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**City of Santee  
Regular Meeting Agenda**

**Santee City Council  
CDC Successor Agency  
Santee Public Financing Authority**

**Council Chamber – Building 2  
10601 Magnolia Avenue  
Santee, CA 92071**

**July 13, 2016  
7:00 PM**

**ROLL CALL:** Mayor Randy Voepel  
Vice Mayor Jack E. Dale  
Council Members Ronn Hall, Rob McNelis and John W. Minto

**LEGISLATIVE INVOCATION \ PLEDGE OF ALLEGIANCE:**

**PROCLAMATION:** Proclaiming National Clown Week August 1-7, 2016.

**PROCLAMATION:** Proclaiming July is Parks and Recreation month and July 13, 2016 is “Go Play! Get Fit! Day,” and presentation of fund raising proceeds by the Santee Park and Recreation Committee.

**PROCLAMATION:** Retirement of Fire Department Senior Volunteers Paul Eddinger and Dick Callahan.

**ITEMS TO BE ADDED, DELETED OR RE-ORDERED ON AGENDA:**

**1. CONSENT CALENDAR:**

Consent Calendar items are considered routine and will be approved by one motion, with no separate discussion prior to voting. Council Members, staff or public may request specific items be removed from the Consent Calendar for separate discussion or action. Speaker slips for this category must be presented to the City Clerk before the meeting is called to order. Speakers are limited to 3 minutes.

- (A) Approval of reading by title only and waiver of reading in full of Ordinances on agenda.**
- (B) Approval of Payment of Demands as presented.**

- (C) Approval of the expenditure of \$59,596.37 for June 2016 Legal Services and related costs.
- (D) Adoption of a Resolution awarding the construction contract for the Town Center Community Park West Safety Netting Project (CIP 2016-32) to Judge Netting, Incorporated for a total amount of \$59,200.00, authorizing the City Manager to execute the contract, authorizing the Director of Development Services to approve change orders in an amount not to exceed \$5,920.00 and approving a categorical exemption pursuant to the California Environmental Quality Act.
- (E) Adoption of a Resolution authorizing the City Manager to execute a Public Right-of-Way Improvement Agreement for public improvements associated with the Castlerock Project on Mast Boulevard.
- (F) Adoption of a Resolution approving the Final Map for East County Estates (TM 2005-13) and authorizing the City Manager to execute the associated Subdivision Improvement Agreement. Location: 8530-8548 Rhone Road and 9432-9440 Slope Street. Applicant: Greg Brown.
- (G) Authorization for the purchase of telephone system network equipment from Hewlett Packard Enterprise per National Association of State Procurement Officials (NASPO) Contract #AR1464 for an amount not-to-exceed \$24,938.51 and authorization for the City Manager to approve change orders up to ten percent (10%) of the total purchase price for unforeseen modifications.

## 2. PUBLIC HEARING:

- (A) Public Hearing for the FY 2016-17 Santee Landscape Maintenance District (SLMD) Annual Levy of Assessments.

Recommendation:

Conduct and close the Public Hearing and adopt the Resolution confirming an assessment diagram and assessment, and providing for the FY 2016-17 SLMD annual levy of assessments.

- (B) Public Hearing for the FY 2016-17 Town Center Landscape Maintenance District (TCLMD) Annual Levy of Assessments.

Recommendation:

Conduct and close the Public Hearing and adopt the Resolution confirming an assessment diagram and assessment, and providing for the FY 2016-17 TCLMD annual levy of assessments.

**(C) Public Hearing for the FY 2016-17 Santee Roadway Lighting District (SRLD) Annual Levy of Assessments.**

Recommendation:

Conduct and close the Public Hearing and adopt the Resolution confirming an assessment diagram and assessment, and providing for the FY 2016-17 SRLD annual levy of assessments.

**(D) Public Hearing for Conditional Use Permit (P2015-1) for a Wireless Communications Facility at 9300 Fanita Parkway (Padre Dam Municipal Water District Offices) located in the Park/Open Space Zone and finding the project categorically exempt under the California Environmental Quality Act (CEQA) pursuant to Sections 15301, 15302 and 15303 of the CEQA Guidelines. Applicant: Plancom for Verizon Wireless.**

Recommendation:

1. Conduct and close the Public Hearing; and
2. Adopt the Resolution:
  - a. Finding that Conditional Use Permit P2015-1 and approval of the Verizon Wireless Communications Facility is exempt from the California Environmental Quality Act pursuant to Class 1 (Existing Facilities) Section 15301, Class 2 (Replacement or Reconstruction) Section 15302, and Class 3 (New Construction or Conversion of Small Structures) Section 15303 of the CEQA Guidelines; and
  - b. Approving Conditional Use Permit P2015-1.

3. **ORDINANCES:** None

4. **CITY COUNCIL ITEMS AND REPORTS:**

**(A) Selection of Voting Representative and Alternate for the League of California Cities annual conference.**

Recommendation:

Select a voting representative and up to two alternates to attend the Annual Business Meeting and direct the City Clerk to complete and forward the Voting Delegate/Alternate form to the League of California Cities.

5. **CONTINUED BUSINESS:** None

**6. NEW BUSINESS:****(A) Response to Grand Jury Report: “East County Cities’ lack of response to homelessness.”**Recommendation:

Provide direction to staff and authorize the City Manager to work with the Mayor to finalize the response to the Grand Jury.

**(B) Resolution levying special taxes to be collected during Fiscal Year 2016-17 to pay the annual cost of Municipal Maintenance Services within Community Facilities District No. 2015-1 (Municipal Maintenance Services) of the City of Santee.**Recommendation:

Adopt the attached Resolution levying special taxes to be collected during FY 2016-17 to pay the annual cost of Municipal Maintenance Services within CFD No. 2015-1.

**(C) Resolution authorizing an open market purchase of one (1) new 2016 Ford F-150 replacement fire command vehicle and declaring Vehicle V-142 as surplus property.**Recommendation:

Adopt the Resolution:

1. Finding that open market purchasing is in the City’s best interest and authorizing such purchase of 2016 Ford F-150 XLT SuperCrew Cab 4x4 pickup from Penske Ford for an amount not-to-exceed \$46,660; and
2. Authorizing open market purchase of add-on equipment such as a camper shell, radios, decals, strobe lights, light bars, command module and other miscellaneous items from American Emergency Products (AEP) for an amount not to exceed \$32,406.00; and
3. Authorizing the City Manager to approve additional expenditures for unforeseen changes in amount not to exceed ten percent (10%) of the total purchase price, which may include changing Ford dealers should the proposed vehicle no longer be available at the time a purchase order is issued; and
4. Declaring vehicle V-142, a 2006 Ford Expedition, surplus and directing disposal in accordance with SMC 3.32.040; and
5. Authorizing the City Manager to execute all necessary documents.

**(D) Resolution amending the Fiscal Years 2015-16 and 2016-17 Operating Budget and the Fiscal Year 2016-17 Capital Improvement Program Budget.**

Recommendation:

Adopt the Resolution amending the Fiscal Years 2015-16 and 2016-17 Operating Budget and the Fiscal Year 2016-17 Capital Improvement Program Budget, including any changes as directed by the City Council.

**7. COMMUNICATION FROM THE PUBLIC:**

*Each person wishing to address the City Council regarding items not on the posted agenda may do so at this time. In accordance with State law, Council may not take action on an item not scheduled on the Agenda. If appropriate, the item will be referred to the City Manager or placed on a future agenda.*

**8. CITY MANAGER REPORTS:**

**9. CDC SUCCESSOR AGENCY:**

**(A) Resolution approving the issuance of refunding bonds in order to refund certain outstanding bonds of the former Community Development Commission of the City of Santee, approving the execution and delivery of an indenture of trust relating thereto, requesting Oversight Board approval of the issuance of the refunding bonds, requesting certain determinations by the Oversight Board, and providing for other matters properly relating thereto.**

Recommendation:

Adopt the Resolution approving the issuance of refunding bonds, approving the execution and delivery of an Indenture of Trust relating to the proposed refunding, requesting Oversight Board approval of the issuance of the refunding bonds and requesting certain determinations by the Oversight Board, and providing for other matters properly relating thereto.

**10. SANTEE PUBLIC FINANCING AUTHORITY: None**

**11. CITY ATTORNEY REPORTS:**

**12. CLOSED SESSION:**

**(A) CONFERENCE WITH LABOR NEGOTIATORS**

(Government Code Section 54957.6)

Agency Designated Representative: City Manager

Employee Organization: Santee Firefighters' Association

**(B) CONFERENCE WITH LABOR NEGOTIATORS**

(Government Code section 54957.6)

Agency Designated Representative: City Manager

Unrepresented Employees: All Full-Time Miscellaneous and Management Employees

**(C) CONFERENCE WITH REAL PROPERTY NEGOTIATORS**

(Government Code Section 54956.8)

Property: Parcel 3 of Parcel Map 20177

Real Property Negotiator: City Manager

Negotiating Parties: County of San Diego

Under Negotiation: Price and Terms of Payment

**13. ADJOURNMENT:**



Jul	07	Santee Park & Recreation Committee (SPARC)	Civic Center Building 7
Jul	11	Community Oriented Policing Committee	Council Chamber
Jul	13	City Council Meeting	Council Chamber
<del>Jul</del>	<del>27</del>	<del>City Council Meeting – CANCELLED</del>	<del>Council Chamber</del>
Aug	04	Santee Park & Recreation Committee (SPARC)	Civic Center Building 7
Aug	08	Community Oriented Policing Committee	Council Chamber
Aug	10	City Council Meeting	Council Chamber
Aug	24	City Council Meeting	Council Chamber

The Santee City Council welcomes you and encourages your continued interest and involvement in the City’s decision-making process.

**For your convenience, a complete Agenda Packet is available for public review at City Hall and on the City’s website at [www.CityofSanteeCA.gov](http://www.CityofSanteeCA.gov).**

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State of California    } County of San Diego   } ss. City of Santee           }	<h3>AFFIDAVIT OF POSTING AGENDA</h3>
I, <u>Patsy Bell, CMC, City Clerk</u> of the City of Santee, hereby declare, under penalty of perjury, that a copy of this Agenda was posted in accordance with the Brown Act and Santee Resolution 61-2003 on <u>July 8, 2016</u> , at <u>4:00 p.m.</u>	
_____ Signature	_____ 07/08/16 Date

City of Santee  
**COUNCIL AGENDA STATEMENT**

PROC

**MEETING DATE**     July 13, 2016

**AGENDA ITEM NO.**

**ITEM TITLE**     PROCLAMATION: NATIONAL CLOWN WEEK AUGUST 1-7, 2016

**DIRECTOR/DEPARTMENT**     Randy Voepel, Mayor

**SUMMARY**

Clowns have long been known as ambassadors of joy and good will and bring happiness to both children and adults.

In recognition of the charitable activities of clowns and the wholesome entertainment they provide for all of our citizens "National Clown Week" has been proclaimed for the week of August 1 through August 7, 2016.

Bonita "Bon Bon" Love and Grandma Huggs will attend the council meeting with members of the San Diego All Star Clown Club to accept the proclamation.

**FINANCIAL STATEMENT**     N/A

**CITY ATTORNEY REVIEW**      N/A      Completed

**RECOMMENDATION**      Present proclamation.

**ATTACHMENTS (Listed Below)**

Proclamation.

# City of Santee, California

## Proclamation

**WHEREAS**, the tradition of the clown can be traced from ancient Egypt to the Greco-Roman World, to the royal jesters of Europe, and finally to Emmet Kelly and Lou Jacobs of America; and

**WHEREAS**, the clown gladdens the heart, lightens the spirit, and brings smiles to the faces of children and adults alike, and for a few precious moments reminds us of the healing power of humor in our daily lives; and

**WHEREAS**, the clown can be seen performing at such places as charitable organizations, community celebrations, and public institutions for no other reason than to help boost the morale of those around them; and

**WHEREAS**, the San Diego All-Star Clowns perform at health related fund raising events, hospitals, convalescent homes, and parades throughout the County of San Diego.

**NOW, THEREFORE**, I, Randy Voepel, Mayor of the city of Santee, on behalf of the City Council do hereby proclaim the week of August 1 to 7, 2016 as

### NATIONAL CLOWN WEEK

in the city of Santee, and call public attention to the charitable activities of the San Diego All-Star Clowns and the wholesome entertainment they provide to citizens throughout San Diego County.

IN WITNESS WHEREOF, I have hereunto set my hand this thirteenth day of July, two thousand sixteen, and have caused the Official Seal of the City of Santee to be affixed.



\_\_\_\_\_  
Mayor Randy Voepel



# City of Santee, California Proclamation

**WHEREAS**, Parks and Recreation makes lives and communities better by offering places, spaces and programs that foster human development, the arts, and lifelong learning for toddlers to seniors and provides positive alternatives for youth during non-school hours that reduce crime and mischief; and

**WHEREAS**, Parks and Recreation strengthens community image and sense of place, increases cultural unity, facilitates social connections and community problem solving, strengthens safety and security, adds value to homes and neighborhoods and contributes to the economic prosperity of our City; and

**WHEREAS**, Parks and Recreation preserve and protect our natural resources, provides low cost, close-to-home access to outdoor spaces and programs to play and exercise making it easy to stay active, reducing health care costs; and

**WHEREAS**, the Santee Recreation Division summer day camp program participated in the county-wide "Go Play! Get Fit!" day on July 13, 2016 to educate children on the importance of living a healthful lifestyle that includes physical activity.

**NOW, THEREFORE**, I, Randy Voepel, Mayor of the City of Santee on behalf of the City Council, do hereby set aside July 2016 as

## **PARKS AND RECREATION MONTH**

and hereby proclaim July 13, 2016 as

## **GO PLAY! GET FIT! DAY**

in the City of Santee and urge residents to enjoy and recognize the many community benefits derived from the services, facilities, and programs provided by the Community Services Department that offers something of value to everyone.

IN WITNESS WHEREOF, I have hereunto set my hand this thirteenth day of July, two thousand sixteen, and have caused the Official Seal of the City of Santee to be affixed.

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Mayor Randy Voepel



City of Santee  
**COUNCIL AGENDA STATEMENT**

**MEETING DATE**

July 13, 2016

**AGENDA ITEM NO.****ITEM TITLE**

**PROCLAMATION: RETIREMENT OF FIRE DEPARTMENT SENIOR VOLUNTEERS PAUL EDDINGER AND DICK CALLAHAN**

**DIRECTOR/DEPARTMENT**

Randy Voepel, Mayor

**SUMMARY**

Retired Senior Volunteers Paul Eddinger and Dick Callahan are retiring after 3 years of service with Santee's Fire Department. Mr. Eddinger and Mr. Callahan have been model volunteers: dependable, knowledgeable, dedicated, efficient, and ethical. They are well respected by their peers, superiors, and citizens alike.

Mr. Eddinger and Mr. Callahan volunteered their time, several days per week, in order to conduct hundreds of annual fire prevention inspections of businesses, kept records of the inspections and followed up with business owners to gain fire code compliance throughout the City. Their hard work and dedication has saved the City and the Department thousands of dollars through their volunteer efforts.

Proclamations have been prepared honoring Paul Eddinger and Dick Callahan for their superior service to the City of Santee. Mr. Eddinger and Mr. Callahan will be in attendance to accept the proclamations at tonight's City Council meeting.

**FINANCIAL STATEMENT** N/A**CITY ATTORNEY REVIEW** N/A Completed**RECOMMENDATION**

Present proclamations.

**ATTACHMENTS (Listed Below)**

Proclamations.

# City of Santee, California

## Proclamation

**WHEREAS**, Dick Callahan commenced his volunteer tenure with the City of Santee on September 25, 2013 as a Retired Senior Volunteer for the Fire Department serving as an ambassador for City and the Department with his hard work and tireless dedication; and

**WHEREAS**, Dick conducted hundreds of annual fire prevention inspections of business, kept records of the inspections and followed up with business owners to gain fire code compliance throughout the City; and

**WHEREAS**, Dick served several days per week, every week in his volunteer efforts, always with a smile on his face, a story to tell and a willingness to do whatever duties he could perform to help the Fire Department and the community; and

**WHEREAS**, as a result of his hard work and dedication he has saved the City and the Department thousands of dollars through his volunteer efforts; and

**WHEREAS**, Dick has been a dedicated volunteer to the City of Santee Fire Department and community for almost 3 years and will be missed greatly by all.

**NOW, THEREFORE**, I, Randy Voepel, Mayor of the City of Santee, on behalf of the City Council do hereby proclaim that

### DICK CALLAHAN

has been an invaluable Retired Senior Volunteer for the City of Santee, Fire Department and that he receive due recognition and commendation for superior dedication in the performance of his duties, and in appreciation for his exemplary volunteer career, we wish him a happy re-retirement and the very best in all future endeavors.

IN WITNESS WHEREOF, I have hereunto set my hand this thirteenth day of July, two thousand sixteen, and have caused the Official Seal of the City of Santee to be affixed.



\_\_\_\_\_  
Mayor Randy Voepel

# City of Santee, California

## Proclamation

**WHEREAS**, Paul Eddinger commenced his volunteer tenure with the City of Santee on September 25, 2013 as a Retired Senior Volunteer for the Fire Department serving as an ambassador for City and the Department with his hard work and tireless dedication; and

**WHEREAS**, Paul conducted hundreds of annual fire prevention inspections of business, kept records of the inspections and followed up with business owners to gain fire code compliance throughout the City; and

**WHEREAS**, Paul served several days per week, every week in his volunteer efforts, always with a smile on his face and an eager attitude to do whatever duties he could perform to help the Fire Department and the community; and

**WHEREAS**, as a result of his hard work and dedication he has saved the City and the Department thousands of dollars through his volunteer efforts; and

**WHEREAS**, Paul has been a dedicated volunteer to the City of Santee Fire Department and community for almost 3 years and will be missed greatly by all.

**NOW, THEREFORE**, I, Randy Voepel, Mayor of the City of Santee, on behalf of the City Council do hereby proclaim that

### **PAUL EDDINGER**

has been an invaluable Retired Senior Volunteer for the City of Santee, Fire Department and that he receive due recognition and commendation for superior dedication in the performance of his duties, and in appreciation for his exemplary volunteer career, we wish him a happy re-retirement and the very best in all future endeavors.

IN WITNESS WHEREOF, I have hereunto set my hand this thirteenth day of July, two thousand sixteen, and have caused the Official Seal of the City of Santee to be affixed.



\_\_\_\_\_  
Mayor Randy Voepel

City of Santee  
**COUNCIL AGENDA STATEMENT**

1B

**MEETING DATE**     July 13, 2016                      **AGENDA ITEM NO.**

**ITEM TITLE**     PAYMENT OF DEMANDS

**DIRECTOR/DEPARTMENT**     Tim K. McDermott/Finance *TM*

**SUMMARY**

A listing of checks that have been disbursed since the last Council meeting is submitted herewith for approval by the City Council.

**FINANCIAL STATEMENT** *TM*

Adequate budgeted funds are available for the payment of demands per the attached listing.

**CITY ATTORNEY REVIEW**      N/A      Completed

**RECOMMENDATION** *meB*

Approval of the payment of demands as presented.

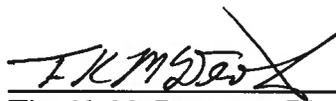
**ATTACHMENTS (Listed Below)**

- 1) Payment of Demands-Summary of Checks Issued
- 2) Disbursement Journal

Payment of Demands  
Summary of Payments Issued

<u>Date</u>	<u>Description</u>	<u>Amount</u>
06/13/16	Accounts Payable	\$ 96,198.58
06/16/16	Accounts Payable	1,352,947.12
06/16/16	Accounts Payable	24,535.32
06/23/16	Payroll	308,950.41
06/23/16	Accounts Payable	133,905.44
06/23/16	Accounts Payable	342,141.21
06/27/16	Accounts Payable	95,489.83
06/27/16	Accounts Payable	1,785,724.44
06/29/16	Accounts Payable	1,909,215.84
07/01/16	Accounts Payable	12,108.06
07/01/16	Retiree Medical	<u>5,460.00</u>
	TOTAL	<u>\$ 6,066,676.25</u>

I hereby certify to the best of my knowledge and belief that the foregoing demands listing is correct, just, conforms to the approved budget, and funds are available to pay said demands.

  
\_\_\_\_\_  
Tim K. McDermott, Director of Finance

Voucher List  
CITY OF SANTEE

Bank code :	ubgen								
Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount			
92254	6/13/2016	10955 DEPARTMENT OF THE TREASURY	PPE 06/01/16		FEDERAL WITHHOLDING TAX	74,450.31			
					Total :	74,450.31			
92275	6/13/2016	10956 FRANCHISE TAX BOARD	PPE 06/01/16		CA STATE TAX WITHHELD	21,748.27			
					Total :	21,748.27			
					Bank total :	96,198.58			
					Total vouchers :	96,198.58			

2 Vouchers for bank code : ubgen  
2 Vouchers in this report

Prepared by: Micole Su  
Date: 6-13-16  
Approved by: Samuel Johnson  
Date: 6-13-16





Voucher List  
CITY OF SANTEE

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
112286	6/16/2016	10055 EMSAR INC	56007		EQUIPMENT MAINTENANCE	1,312.23
					<b>Total :</b>	<b>1,312.23</b>
112287	6/16/2016	10057 ESGIL CORPORATION	05/30/16-06/03/16		SHARE OF FEES	8,873.94
					<b>Total :</b>	<b>8,873.94</b>
112288	6/16/2016	10058 ETS PRODUCTIONS INC	11906	51233	SUMMER CONCERT SERIES	3,240.00
					<b>Total :</b>	<b>3,240.00</b>
112289	6/16/2016	10251 FEDERAL EXPRESS	5-437-54250		SHIPPING CHARGES	29.46
					<b>Total :</b>	<b>29.46</b>
112290	6/16/2016	12352 FERLAND TOOLS SNAP-ON	05191625129	51382	DIAGNOSTIC SCANNER TOOL	2,402.99
					<b>Total :</b>	<b>2,402.99</b>
112291	6/16/2016	10009 FIRE ETC	89620	51079	ANNUAL PUMP TESTING	149.04
					<b>Total :</b>	<b>149.04</b>
112292	6/16/2016	11196 HD SUPPLY FACILITIES	9145950242	51136	SAFETY SUPPLIES	24.39
					<b>Total :</b>	<b>24.39</b>
112293	6/16/2016	10600 HINDERLITER, DE LLAMAS & ASSOC	0025493-IN (1) 0025493-IN (2)	51211	SVC-SALES TAX 2ND QTR 2016 AUDIT-SALES QTR 4 2015	1,350.00 687.41
					<b>Total :</b>	<b>2,037.41</b>
112294	6/16/2016	10073 HODGE PRODUCTS INC	0360555-IN	51378	PADLOCKS	429.37
					<b>Total :</b>	<b>429.37</b>
112295	6/16/2016	10256 HOME DEPOT CREDIT SERVICES	3974223 4150038 5150026	51353 51086 51086	STORAGE SHED EQUIPMENT REPAIR PARTS SHOP SUPPLIES	2,268.00 36.82 61.50
					<b>Total :</b>	<b>2,366.32</b>
112296	6/16/2016	11724 ICF JONES & STOKES INC	0113003	50890	CIRCULATION ELEMENT CEQA	2,800.00
					<b>Total :</b>	<b>2,800.00</b>
112297	6/16/2016	11680 KOOPMAN, ASHLEY	0234		INSTRUCTOR PAYMENT	204.00

Voucher List  
CITY OF SANTEE

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
Bank code : ubgen						
112297	6/16/2016	11680 KOOPMAN, ASHLEY	(Continued)			
112298	6/16/2016	10558 MAERTZ, BILL	04/06/16		CELL PHONE REIMBURSEMENT	69.71
			05/06/16		CELL PHONE REIMBURSEMENT	69.71
					<b>Total :</b>	<b>139.42</b>
112299	6/16/2016	10303 MAMA SAID ENTERTAINMENT INC	2085		SANTEE SALUTES	3,300.00
					<b>Total :</b>	<b>3,300.00</b>
112300	6/16/2016	10079 MEDICO PROFESSIONAL	1808670	51277	MEDICAL LINEN SERVICE	20.02
			1808671	51277	MEDICAL LINEN SERVICE	12.68
			1815259	51277	MEDICAL LINEN SERVICE	20.02
			1815260	51277	MEDICAL LINEN SERVICE	12.68
					<b>Total :</b>	<b>65.40</b>
112301	6/16/2016	11996 MES - MUNICIPAL EMERGENCY SVCS	IN1032123	51375	WEARING APPAREL	956.20
				51375		
					<b>Total :</b>	<b>956.20</b>
112302	6/16/2016	10410 MILLER, DAVID JOSEPH	06172016		DJ SERVICES	200.00
					<b>Total :</b>	<b>200.00</b>
112303	6/16/2016	10218 OFFICE DEPOT	231386	51364	FILING CABINETS	2,289.64
					<b>Total :</b>	<b>2,289.64</b>
112304	6/16/2016	10308 O'REILLY AUTO PARTS	2968-475883	51391	VEHICLE REPAIR PARTS	23.74
					<b>Total :</b>	<b>23.74</b>
112305	6/16/2016	10344 PADRE DAM MUNICIPAL WATER DIST	29701296		SANTEE AREA - FLOATER	165.50
			90000366		GROUP BILL	35,354.27
					<b>Total :</b>	<b>35,519.77</b>
112306	6/16/2016	12064 PARSONS BRINCKERHOFF, INC.	633170	51230	SR-52 CORRIDOR STUDY	59,981.10
					<b>Total :</b>	<b>59,981.10</b>
112307	6/16/2016	10241 JAN SHERAR	06/13/16		PETTY CASH REIMB- CSD	50.89
			06/13/16		PETTY CASH REIMB - DDS	280.89
			06/13/16 - FIN		PETTY CASH REIMB FINANCE	160.67

Voucher List  
CITY OF SANTEE

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
112307	6/16/2016	10241 JAN SHERAR	(Continued) 06/13/2016 06/14/16		PETTY CASH REIMB- CITY MGR	207.59
					PETTY CASH REIMB - PSD	121.21
					<b>Total :</b>	<b>821.25</b>
112308	6/16/2016	12348 PHYSIO CONTROL	116112097 416117544	51370 51370	EKG MONITOR/DEFIBRILLATORS EQUIPMENT WARRANTY	50,802.26 11,424.00
					<b>Total :</b>	<b>62,226.26</b>
112309	6/16/2016	12062 PURETEC INDUSTRIAL WATER	1485185	51224	DEIONIZED WATER SERVICE	90.00
					<b>Total :</b>	<b>90.00</b>
112310	6/16/2016	10606 S.D. COUNTY SHERIFF'S DEPT.	SHERIFF APR 2016		LAW ENFORCEMENT APR 2016	1,050,653.35
					<b>Total :</b>	<b>1,050,653.35</b>
112311	6/16/2016	10212 SANTEE SCHOOL DISTRICT	2016-4	51143	TEEN CENTER TRANSPORTATION	484.00
					<b>Total :</b>	<b>484.00</b>
112312	6/16/2016	11638 SAVMART PHARMACEUTICAL	597659 597740 597741	51104 51104 51104	PHARMACEUTICALS PHARMACEUTICALS PHARMACEUTICALS	326.25 72.51 72.51
					<b>Total :</b>	<b>471.27</b>
112313	6/16/2016	12131 SC FUELS	0598383-IN	51268	VEHICLE SUPPLIES	1,382.63
					<b>Total :</b>	<b>1,382.63</b>
112314	6/16/2016	10422 SOUTHERN CALIFORNIA SOIL AND	374459	51406	MAST BLV / JEREMY ST MEDIAN	500.00
					<b>Total :</b>	<b>500.00</b>
112315	6/16/2016	12374 SOUTHERN COMPUTER WAREHOUSE	IN-000344843		OFFICE EQUIPMENT	1,516.10
					<b>Total :</b>	<b>1,516.10</b>
112316	6/16/2016	10217 STAPLES BUSINESS ADVANTAGE	3302911942 3302911944 3302911947 3302911948 3303085172 3303220403	51190 51190 51190 51171 51106 51171	OFFICE SUPPLIES OFFICE SUPPLIES OFFICE SUPPLIES OFFICE SUPPLIES CREDIT OFFICE SUPPLIES	161.73 68.26 56.68 111.84 -203.67 30.66

Voucher List  
CITY OF SANTEE

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
112316	6/16/2016	10217 STAPLES BUSINESS ADVANTAGE	(Continued)			
112317	6/16/2016	10119 STEVEN SMITH LANDSCAPE INC	32881	51145	LANDSCAPE SERVICES	225.50
			32882	51145	IRRIGATION REPAIRS	150.00
			32883	51145	LANDSCAPE SERVICES	280.00
			32884	51145	LANDSCAPE SERVICES	110.00
			32885	51145	LANDSCAPE SERVICES	110.00
			32886	51145	LANDSCAPE SERVICES	1,508.00
					LANDSCAPE SERVICES	976.00
					<b>Total :</b>	<b>3,134.00</b>
112318	6/16/2016	10250 THE EAST COUNTY	00042495/00042493		PUBLIC HEARING NOTICE	336.00
112319	6/16/2016	12295 THE KINGS OF 88	20160630		SUMMER CONCERT SERIES	1,200.00
					<b>Total :</b>	<b>1,200.00</b>
112320	6/16/2016	10126 THE LIGHTHOUSE INC	0255768	51147	VEHICLE REPAIR PART	129.60
			0255769	51147	VEHICLE REPAIR PARTS	11.45
					<b>Total :</b>	<b>141.05</b>
112321	6/16/2016	10158 THE SOCO GROUP INC	CL71823	51288	FLEET CARD FUELING	1,146.78
			CL72199	51288	FLEET CARD FUELING	1,448.47
					<b>Total :</b>	<b>2,595.25</b>
112322	6/16/2016	10165 TRAD AM ENTERPRISES INC	0416SRP		INSTRUCTOR PAYMENT	1,012.50
					<b>Total :</b>	<b>1,012.50</b>
112323	6/16/2016	10257 TYLER TECHNOLOGIES INC	045-161774	24171	INTEGRATED FIN MGMT	375.00
					<b>Total :</b>	<b>375.00</b>
112324	6/16/2016	11944 VORTEX INDUSTRIES INC	11-1033282-1	51330	METAL DOOR REPAIRS	612.10
					<b>Total :</b>	<b>612.10</b>
112325	6/16/2016	10148 WESTAIR GASES & EQUIPMENT INC	00420087-00	51111	EQUIPMENT TESTING	30.00
					<b>Total :</b>	<b>30.00</b>
112326	6/16/2016	10537 WETMORES	13059180	51113	VEHICLE REPAIR PARTS	388.80

Bank code :	ubgen			Invoice	PO #	Description/Account	Amount
Voucher	Date	Vendor					
112326	6/16/2016	10537 WETMORES		(Continued)			
112327	6/16/2016	10232 XEROX CORPORATION		084825669	51118	COPY CHARGES	388.80
							55.10
112328	6/16/2016	10318 ZOLL MEDICAL CORPORATION		2381173	51156	MEDICAL SUPPLIES	497.34
				2381725	51156	MEDICAL SUPPLIES	3,159.00
							3,656.34
<b>60 Vouchers for bank code : ubgen</b>							<b>Bank total : 1,352,947.12</b>
<b>60 Vouchers in this report</b>							<b>Total vouchers : 1,352,947.12</b>

Prepared by: Micole  
Date: 6-16-16  
Approved by: [Signature]  
Date: 6-16-16

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
112330	6/16/2016	10001 US BANK	00474200800105171600		STATION SUPPLIES	390.84
			0060425-IN		FIDO FEST	549.06
			0091 4639		MEETING SUPPLIES	20.66
			0095		MEETING SUPPLIES	14.13
			01286		TEEN CENTER MAT/SUP	10.62
			02182		YARD STOCK	303.71
			02344		CONCRETE FOR SIGNS	46.48
			0234791-IN		FLASHLIGHT	43.35
			02594		MATERIALS AND SUPPLIES	1,312.41
			02606		SUPPLIES FOR V172	16.87
			02782		PLASTIC TUB	27.56
			029026		MEETING SUPPLIES	114.27
			02C036902A		CAT PARTS	1,185.35
			02C037046A		VEHICLE REPAIR PARTS	409.86
			030954		OFFICE SUPPLIES: TABLE COVER	24.79
			036729		MEETING SUPPLIES	15.96
			04/21/2016		KIDS TO WORK DAY SUPPLIES	87.25
			04262016		LEGISLATIVE ACTION DAY	39.47
			05/05/2016		OFFICE SUPPLIES	33.65
			05/09/2016		RATER LUNCHEON	103.50
			05/11/2016		RATER LUNCHEON	57.25
			05/18/2016		RATER LUNCHEON SNACKS	12.97
			05/18/2016		OFFICE SUPPLIES	98.20
			05/19/2016		RATER COFFEE	4.90
			05/19/2016 - 1		RATER LUNCHEON	12.51
			05/19/2016 - 2		RATER LUNCHEON	5.39
			05/19/2016 - 3		RATER LUNCHEON	14.10
			05/19/2016 - 4		RATER LUNCHEON	9.71
			0586		RIVER PARK FESTIVAL	17.02
			073451		OFFICE SUPPLIES	6.48
			07706		MURAL SUPPLIES	94.26
			0820252		ELECTION SUPPLIES	293.52
			085381		PARKING FEE	9.00
			085841		OFFICE SUPPLIES	24.83
			09274		CITY HALL SUPPLIES	72.68
			1012-8127-4230-2856		DJ SERVICES	231.75

Bank code : ubgen

Voucher 112330 Date 6/16/2016 Vendor 10001 US BANK

Invoice	PO #	Description/Account	Amount
(Continued)			
10256		YARD SUPPLIES	35.40
105253		AUTO FUEL	44.09
107526		FIRE ACADEMY TRAINING	140.00
108525947		PROMOTIONAL SUPPLIES	251.86
11137530		BLUEPRINT RACKS	719.98
116-1244061-6580256		TRAINING EQUIPMENT	560.00
1176314		PEST MANAGEMENT TRAINING	50.00
141		EXECUTIVE FORUM	35.00
1462382541		OFFICE SUPPLIES	56.38
1463695919		OFFICE SUPPLIES	134.30
153313		STATION SUPPLIES	264.36
160214		AUTOMOTIVE TRAINING	418.00
1605111		MEETING SUPPLIES	2.13
16491		SHOP SUPPLIES	135.89
16-527		EQUIPMENT REPAIR PARTS	257.58
1688643		SOFTWARE LICENSING	125.00
169331		CSMFO CHAPTER MEETING	25.00
169348		CSMFO CHAPTER MEETING	25.00
173		LIGHT POLE BASE PLATES	105.00
174		CITY HALL DANCE DRINKS	52.76
1842015		FACEBOOK BOOST POST	22.81
1894678		RIVER PARK FESTIVAL	25.09
1897 54 0020 8854		FIRE ACADEMY GRADUATION	20.26
18K-189495		DOOR KNOB REPLACEMENT	125.28
19424636		PROTECTION SHIELD	7.13
201494		PERMAPATCH	166.32
2016220		2016 EXECUTIVE FORUM	375.00
2016502		LEADERSHIP WORKSHOP	195.00
20769065		GO BY BIKE FLYERS	34.68
22175		VEHICLE REPAIR PART	164.11
23719		HOUSE BOARDING SUPPLIES	431.00
2701 3256 002		STATION SUPPLIES	17.27
27167		BATTERY FOR TOOLS	192.23
2968-471488		YARD SUPPLIES	28.05
300002566		ANNUAL MEMBERSHIP	85.00
3012750		LIVE BURN TRAINING	97.43

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
112330	6/16/2016	10001 US BANK	(Continued)			
			3058224		OFFICE SUPPLIES	32.26
			3229529750		TYLER CONF LODGING	401.88
			3335		TEEN CENTER MAT/SUPP	10.78
			358104		PARKING FEE	6.25
			361325		ARBOR DAY FOUNDATION	20.00
			3629		FIRE ACADEMY	10.80
			36814		YARD SUPPLIES	49.36
			383417		JANITORIAL SUPPLIES	196.73
			4011693981321		TEEN CENTER SUPPLIES	37.79
			424390284264		HOTEL RESERVATIONS	200.01
			4268		LEGISLATIVE ACTION DAY	28.21
			44442		CITY HALL SUPPLIES	164.01
			4588		SNACKS FOR SENIOR TRIP	21.58
			4589		TOUR AND ADMISSION TICKETS	900.00
			48059A-NO		WASHING MACHINE REPAIR	273.86
			48448		CONFERENCE MEAL	17.25
			486025		RIVER PARK FESTIVAL	34.93
			5		EQUIPMENT REPAIR PART	14.75
			50579		TOOLS	28.02
			50761		PAINT AND SUPPLIES	118.01
			5154696		LIVE BURN TRAINING	154.22
			52447		PAINT SUPPLIES	79.63
			52734		CITY HALL SUPPLIES	160.59
			57475-A		WINDOW COVERING REPAIRS	74.20
			57475-B		WINDOW COVERING REPAIRS	258.12
			5870		BID NOTICE	262.50
			5908		OFFICE SUPPLIES	81.00
			66397		YARD SUPPLIES	49.58
			6711235Y		REFERENCE BOOK	156.06
			677811		ARBORIST RECERTIFICATION	100.00
			68914		TOOLS	86.30
			7155989857-000001		TRASH BAGS	876.10
			728654-01		TRAILER PLUG FOR V172	58.05
			728736-01		TRAILER HITCH	248.35
			728748-01		V172 PARTS	51.62
			73340		POST DRIVERS AND POSTS	198.45

Voucher List  
CITY OF SANTEE

Bank code : ubgen

Voucher 112330 Date 6/16/2016 Vendor 10001 US BANK

Invoice	PO #	Description/Account	Amount
(Continued)			
75745747		LANDSCAPE MATERIALS	137.96
7883		OFFICE SUPPLIES	8.62
7923		RIVER PARK FESTIVAL	410.00
800859A		LEGISLATIVE ACTION DAY	326.18
805598		AUTO FUEL	72.33
806647		PLANTING MATERIALS	1,048.96
82190		UNIFORM SUPPLIES	40.98
838467709-001		OFFICE SUPPLIES	98.16
840511779-001		OFFICE SUPPLIES	129.56
8423422		OFFICE SUPPLIES	64.70
8464		CONFERENCE MEAL	18.00
8627		VEHICLE MAINTENANCE	14.02
86445		LEAK REPAIR KIT	4.75
870802		EQUIPMENT REPAIR PART	65.00
92199		HOSE	5.32
9697		SPARC BREAKFAST PRE-MEETING	49.56
971467173		GENERAL EVENTS	170.38
9738802605		FACILITIES GUEST CHAIR	41.31
974764700		GENERAL EVENTS	27.34
97540		BUS FOR SENIOR TRIP	1,158.00
A 39970		STATION SUPPLIES	637.02
BFELWW		LEAGUE EXECUTIVE FORUM	222.20
BFELWW-a		LEAGUE EXECUTIVE FORUM	222.20
CVV8856		COMPUTER HARDWARE	102.19
DCV2831		COMPUTER SOFTWARE	206.52
F-0131		MEETING SUPPLIES	11.78
JVYT3		FF FITNESS PROGRAM	269.46
N1029553		PROMOTIONAL ITEMS	550.28
R380F6-1		CCMA WORKSHOP	124.20
R380F7-1		CCMA WORKSHOP	124.20
TP06648327-001		AUTO FUEL	53.28
US-GP-100-20790403		BROCHURE PRINTING	1,292.97
W487496041		GENERAL SUPPLIES	128.89
W569925523		APPLE APP FEE	99.00
<b>Total :</b>			<b>24,535.32</b>

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
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1 Vouchers for bank code : ubgen

1 Vouchers in this report

Bank total : 24,535.32

Total vouchers : 24,535.32

Prepared by: Arde S  
 Date: 6-16-16  
 Approved by: [Signature]  
 Date: 6-16-16

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
112331	6/23/2016	10780 COUNTY OF SAN DIEGO SHERIFF	PPE 06/15/16		DISBURSEMENT FEE	12.00
			PPE 06/15/16 W/O		WITHHOLDING ORDER	819.24
					<b>Total :</b>	<b>831.24</b>
112332	6/23/2016	10508 LIFE INSURANCE COMPANY OF	June 2016		LIFE INSURANCE	2,706.01
					<b>Total :</b>	<b>2,706.01</b>
112333	6/23/2016	10779 NATIONAL BENEFIT SERVICES LLC	PPE 06/15/16		FLEXIBLE SPENDING ACCOUNT	2,048.73
					<b>Total :</b>	<b>2,048.73</b>
112334	6/23/2016	10784 NATIONAL UNION FIRE INSURANCE	June 2016		VOLUNTARY AD&D	117.86
					<b>Total :</b>	<b>117.86</b>
112335	6/23/2016	10353 PERS	06 16 4		RETIREMENT PAYMENT	89,629.80
					<b>Total :</b>	<b>89,629.80</b>
112336	6/23/2016	10335 SAN DIEGO FIREFIGHTERS FEDERAL	June 2016		LONG TERM DISABILITY-SAFETY	1,102.50
					<b>Total :</b>	<b>1,102.50</b>
112337	6/23/2016	10424 SANTEE FIREFIGHTERS	PPE 06/15/16		DUES/PEC/VENEVOLENT/BC EXP	2,319.99
					<b>Total :</b>	<b>2,319.99</b>
112338	6/23/2016	10776 STATE OF CALIFORNIA	PPE 06/15/16		WITHHOLDING ORDER	267.69
					<b>Total :</b>	<b>267.69</b>
112339	6/23/2016	10783 UNITED WAY OF SAN DIEGO COUNTY	June 2016		UNITED WAY	122.00
					<b>Total :</b>	<b>122.00</b>
112340	6/23/2016	10001 US BANK	PPE 06/15/16		PARS RETIREMENT	797.14
					<b>Total :</b>	<b>797.14</b>
112341	6/23/2016	10959 VANTAGE TRANSFER AGENT/457	PPE 06/15/16		ICMA - 457	30,516.64
					<b>Total :</b>	<b>30,516.64</b>
112342	6/23/2016	10782 VANTAGEPOINT TRNSFR AGT/801801	PPE 06/15/16		RETIREE HEALTH SAVINGS ACCOL	3,445.84
					<b>Total :</b>	<b>3,445.84</b>

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
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12 Vouchers for bank code : ubgen

12 Vouchers in this report

Bank total : 133,905.44

Total vouchers : 133,905.44

Prepared by:   
Date: 6-23-2016  
Approved by:   
Date: 6-23-16

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
112343	6/23/2016	10003 A & B SAW & LAWNMOWER SHOP	26228	51052	SMALL TOOL MAINTENANCE	1,060.62
					<b>Total :</b>	<b>1,060.62</b>
112344	6/23/2016	10010 ALLIANT INSURANCE SERVICES INC	473585		FIDO FEST	658.00
					<b>Total :</b>	<b>658.00</b>
112345	6/23/2016	10127 AL'S SPORT SHOP	13777	51054	NEW NETS	999.93
					<b>Total :</b>	<b>999.93</b>
112346	6/23/2016	11999 AMERICAN ASPHALT SOUTH INC	1 (2016-066) 1 (2016-066)R	51362	CITYWIDE CRACK SEALING RETENTION	36,158.00 -1,807.90
					<b>Total :</b>	<b>34,350.10</b>
112347	6/23/2016	10399 AMERICAN SOCIETY OF COMPOSERS,	500578769		LICENSE FEE	669.00
					<b>Total :</b>	<b>669.00</b>
112348	6/23/2016	12083 ANIMAL PEST MANAGEMENT	159054 160131 160133 160134 160137 160139 160144 160146 160147	51232 51232 51232 51232 51232 51232 51232 51232 51232	MONTHLY PEST CONTROL BEE REMOVAL BEE REMOVAL BEE REMOVAL BEE REMOVAL BEE REMOVAL BEE REMOVAL BEE REMOVAL BEE REMOVAL	640.00 120.00 240.00 120.00 480.00 120.00 120.00 480.00 120.00
					<b>Total :</b>	<b>2,440.00</b>
112349	6/23/2016	11885 ARROW INTERNATIONAL	93975947	51056	EMS SUPPLIES	647.49
					<b>Total :</b>	<b>647.49</b>
112350	6/23/2016	10062 BATHRICK, FRANK T	06162016A		COMMISSION STIPEND	50.00
					<b>Total :</b>	<b>50.00</b>
112351	6/23/2016	10017 BAY CITY ELECTRIC WORKS	W158180	51122	CITY HALL MAINTENANCE	182.00
					<b>Total :</b>	<b>182.00</b>
112352	6/23/2016	10018 BENCHMARK LANDSCAPE SVCS INC	126195	51257	MONTHLY LMD MAINTENANCE	10,001.01

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
112352	6/23/2016	10018 BENCHMARK LANDSCAPE SVCS INC	(Continued)			
			126196	51250	AREA 2 MONTHLY MAINTENANCE	12,249.16
			126751	51250	TREE INSTALLATION	950.00
			126752	51250	IRRIGATION REPAIRS	448.00
					<b>Total :</b>	<b>23,648.17</b>
112353	6/23/2016	10020 BEST BEST & KRIEGER LLP	LEGAL MAY 2016		LEGAL SERVICES MAY 2016	82,988.04
					<b>Total :</b>	<b>82,988.04</b>
112354	6/23/2016	10021 BOUND TREE MEDICAL LLC	82122214	51273	EMS SUPPLIES	13.28
			82144192	51273	EMS SUPPLIES	151.19
			82144193	51273	EMS SUPPLIES	646.41
			82144194	51273	EMS SUPPLIES	666.86
			82144195	51273	EMS SUPPLIES	123.66
			82157374	51273	EMS SUPPLIES	2,905.61
			82157375	51273	EMS SUPPLIES	140.94
			82158770	51273	EMS SUPPLIES	21.91
			82158771	51273	EMS SUPPLIES	21.91
			82158772	51273	EMS SUPPLIES	3,423.70
			82169689	51124	PHARMACEUTICALS	73.58
					<b>Total :</b>	<b>8,189.05</b>
112355	6/23/2016	11863 BRADLEY, NICK	06162016B		COMMISSION STIPEND	50.00
					<b>Total :</b>	<b>50.00</b>
112356	6/23/2016	10023 BUILDERS FENCE COMPANY INC	1595005	51061	FENCING MATERIALS	6.47
					<b>Total :</b>	<b>6.47</b>
112357	6/23/2016	10098 BURNER, RONALD	53116	51213	ATHLETIC FIELD COORDINATOR	2,083.34
					<b>Total :</b>	<b>2,083.34</b>
112358	6/23/2016	11169 CALIFORNIA WATERS LLC	15591	51126	FOUNTAIN MAINTENANCE	1,525.00
					<b>Total :</b>	<b>1,525.00</b>
112359	6/23/2016	10876 CANON SOLUTIONS AMERICA INC	988687792	51127	PLOTTER MAINT & USAGE	66.10
			988687793	51127	SCANNER MAINTENANCE	60.09
					<b>Total :</b>	<b>126.19</b>

Voucher List  
CITY OF SANTEE

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
112360	6/23/2016	10299 CARQUEST AUTO PARTS	11102-401148	51063	VEHICLE REPAIR PARTS	11.74
			11102-401198	51387	GREASE PUMP & JACK	1,064.66
			11102-401582	51063	SHOP SUPPLIES	162.07
					<b>Total :</b>	<b>1,238.47</b>
112361	6/23/2016	10032 CINTAS CORPORATION #694	694223333-D	51227	CLEANING FLUID DSPNSR SRVC	18.18
			694223333-S	51226	UNIFORM/PARTS CLEANER RNTL	58.30
					<b>Total :</b>	<b>76.48</b>
112362	6/23/2016	10033 CITY ELECTRIC SUPPLY COMPANY	STE/033600		KA BOOM PROJECT	54.46
					<b>Total :</b>	<b>54.46</b>
112363	6/23/2016	11330 CLEANSTREET	82355	51203	STREET SWEEPING	212.00
			82533	51203	MAY STREET SWEEPING	14,876.64
					<b>Total :</b>	<b>15,088.64</b>
112364	6/23/2016	10845 CONTROLLED ENTRY SPECIALISTS	828383	51129	DOOR REPAIR	450.00
					<b>Total :</b>	<b>450.00</b>
112365	6/23/2016	10036 COOPERATIVE PERSONNEL SERVICES	SOP38354		SKILLS TESTING	440.00
			SOP38904		FIREFIGHTER TESTING	667.20
			TRRTN24608		CREDIT	-70.00
					<b>Total :</b>	<b>1,037.20</b>
112366	6/23/2016	12153 CORODATA RECORDS	RS4241184		MAY 2016 DOCUMENT RETRIEVAL	99.17
					<b>Total :</b>	<b>99.17</b>
112367	6/23/2016	10038 COSTCO WHOLESALE #403	403 14 7 228	51130	STATION SUPPLIES	205.77
					<b>Total :</b>	<b>205.77</b>
112368	6/23/2016	10039 COUNTY MOTOR PARTS COMPANY INC	318494	51388	10-TON SERVICE JACK	1,572.17
			833298		CORE DEPOSIT CREDIT	-9.45
					<b>Total :</b>	<b>1,562.72</b>
112369	6/23/2016	10358 COUNTY OF SAN DIEGO	16CTOFSAN11		SHERIFF RADIOS	4,345.00
					<b>Total :</b>	<b>4,345.00</b>
112370	6/23/2016	10608 CRISIS HOUSE	05312016	51259	CDBG SUBRECIPIENT	362.78

Voucher List  
CITY OF SANTEE

Bank code : ubgen									
Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount			
112370	6/23/2016	10608 CRISIS HOUSE					Total :		362.78
112371	6/23/2016	10142 CSA SAN DIEGO COUNTY	372	51262	CDBG SUBRECIPIENT	2,985.50	Total :		2,985.50
112372	6/23/2016	10043 D & D SERVICES INC	24328	51133	ANIMAL DISPOSAL-MAY	1,235.00	Total :		1,235.00
112373	6/23/2016	10042 DALEY & HEFT LLP	47330		LEGAL SERVICES - CLAIMS	1,012.08			
			47331		LEGAL SERVICES - CLAIMS	882.40			
			47332		LEGAL SERVICES - CLAIMS	1,100.14			
			47333		LEGAL SERVICES - CLAIMS	6,476.45			
			47335		LEGAL SERVICES - CLAIMS	702.00	Total :		10,173.07
112374	6/23/2016	11418 DAMOOR, KESHAV	06162016C		COMMISSION STIPEND	50.00	Total :		50.00
112375	6/23/2016	10057 ESGIL CORPORATION	06/6/16-06/10/16		SHARE OF FEES	12,354.70	Total :		12,354.70
112376	6/23/2016	10580 FASTENAL COMPANY	CAELC62171	51188	SHOP SUPPLIES	22.81			
			CAELC62334	51188	SHOP SUPPLIES	195.77	Total :		218.58
112377	6/23/2016	10251 FEDERAL EXPRESS	5-444-76249		SHIPPING CHARGES	77.39			
			5-452-21087		SHIPPING CHARGES	150.27	Total :		227.66
112378	6/23/2016	11433 FERNANDEZ, JANET	FALL 2016	51350	TUITION REIMBURSEMENT	600.00	Total :		600.00
112379	6/23/2016	11520 GORILLA TEAM ARTISTS	6116	51359	PAINT UTILITY BOX	130.00	Total :		130.00
112380	6/23/2016	12335 GREENPLAY LLC	5485	51413	2016 PARKS & REC MASTER PLAN	2,600.00	Total :		2,600.00

