$900.00 per property.

BROKER COSTS.

David Hale will charge 6% of the final sales price for the improved properties, and 8% of the final sales price for the unimproved properties.

ESCROW COSTS

Hemet Escrow charges a base of \$220.00 to the seller plus \$2.50 per thousand of sales price. Grant deed preparation is \$45.00. County Documentary stamps is \$1.10 per thousand of sales price. Title insurance for the buyer (Which seller would normally pay) varies with the sales price. For example for a \$50,000.00 sale the title insurance would be \$440.00, for a \$100,000 sale the price would be \$634.00. Both quotes are from Chicago Title.

PROPOSED PROJECT SCHEDULE

Once the properties are approved for sale, the appraisal process will begin. Estimated time for completion of appraisals should be 15 to 20 working days. Approval of the values is on the city's schedule, but if it is a City Council approved item, depending on the schedule could be another 30 days.

Once approved, properties must be listed individually and signed by an authorized person in the city, 5-7 days. At that time the properties will have signage on the properties, and be listed on the MLs. The anticipated time for marketing would be 60 to 90 days with 30 to 45 days of escrow period following an acceptable contract.

The total time period after approval of sale should be 5 to 6 months.

MARKETING APPROACH

The presented properties are varied from vacant commercial land, damaged commercial property, improved commercial property, unimproved commercial lot, and vacant residential lot and most likely vacant fee mobile home lot.

The approach will be as varied. The most likely buyer for these properties are as different as the character of the properties.

The vacant damaged building a contractor or small business would be the most likely buyer. Networking with local businesses and on sight signing to find a buyer or listing it in the commercial section of the MLS will be helpful.

The improved commercial would be likely to be purchased by a local investor or small business. Again, out of town investors will most likely be located through the commercial section of the MLS, and on sight signing.

The Vacant residential lots will be of interest to local builders. If priced right and the fees to build are reasonable, buyers are plentiful as that market is surging. Local advertising, on property signing and the vacant land section of the MLS should be adequate exposure.

Finally, the unimproved commercial lot, is the most difficult property. As the lot is relatively small for a Florida Ave. property to develop the buyer's will be limited. A requirement for on-site parking is a restriction on this site. If an agreement to allow the close city owned parking could be included in the sale of the property, the marketing of this property would be enhanced. Local businesses and investors will be buyer's on this property. On site signing and vacant land listing in the MLS should give adequate exposure.

David G. Hale, Broker, JD.

Owner, CEO, HomeStar Real Estate Services

Background Professional Affiliations

Licensed in California since 1976, Broker/Owner since 1977

Member, National Association of Realtors, 1976 to present

Served as President of Hemet/ San Jacinto Association of Realtors for three terms

2008 Manufactured Housing Chair, California Association Of Realtors

Served as Traveling Director for California Association of Realtors 10 Years

Land Use Representative District 14, 5 years.

Current Professional Affiliations

Director/ Southwest Riverside Association of Realtors

Governing Board President, Hemet Division Southwest Riverside Association of Realtors

Director, California Regional Multiple Listing Service.

Business Affiliations

Hemet San Jacinto Chamber of Commerce.

Professional Background

Broker Representing:

Commercial Buyers for land and Shopping centers

Non Profits, Hemet Valley Medical Center, Arrid Club

Commercial Leasing, Shopping Centers, and Industrial

Single Family Residences, Mobile Homes, and Apartment Sales

Consulting for City's, Non-profits, Churches, and investors of all levels.

Education:

Cal-State Fullerton, Bachelor of Arts

Western State College of Law, Fullerton Campus. J.D.

References

Bruce Wallis, Attorney, 951.658.7162

Ronald Doty, Attorney, 951.658.1100

James Irvin, Draftsman, 951.652.4901

Marvin Foster Church Manager, San Jacinto

Baptist Church, 951.654.4411

Matthew Mays. Investor, 562.618.5740



#20

MINUTES

REGULAR MEETING OF THE HEMET CITY COUNCIL

December 9, 2014

7:00 p.m.

City of Hemet Council Chambers
450 E. Latham Avenue

www.cityofhemet.org

Please silence all cell phones

Call to Order

Mayor Smith called the meeting to order at 7:02 p.m.

