GAIL FARBER, Director

COUNTY OF LOS ANGELES
DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

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ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

35 October 18, 2016

LORI GLASGOW
EXECUTIVE OFFICER

October 18, 2016

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

COUNTY LANDSCAPE MAINTENANCE DISTRICTS
LANDSCAPING AND LIGHTING ACT DISTRICT 4, ZONE 74, TESORO DEL VALLE
AUTHORIZATION TO EXTEND AGREEMENT 10356 WITH
TESORO DEL VALLE MASTER HOMEOWNERS ASSOCIATION
FISCAL YEAR 2016-17
(SUPERVISORIAL DISTRICT 5)
(3 VOTES)

SUBJECT

This action is to authorize the Director of Public Works or her designee to amend the term of Agreement 10356 with Tesoro Del Valle Master Homeowners Association to provide additional time to expend all available funds in Zone 74 on capital improvements within a certain area managed by the Association.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the recommended action does not constitute a project and is not subject to the requirements of California Environmental Quality Act pursuant to Section 15378(b)(4) of the California Environmental Quality Act Guidelines.

2. Authorize the Director of Public Works to execute Amendment 2 to Agreement 10356 with the Association extending the term of the agreement on a month-to-month basis not to exceed 12 additional months up to and including October 31, 2017, to allow the Association to complete certain capital improvements using Zone 74 funds.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended actions is to execute the enclosed Amendment 2 to Agreement 10356 that is set to expire on October 31, 2016, to extend the term for up to 12 additional months ending October 31, 2017. The extension would allow additional time for the Association to complete certain capital improvements using all available funds in Zone 74.

Implementation of Strategic Plan Goals

This action will further the County's Strategic Plan Goals of Operational Effectiveness/Fiscal Sustainability (Goal 1) by ensuring the continuation of maintenance of landscaped areas and appurtenant improvements that benefit properties. This action is consistent with Community Support and Responsiveness (Goal 2) by establishing the funding necessary for construction and maintenance of the landscaping and appurtenant facilities that benefit the properties. In addition, this action is consistent with Integrated Services Delivery (Goal 3) as it provides for the delivery of a customer oriented municipal service for the convenience of the benefiting public, which improves the quality of life in the County of Los Angeles.

FISCAL IMPACT/FINANCING

There is no fiscal impact to the General Fund.

Zone 74 is funded with a special benefit assessment on the properties within the zone. The projected beginning fund balance in Fiscal Year 2016-17 is approximately $1.2 million. Funding for the proposed Amendment 2 to Agreement 10356 is available in the Landscaping and Lighting Act District 4 Zone 74, Tesoro Del Valle (Fund P29) Fiscal Year 2016-17 Budget. Any funds not spent in Fiscal Year 2016-17 will be made available in future year budgets in accordance with agreement terms.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On June 25, 2013, after a public hearing, the Board approved the detachment of Zone 74, Tesoro Del Valle, from the District effective April 30, 2014. Previously, on June 11, 2013, the Board authorized the Director of Parks and Recreation to enter into Agreement 10356 that would provide the Association with the authority to make certain capital improvements using the fund balance from Zone 74 until such funds were expended. The original term of Agreement 10356 was from July 1, 2013, to April 14, 2014, but provided for month-to-month extensions not to exceed a maximum period of 18 months in the event any Zone 74 funds held by the District were not expended prior to April 30, 2014. Any Zone 74 funds remaining after October 31, 2015, could only be used for allowable expenditures of utility costs incurred by the Association.

On October 13, 2015, the Board approved the execution of Amendment 1 to Agreement 10356, which extended the term by an additional 12 month-to-month extensions ending October 31, 2016. Under Amendment 1, any Zone 74 funds remaining as of November 1, 2016, could only be used to reimburse the Association for allowable expenditures of utility costs.

The Association has advised Public Works that the project was delayed longer than expected due to difficulties obtaining an oak tree permit from the County. This caused financial difficulties that

triggered a redesign of the monument structures. As a result, construction was delayed until June 2016 and is expected to continue until March 2017. It is therefore necessary that the term of Agreement 10356 be extended to October 31, 2017, in order to make the Zone 74 funds available to the Association.

Under the proposed contract amendment, any Zone 74 funds remaining as of November 1, 2017, could only be used to reimburse the Association for allowable expenditures of utility costs.

County Counsel has reviewed and approved the proposed amendment as to form.

ENVIRONMENTAL DOCUMENTATION

The proposed contract amendment in connection with the detachment of Zone 74 is not a project pursuant to the California Environmental Quality Act because it is an activity that is excluded from the definition of a project by Section 15378 (b)(4) of the State California Environmental Quality Act Guidelines. The proposed action is an administrative activity of government that will not result in direct or indirect physical changes to the environment.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of this action will cause no impact on current services or programs.