Voucher List  
CITY OF SANTEE

Bank code :		ubgen							
Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount			
112381	6/23/2016	10490 HARRIS & ASSOCIATES INC	31791	51326	FANITA RANCH EIR	6,713.60			
						<b>Total :</b>			<b>6,713.60</b>
112382	6/23/2016	10556 HECKMAN, HEATHER	06132016	51307	TUITION REIMBURSEMENT	296.79			
						<b>Total :</b>			<b>296.79</b>
112383	6/23/2016	10073 HODGE PRODUCTS INC	0362132-IN	51378	PADLOCKS	702.95			
						<b>Total :</b>			<b>702.95</b>
112384	6/23/2016	10256 HOME DEPOT CREDIT SERVICES	2150113	51086	STATION SUPPLIES	43.77			
			6150264	51086	STATION SUPPLIES	32.37			
			7150222	51086	STATION SUPPLIES	46.08			
						<b>Total :</b>			<b>122.22</b>
112385	6/23/2016	10246 HUDSON SAFETY T LITE RENTALS	00037167	51088	NEW SIGNS	797.48			
						<b>Total :</b>			<b>797.48</b>
112386	6/23/2016	11724 ICF JONES & STOKES INC	0115103	50991	MSCP SUBAREA PLAN & EIR	4,873.80			
						<b>Total :</b>			<b>4,873.80</b>
112387	6/23/2016	10075 IRON MOUNTAIN INFO MGMT INC	200973525		DATA STORAGE	187.17			
						<b>Total :</b>			<b>187.17</b>
112388	6/23/2016	12380 JUNK, EMILY	2003350.001		REFUND OF RESERVATION FEES	49.00			
						<b>Total :</b>			<b>49.00</b>
112389	6/23/2016	12381 KENT, BILL	06152016		SETTLEMENT - BILL KENT	122.28			
						<b>Total :</b>			<b>122.28</b>
112390	6/23/2016	10203 LAKESIDE EQUIPMENT SALES &	128964	51137	WATER TANKS	74.10			
			129297	51137	CONCRETE VIBRATOR	40.80			
						<b>Total :</b>			<b>114.90</b>
112391	6/23/2016	10413 LARSON, SCOTT	060416		EMPLOYEE REIMBURSEMENT	217.00			
						<b>Total :</b>			<b>217.00</b>
112392	6/23/2016	10204 LIFE ASSIST INC	754740	51401	MEDICAL EQUIPMENT	6,092.34			

Voucher List  
CITY OF SANTEE

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
112392	6/23/2016	10204 LIFE ASSIST INC	(Continued)			
112393	6/23/2016	11986 MARION B BORG ENVIRONMENTAL	SANTEE01-26 SANTEE03-07 SANTEE04-01	51024	FANITA RCH CONSULTING SVCS CONSULTING SVCS CONSULTING SVCS	6,092.34 4,480.00 735.00 1,645.00 <b>6,860.00</b>
112394	6/23/2016	12053 MARKEN PPE RESTORATION	20691P	51256	TURNOUT REPAIR	1,860.93 <b>1,860.93</b>
112395	6/23/2016	10079 MEDICO PROFESSIONAL	1811977 1811978 1818563 1818564 1822571 1822572	51277 51277 51277 51277 51277 51277	MEDICAL LINEN SERVICE MEDICAL LINEN SERVICE MEDICAL LINEN SERVICE MEDICAL LINEN SERVICE MEDICAL LINEN SERVICE MEDICAL LINEN SERVICE	20.02 12.68 23.48 16.14 20.02 12.68 <b>105.02</b>
112396	6/23/2016	11029 MISSION JANITORIAL SUPPLIES	511863-00	51160	RESTROOM SUPPLIES	181.25 <b>181.25</b>
112397	6/23/2016	11666 MONTGOMERY, TREVIN	061016		EMPLOYEE REIMBURSEMENT	217.00 <b>217.00</b>
112398	6/23/2016	10085 NATIONAL SAFETY COMPLIANCE INC	66328		NATIONAL SAFETY COMPLIANCE	127.80 <b>127.80</b>
112399	6/23/2016	12350 OLATHE FORD SALES	1GD675CLXF1281800	51399	PREMIUMCARE WARRANTY FOR V	5,925.00 <b>5,925.00</b>
112400	6/23/2016	12382 OWENS, PHIL	CD16007S/MR15007A		REFUNDABLE DEPOSIT	1,351.13 <b>1,351.13</b>
112401	6/23/2016	10344 PADRE DAM MUNICIPAL WATER DIST	24206565 24206698 24218157 24218344		10580 PROSPECT AVE 10541 PROSPECT AVE 10054 PROSPECT AVE 10027 PROSPECT AVE	322.45 1,629.39 295.02 366.40

Bank code :		ubgen									
Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount					
112401	6/23/2016	10344	10344 PADRE DAM MUNICIPAL WATER DIST (Continued)				Total :				2,613.26
112402	6/23/2016	12064	PARSONS BRINCKERHOFF, INC. 633809	51230	SR-52 CORRIDOR STUDY	54,180.27	Total :				54,180.27
112403	6/23/2016	10092	PHOENIX GROUP INFO SYSTEMS 042016031	51337	PARKING CITE SCV APR 2016	58.50	Total :				58.50
112404	6/23/2016	10161	PRIZM JANITORIAL SERVICES INC 10177	51174	MAY PARK MAINTENANCE	1,973.85	Total :				1,973.85
112405	6/23/2016	10150	PROBUILD 04-0120510	51163	LUMBER	317.57	Total :				317.57
112406	6/23/2016	10101	PROFESSIONAL MEDICAL SUPPLY	51099	OXYGEN CYLINDERS & REFILLS	70.15	Total :				70.15
				51099	OXYGEN CYLINDERS & REFILLS	112.00	Total :				112.00
				51099	OXYGEN CYLINDERS & REFILLS	51.75	Total :				51.75
				51099	OXYGEN CYLINDERS & REFILLS	149.90	Total :				149.90
						383.80	Total :				383.80
112407	6/23/2016	12062	PURETEC INDUSTRIAL WATER 1489289	51224	DEIONIZED WATER SERVICE	90.00	Total :				90.00
				51224	DEIONIZED WATER SERVICE	45.00	Total :				45.00
						135.00	Total :				135.00
112408	6/23/2016	10095	RASA 4984	51253	MAP CHECK	440.00	Total :				440.00
				51253	MAP CHECK	440.00	Total :				440.00
				51253	MAP CHECK	230.00	Total :				230.00
						1,110.00	Total :				1,110.00
112409	6/23/2016	10311	ROADONE 622918	51102	VEHICLE TOWING	280.00	Total :				280.00
				51102	VEHICLE TOWING	320.00	Total :				320.00
						600.00	Total :				600.00
112410	6/23/2016	10552	SAFEWAY SIGN COMPANY 6824	51164	NEW SIGNS	630.78	Total :				630.78
112411	6/23/2016	10407	SAN DIEGO GAS & ELECTRIC 0760 908 530 4		10609 PROSPECT AVE	9.97	Total :				9.97

Voucher List  
CITY OF SANTEE

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
112411	6/23/2016	10407	10407 SAN DIEGO GAS & ELECTRIC			9.97
			(Continued)			
112412	6/23/2016	10677	SANTEE CHAMBER OF COMMERCE	2016-1513	MISS SANTEE CONTRIBUTION	2,000.00
					Total :	2,000.00
112413	6/23/2016	10212	SANTEE SCHOOL DISTRICT	51143	TEEN CENTER TRANSPORTATION	484.00
					Total :	484.00
112414	6/23/2016	10768	SANTEE SCHOOL DISTRICT	51155	SHARED WATER/SEWER COST	33.64
			7513	51142	IRRIGATION/MOWING RIO SECO	420.89
			7514	51202	CHET HARRITT FIELDS LIGHTS	263.70
			7517		Total :	718.23
112415	6/23/2016	11638	SAVMART PHARMACEUTICAL	51104	PHARMACEUTICALS	71.60
					Total :	71.60
112416	6/23/2016	12131	SC FUELS	51268	FLEET SUPPLIES	921.69
			0612415-IN		Total :	921.69
112417	6/23/2016	10110	SECTRAN SECURITY INC	51177	TRANSPORT SERVICES	109.20
			16060323		Total :	109.20
112418	6/23/2016	11951	SHERAR, JAN	51351	TUITION REIMBURSEMENT	1,162.95
			SPRING 2016		Total :	1,162.95
112419	6/23/2016	12358	SKY RANCH		REFUNDABLE DEPOSIT	31.31
			GRD1222A		Total :	31.31
112420	6/23/2016	12383	SOREN HOMES, LLC		REFUNDABLE DEPOSIT	5,000.00
			GRD1203S		Total :	5,000.00
112421	6/23/2016	10217	STAPLES BUSINESS ADVANTAGE	51106	OFFICE SUPPLIES	54.69
			3275806598	51215	OFFICE SUPPLIES	91.24
			3278752375	51168	OFFICE SUPPLIES	112.65
			3302304773	51168	OFFICE SUPPLIES	64.79
			3302304774	51108	OFFICE SUPPLIES	49.12
			3303522629	51108	OFFICE SUPPLIES	17.59
			3303522630	51215	OFFICE SUPPLIES	343.01
			3303522631			

Voucher List  
CITY OF SANTEE

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
Bank code : ubgen						
112421	6/23/2016	10217 STAPLES BUSINESS ADVANTAGE	(Continued) 3303522634 3303522635	51107	OFFICE SUPPLIES	19.21
				51107	OFFICE SUPPLIES	98.91
			3304122279	51107	OFFICE SUPPLIES	13.17
			3304564232	51108	OFFICE SUPPLIES	238.44
			3304564233	51171	OFFICE SUPPLIES	507.49
			3304564234	51171	OFFICE SUPPLIES	25.03
			3304564235	51106	OFFICE SUPPLIES	288.86
			3304564236	51106	OFFICE SUPPLIES	33.71
			3304710343	51171	OFFICE SUPPLIES	30.79
			3304710344	51171	OFFICE SUPPLIES	4.63
			3304710345	51107	OFFICE SUPPLIES	7.66
					<b>Total :</b>	<b>2,000.99</b>
112422	6/23/2016	10027 STATE OF CALIFORNIA	169173		FINGERPRINTING CHARGES	64.00
					<b>Total :</b>	<b>64.00</b>
112423	6/23/2016	10119 STEVEN SMITH LANDSCAPE INC	32938 32942 32954	51145 51145 51145	PARK EXTRA WORK IRRIGATION WORK AS NEEDED WORK	1,248.00 435.00 442.00
					<b>Total :</b>	<b>2,125.00</b>
112424	6/23/2016	10121 SUPERIOR READY MIX LP	790254 790689	51191 51191	HOT ASPHALT HOT ASPHALT	276.48 207.36
					<b>Total :</b>	<b>483.84</b>
112425	6/23/2016	11152 TERRY SHAW PAINTING	21 22	51207 51207	MAGNOLIA BRIDGE SUPPORTS PAINTING OF MONUMENTS	3,342.25 753.81
					<b>Total :</b>	<b>4,096.06</b>
112426	6/23/2016	10250 THE EAST COUNTY	00042630 00042736		INVITATION TO BID PUB ORD 540	441.00 556.50
					<b>Total :</b>	<b>997.50</b>
112427	6/23/2016	10158 THE SOCO GROUP INC	0287068-IN 0288205-IN	51149 51170	DELIVERED FUEL PROPANE	879.59 76.74

Bank code : ubqen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
112427	6/23/2016	10158 THE SOCO GROUP INC	(Continued) 0291185-IN CL72962 CL73075	51149 51288 51288	DELIVERED FUEL FLEET CARD FUELING FLEET CARD FUELING	572.52 825.59 1,306.42 <b>3,660.86</b>
112428	6/23/2016	11194 USAFACT INC	6061824		BACKGROUND CHECK - HR	142.02 <b>142.02</b>
112429	6/23/2016	11552 USB MEMORY DIRECT	CL243032	51395	USB DRIVES	240.00 <b>240.00</b>
112430	6/23/2016	10211 VISION INTERNET PROVIDERS	32824		WEB HOSTNG	200.00 <b>200.00</b>
112431	6/23/2016	12339 VOICE AND VIDEO	205	51369	VOICE AND VIDEO RECORDER	812.37 <b>812.37</b>
112432	6/23/2016	11944 VORTEX INDUSTRIES INC	11-1034822-1	51330	EMERGENCY DOOR SERVICE	551.03 <b>551.03</b>
112433	6/23/2016	10136 WEST COAST ARBORISTS INC	115917	51183	EMERGENCY TREE RESPONSE	564.00 <b>564.00</b>
112434	6/23/2016	10537 WETMORES	13059505	51113	VEHICLE REPAIR PART	84.78 <b>84.78</b>
112435	6/23/2016	10137 WILLIAMS, RUSTY	06162016D		COMMISSION STIPEND	50.00 <b>50.00</b>
112436	6/23/2016	10797 WILSON, LEE	06162016E		COMMISSION STIPEND	50.00 <b>50.00</b>
112437	6/23/2016	10317 WM HEALTHCARE SOLUTIONS INC	0333836-2793-3 0333837-2793-1	51223 51223	BIOMEDICAL WASTE DISPOSAL BIOMEDICAL WASTE DISPOSAL	89.92 89.96 <b>179.88</b>
112438	6/23/2016	10232 XEROX CORPORATION	084825666	51152	COPY CHARGES & LEASE	388.06

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
112438	6/23/2016	10232 XEROX CORPORATION	(Continued)			
			084825668	51119	COPY CHARGES & LEASE	444.85
			084825670	51115	COPY CHARGES & LEASE	238.35
			084825671	51151	COPY CHARGES & LEASE	135.81
			084825672	51193	COPY CHARGES & LEASE	326.67
			084907732	51216	COPY CHARGES & LEASE	106.90
				<b>Total :</b>		<b>1,640.64</b>

96 Vouchers for bank code : ubgen

96 Vouchers in this report

**Bank total : 342,141.21**  
**Total vouchers : 342,141.21**

Prepared by: *Made*  
 Date: 6-23-16  
 Approved by: *[Signature]*  
 Date: 6-23-16

Voucher List  
CITY OF SANTEE

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
33284	6/27/2016	10955 DEPARTMENT OF THE TREASURY	PPE 06/15/16		FEDERAL WITHHOLDING TAX	73,926.58
					<b>Total :</b>	<b>73,926.58</b>
33345	6/27/2016	10956 FRANCHISE TAX BOARD	PPE 06/15/16		CA STATE TAX WITHHELD	21,563.25
					<b>Total :</b>	<b>21,563.25</b>
<b>2 Vouchers for bank code : ubgen</b>						<b>95,489.83</b>
<b>2 Vouchers in this report</b>						<b>95,489.83</b>

Prepared by: Alisa S...  
 Date: 6-27-16  
 Approved by: [Signature]  
 Date: 6-27-16

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
112439	6/27/2016	12384 MARATHON GENERAL	SDCSA S&R 20160627		SETTLEMENT & RELEASE AGRMNT	1,785,724.44
Total :						1,785,724.44
Bank total :						1,785,724.44
Total vouchers :						1,785,724.44

1 Vouchers for bank code : ubgen

1 Vouchers in this report

Prepared by: Alice J  
Date: 6-27-16  
Approved by: [Signature]  
Date: 6-27-16

Voucher List  
CITY OF SANTEE

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
Bank code : ubgen						
112440	6/29/2016	10914 AC&D PUMP SERVICES INC	6649	51361	PUMP REPAIRS	8,313.67
					<b>Total :</b>	<b>8,313.67</b>
112441	6/29/2016	11139 ACE UNIFORMS AND ACCESSORIES	307691	51394	CLASS A UNIFORM	742.96
					<b>Total :</b>	<b>742.96</b>
112442	6/29/2016	10127 AL'S SPORT SHOP	13827		HONORARY MAYOR SUPPLIES	69.12
					<b>Total :</b>	<b>69.12</b>
112443	6/29/2016	11419 ANALYTICAL CHEMISTS INC	36342-A	51055	EQUIPMENT TESTING	95.00
					<b>Total :</b>	<b>95.00</b>
112444	6/29/2016	10412 AT&T	000008239055		TELEPHONE	1,326.05
					<b>Total :</b>	<b>1,326.05</b>
112445	6/29/2016	10021 BOUND TREE MEDICAL LLC	82185675	51273	EMS SUPPLIES	83.79
					<b>Total :</b>	<b>83.79</b>
112446	6/29/2016	10022 BRAUN NORTHWEST INC	19533		VEHICLE REPAIR PARTS	616.38
					<b>Total :</b>	<b>616.38</b>
112447	6/29/2016	10542 C2 IMAGING	789658		BID PACKAGE PRINTING	160.98
					<b>Total :</b>	<b>160.98</b>
112448	6/29/2016	10032 CINTAS CORPORATION #694	694225833-D 694225833-S	51227 51226	CLEANING FLUID DSPNSR SRVC UNIFORM/PARTS CLEANER RNTL	13.05 46.92
					<b>Total :</b>	<b>59.97</b>
112449	6/29/2016	10171 COUNTY OF SAN DIEGO AUDITOR &	04/2016 AGENCY REV 04/2016 DMV REVENUE 04/2016 PHOENIX REV 05/2016 AGENCY REV 05/2016 DMV REVENUE 05/2016 PHOENIX REV		04/16 AGENCY PARK CITE REPT 04/16 DMV PARK CITE REPT 04/16 PHOENIX CITE REV REPT 05/16 AGENCY PARK CITE REPT 05/16 DMV PARK CITE REPT 05/16 PHOENIX CITE REV REPT	47.50 60.00 243.50 35.00 163.50 583.00
					<b>Total :</b>	<b>1,132.50</b>
112450	6/29/2016	10486 COUNTY OF SAN DIEGO	CIP2016-32		RECORDED DOCUMENTS	50.00



Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
112458	6/29/2016	10009 FIRE ETC				
112459	6/29/2016	10724 FIREMASTER	0000332531	51081	INERGEN SYSTEM INSPECTION	2,289.60
112460	6/29/2016	10065 GLOBAL POWER GROUP INC	44175	51135	CUYAMACA PUMP STATIONS	325.00
112461	6/29/2016	12330 INTERNATIONAL EZ-UP, INC	INV258270	51403	SHADE STRUCTURES	325.00
112462	6/29/2016	11233 JIMMIE JOHNSON'S KEARNY MESA	430699CVM CTCS434399	51309 51415	VEHICLE REPAIR PARTS VEHICLE REPAIR	18,463.05
112463	6/29/2016	10151 KONICA MINOLTA BUSINESS	9002495422	51092	COPIER MAINT & USAGE	2,867.93
112464	6/29/2016	12317 LEKOS ELECTRIC INC	1433.03 1433.03R	51363	MAST BLVD SIGNAL UPGRADES RETENTION	2,867.93
112465	6/29/2016	10204 LIFE ASSIST INC	753402	51342	EMS SUPPLIES	623.46
112466	6/29/2016	10207 LOCKHART TRAINING	1361		INSTRUCTOR PAYMENT	3,554.66
112467	6/29/2016	11986 MARION B BORG ENVIRONMENTAL	SANTEEO1-27 SANTEEO3-08 SANTEEO4-02	51024	FANITA RCH CONSULTING SVCS PROFESSIONAL SVCS PROFESSIONAL SVCS	4,178.12
112468	6/29/2016	11947 MCCAIN INC	INV0209018	51356	TRAFFIC SIGNAL EQUIPMENT	145.52
112469	6/29/2016	10538 MEALS ON WHEELS	06272016	51264	CDBG SUBRECIPIENT	145.52
					<b>Total :</b>	206,188.69
					<b>Total :</b>	-10,309.43
					<b>Total :</b>	195,879.26
					<b>Total :</b>	2,314.44
					<b>Total :</b>	2,314.44
					<b>Total :</b>	773.50
					<b>Total :</b>	773.50
					<b>Total :</b>	3,360.00
					<b>Total :</b>	280.00
					<b>Total :</b>	3,290.00
					<b>Total :</b>	6,930.00
					<b>Total :</b>	486.00
					<b>Total :</b>	486.00
					<b>Total :</b>	2,000.00

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
Bank code : ubgen						
112469	6/29/2016	10538 MEALS ON WHEELS	(Continued)			
112470	6/29/2016	10079 MEDICO PROFESSIONAL	1825866	51277	MEDICAL LINEN SERVICE	16.14
			1825867	51277	MEDICAL LINEN SERVICE	20.02
					<b>Total :</b>	<b>36.16</b>
112471	6/29/2016	10527 MOYNEUR, KYLE	062416		EMPLOYEE REIMBURSEMENT	217.00
112472	6/29/2016	11284 MRC	IN485077		OFFICE SUPPLIES	135.28
					<b>Total :</b>	<b>135.28</b>
112473	6/29/2016	10083 MUNICIPAL EMERGENCY SERVICES	IN1037057		EQUIPMENT REPAIR PART	79.76
112474	6/29/2016	10218 OFFICE DEPOT	842776574001	51096	OFFICE SUPPLIES	61.27
					<b>Total :</b>	<b>61.27</b>
112475	6/29/2016	10336 PADRE DAM MUNICIPAL WATER DIST	PROSPECT AV REFUND		PROSPECT AVE DEPOSIT REFUND	75,335.22
112476	6/29/2016	10344 PADRE DAM MUNICIPAL WATER DIST	90000367		GROUP BILL	21,471.39
					<b>Total :</b>	<b>21,471.39</b>
112477	6/29/2016	12290 PERLMUTTER PURCHASING POWER	N062016-7	51392	STATION SUPPLIES	2,235.00
					<b>Total :</b>	<b>2,235.00</b>
112478	6/29/2016	12385 PETERSON, CURTIS	61716		EMPLOYEE REIMBURSEMENT	217.00
112479	6/29/2016	10606 S.D. COUNTY SHERIFF'S DEPT.	SHERIFF MAY 2016		LAW ENFORCEMENT MAY 2016	1,052,132.18
					<b>Total :</b>	<b>1,052,132.18</b>
112480	6/29/2016	10407 SAN DIEGO GAS & ELECTRIC	0422 970 321 8		STREET LIGHTS	29,283.92
			2237 358 004 2		TRAFFIC SIGNAL	4,335.60
			3422 380 562 8		GAS TAX	213.70
			4394 020 550 9		LMD	5,242.46
			7990 068 577 7		PARKS	9,700.38



Bank code :	ubgen									
Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount				
112490	6/29/2016	10550 UNIFORMS PLUS INC	42246	51110	CLASS B UNIFORMS	358.52				
112491	6/29/2016	10475 VERIZON WIRELESS	9766860850		CELL PHONE SERVICE	1,025.86	Total :			
112492	6/29/2016	10148 WESTAIR GASES & EQUIPMENT INC	10317062	51393	FLEET SHOP EQUIPMENT	1,936.76	Total :			
112493	6/29/2016	10138 WITTBRODT, CINDY A	401		INSTRUCTOR PAYMENT	99.00	Total :			
112494	6/29/2016	10232 XEROX CORPORATION	084977835	51116	COPY CHARGES & LEASE	186.90	Total :			
						Bank total :	1,909,215.84			
						Total vouchers :	1,909,215.84			

55 Vouchers for bank code : ubgen  
 55 Vouchers in this report

Prepared by:   
 Date: 6/29/2016  
 Approved by:   
 Date: 6-29-16

Voucher List  
CITY OF SANTEE

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
112495	7/1/2016	10262 AUSTIN, ROY	JULY-SEPT 2016		RETIREE HEALTH INSURANCE	1,086.93
					<b>Total :</b>	<b>1,086.93</b>
112496	7/1/2016	10264 BELL, HARRY	JULY-SEPT 2016		RETIREE HEALTH INSURANCE	779.40
					<b>Total :</b>	<b>779.40</b>
112497	7/1/2016	11513 BOND, ELLEN	07012016-263		MEADOWBROOK HARDSHIP PGRM	28.27
					<b>Total :</b>	<b>28.27</b>
112498	7/1/2016	11160 BROADCAST MUSIC INC	9236673		BROADCAST MUSIC LICENSE FEE	669.00
					<b>Total :</b>	<b>669.00</b>
112499	7/1/2016	11402 CARROLL, JUDI	07012016-96		MEADOWBROOK HARDSHIP PGRM	28.53
					<b>Total :</b>	<b>28.53</b>
112500	7/1/2016	11409 CLAYTON, SYLVIA	07012016-340		MEADOWBROOK HARDSHIP PGRM	29.65
					<b>Total :</b>	<b>29.65</b>
112501	7/1/2016	10268 COOPER, JACKIE	JULY 1, 2016		RETIREE HEALTH PAYMENT	91.00
					<b>Total :</b>	<b>91.00</b>
112502	7/1/2016	10839 COUNTY OF SAN DIEGO	DEH2002-HUPFP-105554 DEH2004-HUPFP-203484		HAZ MAT PERMIT-FLEET SHOP HAZ MAT PERMIT- FIRE STA 5	741.00 614.00
					<b>Total :</b>	<b>1,355.00</b>
112503	7/1/2016	10333 COX COMMUNICATIONS	052335901 063453006 066401501 112256001		8950 COTTONWOOD AVE 9534 VIA ZAPADOR 10601 N MAGNOLIA AVE 9130 CARLTON OAKS DR	250.08 339.61 37.71 165.20
					<b>Total :</b>	<b>792.60</b>
112504	7/1/2016	10271 HORAN, BERNICE	JULY 1, 2016		RETIREE HEALTH PAYMENT	91.00
					<b>Total :</b>	<b>91.00</b>
112505	7/1/2016	11391 HUMPHREY, BREANNE	742016		SANTEE SALUTES	1,000.00
					<b>Total :</b>	<b>1,000.00</b>



**City of Santee**  
**COUNCIL AGENDA STATEMENT**

**MEETING DATE** July 13, 2016

**AGENDA ITEM NO.**

**ITEM TITLE** APPROVAL OF THE EXPENDITURE OF \$59,596.37 FOR JUNE 2016 LEGAL SERVICES AND RELATED COSTS

**DIRECTOR/DEPARTMENT** Tim K. McDermott, Director of Finance *m*

**SUMMARY**

Legal service billings proposed for payment for the month of June 2016 total \$59,610.37 as follows:

- 1) General Retainer Services - \$13,117.64
- 2) Labor & Employment - \$8,494.60
- 3) Litigation & Claims (General Fund) - \$7,549.66
- 4) Special Projects (General Fund) - \$6,973.02
- 5) Special Projects (Other Funds) - \$41.80
- 6) Manufactured Home Fair Practices Commission - \$20.90
- 7) CDC Successor Agency Bond Proceeds (Prospect Ave. Enhancements) - \$5,841.55
- 8) Applicant Initiated Projects - \$17,557.20

**FINANCIAL STATEMENT** *m*

	<u>AMOUNT</u>	<u>BALANCE</u>
General Fund:		
Adopted Budget	\$ 418,000.00	
Revised Budget	\$ 418,000.00	
Prior Expenditures	(320,044.54)	
Current Request	(36,134.92)	\$ 61,820.54
Other Funds (excluding applicant initiated items):		
Adopted Budget	\$ 60,000.00	
Revised Budget	\$ 161,698.58	
Prior Expenditures	(110,372.89)	
Current Request	(5,904.25)	\$ 45,421.44

**CITY ATTORNEY REVIEW**     N/A     Completed

**RECOMMENDATION** *msb*

Approve the expenditure of \$59,596.37 for June 2016 legal services and related costs.

**ATTACHMENT (Listed Below)**

Legal Services Billing Summary

**LEGAL SERVICES BILLING SUMMARY**  
**FY 2015-16**

Category	Adopted Budget	Revised Budget	Spent Year to Date	Available Balance	Mo/Yr	Current Request Amount
<b>General Fund:</b>						
General / Retainer	\$ 162,000.00	\$ 162,000.00	\$ 145,090.09	\$ 16,909.91	Jun-16	\$ 13,117.64
Labor & Employment	50,000.00	50,000.00	39,491.57	10,508.43	Jun-16	8,494.60
Litigation & Claims	70,000.00	70,000.00	40,813.80	29,186.20	Jun-16	7,549.66
Special Projects	136,000.00	136,000.00	94,649.08	41,350.92	Jun-16	6,973.02
<b>Total</b>	<b>\$ 418,000.00</b>	<b>\$ 418,000.00</b>	<b>\$ 320,044.54</b>	<b>\$ 97,955.46</b>		<b>\$ 36,134.92</b>
<b>Other City Funds:</b>						
Litigation & Claims	\$ 50,000.00	\$ 50,000.00	\$ 12,034.41	\$ 37,965.59	Jun-16	\$ -
Special Projects	-	6,972.93	6,931.13	41.80	Jun-16	41.80
MHFP Commission	10,000.00	10,000.00	2,523.25	7,476.75	Jun-16	20.90
<b>Total</b>	<b>\$ 60,000.00</b>	<b>\$ 66,972.93</b>	<b>\$ 21,488.79</b>	<b>\$ 45,484.14</b>		<b>\$ 62.70</b>
<b>CDC Successor Agency Bond Proceeds:</b>						
Prospect Avenue Project	\$ -	\$ 94,725.65	\$ 88,884.10	\$ 5,841.55	Jun-16	\$ 5,841.55

**LEGAL SERVICES BILLING SUMMARY**  
**FY 2015-16**

Category	Adopted Budget	Revised Budget	Spent Year to Date	Available Balance	Current Request Mo/Yr	Current Request Amount
<i>Applicant-initiated (paid from developer/applicant deposits)</i>						
Cheyenne Development	n/a	n/a	\$ 10,309.70	n/a		\$ -
Riverview (Ryan)	n/a	n/a	3,148.20	n/a		-
Sky Ranch	n/a	n/a	2,895.82	n/a		-
Lantern Crest	n/a	n/a	1,392.47	n/a		-
Castlerock	n/a	n/a	14,754.22	n/a	Jun-16	148.50
Castlerock CFD	n/a	n/a	2,124.36	n/a	Jun-16	819.30
El Nopal Estates II	n/a	n/a	14,625.21	n/a		-
Wal-Mart	n/a	n/a	5,256.80	n/a	Jun-16	148.50
Home Fed/Subarea Plan	n/a	n/a	68,356.71	n/a	Jun-16	8,778.30
Mission Gorge Retail Bldg.	n/a	n/a	1,014.00	n/a		-
Santee 50	n/a	n/a	13,617.19	n/a		-
Helix Environmental	n/a	n/a	1,283.00	n/a		-
Village Run Homes	n/a	n/a	740.90	n/a	Jun-16	2,821.50
Vision Systems	n/a	n/a	13,410.55	n/a		-
Sonic CUP Modification	n/a	n/a	1,469.50	n/a		-
Rockvill Self Storage	n/a	n/a	3,017.67	n/a		-
Karl Strauss	n/a	n/a	52,322.98	n/a	Jun-16	445.50
Davison Multi-Family	n/a	n/a	5,508.60	n/a		-
Prospect Estates	n/a	n/a	11,164.05	n/a		-
Braverman Drive	n/a	n/a	26,541.69	n/a		-
Heaney Properties	n/a	n/a	1,437.50	n/a		-
Various Other Projects	n/a	n/a	12,888.45	n/a	Jun-16	4,395.60
<b>Total</b>			<b>\$ 267,279.57</b>			<b>\$ 17,557.20</b>

Total Previously Spent to Date		Total Proposed for Payment	
FY 2015-16			
General Fund	\$ 320,044.54	General Fund	\$ 36,134.92
Other City Funds	21,488.79	Other City Funds	62.70
CDCSA Bond Proceeds	88,884.10	CDCSA Bond Proceeds	5,841.55
Applicant Deposits	267,279.57	Applicant Deposits	17,557.20
<b>Total</b>	<b>\$ 697,697.00</b>	<b>Total</b>	<b>\$ 59,596.37</b>

**City of Santee**  
**COUNCIL AGENDA STATEMENT**

1D

**MEETING DATE**

July 13, 2016

**AGENDA ITEM NO.**

**ITEM TITLE**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA AWARDING THE CONSTRUCTION CONTRACT FOR THE TOWN CENTER COMMUNITY PARK WEST SAFETY NETTING PROJECT (CIP 2016-32) AND APPROVING A CATEGORICAL EXEMPTION PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT**

**DIRECTOR/DEPARTMENT**

Melanie Kush, Development Services 

**SUMMARY**

This item requests City Council to award the construction contract for the Town Center Community Park West Safety Netting (CIP 2016-32). This project will install 24' tall safety netting along the third base lines of fields 2 & 4 at the Town Center Community Park West Ball Field site. This safety netting is necessary to protect users on the newly installed playgrounds funded by the Kaboom Grant from errant sideline fly balls.

On June 30, 2016, the City Clerk publically opened and examined one (1) sealed bid in the amount of \$59,200.00 submitted by Judge Netting, Inc. as shown on the attached bid summary. The bid submitted by Judge Netting, Inc. has been deemed a responsive and responsible bid and was 97.3% higher than the engineer's estimate of \$30,000.00. Staff also requests authorization for the Director of Development Services to approve change orders in an amount not to exceed \$5,920.00 for unforeseen items and additional work.

**ENVIRONMENTAL REVIEW**

The project is categorically exempt from environmental review pursuant to Section 15301(f) "Existing Facilities" and Section 15303(e) "New Construction or Conversion of Small Structures" of the Guidelines to the California Environmental Quality Act.

**FINANCIAL STATEMENT** 

Funding for this project is provided through Park In-Lieu Fees as part of the Ball Field Improvements project included in the adopted Capital Improvement Program budget.

Design and Bidding	\$ 7,613.54
Construction Contract	59,200.00
Construction Change Orders	5,920.00
Construction Engineering/Management	5,000.00
Project Closeout	1,000.00
Total Project Budget	<u>\$ 78,733.54</u>

**CITY ATTORNEY REVIEW**

N/A

Completed

**RECOMMENDATION** 

Adopt the attached Resolution:

1. Awarding the construction contract to Judge Netting, Inc. for a total amount of \$59,200.00 and authorizing the City Manager to execute the contract.
2. Authorizing the Director of Development Services to approve change orders in an amount not to exceed \$5,920.00.
3. Approving a categorical exemption pursuant to the California Quality Environmental Quality Act.

**ATTACHMENTS**

Resolution      Site Map

RESOLUTION NO. \_\_\_\_\_

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA  
AWARDING THE CONSTRUCTION CONTRACT FOR THE TOWN CENTER  
COMMUNITY PARK WEST SAFETY NETTING (CIP 2016-32) AND APPROVING A  
CATEGORICAL EXEMPTION PURSUANT TO THE CALIFORNIA ENVIRONMENTAL  
QUALITY ACT**

**WHEREAS**, the project is categorically exempt from environmental review pursuant to Section 15301(f) "Existing Facilities" and Section 15303(e) "New Construction or Conversion of Small Structures" of the Guidelines to the California Environmental Quality Act; and

**WHEREAS**, the City Clerk, on the 30th day of June, 2016 publicly opened and examined sealed bids for the Town Center Community Park West Safety Netting (CIP 2016-32) ("Project"); and

**WHEREAS**, the lowest received bid was submitted by Judge Netting, Inc. in the amount of \$59,200.00; and

**WHEREAS**, Judge Netting, Inc. was found to be the lowest responsive and responsible bidder with their total bid amount of \$59,200.00 and

**WHEREAS**, staff recommends awarding a construction contract to Judge Netting, Inc. totaling \$59,200.00; and

**WHEREAS**, staff requests authorization to expend up to \$5,920.00 for unforeseen change orders and additional work.

**NOW, THEREFORE BE IT RESOLVED** by the City Council of the City of Santee, California, as follows:

**SECTION 1:** The construction contract for the Town Center Community Park West Safety Netting, (CIP 2016-32) is awarded to Judge Netting, Inc. as the lowest responsive and responsible bidder in the amount of \$59,200.00 and the City Manager is authorized to execute the contract on behalf of the City.

**SECTION 2:** The Director of Development Services is authorized to approve change orders in an amount not to exceed \$5,920.00 for unforeseen items and additional work.

**SECTION 3:** The categorical exemption for environmental review pursuant to Section 15301(f) "Existing Facilities" and Section 15303(e) "New Construction or Conversion of Small Structures" of the Guidelines to the California Environmental Quality Act is approved.

**RESOLUTION NO. \_\_\_\_\_**

**ADOPTED** by the City Council of the City of Santee, California, at a Regular meeting thereof held this 13th day of July, 2016 by the following roll call vote to wit:

**AYES:**

**NOES:**

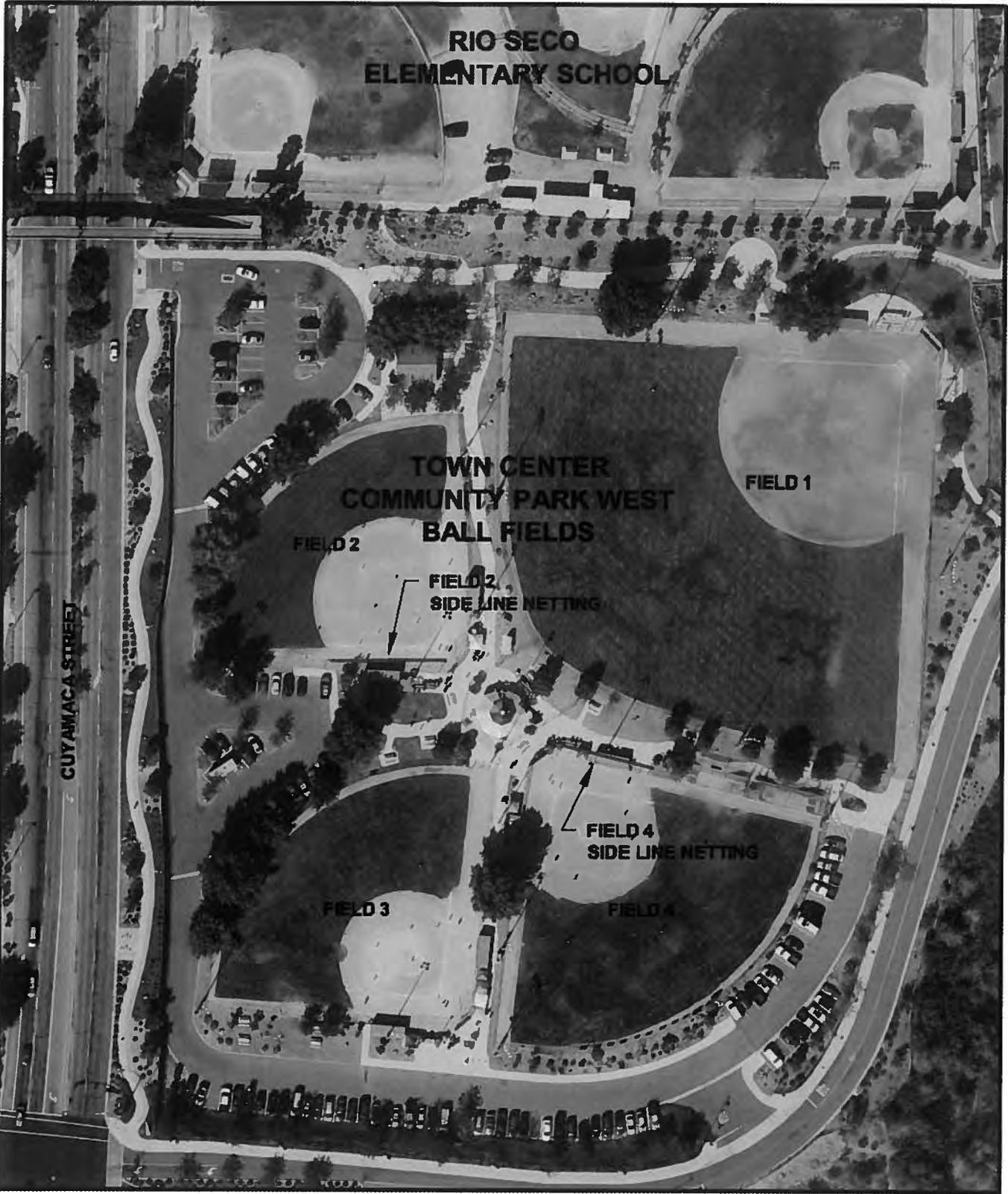
**ABSENT:**

**APPROVED:**

\_\_\_\_\_  
**RANDY VOEPEL, MAYOR**

**ATTEST:**

\_\_\_\_\_  
**PATSY BELL, CMC, CITY CLERK**



**LOCATION MAP**

**TOWN CENTER COMMUNITY PARK WEST  
SIDELINE NETTING (CIP 2016-32)**

**City of Santee**  
**COUNCIL AGENDA STATEMENT**

1E

**MEETING DATE**      July 13, 2016

**AGENDA ITEM NO.**

**ITEM TITLE**      RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA AUTHORIZING THE CITY MANAGER TO EXECUTE A PUBLIC RIGHT-OF-WAY IMPROVEMENT AGREEMENT FOR PUBLIC IMPROVEMENTS ASSOCIATED WITH THE "CASTLEROCK" PROJECT ON MAST BOULEVARD

**DIRECTOR/DEPARTMENT**      *Saf For*  
Melanie Kush, Development Services

**SUMMARY**

As part of the City of San Diego approval of its "Castlerock" residential development, Pardee Homes ("Pardee") is required to construct public improvements along its project frontage on Mast Boulevard. Pardee is also required to install two traffic signals along Mast Boulevard within the project frontage. The westerly traffic signal was installed last year under a separate Right-of-Way Improvement Agreement and the second signal will be installed at Castlerock Road at the easterly driveway of the West Hills High School. Pardee is also connecting the project storm drains to the existing City storm drainage systems at the project boundaries. The construction plans have been reviewed and accepted by the Department of Development Services.

Pardee has provided to the City of Santee the Right-of-Way Improvement Agreement and securities to secure and move forward with the construction of the public improvements. The City Council is requested to authorize the City Manager to execute the Right-of-Way Agreement with Pardee.

**ENVIRONMENTAL REVIEW**

Environmental review was conducted with the tentative map approval for the project (City of San Diego Environmental Impact Report, No. 10046; State Clearinghouse No. 2004061029).

**FINANCIAL STATEMENT** *m*

The City Consolidated Fee Schedule provides for full cost recovery of staff time from fees paid by the developer Pardee Homes.

**CITY ATTORNEY REVIEW**       N/A       Completed

**RECOMMENDATION** *MAB*

Adopt the Resolution authorizing the City Manager to execute the Public Right-of-Way Improvement Agreement.

**ATTACHMENTS**

Resolution  
Vicinity Map  
Public Right-of-Way Improvement Agreement

RESOLUTION NO. \_\_\_\_\_

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA  
AUTHORIZING THE CITY MANAGER TO EXECUTE A PUBLIC RIGHT-OF-WAY  
IMPROVEMENT AGREEMENT FOR PUBLIC IMPROVEMENTS ASSOCIATED WITH  
THE CASTLEROCK PROJECT ON MAST BOULEVARD**

**WHEREAS**, on October 1, 2013, Pardee Homes obtained approval of Vesting Tentative Map No. 1004468 per Ordinance O-20305 with the City of San Diego to subdivide a vacant 203.64 acre site for residential development, known as the Castlerock project, and certification of the Environmental Impact Report (State Clearinghouse No. 004061029; and

**WHEREAS**, on October 9, 2013, the City Council of the City of Santee adopted Resolution No. 087-2013 for approval of the Annexation Agreement associated with the Castlerock project and directed the City Manager to take necessary actions to implement the Annexation Agreement; and

**WHEREAS**, as a condition of approval, Pardee Homes is required to install public improvements on Mast Boulevard along the project frontage, traffic signals at two intersections on Mast Boulevard, as well drainage improvements within the existing drainage easements along the easterly project boundary; and

**WHEREAS**, under the direction of the City Engineer the public improvement plans have been reviewed and accepted, in conformance with the City of Santee's Public Works Standards; and

**WHEREAS**, Pardee Homes has installed one of the traffic signals under a separate Right of Way Improvement Agreement approved on June 24, 2015 per Resolution of the City Council 056-2015.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council does hereby authorize the City Manager to execute the Public Right-of-Way Improvement Agreement and directs the City Clerk to certify approval of the associated Public Right-of-Way Improvement Agreement.

**ADOPTED** by the City Council of the City of Santee, California, at a Regular meeting thereof held this 13th day of July 2016, by the following vote to wit:

**AYES:  
NOES:  
ABSENT:**

**APPROVED:**

\_\_\_\_\_  
**RANDY VOEPEL, MAYOR**

**ATTEST:**

\_\_\_\_\_  
**PATSY BELL, CMC, CITY CLERK**

# CASTLEROCK VICINITY MAP

FOR LOCATION PURPOSES ONLY



## Castlerock

-  SINGLE-FAMILY
-  COURTYARD HOMES
-  DETENTION BASIN
-  PARK
-  LANDSCAPING
-  OPEN SPACE - MHPA
-  SIGNALIZED INTERSECTION
-  EXISTING TRAIL
-  PROPOSED TRAIL

This exhibit is intended for the sole use of Pardee Homes as a visual aid. This exhibit should not be relied on as an accurate representation of existing and future development or land uses. For current information regarding development within this area, consult the City of San Diego Development Services Department or other appropriate governing agency exercising jurisdiction or control over the subject matter of the inquiry.



**CITY OF SANTEE**

**PUBLIC RIGHT-OF-WAY IMPROVEMENT AGREEMENT**

DATE OF AGREEMENT: \_\_\_\_\_

NAME OF DEVELOPER: Pardee Homes  
(referred to as "Developer")

NAME OF DEVELOPMENT: Castlerock-Offsite Improvements  
(referred to as "Development")

PROJECT NUMBERS: IP2014-01

RESOLUTIONS OF APPROVAL: Resolution No. 088-2013 DATE: 10/9/2013  
Resolution No. 087-2013 DATE: 10/9/2013  
(referred to as "Resolutions of Approval")

IMPROVEMENT PLAN NO(S): 2016-085 thru 128  
(referred to as "Improvement Plans")

ESTIMATED TOTAL COST OF IMPROVEMENTS: \$1,573,420  
SURETY/FINANCIAL INSTITUTION: Philadelphia Indemnity INSURANCE Co.  
ADDRESS: 251 South Lake Ave, Suite 360, Pasadena, CA 91105  
FORM OF SECURITY: BOND  
SECURITY ID NOS.: PB03010402814

This agreement is made and entered into by and between the City of Santee, California, a Municipal Corporation of the State of California, hereinafter referred to as "City", and the Developer.

**RECITALS**

- A. In 2003, Developer submitted to the City of San Diego ("San Diego") an application for a residential development project of approximately 500 single family and attached multi-family units known as Castlerock on a 108.72-acre portion of 203 acres of land within the East Elliot area of San Diego (the "Territory"), an area located immediately on the City's western border.
- B. The City objected to the approval of the Development by San Diego but entered into an Annexation Agreement between San Diego, Padre Dam Municipal Water District ("Padre Dam") and Developer that governs how the Territory will be reorganized through detachment from San Diego and annexation into the jurisdictional boundaries of the City and Padre Dam ("Annexation Agreement").

- C. In the Resolution of Approval the City (i) approved the Annexation Agreement; (ii) adopted the Environmental Impact Report, Mitigation Monitoring and Reporting Program and Statement of Overriding Considerations for the Development; and (iii) requested Local Area Formation Commission ("LAFCO") initiate proceedings to effectuate the annexation of the Development site into the City. The Resolutions of Approval are on file in the Office of the City Clerk and are hereby incorporated into this agreement by reference.
- D. The Annexation Agreement provides Developer the right to construct the Development in accordance with San Diego's residential development project entitlements after LAFCO approves the annexation and gives full faith and credit by the City to the entitlements on the terms and conditions as issued by San Diego. The Annexation Agreement also provides for mitigation of impacts from the Development on the City.
- E. The Santee Municipal Code establishes as a condition precedent to the Developer performing work within the limits of the public right-of-way, the Developer must enter into a secured agreement with City to complete the construction and installation of improvements within a period of time specified by City.
- F. In consideration of approval of the permit for the Development by the City Council (hereinafter referred to as "Legislative Body"), Developer desires to enter into this agreement, whereby Developer promises to install and complete at Developer's own expense, unless otherwise provided for in the Resolution of Approval, all the public improvement work required by City in connection with the proposed Development. Developer has secured this agreement with improvement security required by the Santee Municipal Code and approved by the City Attorney.
- G. In consideration of approval of the permit for the Development by the Legislative Body, Developer acknowledges that the City assumes no liability for costs associated with the Improvements.
- H. Improvement Plans for the construction, installation and completion of the improvements have been prepared by Developer and approved by the City Engineer and are incorporated into this agreement by this reference. All references in this agreement to the Improvement Plans shall include any specifications for the improvements as approved by the City Engineer.
- I. An estimate of the cost of constructing the public improvements and performing land development work in connection with the public improvement requirements according to the improvement plans has been made and approved by the City Engineer or his/her representative. The estimated amount is stated on Page 1 of the agreement and the basis for this estimate is attached as Exhibit "A".

NOW, THEREFORE, in consideration of the approval of the proposed Development by the Legislative Body, Developer and City agree as follows:

1. Developer's Obligations to Construct Improvements.

Developer shall:

a. Comply with all the requirements of the Resolution of Approval, any amendments thereto, and with the provisions of the Santee Municipal Code.

b. Complete at Developer's own expense, all the public improvement work required by Resolution and the City standards as follows:

<u>IMPROVEMENTS</u>	<u>DEADLINE DATE</u>
<u>Dwg. No. 2016-085 to 128</u>	<u>Prior to first occupancy</u>
<u>_____</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>

The Developer acknowledges that the Improvement Plans have been prepared in conformance with the City standards in effect on the date of improvement plan submittal, but that Developer shall be subject to the City standards in effect on the date the improvements are actually constructed.

c. Furnish the necessary material for completion of the public improvements in conformity with the improvement plans and City standards.

d. Acquire and dedicate, or pay the cost of acquisition by City, all rights-of-way, easements and other interests in real property required for construction or installation of the public improvements, except as may otherwise be provided for in the Resolution of Approval, free and clear of all liens and encumbrances. The Developer's obligations with regard to acquisition by City of off-site rights-of-way, easements and other interests in real property shall be subject to a separate agreement between Developer and City. Developer shall also be responsible for obtaining any public or private drainage easements or other authorization to accommodate the Development.

e. Notify City Engineer in writing at least five working days prior to the commencement of the work so that City Engineer will be able to schedule inspections.

f. Complete the improvements under this contract on or before the time limit stated in Section 1, Subsection b hereof, unless a time extension is granted by the City Manager as authorized by Section 20.

2. Acquisition and Dedication of Easements or Rights-of-Way. If any of the public improvement and land development work contemplated by this agreement is to be constructed or installed on land not owned by Developer, no construction or installation shall be commenced prior to:

a. The offer of dedication to City of appropriate rights-of-way, easements or other interest in real property, and appropriate authorization from the property owner to allow construction or installation of the improvements or work; or

b. The dedication to, and acceptance by City of appropriate rights-of-way, easements, or other interests in real property, as determined by the City Engineer.

c. The issuance by a court of competent jurisdiction, pursuant to the state eminent domain law, of an order of possession. Developer shall comply in all respects with the order of possession.

Nothing in Paragraph 2 shall be construed as authorizing or granting an extension of time to Developer.

3. Security. Developer shall at all times guarantee Developer's performance of this agreement by furnishing to City, and by maintaining, good and sufficient security as required by Santee Municipal Code on forms approved by City for the purposes and in the amounts as follows:

a. To assure faithful performance of this agreement in regard to the improvements in an amount of 100% of the estimated costs of the improvements; and,

b. To secure payment to any contractor, subcontractor, persons renting equipment, or furnishing labor or materials for the improvements required to be constructed or installed pursuant to this agreement in the additional amount of 50% of the estimated cost of the improvements; and,

c. To guarantee or warranty the work done pursuant to this agreement for a period of one year following acceptance thereof by City against any defective work or labor done or defective materials furnished in the additional amount of 10% of the estimated cost of the improvements. The Warranty Security shall be included with, and made a part of the faithful performance security until release of the faithful performance security as specified in Paragraph 5, Subsection a hereof; and,

The securities required by this agreement shall be kept on file with the City Clerk. The terms and conditions of the security documents referenced on Page 1 of this agreement are incorporated into this agreement. If any security is replaced by another City approved security, the replacement shall be filed with the City Clerk and, upon filing, shall be deemed to have been made a part of and incorporated into this agreement. Upon filing of a replacement security with the City Clerk, the former security may be released.