Roll Call

PRESENT: Council Members Krupa, Wright, Youssef and Mayor Smith

ABSENT: Mayor Pro tem Milne

Council Member Krupa moved and Council Member Youssef seconded a motion to excuse Mayor Pro Tem Milne. Motion carried 4-0.

Invocation

Invocation was given by Marie James, Hemet-San Jacinto Interfaith Council

Pledge of Allegiance

Pledge of Allegiance was led by Council Member Youssef

Approve of Minutes

1. November 18, 2014

Council Member Krupa moved and Council Member Wright seconded a motion to approve the Minutes as presented. Motion carried 4-0.

Certification of Election

2. **Certification of Election Results** - City Clerk McComas

a. Adopt a resolution reciting the fact of the Consolidated General Election held on November 4, 2014, declaring the results.

Resolution No. 4609

Council Member Youssef moved and Mayor Smith seconded a motion to approve this item as presented. Motion carried 4-0.

Presentation

3. Presentations to Mayor Smith

Council Member Youssef, presented Mayor Smith with a crystal gavel for his service as Mayor. I've known you for 14 years and it has been a pleasure to know you and work with you. Whether your decisions were popular or not, you have done a great job. At your first meeting the City Council discussed the possibility of bankruptcy in closed session. Council Member Youssef presented Mayor Smith with a City of Hemet Street Sign saying "Larry Smith Hwy", this is a reminder of your work with RCTC and WRCOG and your efforts on Highway 79 realignment.

Arnold San Miguel, SCAG, presented Mayor Smith with a Proclamation for his commitment to SCAG.

The City Council recessed briefly at 7:12 p.m.

Reconvened at 7:16 p.m.

Oath of Office

4. City Clerk will administer the Oath of Office to the newly elected Council Members Linda Krupa and K. Paul Raver

City Clerk McComas administered the Oath of Office to newly elected Council Members.

The City Council recessed briefly at 7:19 p.m.

Call to Order

Council Member Youssef called the meeting to order at 7:25 p.m.

Roll Call

PRESENT: Council Members Krupa, Raver, Wright and Youssef

ABSENT: Council Member Milne

Council Member Krupa moved and Council Member Raver seconded a motion to excuse Council Member Milne. Motion carried 4-0.

OTHERS PRESENT: City Manager Hill, City Attorney Vail and City Clerk McComas

Council Reorganization

5. City Clerk to Call for Nominations for the Office of Mayor

City Clerk McComas called for nominations for the Office of Mayor.

Council Member Wright moved and Council Member Youssef seconded a motion to nominate Council Member Krupa for the Office of Mayor. Motion carried 4-0.

6. Mayor to Call for Nominations for the Office of Mayor Pro Tem

Mayor Krupa, called for nominations for the Office of Mayor Pro Tem.

Council Member Youssef moved and Council Member Raver seconded a motion to nominate Council Member Wright for the Office of Mayor Pro Tem. Motion carried 4-0.

The City Council recessed briefly at 7:28 p.m.

Council Member Youssef left at 7:28 p.m.

Reconvened at 7:35 p.m.

Presentation

7. Recognition of Janine Reitenbach and Rick Hoffman's 25 Years of volunteerism in support of the Hemet Christmas Parade

Mayor Krupa, presented Janine Reitenbach and Rick Hoffman with plaques recognizing their volunteerism announcing for the Christmas parade for over 20 years.

Rick Hoffman, encouraged the City of Hemet to continue to support the Christmas Parade, it takes staff and public works to continue to make it a success.

Mayor Pro Tem Wright, as a judge for many years, sharing the stage with these two who are devoted to the community was a pleasure.