CONCLUSION

Please return one adopted copy of this letter to the Department of Public Works, Traffic and Lighting Division. Also, please forward one adopted copy of the letter to the Tesoro Del Valle Homeowners Association (Attention Joseph Manisco), 25115 West Avenue Stanford, Suite A111, Valencia, California 91355.

Respectfully submitted,

Gail Farber

GAIL FARBER
Director

GF:DRL:dj

Enclosures

c: Chief Executive Office (Rochelle Goff)
County Counsel (Julia Weissman)
Executive Office

AMENDMENT 2 TO AGREEMENT 10356
BETWEEN THE COUNTY OF LOS ANGELES AND THE
TESORO DEL VALLE MASTER HOMEOWNERS ASSOCIATION
FOR MANAGEMENT OF THE INSTALLATION OF
CERTAIN IMPROVEMENTS TO BE MADE TO THE
OPEN SPACE AREA WITHIN LANDSCAPING AND LIGHTING ACT DISTRICT
NO. 4, ZONE 74, TESORO DEL VALLE

This Amendment 2 is made and entered into effective as of_____, 2016, by and between County of Los Angeles, hereinafter referred to as "County", and the Tesoro Del Valle Master Homeowners Association, hereinafter referred to as "Association".

RECITALS

WHEREAS, pursuant to Section 6.01, the original term of the Agreement was from July 1, 2013, through April 30, 2014, during which term the Association could expend the Zone 74 funds for the Capital Improvements within the Open Space (as those terms are defined in the Agreement) and utility services to the Open Space; and

WHEREAS, pursuant to Section 6.01 the term of the Agreement could be further extended on a month-to-month basis for up to an additional eighteen (18) months to October 31, 2015, to accommodate the expenditure of such Zone 74 funds for Capital Improvements and utilities, but after October 31, 2015, such funds could be spent solely for the purpose of reimbursing the Association for amounts incurred for utility purposes and for no other purpose.

WHEREAS, due to the delays resulting from the necessity of the Association having to obtain an oak tree permit, by Amendment 1 to the Agreement, Association and County extended the term of the Agreement for up to twelve (12) additional one (1) month option periods, to October 31, 2016, at the latest, to enable Association to complete construction of an entry monument.

WHEREAS, due to additional delays in obtaining the oak tree permit and in connection with the redesign of the entry monument, Association anticipates that it will not be able to construct the entry monument on or before October 31, 2016. Association and County therefore desire to further extend the term of the Agreement for up to twelve (12) additional one (1) month option periods, to October 31, 2017, at the latest, to enable Association to complete construction of the entry monument.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for good and valuable consideration, the parties agree to amend the Agreement as follows:

1. Section 6.01 of the Agreement is deleted in its entirety and the following is inserted in its place:

6.01 The term of this Agreement shall be from July 1, 2013, to and including April 30, 2014, unless sooner terminated or extended, in whole or in part, as provided in this Agreement. Notwithstanding the foregoing, the parties mutually agree that this Agreement shall be terminated sooner if all Zone 74 funds held by the District have been expended prior to April 30, 2014, or its term automatically extended, on a month-to-month basis so as to accommodate the expenditure of all Zone 74 funds on Capital Improvements within the Open Space and utilities, for a maximum of forty-two (42) additional months. Notwithstanding the foregoing, in the event that Association reasonably determines that the Zone 74 funds might not be fully spent within such term, as extended (*i.e.* October 31, 2017), the term shall be further automatically extended on a month-to-month basis until such time that all Zone 74 funds have been expended, provided, however, during such period subsequent to October 31, 2017, such Zone 74 funds may be spent solely for the purpose of reimbursing Association amounts incurred by Association for utilities and for no other purpose.

The parties mutually agree that County shall not be responsible for any overages in utility costs, which exceed the balance in the Zone 74 fund, regardless of the amount of the actual utility invoice(s).

2. Except as expressly amended herein, all terms and provisions of the Agreement shall remain unchanged and in full force and effect as originally executed.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, Association has executed this Amendment 2, or caused it to be duly executed, and County of Los Angeles, by order of its Board of Supervisors, has caused this Amendment 2 to be executed on its behalf by the Director of the Department of Public Works, the day and year first above written.

COUNTY OF LOS ANGELES

By _____
Gail Farber, Director
Department of Public Works

TESORO DEL VALLE
MASTER HOMEOWNERS ASSOCIATION

By Richard Galway
Richard Galway, President, Board of Directors

APPROVED AS TO FORM:

MARY C. WICKHAM
County Counsel

By Julie Weisman
Deputy