4. Guarantee or Warranty for One Year. In addition to any other remedy in law or equity, Developer shall guarantee or warranty the work done pursuant to this agreement for a period of one year after final acceptance by the City Council of the work and improvements against any defective work or labor done or defective materials furnished. If within the warranty period any work or improvement or part of any work or improvement done, furnished, installed, constructed or caused to be done, furnished, installed or constructed by Developer fails to fulfill any of the requirements of this agreement or the improvement plans and specifications referred to herein, Developer shall without delay and without any cost to City, repair or replace or reconstruct any

defective or otherwise unsatisfactory part or parts of the work or structure. Should Developer fail to act promptly or in accordance with this requirement, Developer hereby authorizes City, at City's option, to perform the work twenty (20) days after mailing written notice of default to Developer and to Developer's Surety/Financial Institution, and agrees to pay cost of such work by City. Should the City determine that an urgency requires repairs or replacements to be made before Developer can be notified, City may, in its sole discretion, make the necessary repairs or replacement or perform the necessary work and Developer shall pay to City the cost of such repairs. City shall take all steps reasonably possible to notify Developer of such urgency, but failure to receive notification, shall not relieve the Developer or their Surety/Financial Institution from the obligation to pay for the entire cost of such urgency work.

5. Release of Securities. The securities required by this agreement shall be released as follows:

a. Security given for faithful performance of any act, obligation, work or agreement shall be released upon the final completion and acceptance of the act or work and after the expiration of the time limits for filing claims against the City, subject to the provisions of subsection 5 b hereof. Release is made provided that 10% of the original security amount given for faithful performance shall be retained as security for guarantee and warranty of the work performed.

b. The City Engineer may release 90% of the security given for faithful performance of improvement work upon acceptance of the improvement work by City Council.

c. Security given to secure payment to the contractor, his or her subcontractors and to persons furnishing labor, materials or equipment shall, six months after the completion and acceptance of the work, be reduced to an amount equal to 125% of the total amounts claimed by all claimants for whom liens have been filed and of which notice has been given to the City, conditioned upon the payment of said claims together with costs of suit plus reasonable attorney's fees, plus an amount reasonably determined by the City Engineer to be required to assure the performance of any other obligations secured by the security. The balance of the security is to be released upon the settlement of all claims and obligations for which the security was given.

d. No security given for the guarantee or warranty of work shall be released until the expiration of the warranty period and until any claims filed during the warranty period have been settled. As provided in Paragraph 4, the warranty period shall not commence until final acceptance of all work and improvements by the City Council.

e. The City may retain from any security released, an amount sufficient to cover costs, reasonable expenses, and fees, including reasonable attorneys' fees.

6. Inspection and Acceptance. Developer shall at all times maintain proper facilities and safe access for inspection of the public improvements by City inspectors and to the shops wherein any work is in preparation. Upon completion of the work the Developer shall request a final inspection by the City Engineer, or his/her authorized representative. If the City Engineer, or his/her authorized representative, determines that the work has been completed in accordance with this agreement, they shall certify

the completion of the public improvements to the City Council. If the City Council determines that the improvements have been completed as required by this agreement, it shall accept the improvements within thirty days after the City Engineer certifies that the improvements have been completed. No improvements shall be accepted unless all aspects of the work have been inspected and determined to have been completed in accordance with the Improvement Plans and City standards. Developer shall bear all costs of inspection and certification.

7. Final Acceptance of Work. Acceptance of the work on behalf of City shall be made by the City Council upon recommendation of the City Engineer after final completion and inspection of all improvements. Such acceptance shall not constitute a waiver of defects by City, nor of the applicable statutes of limitation.

8. Alteration to Improvement Plans.

a. Any changes, alterations or additions to the improvement plans and specifications or to the improvements which are mutually agreed upon by City and Developer, not exceeding 10% of the original estimated cost of the improvement or \$50,000 whichever is less, shall not change the amount of security required under Section 3. In the event such changes, alterations, or additions exceed such amounts, Developer shall provide additional security as required by Paragraph 3 of this agreement based on the total estimated cost of the improvements as changed, altered, or amended.

b. The Developer shall construct the improvements in accordance with the City standards in effect at the time of their construction. City reserves the right to modify the standards applicable to the Development and this agreement, when necessary to protect the public safety or welfare or comply with applicable state or federal law or City zoning ordinances. If Developer requests and is granted an extension of time for completion of the improvements, City may apply the standards in effect at the time of the extension.

9. Injury to Public Improvements, Public Property or Public Utility Facilities. Developer shall replace or repair subdivision monuments which are destroyed or damaged as a result of any work under this agreement. Developer shall bear the entire cost of replacement or repairs of any and all public or public utility property damaged or destroyed by reason of any work done under this agreement, whether such property be owned by the United States or any agency thereof, or the State of California, or any agency, district or political subdivision thereof or by the City or any public or private utility corporation or by any combination of such owners. Any repair or replacement shall be to the satisfaction, and subject to the approval of, the City Engineer.

10. Injury to Work. Until such time as the improvements are accepted by City, Developer shall be responsible to bear the risk of loss to any of the improvements constructed or installed. Until such time as all improvements required by this agreement are fully completed and accepted by City, Developer will be responsible for the care, operation of, maintenance of, and any damage to such improvements. City shall not, nor shall any officer or employee thereof, be liable or responsible for any

accident, loss or damage, regardless of cause, happening or occurring to the work or improvements specified in this agreement prior to the completion and acceptance of the work or improvements. All such risks shall be the responsibility of and are hereby assumed by Developer.

11. Default of Developer.

a. Default of Developer shall include, but not be limited, to, Developer's failure to timely commence construction of the improvements under this agreement; Developer's failure to timely complete construction of the improvements; Developer's failure to cure any defect in the improvements; Developer's failure to perform substantial construction work for a period of 20 calendar days after commencement of the work; Developer's insolvency, appointment of a receiver, or the filing of any petition in bankruptcy either voluntary or involuntary which Developer fails to discharge within 30 days; the commencement of a foreclosure action against the Development or a portion thereof, or any conveyance in lieu or in avoidance of foreclosure; or Developer's failure to perform any other obligation under this agreement.

b. The City reserves to itself all remedies available to it at law or in equity for breach of Developer's obligations under this agreement. In the event Developer fails to perform any of the terms or conditions of this agreement, the City will be damaged to the extent of the costs of installation of the improvements which Developer failed to install. The City shall have the right, to draw upon or utilize the appropriate security to mitigate City's damages in event of default by Developer. The right of City to draw upon or utilize the security is additional to, and not in lieu of, any other remedy available to City. It is specifically recognized that the estimated costs and security amounts may not reflect the actual cost of construction or installation of the improvements and, therefore, City's damages for Developer's default shall be measured by the actual cost to the City of completing the required improvements.

The sums provided by the improvement security may be used by City for the completion of the public improvements in accordance with the improvement plans and specifications contained herein. In the event of Developer's default under this agreement, Developer authorizes City to perform such obligation twenty (20) days after mailing written notice of default to Developer and to Developer's Surety/Financial Institution, and agrees to pay the entire cost of such performance by City.

City may take over the work and prosecute the same to completion, by contract or by any other method City may deem advisable, for the account and at the expense of Developer, and Developer's Surety/Financial Institution shall be liable to City for any excess cost or damages occasioned thereby; and, in such event, City, without liability for so doing, may take possession of, and utilize in completing the work such materials, appliances, plant and other property belonging to Developer as may be on the site of the work and necessary for performance of the work. Developer agrees not to remove such property from the site.

c. In the event that Developer fails to perform any obligation hereunder, Developer agrees to pay all costs and expenses incurred by City in obtaining performance of such obligations, including costs of suit and reasonable attorney's fees.

d. The failure of City to take an enforcement action with respect to a default, or to declare a breach, shall not be construed as a waiver of that default or any

subsequent default of Developer.

12. Permits. Developer shall, at Developer's expenses, obtain all necessary permits and licenses for the construction and installation of the improvements, give all necessary notices and pay all fees and taxes required by law.

13. Developer Not Agent of City. Neither Developer nor any of Developer's agents or contractors are or shall be considered to be agents of City in connection with the performance of Developer's obligations under this agreement.

14. Other Agreements. Nothing contained in this agreement shall preclude City from expending monies pursuant to agreements concurrently or previously executed between the parties, or from entering into agreements with other subdividers or developers for the apportionment of costs of water and sewer mains, or other improvements, pursuant to the provisions of the City ordinances providing therefore, nor shall anything in this agreement commit City to any such apportionment.

15. Developer's Obligation to Warn Public During Construction. Until final acceptance of the improvements, Developer shall give good and adequate warning to the public for each and every dangerous condition present in improvements, whether brought to his or her attention by the City or otherwise, and will take all reasonable actions to protect the public from such dangerous conditions.

16. Vesting of Ownership. Upon acceptance of the work on behalf of City ownership of the improvements constructed pursuant to this agreement shall vest in City.

17. Indemnity/Hold Harmless. The City or any officer or employee thereof shall not be liable for any injury to persons or property occasioned by reason of the acts or omissions of Developer, its agents or employees, in the performance of this agreement. Developer further agrees to protect and hold harmless City, its officials and employees from any and all claims, demands, causes of action, liability or loss of any sort, because of, or arising out of, acts or omission of Developer, its agents or employees in the performance of this agreement, including all claims, demands, causes of action, liability, or loss because of, or arising out of, in whole or in part, the design or construction of the improvements; provided, however, that the approved improvement security shall not be required to cover the provisions of this paragraph. Said indemnification and agreement to hold harmless shall extend to injuries to persons, and damages to or taking of property, resulting from the design or construction of said development, and the public improvements as provided herein, and, in addition, damage to adjacent property as a consequence of the drainage systems, streets and other public improvements. Acceptance by the City of the improvements shall not constitute an assumption by the City of any responsibility for any damage or taking covered by this paragraph. City shall not be responsible for the design or construction of the development or the improvements pursuant to the approved improvements plans or map, regardless of any action or inaction taken by the City in approving the plans or map, unless the particular improvement design was specifically required by City over

written objection by Developer submitted to the City Engineer before approval of the particular improvement design, which objection indicated that the particular improvement design was dangerous or defective and suggested an alternative safe and feasible design. After acceptance of the improvements, the Developer shall remain obligated to eliminate any defect in design or dangerous condition caused by the design or construction defect, however Developer shall not be responsible for routine maintenance. Provision of this paragraph shall remain in full force and effect for ten years following the acceptance by the City of improvements. It is the intent of this section that Developer shall be responsible for all liability for design and construction of the improvements installed or work done pursuant to this agreement and that City shall not be liable for any nonfeasance, misfeasance or malfeasance in approving, reviewing, checking, or correcting any plans or specifications or in approving, reviewing or inspecting any work or construction.

18. Sale or Disposition of Development. Sale or other disposition of this property will not relieve Developer from the obligations set forth herein. If Developer sells the property or any portion of the property to any other person, the Developer may request a novation of this agreement and a substitution of security. Upon approval of the novation by City and substitution of securities approved by City, the Developer may request a release or reduction of the securities required by this agreement. Nothing in the novation shall relieve the Developer of the obligations under Paragraph 17 for the work or improvement done by Developer.

19. Time is of the Essence. Time is of the essence in this agreement.

20. Time for Commencement of Work; Time Extensions. Developer shall commence substantial construction of the improvements required by this agreement not later than nine months prior to the time for completion. In the event good cause exists, as determined by the City Manager, the time for commencement of construction or completion of the improvements may be extended. The extension shall be made in writing executed by the City Manager. Any such extension may be granted without notice to Developer's Surety/Financial Institution and shall in no way affect the validity of this agreement or release the Surety/Financial Institution or Sureties/Financial Institutions from the obligations on any bond/letter of credit. A denial of extension may be appealed to the City Council within 10 days.

Delay, other than delay in the commencement of work, resulting from an act of City, or by an act of God, which Developer could not have reasonably foreseen, or by storm or inclement weather which prohibits the conducting of work, or by strikes, boycotts, similar actions by employees or labor organizations, which prevent the conducting of work, and which were not caused by or contributed to by Developer, shall constitute good cause for an extension. As a condition of such extension, the City Council or City Manager may require Developer to furnish new security guaranteeing performance of this agreement as extended in an increased amount as necessary to compensate for any increase in construction costs as determined by the City Engineer.

21. No Vesting of Rights. Performance by Developer of this agreement shall not be construed to vest Developer's right with respect to any change in any zoning or

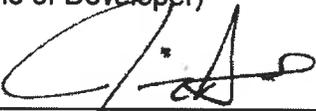


Executed by Developer this \_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

DEVELOPER:

CITY OF SANTEE, a municipal corporation of the State of California

Pardee Homes  
(Name of Developer)

By:   
(sign here)

Jimmy Ayala  
(print name here)

Division President  
(title and organization of signatory)

By: \_\_\_\_\_  
Marlene Best  
City Manager

Attest: \_\_\_\_\_  
Patsy Bell  
CMC, City Clerk

By: \_\_\_\_\_  
(sign here)

\_\_\_\_\_  
(print name here)

\_\_\_\_\_  
(title and organization of signatory)

Approved as to form:

\_\_\_\_\_  
Shawn Haggerty  
City Attorney

(Proper notary acknowledgment of execution by Developer must be attached.)

(President or vice-president and secretary or assistant secretary must sign for corporations. If only one officer signs, the corporation must attach a resolution certified by the secretary or assistant secretary under corporate seal empowering that officer to bind the corporation.)

**PARDEE HOMES, A  
CALIFORNIA CORPORATION  
CONSENT TO ACTION WITHOUT MEETING  
OF THE BOARD OF DIRECTORS**

The undersigned, being all of the Directors of Pardee Homes, a California corporation, hereby consent to the adoption of the following resolutions effective as of June 12, 2015:

"RESOLVED that the following individual has tendered her resignation and is hereby removed from office:

Division President – San Diego

Beth Fischer

"RESOLVED further that the following individual and the same hereby is elected to the offices set forth opposite his name:

Division President – San Diego

Jimmy Ayala

to serve until the next annual meeting of Directors or until such time as their successors are duly elected and qualified."

Dated: June 19, 2015

  
\_\_\_\_\_  
Thomas J. Mitchell

  
\_\_\_\_\_  
Douglas E. Bauer

  
\_\_\_\_\_  
Michael D. Grubbs

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

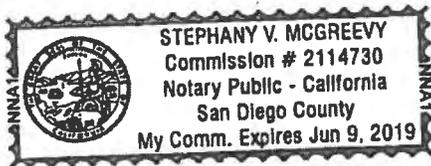
## CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California  
County of San Diego

On April 12, 2016, before me, Stephany McGreevy, Notary Public personally appeared Jimmy Ayala, Division President, San Diego, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person 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



A handwritten signature in cursive script, appearing to read 'Stephany McGreevy', written over a horizontal line.

Stephany McGreevy  
Notary public in and for said State  
Commission #2114730 Exp. 06/09/2019

-----OPTIONAL-----

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

### DESCRIPTION OF ATTACHED DOCUMENT

Title or Type of Document: City of Santee Public Right-Of-Way Improvement Agreement

Signer(s) other than named above: N/A

### CAPACITY CLAIMED BY SIGNER

Name of Signer(s): Jimmy Ayala  
Signing as: San Diego Division President, Pardee Homes

# City of Santee

## Estimate for Castlerock Offsite Improvements

Improvement Plan Permit No.: IP-2014-01  
CG No.: xxx

Engineer: C. John Eardensohn  
Latitude 33  
9968 Hibert Street, 2nd Floor  
San Diego, CA 92131

ITEM	QUANTITY	UNIT	UNIT COST	TOTAL
<b><u>SURFACE IMPROVEMENT ITEMS:</u></b>				
TRENCH RESURFACING PER G-24M	17,355	SF	\$25.00	\$433,875.00
SAW CUT EXISTING (AC/PCC)	2,864	LF	\$4.00	\$11,456.00
REMOVAL, CURB AND GUTTER	676	LF	\$3.00	\$2,028.00
REMOVAL, HEADWALLS	11	SF	\$3.00	\$33.00
REMOVAL, AC PAVEMENT	67	SF	\$3.00	\$201.00
REMOVAL, SIDEWALK	919	SF	\$1.50	\$1,378.50
REMOVAL, DRIVEWAY	26	SF	\$1.50	\$39.00
REMOVAL, MEDIAN	200	SF	\$3.00	\$600.00
TRAFFIC SIGNAL (4X4)	1	EA	\$150,000.00	\$150,000.00
TRAFFIC CONTROL (10% OF IMP.)	1	LS	\$75,000.00	\$75,000.00
SIGNAGE AND STRIPING TOTAL (REMOVAL INCLUDED)	1	LS	\$60,000.00	\$60,000.00
STREET LIGHT RELOCATION	10	EA	\$3,300.00	\$33,000.00
2" GRIND AND OVERLAY (2' AT PVMT MATCHING)	1,097	SF	\$2.00	\$2,194.00
G-14 DRIVEWAY	105	SF	\$7.00	\$735.00
G-17M DRIVEWAY	817	SF	\$7.00	\$5,719.00
DG TRAIL (4")	14,325	SF	\$5.25	\$75,206.25
AC PAVEMENT (4")	9,738	SF	\$2.20	\$21,423.60
AGGREGATE BASE (12")	9,738	SF	\$2.00	\$19,476.00
AC PAVEMENT (2")	459	SF	\$1.00	\$459.00
AGGREGATE BASE (8")	459	SF	\$1.25	\$573.75
4" PCC SIDEWALK	17,278	SF	\$4.50	\$77,751.00
6" CURB AND GUTTER, TYPE G	777	LF	\$20.00	\$15,540.00
6" CURB AND GUTTER, TYPE G-4	27	LF	\$26.00	\$702.00
6" CURB AND GUTTER, TYPE B-2 MEDIAN	80	LF	\$21.00	\$1,680.00
GUARD BARRICADE, PER M-9	1	EA	\$450.00	\$450.00
3' HIGH MASONRY RETAINING WALL TYPE 2	600	SF	\$29.65	\$17,790.00
6" AC BERM, TYPE A	15	LF	\$9.50	\$142.50
CURB RAMPS	7	EA	\$1,400.00	\$9,800.00
CROSS-GUTTER PER G-12	1,000	SF	\$8.00	\$8,000.00
<b><u>UTILITY ITEMS:</u></b>				
18" RCP STORM DRAIN	419	LF	\$95.00	\$39,805.00
21" RCP STORM DRAIN	22	LF	\$110.00	\$2,420.00
24" RCP STORM DRAIN	338	LF	\$110.00	\$37,180.00
30" RCP STORM DRAIN	104	LF	\$120.00	\$12,480.00
36" RCP STORM DRAIN	7	LF	\$145.00	\$1,015.00
48" RCP STORM DRAIN	5	LF	\$175.00	\$875.00
MODULAR WETLAND MWS-L-4-8-UG-V	1	EA	\$13,900.00	\$13,900.00
STORM DRAIN CLEAN OUT, TYPE A	10	EA	\$3,980.00	\$39,800.00
CATCH BASIN, TYPE I	1	EA	\$3,850.00	\$3,850.00
CATCH BASIN, TYPE F	3	EA	\$3,850.00	\$11,550.00
CURB INLET, TYPE B	1	EA	\$3,850.00	\$3,850.00
INLET APRON	1	EA	\$1,600.00	\$1,600.00
IRRIGATION SERVICE PER WS-02 (2" W/2" METER)	1	EA	\$2,866.00	\$2,866.00
DISCONNECT (KILL) & INSPECT IRRIGATION SERVICE	1	EA	\$1,282.00	\$1,282.00

CONNECT TO EXISTING STORM DRAIN	6	EA	\$200.00	\$1,200.00
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**LANDSCAPE ITEMS:**

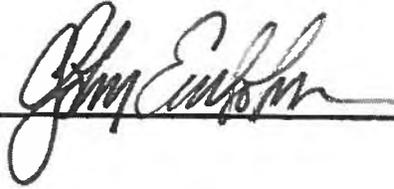
24" BOX TREE	75	EA	\$280.00	\$21,000.00
5 GALLON SHRUB	26	EA	\$16.50	\$429.00
1 GALLON SHRUB	4,888	EA	\$5.75	\$28,106.00
FLATS GROUNDCOVER	698	EA	\$0.35	\$244.30
ROOT BARRIER	2,380	LF	\$6.00	\$14,280.00
PLANTING DEMOLITION (TREES AND SHRUBS)	1	LS	\$2,500.00	\$2,500.00
IRRIGATION SYSTEM (DRIP)	25,300	SF	\$2.00	\$50,600.00
IRRIGATION SYSTEM (BUBBLERS)	75	EA	\$35.00	\$2,625.00
CITY OF SANTEE EXISTING IRRIGATION SYSTEM RETROFIT	1	LS	\$30,000.00	\$30,000.00
SOIL PREPERATION	25,300	SF	\$0.25	\$6,325.00
FINE GRADING	25,300	SF	\$0.12	\$3,036.00
2" DEPTH MULCH	25,300	SF	\$0.35	\$8,855.00
GROW/KILL APPLICATION	25,300	SF	\$0.05	\$1,265.00

SUBTOTAL SURFACE IMPROVEMENT ITEMS:	\$ 1,368,190.90
PLUS 15% CONTINGENCY:	\$ 205,228.64
<b>TOTAL</b>	<b>\$ 1,573,419.54</b>

PREPARED BY: MEM

DATE: 10-Feb-16

APPROVED BY: \_\_\_\_\_




C. John, Eardensohn, R.C.E. 34584

**City of Santee**  
**COUNCIL AGENDA STATEMENT**

1F

**MEETING DATE**      July 13, 2016

**AGENDA ITEM NO.**

**ITEM TITLE**      RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA APPROVING THE FINAL MAP FOR EAST COUNTY ESTATES (TM 2005-13), AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE ASSOCIATED SUBDIVISION IMPROVEMENT AGREEMENT. LOCATION: 8530-8548 RHONE ROAD AND 9432 - 9440 SLOPE STREET. APPLICANT: GREG BROWN

**DIRECTOR/DEPARTMENT**      Melanie Kush, Development Services 

**SUMMARY**

This item requests City Council approve the final map for the East County Estates subdivision and the associated Subdivision Improvement Agreement. On July 12, 2006, City Council approved Resolution No. 060-2006 for Tentative Map 2005-13, a 17-lot single family residential subdivision in the single-family residential neighborhood off Rhone Road and Slope Street. These lots will be developed with single-family homes in accordance with Development Review Permit DR05-29. Dedications and plan approvals required by Tentative Map Resolution No. 060-2006 have been satisfied.

The final map has been reviewed by the Department of Development Services and found to be technically correct, in substantial conformance with the tentative map requirements of Resolution No. 060-2006, the Santee Municipal Code and the Subdivision Map Act.

**ENVIRONMENTAL REVIEW**

A Negative Declaration was approved for the project on July 12, 2006.

**FINANCIAL STATEMENT** 

The City Fee Schedule allows full cost recovery of staff time from fees paid by the developer.

**CITY ATTORNEY REVIEW**       N/A       Completed

**RECOMMENDATION** 

Adopt the Resolution:

1. Authorizing the approval of the final map for the East County Estates subdivision, TM 2005-13
2. Authorizing the City Manager to execute the associated Subdivision Improvement Agreement.

**ATTACHMENTS**

Resolution  
Vicinity Map

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA  
APPROVING THE FINAL MAP FOR EAST COUNTY ESTATES (TM 2005-13) AND  
AUTHORIZING THE CITY MANAGER TO EXECUTE THE ASSOCIATED SUBDIVISION  
IMPROVEMENT AGREEMENT. LOCATION: 8530-8548 RHONE ROAD AND 9432 -  
9440 SLOPE STREET. APPLICANT: GREG BROWN**

**WHEREAS**, on July 12, 2006, City Council approved Resolution No. 060-2006 for the approval of Tentative Map 2005-13, a 17- lot single family residential subdivision project; and

**WHEREAS**, on July 12, 2006 a Negative Declaration was approved for the project in compliance with the requirements of the California Environmental Quality Act; and

**WHEREAS**, the developers East County Estates 2006 LP, has complied with all provisions of the tentative map approval required for recordation of the Final Map; and

**WHEREAS**, under the direction of the City Engineer the Final Map has been examined and found to be technically correct, in compliance with State law, applicable Municipal Code and in substantial conformance with the approved Tentative Map.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Santee does hereby approve the Final Map of Tentative Map 2005-13.

**BE IT FURTHER RESOLVED** that the City Council does hereby authorize the City Manager to execute the Subdivision Improvement Agreement on their behalf and directs the City Clerk to certify approval of the Final Map and the associated Subdivision Improvement Agreement and certify rejection or acceptance of all dedications and easements as indicated on the Final Map, and directs staff to submit the map to the County Recorder for recordation.

**ADOPTED** by the City Council of the City of Santee, California, at a regular meeting thereof held this 13<sup>th</sup> day of July 2016, by the following vote to wit:

**AYES:  
NOES:  
ABSENT:**

**APPROVED:**

\_\_\_\_\_  
**RANDY VOEPEL, MAYOR**

**ATTEST:**

\_\_\_\_\_  
**PATSY BELL, CMC, CITY CLERK**



**East County Estates Final Map**  
 TM05-13/DR05-29/AEIS05-35  
 9432-9440 Slope Street, 8530-8548 Rhone Road

City of Santa, Department of Development Services



144 0 144 288 Feet



1:3447



City of Santee  
COUNCIL AGENDA STATEMENT

**MEETING DATE**

July 13, 2016

**AGENDA ITEM NO.**

**ITEM TITLE**

**AUTHORIZE THE PURCHASE OF TELEPHONE SYSTEM NETWORK EQUIPMENT FROM HEWLETT PACKARD ENTERPRISE PER NATIONAL ASSOCIATION OF STATE PROCUREMENT OFFICIALS (NASPO) CONTRACT #AR1464**

**DIRECTOR/DEPARTMENT**

Kathy Valverde, Assistant to the City Manager *KV*

**SUMMARY**

On June 22, 2016, City Council authorized the upgrade of the City's current telephone system, which included purchase of ancillary hardware and services. Santee Municipal Code section 3.24.180 authorizes the City to purchase equipment, supplies and related services from a vendor at a price established by competitive bid by another public agency as long as the bid substantially complied with the formal bidding procedures in Santee Municipal Code section 3.24.110. In August 2013, the National Association of State Procurement Officials (NASPO) conducted a competitive process, substantially complying with Santee's Municipal Code, for procurement of data communications products and services. Based on the requirements for the lowest responsive responsible bidder offering the best overall quality and selection of products and services, Hewlett Packard Company was one of the vendors awarded Contract #AR1464 for the sale of data communication products and related services for a term of up to five-years beginning June 1, 2014. Since the time of the award, the contract has been transferred to Hewlett Packard Enterprise where sales are made through authorized resellers.

Santee's Purchasing Ordinance requires City Council approval of all purchases exceeding \$20,000. Staff recommends utilizing NASPO Contract #AR1464, c/o State of California Participating Addendum #7-14-70-06, to purchase telephone system network equipment from Hewlett Packard Enterprise, c/o authorized reseller Dasher Technologies, for an all-inclusive amount of \$24,938.51.

**FINANCIAL STATEMENT** *m*

Funding for purchase of the telephone system network equipment, totaling \$24,938.51, is included in the adopted Five-Year Capital Improvement Program Budget, Telecommunications System Upgrade project.

**CITY ATTORNEY REVIEW**

N/A

Completed

**RECOMMENDATION** *MDB*

1. Authorize purchase of telephone system network equipment from Hewlett Packard Enterprise, c/o authorized reseller Dasher Technologies, per NASPO Contract #AR1464 – CA Participating Addendum #7-14-70-06, for an amount not-to-exceed \$24,938.51; and
2. Authorize the City Manager to approve change orders up to ten percent (10%) of the total purchase price for any unforeseen modifications.

**ATTACHMENTS**

None

**City of Santee**  
**COUNCIL AGENDA STATEMENT**

**MEETING DATE**     July 13, 2016

**AGENDA ITEM NO.**

**ITEM TITLE**     **PUBLIC HEARING FOR THE FY 2016-17 SANTEE LANDSCAPE MAINTENANCE DISTRICT ANNUAL LEVY OF ASSESSMENTS**

**DIRECTOR/DEPARTMENT**     Tim K. McDermott, Director of Finance *TM*

**SUMMARY**     Santee Landscape Maintenance District ("SLMD") is a City-wide district and is comprised of 18 zones, ten of which are assessed and maintained by the City. A combination of contract maintenance and City forces maintain the zones. Maps depicting each zone and the areas of maintenance are included at the end of the attached Engineer's Report.

Tonight's public hearing for the SLMD FY 2016-17 annual levy of assessments is the final step in the annual assessment process. On May 11, 2016, Council initiated proceedings and ordered the preparation of an Engineer's Report. On May 25, 2016 the City Council approved the Engineer's Report and set tonight's meeting as the time and place for the required public hearing for the FY 2016-17 SLMD levy of assessments. The Engineer's Report describes the legal and physical nature of the SLMD, its improvements, budget and the proposed spread of assessments.

The attached Assessment Summary reflects SLMD assessments and costs for FY 2016-17. Nine zones will have the same assessments in FY 2016-17 as they had last fiscal year, seven of which are at the maximum amount allowed. The assessment for one zone will increase within the allowable amount. The assessment for Zone 18 (Allos) is proposed to be increased from \$622.23 to \$653.34 per home.

**FINANCIAL STATEMENT** *TM*     A total of \$106,392 would be assessed on property owners within ten existing zones of SLMD in FY 2016-17 for the cost of maintenance and administration

**CITY ATTORNEY REVIEW**      N/A      Completed

**RECOMMENDATIONS** *MSB*

- 1) Conduct and Close the Public Hearing; and
- 2) Adopt Resolution confirming an assessment diagram and assessment and providing for the FY 2016-17 SLMD annual levy of assessments

**ATTACHMENTS (Listed Below)**

- 1) Assessment Summary
- 2) Resolution
- 3) Engineer's Report

**FY 2016-17 SANTEE LANDSCAPE MAINTENANCE DISTRICT  
ASSESSMENT SUMMARY FOR ZONES PROPOSED TO BE ASSESSED**

ZONE	ZONE NAME	NUMBER OF UNITS	FY 2016-17 MAINTENANCE & ADMINISTRATION	RESERVES 7/1/16	FY 2016-17 TOTAL ASSESSMENT	FY 2016-17 ASSESSMENT RATE/UNIT	FY 2015-16 ASSESSMENT RATE/UNIT	MAXIMUM APPROVED ASSESSMENT
1	EL NOPAL ESTATES	45	\$ 3,280.00	\$ 3,490.00	\$ 2,258.00	\$ 50.18	\$ 50.18	\$ 50.18
3	COUNTRY SCENES	14	\$ 2,440.00	\$ 3,217.00	\$ 2,067.00	\$ 147.64	\$ 147.64	\$ 147.64
4	CAMELOT HEIGHTS	10	\$ 1,720.00	\$ 1,891.00	\$ 1,385.00	\$ 138.50	\$ 138.50	\$ 138.50
8	SILVER COUNTRY ESTATES	153	\$ 70,620.00	\$ 48,250.00	\$ 75,735.00	\$ 495.00	\$ 495.00	\$ 495.00
9	MATTAZARO/TIMBERLANE	34	\$ 1,510.00	\$ 1,395.00	\$ 1,529.00	\$ 44.98	\$ 44.98	\$ 44.98
12	THE HEIGHTS	60	\$ 8,100.00	\$ 16,264.00	\$ 8,757.00	\$ 145.95	\$ 145.95	\$ 375.00
13	PROSPECT HILLS	43	\$ 3,950.00	\$ 4,728.00	\$ 3,225.00	\$ 75.00	\$ 75.00	\$ 75.00
14	MITCHELL RANCH	16	\$ 3,000.00	\$ 5,694.00	\$ 2,690.00	\$ 168.14	\$ 168.14	\$ 168.14
17	DAKOTA RANCH	20	\$ 6,520.00	\$ 20,355.00	\$ 4,826.00	\$ 241.30	\$ 241.30	\$ 357.34
18	ALLOS	6	\$ 3,840.00	\$ 2,490.00	\$ 3,920.00	\$ 653.34	\$ 622.23	\$ 687.18

**Note: Zone 17 and Zone 18 reflect an allowable 2% increase in the maximum approved assessment for FY 2016-17**

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA  
CONFIRMING AN ASSESSMENT DIAGRAM AND ASSESSMENT  
AND PROVIDING FOR THE FY 2016-17  
SANTEE LANDSCAPE MAINTENANCE DISTRICT  
ANNUAL LEVY OF ASSESSMENTS**

**WHEREAS**, the City Council of the City of Santee has initiated proceedings for the annual levy of the assessments for a street lighting and landscaping district pursuant to the terms and provisions of the "Landscaping and Lighting Act of 1972," being Division 15, Part 2 of the Streets and Highways Code of the State of California, Article XIII D of the California Constitution, and the Proposition 218 Omnibus Implementation Act (commencing with California Government Code Section 53750) (collectively the "Law"), in what is known and designated as **SANTEE LANDSCAPE MAINTENANCE DISTRICT** ("District"); and

**WHEREAS**, the City Council has ordered the preparation of an Engineer's Report ("Report") and the Director of Finance filed with this City Council said Report pursuant to the Law for its consideration and subsequently thereto this City Council did adopt its Resolution of Intention to levy and collect assessments for Fiscal Year 2016-17 relating to the District, and further did proceed to give notice to the time and place for a public hearing on all matters relating to said annual levy of the proposed assessment in accordance with the law; and

**WHEREAS**, at this time this City Council has heard all testimony and evidence, and is desirous of proceeding with said annual levy of assessments.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Santee, California:

**SECTION 1.** That the above recitals are all true and correct.

**SECTION 2.** That this City Council hereby confirms the assessment diagram and assessment as submitted and orders the annual levy of the assessment for maintenance of improvements for Fiscal Year 2016-17 and in the amounts as set forth in the Report and as referred to in the Resolution of Intention as previously adopted relating to said annual assessment levy.

**SECTION 3.** That the assessment diagram and assessment for maintenance of improvements as set forth and contained in said Report are hereby confirmed and adopted by this City Council.

**SECTION 4.** That the adoption of this Resolution constitutes the levy of the assessment for the Fiscal Year 2016-17.

**SECTION 5.** That the estimates of costs, the assessment diagram, the assessments and all other matters as set forth in the Report, pursuant to the Law, as submitted, are hereby approved, adopted and confirmed by this City Council.

**RESOLUTION NO. \_\_\_\_\_**

**SECTION 6.** That the maintenance of improvements contemplated by the Resolution of Intention shall be performed pursuant to law and the County of San Diego Auditor shall enter on the County of San Diego Assessment Roll the amount of the assessment and said assessment shall then be collected at the same time and in the same manner as the County taxes are collected. After collection by the County of San Diego, the net amount of the assessment shall be paid to the Director of Finance of said City.

**SECTION 7.** That the Director of Finance has established a special fund known as the **SANTEE LANDSCAPE MAINTENANCE DISTRICT** into which the Director of Finance shall place all monies collected by the County of San Diego Tax Collector pursuant to the provisions of this Resolution and Law, and said transfer shall be accomplished as soon as said monies have been made available to said Director of Finance.

**SECTION 8.** That the City Clerk is hereby ordered and directed to file a certified copy of the assessment diagram and assessment roll with the County of San Diego Auditor, together with a certified copy of this Resolution upon its adoption.

**SECTION 9.** That a certified copy of the assessment diagram and assessment roll shall be filed in the office of the Director of Finance, with a duplicate copy on file in the office of the City Clerk and open for public inspection.

**ADOPTED** by the City Council of the City of Santee, California, at a regular meeting thereof held this 13<sup>th</sup> day of July, 2016, by the following roll call vote to wit:

**AYES:**

**NOES:**

**ABSENT:**

**APPROVED:**

\_\_\_\_\_  
**RANDY VOEPEL, MAYOR**

**ATTEST:**

\_\_\_\_\_  
**PATSY BELL, CMC, CITY CLERK**

**FY 2016-17 ENGINEER'S REPORT**  
**FOR THE**  
**SANTEE LANDSCAPE MAINTENANCE**  
**DISTRICT**



**CITY OF SANTEE**

**July 13, 2016**

**EXECUTIVE SUMMARY:  
SANTÉE LANDSCAPE MAINTENANCE DISTRICT  
FISCAL YEAR 2016-17**

This Engineer's Report summarizes staff's findings regarding the District, including: a description of the included facilities; a proposed budget for the Fiscal Year July 1, 2016 through June 30, 2017; a description of the parcels in the District; an explanation of the assessment methodology and assessment determination; and maps of each zone, called assessment diagrams.

The District is comprised of 18 separate zones of maintenance. For FY 2016-17 the District will have the following zones and assessments:

<b>Zone</b>	<b>Zone Name</b>	<b>Tract/Map #</b>	<b>Units</b>	<b>Total FY 2016-17 Assessment</b>	<b>Per Unit Assessment</b>
1	El Nopal Estates	88-04	45	\$2,258.00	\$50.18
3	Country Scenes	89-01	14	\$2,067.00	\$147.64
4	Camelot Heights	89-02	10	\$1,385.00	\$138.50
5	Mesa Heights	88-08	44	\$0 <sup>1</sup>	\$0 <sup>1</sup>
6	Prospect Point	89-05	9	\$0 <sup>1</sup>	\$0 <sup>1</sup>
7	Treviso	03-01	186	\$0 <sup>1</sup>	\$0 <sup>1</sup>
8	Silver Country Estates	93-02	153	\$75,735.00	\$495.00
9	Mattazaro / Timberlane	88-07 / 92-03	34	\$1,529.00	\$44.98
10	Lakes West Condos	90-02	78	\$0 <sup>1</sup>	\$0 <sup>1</sup>
11	Padre Hills	89-04	35	\$0 <sup>2</sup>	\$0 <sup>2</sup>
12	The Heights	96-01	60	\$8,757.00	\$145.95
13	Prospect Hills	96-02	43	\$3,225.00	\$75.00
14	Mitchell Ranch	92-04	16	\$2,690.00	\$168.14
15	Vista Este	00-03	33	\$0 <sup>1</sup>	\$0 <sup>1</sup>
16	Prospect Glen	01-01	48	\$0 <sup>1</sup>	\$0 <sup>1</sup>
17	Dakota Ranch	01-02	20	\$4,826.00	\$241.30
18	Allos	98-02	6	\$3,920.00	\$653.34
19	Sky Ranch	04-08	371	\$0 <sup>1</sup>	\$0 <sup>1</sup>

**Notes**

1. Maintenance responsibilities assumed by homeowners' association or property owners.
2. Assessment not approved by property owners.

Ten of these existing zones - Zones 1, 3, 4, 8, 9, 12, 13, 14, 17 and 18 – will be active, and will be assessed and their improvements maintained by City or contract forces. Zones 5, 6, 7, 10, 11, 15, 16 and 19 have been annexed to the District, but have no assessment because they are responsible for their own maintenance; if not maintained to City standards, the City will assume maintenance and levy assessments. Further details are provided in the body of this Engineer's Report.

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**ENGINEER'S REPORT  
CITY OF SANTEE LANDSCAPE MAINTENANCE DISTRICT  
ZONES 1 THROUGH 19 FOR FISCAL YEAR 2016-2017**

**INTRODUCTION**

This is the Engineer's Report for Zones 1 through 19 of the City of Santee Landscape Maintenance District ("District"). It has been prepared in accordance with the Landscaping and Lighting Act of 1972 ("72 Act"), State Streets and Highways Code 22500 et seq. This Engineer's Report summarizes the City's findings regarding the subject District, and includes:

- 1) an introduction describing the District, its zones, and relevant legislation;
- 2) a description of the facilities to be maintained by the District;
- 3) a proposed budget for the Fiscal Year July 1, 2016 through June 30, 2017;
- 4) a description of the parcels included in the District;
- 5) an explanation of the assessment methodology and assessment determination made in conformance with the '72 Act, its amendments and related legislation (see page 7); and
- 6) an assessment diagram, or map, of each active zone.

**ACTIVE ZONES** In FY 2016-17, the Santee Landscape Maintenance District will be divided into 18 separate zones of benefit. The 18 zones are comprised of both active and inactive zones. "Active" means the zones will have maintenance activities during FY 2016-17. Maintenance activities are comprised of both contract and City forces. The ten active zones are:

**Zone 1 - El Nopal Estates:** Established in FY 1989-90, this was the first subdivision in the District and was originally comprised of two zones. Zone 2 was eliminated in FY 1997-98 because its maintenance was subsumed under Zone 1 to be consistent with current assessment district laws.

**Zone 3 - Country Scenes:** This 14-unit single family subdivision located near Conejo and Mast Blvd. was annexed in FY 1992-93.

**Zone 4 - Camelot Heights:** Annexed in FY 1993-94, this subdivision's ten single-family homes located off Princess Joanne Rd. share maintenance costs.

**Zone 8 - Silver Country Estates:** 153 single-family homes make up this subdivision at the north end of Cuyamaca St. The first unit was annexed in FY 1995-96, but the improvements were not accepted so there was no assessment. Once the project was completed, property owners cast ballots regarding assessments in FY 1998-99, and the affirmative vote set an initial assessment and maximum rate.

**Zone 9 - Timberlane / Mattazaro:** Due to their physical proximity, improvements for the 25-unit single-family home development called "Timberlane" and the nine-unit "Mattazaro" single-family home project were combined into one zone. Zone 9 had no assessment in its first year because the improvements were not accepted before the start of FY 1996-97. In FY 1997-98, improvements were accepted and an affirmative majority vote was made for the initial and maximum assessment rates.

**Zone 12 - The Heights:** Annexed in FY 1998-99, this 60-unit single-family project is at the northwest end of Magnolia Ave. Maintenance was assumed by the City in FY 2002-03. The project had affirmative assessment ballot proceedings establishing initial and maximum assessment rates.

**Zone 13 - Prospect Hills:** Also annexed in FY 1998-99, the 43 single-family homes off Prospect Ave. east of Holden Rd. share in the cost of landscaping fronting the project on Prospect Ave. The zone also had affirmative assessment ballot proceedings to establish initial and maximum assessment rates.

**Zone 14 – Mitchell Ranch:** This 16-unit single-family subdivision is at the southwest corner of Magnolia Ave. and El Nopal. An affirmative assessment ballot proceeding setting initial and maximum assessment rates was undertaken prior to its FY 2000-01 annexation.

**Zone 17 – Dakota Ranch:** This 20 single-family home development located on Dakota Ranch Rd. off Princess Joann was annexed in FY 2004-05. This zone also had affirmative assessment ballot proceedings to establish initial and maximum assessment rates.

**Zone 18 – Allos:** Also annexed in FY 2004-05, the six single family homes are on Prospect Ct. adjacent to Prospect Ave. near Mesa Rd. Improvements were reduced from the originally approved plans to provide a reasonable assessment. The project had affirmative assessment ballot proceedings establishing initial and maximum assessment rates.

**INACTIVE ZONES** Eight of the 18 zones are “inactive,” i.e., there is no assessment and they are responsible for their own maintenance. These zones are:

**Zone 5 - Mesa Heights:** This zone was originally annexed in FY 1993-94. Due to rising costs, in FY 1997-98, the Mesa Heights HOA assumed maintenance responsibilities for their 44-unit single-family subdivision’s landscaped improvements.

**Zone 6 – Prospect Point:** Nine single-family homes comprise this zone located off Prospect Ave. This zone has had no assessments since FY 1996-97.

**Zone 7 – Treviso:** Formerly commercially-zoned, the 186-unit multifamily Treviso property carries out its own maintenance, so there is no assessment.

**Zone 10 – Lakes West:** The Navy-owned 78-unit condominium project is located on Mission Gorge Rd. at Simeon Dr. and Bushy Hill Dr. It is responsible for its own maintenance and has not been assessed since its FY 1996-97 annexation.

**Zone 11 – Padre Hills:** A 35 single-family home subdivision located off Prospect Ave., Padre Hills underwent an unsuccessful assessment ballot proceeding upon its FY 1997-98 annexation. Consequently, the subdivision is responsible for maintaining its landscaping and is not assessed.

**Zone 15 – Vista Este:** The 33 attached homes included in this zone are responsible for their own maintenance through a homeowners’ association, and was annexed in FY 2004-05. The subdivision is located off Fanita Dr. at Watson Pl.

**Zone 16 – Prospect Glen:** The development’s homeowners’ association takes care of the maintenance for the 48 single-family homes in this project, which was annexed in FY 2004-05. The project is located on the northwest corner of Prospect Ave. and Fanita Dr.

**Zone 19 – Sky Ranch:** The development’s homeowners’ association takes care of the maintenance for the 223 single-family and 148 multi-family homes ultimately to be in this project, which was annexed in FY 2007-08. The project is located off Graves Ave. and Sevilla St.

In FY 2016-17, the District will be comprised of the following zones with the following assessments:

Zone	Name	Tract/Map #	Units	Total Annual Assessment	Per Unit Assessment
1	El Nopal Estates	88-04	45	\$2,258.00	\$50.18
3	Country Scenes	89-01	14	\$2,067.00	\$147.64
4	Camelot Heights	89-02	10	\$1,385.00	\$138.50
5	Mesa Heights	88-08	44	\$0	\$0
6	Prospect Point	89-05	9	\$0	\$0
7	Treviso	03-01	186	\$0	\$0
8	Silver Country Estates	93-02	153	\$75,735.00	\$495.00
9	Mattazaro / Timberlane	88-07 / 92-03	34	\$1,529.00	\$44.98
10	Lakes West Condos	90-02	78	\$0	\$0
11	Padre Hills	89-04	35	\$0	\$0
12	The Heights	96-01	60	\$8,757.00	\$145.95
13	Prospect Hills	96-02	43	\$3,225.00	\$75.00
14	Mitchell Ranch	92-04	16	\$2,690.00	\$168.14
15	Vista Este	00-03	33	\$0	\$0
16	Prospect Glen	01-01	48	\$0	\$0
17	Dakota Ranch	01-02	20	\$4,826.00	\$241.30
18	Allos	98-02	6	\$3,920.00	\$653.34
19	Sky Ranch	04-08	371	\$0	\$0

**EFFECTS OF PROPOSITION 218 LEGISLATION** In November, 1996 Prop 218 - the "Right to Vote on Taxes Act" - added Article XIII D to the State Constitution. The amendment created new substantive and procedural requirements for '72 Act districts. Now, when a new or increased levy is proposed for a district or a zone therein the local agency must mail a notice and "ballot" to each property owner of record affected by the new or increased assessment. The ballot procedure enables property owners to approve or disapprove the proposed new or increased assessment. The vote is determined by the weighted proportional financial obligation of the ballots returned. A "majority protest" exists if ballots submitted in opposition exceed ballots in favor of the new or increased levy. If a majority protest exists for a new assessment, the local agency cannot levy the assessment. If a majority protest exists for an increase in an existing assessment, the increase cannot be collected but, the base amount (the amount levied last fiscal year) can continue to be levied.

The '72 Act enables the governing body to adjust assessment rates as it directs at the approval stage or the public hearings. Therefore, the rates shown herein are proposed but are not confirmed until approved by the City Council. Once the Engineer's Report has been approved by the City Council, the ballots tabulated (if applicable), and the public hearing(s) completed, final assessment information will be provided to the County of San Diego for inclusion on the appropriate property tax bills.

## DESCRIPTION OF DISTRICT AND LANDSCAPED FACILITIES

**NAME**           The District is entitled “City of Santee Landscape Maintenance District.”

**BOUNDARIES**       The District will be divided into 18 separate zones of benefit, as described below. Dimensions of each parcel are shown on Assessor's maps located in the County of San Diego Administration Building, 1600 Pacific Highway, San Diego, CA 92101. As provided in the '72 Act, the boundaries may be adjusted in the future by annexations to this District. Zones subject to assessments in FY 2016-17 are depicted on the Assessment Diagrams attached herein as Exhibits A through J.

**Zone 1 – El Nopal Estates (TM88-04):** Assessor's Parcel Numbers (APNs) 381-221-10 through 381-221-42, inclusive, and 381-221-44, -45, -46, and -47, and 381-221-58 through -65, inclusive.

**Zone 3 – Country Scenes (TM89-01):** APNs 381-260-49 through 381-260-62, inclusive.

**Zone 4 – Camelot Heights (TM89-02):** APNs 378-420-46 through 378-420-55, inclusive.

**Zone 5 – Mesa Heights (TM88-08):** APNs 386-670-01 through 386-670-44, inclusive.

**Zone 6 – Prospect Point (TM89-05):** APNs 386-250-07, -11, -12, -13, -14, -17, -19, -22, and -24.

**Zone 7- Treviso (TM03-01):** APNs 383-061-07-01 through -28, inclusive, 383-061-08-01 through -36, inclusive, 383-061-09-01 through -32, inclusive, 383-061-10-01 through -32, inclusive, 383-061-11-01 through -30, inclusive, and 383-061-12-01 through -28, inclusive.

**Zone 8 – Silver Country Estates (TM93-02):** APNs 378-440-01 through -29, inclusive, 378-441-01 through -26, inclusive, 378-441-29 through -41, inclusive, 378-441-44 and -45, 378-450-01 through -20, inclusive, 378-450-22 through -53, inclusive, 378-450-55, and 381-710-01 through -30, inclusive.

**Zone 9 – Mattazaro/Timberlane (TM88-07/TM92-03)** is APNs 381-690-02 through -12, inclusive, 381-690-15 through -26, inclusive, 381-690-34 through -40, inclusive, 381-690-47 through -49, inclusive, and 381-690-51.

**Zone 10 – Lakes West (TM90-02):** APN 386-300-58.

**Zone 11 – Padre Hills (TM89-04):** APNs 386-270-53 through -63, inclusive, and 386-270-70 through -93, inclusive.

**Zone 12 – The Heights (TM96-01):** APNs 378-460-01 through -06, inclusive, 378-460-09 through -40, inclusive, 378-460-43 and -44, and 378-461-01 through -06, inclusive, 378-461-09 through -20, inclusive, and 378-460-021 and -22.

**Zone 13 – Prospect Hills (TM96-02):** APNs 386-680-01 through -20, inclusive.

**Zone 14 – Mitchell Ranch (TM92-04):** APNs 381-720-01 through -16, inclusive.

**Zone 15 – Vista Este (TM00-03):** APNs 386-690-01 through -33, inclusive.

**Zone 16 – Prospect Glen (TM01-01):** APNs 383-490-01 through -48, inclusive.

**Zone 17 – Dakota Ranch (TM01-02):** APNs 378-420-56 through -75, inclusive.

**Zone 18 – Allos (TM98-02):** APNs 386-280-50 through -55, inclusive.

**Zone 19 – Sky Ranch (TM04-08):** APNs 385-430-01 through -22, inclusive, 385-431-01 through -08, inclusive, and 385-432-01 through 03, inclusive.