City Council Business Consent Calendar

8. **Receive and File** – Investment Portfolio as of September 2014
9. **Receive and File** – Warrant Registers
- a. Warrant registers dated November 13, 2014 in the amount of \$1,376,717.17 and November 6, 2014 in the amount of \$1,827,625.81. Payroll for the period of October 27, 2014 to November 9, 2014 was \$621,655.33 and November 10, 2014 to November 23, 2014 was \$571,964.97.
10. **Recommendation by City Manager** – Ratification of Appointment of Interim Fire Chief
- a. Ratify the City Manager's appointment of Scott Brown as Interim Fire Chief effective December 3, 2014.
11. **Recommendation by City Clerk** – Destruction of Certain Records
- a. Adopt a resolution authorizing the destruction of certain fire and finance department records. **Resolution No. 4610**
12. **Recommendation by Finance** – Request to Increase Appropriation for Workers Compensation Insurance
- a. Authorize the Deputy City Manager/Administrative Services Director to record a supplemental appropriation from available fund balance in the amount of \$119,723 in the Worker's Compensation Fund (Fund 681) for payment of additional premium for fiscal year 2013/14.

13. **Recommendation by Finance** - Comprehensive Fee Schedule
 - a. Adopt an ordinance amending Sections 2-379 and 2-380 of the Hemet Municipal Code regarding user fees **Ordinance Bill No. 14-066**
14. **Recommendation by Finance** – Amendment of Certain User Fees
 - a. Adopt a resolution to amend certain fees for service adopted by Resolution No. 4603. **Resolution Bill No. 14-081**
15. **Recommendation by Community Development** - Zoning Ordinance Amendment No. 14-005 (Congregate Care Facilities)
 - a. Adopt an ordinance approving ZOA 14-005, a City-initiated action amending Chapter 90 (Zoning) of the Hemet Municipal Code to update and expand the definitions to certain types of congregate living facilities, and to establish their use in the Multiple Family Residential Commercial, Downtown, and Institutional Zones. **Ordinance No. 1892**
16. **Recommendation by Police** – FY14/15 State COPS Allocation Expenditure Plan
 - a. Accept the 2014-2015 State COPS award of \$128,764; and
 - b. Approve the proposed expenditure plan for the \$128,764 in State COPS funding for 2014-2015; and
 - c. Upon award of the allocation, authorize increase in revenues of \$128,764 and increase in appropriation in the amount of \$128,764 to accounts to be assigned by Finance based on the approved expenditure plan.
17. **Recommendation by Police** – 2014 State Homeland Security Program (SHSP) Grant for purchase of Interoperable Handheld Radios
 - a. Accept the 2014 State Homeland Security Program Grant in the amount of \$79,444; and
 - b. Authorize the finance department to establish an expenditure account and budget in the amount of \$79,444.
18. **Recommendation by Engineering** – Dedication of Right-Of-Way – Realignment of Warren Road, north of Mustang Way, Rancho Diamante Investments, LLC (Strata/Benchmark Pacific)
 - a. Accept the Grant Deed, for right-of-way purposes; and
 - b. Authorize the City Clerk to record it with the County of Riverside Recorder's Office.
19. **Recommendation by Fire** – FY 2014 Emergency Management Performance Grant (EMPG) Award
 - a. Accept the grant approved by the California Office of Emergency Services (CalOES) for the Riverside County's FY14 Emergency Management Performance Grant Program in the amount of \$22,103; and
 - b. Approve expenditure of funds to purchase supplies and equipment, and to fund the current Emergency Services Coordinator (50% of the salary) to support the Hemet Fire Department Emergency Services program; and
 - c. Adopt a resolution designating an authorized agent under the FY14 Emergency Management Performance Grant Program (EMPG). **Resolution No. 4611**

20. **Recommendation by Community Investment** – Contract with North Star Destination Strategies for City Branding Campaign
 - a. Authorize the City Manager to execute a contract with North Star Destination Strategies, Inc. to develop a branding strategic plan and a new “brand” for the City of Hemet, and
 - b. Appropriate \$70,000 from the General Fund uncommitted fund balance into the Economic Development Department, FY14-15 budget account #120-8500-2710.

21. **Recommendation by Community Investment** – Second Amendment to Lease of Real Property located at 250-256 East Meier Street to Amerco Real Estate, DBA U-Haul Center of Hemet
 - a. Approve Second Amendment to Lease of Real Property located at 250-256 East Meier Street to Amerco Real Estate, DBA: U-Haul Center, Hemet, CA; and
 - b. Authorize the City Manager to execute the lease amendment.