**FACILITIES AND/OR IMPROVEMENTS TO BE MAINTAINED** Facilities or improvements include landscaping within public streets, rights-of-way and easements, their appurtenances and the costs of installing, operating and maintaining them. Improvements to be maintained generally comprise frontage landscaping and hardscaping. Maintenance includes, but is not limited to, weeding, fertilizing, trimming, cleaning, energy, water, materials, personnel/equipment costs, contract services and other items needed to deliver these services. Zones responsible for their own maintenance are not included in the following section. The following describes zones that will be assessed and/or maintained by the District in FY 2016-17:

- Zone 1** Landscaping, walks and retaining wall faces on El Nopal St. and Julio Pl.
- Zone 3** Landscaping, walks and entry monument faces on Conejo Rd and Country Scenes Ct.
- Zone 4** Landscaping and retaining wall face on Princess Joann Rd. adjacent to the subdivision.
- Zone 8** Landscaping and faces of retaining walls along Cuyamaca St., El Nopal, Woodglen Vista Dr. and Cardoza Dr. adjacent to the site.
- Zone 9** Landscaping and faces of block retaining walls along Bilter Dr. and Theresa Ln adjacent to the subdivision.
- Zone 12** Landscaping along Magnolia Avenue and along the pedestrian trail adjacent to the site.
- Zone 13** Landscaping and faces of privacy wall along Prospect Ave. and on Holden Rd. adjacent to the subdivision.
- Zone 14** Landscaping and faces of block retaining walls on El Nopal and Magnolia Ave. adjacent to the site.
- Zone 17** Landscaping on Princess Joann Rd. and Dakota Ranch Rd. adjacent to the site and entrance to the Dakota Ranch project.
- Zone 18** Parkway and slope landscaping between Prospect Ave. and Lot #1 of Allos; ten foot wide landscaped strip along the west side of Prospect Ct..

### **PROPOSED DISTRICT BUDGET**

**GENERAL** The '72 Act provides that the total cost of installation, construction, maintenance and servicing of the public landscaping and hardscaping facilities can be recovered by the District. Maintenance may include the repair and/or replacement of existing facilities. Servicing may include electrical, water, and public utility costs. Incidental expenses, including administration of the District, data processing fees, annual Engineer's Report, engineering fees, legal fees, printing, posting, mailing of notices, and all other costs associated with the maintenance of the District may also be included.

**BUDGET** Estimated FY 2016-17 expenditures are shown in Table 1. Budgets for Zones 1, 3, 4, 8, 9, 12, 13, 14, 17 and 18 are covered. There are no budgets for Zones 5, 6, 7, 10, 11, 15, 16 and 19 because the respective property owners are directly responsible for maintenance.

**BASIC DATA AND FINDINGS**

**BASIC DATA** Data has been compiled from the County Assessor's maps, Development Services Department records, and a field review by Community Services Department staff.

**FINDINGS** Individual parcels within a district receive benefits based on land use, size and location of landscaping improvements to be installed or maintained. In the Santee Landscape Maintenance District, all parcels are zoned for residential uses.

<b>Zone</b>	<b>Name</b>	<b>Tract/Map #</b>	<b>Total Assessable Parcels</b>	<b>Zoning</b>
1	El Nopal Estates	88-04	45	Residential
3	Country Scenes	89-01	14	Residential
4	Camelot Heights	89-02	10	Residential
5	Mesa Heights	88-08	44	Residential
6	Prospect Point	89-05	9	Residential
7	Treviso	03-01	186	Residential
8	Silver Country Estates	93-02	153	Residential
9	Mattazaro / Timberlane	88-07 / 92-03	34	Residential
10	Lakes West Condos	90-02	1 (78 condo parcels)	Residential
11	Padre Hills	89-04	35	Residential
12	The Heights	96-01	60	Residential
13	Prospect Hills	96-02	43	Residential
14	Mitchell Ranch	92-04	16	Residential
15	Vista Este	00-03	33	Residential
16	Prospect Glen	01-01	48	Residential
17	Dakota Ranch	01-02	20	Residential
18	Allos	98-02	6	Residential
19	Sky Ranch	04-08	371	Residential

## ASSESSMENT METHODOLOGY

**GENERAL** The '72 Act permits the establishment of assessment districts by cities for the purpose of providing and maintaining certain public improvements. The '72 Act requires that assessments be levied according to the benefit received rather than assessed value. Section 22573 states:

“The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots of parcels in proportion to the estimated benefit to be received by each such lot or parcel from the improvements.”

The '72 Act also permits the designation of zones of benefit within any individual assessment district if “by reasons or variations in the nature, location, and extent of the improvements, the various areas will receive different degrees of benefit from the improvement.” (Section 22574) Thus, the '72 Act requires the levy of a true “assessment” rather than a “special tax.” Excepted from the assessment are the areas of all public streets, avenues, lanes, roads, drives, courts, and alleys; public parks, greenbelts and parkways; and public school property, other public property and zoned agricultural open space.

Article XIII D of the State Constitution also requires that the Engineer’s Report identify all parcels receiving a special benefit, and identify the extent of the special benefit conferred. It defines “special benefit” as: “. . . a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large. General enhancement of property value does not constitute ‘special benefit.’ ” Article XIII D then states:

“An agency which proposes to levy an assessment shall identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed. The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of . . . the maintenance and operation expenses of a public improvement. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel. Only special benefits are assessable, and an agency shall separate the general benefits from the special benefits conferred on a parcel.”

Article XIII D requirements for assessments are similar to those of traditional assessment district law, including the '72 Act. The purpose of the above cited section is to allow assessments to be used, again, as a legitimate financing mechanism and not as a means to impose a “flat rate parcel tax.” Thus, while a benefit determination is still made, the Engineer’s Report is now required to draw a stronger relationship, or nexus, between the property, the benefit received and the subsequent assessment.

**METHODOLOGY** One of Article XIII D’s most significant changes is the “calculation requirement.” Local agencies must now determine whether or not property owners would receive a “special benefit” from services financed by the assessment. An Engineer’s Report is required to estimate the special benefit and general benefit property owners would receive. This step is needed because Article XIII D allows only the recoupment of the proportionate share of costs of the special benefit. Individual levies must be set so that no property owner pays over the proportional share of the total cost. The Jarvis-Gann Group, in Prop 218’s “Statement of Drafter’s Intent,” notes that:

“What constitutes a special benefit will depend on the nature of the . . . service being provided. It must be more than a mere increase in the value of the property because, arguably, the availability of any public service could provide additional value. It must be a direct and special benefit conferred on the property that exceeds the benefit conferred on the public at large or even to other similar properties.”

Clearly an additional level of analysis is required; however, this additional analysis parallels the analyses presented in prior Engineer’s Reports which were prepared in compliance with the ‘72 Act. It differs only in the determination of special vs. general benefit. This requires establishing the facts surrounding each subdivision included or proposed to be included in a district, and requires that these facts support the conferral of the special benefit.

All residential subdivisions included in the Santee Landscape Maintenance District have improvements directly associated with the exterior entrances and internal circulation elements of each particular subdivision. These improvements are features of each subdivision’s overall design, are consistent with the City of Santee General Plan Development Standards and Subdivision Ordinance, and were included as a component of each project’s Tentative Map approval.

No improvements included within each zone’s maintenance responsibility are located outside the boundaries of each subdivision’s Tentative Map, or outside the limits of the improvements that fulfill the requirements of project approval. Improvements were installed as part of subdivision construction. If each subdivision had not been built, the improvements associated with each subdivision would not have been installed nor provided later. Thus, the existence of the improvements is a direct function of the construction of each subdivision, and the special benefit of the associated improvements therefore inures to each subdivision. No general benefit is assigned because the improvements would not have been installed without the subdivision.

The approval of each subdivision’s landscaping plan is part of the approval of each subdivision’s Tentative Map. Thus, construction could not have proceeded without an approved Tentative Map, of which the landscaping plan is an integral part. Similarly, occupancy would not have occurred without fulfilling the conditions of development approval, which includes the installation of the improvements. Therefore, the special benefits of the improvements accrue directly to each home in each subdivision.

The method of assessment spread remains unchanged from prior fiscal years. Assessment spreads are based upon a single-family home being equal to one benefit unit. Total assessment costs are divided by the total benefit units to determine a per benefit unit cost. The portion of the District addressed by this Engineer’s Report is split into zones representing different levels of benefit. Developments with no assessment determination are not described in the “Assessment Determination” section.

**ANNUAL ASSESSMENT RATE INCREASES** Per Article XIII D, the levy of maximum rates is contingent on obtaining a majority approval of property owners. The maximum assessment rates per unit in Zones 17 and 18 may be increased by up to 2% annually by City Council action. Based on an analysis of the projected maintenance costs associated with existing public improvements, the maximum cap per unit have been established as \$357.54 in Zone 17, \$687.18 in Zone 18 and \$146.07 in Zone 19. Please note that all proposed assessments for FY 2016-17 are at or below the approved maximum, fulfilling Article XIII D requirements.

## ASSESSMENT DETERMINATION

**ASSESSMENT** Proposed FY 2016-17 assessments are based on the previous methodology and use data available from subdivisions' plans and Assessor's information. Maintenance costs are developed by the Community Services Department. The Finance Department believes the data to be accurate. Final assessments will be based upon these preliminary assessments and any changes made due to Council action and/or input received during the public hearings.

### ZONE 1 - EL NOPAL ESTATES

Operations, Maintenance, Administration and Engineering, net of total available: \$2,258.00  
Assessment Formula: [45 parcels (1 unit/parcel)];  $\$2,258.00/45 \text{ Units} = \$50.18 \text{ per Unit}$   
**Zone 1 - El Nopal Estates Single-Family Parcel Cost Per Year: \$50.18**

### ZONE 3 - COUNTRY SCENES

Operations, Maintenance, Administration and Engineering, net of total available: \$2,067.00  
Assessment Formula: [14 parcels (1 unit/parcel)];  $\$2,067.00/14 \text{ Units} = \$147.64 \text{ Per Unit}$   
**Zone 3 - Country Scenes Single-Family Parcel Cost Per Year: \$147.64**

### ZONE 4 - CAMELOT HEIGHTS

Operations, Maintenance, Administration and Engineering, net of total available: \$1,385.00  
Assessment Formula: [10 parcels (1 unit/parcel)];  $\$1,385.00/10 \text{ Units} = \$138.50 \text{ Per Unit}$   
**Zone 4 - Camelot Heights Single-Family Parcel Cost Per Year: \$138.50**

### ZONE 8 - SILVER COUNTRY ESTATES

Operations, Maintenance, Administration and Engineering, net of total available: \$75,735.00  
Assessment Formula: [153 parcels (1 unit/parcel)];  $\$75,735.00/153 \text{ Units} = \$495.00 \text{ Per Unit}$   
**Zone 8 - Silver Country Estates Single-Family Parcel Cost Per Year: \$495.00**

### ZONE 9 - MATTAZARO/TIMBERLANE

Operations, Maintenance, Administration and Engineering, net of total available: \$1,529.00  
Assessment Formula: [34 parcels (1 unit/parcel)];  $\$1,529.00/34 \text{ Units} = \$44.98 \text{ Per Unit}$   
**Zone 9 - Mattazaro/Timberlane Single-Family Parcel Cost Per Year: \$44.98**

### ZONE 12 - THE HEIGHTS

Operations, Maintenance, Administration and Engineering, net of total available: \$8,757.00  
Assessment Formula: [60 parcels (1 unit/parcel)];  $\$8,757.00/60 \text{ Units} = \$145.95 \text{ Per Unit}$   
**Zone 12 - The Heights Single-Family Parcel Cost Per Year: \$145.95**

### ZONE 13 - PROSPECT HILLS

Operations, Maintenance, Administration and Engineering, net of total available: \$3,225.00  
Assessment Formula: [43 parcels (1 unit/parcel)];  $\$3,225.00/43 \text{ Units} = \$75.00 \text{ Per Unit}$   
**Zone 13 - Prospect Hills Single-Family Parcel Cost Per Year: \$75.00**

### ZONE 14 - MITCHELL RANCH

Operations, Maintenance, Administration and Engineering, net of total available: \$2,690.00  
Assessment Formula: [16 parcels (1 unit/parcel)];  $\$2,690.00/16 \text{ Units} = \$168.14 \text{ Per Unit}$   
**Zone 14 - Mitchell Ranch Single-Family Parcel Cost Per Year: \$168.14**

**ZONE 17 – DAKOTA RANCH**

Operations, Maintenance, Administration and Engineering, net of total available: \$4,826.00  
Assessment Formula: [20 parcels (1 unit/parcel)]; \$4,826.00/20 Units = \$241.30 Per Unit  
**Zone 17 – Dakota Ranch Single-Family Parcel Cost Per Year: \$241.30**

**ZONE 18 – ALLOS**

Operations, Maintenance, Administration and Engineering, net of total available: \$3,920.00  
Assessment Formula: [6 parcels (1 unit/parcel)]; \$3,920.00/6 Units = \$653.34 Per Unit  
**Zone 18 – Allos Single-Family Parcel Cost Per Year: \$653.34**

**ASSESSMENT DIAGRAM STATEMENT**

The assessment diagrams showing the boundaries of the District and the active zones addressed by this Engineer’s Report and which will be assessed in FY 2016-17 are on file in the offices of the City Clerk and the Director of Finance. Copies of each diagram are included in this report as Exhibit A through Exhibit J (Zones 1, 3, 4, 8, 9, 12, 13, 14, 17 and 18). For exact details of parcels and dimensions, please refer to the Assessor’s maps located in the office of the San Diego County Recorder.

Submitted by:

*Scott A. Johnson*

**Scott A. Johnson, P.E.**  
License No.: C 53347  
License Expiration Date: June 30, 2017  
Principle Civil Engineer, City of Santee



**FY 2016-17 SANTEE LANDSCAPE MAINTENANCE DISTRICT  
ASSESSMENT SUMMARY FOR ZONES PROPOSED TO BE ASSESSED**

ZONE	ZONE NAME	NUMBER OF UNITS	FY 2016-17 MAINTENANCE & ADMINISTRATION	RESERVES 7/1/16	FY 2016-17 TOTAL ASSESSMENT	FY 2016-17 ASSESSMENT RATE/UNIT	FY 2015-16 ASSESSMENT RATE/UNIT	MAXIMUM APPROVED ASSESSMENT
1	EL NOPAL ESTATES	45	\$ 3,280.00	\$ 3,490.00	\$ 2,258.00	\$ 50.18	\$ 50.18	\$ 50.18
3	COUNTRY SCENES	14	\$ 2,440.00	\$ 3,217.00	\$ 2,067.00	\$ 147.64	\$ 147.64	\$ 147.64
4	CAMELOT HEIGHTS	10	\$ 1,720.00	\$ 1,891.00	\$ 1,385.00	\$ 138.50	\$ 138.50	\$ 138.50
8	SILVER COUNTRY ESTATES	153	\$ 70,620.00	\$ 48,250.00	\$ 75,735.00	\$ 495.00	\$ 495.00	\$ 495.00
9	MATTAZARO/TIMBERLANE	34	\$ 1,510.00	\$ 1,395.00	\$ 1,529.00	\$ 44.98	\$ 44.98	\$ 44.98
12	THE HEIGHTS	60	\$ 8,100.00	\$ 16,264.00	\$ 8,757.00	\$ 145.95	\$ 145.95	\$ 375.00
13	PROSPECT HILLS	43	\$ 3,950.00	\$ 4,728.00	\$ 3,225.00	\$ 75.00	\$ 75.00	\$ 75.00
14	MITCHELL RANCH	16	\$ 3,000.00	\$ 5,694.00	\$ 2,690.00	\$ 168.14	\$ 168.14	\$ 168.14
17	DAKOTA RANCH	20	\$ 6,520.00	\$ 20,355.00	\$ 4,826.00	\$ 241.30	\$ 241.30	\$ 357.34
18	ALLOS	6	\$ 3,840.00	\$ 2,490.00	\$ 3,920.00	\$ 653.34	\$ 622.23	\$ 687.18

Note: Zone 17 and Zone 18 reflect an allowable 2% increase in the maximum approved assessment for FY 2016-17

# EXHIBIT A



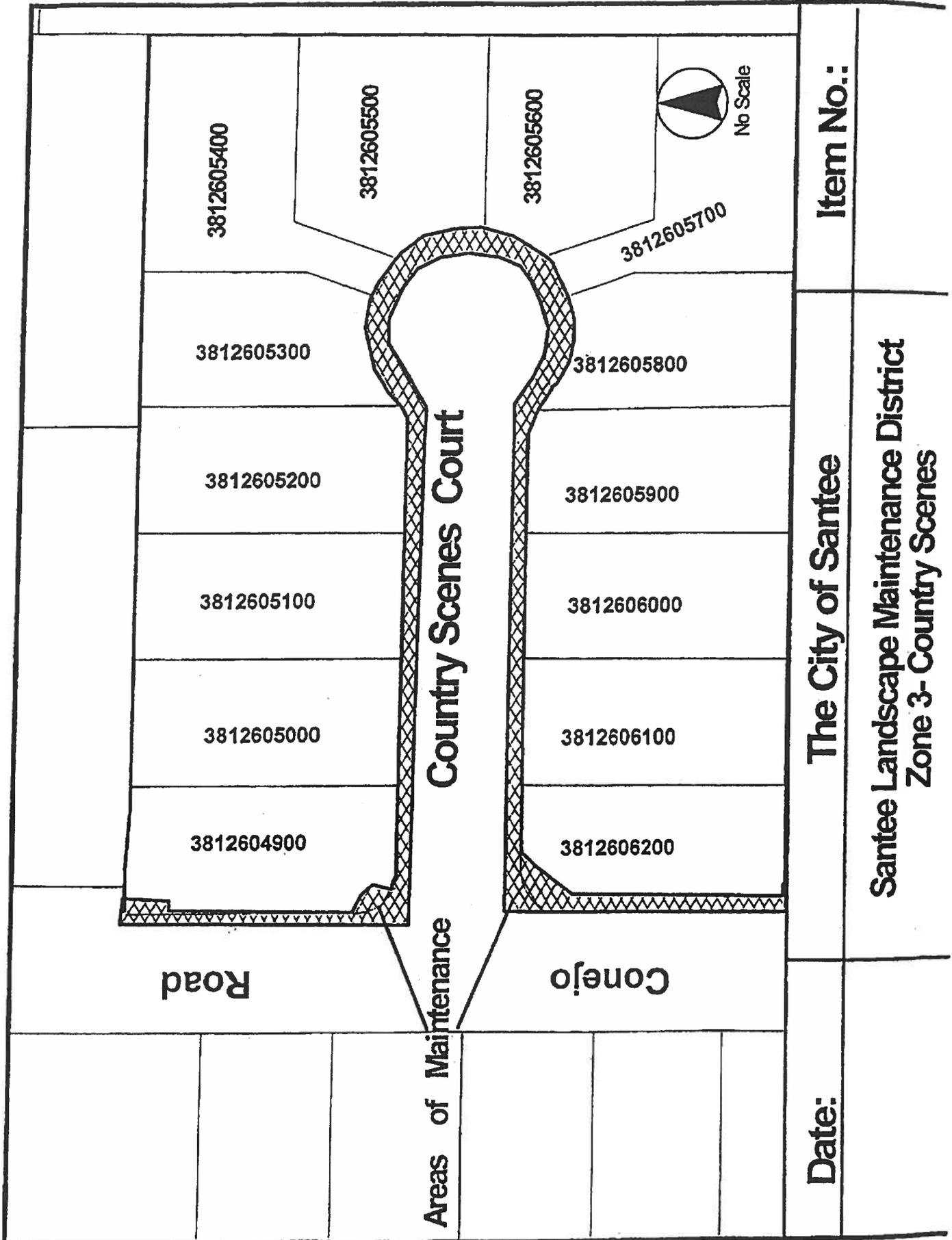
Date:

The City of Santee

Santee Landscape Maintenance District  
Zone 1 - El Nopal Estates

Item No.:

**EXHIBIT B**



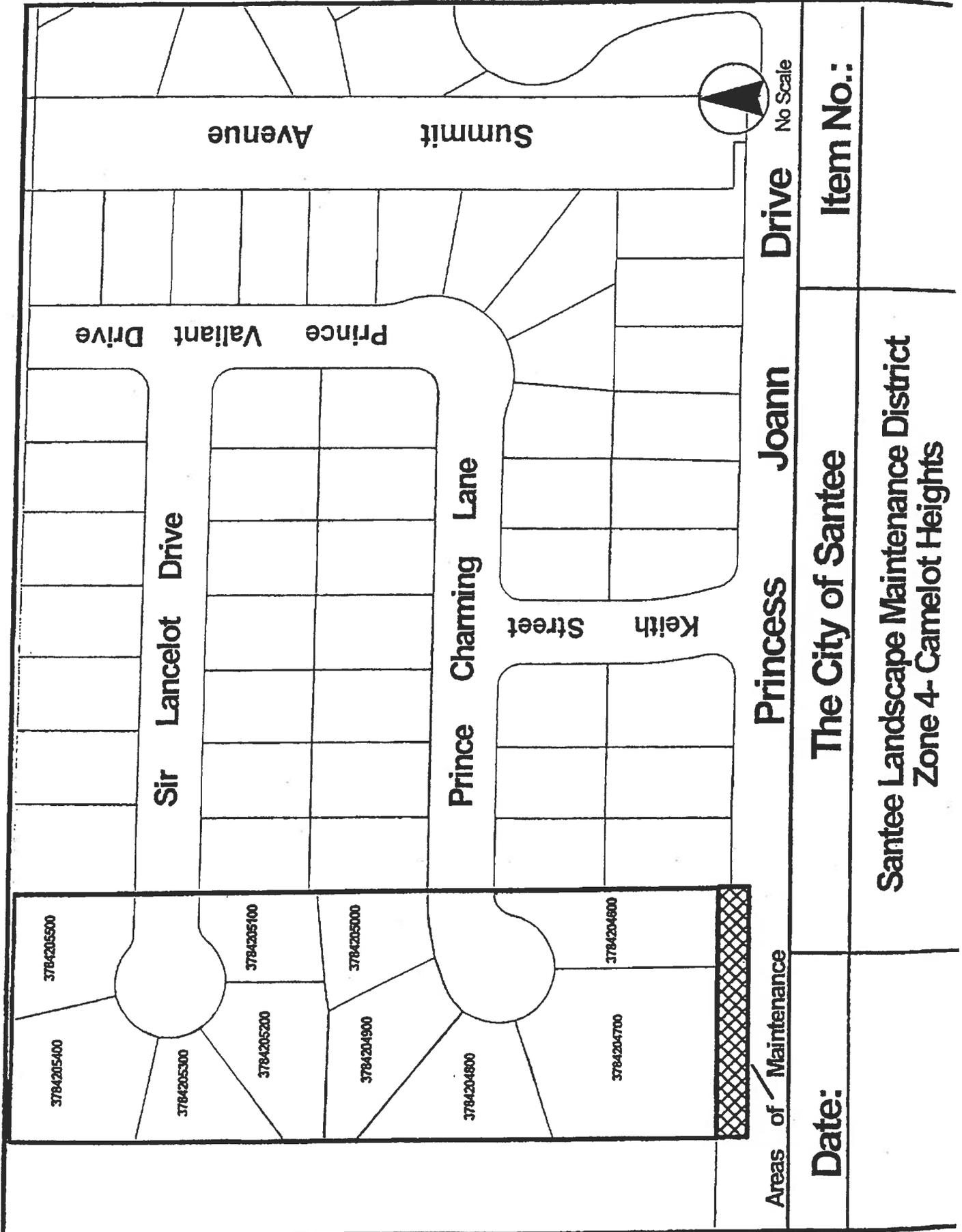
**Item No.:**

**The City of Santee**

**Santee Landscape Maintenance District  
Zone 3- Country Scenes**

**Date:**

# EXHIBIT C



Areas of Maintenance

Date:

The City of Santee

Santee Landscape Maintenance District  
Zone 4- Camelot Heights

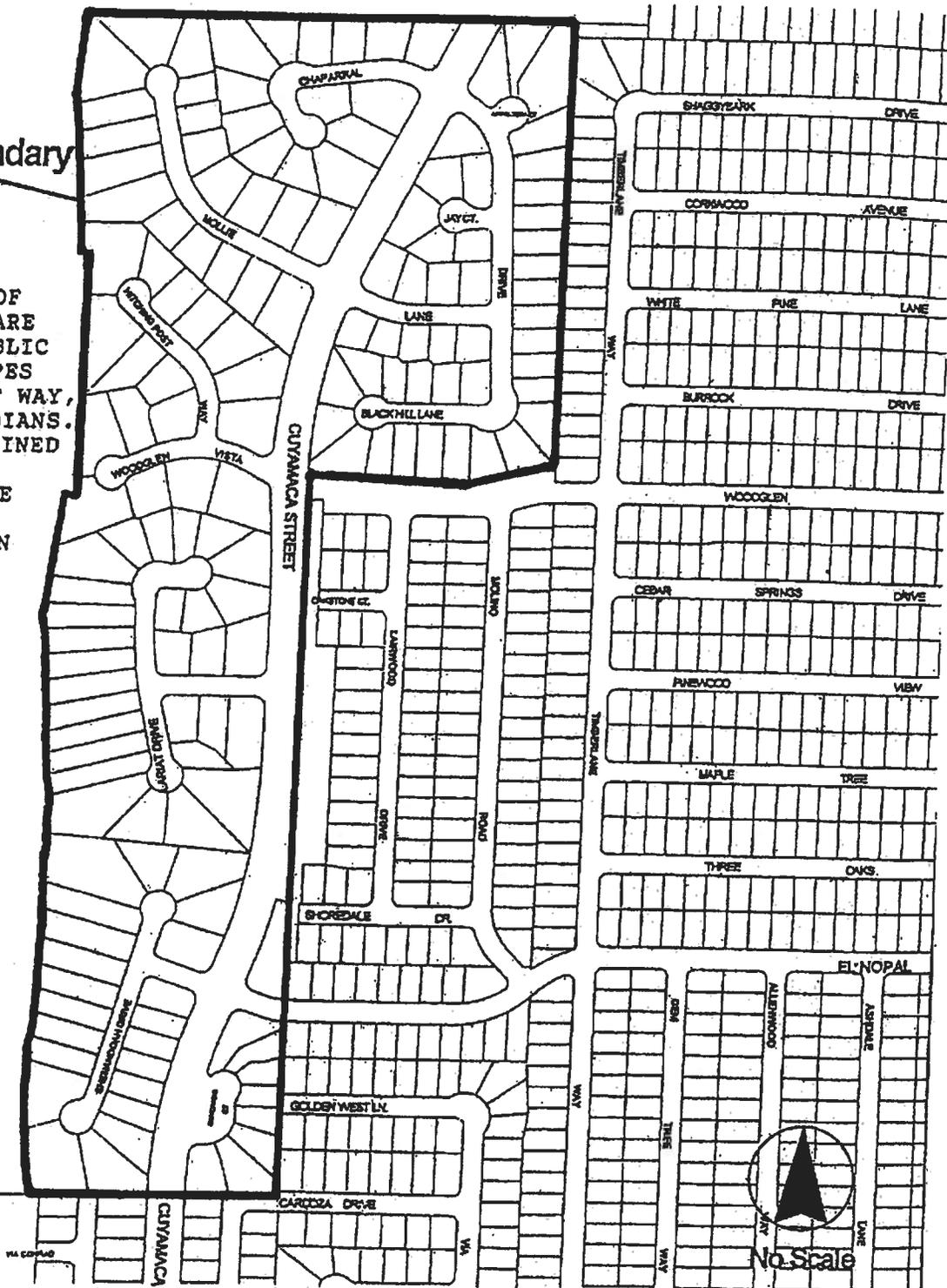
Princess Joann Drive

Item No.:

# EXHIBIT D

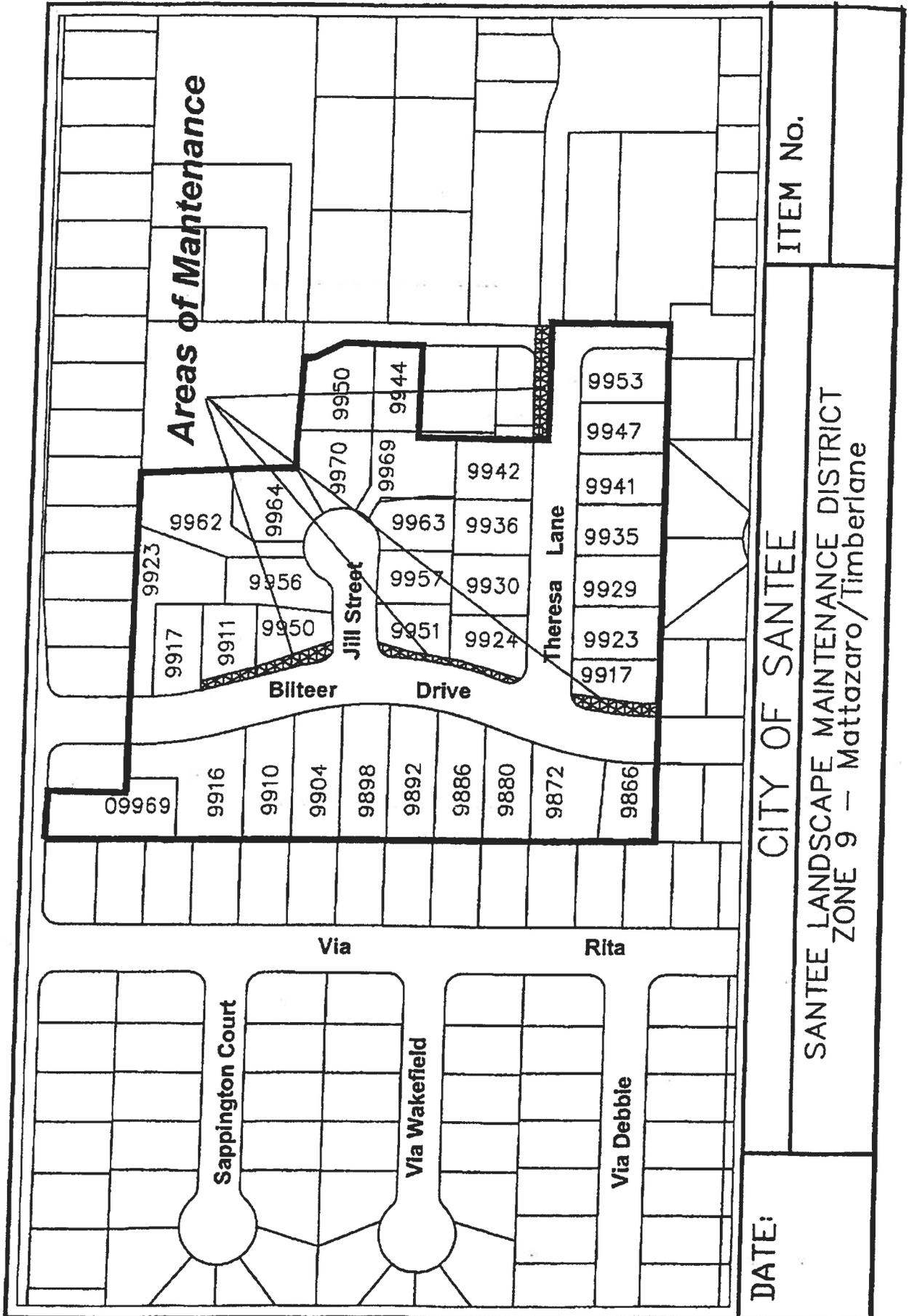
Zone Boundary

NOTE: AREAS OF MAINTENANCE ARE GENERALLY PUBLIC INTEREST SLOPES AND RIGHTS OF WAY, EXCLUDING MEDIANS. ACTUAL MAINTAINED AREAS ARE TOO NUMEROUS TO BE CORRECTLY REPRESENTED ON THIS MAP.



Date:	The City of Santee:	Item No.:
	Santee Landscape Maintenance District Zone 8- Silver Country Estates	

# EXHIBIT E



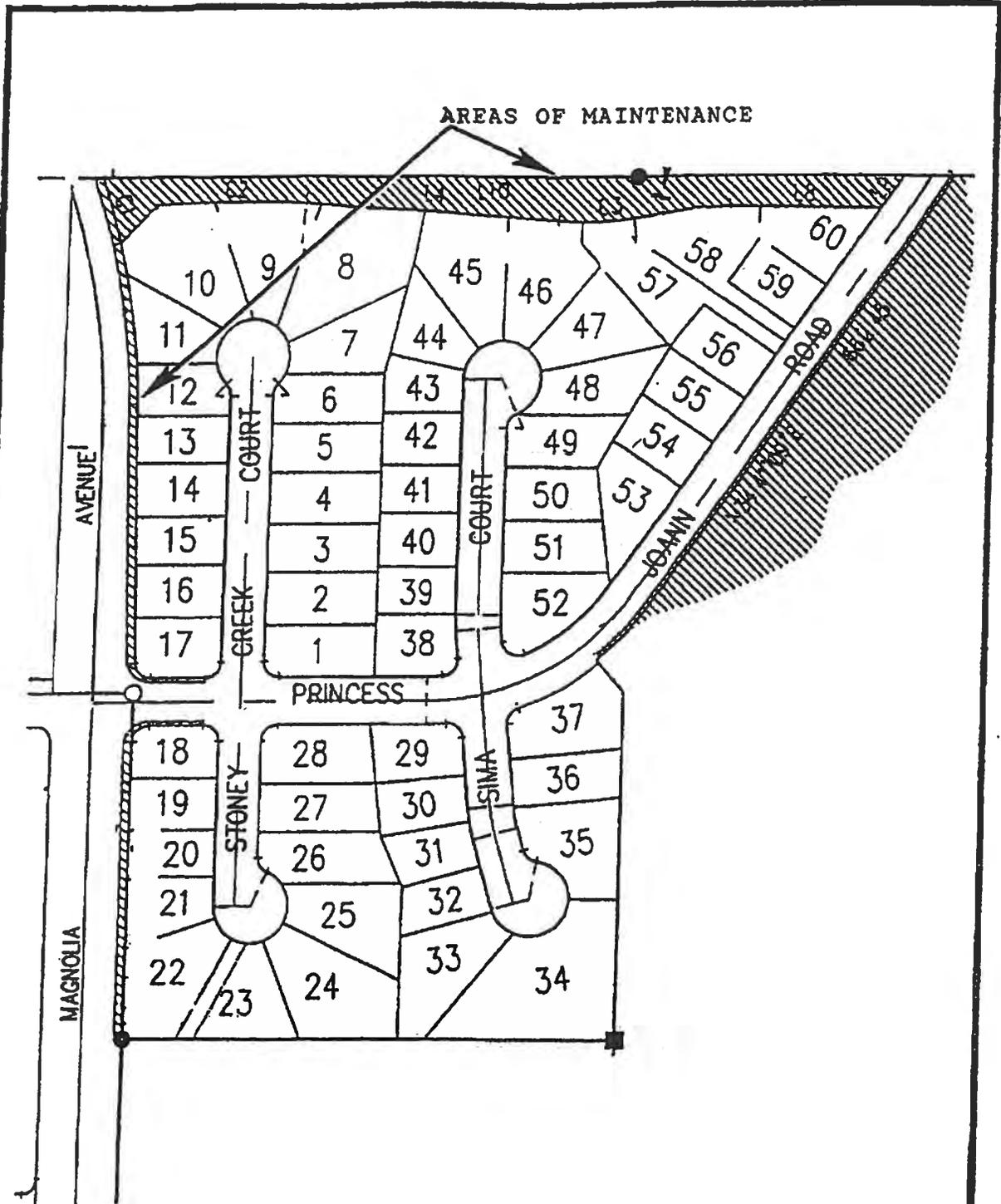
DATE:

CITY OF SANTEE

ITEM No.

SANTEE LANDSCAPE MAINTENANCE DISTRICT  
 ZONE 9 - Mattazaro/Timberlane

# EXHIBIT F



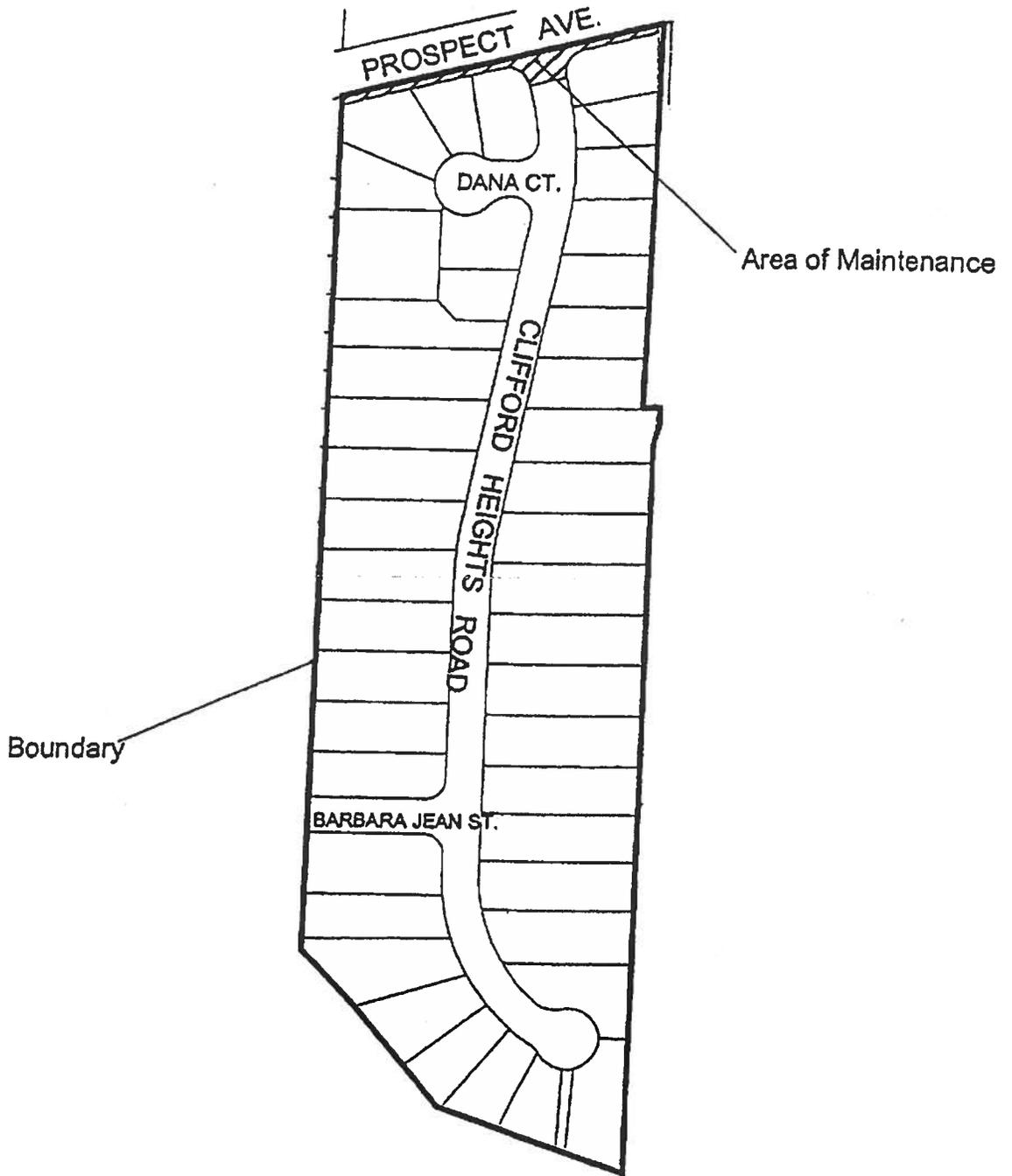
## SANTEE LANDSCAPE MAINTENANCE DISTRICT

DATE:

CITY OF SANTEE  
**ZONE 12 - THE HEIGHTS**

ITEM No.

# EXHIBIT G



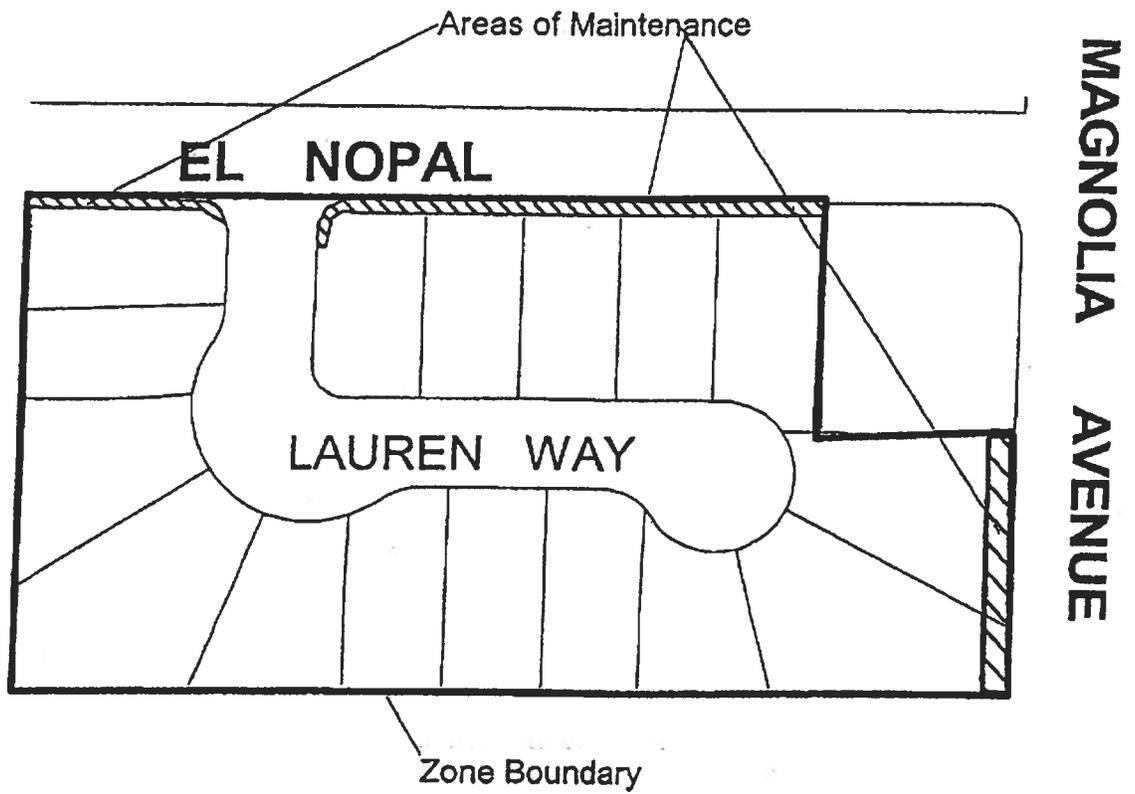
## City of Santee Vicinity Map

Santee Landscape Maintenance District  
Zone 13- Prospect Hills



No Scale

# EXHIBIT H

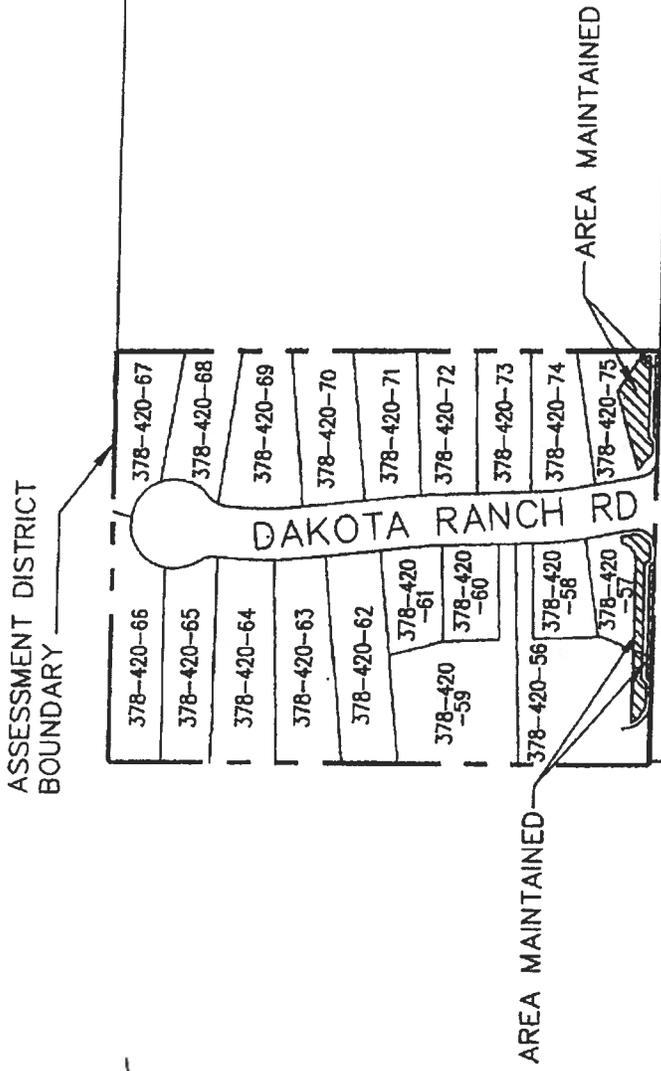


**City of Santee**  
**Vicinity Map**  
Santee Landscape Maintenance District  
Zone 14- Mitchel Ranch



Not Scale

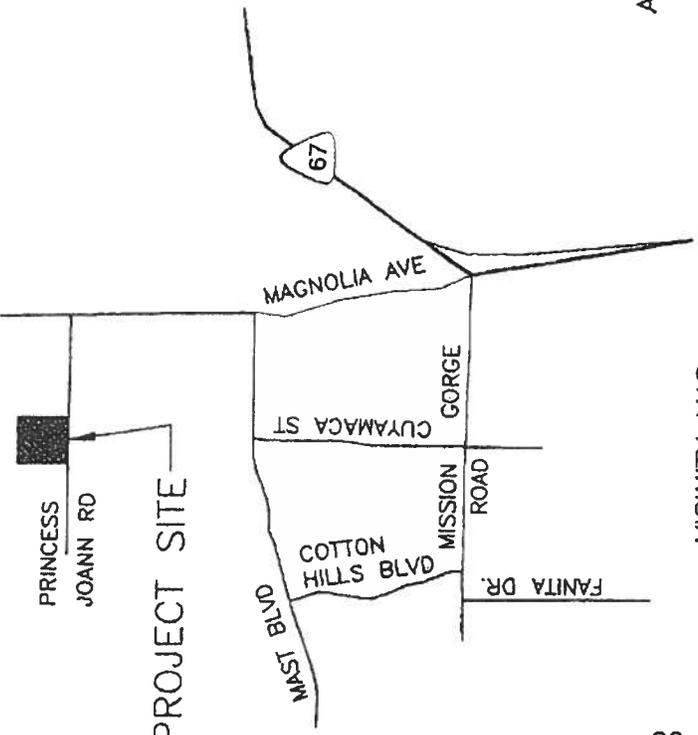
# EXHIBIT I



PRINCESS JOANN RD



SCALE 1"=200'

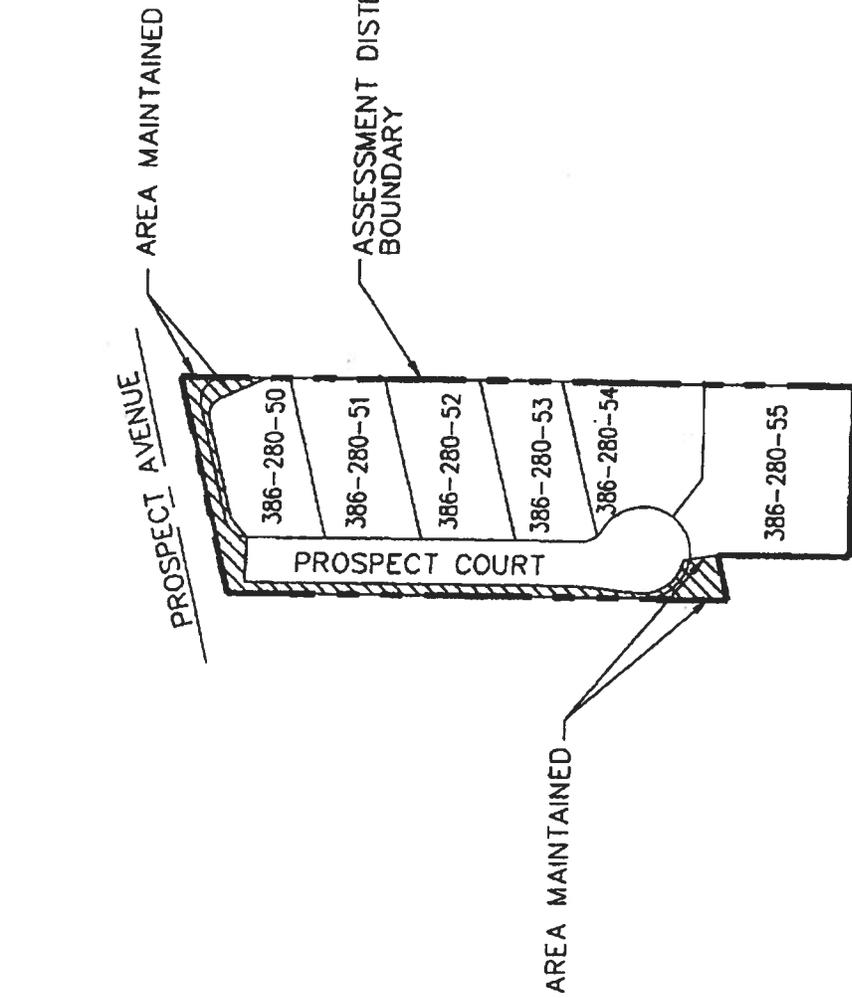


LANDSCAPE MAINTENANCE DISTRICT  
ZONE 17 - DAKOTA RANCH

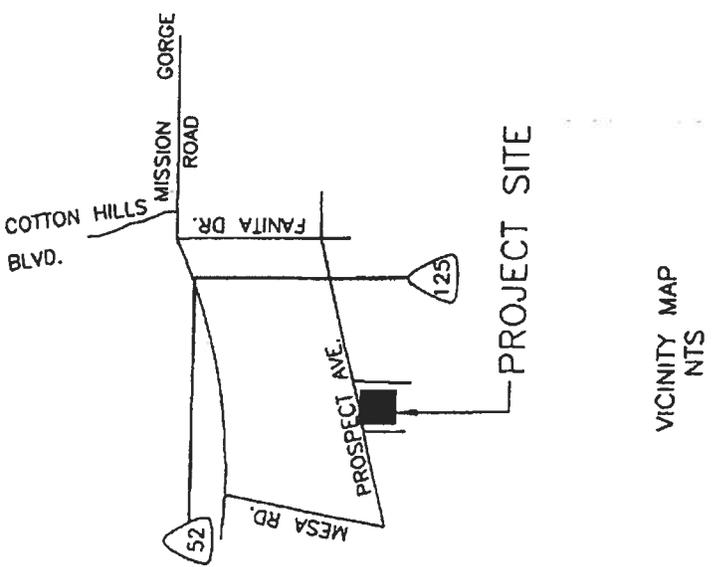


HARRIS & ASSOCIATES

# EXHIBIT J



SCALE 1"=150'



LANDSCAPE MAINTENANCE DISTRICT  
ZONE 18-ALLOS



City of Santee  
**COUNCIL AGENDA STATEMENT**

**MEETING DATE** July 13, 2016

**AGENDA ITEM NO.**

**ITEM TITLE** PUBLIC HEARING FOR THE FY 2016-17 TOWN CENTER LANDSCAPE MAINTENANCE DISTRICT ANNUAL LEVY OF ASSESSMENTS

**DIRECTOR/DEPARTMENT** Tim K. McDermott, Director of Finance

**SUMMARY**

Town Center Landscape Maintenance District ("TCLMD") was originally formed in 1987. It now comprises eight distinct zones, four of which are assessed: "Zone A – "Town Center Parkway," Zone B – "The Lakes," Zone C – "San Remo," and Zone D – the mixed use project known as "Mission Creek." Contractors provide landscape, fountain, and lighting maintenance services to these four assessed zones. Maps depicting each zone and the areas of maintenance are attached.

Tonight's public hearing for the TCLMD FY 2016-17 annual levy of assessments is the final step in the annual assessment process. On May 11, 2016, Council initiated proceedings and ordered the preparation of an Engineer's Report. On May 25, 2016 Council approved the Engineer's Report and set tonight's meeting as the time and place for the required public hearing for the FY 2016-17 TCLMD's annual levy of assessments. The Engineer's Report describes the legal and physical nature of the TCLMD, its improvements, budget and the proposed spread of assessments.

The attached Assessment Summary reflects TCLMD assessments, costs and available balances for FY 2016-17. There will be no change in the assessment amounts for Zone A, B, C and Zone D, as they are at the maximum assessment.

**FINANCIAL STATEMENT** *h*

A total of \$321,773 is proposed to be assessed on property owners within Zones A through D of the TCLMD for the cost of maintenance and administration.

**CITY ATTORNEY REVIEW**  N/A  Completed

**RECOMMENDATIONS** *MSB*

- 1) Conduct and close the public hearing
- 2) Adopt resolution confirming an assessment diagram and assessment and providing for the FY 2016-17 TCLMD annual levy of assessments

**ATTACHMENTS (Listed Below)**

- 1) Assessment Summary
- 2) Resolution
- 3) Engineer's Report

**ASSESSMENT SUMMARY FOR  
TOWN CENTER LANDSCAPE MAINTENANCE DISTRICT  
FY 2016-17 ASSESSMENTS VS. FY 2015-16 ASSESSMENTS  
AND APPROVED MAXIMUM ASSESSMENT**

Zone	Title	Benefit Unit Used	FY 2016-17 Maintenance & Administration	Reserves 7/1/2016	FY 15-16 Levy Per Benefit Unit	FY 16-17 Levy Per Benefit Unit	FY 16-17 Total Levy	Maximum Total Levy
A	Town Center Parkway	Acre	\$159,400.00	\$93,010.00	\$1,627.00/ \$2,973.00 (1)	\$1,627.00/ \$2,973.00 (1)	\$141,816.82	\$141,816.82
B	The Lakes	SFH (2)	\$9,270.00	\$20,178.00	\$84.48	\$84.48	\$7,518.72	\$7,518.72
C	San Remo	SFH (2)	\$7,700.00	\$17,265.00	\$218.22	\$218.22	\$7,855.92	\$7,855.92
D	Mission Creek - Commercial	Acre	N/A	N/A	\$5,481.35	\$5,481.35	\$46,749.14	\$46,749.20
	Mission Creek - Residential	SFH (2)	N/A	N/A	\$286.00	\$286.00	\$117,832.00	\$117,832.00
	Mission Creek - All Uses	N/A	\$176,040.00	\$109,036.00	N/A	N/A	\$164,581.14	\$164,581.14

**Notes:**

- (1) Based on a 1987 agreement with the RDA and The Price Company, the Costco parcel is levied a lower overall assessment. All other parcels are charged the second-shown rate.
- (2) "SFH" means Single Family Home.

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE  
CONFIRMING AN ASSESSMENT DIAGRAM AND ASSESSMENT  
AND PROVIDING FOR THE FY 2016-17  
TOWN CENTER LANDSCAPE MAINTENANCE DISTRICT  
ANNUAL LEVY OF ASSESSMENTS**

**WHEREAS**, the City Council of the City of Santee has initiated proceedings for the annual levy of the assessments for a street lighting and landscaping district pursuant to the terms and provisions of the "Landscaping and Lighting Act of 1972," being Division 15, Part 2 of the Streets and Highways Code of the State of California, Article XIII D of the California Constitution, and the Proposition 218 Omnibus Implementation Act (commencing with California Government Code Section 53750) (collectively the "Law"), in a district known and designated as **TOWN CENTER LANDSCAPE MAINTENANCE DISTRICT** ("District"); and

**WHEREAS**, the City Council has ordered the preparation of an Engineer's Report ("Report") and the Director of Finance filed with this City Council said Report pursuant to the Law for its consideration and subsequently thereto this City Council did adopt its Resolution of Intention to levy and collect assessments for Fiscal Year 2016-17 relating to the District, and further did proceed to give notice to the time and place for a public hearing on all matters relating to said annual levy of the proposed assessment in accordance with the Law; and

**WHEREAS**, at this time this City Council has heard all testimony and evidence, and is desirous of proceeding with said annual levy of assessments.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Santee:

**SECTION 1.** That the above recitals are all true and correct.

**SECTION 2.** That this City Council hereby confirms the assessment diagram and assessment as submitted and orders the annual levy of the assessment for maintenance of improvements for the Fiscal Year 2016-17 in the amounts as set forth in the Report and as referred to in the Resolution of Intention as previously adopted relating to said annual assessment levy.

**SECTION 3.** That the assessment diagram and assessment for maintenance of improvements as set forth and contained in said Report are hereby confirmed and adopted by this City Council.

**SECTION 4.** That the adoption of this Resolution constitutes the levy of the assessment for the Fiscal Year 2016-17.

**SECTION 5.** That the estimates of costs, the assessment diagram, the assessments and all other matters as set forth in the Report, pursuant to the Law, as submitted, are hereby approved, adopted and confirmed by this City Council.

**RESOLUTION NO. \_\_\_\_\_**

**SECTION 6.** That the maintenance of improvements contemplated by the Resolution of Intention shall be performed pursuant to law and the County of San Diego Auditor shall enter on the County of San Diego Assessment Roll the amount of the assessment and said assessment shall then be collected at the same time and in the same manner as the County taxes are collected. After collection by the County of San Diego, the net amount of the assessment shall be paid to the Director of Finance of said City.

**SECTION 7.** That the City Treasurer will establish a special fund known as the **TOWN CENTER LANDSCAPE MAINTENANCE DISTRICT** into which the Director of Finance shall place all monies collected by the County of San Diego Tax Collector pursuant to the provisions of this Resolution and law and said transfer shall be made and accomplished as soon as said monies have been made available to said Director of Finance.

**SECTION 8.** That the City Clerk is hereby ordered and directed to file a certified copy of the assessment diagram and assessment roll with the County of San Diego Auditor, together with a certified copy of this Resolution upon its adoption.

**SECTION 9.** That a certified copy of the assessment diagram and assessment roll shall be filed in the office of the Director of Finance, with a duplicate copy on file in the office of the City Clerk and open for public inspection.

**ADOPTED** by the City Council of the City of Santee, California, at a regular meeting thereof held this 13<sup>th</sup> day of July, 2016, by the following roll call vote to wit:

**AYES:**

**NOES:**

**ABSENT:**

**APPROVED:**

\_\_\_\_\_  
**RANDY VOEPEL, MAYOR**

**ATTEST:**

\_\_\_\_\_  
**PATSY BELL, CMC, CITY CLERK**



*Fiscal Year 2016-17 Final Engineer's Report*



**City of Santee**

**Santee Town Center  
Landscape Maintenance District**

Prepared for:



July 2016



## Table of Contents

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Section 5.	Proposed Assessments	16

### Appendices

Appendix A.	Final Assessment Roll
Appendix B.	Assessment Diagrams
Appendix C.	Resolution of Initiation

**i. Engineer's Statement**

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AGENCY: CITY OF SANTEE  
PROJECT: SANTEE TOWN CENTER LANDSCAPE MAINTENANCE DISTRICT  
TO: CITY COUNCIL  
CITY OF SANTEE  
STATE OF CALIFORNIA

**REPORT PURSUANT TO "LANDSCAPING AND LIGHTING ACT OF 1972"**

Pursuant to direction from the City Council, submitted herewith is the Engineer's Report (the "Report"), consisting of the following parts, pursuant to the provisions of Division 15, Part 2 of the Streets and Highways Code of the State of California, being the "Landscape and Lighting Act of 1972," as amended, commencing with Section 22500, and which is in accordance with Resolution No. 042-2016 adopted by the City of Santee, City Council, San Diego County, California ordering preparation of the Engineer's Report for Santee Town Center Landscape Maintenance District (the "District"). This Report is applicable for the ensuing 12-month period, being the Fiscal Year commencing July 1, 2016, to June 30, 2017.

- SECTION 1** PLANS AND SPECIFICATIONS of the improvements to be maintained and-or improved for the Fiscal Year. The plans and specifications show and describe the existing improvements, and are sufficient in showing and describing the general nature, location and extent of the improvements.
  
- SECTION 2** A COST ESTIMATE of the improvements to be maintained and-or improved for the mentioned Fiscal Year.
  
- SECTION 3** ASSESSMENT DIAGRAMS showing the boundaries of the Assessment District as shown in Appendix B.
  
- SECTION 4** A METHOD OF ASSESSMENT showing the proportionate amount of the assessment to be charged in proportion to the benefits to be received by each lot or parcel within the exterior boundaries.
  
- SECTION 5** The PROPOSED ASSESSMENTS for each Zone within Santee Town Center Landscape Maintenance District.

**i. Engineer's Statement**

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Executed this 23<sup>rd</sup> day of June 2016.



ALBERT A. WEBB ASSOCIATES

A handwritten signature in black ink, appearing to read "Matthew E. Webb", written over a horizontal line.

MATTHEW E. WEBB  
PROFESSIONAL CIVIL ENGINEER NO. 37385  
ENGINEER OF WORK  
CITY OF SANTEE  
STATE OF CALIFORNIA

Final approval, confirmation and levy of the annual assessment and all matters in the Engineer's Report were made on the \_\_\_\_\_ day of \_\_\_\_\_ 2016, by adoption of Resolution No. \_\_\_\_\_ By City Council.

---

CITY CLERK  
CITY OF SANTEE  
STATE OF CALIFORNIA

A copy of the Assessment Roll and Engineer's Report were filed in the City Clerk's Office on the \_\_\_\_\_ day of \_\_\_\_\_, 2016.

---

CITY CLERK  
CITY OF SANTEE  
STATE OF CALIFORNIA

## 1. Plans and Specifications

WHEREAS, on May 11, 2016, a Resolution of the City Council of the City of Santee, California, Initiating Proceedings and Ordering the Preparation of an Engineer's Report for the FY 2016-17 Town Center Landscape Maintenance District Annual Levy of Assessments was ordered;

WHEREAS, the Resolution Initiating Proceedings for the Annual Levy of Assessments and Ordering the Preparation of an Engineer's Report directed Albert A. Webb Associates, to prepare and file a report presenting plans and specifications describing the general nature, location and extent of the improvements to be maintained, an estimate of the costs of the maintenance, operations and servicing of the improvements for the Santee Town Center Landscape Maintenance District for the referenced fiscal year, a diagram for the District showing the area and properties to be assessed, and an assessment of the estimated costs of the maintenance, operations and servicing the improvements, assessing the net amount upon all assessable lots and-or parcels within the District in proportion to the special benefit received;

WHEREAS, on May 25, 2016, the City Council of the City of Santee, State of California, under the Landscaping and Lighting Act of 1972, having adopted its Resolution of Intention for the Annual Levy of Assessments declaring its intention to levy assessments for the Santee Town Center Landscape Maintenance District and provide notice of the public hearing;

NOW THEREFORE, the following assessment is made to cover the portion of the estimated costs of maintenance, operation and servicing of said improvements to be paid by the assessable real property within the District in proportion to the special benefit received;

### Summary of Assessments

Description	Budgeted for Fiscal Year 2016-17
<b>Zone A-Town Center</b>	
Total Assessments for Fiscal Year 2016-17	\$141,820
City of Santee Contribution	\$23,410
Reserve Fund Contribution	(\$5,830)
<b>Total Expenditures/Proposed Budget</b>	<b>\$159,400</b>
<b>Zone B-The Lakes</b>	
Total Assessments for Fiscal Year 2016-17	\$7,520
Reserve Fund Contribution	\$1,750
<b>Total Expenditures/Proposed Budget</b>	<b>\$9,270</b>
<b>Zone C-San Remo</b>	
Total Assessments for Fiscal Year 2016-17	\$7,860
Reserve Fund Contribution	(\$160)
<b>Total Expenditures/Proposed Budget</b>	<b>\$7,700</b>
<b>Zone D-Mission Creek</b>	
Total Assessments for Fiscal Year 2016-17	\$164,580
Reserve Fund Contribution	\$11,460
<b>Total Expenditures/Proposed Budget</b>	<b>\$176,040</b>
<b>Total Assessments for Fiscal Year 2016-17</b>	<b>\$321,780</b>

\* No Assessment for Zones E-H will be levied for Fiscal Year 2016-17 as the property owners' association is maintaining the improvements to a satisfactory level in the City, but may be levied in future years.

## 1. Plans and Specifications

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Landscaping facilities or improvements are defined as landscaping within public streets and public rights-of-way and easements, their appurtenances and the costs of installing, operating and maintaining them.

Improvements to be performed generally consist of maintenance of median and right-of-way landscaping, including but not limited to personnel costs, electrical energy, water, materials, contracting services and other items necessary for the satisfactory delivery of these services.

### **Description of the Boundaries of Santee Town Center Landscape Maintenance District**

**ZONE A** commonly referred to as Town Center, is located north of Mission Gorge Road and west of Cuyamaca Street, and all parcels along Town Center Parkway between Mission Gorge Road and Cuyamaca Street within the incorporated territory of the City of Santee. The zone consists of 30 commercial units with 54.04 acres of land.

**ZONE B** commonly referred to as The Lakes, is located north of Palm Glen Drive and west of Magnolia Avenue within the incorporated territory of the City of Santee. The zone consists of 89 residential units.

**ZONE C** commonly referred to as San Remo, is located south of Mast Boulevard with parcels along both sides of San Remo Court and Bilter Court within the incorporated territory of the City of Santee. The zone consists of 36 residential units.

**ZONE D** commonly referred to as Mission Creek, is located west of Cuyamaca Street and all parcels on cul-de-sacs off of Mission Creek Drive and River Park Drive west of Cuyamaca Street within the incorporated territory of the City of Santee. The zone consists of 181 single family residential units, 231 multi-family residential units, 18 commercial units, 1 vacant commercial unit, and one exempt parcel.

**ZONE E** commonly referred to as Trolley Square is located north of Mission Gorge Road and south of Town Center Parkway, east of Cuyamaca Street and west of Civic Center Drive within the incorporated territory of the City of Santee. The zone consists of 12 commercial units with 44.43 acres of land.

**ZONE F** commonly referred to as Hartford Property, is located east of Cuyamaca Street and Civic Center Drive and west of Cottonwood Avenue, south of River Park Drive and northeast of Town Center Parkway, and Street B Drive within the incorporated territory of the City of Santee. The zone consists of 1 commercial unit with 7.97 acres of land.

**ZONE G** commonly referred to as Riverwalk, is located east of Cuyamaca Street and east of Park Center Drive, south of Mast Boulevard and along the north side of Riverwalk Drive within the incorporated territory of the City of Santee. The zone consists of 218 residential units.

**ZONE H** commonly referred to as Riverview, is located east of Cuyamaca Street and west of Magnolia Avenue, southeast of Riverwalk Drive and north of Mission Gorge Road within the incorporated territory of the City of Santee. The zone has 6 units of commercial/residential property with 78.30 acres of land.

## 1. Plans and Specifications

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### Description of Improvements and Services

Landscaping facilities or improvements are defined as landscaping within public streets and public rights-of-way and easements, their appurtenances and the costs of installing, operating and maintaining them. Improvements to be performed generally consist of maintenance of median and right-of-way landscaping, including but not limited to personnel costs, electrical energy, water, materials, contracting services and other items necessary for the satisfactory delivery of these services.

#### ZONE A – TOWN CENTER

The primary improvements provided within Zone A may include but are not limited to: medians within Town Center Parkway, open space and landscape easements, public alleyways within the boundaries of the District, and public walkways and pathways within the District.

#### ZONE B – THE LAKES

The primary improvements provided within Zone B may include but are not limited to: public walkways and landscape easements, and walkways and parkway landscaping within the public right-of-way on Palm Glen Drive and Magnolia Avenue.

#### ZONE C – SAN REMO

The primary improvements provided within Zone C may include but are not limited to: public walkways and sound walls on Mast Boulevard, open space, landscape and drainage easements.

#### ZONE D – MISSION CREEK

The primary improvements provided within Zone D may include but are not limited to: landscape easements, public access, walkways and parkways throughout the Mission Creek development, Western bike path, entrance monuments on the corners of Cuyamaca Street and River Park Drive, San Diego River Channel improvements (i.e., Linear Park, Pedestrian Bridge, Riparian Habitat, etc.), landscape easements, public access, walkways and parkways at Commercial Unit No. 3, landscape easements, public access, walkways and parkways at Residential Units 1 and 2, landscape easements, public access, walkways and parkways at the Mission Creek Townhomes, and landscape easements, public access, walkways and parkways at the Mission Creek Cluster Homes.

#### ZONE E – TROLLEY SQUARE

The primary improvements provided within Zone E may include but are not limited to: landscape, maintenance and access easements, parkway landscaping and appurtenances within the public right-of-way on the north side of Mission Gorge Road between Cuyamaca Street and Civic Center Drive, parkway landscaping and appurtenances within the public right-of-way on the west side of Civic Center Drive between Mission Gorge Road and Street B, parkway landscaping and appurtenances within the public right-of-way on the south side of Street B between Civic Center Drive and Town Center Parkway, parkway landscaping and appurtenances within the public right-of-way on the south side of Town Center Parkway between Street B and Cuyamaca Street, parkway landscaping and appurtenances within the public right-of-way on the east side of Cuyamaca Street between Town Center Parkway and Mission Gorge Road, water feature at corner of Cuyamaca Street and Mission Gorge Road, water feature at corner of Mission Gorge Road and Civic Center Drive, and water feature at the north end of the trolley station.

## 1. Plans and Specifications

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### **ZONE F – HARTFORD PROPERTY**

The primary improvements provided within Zone F may include but are not limited to: landscape, maintenance and access easements, parkway landscaping and appurtenances within the public right-of-way on the north side of Mission Gorge Road between Willow Avenue and Civic Center Drive, parkway landscaping and appurtenances within the public right-of-way on the east side of Civic Center Drive between Mission Gorge Road and Street B.

### **ZONE G – RIVERWALK**

The primary improvements provided within Zone G may include but are not limited to: landscaping along Riverwalk Drive and Park Center Drive adjacent to the site and the entrance to the Riverwalk project (approximately 22,259 SF).

### **ZONE H – RIVERVIEW**

The primary improvements provided within Zone H may include but are not limited to: landscaping along the east side of Cuyamaca Street, landscaping along the north side of Town Center Parkway, landscaping along the north side of Transit Way, landscaping along the west and north sides of Riverview Parkway, and landscaping along the north side of Mission Gorge Road. landscaping along the east and south sides of Riverview Parkway, landscaping along the north side of Riverview Parkway, landscaping along the west side of Magnolia Avenue, and pedestrian easement.

## 2. Cost Estimate

The 1972 Act provides that the total cost of installation, construction, maintenance and servicing of the public landscaping and park facilities can be recovered by the District. Maintenance can include the repair and/or replacement of existing facilities. Servicing can include electrical and associated costs from a public utility. Incidental expenses, including administration of the District, engineering fees, legal fees, printing, posting, and mailing of notices, and all other costs associated with the formation and maintenance of the District can also be included. The estimated expenditures for maintenance and the assessments to be levied for Fiscal Year 2016-17 under consideration for this report have been provided by the City and are as follows for each zone.

### Zone A – Town Center Budget

Description	Fiscal Year 2016-17 Estimated Through June 30, 2017
<b>Revenues:</b>	
Assessments	\$141,820
City of Santee Contribution	\$23,410
Reserve Fund Contribution	(\$5,830)
<b>Total Revenues</b>	<b>\$159,400</b>
<b>Expenditures</b>	
Administration	\$2,500
Advertising	\$400
Electricity & Gas	\$35,000
Water & Sewer - Grounds	\$35,000
Repair/Maintenance - Grounds	\$73,500
Irrigation Materials	\$3,000
Internal Service Charges	\$10,000
<b>Total Expenditures/Proposed Budget</b>	<b>\$159,400</b>

### Zone B – The Lakes Budget

Description	Fiscal Year 2016-17 Estimated Through June 30, 2017
<b>Revenues:</b>	
Assessments	\$7,520
Reserve Fund Contribution	\$1,750
<b>Total Revenues</b>	<b>\$9,270</b>
<b>Expenditures</b>	
Administration	\$250
Advertising	\$70
Water & Sewer - Grounds	\$3,500
Repair/Maintenance - Grounds	\$4,300
Internal Service Charges	\$1,150
<b>Total Expenditures/Proposed Budget</b>	<b>\$9,270</b>

## 2. Cost Estimate

### Zone C – San Remo Budget

Description	Fiscal Year 2016-17 Estimated Through June 30, 2017
<b>Revenues:</b>	
Assessments	\$7,860
Reserve Fund Contribution	(\$160)
<b>Total Revenues</b>	<b>\$7,700</b>
<b>Expenditures</b>	
Administration	\$150
Advertising	\$50
Water & Sewer - Grounds	\$3,000
Repair/Maintenance - Grounds	\$3,700
Internal Service Charges	\$800
<b>Total Expenditures/Proposed Budget</b>	<b>\$7,700</b>

### Zone D – Mission Creek Budget

Description	Fiscal Year 2016-17 Estimated Through June 30, 2017
<b>Revenues:</b>	
Assessments	\$164,580
Reserve Fund Contribution	\$11,460
<b>Total Revenues</b>	<b>\$176,040</b>
<b>Expenditures</b>	
Administration	\$3,440
Advertising	\$300
Electricity & Gas	\$24,500
Water & Sewer - Grounds	\$50,000
Repair/Maintenance - Grounds	\$87,700
Irrigation Materials	\$1,100
Internal Service Charges	\$9,000
<b>Total Expenditures/Proposed Budget</b>	<b>\$176,040</b>

The maximum assessment rate per acre for Zones E, F and G may be increased by 2% by City Council approval each year. The maximum assessment rate per acre for Zone H may be increased by City Council approval each year by (i) the Consumer Price Index - all Urban Consumers for the San Diego Area or (ii) two percent (2%), whichever is greater.

No assessment will be levied for Zones E through H for the Fiscal Year 2016-17 as the property owners' association has maintained the improvements to a level satisfactory to the City.

### 3. Assessment Diagrams

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#### **Assessment Diagrams**

Assessment Diagrams for the Santee Town Center Landscape Maintenance District, Zones A-H have been submitted to the City of Santee in the format required under the provision of the Act. The lines and dimensions shown on maps of the County of San Diego Assessor's Office for the current year are incorporated by reference in Appendix B herein and made part of this Report.

#### 4. Method of Assessment

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##### **Proposition 218 Compliance**

On November 5, 1996, California voters approved Proposition 218 entitled "Right to Vote on Taxes Act" which added Article XIID to the California Constitution. While its title refers only to taxes, Proposition 218 establishes new procedural requirements for the formation and administration of assessment districts. Proposition 218 also requires that with certain specified exception, which are described below, all existing assessment districts must be ratified by the property owners within the District using the new procedures.

Some of these exceptions include:

- 1) Any assessment imposed exclusively to finance the capital cost or maintenance and operation expenses for streets.
- 2) Any assessments levied pursuant to a petition signed by the persons owning all of the parcels subject to the assessment at the time the assessment was initially imposed.

However, even if assessments are initially exempt from Proposition 218, if the assessments are increased in the future, the City will need to comply with the provisions of Proposition 218 for that portion of the increased assessment formula (e.g., CPI increase).

Proposition 218 does not define this term "streets", however, based on the opinions of the public agency officials, attorneys, assessment engineers and Senate Bill 919, it has been determined that streets include all public improvements located within the street right-of-way. This would include median and parkway landscaping, traffic signals, safety lighting and street lighting.

Proposition 218 defines "assessment" as "any levy or charge upon real property by an agency for a special benefit conferred upon the real property." Cal. Const., art. XIID, §2(b). A special assessment, sometimes called a "benefit assessment," is a charge generally levied upon parcels of real property to pay for benefits the parcels receive from local improvements. Special assessments are levied according to statutory authority granted by the Legislature or, in some instances, local charters. Distinguishing among taxes, fees and assessments can be difficult and often depends on the context in which the distinction is made. For example, taxes, assessments and property-related fees all may be imposed on property. The key feature that distinguishes an assessment from a tax, fee or charge is the existence of a special benefit to real property. Without identifying a special benefit, there can be no assessment.

## 4. Method of Assessment

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### Method of Apportionment

Pursuant to the Landscaping and Lighting Act of 1972 and Article XIII D of the Constitution of the State of California, all parcels that have special benefit conferred upon them as a result of the maintenance and operation of improvements shall be identified and the proportionate special benefit derived by each identified parcel shall be determined in relationship to the entire cost of the maintenance and operation of the improvements. Only parcels that receive direct special benefit are assessed, and each parcel is assessed in proportion to the estimated benefit received.

The Act also permits the designation of zones of benefit within any individual assessment district if “by reasons or variations in the nature, location, and extent of the improvements, the various areas will receive different degrees of benefit from the improvement” (S&H S22574). Thus, the 1972 Act requires the levy of a true “assessment” rather than a “special tax.” Excepted from the assessment would be the area of all public streets and right-of-way; all public parks, greenbelts and parkways.

### Special Benefit Determination

The City of Santee considers the maintenance and upkeep of parkways and adjacent slopes to be the responsibility of the adjacent development due to the added beautification of the local community which extends to the perimeter of the development.

Improvements that provide a special benefit to an isolated group of parcels of land located within the District are considered to be a localized benefit, and the costs associated with these improvements are assessed to all assessable the parcels receiving the localized benefit. Localized benefits include the construction, operation, servicing and maintenance of the improvements that only benefit the parcels located within the localized areas.

**Localized Landscaping** – Parcels that have localized landscaping such as entryway landscaping, parkway landscaping, etc. adjacent to or near their parcels directly benefit from the landscaping improvements and are assessed for the costs of the localized landscaping.

### General Benefit

The landscape improvements maintained by each zone provide no general public benefit in that the improvements were installed for the sole benefit of the properties within each benefit zone. The landscape improvements do not extend beyond the perimeter of the boundary of each of those benefit zones. It is therefore determined that all properties within each zone benefit equally from the financed improvements and the costs and expenses for the landscaping maintenance and services are apportioned on a per parcel basis.

The actual assessment and the amount of the assessment for the Fiscal Year 2016-17 apportioned to each parcel as shown on the latest equalized roll at the County Assessor’s office are listed in Appendix A of this Report. The description of each lot or parcel is part of the records of the County of San Diego Assessor’s Office and such records are, by reference, made part of this Report.

## 4. Method of Assessment

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### Special Benefit Zones

The Santee Town Center Landscape Maintenance District has eight (8) special benefit zones.

ZONES "A THROUGH H" were established to accurately track and assess the costs associated with the localized landscaping improvements such as entryway landscaping and parkway landscaping, etc. for specific development sites. These improvements are only assessed to the parcels within the development sites that directly benefit from the improvements.

#### ZONE A – TOWN CENTER

The method of apportionment for Zone A is based upon the percentage of square footage of landscaping, maintained in the right-of-way, adjacent to an individual property owner's property. The actual adjacent values have been calculated and percentages have been determined to be as indicated in the following figure for the District. Individual parcels within a landscape district will receive benefits based on land use, size and location of landscaping. In the case of the Santee Town Center Landscape Maintenance District, Zone A, all parcels are zoned for commercial usage. Assessor Parcel 381-041-18 is designated as a public street and is exempt from assessment.

#### ZONE B – THE LAKES

The method of apportionment for Zone B is based upon the finding that each residential unit within the zone shares an equal benefit from landscaped areas to be maintained. The assessment for each unit will be determined by dividing the total assessment costs by the total number of units in Zone B. Individual parcels within a landscape district will receive benefits based on land use, size and location of landscaping. In the case of the Santee Town Center Landscape Maintenance District, Zone B, all parcels are zoned for residential usage. All parcels share an equal benefit in landscape areas that are adjacent to Palm Glen Drive and Magnolia Avenue.

#### ZONE C – SAN REMO

The method of apportionment for Zone C is based upon the finding that each residential unit within the zone shares an equal benefit from landscaped areas to be maintained. The assessment for each unit will be determined by dividing the total assessment costs by the total number of units in Zone C. Individual parcels within a landscape district will receive benefits based on land use, size and location of landscaping. In the case of the Santee Town Center Landscape Maintenance District, Zone C, all parcels are zoned for residential usage. All parcels share an equal benefit in landscaped areas and are accessible from Mast Boulevard.

#### ZONE D – MISSION CREEK

The methodology to be used to apportion the assessments to those parcels in Zone D, Mission Creek, will be based upon the special benefit received. Based upon a review of the proposed land uses for Tentative Map No. 87-01 (November 8, 1989) and Revised Illustrative Site Plan C (September 22, 1989), provided by City staff, it is recommended that the single family parcel be used as the basic unit of calculation for the assessments. Single family residential parcels account for approximately 60% of the proposed residential development within the project. Individual parcels within a landscape district will receive benefits based on land use, size and location of landscaping. In the case of the Santee Town Center Landscape Maintenance District, Zone D, the property has been designated for single family residential, multi-family residential and commercial usage. All parcels will be assessed a fair and equitable portion of the landscape improvements benefiting the properties.

The following methodology has been developed to calculate the EDUs to be assigned to each lot or parcel within the Zone based on land use and parcel size:

#### 4. Method of Assessment

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Single Family Residential- The single family parcel was selected as the basic unit of calculation for the assessments, and is defined as one Equivalent Dwelling Unit (EDU). A methodology has been developed to calculate the EDUs for other residential land uses and for commercial/industrial parcels as described below based on land use and parcel size.

Multi-Family Residential- The EDUs for land zones for multi-family uses would be assessed 1 EDU per dwelling unit, e.g., a parcel with 100 condominium units would be assigned 100 EDUs.

Vacant Residential- The EDUs for parcels defined as residential but having no dwelling unit on them are calculated based on 1.8 EDUs per acre or any portion thereof, with a minimum of 0.20 EDU. This allocation was developed by dividing the average residential lot size in this project of 4,700 sq.ft. into 43,560 sq.ft. (1 acre) and then assigning twenty (20) percent of the calculated EDUs to the parcel (twenty percent estimates the ratio of land value to land value plus improvement).

Commercial- The EDUs for land zoned for commercial uses would be assigned at the rate of nine (9) EDUs per acre. This allocation has been developed by dividing the average residential lot size in this project of 4,700 sq.ft. into 43,560 sq.ft. (1 acre).

Vacant Commercial- Parcels defined as vacant commercial parcels would be assigned EDUs at the allocated rate of 20% of the Commercial rate, which have structures or improvements on them.

The assessment per equivalent dwelling unit (cost per EDU) will be determined by dividing the total assessment to be levied by the total number of EDUs. The assessment for each parcel would be calculated by multiplying the parcel's number of EDUs by the cost per EDU.

#### **ZONE D – BENEFIT ZONES**

In order to determine charges or rates based on the benefit(s) received by each lot or parcel, it is recommended that two subzones be established within Zone D, Mission Creek. Based on review of the proposed improvements and facilities to be maintained and operated by Zone D, a Residential Subzone (including single family and multi-family residential parcels) and a Commercial Subzone should be established.

The Zone-wide improvements include the San Diego River Channel improvements, consisting of the Linear Park, Pedestrian Bridge and Riparian Habitat. The San Diego River Channel improvements provide a special benefit to all parcels in the zone since the improvements border the entire project and were required by the conditions of development for the entire project. Therefore, the maintenance costs for these improvements are spread to all parcels in the zone.

The improvements at Commercial Unit No. 3, consisting of the maintenance of monuments on Cuyamaca Street and River Park Drive, landscape easements, public access, walkways and parkways provide a special benefit to the parcels in the Commercial Subzone since the improvements front the Commercial Subzone and were required by the conditions of development for the project.

The parcels in the Residential Subzone receive a special benefit from the maintenance of the western bike path and the improvements for Residential Units 1 and 2, the Mission Creek Townhomes and the Cluster Homes, which consist of entrance monuments, landscape easements, public access, walkways and parkways, since the improvements front the Residential Subzone and were required by the conditions of development for the project.

#### **ZONE E – TROLLEY SQUARE**

The methodology to be used to apportion the assessments to those parcels in Zone E, Trolley Square, will be based upon the special benefit received. The following methodology has been developed to calculate the

#### 4. Method of Assessment

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benefit to be assigned to each lot or parcel within the Zone based on land use and parcel size. Individual parcels within a landscape district will receive benefits based on land use, size and location of landscaping improvements to be installed, operated or maintained. In the case of the Santee Town Center Landscape Maintenance District, Zone E, all parcels are zoned for commercial usage. There are no public properties in Zone E that benefit from the improvements.

Commercial- The benefit for land zoned for commercial uses would be assigned on a per acre basis, where one acre of commercial land equals one adjusted acre of commercial land.

Vacant Commercial- Parcels defined as vacant commercial parcels would be assigned benefit at the allocated rate of 20% of the Commercial rate, which have structures or improvements on them. Therefore, one acre of vacant commercial land equals 0.20 adjusted acre of vacant commercial land.

The assessment per parcel will be determined by dividing the total assessment to be levied by the sum of the adjusted acreage. The assessment for each parcel would be calculated by multiplying the parcel's adjusted acreage by the cost per adjusted acre.

##### **ZONE F – HARTFORD PROPERTY**

The methodology to be used to apportion the assessments to those parcels in Zone F, Hartford Property, will be based upon the special benefit received. The following methodology has been developed to calculate the benefit to be assigned to each lot or parcel within the Zone based on land use and parcel size.

Commercial- The benefit for land used for developed commercial/public uses would be assigned on a per acre basis.

Vacant Commercial- Parcels defined as vacant commercial parcels would be assigned benefit at the allocated rate of 20% of the Commercial rate, which have structures or improvements on them, i.e. developed.

The assessment per parcel will be determined by dividing the total assessment to be levied by the sum of the acreage. The assessment for each parcel would be calculated by multiplying the parcel's acreage by the cost per acre.

##### **ZONE G – RIVERWALK**

The method of apportionment for Zone G is based upon the finding that each residential unit within the zone shares an equal benefit from landscaped areas to be maintained. The assessment for each unit will be determined by dividing the total assessment costs by the total number of units in Zone G.

##### **ZONE H – RIVERVIEW**

The methodology to be used to apportion the assessments to those parcels in Zone H (Riverview) will be based upon the special benefit received. The following methodology has been developed to calculate the benefit to be assigned to each lot or parcel within the Zone based on land use and parcel size.

Residential- The benefit for land used for developed residential uses would be assigned on a per acre basis and then converted to per unit cost based on the number of residential units.

Commercial- The benefit for land used for developed commercial/public uses would be assigned on a per acre basis.

Vacant Commercial- Parcels defined as vacant commercial parcels would be assigned benefit at the allocated rate of 20% of the Commercial rate, which have structures or improvements on them, i.e. developed.

#### 4. Method of Assessment

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The assessment per parcel will be determined by dividing the total assessment to be levied by the sum of the acreage. The assessment for each parcel would be calculated by multiplying the parcel's acreage by the cost per acre.

##### Annual Assessment Rate Increases

Based on an analysis of the projected operations and maintenance costs associated with existing and future public improvements within Zone A – Town Center, a maximum assessment of \$2,973.00 per acre has been established for the 71.1% portion and \$1,627.00 per acre for the Costco portion. Zones B and C were not established with a CPI escalator and cannot increase without a majority approval Proposition 218 Ballot process. Based on an analysis of the projected operations and maintenance costs associated with existing and future public improvements within Zone D – Mission Creek, a maximum cap of \$286.00 per EDU has been established for the Residential Subzone and \$5,480.00 per acre for the Commercial Subzone.

The maximum assessment rate per acre for Zones E, F and G may be increased by 2% by City Council approval each year. The maximum assessment rate per acre for Zone H may be increased by City Council approval each year by (i) the Consumer Price Index - all Urban Consumers for the San Diego Area or (ii) two percent (2%), whichever is greater. Annually, the City Council will determine the operations and maintenance budgeting needs for each zone and determine the annual assessment. The annual assessment amount will not exceed these maximum rates unless a balloting process in compliance with Proposition 218 is completed. Based on an analysis of the projected operations and maintenance costs associated with the public improvements within Zone E (Trolley Square), the maximum assessment rate for FY 2016-17 will be \$5,093.70 per adjusted acre. Based on an analysis of the projected operations and maintenance costs associated with the public improvements within Zone F (Hartford Property), the maximum assessment rate for FY 2016-17 will be \$3,622.75 per acre. Based on an analysis of the projected operations and maintenance costs associated with the public improvements within Zone G (Riverwalk), the maximum assessment rate for FY 2016-17 will be \$142.74 per EDU. Based on an analysis of the projected operations and maintenance costs associated with existing and future public improvements within Zone H (Riverview), the maximum assessment rate for FY 2016-17 will be \$8,357.47 per acre for Commercial property and \$450.25 per unit for Residential property

##### Annual Assessment Rate Increases

###### ZONE A – TOWN CENTER

Cost x Percentage of Square Footage/ Parcel	
Costco Portion	\$1,627.00 per Acre
Remaining Portion	\$2,973.00 per Acre
<b>Proposed Levy Amount</b>	<b>\$141,816.82</b>

###### ZONE B – THE LAKES

Calculated Fiscal Year 2016-17 Assessment per Parcel	\$84.48
Total Assessable Parcels	89
<b>Proposed Levy Amount</b>	<b>\$7,518.72</b>

###### ZONE C – SAN REMO

Calculated Fiscal Year 2016-17 Assessment per Parcel	\$218.22
Total Assessable Parcels	36
<b>Proposed Levy Amount</b>	<b>\$7,855.92</b>

#### 4. Method of Assessment

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##### ZONE D – MISSION CREEK

Improvements which benefit the entire zone include the San Diego River improvements, and have been allocated to all parcels.

$$\frac{\text{Total Assessment Cost}}{\text{Total No. of EDUs}} \\ \$80,743/488.76 \text{ EDUs} = \$165.20/\text{EDU}$$

The Improvements for Commercial Unit No. 3 benefit the parcels in the Commercial Subzone, and have been spread to all parcels.

$$\frac{\text{Total Assessment Cost}}{\text{No. of EDUs}} \\ \$34,069/76.76 \text{ EDUs} = \$443.84/\text{EDU}$$

The total assessment rate for parcels in the Commercial Subzone will be \$609.04 per EDU (including the improvements for Commercial Unit No. 3 and the improvements that benefit the entire zone).

The improvements for the Western Bike Path, Residential Units 1 and 2, the Townhouses and the Cluster Homes benefit the parcels in the Residential Subzone and have been spread to all parcels in the subzone.

$$\frac{\text{Total Assessment Cost}}{\text{No. of EDUs}} \\ \$49,770/412.00 \text{ EDUs} = \$120.80/\text{EDU}$$

The total assessment rate for parcels in the Residential Subzone will be \$286.00 per EDU (including the improvements for the Western Bike Path, Residential Units 1 and 2, the Townhomes, the Cluster Homes and the improvements that benefit the entire zone).

##### ZONE E – TROLLEY SQUARE

The maximum assessment rate for FY 2016-17 will be increased by 2% to \$5,093.70/adjusted acre. No assessment will be levied for the Fiscal Year 2016-17 as the property owners' association has maintained the improvements to a level satisfactory to the City. Individual parcels within a landscape district will receive benefits based on land use, size and location of landscaping improvements to be installed, operated or maintained. In the case of the Santee Town Center Landscape Maintenance District, Zone E, all parcels are zoned for commercial usage. There are no public properties in Zone E that benefit from the improvements.

##### ZONE F – HARTFORD PROPERTY

The maximum assessment rate for FY 2016-17 will be increased by 2% to \$3,622.75/acre. No assessment will be levied for the Fiscal Year 2016-17 as the property owners' association has maintained the improvements to a level satisfactory to the City. Individual parcels within a landscape district will receive benefits based on land use, size and location of landscaping improvements to be installed, operated or maintained. In the case of the Santee Town Center Landscape Maintenance District, Zone F, all parcels, with the exception of one, are zoned for commercial usage. There is one (1) public property in Zone F that benefits from the improvements.

##### ZONE G – RIVERWALK

The maximum assessment rate for FY 2016-17 will be increased by 2% to \$142.74 per EDU. No assessment will be levied for the Fiscal Year 2016-17 as the property owners' association has maintained the improvements to a level satisfactory to the City. Individual parcels within a landscape district will receive benefits based on land use, size and location of landscaping improvements to be installed, operated or maintained. In the case of Zone G of the Santee Town Center Landscape Maintenance District, all parcels are zoned for residential usage for the current year. We have investigated the properties in Zone G and have determined that there are no public

#### 4. Method of Assessment

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properties that benefit from the improvements. There are public streets, public rights-of-way, and easements within Zone G, but they do not benefit from the improvements.

##### **ZONE H – RIVERVIEW**

The maximum assessment rate for FY 2016-17 will be increased by 2% to \$8,357.47 per acre for Commercial property and \$450.25 per unit for Residential property. No assessment will be levied for the Fiscal Year 2016-17 as the management association has maintained the improvements to a level satisfactory to the City. Individual parcels within a landscape district will receive benefits based on land use, size and location of landscaping improvements to be installed, operated or maintained. In the case of the Santee Town Center Landscape Maintenance District, Zone H, all assessable parcels are zoned for commercial usage. We have investigated the properties in Zone H and have determined that there are currently five (5) public properties that benefit from the improvements.

## 5. Proposed Assessments

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The actual assessment and the amount of the assessment for the Fiscal Year 2016-17 apportioned to each parcel as shown on the latest equalized roll at the County Assessor's office are listed in Appendix A of this Report. The description of each lot or parcel is part of the records of the County of San Diego Assessor's Office and such records are, by reference, made part of this Report.

**APPENDIX A**

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**Final Assessment Roll**



City of Santee

609114 - LMD Zone A (Town Center)

APN	Levy	APN	Levy	APN	Levy	APN	Levy
3810410400	\$2,854.08	3810410200	\$3,329.76	3810410100	\$2,051.36	3810410100	\$2,051.36
3810411200	\$1,486.50	3810410700	\$624.32	3810410300	\$2,824.34	3810410300	\$2,824.34
3810411300	\$1,159.46	3810410900	\$1,010.82	3810410500	\$2,170.28	3810410500	\$2,170.28
3810412300	\$19,740.72	3810411900	\$22,778.00	3810411400	\$25,924.56	3810411400	\$25,924.56
3810412400	\$6,005.46	3810412000	\$1,010.82	3810411500	\$7,016.28	3810411500	\$7,016.28
3810412600	\$921.62	3810412700	\$3,508.14	3810412500	\$1,724.34	3810412500	\$1,724.34
3810412900	\$1,783.80	3810413000	\$1,902.72	3810412800	\$6,183.84	3810412800	\$6,183.84
3810413300	\$4,221.66	3810413200	\$5,321.66	3810413100	\$2,556.78	3810413100	\$2,556.78
3810413500	\$1,843.26	3810413600	\$2,051.36	3810413400	\$743.24	3810413400	\$743.24
3810413700	\$4,102.74	3810413800	\$1,278.38	3810413900	\$3,686.52	3810413900	\$3,686.52
<b>Total</b>					<b>30</b>		<b>\$141,816.82</b>

City of Santee

609115 - LMD Zone B (Town Center)

APN	Levy	APN	Levy	APN	Levy	APN	Levy
3810321301	\$84.48	3810321305	\$84.48	3810321304	\$84.48	3810321304	\$84.48
3810321302	\$84.48	3810321315	\$84.48	3810321306	\$84.48	3810321306	\$84.48
3810321303	\$84.48	3810321316	\$84.48	3810321309	\$84.48	3810321309	\$84.48
3810321307	\$84.48	3810321317	\$84.48	3810321310	\$84.48	3810321310	\$84.48
3810321308	\$84.48	3810321319	\$84.48	3810321311	\$84.48	3810321311	\$84.48
3810321318	\$84.48	3810321325	\$84.48	3810321312	\$84.48	3810321312	\$84.48
3810321320	\$84.48	3810321331	\$84.48	3810321313	\$84.48	3810321313	\$84.48
3810321321	\$84.48	3810321332	\$84.48	3810321314	\$84.48	3810321314	\$84.48
3810321322	\$84.48	3810321334	\$84.48	3810321323	\$84.48	3810321323	\$84.48
3810321328	\$84.48	3810321335	\$84.48	3810321324	\$84.48	3810321324	\$84.48
3810321333	\$84.48	3810321338	\$84.48	3810321326	\$84.48	3810321326	\$84.48
3810321336	\$84.48	3810321340	\$84.48	3810321327	\$84.48	3810321327	\$84.48
3810321337	\$84.48	3810321342	\$84.48	3810321329	\$84.48	3810321329	\$84.48
3810321343	\$84.48	3810321345	\$84.48	3810321330	\$84.48	3810321330	\$84.48
3810321344	\$84.48	3810321350	\$84.48	3810321339	\$84.48	3810321339	\$84.48
3810321346	\$84.48	3810321351	\$84.48	3810321341	\$84.48	3810321341	\$84.48
3810321349	\$84.48	3810321354	\$84.48	3810321347	\$84.48	3810321347	\$84.48
3810321352	\$84.48	3810321358	\$84.48	3810321348	\$84.48	3810321348	\$84.48
3810321353	\$84.48	3810321359	\$84.48	3810321355	\$84.48	3810321355	\$84.48
3810321356	\$84.48	3810321363	\$84.48	3810321357	\$84.48	3810321357	\$84.48
3810321361	\$84.48	3810321365	\$84.48	3810321360	\$84.48	3810321360	\$84.48
3810321364	\$84.48	3810321367	\$84.48	3810321362	\$84.48	3810321362	\$84.48
3810321368	\$84.48	3810321371	\$84.48	3810321366	\$84.48	3810321366	\$84.48
3810321369	\$84.48	3810321373	\$84.48	3810321370	\$84.48	3810321370	\$84.48
3810321372	\$84.48	3810321375	\$84.48	3810321374	\$84.48	3810321374	\$84.48
3810321377	\$84.48	3810321376	\$84.48	3810321379	\$84.48	3810321379	\$84.48
3810321378	\$84.48	3810321383	\$84.48	3810321380	\$84.48	3810321380	\$84.48
3810321381	\$84.48	3810321385	\$84.48	3810321384	\$84.48	3810321384	\$84.48
3810321382	\$84.48	3810321387	\$84.48	3810321386	\$84.48	3810321386	\$84.48
3810321389	\$84.48	3810321388	\$84.48				
<b>Total</b>					89		\$7,518.72

City of Santee

609122 - LMD Zone C (Town Center)

APN	Levy	APN	Levy	APN	Levy	APN	Levy
3813110900	\$218.22	3813110600	\$218.22	3813110400	\$218.22	3813110400	\$218.22
3813111100	\$218.22	3813110800	\$218.22	3813111000	\$218.22	3813111000	\$218.22
3813111300	\$218.22	3813111200	\$218.22	3813111400	\$218.22	3813111400	\$218.22
3813111800	\$218.22	3813111500	\$218.22	3813111600	\$218.22	3813111600	\$218.22
3813112200	\$218.22	3813111700	\$218.22	3813111900	\$218.22	3813111900	\$218.22
3813112300	\$218.22	3813112000	\$218.22	3813112100	\$218.22	3813112100	\$218.22
3813112600	\$218.22	3813112500	\$218.22	3813112400	\$218.22	3813112400	\$218.22
3813112800	\$218.22	3813112700	\$218.22	3813112900	\$218.22	3813112900	\$218.22
3813113100	\$218.22	3813113200	\$218.22	3813113000	\$218.22	3813113000	\$218.22
3813113500	\$218.22	3813113300	\$218.22	3813113400	\$218.22	3813113400	\$218.22
3813113800	\$218.22	3813113600	\$218.22	3813114000	\$218.22	3813114000	\$218.22
3813114200	\$218.22	3813114400	\$218.22	3813114600	\$218.22	3813114600	\$218.22
<b>Total</b>					<b>36</b>		<b>\$7,855.92</b>

City of Santee

609123 - LMD Zone D (Town Center)

APN	Levy	APN	Levy	APN	Levy	APN	Levy
3816811301	\$286.00	3816811303	\$286.00	3816811302	\$286.00	3816811302	\$286.00
3816811304	\$286.00	3816811306	\$286.00	3816811305	\$286.00	3816811305	\$286.00
3816811308	\$286.00	3816811307	\$286.00	3816811312	\$286.00	3816811312	\$286.00
3816811310	\$286.00	3816811309	\$286.00	3816811313	\$286.00	3816811313	\$286.00
3816811311	\$286.00	3816811316	\$286.00	3816811315	\$286.00	3816811315	\$286.00
3816811314	\$286.00	3816811317	\$286.00	3816811318	\$286.00	3816811318	\$286.00
3816811321	\$286.00	3816811319	\$286.00	3816811322	\$286.00	3816811322	\$286.00
3816811323	\$286.00	3816811320	\$286.00	3816811325	\$286.00	3816811325	\$286.00
3816811324	\$286.00	3816811328	\$286.00	3816811327	\$286.00	3816811327	\$286.00
3816811326	\$286.00	3816811330	\$286.00	3816811331	\$286.00	3816811331	\$286.00
3816811329	\$286.00	3816811332	\$286.00	3816811336	\$286.00	3816811336	\$286.00
3816811333	\$286.00	3816811334	\$286.00	3816811339	\$286.00	3816811339	\$286.00
3816811335	\$286.00	3816811338	\$286.00	3816811340	\$286.00	3816811340	\$286.00
3816811337	\$286.00	3816811342	\$286.00	3816811341	\$286.00	3816811341	\$286.00
3816811344	\$286.00	3816811350	\$286.00	3816811343	\$286.00	3816811343	\$286.00
3816811346	\$286.00	3816811352	\$286.00	3816811345	\$286.00	3816811345	\$286.00
3816811353	\$286.00	3816811355	\$286.00	3816811347	\$286.00	3816811347	\$286.00
3816811354	\$286.00	3816811361	\$286.00	3816811348	\$286.00	3816811348	\$286.00
3816811356	\$286.00	3816811363	\$286.00	3816811349	\$286.00	3816811349	\$286.00
3816811357	\$286.00	3816811365	\$286.00	3816811351	\$286.00	3816811351	\$286.00
3816811362	\$286.00	3816811368	\$286.00	3816811358	\$286.00	3816811358	\$286.00
3816811366	\$286.00	3816811371	\$286.00	3816811359	\$286.00	3816811359	\$286.00
3816811369	\$286.00	3816811373	\$286.00	3816811360	\$286.00	3816811360	\$286.00
3816811372	\$286.00	3816811374	\$286.00	3816811364	\$286.00	3816811364	\$286.00
3816811375	\$286.00	3816811381	\$286.00	3816811367	\$286.00	3816811367	\$286.00
3816811377	\$286.00	3816811383	\$286.00	3816811370	\$286.00	3816811370	\$286.00
3816811378	\$286.00	3816811386	\$286.00	3816811376	\$286.00	3816811376	\$286.00
3816811382	\$286.00	3816811387	\$286.00	3816811379	\$286.00	3816811379	\$286.00
3816811384	\$286.00	3816811390	\$286.00	3816811380	\$286.00	3816811380	\$286.00
3816811388	\$286.00	3816811701	\$286.00	3816811385	\$286.00	3816811385	\$286.00
3816811702	\$286.00	3816811705	\$286.00	3816811389	\$286.00	3816811389	\$286.00
3816811703	\$286.00	3816811711	\$286.00	3816811704	\$286.00	3816811704	\$286.00
3816811706	\$286.00	3816811712	\$286.00	3816811707	\$286.00	3816811707	\$286.00
3816811709	\$286.00	3816811715	\$286.00	3816811708	\$286.00	3816811708	\$286.00
3816811710	\$286.00	3816811716	\$286.00	3816811713	\$286.00	3816811713	\$286.00

City of Santee

609123 - LMD Zone D (Town Center)