22. **Recommendation by Information Technology** – Tyler Technologies Eden ERP Financial Software
 - a. Approve the annual support and maintenance for continued use of the Tyler Technologies Eden ERP Financial Software and authorize the City Manager to approve purchase orders in support of this purchase.

Item No. 18 was removed from the Consent Calendar by City Manager Hill.

Item Nos. 10, 13, 14, 20 and 21 were removed from the Consent Calendar. **Mayor Pro Tem Wright moved and Council Member Raver seconded a motion to approve the remaining Consent Calendar items as presented. Motion carried 3-0.**

Item No. 10

Council Member Raver, request that the City Manager begin recruiting for a full time Fire Chief.

Wally Hill, City Manager, Item No. 23 on the agenda is regarding the referendum. The City Council will have to make a choice. If the choice is to reverse the September 9th decision recruitment efforts will begin immediately. If not, an interim will remain in place pending the outcome of an election.

Council Member Raver moved and Mayor Pro Tem Wright seconded a motion to approve this item as presented. Motion carried 3-0.

Item Nos. 13 & 14

Council Member Raver, expressed concern with the fees and requested that these items be continued to January 13, 2015 allowing him additional time to review the documents.

Eric Vail, City Attorney, the City’s current fee schedule will remain in place. Depending on the outcome of Council Member Raver’s review the item will either come back as a consent calendar item or need to be re-noticed for another public hearing. The fees will not become effective until 60 days after the adoption of the ordinance.

Council Member Raver moved that the item be continued to January 13, 2015.

Council Member Raver, further expressed his concerns with fees particularly public safety fees. The documents do not indicate how these fees will be implemented.

Mr. Vail, Item No. 13 is the adoption of the ordinance that authorized the fees. This ordinance does not set the fee itself, just adopts the fee study including the methodology.

Council Member Raver's motion failed due to lack of second.

Mr. Vail, the ordinance must be adopted by at least 3 Members of the City Council.

Item Nos. 13 & 14 were continued to January 13, 2015.

Item No. 20

Mayor Krupa, recommended that this item be removed until the City Council is able to convene a Strategic Planning Session.

Council Member Raver moved to remove this item. Motion failed due to lack of a second.

Mayor Krupa moved and Mayor Pro Tem Wright seconded a motion to remove this item from the Consent Calendar and discuss it at the Strategic Planning Session.

Motion carried 2-1. Council Member Raver voted No.

Item No. 21

Council Member Raver, asked if there have been any discussions regarding a potential lease/purchase with the tenant.

John Jansons, Community Investment Director, the property is part of the larger parcel owned by the City that includes the potato shed. If the City were to consider development or sale of the property it would do so in its entirety.

Council Member Raver moved and Mayor Pro Tem Wright seconded a motion to approve this item as presented. Motion carried 3-0.

Discussion/Action Item

23. **Consideration of validated petition regarding the Council's September 9, 2014 decision to enter into a five year Cooperative Agreement with Riverside County Fire to provide fire and emergency medical services for the City of Hemet – City Manager Hill**

- a. Reverse the September 9, 2014 decision to enter into a five year Cooperative Agreement with Riverside County Fire to provide fire and emergency medical services for the City of Hemet with a term of July 1, 2015 through June 30, 2020, and items 14b, 14c and 14d from September 9, 2014; or
- b. Submit the Council's September 9, 2014 decision to enter into a five year Cooperative Agreement to a voter referendum.

Wally Hill, City Manager, on September 9th the City Council made the decision to enter into a five-year Cooperative Agreement with Riverside County Fire to provide fire and emergency medical services as well as other related action items. Subsequent to that a referendum petition was received requesting that the item be submitted to a referendum. The Riverside County Registrar of Voters examined the petition and found it to be sufficient. The City Council now has the option of reversing the September 9, 2014 decision in its entirety or submit the issue to the voters at an election to be called. Staff believes that the earliest election would be June 6th with an estimated cost of \$67,000 to \$100,000.

Mayor Pro Tem Wright made a motion to approve Item No. 23.a.

Council Member Raver, requested that the Item be amended and distributed a letter to the City Council.