APN	Levy	APN	Levy	APN	Levy	APN	Levy
3816811714	\$286.00	3816811717	\$286.00	3816811719	\$286.00	3816811719	\$286.00
3816811718	\$286.00	3816811721	\$286.00	3816811720	\$286.00	3816811720	\$286.00
3816811725	\$286.00	3816811723	\$286.00	3816811722	\$286.00	3816811722	\$286.00
3816811731	\$286.00	3816811727	\$286.00	3816811724	\$286.00	3816811724	\$286.00
3816811734	\$286.00	3816811729	\$286.00	3816811726	\$286.00	3816811726	\$286.00
3816811736	\$286.00	3816811733	\$286.00	3816811728	\$286.00	3816811728	\$286.00
3816811738	\$286.00	3816811735	\$286.00	3816811730	\$286.00	3816811730	\$286.00
3816811741	\$286.00	3816811737	\$286.00	3816811732	\$286.00	3816811732	\$286.00
3816811742	\$286.00	3816811739	\$286.00	3816811740	\$286.00	3816811740	\$286.00
3816811744	\$286.00	3816811747	\$286.00	3816811743	\$286.00	3816811743	\$286.00
3816811746	\$286.00	3816811752	\$286.00	3816811745	\$286.00	3816811745	\$286.00
3816811749	\$286.00	3816811903	\$286.00	3816811748	\$286.00	3816811748	\$286.00
3816811750	\$286.00	3816811904	\$286.00	3816811753	\$286.00	3816811753	\$286.00
3816811751	\$286.00	3816811906	\$286.00	3816811902	\$286.00	3816811902	\$286.00
3816811754	\$286.00	3816811908	\$286.00	3816811905	\$286.00	3816811905	\$286.00
3816811755	\$286.00	3816811909	\$286.00	3816811911	\$286.00	3816811911	\$286.00
3816811901	\$286.00	3816811913	\$286.00	3816811912	\$286.00	3816811912	\$286.00
3816811907	\$286.00	3816811919	\$286.00	3816811915	\$286.00	3816811915	\$286.00
3816811910	\$286.00	3816811923	\$286.00	3816811916	\$286.00	3816811916	\$286.00
3816811914	\$286.00	3816811924	\$286.00	3816811918	\$286.00	3816811918	\$286.00
3816811917	\$286.00	3816811928	\$286.00	3816811921	\$286.00	3816811921	\$286.00
3816811920	\$286.00	3816811929	\$286.00	3816811922	\$286.00	3816811922	\$286.00
3816811925	\$286.00	3816811931	\$286.00	3816811926	\$286.00	3816811926	\$286.00
3816811927	\$286.00	3816811935	\$286.00	3816811932	\$286.00	3816811932	\$286.00
3816811930	\$286.00	3816811938	\$286.00	3816811933	\$286.00	3816811933	\$286.00
3816811934	\$286.00	3816811942	\$286.00	3816811936	\$286.00	3816811936	\$286.00
3816811937	\$286.00	3816811943	\$286.00	3816811939	\$286.00	3816811939	\$286.00
3816811944	\$286.00	3816811945	\$286.00	3816811940	\$286.00	3816811940	\$286.00
3816811950	\$286.00	3816811946	\$286.00	3816811941	\$286.00	3816811941	\$286.00
3816811951	\$286.00	3816812001	\$286.00	3816811947	\$286.00	3816811947	\$286.00
3816811952	\$286.00	3816812002	\$286.00	3816811948	\$286.00	3816811948	\$286.00
3816811953	\$286.00	3816812008	\$286.00	3816811949	\$286.00	3816811949	\$286.00
3816812003	\$286.00	3816812009	\$286.00	3816812004	\$286.00	3816812004	\$286.00
3816812007	\$286.00	3816812013	\$286.00	3816812005	\$286.00	3816812005	\$286.00
3816812012	\$286.00	3816812014	\$286.00	3816812006	\$286.00	3816812006	\$286.00

City of Santee

609123 - LMD Zone D (Town Center)

APN	Levy	APN	Levy	APN	Levy	APN	Levy
3816812015	\$286.00	3816812018	\$286.00	3816812010	\$286.00	3816812010	\$286.00
3816812016	\$286.00	3816812019	\$286.00	3816812011	\$286.00	3816812011	\$286.00
3816812021	\$286.00	3816812020	\$286.00	3816812017	\$286.00	3816812017	\$286.00
3816812022	\$286.00	3816812027	\$286.00	3816812023	\$286.00	3816812023	\$286.00
3816812026	\$286.00	3816812031	\$286.00	3816812024	\$286.00	3816812024	\$286.00
3816812030	\$286.00	3816812033	\$286.00	3816812025	\$286.00	3816812025	\$286.00
3816812032	\$286.00	3816822201	\$573.16	3816812028	\$286.00	3816812028	\$286.00
3816822203	\$573.16	3816822208	\$573.16	3816812029	\$286.00	3816812029	\$286.00
3816822204	\$573.16	3816822210	\$573.16	3816822100	\$30,688.00	3816822100	\$30,688.00
3816822205	\$573.16	3816822212	\$573.16	3816822202	\$573.16	3816822202	\$573.16
3816822206	\$573.16	3816822300	\$4,383.98	3816822207	\$573.16	3816822207	\$573.16
3816822209	\$573.16	3816822400	\$394.52	3816822214	\$573.16	3816822214	\$573.16
3816822211	\$573.16	3817000200	\$286.00	3816822215	\$573.16	3816822215	\$573.16
3816822213	\$573.16	3817000300	\$286.00	3817000100	\$286.00	3817000100	\$286.00
3816822500	\$2,685.18	3817000600	\$286.00	3817000500	\$286.00	3817000500	\$286.00
3817000400	\$286.00	3817001200	\$286.00	3817000900	\$286.00	3817000900	\$286.00
3817000700	\$286.00	3817001300	\$286.00	3817001000	\$286.00	3817001000	\$286.00
3817000800	\$286.00	3817001400	\$286.00	3817001100	\$286.00	3817001100	\$286.00
3817001600	\$286.00	3817001700	\$286.00	3817001500	\$286.00	3817001500	\$286.00
3817001800	\$286.00	3817001900	\$286.00	3817002100	\$286.00	3817002100	\$286.00
3817002300	\$286.00	3817002000	\$286.00	3817002200	\$286.00	3817002200	\$286.00
3817002800	\$286.00	3817002400	\$286.00	3817002500	\$286.00	3817002500	\$286.00
3817003000	\$286.00	3817002600	\$286.00	3817002700	\$286.00	3817002700	\$286.00
3817003300	\$286.00	3817002900	\$286.00	3817003200	\$286.00	3817003200	\$286.00
3817003400	\$286.00	3817003100	\$286.00	3817003600	\$286.00	3817003600	\$286.00
3817003800	\$286.00	3817003500	\$286.00	3817003900	\$286.00	3817003900	\$286.00
3817004000	\$286.00	3817003700	\$286.00	3817004100	\$286.00	3817004100	\$286.00
3817004500	\$286.00	3817004200	\$286.00	3817004400	\$286.00	3817004400	\$286.00
3817004700	\$286.00	3817004300	\$286.00	3817004600	\$286.00	3817004600	\$286.00
3817010100	\$286.00	3817010200	\$286.00	3817010500	\$286.00	3817010500	\$286.00
3817010700	\$286.00	3817010300	\$286.00	3817010800	\$286.00	3817010800	\$286.00
3817011200	\$286.00	3817010400	\$286.00	3817011000	\$286.00	3817011000	\$286.00
3817011400	\$286.00	3817010600	\$286.00	3817011300	\$286.00	3817011300	\$286.00
3817011800	\$286.00	3817010900	\$286.00	3817011700	\$286.00	3817011700	\$286.00
3817011900	\$286.00	3817011100	\$286.00	3817012100	\$286.00	3817012100	\$286.00

City of Santee

609123 - LMD Zone D (Town Center)

APN	Levy	APN	Levy	APN	Levy	APN	Levy
3817012000	\$286.00	3817011500	\$286.00	3817012500	\$286.00	3817012500	\$286.00
3817012300	\$286.00	3817011600	\$286.00	3817012600	\$286.00	3817012600	\$286.00
3817012400	\$286.00	3817012200	\$286.00	3817012800	\$286.00	3817012800	\$286.00
3817012700	\$286.00	3817012900	\$286.00	3817013100	\$286.00	3817013100	\$286.00
3817013600	\$286.00	3817013000	\$286.00	3817013300	\$286.00	3817013300	\$286.00
3817013900	\$286.00	3817013200	\$286.00	3817013700	\$286.00	3817013700	\$286.00
3817014400	\$286.00	3817013400	\$286.00	3817013800	\$286.00	3817013800	\$286.00
3817014600	\$286.00	3817013500	\$286.00	3817014000	\$286.00	3817014000	\$286.00
3817014800	\$286.00	3817014100	\$286.00	3817014500	\$286.00	3817014500	\$286.00
3817014900	\$286.00	3817014200	\$286.00	3817014700	\$286.00	3817014700	\$286.00
3817015100	\$286.00	3817014300	\$286.00	3817015000	\$286.00	3817015000	\$286.00
3817020200	\$286.00	3817015200	\$286.00	3817015300	\$286.00	3817015300	\$286.00
3817020300	\$286.00	3817015500	\$286.00	3817015400	\$286.00	3817015400	\$286.00
3817020600	\$286.00	3817015900	\$286.00	3817015600	\$286.00	3817015600	\$286.00
3817020900	\$286.00	3817020100	\$286.00	3817015700	\$286.00	3817015700	\$286.00
3817021000	\$286.00	3817020400	\$286.00	3817015800	\$286.00	3817015800	\$286.00
3817021100	\$286.00	3817020500	\$286.00	3817020700	\$286.00	3817020700	\$286.00
3817021600	\$286.00	3817021300	\$286.00	3817020800	\$286.00	3817020800	\$286.00
3817022300	\$286.00	3817021800	\$286.00	3817021200	\$286.00	3817021200	\$286.00
3817022400	\$286.00	3817021900	\$286.00	3817021400	\$286.00	3817021400	\$286.00
3817022500	\$286.00	3817022200	\$286.00	3817021500	\$286.00	3817021500	\$286.00
3817022600	\$286.00	3817022700	\$286.00	3817021700	\$286.00	3817021700	\$286.00
3817023000	\$286.00	3817022900	\$286.00	3817022000	\$286.00	3817022000	\$286.00
3817023200	\$286.00	3817023300	\$286.00	3817022100	\$286.00	3817022100	\$286.00
3817023500	\$286.00	3817023800	\$286.00	3817022800	\$286.00	3817022800	\$286.00
3817023600	\$286.00	3817024400	\$286.00	3817023100	\$286.00	3817023100	\$286.00
3817023700	\$286.00	3817024700	\$286.00	3817023400	\$286.00	3817023400	\$286.00
3817023900	\$286.00	3817024900	\$286.00	3817024100	\$286.00	3817024100	\$286.00
3817024000	\$286.00	3817025200	\$286.00	3817024800	\$286.00	3817024800	\$286.00
3817024200	\$286.00	3817025600	\$286.00	3817025400	\$286.00	3817025400	\$286.00
3817024300	\$286.00	3817025700	\$286.00	3817025500	\$286.00	3817025500	\$286.00
3817024500	\$286.00	3817026300	\$286.00	3817025800	\$286.00	3817025800	\$286.00
3817024600	\$286.00	3817026400	\$286.00	3817025900	\$286.00	3817025900	\$286.00
3817025000	\$286.00	3817026600	\$286.00	3817026000	\$286.00	3817026000	\$286.00
3817025100	\$286.00	3817027300	\$286.00	3817026200	\$286.00	3817026200	\$286.00

City of Santee

609123 - LMD Zone D (Town Center)

APN	Levy	APN	Levy	APN	Levy	APN	Levy
3817025300	\$286.00	3817027400	\$286.00	3817026500	\$286.00	3817026500	\$286.00
3817026100	\$286.00	3817027500	\$286.00	3817026700	\$286.00	3817026700	\$286.00
3817027600	\$286.00	3817027800	\$286.00	3817027900	\$286.00	3817027900	\$286.00
3817027700	\$286.00	3817028000	\$286.00				
<b>Total</b>					<b>431</b>	<b>\$164,581.08</b>	

**APPENDIX B**

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**Assessment Diagrams**

# SANTEE TOWN CENTER LANDSCAPE MAINTENANCE DISTRICT ZONE A - TOWN CENTER

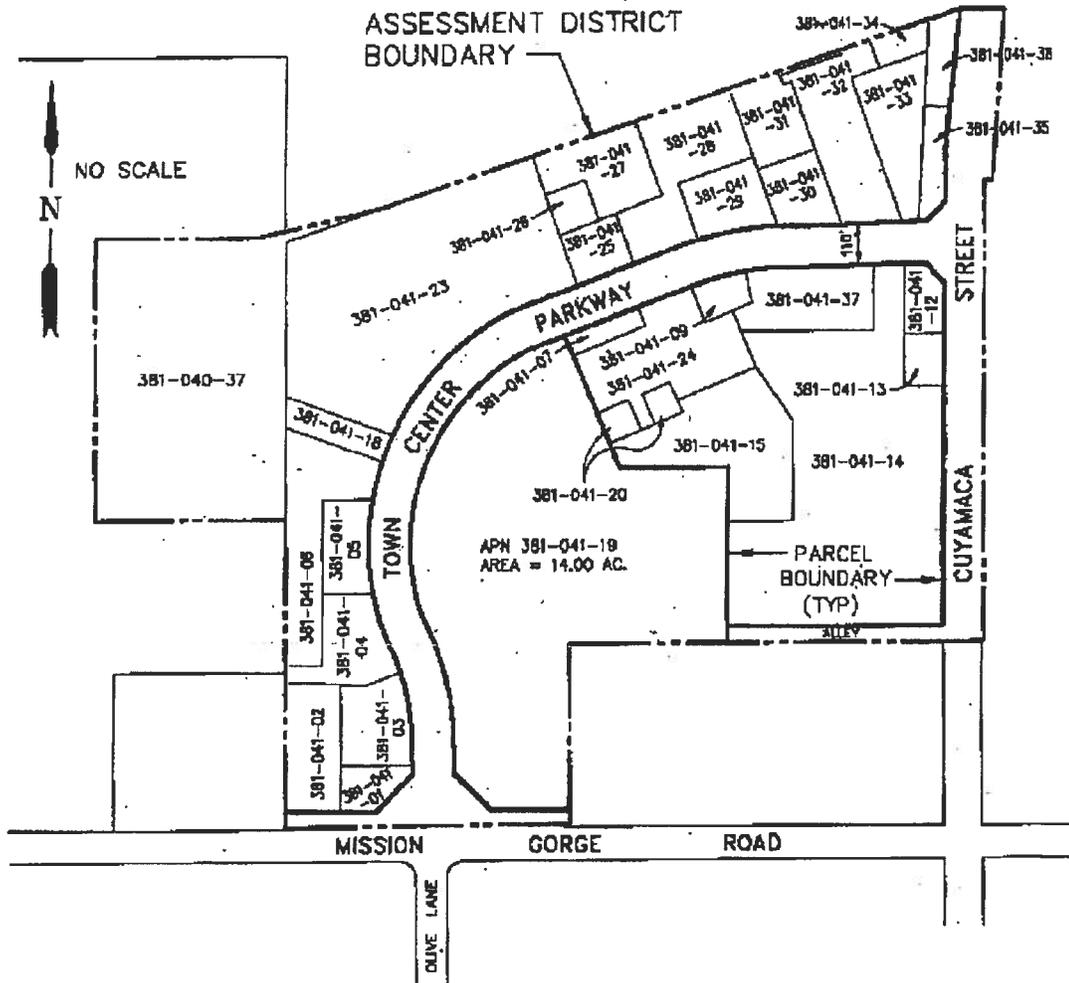
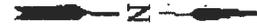


EXHIBIT "A"

# SANTEE TOWN CENTER LANDSCAPE MAINTENANCE DISTRICT ZONE B - THE LAKES



NO SCALE

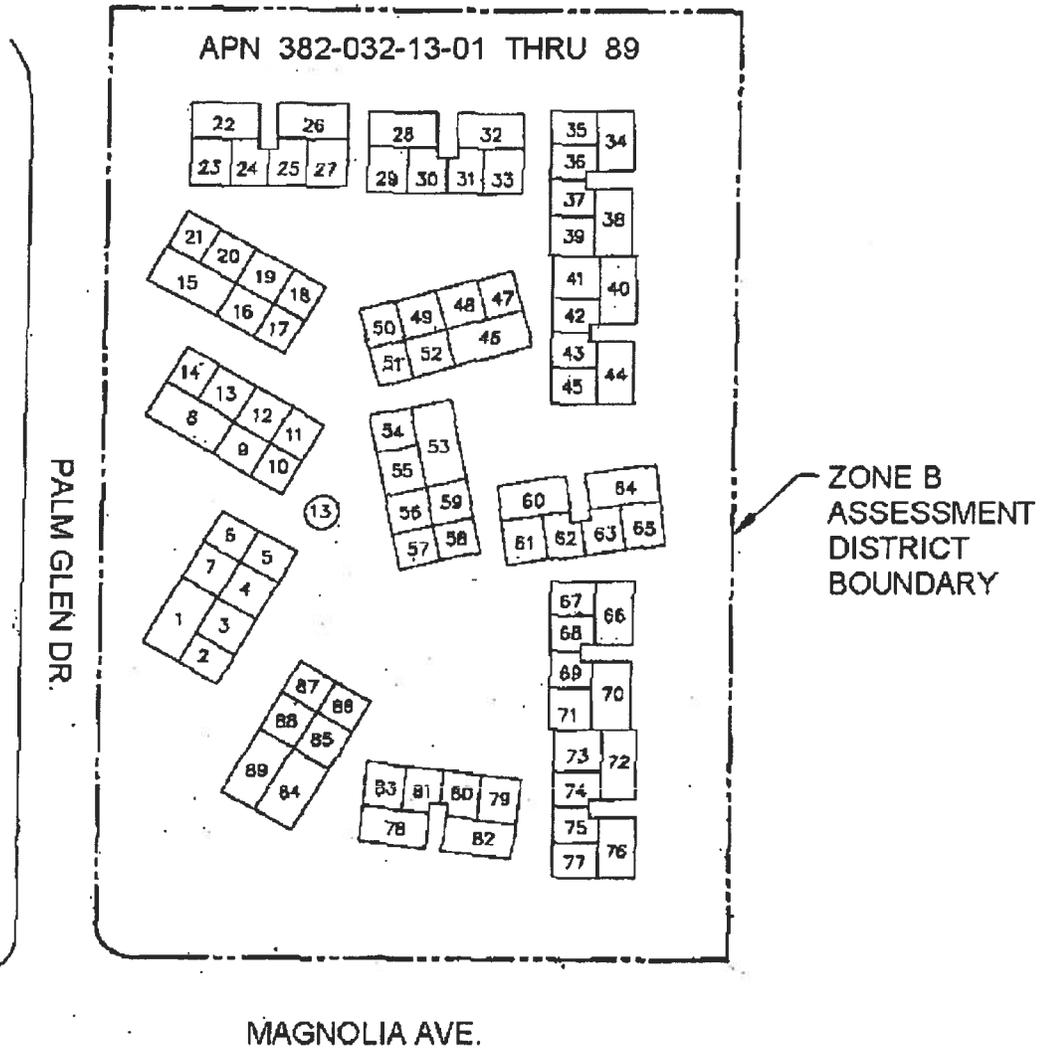
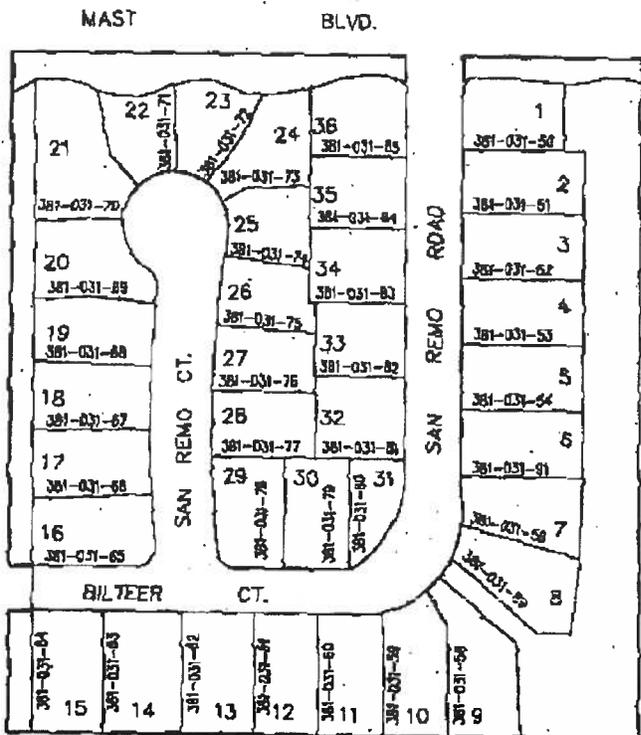


EXHIBIT "B"

# SANTEE TOWN CENTER LANDSCAPE MAINTENANCE DISTRICT ZONE C - SAN REMO



NO SCALE

ZONE C  
ASSESSMENT  
DISTRICT  
BOUNDARY

EXHIBIT "C"

# SANTEE TOWN CENTER LANDSCAPE MAINTENANCE DISTRICT ZONE D - MISSION CREEK

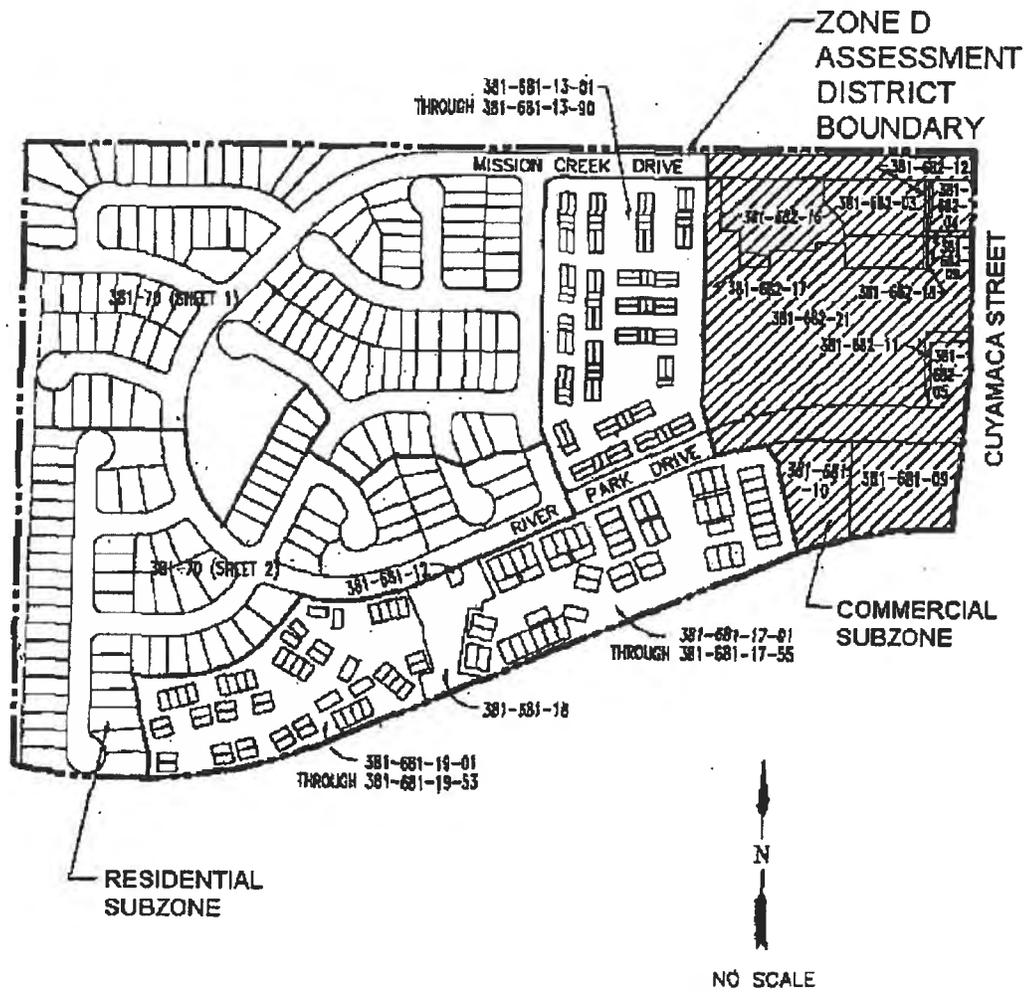
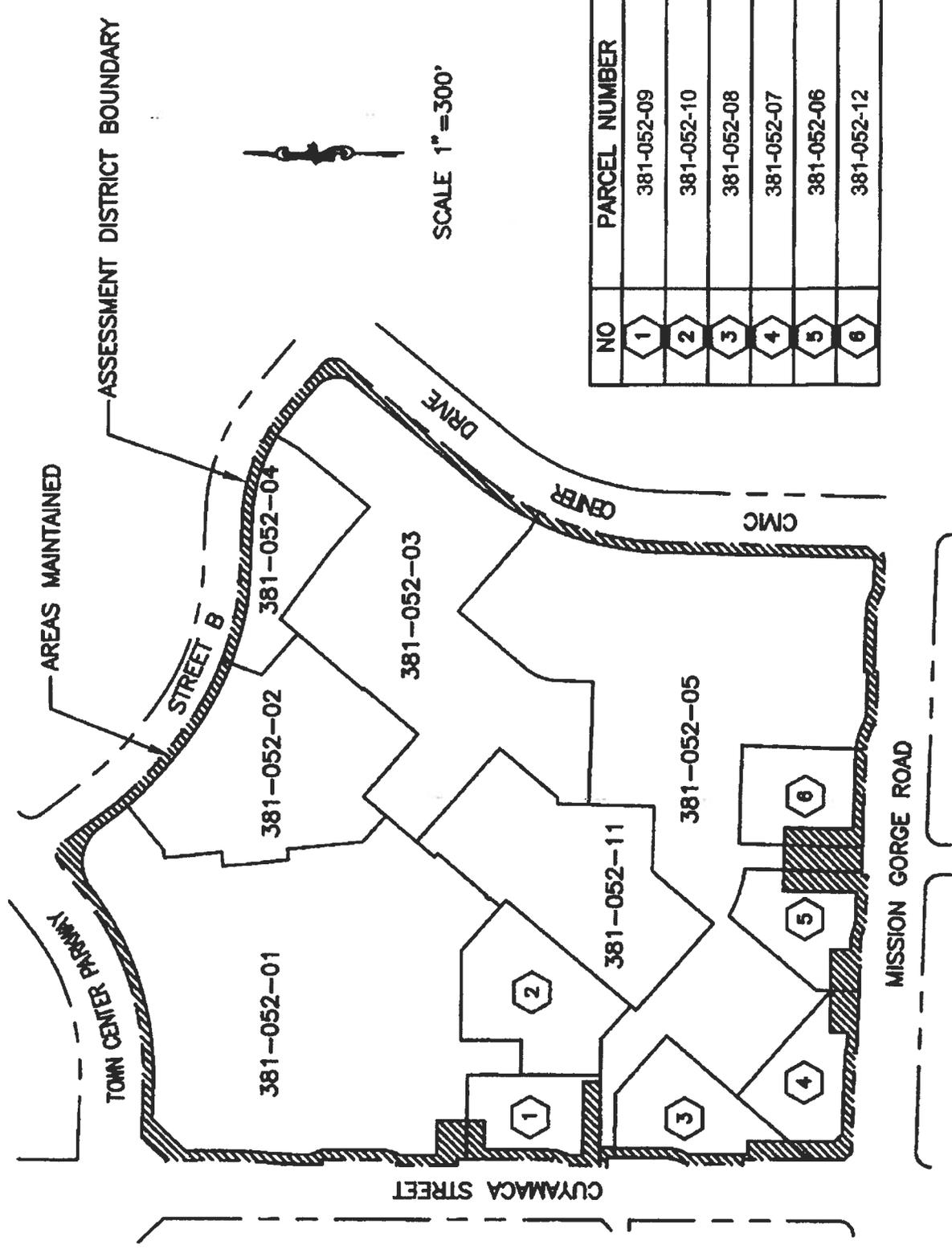


EXHIBIT "D"



NO	PARCEL NUMBER
1	381-052-09
2	381-052-10
3	381-052-08
4	381-052-07
5	381-052-06
6	381-052-12



EXHIBIT "E"  
 SANTEE TOWN CENTER  
 LANDSCAPE MAINTENANCE DISTRICT  
 ZONE E - TROLLEY SQUARE

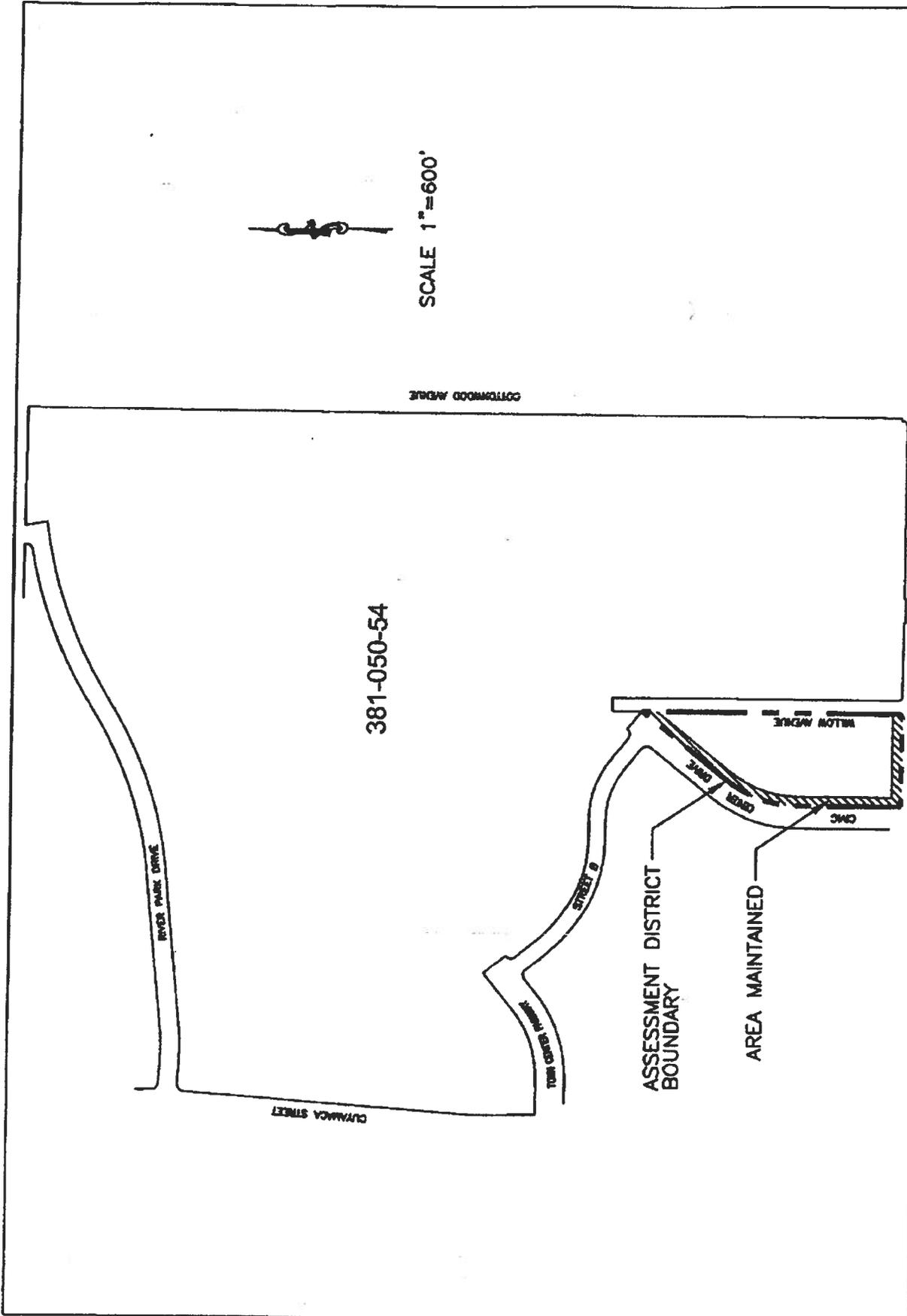
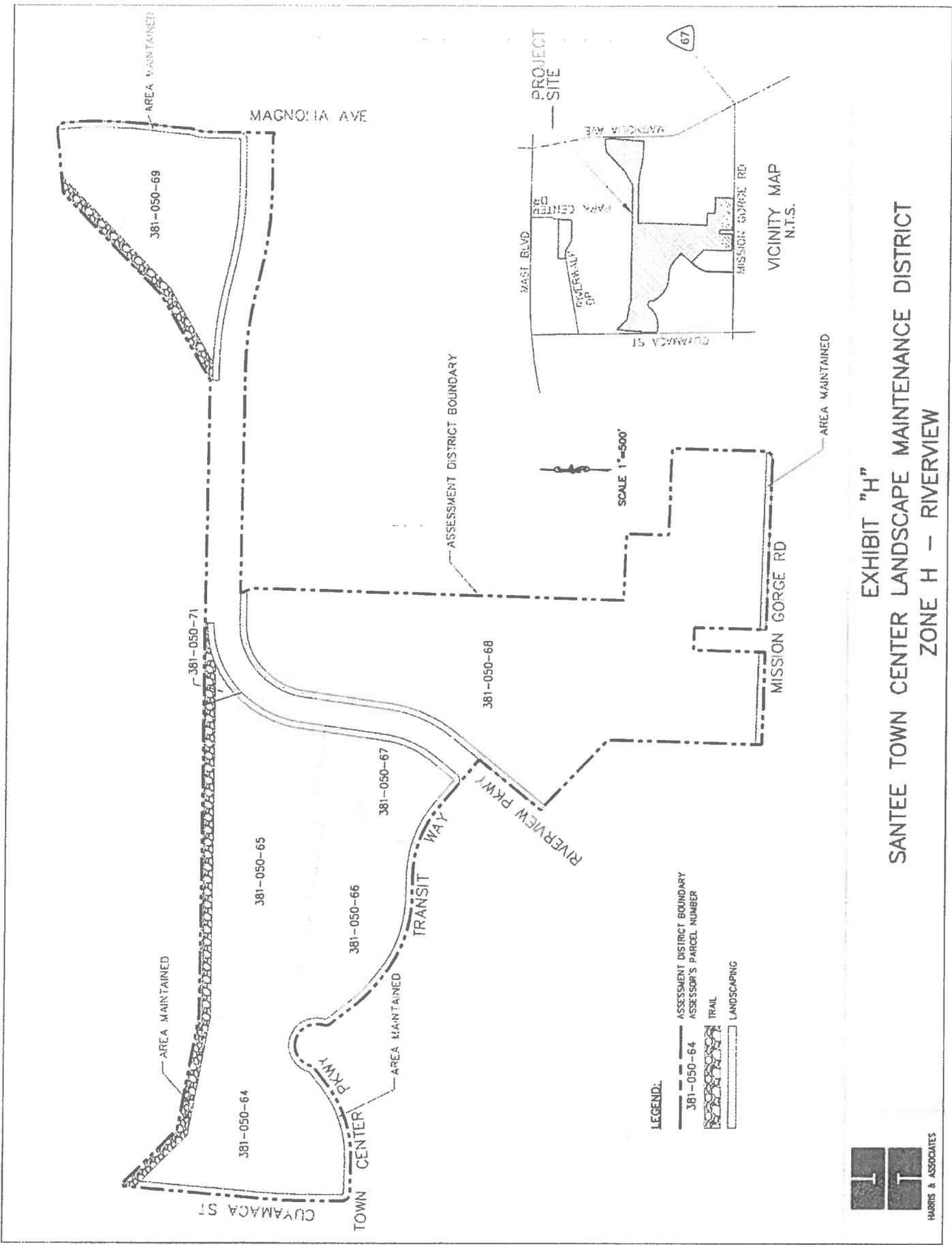


EXHIBIT "F"  
 SANTEE TOWN CENTER  
 LANDSCAPE MAINTENANCE DISTRICT  
 ZONE F - HARTFORD PROPERTY







- LEGEND.**
- ASSESSMENT DISTRICT BOUNDARY
  - 381-050-64 ASSESSOR'S PARCEL NUMBER
  - ▨ TRAIL
  - ▨ LANDSCAPING

**EXHIBIT "H"**  
**SANTEE TOWN CENTER LANDSCAPE MAINTENANCE DISTRICT**  
**ZONE H - RIVERVIEW**



**APPENDIX C**

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**Resolution of Initiation**

RESOLUTION NO. 042-2016

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA,  
INITIATING PROCEEDINGS AND ORDERING THE PREPARATION OF AN  
ENGINEER'S REPORT FOR THE FY 2016-17 TOWN CENTER LANDSCAPE  
MAINTENANCE DISTRICT ANNUAL LEVY OF ASSESSMENTS**

**WHEREAS**, the City Council of the City of Santee desires to initiate proceedings for the annual levy of assessments for a landscape district pursuant to the terms and provisions of the "Landscaping and Lighting Act of 1972", being Division 15, Part 2 of the Streets and Highways Code of the State of California, Article XIII D of the California Constitution, and the Proposition 218 Omnibus Implementation Act (commencing with California Government Code Section 53750) (collectively the "Law"), in what is known and designated as: **TOWN CENTER LANDSCAPE MAINTENANCE DISTRICT** ("District"); and

**WHEREAS**, these proceedings for the annual levy of assessments shall relate to the fiscal year commencing July 1, 2016; and

**WHEREAS**, there has been submitted to this City Council for its consideration at this time, diagrams, copies of which are attached hereto and by this reference incorporated herein, showing the boundaries of the areas of assessment for the above referenced fiscal year, said diagrams showing and further describing in general the improvements proposed to be maintained in said District, said description being sufficient to identify the areas proposed to be assessed for said maintenance thereof; and

**WHEREAS**, there are no proposed new improvements or any substantial changes in existing improvements; and

**WHEREAS**, the Law requires a written report, consisting of: plans and specifications of the area of the improvements to be maintained; an estimate of the costs for maintaining the improvements, including incidental expenses in connection therewith; a diagram of the areas proposed to be assessed; and a parcel-by-parcel listing of the assessments of the estimated costs for maintaining the improvements in proportion to the special benefits to be conferred on such parcels.

**NOW, THEREFORE BE IT RESOLVED** by the City Council of the City of Santee, California:

**SECTION 1.** That the above recitals are all true and correct.

**SECTION 2.** That diagrams, entitled **TOWN CENTER LANDSCAPE MAINTENANCE DISTRICT** as submitted to this City Council, showing the boundaries of the proposed areas to be assessed and showing the improvements to be maintained, are hereby approved, and copies thereof shall be on file in the City Clerk's Office and open to public inspection. The proposed parcels and properties within said areas are those to be assessed to pay certain costs and expenses for said maintenance.

**RESOLUTION NO. 042-2016**

**SECTION 3.** That the maintenance work within the area proposed to be assessed shall be the maintenance or servicing, or both, of any facilities which are appurtenant to any of the foregoing or which are necessary or convenient for the maintenance or servicing thereof in accordance with the Law.

**SECTION 4.** There are no proposed new improvements or any substantial changes to existing improvements.

**SECTION 5.** That the Director of Finance is hereby ordered to cause to be prepared and to file with this City Council, the Report relating to said annual assessment and levy in accordance with the provisions of the Law.

**SECTION 6.** That upon completion, said Report shall be filed with the City Clerk, who shall then provide all notices required by law regarding the intent to approve assessments and hold a public hearing and submit the report to this City Council for its consideration pursuant to sections 22623 and 22624 of the streets and highways code.

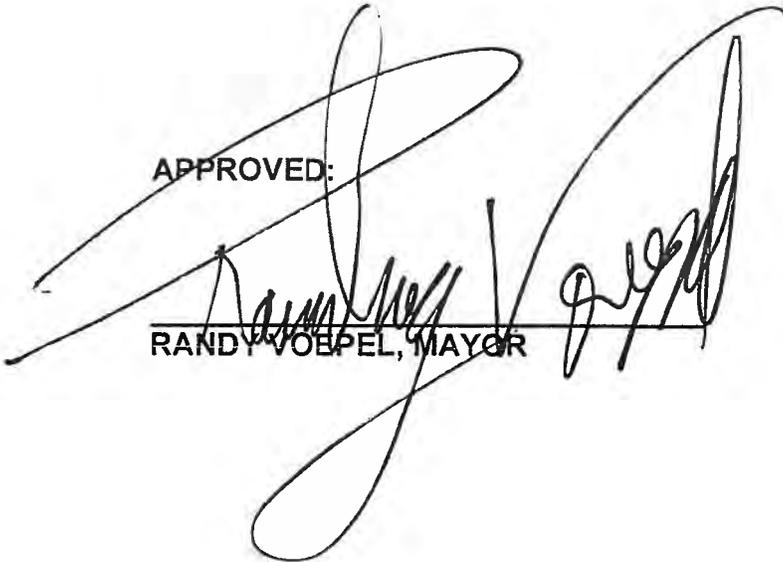
**ADOPTED** by the City Council of the City of Santee, California, at a Regular Meeting thereof held this 11<sup>th</sup> day of May, 2016 by the following roll call vote to wit:

**AYES: DALE, HALL, MCNELIS, MINTO, VOEPEL**

**NOES: NONE**

**ABSENT: NONE**

**APPROVED:**

  
**RANDY VOEPEL, MAYOR**

**ATTEST:**

  
**PATSY BELL, CMC, CITY CLERK**

Exhibits A-D: Vicinity Maps (Diagrams)

A L B E R T A .

**WEBB**

A S S O C I A T E S

**Corporate Headquarters**

3788 McCray Street  
Riverside, CA 92506  
951.686.1070

**Palm Desert Office**

36-951 Cook Street #103  
Palm Desert, CA 92211  
760.568.5005

**Murrieta Office**

41391 Kalmia Street #320  
Murrieta, CA 92562  
951.686.1070

**City of Santee**  
**COUNCIL AGENDA STATEMENT**

**MEETING DATE** July 13, 2016

**AGENDA ITEM NO.**

**ITEM TITLE** PUBLIC HEARING FOR THE FY 2016-17 SANTEE ROADWAY LIGHTING DISTRICT ANNUAL LEVY OF ASSESSMENTS

**DIRECTOR/DEPARTMENT**

Tim K. McDermott, Director of Finance 

**SUMMARY** The Santee Roadway Lighting District ("SRLD") has two zones, each with separate funding sources. Zone A is contiguous with the City's boundaries; i.e., all properties in the City are also within Zone A. Zone B comprises numerous areas throughout the City, and contains street lights defined as primarily having local benefit.

The funding of street light energy, maintenance and administrative costs for both Zone A and Zone B has been obtained from two sources: an ad valorem property tax designated for street lighting purposes (Zone A), and a special benefit assessment (Zone B). It is estimated that 30 new lights will be added within SRLD in FY 2016-17.

Tonight's public hearing for the SRLD FY 2016-17 annual levy of assessments is the final step in the annual assessment process. On May 11, 2016, the Council initiated proceedings and ordered the preparation of an Engineer's Report. On May 25, 2016, the Council approved the Engineer's Report and set tonight's meeting as the time and place for the required public hearing for the FY 2016-17 SRLD levy of assessments. The Engineer's Report describes the legal and physical nature of the SRLD, its improvements, budget and the proposed spread of assessments.

The proposed assessment in Zone B will remain \$14.06 per household/benefit unit for FY 2016-17. There will continue to be no assessment in Zone A.

Council action is needed following the closure of tonight's Public Hearing. This action is comprised of adopting the attached Resolution confirming the assessment diagram and levy for FY 2016-17.

**FINANCIAL STATEMENT** SRLD's FY 2016-17 operating budget totals \$499,650. The budget will be funded primarily by Zone A ad valorem property tax revenues of \$268,860 and Zone B assessments of \$332,286. The anticipated increase in reserves during FY 2016-17 will be used to fund a Capital Improvement reserve for future City-wide luminaire replacement and the installation of new lights.

**CITY ATTORNEY REVIEW**

N/A

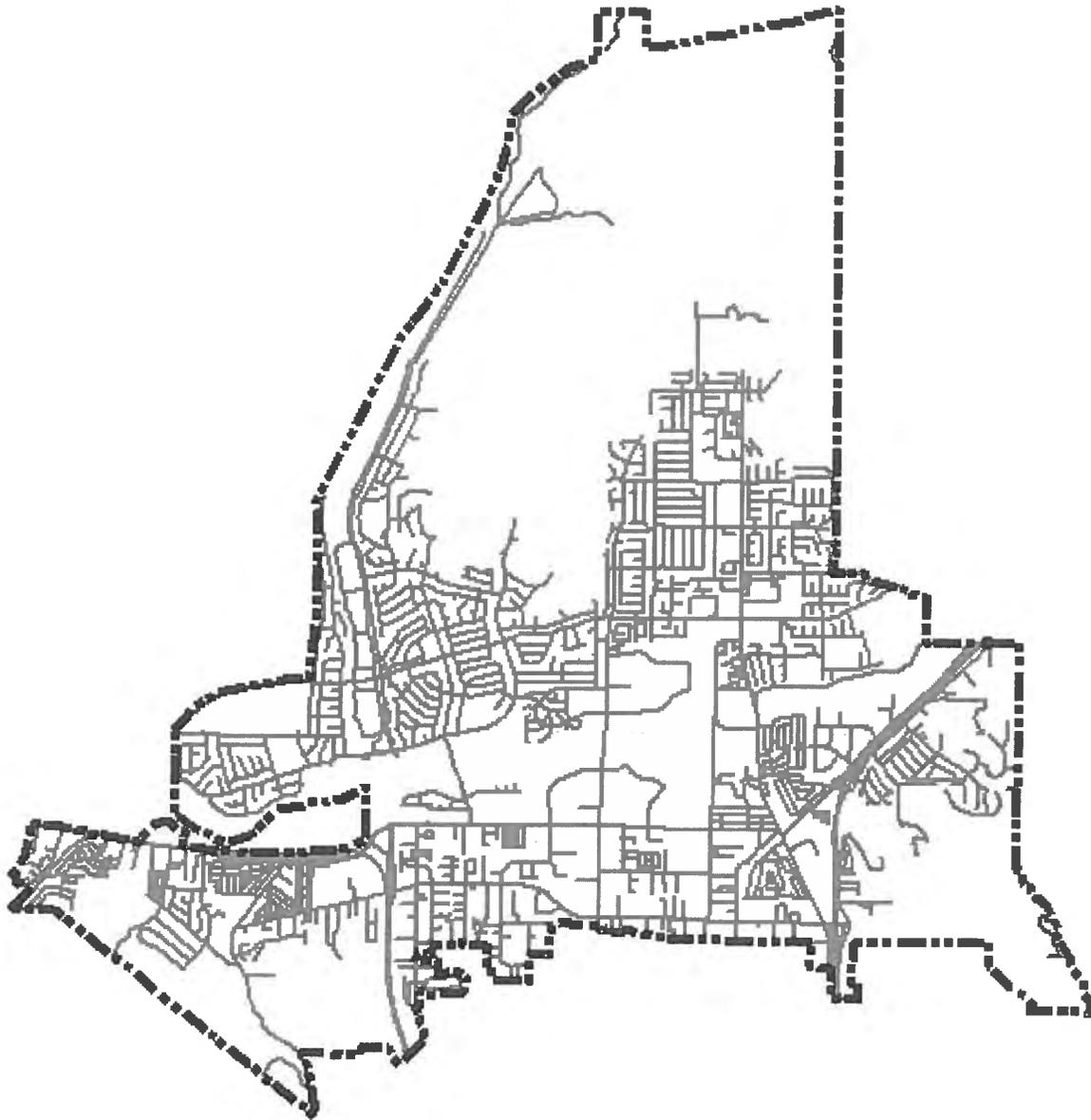
Completed

**RECOMMENDATIONS** *MOB*

- 1) Conduct and close the public hearing
- 2) Adopt Resolution confirming an assessment diagram and assessment and providing for the FY 2016-17 SRLD annual levy of assessments

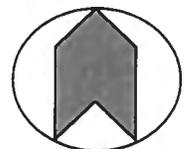
**ATTACHMENTS (Listed Below)**

- 1) Map
- 2) Resolution
- 3) Engineer's Report



# City of Santee Vicinity Map

Santee Roadway Lighting District



No Scale

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA  
CONFIRMING AN ASSESSMENT DIAGRAM AND ASSESSMENT AND PROVIDING  
FOR THE FY 2016-17 SANTEE ROADWAY LIGHTING DISTRICT  
ANNUAL LEVY OF ASSESSMENTS**

**WHEREAS**, the City Council of the City of Santee has initiated proceedings for the annual levy of the assessments for a street lighting and landscaping district pursuant to the terms and provisions of the "Landscaping and Lighting Act of 1972," being Division 15, Part 2 of the Streets and Highways Code of the State of California, Article XIII D of the California Constitution, and the Proposition 218 Omnibus Implementation Act (commencing with California Government Code Section 53750) (collectively the "Law"), in what is known and designated as **SANTEE ROADWAY LIGHTING DISTRICT** ("District"); and

**WHEREAS**, the City Council has ordered the preparation of an Engineer's Report ("Report") and the Director of Finance filed with this City Council said Report pursuant to the Law for its consideration and subsequently thereto this City Council did adopt its Resolution of Intention to levy and collect assessments for Fiscal Year 2016-17 relating to the District, and further did proceed to give notice to the time and place for a public hearing on all matters relating to said annual levy of the proposed assessment in accordance with the Law; and

**WHEREAS**, at this time this City Council has heard all testimony and evidence, and is desirous of proceeding with said annual levy of assessments.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Santee, California:

**SECTION 1.** That the above recitals are all true and correct.

**SECTION 2.** That this City Council hereby confirms the assessment diagram and assessment as submitted and orders the annual levy of the assessment for street lighting purposes for Fiscal Year 2016-17 and in the amounts as set forth in the Report and as referred to in the Resolution of Intention as previously adopted relating to said annual assessment levy.

**SECTION 3.** That the assessment diagram and assessment for street lighting purposes as set forth and contained in said Report are hereby confirmed and adopted by this City Council.

**SECTION 4.** That the adoption of this Resolution constitutes the levy of the assessment for the Fiscal Year 2016-17.

**SECTION 5.** That the estimates of costs, assessment diagram, the assessments and all other matters as set forth in said Report, pursuant to the Law, as submitted, are hereby approved, adopted and confirmed by this City Council.

**SECTION 6.** That the maintenance of improvements contemplated by the Resolution of Intention shall be performed pursuant to law and the County of San Diego Auditor shall enter on the County of San Diego Assessment Roll the amount of the assessment and

**RESOLUTION NO. \_\_\_\_\_**

said assessment shall then be collected at the same time and in the same manner as the County taxes are collected. After collection by the County of San Diego, the net amount of the assessment shall be paid to the Director of Finance of said City.

**SECTION 7.** That the Director of Finance has established a special fund known as the **SANTEE ROADWAY LIGHTING DISTRICT** into which the Director of Finance shall place all monies collected by the County of San Diego Tax Collector pursuant to the provisions of this Resolution and Law, and said transfer shall be accomplished as soon as said monies have been made available to said Director of Finance.

**SECTION 8.** That the City Clerk is hereby ordered and directed to file a certified copy of the assessment diagram and assessment roll with the County of San Diego Auditor, together with a certified copy of this Resolution upon its adoption.

**SECTION 9.** That a certified copy of the assessment diagram and assessment roll shall be filed in the office of the Director of Finance, with a duplicate copy on file in the office of the City Clerk and open for public inspection.

**ADOPTED** by the City Council of the City of Santee, California, at a regular meeting thereof held this 13<sup>th</sup> day of July, 2016, by the following roll call vote to wit:

**AYES:**

**NOES:**

**ABSENT:**

**APPROVED:**

\_\_\_\_\_  
**RANDY VOEPEL, MAYOR**

**ATTEST:**

\_\_\_\_\_  
**PATSY BELL, CMC, CITY CLERK**



*Fiscal Year 2016-17 Final Engineer's Report*



**City of Santee**

**Santee Roadway Lighting District**

Prepared for:



July 2016



## Table of Contents

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### Sections

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Section 1.	Plans and Specifications	1
Section 2.	Cost Estimate	3
Section 3.	Assessment Diagram	4
Section 4.	Method of Assessment	5
Section 5.	Proposed Assessments	8

### Appendices

Appendix A.	Final Assessment Roll
Appendix B.	Land Use Factors
Appendix C.	Resolution of Initiation

**i. Engineer's Statement**

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AGENCY: CITY OF SANTEE  
PROJECT: SANTEE ROADWAY LIGHTING DISTRICT  
TO: CITY COUNCIL  
CITY OF SANTEE  
STATE OF CALIFORNIA

**REPORT PURSUANT TO "LANDSCAPING AND LIGHTING ACT OF 1972"**

Pursuant to direction from the City Council, submitted herewith is the Engineer's Report (the "Report"), consisting of the following parts, pursuant to the provisions of Division 15, Part 2 of the Streets and Highways Code of the State of California, being the "Landscape and Lighting Act of 1972," as amended, commencing with Section 22500, and which is in accordance with Resolution No. 043-2016 adopted by the City of Santee City Council, San Diego County, California ordering preparation of the Engineer's Report for Santee Roadway Lighting District (the "District"). This "Report" is applicable for the ensuing 12-month period, being the Fiscal Year commencing July 1, 2016 to June 30, 2017.

- SECTION 1** PLANS AND SPECIFICATIONS of the improvements to be maintained and/or improved for the Fiscal Year. The plans and specifications show and describe the existing improvements, and are sufficient in showing and describing the general nature, location and extent of the improvements.
- SECTION 2** A COST ESTIMATE of the improvements to be maintained and/or improved for the mentioned Fiscal Year.
- SECTION 3** ASSESSMENT DIAGRAM showing the boundaries of the Assessment District on file with the City Clerk in the format required under the provision of the Act.
- SECTION 4** A METHOD OF ASSESSMENT APPORTIONMENT showing the proportionate amount of the assessment to be charged in proportion to the benefits to be received by each lot or parcel within the boundaries of the District.
- SECTION 5** PROPOSED ASSESSMENTS contains the total costs and expense of the proposed improvements for Fiscal Year 2016-17 upon each parcel of land within said District, in proportion to the estimated benefits to be received by such parcels from said improvements, is set forth upon the assessment roll filed herewith and made a part hereof.

i. Engineer's Statement \_\_\_\_\_

Executed this 27<sup>th</sup> day of June 2016.



ALBERT A. WEBB ASSOCIATES

Matthew E. Webb

MATTHEW E. WEBB  
PROFESSIONAL CIVIL ENGINEER NO. 37385  
ENGINEER OF WORK  
CITY OF SANTEE  
STATE OF CALIFORNIA

Final approval, confirmation and levy of the annual assessment and all matters in the Engineer's Report were made on the \_\_\_\_\_ day of \_\_\_\_\_ 2016, by adoption of Resolution No. \_\_\_\_\_ By City Council.

\_\_\_\_\_  
CITY CLERK  
CITY OF SANTEE  
STATE OF CALIFORNIA

A copy of the Assessment Roll and Engineer's Report were filed in the City Clerk's Office on the \_\_\_\_\_ day of \_\_\_\_\_, 2016.

\_\_\_\_\_  
CITY CLERK  
CITY OF SANTEE  
STATE OF CALIFORNIA

i. Engineer's Statement

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WHEREAS, on May 11, 2016, a Resolution of the City Council of the City of Santee, California, Initiating Proceedings and Ordering the Preparation of an Engineer's Report for the FY 2016-17 Santee Roadway Lighting District Annual Levy of Assessments was adopted;

WHEREAS, the Resolution Initiating Proceedings for the Annual Levy of Assessments and Ordering the Preparation of an Engineer's Report directed Albert A. Webb Associates, to prepare and file a report presenting plans and specifications describing the general nature, location and extent of the improvements to be maintained, an estimate of the costs of the maintenance, operations and servicing of the improvements for the City of Santee Roadway Lighting District for the referenced Fiscal Year, a diagram for the District showing the area and properties to be assessed, and an assessment of the estimated costs of the maintenance, operations and servicing the improvements, assessing the net amount upon all assessable lots and-or parcels within the District in proportion to the special benefit received;

WHEREAS, on May 25, 2016, the City Council of the City of Santee, State of California, under the Landscaping and Lighting Act of 1972, having adopted its Resolution of Intention for the Annual Levy of Assessments declaring its intention to levy assessments for the Santee Roadway Lighting District and provide notice of the public hearing;

NOW THEREFORE, the following assessment is made to cover the portion of the estimated costs of maintenance, operation and servicing of said improvements to be paid by the assessable real property within the District in proportion to the special benefit received:

**SUMMARY OF ASSESSMENT BY ZONE**

Zones	Fiscal Year 2016-17
Zone A	\$0
Zone B	\$332,286
<b>Total</b>	<b>\$332,286</b>

## 1. Plans and Specifications

---

The City of Santee (the "City") formed the Santee Roadway Lighting District (the "District") on May 24, 1982. The District is an Assessment District formed for the purpose of installing, operating, and maintaining public lighting facilities within the City. The boundaries of the District are coterminous with the boundaries of the City.

### Description of the Boundaries of Santee Roadway Lighting District

As originally formed, the District contains two zones of benefit with the following designations: one zone containing the major streets with streetlights of both general benefit and local benefit ("Zone A"); and one zone containing all the street lights of local benefit ("Zone B").

**ZONE A:** Properties located within Zone A are located in those areas of the City in which the major roadways (e.g. arterial roads) are located. Within Zone A, there are five major roadway classifications (listed in Section 4 of this report) with street lights of both general benefit and local benefit. No assessment is proposed for Zone A for the general benefit portion of the costs of street light operation and maintenance as this benefit is financed by ad valorem taxes. The local benefit attributable from Zone A streetlights have been included with the Zone B costs and include all streetlights along streets classified by the City of Santee General Plan as prime arterial, major arterials, parkways, collectors, and industrials. A description of the Zone A streets is shown on the following pages.

**ZONE B:** Properties located within Zone B are presently served by street lights of local benefit. There is a portion of Zone B benefit attributable to Zone A streetlights. Zone B consists of all parcels that have street lighting on the block (including intersections) of the street to which the parcel has frontage. These streets include not only local streets, but also include collectors, parkways, prime arterials, major arterials, residential collectors and industrial streets. This local lighting is of benefit as it increases property protection, personal safety, visibility, traffic safety, and specifically enhances those areas fronting upon the illuminated streets. Prior to the passage of Proposition 218, the citizens of the City voted to establish the maximum assessment at \$16.00 per benefit unit.

The areas in Zones A and B that contain the existing street lighting system consists of lights owned by both San Diego Gas and Electric Company and the District.

### Description of Improvements and Services for Santee Roadway Lighting District

The improvements include the construction, operation, maintenance and servicing of all Street Lighting within the District.

### District Financing

The City has two sources of revenue to pay for the costs associated with streetlights within the City boundaries. The streetlights of local benefit are funded through the Assessment District; the streetlights of general benefit are funded through the ad valorem property tax collected on all properties throughout the City. Prior to the passage of Proposition 13, an ad valorem tax was established designating property tax revenues for the installation, operation, and maintenance of streetlights including funding the expenses of public streetlights within the City of Santee.

The general benefit portions of the lights in Zone A are financed from ad valorem tax revenues is estimated at \$268,860. The local benefit portions of lights in Zone B are financed from a benefit assessment of \$332,286. As in prior years, for Fiscal Year 2016-17 no benefit assessment will be levied for the general benefit portion of Zone A street lighting. The ad valorem taxes for Zone A are estimated to increase by 3.00% from the prior Fiscal Year based on a corresponding anticipated increase in assessed valuation.

## 1. Plans and Specifications

---

It is recommended that the Zone B street lighting benefit assessment for a single family home be \$14.06 per year; i.e., one (1) Benefit Unit equals \$14.06 for Fiscal Year 2016-17. The benefit assessment is the same as assessed for the prior Fiscal Year and is in accordance with the original assessment methodology. A detailed listing of these costs is included in Section 2 of this report.

## 2. Cost Estimate

The cost of servicing, maintaining, repairing and replacing the actual improvements as described in the Plans and Specifications are summarized as follows:

### Zone A and Zone B Budget

Description	Zone A	Zone B <sup>(1)</sup>	Fiscal Year 2016-17 Total
<b>Estimated Revenue</b>			
Property Tax	\$268,860	\$0	\$268,860
Assessment	\$0	\$332,286	\$332,286
Investment Income	\$3,500	\$3,500	\$7,000
<b>Total Estimated Revenue</b>	<b>\$272,360</b>	<b>\$335,786</b>	<b>\$608,146</b>
<b>Estimated Expenditures</b>			
Gas and Electricity	\$104,500	\$297,000	\$401,500
Repairs and Maintenance	\$30,000	\$40,000	\$70,000
Administration	\$0	\$5,540	\$5,540
Advertising	\$0	\$500	\$500
Debt Service Principal	\$0	\$7,110	\$7,110
Internal Services Charges	\$10,000	\$5,000	\$15,000
<b>Total Estimated Expenditures</b>	<b>\$144,500</b>	<b>\$355,150</b>	<b>\$499,650</b>
Increase (decrease) in Reserves	\$127,860	(\$19,364)	\$108,496
Beginning of Year Reserves	\$592,883	\$491,344	\$1,084,227
<b>Total End of Year Reserves</b>	<b>\$720,743</b>	<b>\$471,980</b>	<b>\$1,192,723</b>
End of Year Operation Reserves	\$144,500	\$355,094	\$499,594
End of Year Capital Improvements Reserves <sup>(2)</sup>	\$576,243	\$116,886	\$693,129
<b>Total End of Year Reserve Allocation</b>	<b>\$720,743</b>	<b>\$471,980</b>	<b>\$1,192,723</b>

<sup>(1)</sup> Zone B Costs/Benefit includes a portion of the Zone A costs attributable to local benefit derived from Zone A lights.

<sup>(2)</sup> The City additionally maintains Capital Improvements reserves that are to be used for a future City-wide luminaire replacement program as well as for the installation of new lights.

**RESERVES:** The City maintains Operating Reserves for the replacement of failing street lights and as a contingency for regular maintenance and operations. Reserves are available in case of emergencies and would only be used when normal funds are depleted.

### 3. Assessment Diagram

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#### **Boundary Map**

An Assessment Diagram for Santee Roadway Lighting District has been submitted to and is on file with the City Clerk in the format required under the provision of the Act.

#### 4. Method of Assessment

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##### Proposition 218 Compliance

On November 5, 1996, California voters approved Proposition 218, the so-called "Right to Vote on Taxes Act." Proposition 218 amended the California Constitution by adding Articles XIII C and XIII D ("Article XIII D"), which affect the ability of local governments to levy and collect existing and future taxes, assessments, and property-related fees and charges. Article XIII D, Section 4 established new majority ballot protest procedural requirements for levying any new or increasing any existing assessments and placed substantive limitations on the use of the revenues collected from assessments. Pursuant to Article XIII D, section 5, however, any assessment existing on November 6, 1996 that falls within one of four exceptions is exempt from these majority ballot protest procedures. The four exceptions are as follows:

- 1) Any assessment imposed exclusively to finance the capital costs or maintenance and operation expenses for sidewalks, streets, sewers, water, flood control, drainage systems, or vector control. Subsequent increases in such assessments shall be subject to the procedures and approval process set forth in Section 4.
- 2) Any assessment imposed pursuant to a petition signed by the persons owning all of the parcels subject to the assessment at the time the assessment is initially imposed. Subsequent increases in such assessments shall be subject to the procedures and approval process set forth in Section 4.
- 3) Any assessment the proceeds of which are exclusively used to repay bonded indebtedness of which the failure to pay would violate the Contract Impairment Clause of the Constitution of the United States.
- 4) Any assessment that previously received majority voter approval from the voters voting in an election on the issue of the assessment. Subsequent increases in those assessments shall be subject to the procedures and approval process set forth in Section 4.

In *Howard Jarvis Taxpayers Association v. City of Riverside*, 73 Cal. App. 4th 679, 685-86 (1999), the court of appeal concluded that streetlights fall within the definition of "streets" for purposes of Article XIII D, Section 5(a), which exempts an assessment imposed solely for "street purposes."

As previously noted, the District was formed in 1982, prior to the adoption of Proposition 218, and assessments are imposed for the purpose of operating and maintaining streetlights. Pursuant Government Code Section 53753.5, because the assessments levied within the District fall within the first exception identified above, the assessments imposed within the District are not subject to the procedural and substantive requirements of Article XIII D, Section 4 in subsequent fiscal years unless: (1) the assessment methodology is changed to increase the assessment; or (2) the amount of the assessments are proposed to exceed an assessment formula or range of assessments adopted by the City in accordance with Article XIII D, Section 4 or Government Code Section 53753.

Here, the City is not proposing to change the assessment methodology and the assessments are not proposed to exceed the assessment formula or range of assessment as adopted by the City prior to November 6, 1996. Based on the forgoing, the assessments to be imposed in Fiscal Year 2016-17 are not subject to Article XIII D, Section 4.

## 4. Method of Assessment

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### Method of Apportionment and Special Benefit

As previously stated, the District was formed in 1982 for the purpose of installing, operating, and maintaining public lighting facilities within the City of Santee. The benefit charge formula established the amount of the estimated assessment on each lot or parcel of land in the District in proportion to the estimated benefit to be received by each such lot or parcel of land from the use of the streets and their appurtenances, such as street lights. An evaluation of the major roadways consistent with the method of apportionment of the District was conducted to determine the portion of general and local benefit conferred on real property within the City. Each lot or parcel of land in the District has been determined to have a specific land use by the City of Santee Department of Development Services. The use or benefit of a public street is best determined by the use of the land adjacent to the public street. Each type of actual land use was assigned a land use factor derived from trip generation rates, developed by the Transportation Planning Division of the City of San Diego's Planning Department. These factors are based on a compilation of trip generation studies done in San Diego and other Western U.S. locations. Please refer to Appendix B for the assigned land use factors.

Previously, the streetlights were split into Zones with streetlights being designated as either general benefit or local benefit. However, the majority of streetlights provide both general and local benefit. Therefore, based on the results of a recently completed traffic study on file with the City of Santee Department of Development Services, the percent of local benefit is estimated by taking the percent of "local ADT" of the measured ADT. All properties within the District are being assessed the estimated benefit received from the public lighting facilities within the City of Santee.

The streetlights along major roadways provide both general and local benefit. Based on the City's General Plan Circulation Element, the streets below have been classified as prime arterials, collectors, major arterials, parkways, or industrial.

#### Prime Arterials

1. Mission Gorge Road
2. Magnolia Avenue

#### Major Arterials

1. Mission Gorge Road
2. Woodside Avenue
3. Mast Boulevard
4. Prospect Avenue
5. Carlton Hills Boulevard
6. Cuyamaca Street
7. Magnolia Avenue

#### Parkways

1. Woodside Avenue
2. Town Center Parkway
3. Riverview Parkway
4. Cottonwood Avenue
5. Fanita Parkway

#### Industrial

1. Railroad Avenue
2. Buena Vista Avenue
3. Pathway Street
4. Hartley Road
5. Isaac Street
6. Abraham Way
7. Wheatlands Avenue
8. Wheatlands Court
9. Wheatlands Road

#### Collectors

1. Fanita Parkway
2. Fanita Drive
3. W. Hills Parkway
4. Carlton Oaks Drive
5. Halberns Boulevard
6. El Nopal
7. Mesa Road
8. Prospect Avenue
9. Olive Lane
10. Buena Vista Avenue
11. Cottonwood Avenue
12. Graves Avenue
13. Carlton Hills Boulevard

#### 4. Method of Assessment

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##### Local and General Benefit for Each Roadway Classification

Road Classification	% Local Benefit	% General Benefit
Prime	23%	77%
Major	25%	75%
Parkway	55%	45%
Collector	29%	71%
Industrial	92%	8%

Each property subject to the District assessment is assigned a land use factor. The land use factor is multiplied by the number of dwelling units for parcels classified as residential, or the number of acres for other land use classifications. The product of this multiplication is the number of benefit units for each lot or parcel of land to be assessed. The sum of all the benefit units for each of the lots or parcels of land in each zone is divided into the total amounts to be generated by assessments (\$0 proposed for Zone A and \$332,286 proposed for Zone B) to arrive at the amount assessed to each benefit unit. The amount per benefit unit is then multiplied by the number of benefit units for each of the lots or parcels of land to establish the benefit charge for that lot or parcel of land.

This local lighting is of benefit to abutting parcels as it provides increased property protection, personal safety, visibility, traffic safety, and specifically enhances those areas fronting upon the illuminated street, in addition to providing the appearance of a progressive and illuminated city.

The recommended assessment this year is \$14.06 per Benefit Unit for parcels in Zone B. The benefit assessment is the same as assessed for the prior Fiscal Year and is in accordance with the original assessment methodology. The latest Assessor's information related to parcel size and parcel number (available in mid-July 2016) will be used to determine the final assessment.

##### Land Use Factors

1. Each parcel of land in the lighting district was determined to have a specific land use by the City of Santee Department of Development Services.
2. Each type of land use was assigned a land use factor determined by trip generation rates by land use as they relate to a single family residential land use. The trip generation rates by land use were prepared by the City of San Diego Transportation, Planning Division and are a compilation of trip generation studies done in San Diego and other western U.S. locations.
3. If a land use was not included in the study, the City of Santee Department of Development Services made a determination as to its probable trip generation compared to single family residential and assigned a land use factor on that basis.
4. Single family residential land use was assigned a land use factor of 1.0, notwithstanding its size. The theory is that all single family residences, notwithstanding parcel size, generate approximately the same number of trips, and therefore, receive the same benefit from the use of the streets, and their appurtenances such as street lights.
5. Determination of the land use factors other than single family residential are based upon the average number of trips generated per acre or per dwelling unit for a specific land use divided by the average number of trips generated per acre or per dwelling unit for a single family residential dwelling.

A complete listing of these land use factors can be found in Appendix B.

## 5. Proposed Assessments

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The actual assessment and the amount of the assessment for the Fiscal Year 2016-17 apportioned to each parcel as shown on the latest equalized roll at the County Assessor's office are listed in Appendix A of this Report. The description of each lot or parcel is part of the records of the County of San Diego Assessor's Office and such records are, by reference, made part of this Report.

**APPENDIX A**

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**Final Assessment Roll**

**APPENDIX A**

**Fiscal Year 2016-17 Final Assessment Roll  
Roadway Lighting District  
(Under Separate Cover)**

**APPENDIX B**

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**Land Use Factors**

# CITY OF SANTEE

## LAND USE FACTORS / LAND USE CODES

LAND USE			LAND USE		
<u>FACTOR</u>	<u>CODE</u>	<u>DESCRIPTION</u>	<u>FACTOR</u>	<u>CODE</u>	<u>DESCRIPTION</u>
0.0	00	Unzoned	1.0	46	Small automotive garages
0.1	07	Timeshare	2.0	47	Industrial condominiums
0.0	09	Mobilehome (Force)	2.0	49	Special/misc. industrial
0.0	10	Vacant Residential	0.0	50	Vacant irrigated
1.0	11	Single Family Residence	0.1	51	Citrus
1.0	12	Duplex or Double	0.1	52	Avocados
1.0	13	Residential 2-4 Units/2 Houses	0.2	53	Vines
1.0	14	Residential 5-15 Units	0.1	54	Miscellaneous trees
1.0	15	Residential 16-60 Units	0.1	55	Livestock
1.0	16	Residential 61 units and up	0.1	56	Poultry
1.0	17	Condominium	0.1	57	Misc. irrigated crops
1.0	18	Co-op	0.1	58	Growing houses
1.0	19	Miscellaneous residential	0.1	59	Special/misc. irrigated
0.0	20	Vacant commercial	0.1	61	Non-irrigated 1-10 Ac.
10.0	21	1-3 story misc. store buildings	0.1	62	Non-irrigated 11-40 Ac.
10.0	22	4 story & up office/store buildings	0.1	63	Non-irrigated 41-160 Ac.
14.0	23	Regional shopping center	0.1	64	Non-irrigated 161-360 Ac.
22.0	24	Community shopping center	0.1	65	Non-irrigated 361 Ac. & up
33.0	25	Neighborhood shopping center	0.0	70	Vacant Institutional
22.0	26	Hotel, motel	2.0	71	Church
33.0	27	Service station	1.0	72	Church parking/related
25.0	28	Medical, dental, animal hospital	0.1	73	Cemetery
6.0	29	Conv. Hospital, rest home	0.1	74	Mausoleum
10.0	30	Office condominiums	0.1	75	Mortuary
22.0	31	Parking lot, garage, used car lot	1.0	76	Public building (fire, school, library)
0.5	32	Trailer park (Force # spaces)	6.0	77	Hospital
22.0	33	Theater	1.0	79	Special/misc. institutional
22.0	34	Bowling alley	0.0	80	Vacant recreational
22.0	35	Restaurant	2.0	81	Meeting hall, gym
22.0	36	Car wash	0.2	82	Golf course
22.0	37	Large chain grocery/drug store	0.4	83	Marina, dock
11.0	38	Auto sales & service agency	1.0	84	Recreational camps
11.0	39	Misc. commercial, radio station, bank, et al	0.0	85	Non-tax recreational
0.0	40	Vacant industrial	0.0	86	Open space easements
1.0	41	Factory - light manufacturing	0.1	87	Agr. preserve (no contract)
3.0	42	Factory - heavy manufacturing	0.1	88	Agr. preserve (contract)
2.0	43	Warehouse - process or storage	1.0	89	Special/misc. recreational
2.0	44	Bulk Storage (tanks, etc.)	0.0	90	Vacant taxable government property
3.0	45	Extractive & Mining	1.0	91	Improved taxable government property

**APPENDIX C**

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**Resolution of Initiation**



**RESOLUTION NO. 043-2016**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA,  
INITIATING PROCEEDINGS AND ORDERING THE PREPARATION OF AN  
ENGINEER'S REPORT FOR THE FY 2016-17  
SANTEE ROADWAY LIGHTING DISTRICT  
ANNUAL LEVY OF ASSESSMENTS**

**WHEREAS**, the City Council of the City of Santee desires to initiate proceedings for the annual levy of assessments for a lighting district pursuant to the terms and provisions of the "Landscaping and Lighting Act of 1972", being Division 15, Part 2 of the Streets and Highways Code of the State of California, Article XIII D of the California Constitution, and the Proposition 218 Omnibus Implementation Act (commencing with California Government Code Section 53750) (collectively the "Law"), in what is known and designated as: **SANTEE ROADWAY LIGHTING DISTRICT** ("District"); and

**WHEREAS**, these proceedings for the annual levy of assessments shall relate to the fiscal year commencing July 1, 2016; and

**WHEREAS**, there has been submitted to this City Council for its consideration at this time, a map showing the boundaries of the areas of assessment for the above referenced fiscal year, said map showing and further describing in general the areas of the improvements proposed to be maintained in said District, said description being sufficient to identify the areas proposed to be assessed for said maintenance thereof; and

**WHEREAS**, it is estimated that 30 new lights will be added within the District in FY 2016-17; and

**WHEREAS**, the Law requires a written report, consisting of: plans and specifications of the area of the improvements to be maintained; an estimate of the costs for maintaining the improvements, including incidental expenses in connection therewith; a diagram of the areas proposed to be assessed; and a parcel-by-parcel listing of the assessments of the estimated costs for maintaining the improvements in proportion to the special benefits to be conferred on such parcels.

**NOW, THEREFORE BE IT RESOLVED** by the City Council of the City of Santee, California:

**SECTION 1.** That the above recitals are all true and correct.

**SECTION 2.** That the map entitled **SANTEE ROADWAY LIGHTING DISTRICT**, as submitted to this City Council, showing the boundaries of the proposed area to be assessed and the areas of the improvements to be maintained, is hereby approved, and a copy thereof shall be on file in the Office of the City Clerk and open to public inspection. The proposed parcels and properties within said areas are those to be assessed to pay certain costs and expenses for said maintenance.

**RESOLUTION NO. 043-2016**

**SECTION 3.** That the maintenance work within the areas proposed to be assessed shall be the maintenance or servicing, or both, of any facilities that are appurtenant to any of the foregoing or which are necessary or convenient for the maintenance or servicing thereof in accordance with the Law.

**SECTION 4.** That the Director of Finance is hereby ordered to cause to be prepared and to file with this City Council, the Report relating to said annual assessment and levy in accordance with the provisions of the Law.

**SECTION 5.** That upon completion, said Report shall be filed with the City Clerk, who shall then provide all notices required by law regarding the intent to approve assessments and hold a public hearing and submit the report to this City Council for its consideration pursuant to sections 22623 and 22624 of the streets and highways code.

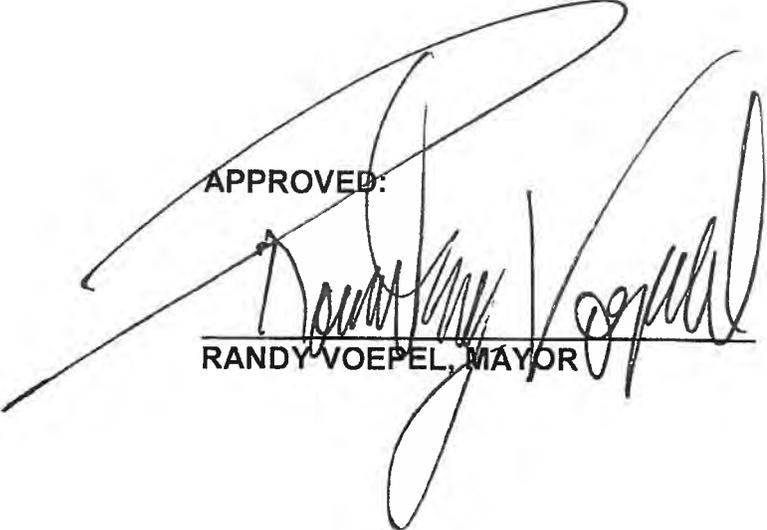
**ADOPTED** by the City Council of the City of Santee, California, at a Regular Meeting thereof held this 11<sup>th</sup> day of May, 2016 by the following roll call vote to wit:

**AYES: DALE, HALL, MCNELIS, MINTO, VOEPEL**

**NOES: NONE**

**ABSENT: NONE**

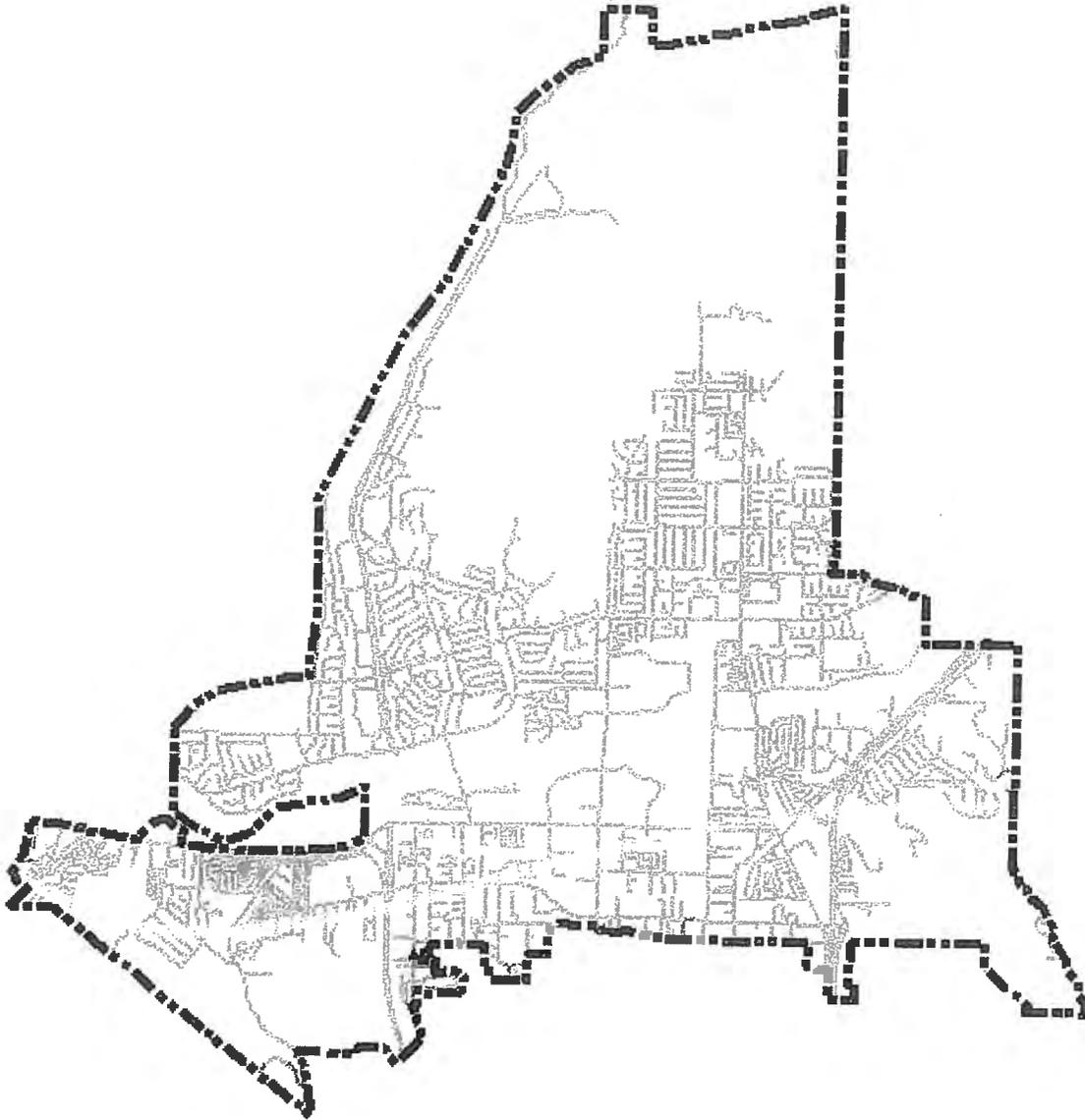
**APPROVED:**

  
**RANDY VOEPEL, MAYOR**

**ATTEST:**

  
**PATSY BELL, CMC, CITY CLERK**

EXHIBIT A: Vicinity Map



City of Santee  
Vicinity Map

Santee Roadway Lighting District



No Scale

A L B E R T A .

**WEBB**

A S S O C I A T E S

**Corporate Headquarters**

3788 McCray Street  
Riverside, CA 92506  
951.686.1070

**Palm Desert Office**

36-951 Cook Street #103  
Palm Desert, CA 92211  
760.568.5005

**Murrieta Office**

41391 Kalmia Street #320  
Murrieta, CA 92562  
951.686.1070





**A. SITUATION AND FACTS**

1. Requested by ..... Verizon Wireless
2. Land Owner ..... Padre Dam Municipal Water District (PDMWD)
3. Type and Purpose of Request ..... Conditional Use Permit for a free-standing wireless communications facility.
4. Location ..... 9300 Fanita Parkway
5. Site Area ..... 29.94 acres
6. Number of lots ..... 1
7. Hillside Overlay ..... No
8. Existing Zoning ..... P/OS (Park/Open Space)
9. Surrounding Zoning ..... North: P/OS (Park/Open Space)  
South: P/OS (Park/Open Space)  
East: R-2 (Low-Medium Density Residential)  
West: P/OS (Park/Open Space)
10. General Plan Designation ..... PUB (Public)
11. Existing Land Use ..... Office and recreational lake
12. Surrounding Land Use ..... North: Recreational lake  
South: PDMWD parking lot and Fire Station No. 5  
East: Residential  
West: Open space
13. Terrain ..... Flat, previously developed site
14. Environmental Status ..... The project was determined to be Categorically Exempt from the California Environmental Quality Act (CEQA) under Class 1 (Existing Facilities) Section 15301, Class 2 (Replacement or Reconstruction) Section 15302, and Class 3 (New Construction or Conversion of Small Structures), Section 15303 of the CEQA Guidelines
15. APN ..... 380-031-25-00
16. Within Airport Influence Area ..... The project is within Airport Influence Area 2 which requires overflight notification for new residential projects only. No notification is required for this wireless communications facility.

## **B. BACKGROUND**

### **Existing Conditions**

The project is proposed on a 29.94-acre site that is developed with the Padre Dam Municipal Water District ("District") maintenance and operations center which includes office buildings, storage buildings, and fleet vehicle, employee and customer parking. In addition, the site contains Santee Lake No. 1. The Santee Lakes are located to the north and single-family residences across Fanita Parkway are located to the east. The District's parking lot and the City's Fire Station No. 5 are located immediately to the south and a multiple-family condominium development is located beyond, across Carlton Oaks Drive. Single-family residences are located to the west beyond the open space areas adjacent to the site. The wireless communications facility is proposed within an existing landscape planter near the southeast driveway entrance to the District's main office building.

Verizon Wireless received approval for Development Review Permit (DR04-02) in 2004 to add façade mounted antennas on an existing public sewer digester tank located within the District's maintenance yard. The approval also included associated equipment within a 420 square-foot enclosure. Due to improvements to the District's maintenance yard, the wireless communications facility had to be relocated. After lease negotiations with the District were completed, Verizon Wireless received approval from the City to place a temporary green monopole with antennas in an existing parking lot.

### **Entitlement Requirements**

Chapter 17.34 of the Santee Municipal Code (SMC) provides guidance on the placement and design of wireless communications facilities within the City. Per Section 17.34.090 of the SMC, the proposed tower structure requires approval of a Conditional Use Permit (CUP) in all zoning districts. The site is located in the Park/Open Space (P/OS) zone.

Within the P/OS zone, height limitations and setbacks shall be determined on a site-by-site basis and consideration shall be given to surrounding development in order to blend and remain consistent with the area. The proposed use must also be compatible with on-site and off-site neighboring uses.

## **C. PROJECT DESCRIPTION**

### **Overview**

Verizon Wireless proposes the construction of a telecommunications facility located within an existing planter near the driveway entrance to the District's office building. The proposed wireless communications facility consists of a 40-foot high clock tower concealing twelve (12), six (6) foot high antennas and twelve (12) remote radio units including equipment cabinets and ancillary equipment at the base of the tower within a 212 square-foot equipment enclosure.

The proposed facility will replace the existing temporary wireless communications facility with one designed to “hide” the equipment. Included in the stealth design are operating clock faces on all four sides, approximately 28 to 30 feet above ground. The clocks would be operated and maintained by Verizon Wireless.

The facility would be required to operate within the Maximum Permissible Exposure (MPE) limits regulated by the Federal Communications Commission public health standards as stated in the Radio Frequency Exposure Assessment Report prepared by Dtech Communications (dated May 5, 2016).

### **Architecture and Finishes**

The proposed clock tower is designed to be architecturally compatible with the existing PDMWD office building and Santee Station No. 5. These surrounding buildings reflect a Mediterranean style with stucco walls, stone accents, and tile roof. The proposed tower consists of a square base that tapers with height and is topped with a pyramid hip roof. The structures exterior would be finished with non-reflective materials including stucco and stacked faux stone. The stucco would be painted with custom mixtures for a medium yellow sand texture. Wrapping each corner of the clock tower are faux stone columns 27 feet high. The tower would be topped with a lightweight concrete tile roof for a total height of 40 feet.

## **D. ANALYSIS**

### **General Plan/Zoning Consistency**

The Santee General Plan Public (PUB) land use designation provides for a wide range of uses. The proposed wireless communications facility is an accessory use to the developed site.

The Santee Zoning Ordinance allows wireless communications facilities in the P/OS zone with approval of a Conditional Use Permit. Development within the P/OS zone must blend with the surrounding properties and must comply with the development criteria including topography, water drainage, and biological significance. The facility is designed to blend and remain compatible with the surrounding development in the P/OS zone and the proposed project will not alter natural landform, drainage, or native vegetation.

### **Architectural Compatibility**

The existing District office building, located west of the proposed tower, is approximately 40 feet high and the building’s architecture reflects a Mediterranean style with stucco walls, stone accents, and tiled roof. Fire Station No. 5, located south of the proposed tower, is 32 feet high and also reflects a Mediterranean style. The proposed tower would be 40 feet high and, as designed to incorporate similar materials, would be architecturally compatible and in scale with surrounding buildings, consistent with Section 17.34.060 of the Municipal Code.

### **Land Use Compatibility**

On-site uses: The proposed wireless communications facility is an accessory use to the development site which includes the District's maintenance and operations center and Santee Lake No. 1. The proposed facility would replace the existing temporary Verizon Wireless facility located in the District's parking lot. No conflicts with on-site uses have been identified with this established use.

Adjacent uses: The tower would be set back 52 feet from the east property line, 200 feet from the south property line, and 100 feet from the edge of Lake 1. These setbacks represent sufficient visual separation from Fanita Parkway, the Fire Station and Lake 1, respectively. Specific to adjacent buildings, the proposed facility would be located 273 feet from residences to the east, 627 feet from residences to the south, and 1,030 feet from residences to the west. The nearest structure, a recreational gazebo to the north, would be roughly 1,200 feet away. The District's main office building would be 200 feet to the west of the tower, and Fire Station No.5 would be 347 feet to the south.

According to the Radio Frequency Exposure Assessment Report prepared by Dtech Communications (dated May 5, 2016), the facility would operate within the Maximum Permissible Exposure (MPE) limits regulated by the Federal Communications Commission Public Health Standards. The exposure levels at the antenna elevation extend 34 feet from the face of the antennas and there are no surrounding buildings within 35 feet.

The project is conditioned to restrict security lighting and prohibit illumination from the clocks. A generator is not included in this project; therefore noise impacts would be insignificant. Any changes to the project, including the addition of a generator, would require review from the Department of Development Services.

### **Impact Fees**

The proposed development would trigger drainage, traffic, and traffic signal fees. The current fees are estimated as follows:

Drainage -	\$ 239.15
Traffic -	\$1,600.67
Traffic Signal -	\$ 258.20

### **Federal Regulations**

The 1996 Telecommunications Act restricts local agencies from regulating the placement, construction, or modification of wireless communications facilities on the basis of the environmental effects of radio frequency transmissions as long as the facility meets Federal Communications Commission (FCC) regulations concerning such emissions (47 USC § 332).

Secondly, under recently adopted federal regulations, additional carriers may have

the right to collocate on the tower without any further City discretionary approval. However, these collocations would not be permitted to defeat the existing concealment elements of the tower. The regulations presume that an increase in the size of the tower by 20 feet in height or 20 feet in width is automatically permitted unless the City demonstrates the increased size would defeat the concealment elements. In the event the increased size would defeat concealment elements, any collocation would need to go through a discretionary permitting process.

#### **Environmental Status**

The project was determined to be Categorical Exempt from the California Environmental Quality Act (CEQA) under Class 1 (Existing Facilities) Section 15301, Class 2 (Replacement or Reconstruction) Section 15302, and Class 3 (New Construction or Conversion of Small Structures), Section 15303 of the CEQA Guidelines. The proposed communications facility will replace a Verizon Wireless communications facility that has been located on the development site since 2004. The project involves negligible expansion of an existing use and consists of small new equipment and facilities in small structures.

#### **E. STAFF RECOMMENDATION**

1. Conduct and close the public hearing
2. Find that Conditional Use Permit P2015-1 and approval of the Verizon Wireless Communications Facility is exempt from the California Environmental Quality Act pursuant to Class 1 (Existing Facilities) Section 15301, Class 2 (Replacement or Reconstruction) Section 15302, and Class 3 (New Construction or Conversion of Small Structures) Section 15303 of the CEQA Guidelines.
3. Approve Conditional Use Permit P2015-1 per the attached Resolution.

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA  
APPROVING CONDITIONAL USE PERMIT (P2015-1) FOR A WIRELESS  
COMMUNICATIONS FACILITY AT 9300 FANITA PARKWAY (PADRE DAM MUNICIPAL  
WATER DISTRICT OFFICES) LOCATED IN THE PARK/OPEN SPACE (P/OS) ZONE,  
AND FINDING THE PROJECT CATEGORICALLY EXEMPT UNDER THE CALIFORNIA  
ENVIRONMENTAL QUALITY ACT (CEQA) PURSUANT TO SECTIONS 15301, 15302,  
AND 15303 OF THE CEQA GUIDELINES**

**(APPLICANT: PLANCOM FOR VERIZON WIRELESS)  
(APN: 380-031-25)**

**WHEREAS**, the project site is developed with the Padre Dam Municipal Water District ("District") maintenance and operations center which includes office buildings, storage buildings, and fleet vehicle, employee and customer parking and Santee Lake 1; and

**WHEREAS**, in 2004, Development Review Permit DR04-02 was approved to allow a Verizon wireless communications facility, which included façade mounted antennas on an existing public sewer digester tank and an equipment enclosure, located within the District's maintenance yard; and

**WHEREAS**, in 2015 the public sewer digester tank was removed and Verizon Wireless received approval to temporarily relocate the communications facility within the District's parking lot; and

**WHEREAS**, on June 23, 2016, Verizon Wireless submitted a complete application for a Conditional Use Permit P2015-1, to establish a wireless communications facility at 9300 Fanita Parkway within a 40-foot high clock tower adjacent to the District's public entrance; and

**WHEREAS**, Section 17.34.090 of the Santee Municipal Code (SMC) requires approval of a Conditional Use Permit for freestanding wireless communications facilities in all zoning districts; and

**WHEREAS**, the project site is located within the P/OS (Park/Open Space) zone; and

**WHEREAS**, according to SMC 17.16.040, the development standards for the P/OS zone such as height limitations and setbacks shall be determined on a site-by-site basis; and

**WHEREAS**, the facility will operate within the Maximum Permissible Exposure (MPE) limits regulated by the Federal Communications Commission public health standards as stated in the Radio Frequency Exposure Assessment Report prepared by Dtech Communications (dated May 5, 2016); and

**WHEREAS**, the proposed project is exempt from the California Environmental Quality Act (CEQA) under Class 1 (Existing Facilities) Section 15301, Class 2 (Replacement or Reconstruction) Section 15302, and Class 3 (New Construction or Conversion of Small Structures), Section 15303 of the CEQA Guidelines; and

**RESOLUTION NO. \_\_\_\_\_**

**WHEREAS**, on July 13, 2016, the City Council held a duly advertised and noticed public hearing; and

**WHEREAS**, the City Council considered the staff report, all recommendations by staff, and all public testimony.

**NOW, THEREFORE, BE IT RESOLVED** by the City of Santee City Council, after considering the evidence presented at the public hearing, as follows:

**SECTION 1:** Conditional Use Permit P2015-1 is Categorically Exempt from the provisions of CEQA pursuant to Class 1 (Existing Facilities) Section 15301, Class 2 (Replacement or Reconstruction) Section 15302, and Class 3 (New Construction or Conversion of Small Structures), Section 15303 of the CEQA Guidelines. The communications facility replaces a Verizon Wireless communications facility that has been located on the project site since 2004. The project involves negligible expansion of an existing use and consists of small new equipment and facilities in small structures

**SECTION 2:** The findings in accordance with Section 17.06.030.E of the Santee Municipal Code for a Conditional Use Permit are made as follows:

- A. The use is in accord with the General Plan, the objectives of the Zoning Ordinance, and the purposes of the district in which the site is located. The proposed wireless communications facility is permitted in the Park/Open Space (P-OS) land use district with an approved Conditional Use Permit. Chapter 17.34, titled "Wireless Communication Facilities", provides standards for the siting and installation of wireless communication facilities and antennas. The facility, camouflaged as a clock tower, is architecturally compatible and in scale with the District's main office to the west and Fire Station No. 5 to the south, compliant with Section 17.34.060 of the Municipal Code.
- B. The use, as designed and conditioned, will not be detrimental to the public health, safety, or welfare or materially injurious to properties or improvements in the vicinity because 1) the project meets the applicable provisions of the Zoning Ordinance; 2) must comply with Federal Communications Commission (FCC) regulations regarding electromagnetic frequency transmissions; 3) the wireless communications facility will be fully enclosed within a clock tower structure consistent with stealth design; and 4) will not interfere with the City's emergency response network.
- C. The proposed use complies with each applicable provision of the Zoning Ordinance. The proposed tower is designed to blend with the surrounding development and is compatible with the setbacks and architecture of the District's office building and Fire Station No. 5, consistent with P/OS development standards.

**SECTION 3:** The Verizon Wireless application for Conditional Use Permit P2015-1, to establish a wireless communications facility at 9300 Fanita Parkway is hereby approved, subject to the following conditions:

- A. All construction shall be in substantial conformance with the approved project plans received June 29, 2016, as amended by this Resolution.
- B. Minor or Major Revisions to the Conditional Use Permit, such as changes to the building elevations, site design, or landscape design that affect the stealth design

**RESOLUTION NO. \_\_\_\_\_**

approved herein, shall be approved by the Director of Development Services, unless, in the Director's judgment, a Major Revision should be reviewed by the City Council.

- C. To meet FCC's Radio Frequency Safety Guidelines for workers, the applicant shall install information and warning signs at the antenna access points, gate entrances or climbing access points, consistent with recommendations of the Radio Frequency Exposure Assessment Report prepared by Dtech Communications (dated May 5, 2016).
- D. Following project approval, the applicant shall schedule with the City Project Planner a post approval meeting to discuss the project conditions of approval, timing of design and construction, and implementation of the project conditions. The meeting shall be scheduled within thirty days of project approval and prior to any plan submittals. The applicant should include the project design team including the project architect, their design engineer and their landscape architect.
- E. The applicant shall include provisions in their contract with their design consultants that following approval by the City, all construction drawings or technical reports accepted by the City, exclusive of architectural building plans, shall become the property of the City. Once accepted, these plans may be freely used, copied or distributed by the City to the public or other agencies, as the City may deem appropriate. A letter of acknowledgement of this requirement from each design consultant is required at the time of plan submittal. This letter shall be in a format acceptable to the City Engineer.
- F. The project shall comply with all applicable sections of the Municipal Code, Land Development Manual, and Public Works Standards of Santee.
- G. Prior to issuance of a Building Permit, the applicant shall complete the following to the satisfaction of the Director of Development Services:
  - 1. Obtain building permits for the proposed work in compliance with all applicable sections of the Municipal Code, Uniform Building Code, California Building Code, Uniform Plumbing Code, National Electric Code, Uniform Mechanical Code, Public Works Standards of the City of Santee and all requirements of the Fire Department.
  - 2. The applicant shall install RF (radio frequency) transparent clocks as shown on the plans. The final clock design shall be to the satisfaction of the Director of Development Services.
  - 3. Prior to issuance of a demolition permit or building permit, a Debris Management Plan Application shall be submitted to the Department of Development Services Planning Division for compliance with the Construction and Demolition Debris Recycling Ordinance.
  - 4. Landscape plans shall comply with SMC Chapter 17.36 and the City of Santee Water Efficient Landscape Ordinance.
  - 5. Landscaping that is damaged or removed due to the proposed construction of the communications facility and the addition of the technician access path shall be replaced to the satisfaction of the Director of Development Services in coordination with the Padre Dam Municipal Water District.

**RESOLUTION NO. \_\_\_\_\_**

6. The proposed technician access path shall be portland concrete cement per the Standard Specifications for Public Works Construction.
7. The new utility pedestal shall be screened with adequate landscaping per the landscape plan.
8. The clocks and tower shall not be illuminated to minimize light and glare. One security light over the access door is permitted at a height not to exceed 12 feet. All lighting to be downward facing in accordance with Section 17.10.050.F of the Santee Municipal Code.
9. The clocks shall remain operational at all times. Verizon Wireless shall repair malfunctioning clock(s) within 72 hours.
10. The applicant shall comply at all times with the following work hour requirements:
  - a. No site work, building construction, or related activities, including equipment mobilization will be permitted to start on the project prior to 7:00 am and all work for the day shall be completed by 7:00 pm, no exceptions.
  - b. No work is permitted on Sundays or City Holidays.
  - c. No deliveries, including equipment drop off and pick-up, shall be made to the project except between the hours of 8:00 am and 6:00 pm, Monday through Saturday, excluding Sundays and City Holidays. Deliveries of emergency supplies or equipment necessary to secure the site or protect the public are permitted.
  - d. If the applicant fails or is unable to enforce compliance with their contractors, subcontractors and material suppliers regarding the specified work hours, additional reduction of work hours may be imposed by the Department of Development Services.

In addition to the above, the applicant shall erect one or more signs stating the work hour restrictions. Signs shall be installed as many as may be required, in the vicinity of the project construction trailer if a job site trailer is used, or at such other locations as may be deemed appropriate by the Department of Development Services. The sign shall be a minimum of 24" x 36" and shall be weather proofed. The sign content shall be approved by the Director of Development Services.
11. The temporary wireless communications facility located in the District's parking lot shall be removed no later than 60 days after the building permit has been finalized and the parking lot shall be restored to its original condition.
12. Temporary or permanent signs on the clock tower are prohibited.
13. The installation of any back-up generators, if needed in the future, shall be subject to noise attenuation compliant with the noise thresholds at property line(s) stated in Chapter 8.12 of the Municipal Code.

**RESOLUTION NO. \_\_\_\_\_**

14. The GPS antennas located on the tower must be painted to match the tower structure.
15. An Encroachment Permit is required for any new equipment within the public right-of-way.
16. The applicant shall pay all development impact fees in effect at the time of issuance of building permits. At present, the fees are estimated to be as follows:
  - A. Drainage: \$239.15 (estimated) Calculated based on a fee rate of \$1,092/1,000 square feet of increased permeable area.
  - B. Traffic: \$1,600.67 Calculated based on a fee rate of \$7,309/1,000 square feet of building area.
  - C. Traffic Signal: \$258.20 Calculated based on a fee rate of \$1,179/1,000 square feet of building area.

Development Impact Fee amounts shall be calculated in accordance with current fee ordinances in effect at issuance of building permit. Fees shall be adjusted on an annual basis in accordance with the Municipal Code. The applicant shall provide site and building footage certified by their engineer of work to the Director of Development Services for approval for use in calculating the final fee amounts.

17. Provide three copies of a geotechnical study prepared in accordance with the Santee General Plan. All recommended measures identified in the approved study shall be incorporated into the project design. Copies of the Geotechnical/Seismic Hazard Study for the Safety Element of the Santee General Plan which details, in Table A-1, study criteria necessary to conform to the General Plan requirements, can be purchased from the Department of Development Services Engineering Division.
18. Provide three copies of a hydrology study and hydraulics analysis, prepared by a licensed California professional engineer, to determine the boundary and elevation of the floodway and floodplain for Sycamore Creek adjacent to the project in accordance with the Santee Flood Damage Prevention Ordinance.
19. Provide a revised site plan clearly identifying the above-mentioned limits, including 100-year water surface elevations within the project limits, and the first floor elevation plan of all proposed structures. A floodplain analysis for Fanita Lake (Fanita study), prepared by Rick Engineering, May 2007, as part of the Fanita Ranch Environmental Impact Report, studied in detail the flooding potential of Sycamore Creek. Elevations established by the Fanita study shall be the basis for limits of the floodway, 100-year floodplain, and 100-year water surface elevations.
20. Per the City of Santee Flood Damage Prevention Ordinance, the first floor elevation of non-residential construction is set a minimum of one-foot above the base flood elevation, or be flood proofed to the base flood elevation, as established by the base flood discharge rates.