Eric Vail, City Attorney, summarized the request by Council Member Raver. The letter is requesting that direction be given to staff to prepare an ordinance to be placed on a future ballot as a Measure to require that any future attempt to outsource public safety departments would require a vote of the residents. Direction can be given to staff however the language cannot be approved at this time.

Council Member Raver made a substitute motion to approve Item 23.a and amend the item to include the requested direction to staff. Motion failed due to lack of a second.

Mayor Pro Tem Wright moved and Council Member Raver seconded a motion to approve Item 23.a. Motion carried 3-0.

Mayor Krupa, requested that staff follow-up with the County of Riverside regarding the decision.

Eric Vail, City Manager, confirmed that the County of Riverside did not approve the agreement, so no further action by the County is necessary.

Bob Jungbluth, Hemet, expressed concerns that false information presented by representatives of the County of Riverside during the previous meetings.

24. **Support for legislative action allowing body-contact uses at Diamond Valley Lake** – City Manager Hill

- a. Adopt a resolution supporting legislation permitting body-contact uses at Diamond Valley Lake. **Resolution Bill No. 14-078**

Wally Hill, City Manager, this item was placed on the agenda at the request of Council Member Youssef. The item can be continued until Council Member Youssef is present to participate in the discussion.

Lori VanArsdale, Hemet, this is a new Council, but not a new topic. There have been a number of studies done on the economic impact, the water contact issues, health and safety. I would encourage the City Council and staff to review John Husing and Mark Goldberg's previous studies. Do some homework before you take this request to MWD.

Howard Rosenthal, Hemet, expressed concerns with the request for body contact at Diamond Valley Lake. The allowance of body contact at Lake Perris has not generated additional economic revenue for Perris. There are no new hotels or new restaurants as result of that allowance. Instead you have a smelly body of water.

Tami Wilhelm, Hemet, previously on the committee and agrees that body contact might kill fish. Ms. Wilhelm feels that body contact might also mitigate the economic impact from the loss of specific plans that might have been developed on that property. Ms. Wilhelm suggested that discussions with MWD be considered. A well designed specific plan around the lake could be a revenue generator.

Mayor Pro Tem Wright, recommended that discussions with Metropolitan Water District be conducted regarding this request prior to moving forward.

Council Member Raver, would also like to see full development of the area around the lake. Council Member Raver concurred that discussions with MWD should occur prior to moving forward.

Mayor Krupa, agreed that discussions with MWD should be considered. Mayor Krupa also recommended that previous studies be reviewed prior to moving forward.

Mayor Pro Tem Wright moved and Council Member Raver seconded a motion to remove this item. Motion carried 3-0.

Joy Ward, Hemet, I've lived here 25 years and MWD promised me a swimming lake, I would like to know where it is?

The City Council recessed to the Housing Authority Meeting at 8:19 p.m.
Reconvened at 8:20 p.m.

Communications from the Public

Bob Jungbloth, Hemet, explained a situation that happened at a Hemet Unified School District Bond Council meeting that was held after the September 9th City Council meeting and again expressed his concerns with the representatives from Riverside County Fire.

Melissa Diaz-Hernandez, Hemet, disagreed with the comments said by Council Member Youssef about Larry Smith. Ms. Diaz-Hernandez feels that Larry Smith undervalued the employees of the City and underestimated the citizens of Hemet. The City is lucky to have Chief Dave Brown and the City Council needs to back up his department and employees. The Fire Department did more than fight to maintain local control their fight brought the city back to life. The residents need the City Council to commit to moving this City toward being the best version of itself.

Nicole Tamez, Hemet, requested that the City consider painting a red curb along California Avenue. Employee parking for Horizon Solar impedes the vision for safe turns. Ms. Tamez also asked the City to contact CalTrans regarding the light at Florida and California, hoping that the completion of that light will help with the traffic concerns on California Avenue.

Mayor Krupa, asked staff to follow-up with Ms. Tamez.

Anthony Poe, Salvation Army, thanked Mayor Pro Tem Wright for helping them serve over 450 Thanksgiving meals. Lt. Poe requested permission for Salvation Army to be a warming center.

Eric Vail, City Attorney, last year the City Council approved a warming center with specific terms. The City Council can direct staff to bring this back as an action item on January 13, 2015 or if the weather might require a warming center prior to that date the City Council can add this as an urgency item to the agenda.

Mayor Pro Tem Wright moved and Council Member Raver seconded a motion to add an urgency item to the agenda. Motion carried 3-0.

Mayor Krupa moved and Mayor Pro Tem Wright seconded a motion to approve the Salvation Army as a warming center with the same conditions as last year. Motion carried 3-0.

City Council Reports

25. CITY COUNCIL REPORTS AND COMMENTS

A. Mayor Krupa

1. Traffic and Parking Commission

The Commission discussed speed surveys that will come before the City Council at a subsequent meeting.

2. Riverside Conservation Authority (RCA)

3. Ramona Bowl Association
4. Indian Gaming Distribution Fund
5. Riverside Transit Agency (RTA)
6. Watermaster Board

Mayor Krupa attended the Chief's Luncheon at the San Bernardino Sheriff's Academy. Chief Brown spoke on Ethics. Hemet's three new officer's Marshall, Perez and Datil will graduate on Thursday, December 11th.

- B. Council Member Wright
1. Park Commission
 2. Planning Commission
 3. Indian Gaming Distribution Fund
 4. Riverside County Habitat Conservation Agency (RCHCA)
 5. Ramona Bowl Association

Mayor Pro Tem Wright attended the joint Chamber of Commerce mixer.

Mayor Pro Tem Wright assisted the Salvation Army on Thanksgiving.

Mayor Pro Tem Wright participated in and complimented the successful Christmas Parade.

- C. Council Member Youssef
1. Western Riverside County of Governments (WRCOG)
 2. Riverside County Transportation Commission (RCTC)

- D. Council Member Milne
1. Library Board
 2. League of California Cities
 3. Riverside County Habitat Conservation Agency (RCHCA)
 4. Riverside Transit Agency (RTA)
 5. Riverside Conservation Authority (RCA)
 6. Disaster Planning Commission

- E. Council Member Raver

- F. Ad-Hoc Committee Reports
1. Crime Stoppers Plus Ad-Hoc Committee
 2. West Hemet MSHCP Ad-Hoc Committee
 3. Regent Development Agreement Ad-Hoc Committee

- G. City Manager Hill
1. Manager's Reports
 2. Schedule a Federal Legislative Update – David Turch and Associates

Wally Hill, David Turch and Associates would like to give the City Council a Legislative update.

The City Council gave direction to staff to schedule the update in January.

Closed Session

Notice of Opportunity for Public Comment

There were no public comments presented at this time.
The City Council recessed to Closed Session at 8:38 p.m.

26. Conference with Labor Negotiators
Pursuant to Government Code section 54957.6
Agency designated representatives: City Manager Hill
Employee organization:
Service Employees International Union General Employees
Hemet Fire Fighters Association
27. Conference with Legal Counsel - Existing Litigation
Pursuant to Government Code section 54956.9(d)(1)
Name of cases: *Hemet Firefighters Association, et al. v. City of Hemet, et al.*
RSC Case No. RIC 1400175
28. Conference with Legal Counsel - Anticipated Litigation
One (1) matter of significant exposure to litigation pursuant to Government Code section 54956.9(d)(2) & (3)

Reconvened at 9:56 p.m.

City Attorney Closed Session Report

29. Conference with Labor Negotiators
Pursuant to Government Code section 54957.6
Agency designated representatives: City Manager Hill
Employee organization:
Service Employees International Union General Employees
Hemet Fire Fighters Association

The City Council received an update from the negotiating team regarding SEIU. The City Council received an update on the HFFA and gave direction to re-open negotiations for a successor MOU and recognized that its resolution of impasse adopted on September 9th is no longer valid since the City Council rescinded its vote to contract with CalFire. There were no additional reportable actions.

30. Conference with Legal Counsel - Existing Litigation
Pursuant to Government Code section 54956.9(d)(1)
Name of cases: *Hemet Firefighters Association, et al. v. City of Hemet, et al.*
RSC Case No. RIC 1400175

The City Council received an update and brief from the City Attorney. There were no additional reportable actions.

31. Conference with Legal Counsel - Anticipated Litigation

One (1) matter of significant exposure to litigation pursuant to Government Code section 54956.9(d)(2) & (3)

The City Council received an update from the City Attorney. There was no additional reportable action.

Future Agenda Items

Workstudy regarding a ballot measure requiring a majority vote to outsource public safety departments.

External funding for the projects

Town Hall meetings

Budget workstudy sessions

Strategic Planning

Adjournment

Adjourned at 10:08 p.m. to Tuesday, January 13, 2015 at 7:00 p.m.



Staff Report

TO: Honorable Mayor and Members of the Hemet City Council
FROM: Wally Hill, City Manager *Wally Hill*
DATE: January 13, 2015
RE: City Council holding town hall meetings

RECOMMENDED ACTION:

Provide direction to staff as to the Council's interest in holding town hall meetings and the nature, timing, and location of them.

BACKGROUND:

In the December 9, 2014 Council meeting, Mayor Pro Tem Wright asked that the possibility of the City Council holding town hall meetings twice a year be discussed at a future Council meeting.

ANALYSIS:

If the Council desires, town hall meetings could be scheduled twice a year to provide additional opportunities for community engagement. The nature and costs of those town hall meetings would depend upon the town hall concept preferred by the Council.

If a majority of the City Council participates in the town hall meetings, the meetings would be subject to the Brown Act requirements for meeting notices, preparation of agendas, discussions being limited to only items on the agenda, and preparation of meeting summaries. Those requirements increase the costs to the City, as well as would require a more formal interaction between the Council and public, rather than the free flowing and spontaneous input the Council may desire. In essence, those type of town hall meetings would be much like the public comments sessions already allowed for in every Council meeting, although the location of the meetings may be different. The cost of this type of town hall meeting, assuming free meeting space but with set-up by staff, is approximately \$3,052 per meeting. If free meeting space is provided and the host is responsible for the room set-up and take-down, the cost would be approximately \$1,742 per meeting.

As an alternative to a formal meeting with the full Council, an Ad Hoc Committee of two members could be formed separately for each town hall event to meet with citizens in an informal environment without a rigid agenda. Although the Ad Hoc Committee would not be making decisions or voting on issues, a free dialogue and exchange of ideas could be had without concern for violating the Brown Act. Cost savings would be achieved because no formal agenda packet would need to be prepared or distributed 72 hours in advance, as is required for formal meetings. And, further savings would be possible as no meeting summary would be legally required. The cost of this type of town hall meeting, assuming free meeting space, the host being responsible for the room set-up and take-down, and without a meeting summary being prepared,

would be limited to whatever means of publicizing the meeting is used. If the Council desires for a meeting summary to be prepared, this type of town meeting would cost at least \$770 per meeting, more if an audio recording is also prepared.

There are also "virtual" meeting approaches that could be considered, with solicitations of public input being made via social media or Internet-based community engagement applications. Interaction of these types would also be constrained by Brown Act requirements if a quorum of Council members is participating in the engagements.

The timing of the town hall meetings could depend upon whether the Council has specific issues on which they would like to have interaction with the community, and when the Council plans to discuss and deliberate upon those issues. The town hall meetings could either be before the Council's deliberations, to inform the Council's discussion. Or, they could be afterwards, to explain the issues the Council has been deliberating upon and get reactions.

FISCAL IMPACT:

If the town hall meetings are of type that invoke Brown Act requirements, and are scheduled at a City site with staff providing set-up and take-down work, the approximate cost per town hall meeting would be about \$3,052. If the meeting is hosted, and the host is responsible for room set-up and take-down, the cost would be approximately \$1,742 per meeting. The FY15 budget did not anticipate these types of meetings and there are no funds appropriated in the Council budget for them. If the town hall meetings are of a type that do not invoke Brown Act requirements, and are held off-site in hosted locations, with the host providing the room set-up and take-down, the costs would be limited to event promotion, unless the Council wants meeting summaries to be prepared. That costs of preparing optional meeting summaries would be at least \$770, more if an audio recording is also prepared.

Respectfully submitted,



Wally Hill
City Manager



Eric Vail
City Attorney