RESOLUTION NO. \_\_\_\_\_

21. Include the following statement on the revised site plan:

**NON-RESIDENTIAL FLOOD STATEMENT**

I, \_\_\_\_\_, A REGISTERED CIVIL ENGINEER/LAND SURVEYOR HEREBY CERTIFY THAT (1) OR (2)

a. THE PAD ELEVATIONS SHOWN ON THIS AS-BUILT GRADING PLAN HAVE BEEN VERIFIED BY ME AND THAT SAID ELEVATIONS ARE A MINIMUM OF ONE FOOT ABOVE THE BASE FLOOD ELEVATION AS ESTABLISHED BY THE BASE FLOOD DISCHARGE RATES SET FORTH IN THE FLOOD DAMAGE PREVENTION ORDINANCE - CHAPTER 15.52 OF THE SANTEE MUNICIPAL CODE.

b. THE STRUCTURES ON THIS PROPERTY HAVE BEEN FLOOD PROOFED TO A MINIMUM OF ONE FOOT ABOVE THE BASE FLOOD ELEVATION AS ESTABLISHED BY THE BASE FLOOD DISCHARGE RATES SET FORTH IN THE FLOOD DAMAGE PREVENTION ORDINANCE - CHAPTER 15.52 OF THE SANTEE MUNICIPAL CODE.

SIGNED: \_\_\_\_\_ DATE \_\_\_\_\_  
REGISTRATION # XXXXX, MY REGISTRATION EXPIRES ON XX/XX/XX

22. All construction projects are required to demonstrate that minimum best management practices will be implemented for all phases of construction, refer to the City's Guidelines for Surface Water Pollution Prevention.

23. Battery sources are required to have a secondary containment area.

**SECTION 4:** The terms and conditions of this Conditional Use Permit (P2015-1) approval shall be binding upon the permittee and all persons, firms and corporations having an interest in the property subject to these permits and the heirs, executors, administrators, successors and assigns of each of them, including municipal corporations, public agencies and districts.

**SECTION 5:** The City of Santee Municipal Code, Chapter 1.14, provides for the issuance of Administrative citations for Municipal Code violations. Should non-compliance with said terms and conditions of this Conditional Use Permit or any violation of the Municipal Code that includes the City's Storm Water Ordinance, the City has the right to issue administrative citations containing an assessment of civil fines for each violation and collect administrative fines for violations.

**SECTION 6:** Pursuant to Government Code Section 66020, the 90-day approval period in which the applicant may protest the imposition of any fees, dedications, reservations, or exactions imposed pursuant to this approval, shall begin on July 13, 2016.

**SECTION 7:** The applicant shall defend, indemnify and hold harmless the City of Santee and its officers, employees and agents from any claim, action or proceeding against the City and/or its officers, employees or agents to attack, set aside, void, or annul the approval of the City of Santee concerning approval of Conditional Use Permit (P2015-1) or any action relating to or arising out of its approval.

**RESOLUTION NO. \_\_\_\_\_**

**SECTION 8:** This Conditional Use Permit (P2015-1) expires on July 13, 2019 at 5:00 p.m. unless substantial construction of the proposed use pursuant to this permit has taken place. If such construction not commenced within the three-year period, said permit may be extended pursuant to a request for extension received 60 days prior to the original expiration date. The City Council expressly grants to the Director of Development Services the authority to extend the expiration date of this approval pursuant to Section 17.04.090.B of the Santee Municipal Code, when a request for an extension is filed 60 days prior to the original expiration date.

**SECTION 9:** The City of Santee hereby notifies the applicant that State Law (SB1535) authorizes the County Clerk to collect a documentary handling fee for the processing of CEQA documents. In order to comply with State Law, the applicant should remit to the City of Santee Department of Development Services, within two (2) working days of the effective date of this approval (the "effective date" being the end of the appeal period, if applicable), a certified check payable to the "County Clerk" in the amount of \$ 50.00. The City of Santee shall file the Notice of Exemption with the County Clerk upon receipt of the certified check. Failure to remit the required fee in full within the time specified above will result in a delay of the start of the thirty-five (35) day statute of limitations on court challenges to the approval under CEQA.

**ADOPTED** by the City Council of the City of Santee, California, at a regular meeting thereof held this 13<sup>th</sup> day of July 2016, by the following roll call vote to wit:

**AYES:**

**NOES:**

**ABSENT:**

**APPROVED:**

\_\_\_\_\_  
**RANDY VOEPEL, MAYOR**

**ATTEST:**

\_\_\_\_\_  
**PATSY BELL, CMC, CITY CLERK**



CUP2015-1 Verizon Wireless

9300 Fanita Parkway









REV	DATE	DESCRIPTION	BY
1	08/15/18	ISSUE STATUS	DA
2	08/15/18	ISSUE STATUS	DA
3	08/15/18	ISSUE STATUS	DA
4	08/15/18	ISSUE STATUS	DA
5	08/15/18	ISSUE STATUS	DA
6	08/15/18	ISSUE STATUS	DA
7	08/15/18	ISSUE STATUS	DA
8	08/15/18	ISSUE STATUS	DA
9	08/15/18	ISSUE STATUS	DA
10	08/15/18	ISSUE STATUS	DA

**DA**  
 DESIGN ARCHITECTS  
 10000 SAND CANYON AVENUE, 01  
 RYAN, CA 92071  
 (951) 261-8877

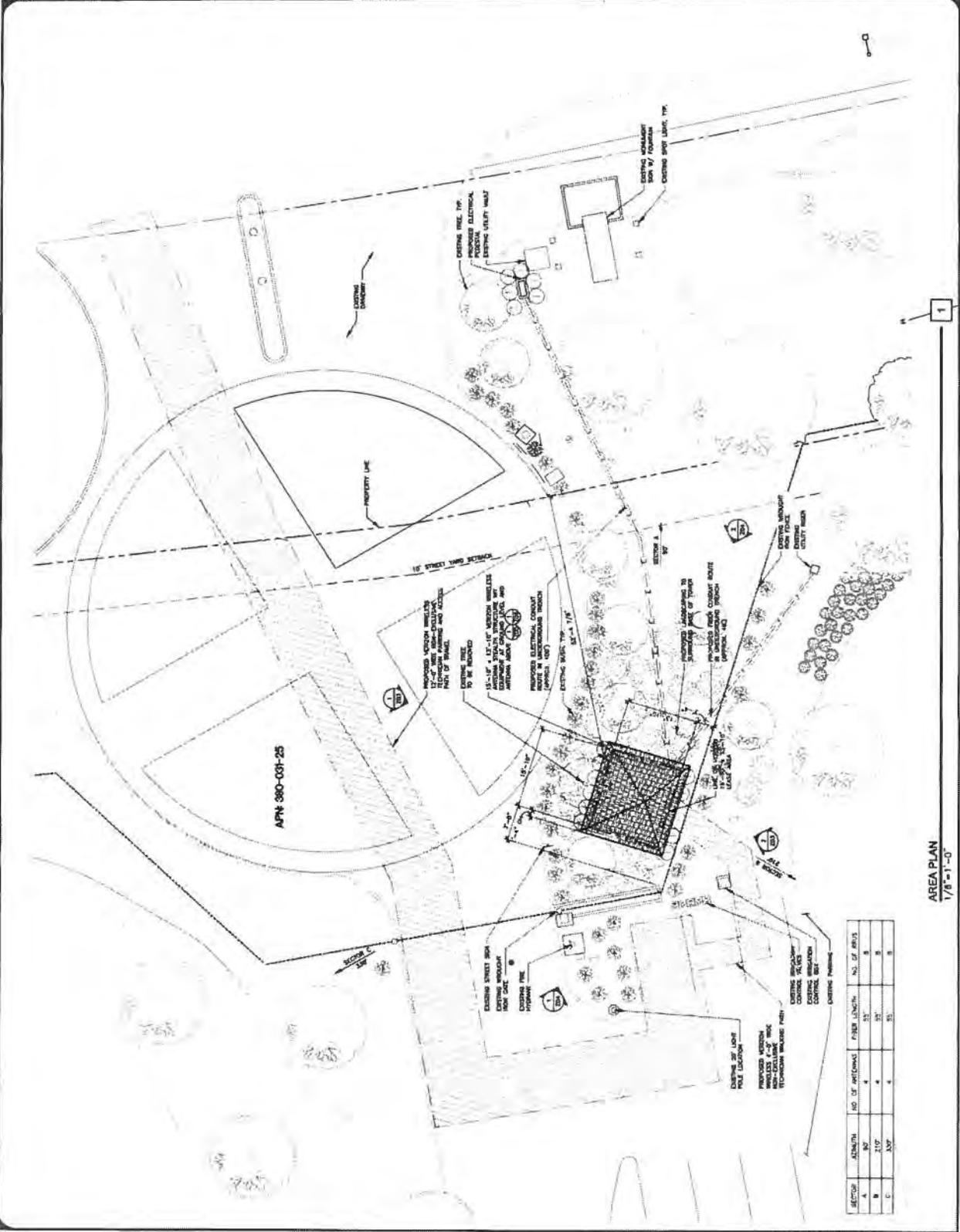
**PROPRIETARY INFORMATION**  
 THIS DOCUMENT IS THE PROPERTY OF DESIGN ARCHITECTS AND IS NOT TO BE REPRODUCED OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, INCLUDING PHOTOCOPYING, RECORDING, OR BY ANY INFORMATION STORAGE AND RETRIEVAL SYSTEM, WITHOUT THE WRITTEN PERMISSION OF DESIGN ARCHITECTS.

**Verizon**  
 15505 SAND CANYON AVENUE, 01  
 RYAN, CA 92071

9300 FANITA PARKWAY  
 SANTEE, CA 92071

**SANTEE LAKES (RELO)**

**Z02**  
 AREA PLAN  
 SHEET NUMBER 2 OF 2  
 SCALE: 1" = 30'



SECTION	AREA/NO.	NO. OF ARTISONS	FLOOR LENGTH	NO. OF UNITS
A	107	4	35'	8
B	210'	4	35'	8
C	107	4	35'	8

AREA PLAN  
 1/8" = 1'-0"



**ISSUE STATUS**

NO.	DATE	DESCRIPTION	BY
1	08/11/11	ISSUED FOR PERMITS	DA
2	08/11/11	ISSUED FOR PERMITS	DA
3	08/11/11	ISSUED FOR PERMITS	DA
4	08/11/11	ISSUED FOR PERMITS	DA
5	08/11/11	ISSUED FOR PERMITS	DA
6	08/11/11	ISSUED FOR PERMITS	DA
7	08/11/11	ISSUED FOR PERMITS	DA
8	08/11/11	ISSUED FOR PERMITS	DA
9	08/11/11	ISSUED FOR PERMITS	DA
10	08/11/11	ISSUED FOR PERMITS	DA

**DA**

DA DESIGN ARCHITECTS  
 15505 SAND CANYON AVENUE, D1  
 RIVE, CA 92518  
 TEL: 951.261.0117

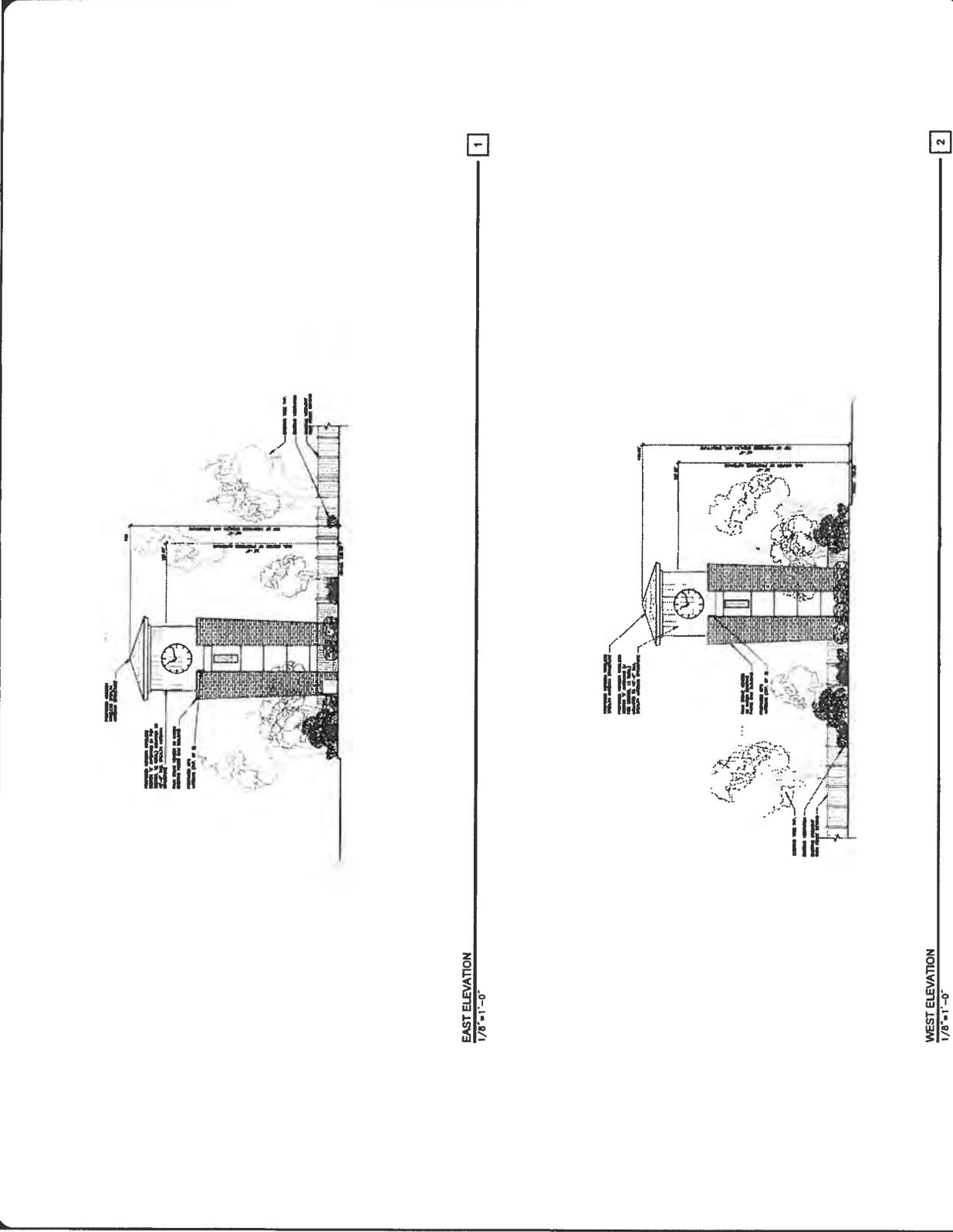
**PROPRIETARY INFORMATION**  
 THIS DOCUMENT IS THE PROPERTY OF DA DESIGN ARCHITECTS. IT IS TO BE USED ONLY FOR THE PROJECT AND SITE SPECIFICALLY IDENTIFIED HEREIN. IT IS NOT TO BE REPRODUCED, COPIED, OR DISTRIBUTED IN ANY MANNER WITHOUT THE WRITTEN PERMISSION OF DA DESIGN ARCHITECTS.

**Verizon**  
 15505 SAND CANYON AVENUE, D1  
 RIVE, CA 92518

**SANTEE LAKES (RELO)**  
 8300 FANTIA PARKWAY  
 SANTEE, CA 92071

**Z04**  
 EXTERIOR  
 ELEVATIONS

DATE PLOTTED: 08/11/11  
 PLOT SCALE: 1/8" = 1'-0"



**EAST ELEVATION**  
 1/8" = 1'-0"

**WEST ELEVATION**  
 1/8" = 1'-0"





REV	DATE	DESCRIPTION	BY
1	08/11/11	ISSUE STATUS	
2	08/11/11	ISSUE STATUS	
3	08/11/11	ISSUE STATUS	
4	08/11/11	ISSUE STATUS	
5	08/11/11	ISSUE STATUS	
6	08/11/11	ISSUE STATUS	



15608 SAND CANYON AVENUE, D1  
RYAN, CA 92071

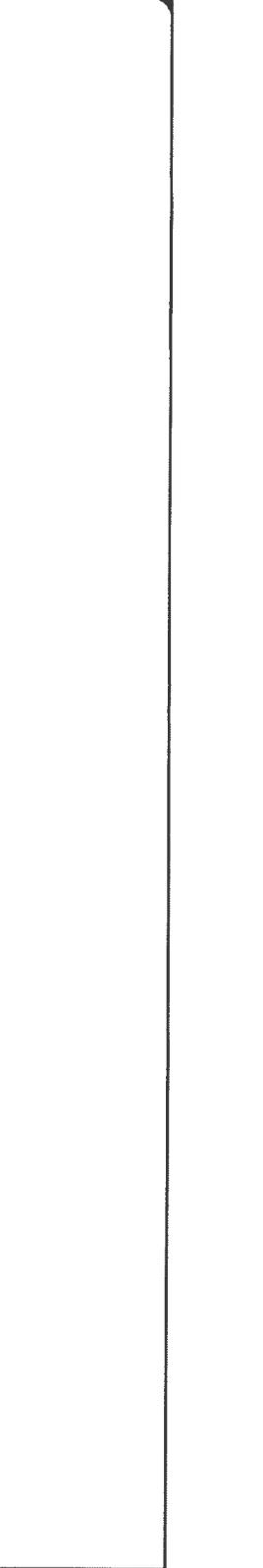
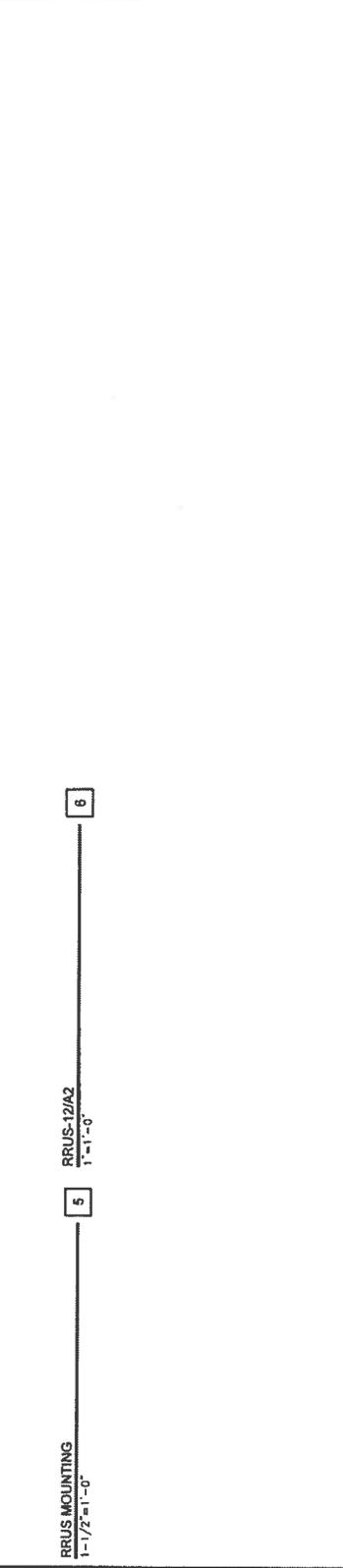
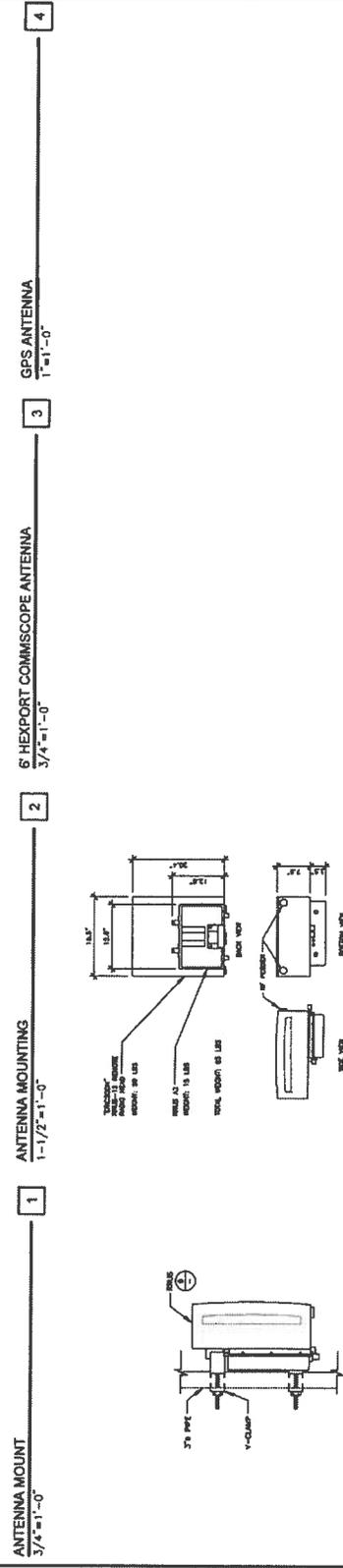
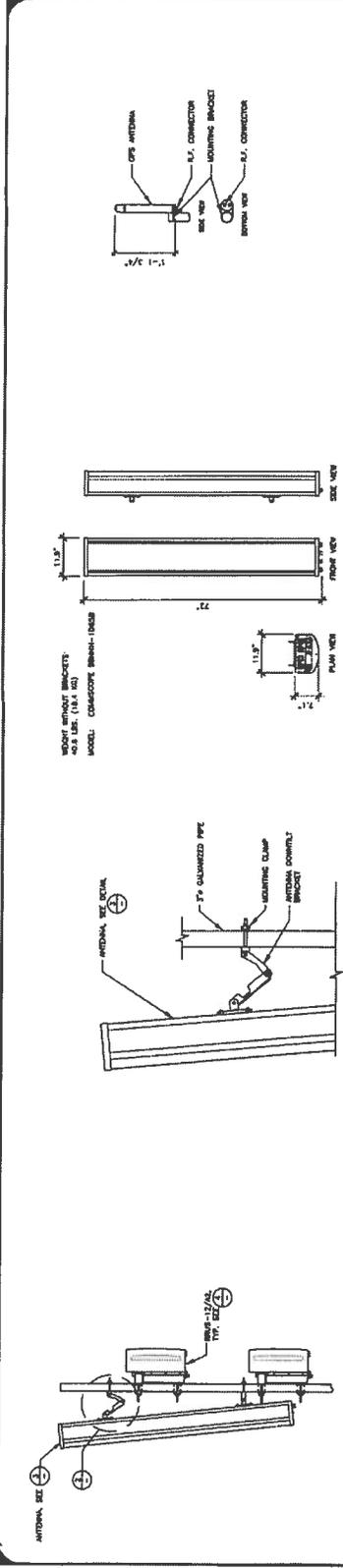
**Verizon**

9300 FANITA PARKWAY  
SANTEE, CA 92071

**Santee Lakes (Relo)**

**Z07**  
ANTENNA  
DETAILS

DATE PUBLISHED: 08/11/11  
PART SCALE: 1" = 10000' @ 1/2"



REV	DATE	DESCRIPTION	BY
1	08/11/11	ISSUE STATUS	
2	08/11/11	ISSUE STATUS	
3	08/11/11	ISSUE STATUS	
4	08/11/11	ISSUE STATUS	
5	08/11/11	ISSUE STATUS	
6	08/11/11	ISSUE STATUS	

REV	DATE	DESCRIPTION	BY
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2	10/20/18	ISSUE STATUS	DL
3	10/20/18	ISSUE STATUS	DL
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9	10/20/18	ISSUE STATUS	DL
10	10/20/18	ISSUE STATUS	DL

ISSUE STATUS

10/20/18

10/20/18

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10/20/18

10/20/18

10/20/18

10/20/18

LANDSCAPE MATERIAL TO MATCH EXISTING AND BE APPROVED BY PHASE 2A

1. THE PLANTING PLAN IS DIMENSIONAL AND SHALL BE USED AS A GUIDE FOR SETTING OUT PLANTS. PRIOR TO PLANTING, THE ARCHITECT SHALL BE CONTACTED TO APPROVE ALL PLANT LOCATIONS AND DIRECT ADJUSTMENTS.

2. PLANT MATERIALS SHALL CONFORM TO MARKETPLACE'S STANDARDS FOR SIZE AND HEALTH. ALL PLANTS ARE SUBJECT TO INSPECTION AND APPROVAL BY THE ARCHITECT. PLANT IDENTIFICATION TAGS ON ONE PLANT PER SPECIES PER GROUPING.

3. PLANT COUNTS ARE FOR THE CONVENIENCE OF THE LANDSCAPE CONTRACTOR ONLY. CONTRACTOR IS RESPONSIBLE FOR ALL PLANTS SHOWN ON THE PLAN.

4. LANDSCAPE CONTRACTOR SHALL MAINTAIN A MINIMUM 2' DRAINAGE BERRY FROM ALL BUILDINGS AND FINISH ELEVATION OF ALL PLANTS SHALL BE MAINTAINED WITHIN 10% TOLERANCE. CONTRACTOR SHALL COORDINATE WITH OTHER TRADES AND MAINTAIN UNOBSCURED DRIVEWAYS.

5. LANDSCAPE CONTRACTOR SHALL REMOVE ALL EXISTING VEGETATION, TRUNKS, CUTTINGS, ROCK AND OTHER DEBRIS IN PLANTING AREAS. TIME AND FUEL SHALL BE REQUIRED FOR ALL PLANTING OPERATIONS.

6. THE CONTRACTOR SHALL FURNISH OR REPLACE IRRIGATION DAMAGED AS A RESULT OF THIS PROJECT WITHIN A 24 HOUR PERIOD TO ENSURE NO DISRUPTION OF THE EXISTING IRRIGATION PROGRAM.

7. ALL PLANTS SHALL BE PLANTED WITHIN THE SPECIFIED PLANTING AREAS. PLANTS SHALL BE PLANTED WITHIN THE SPECIFIED PLANTING AREAS. PLANTS SHALL BE PLANTED WITHIN THE SPECIFIED PLANTING AREAS.

8. TREES AND SHRUBS SHALL BE FERTILIZED AT TIME OF PLANTING WITH 2-1-GRAM ASPERMIN TABLETS AT THE FOLLOWING RATES:

24" BOX - 8 TABLETS  
36" BOX - 10 TABLETS  
48" BOX - 12 TABLETS  
60" BOX - 15 TABLETS  
72" BOX - 18 TABLETS  
90" BOX - 20 TABLETS

9. VERIFY TREE PFT DRAINAGE WITH 24 HOUR WATER FILL TEST PRIOR TO PLANTING. ALL BORED TREES NOT DRAINING PROPERLY SHALL BE REPLACED WITHIN 14 DAYS. CONTRACTOR SHALL FURNISH A WRITTEN REPORT TO THE ARCHITECT.

10. POST PLANTING FERTILIZATION SHALL BE PERFORMED BY CONTRACTOR AT 30, 60, & 90 DAYS AFTER PLANTING.

11. LANDSCAPE CONTRACTOR SHALL MAINTAIN ALL PLANTS FOR A PERIOD OF THREE MONTHS AND RETURN ALL DATA AFTER FINAL ACCEPTANCE OF THE BUILDING. ALL AREAS SHALL BE KEPT CLEAN, WATERED AND WEED-FREE. ALL CONTRACTOR MATERIALS SHALL BE REMOVED FROM THE SITE.

12. CONTRACTOR SHALL GUARANTEE PLANT LONGEVITY AFTER ACCEPTANCE OF THE PROJECT SITE BY OWNER AS FOLLOWS:

TREES - ONE YEAR SURVIVAL AND OVERFLOWER - THREE MONTHS.

13. WHERE TREE TREES ARE WITHIN 8' OF FINISH, CONTRACTOR SHALL INSTALL ROOT BARRIERS BY TWO-BARRIER PER MANUFACTURER'S SPECIFICATIONS.

14. SELECT ALL REQUIRED PLANTING AREAS SHALL BE COVERED WITH MULCH TO A MINIMUM DEPTH OF 2 INCHES. MULCH SHALL BE MAINTAINED THROUGHOUT THE PROJECT. MULCH SHALL BE MAINTAINED THROUGHOUT THE PROJECT.

15. ALL LANDSCAPE AND IRRIGATION SHALL CONFORM TO THE STANDARDS OF THE CITY-OF LANDSCAPE REGULATIONS AND ALL OTHER LANDSCAPE RELATED CITY AND COUNTY ORDINANCES.

16. ALL DISTURBED AREAS WITHIN A 100 FOOT BUFFER OF AREAS OF UNDEVELOPED VEGETATION SHALL BE REVEGETATED WITH AN APPROPRIATE, ABOVE-GROUND, TEMPORARY EROSION CONTROL SYSTEM. EROSION CONTROL SYSTEMS ARE TO BE INSTALLED IN ACCORDANCE WITH THE CITY-OF LANDSCAPE REGULATIONS AND ALL OTHER LANDSCAPE RELATED CITY AND COUNTY ORDINANCES.

17. REQUIRED LANDSCAPE AREAS WITHIN PROJECT AREA SHALL BE MAINTAINED BY THE CONTRACTOR. ANY REQUIRED LANDSCAPE AREAS TO BE MAINTAINED SHALL BE MAINTAINED THROUGHOUT THE PROJECT. ANY REQUIRED LANDSCAPE AREAS TO BE MAINTAINED SHALL BE MAINTAINED THROUGHOUT THE PROJECT.

18. ALL PLANTS SHALL BE MAINTAINED THROUGHOUT THE PROJECT. ANY REQUIRED LANDSCAPE AREAS TO BE MAINTAINED SHALL BE MAINTAINED THROUGHOUT THE PROJECT.



LANDSCAPE PLAN  
1/8" = 1'-0"

SANTÉE LAKES (RELO)  
9300 FANITA PARKWAY  
SANTÉE, CA 82071

L01  
LANDSCAPE PLAN

500 PROJECT SHEET  
POST SCALE: 1" = 100' 0" & 1/2"

PLANTING NOTES

Symbol	Botanical name	Common name	Site	Qty	height/ canopy	Form/function
	loganiaceae	crope myrtle	existing	20	20-40' high 20' wide	existing tree to remain
	myrtaceae	fly-of-the-nib	existing	27	3' high 3' wide	existing shrub to remain
	myrtaceae	fly-of-the-nib	existing	48	3' high 3' wide	existing shrub to remain
	myrtaceae	crope myrtle	36" box	20	20-40' high 20' wide	new/installed tree
	myrtaceae	fort night fly	15 gal.	18	25' High 12' wide	proposed/visual screen

NOTE: QUANTITIES ARE FOR AREA WITHIN 100' RADII

PLANTING LEGEND

1 NTS

2 NTS

3 NTS

EXISTING

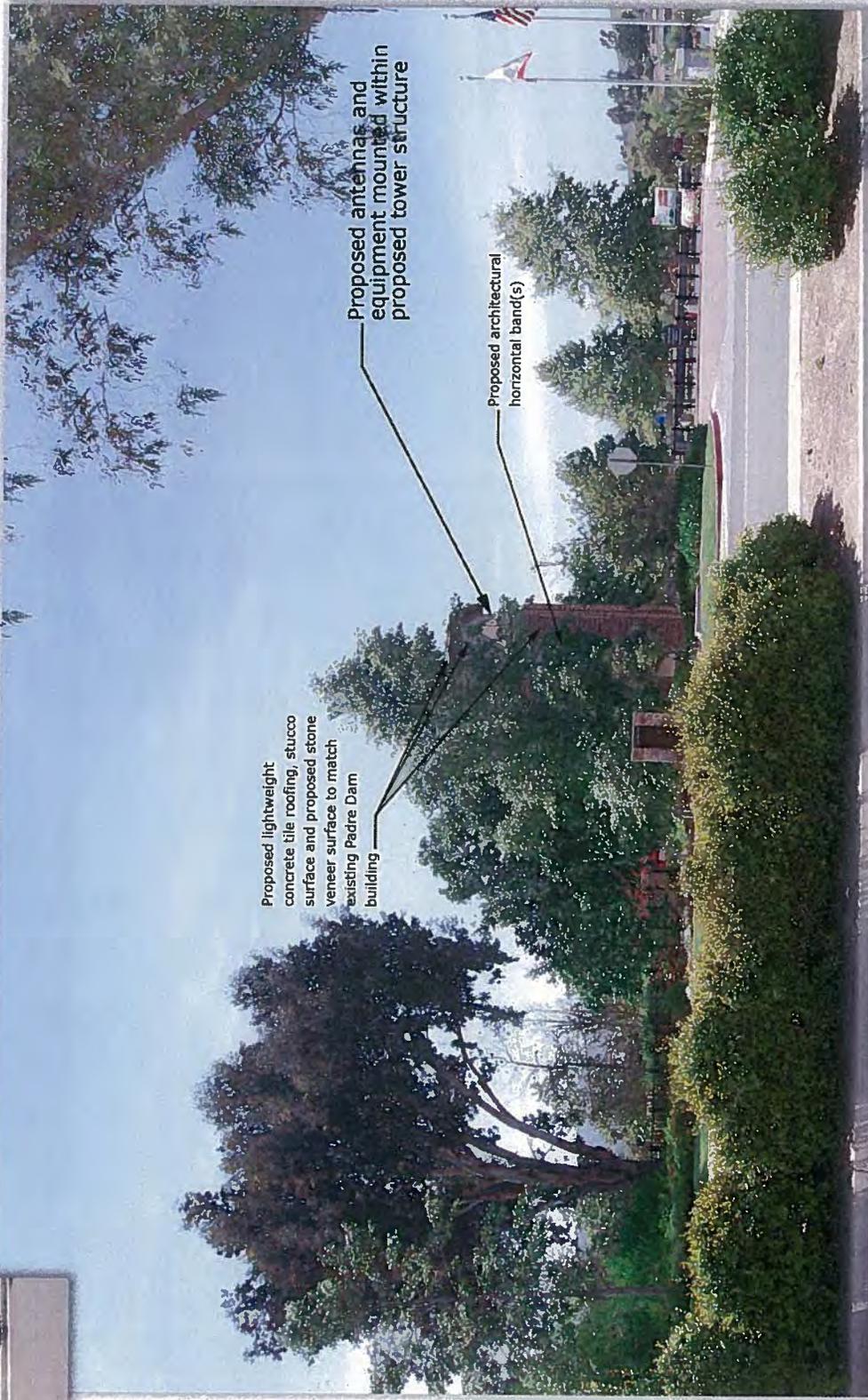


P2015--1

RECEIVED  
JUN 17 2016

BY: HK/DDS

Santee Lakes  
Perm./Rele  
9120 Carlton Oaks  
Santee, CA 92071



These simulations are intended for graphical purposes only and not intended to be part of or to replace the information provided on the construction drawings

6/17/2016

Photosimulation of proposed telecommunications site: Looking West 235' from site. View#1

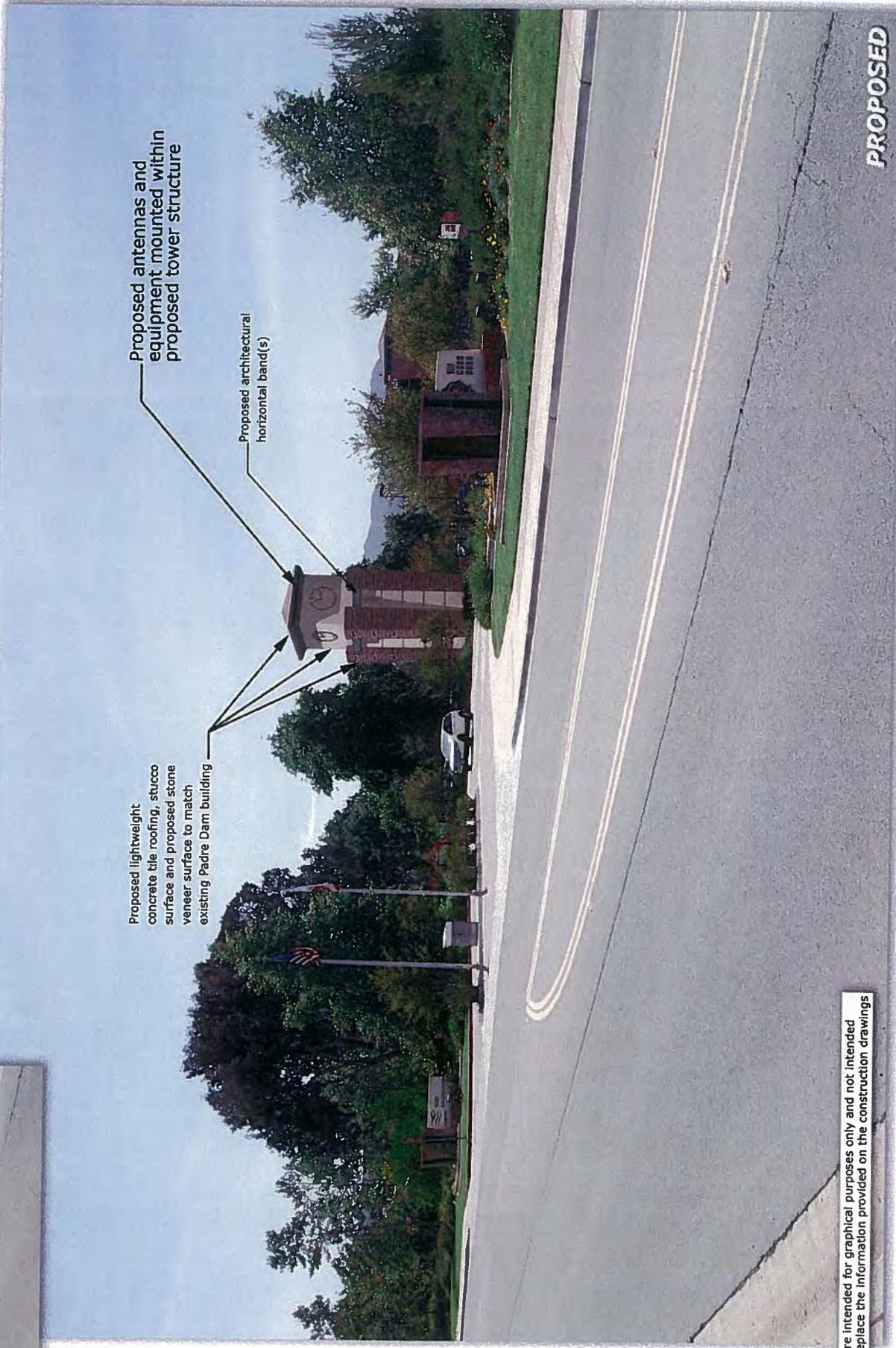
PROPOSED

**EXISTING**



**P2015-1**

**Santee Lakes  
Perm./Relo**  
9120 Carlton Oaks  
Santee, CA 92071



Proposed lightweight concrete tile roofing, stucco surface and proposed stone veneer surface to match existing Padre Dam building

Proposed antennas and equipment mounted within proposed tower structure

Proposed architectural horizontal band(s)

These simulations are intended for graphical purposes only and not intended to be part of or to replace the information provided on the construction drawings

**PROPOSED**

6/17/2016

**Photosimulation of proposed telecommunications site: Looking Southwest 750' from site View#7**

**EXISTING**



P2015-1

Santee Lakes  
Perm./Relo  
9120 Carlton Oaks  
Santee, CA 92071



Proposed lightweight  
concrete tile roofing, stucco  
surface and proposed stone  
vener surface to match  
existing Padre Dam  
building

Proposed antennas and  
equipment mounted within  
proposed tower structure

Proposed architectural  
horizontal band(s)

These simulations are intended for graphical purposes only and not intended to be part of or to replace the information provided on the construction drawings

6/17/2016

**PROPOSED**

Photosimulation of proposed telecommunications site: Looking South 320' from site View#2

**EXISTING**



**P2015-1**

**Santee Lakes  
Perm./Rele  
9120 Carlton Oaks  
Santee, CA 92071**



Proposed antennas and equipment mounted within proposed tower structure

Proposed lightweight concrete tile roofing, stucco surfaces and proposed stone veneer surface to match existing Pedra Dam building

Proposed architectural horizontal band(s)

These simulations are intended for graphical purposes only and not intended to be part of or to replace the information provided on the construction drawings

6/17/2016

**PROPOSED**

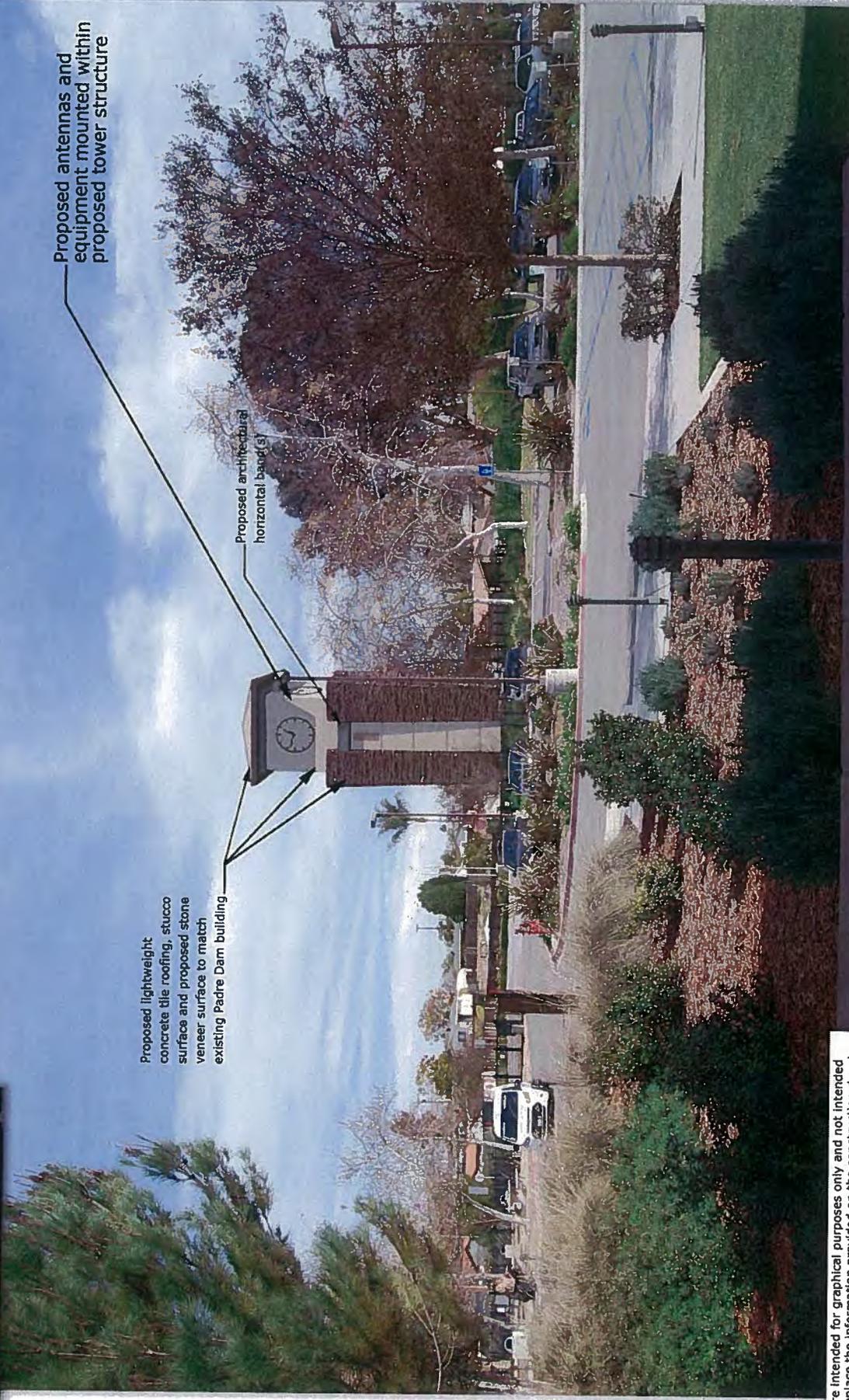
**Photosimulation of proposed telecommunications site: Looking North 270' from site View#4**

**EXISTING**



**P2015-1**

**Santee Lakes  
Perm./Relo  
9120 Carlton Oaks  
Santee, CA 92071**



Proposed antennas and equipment mounted within proposed tower structure

Proposed lightweight concrete tile roofing, stucco surface and proposed stone veneer surface to match existing Padre Dam building

Proposed architectural horizontal band(s)

These simulations are intended for graphical purposes only and not intended to be part of or to replace the information provided on the construction drawings

**PROPOSED**

Photosimulation of proposed telecommunications site: Looking East 21.5' from site View#5

6/17/2016



## **MATERIAL SAMPLE INDEX**

### **STONE VENEER:**



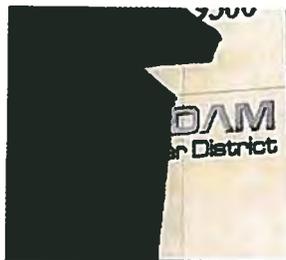
**Eldorado Stone – Cambria Cliffstone**

### **ROOF TILE:**



**MonierLifetile – Buckskin Slate**

### **STUCCO:**



**Expo Stucco – 2084-3/4 Medium Sand Texture (Custom Color)**

**City of Santee**  
**COUNCIL AGENDA STATEMENT**

**MEETING DATE** July 13, 2016

**AGENDA ITEM NO.**

**ITEM TITLE** SELECTION OF VOTING REPRESENTATIVE AND ALTERNATE  
FOR LEAGUE OF CALIFORNIA CITIES ANNUAL CONFERENCE

**DIRECTOR/DEPARTMENT** Patsy Bell, CMC, City Clerk *RB*

**SUMMARY**

The League of California Cities 2016 Annual Conference is scheduled for Wednesday, October 5<sup>th</sup> through Friday, October 7<sup>th</sup> at the Long Beach Convention Center. Notice has been received from the League requesting each City select a voting representative and up to two alternates, specifically for the Annual Business Meeting. The Annual Business Meeting is scheduled for noon on Friday, October 7<sup>th</sup>. At this meeting, the League membership considers and takes action on resolutions that establish League policy.

*m*

**FINANCIAL STATEMENT** N/A

**CITY ATTORNEY REVIEW**  N/A  Completed

**RECOMMENDATION** *MSB*  
Select a voting representative and up to two alternates to attend the Annual Business Meeting and direct the City Clerk to complete and forward the Voting Delegate/Alternate form to the League of California Cities.

**ATTACHMENTS**

None

**City of Santee**  
**COUNCIL AGENDA STATEMENT**

**MEETING DATE**      July 13, 2016

**AGENDA ITEM NO.**

**ITEM TITLE**      **RESPONSE TO GRAND JURY REPORT: "EAST COUNTY CITIES'  
LACK OF RESPONSE TO HOMELESSNESS"**

**DIRECTOR/DEPARTMENT**      Marlene Best, City Manager

**SUMMARY**

The City of Santee received the Grand Jury report titled, "East County Cities' Lack of Response to Homelessness" which was publically released and filed with the Clerk of the Court on June 8, 2016. In accordance with California Penal Code section 933(c), the City Council is required to respond to the findings and recommendations in the report no later than August 29, 2016. The response must indicate if the City agrees, wholly disagrees or partially disagrees with each finding. The City must also report on each recommendation from the Grand Jury, indicating if the recommendation has been implemented, will be implemented in the future, requires further analysis, or if the recommendation will not be implemented.

The attached staff report provides more information on the Grand Jury's findings and recommendations, and provides some options that Council may wish to implement in response to the Grand Jury report.

Also attached is a draft response to the Grand Jury, which requires review and direction by the City Council prior to submission.

**FINANCIAL STATEMENT** *jm*

There is no fiscal impact in responding to the Grand Jury report, however there may be a financial impact if Council chooses to implement any new programs or provide additional financial support to organizations for homelessness-related programs.

**CITY ATTORNEY REVIEW**     N/A    Completed

**RECOMMENDATION** *MAB*

Provide direction to staff and authorize the City Manager to work with the Mayor to finalize the response to the Grand Jury.

**ATTACHMENTS**

1. Staff Report
2. Draft Response to Grand Jury Report
3. Homeless Outreach Team Community Resources Pamphlet
4. Grand Jury Report

**STAFF REPORT**  
**Response to Grand Jury Report:**  
**“East County Cities’ Lack of Response to Homelessness”**

**Overview**

The City of Santee recently received the Grand Jury report titled, “East County Cities’ Lack of Response to Homelessness” which was publically released and filed with the Clerk of the Court on June 8, 2016. The Grand Jury report is attached for reference.

In summary, the grand jury asserted that East County cities have marginal involvement in homeless issues and recommended that the cities of Santee, El Cajon, La Mesa and Lemon Grove join the Regional Continuum of Care Council, and initiate a coordinated homelessness-related effort to increase prevention, shelter and transitional housing services in East County.

The City of Santee is required to respond to the Grand Jury’s findings and recommendations, as outlined in more detail below. Staff’s recommended response is outlined in the draft letter to the Grand Jury (see Attachment 2), which requires Council’s review and direction prior to submission.

**Grand Jury Findings**

The Grand Jury outlined two specific findings to which the City is required to respond:

1. Finding 01: East County emergency and transitional housing is available only in El Cajon and exists primarily for families with children, victims of domestic violence, veterans, the mentally ill, and those willing to join a one-year Christian discipleship program.

Staff Observation: While there is no emergency or transitional housing located in the Santee’s jurisdiction, staff is not familiar with the requirements of the emergency and transitional housing available in El Cajon and cannot confirm or refute this finding without further study.

2. Finding 02: East County cities have marginal involvement in homeless issues.

Staff Observation: Staff believes that Santee has much more than “marginal involvement” in homeless issues. Below are examples of some of Santee’s notable contributions.

- a. Partnership with Crisis House

The City of Santee currently partners with and provides funding to Crisis House, who provides humanitarian services to citizens who are socioeconomically disadvantaged, and whose mission is to stabilize families and individuals to break the cycle of poverty, domestic violence and homelessness by providing

emergency assistance, housing, and social services that promote self-sufficiency. Crisis House also coordinates a seasonal nighttime shelter, provides counseling and referrals for homeless and persons at risk of homelessness, and provides emergency shelter to victims of domestic violence. They also recently received a federal grant to expand transitional housing opportunities, particularly for veterans.

The City of Santee has consistently provided funding to Crisis House for homeless related services dating back to 1993 (\$5,000 was allocated this fiscal year, not \$2,000 as identified in the Grand Jury report). Crisis House is located in East County and focuses on serving residents throughout the east county region. Each year, Crisis House reports on the number of persons assisted in Santee, which includes Santee residents and homeless who reside in Santee -- reports show that over 3,300 persons have been assisted since 2010, which can range from providing referrals over the phone to providing emergency housing.

- b. Support to the Regional Task Force on the Homeless  
Santee provides \$2,500 each year in support of the Regional Task Force on the Homeless, which is described by the Task Force as Santee's fair share to support their activities. On several occasions, Santee staff and elected officials have also accompanied the Regional Task Force on the Homeless during their annual point-in-time homeless count to better understand these efforts and learn more about the homeless population in Santee.
  
- c. Implementation & Participation on the East Region Homeless Outreach Team  
The Santee Sheriff's Department and the City of Santee implemented the East Region Homeless Outreach Team (HOT) in 2014/2015, which is a collaborative partnership between the Sheriff's Department, the El Cajon Police Department, the County's Health and Human Services Agency, and the Psychiatric Emergency Response Team. The Santee Sheriff's Station has the primary administrative responsibility for coordinating the East Region HOT activities, and works closely with Santee staff and elected officials. The goals of the Team are to lead a collaborative effort while providing a humanistic and socially responsive approach to improving the quality of life for chronically homeless individuals; to assist the chronically homeless populations of the east county region in developing a plan to end their homelessness; and to ensure a safe environment for homeless and non-homeless populations in the east county.

The City's contribution to the Homeless Outreach Team is comprised of six law enforcement deputies and one sergeant. The County provides a Psychological Emergency Response Team (PERT) clinician, and Health and Human Services Agency workers who accompany the team on homeless outreach efforts.

The Santee Sheriff's Department works with the social service representatives to actively go out and talk with the homeless on a weekly basis in an attempt to connect them with available resources. The overarching goal is to help the

homeless population reintegrate into society. Deputies provide an informational pamphlet to every homeless person they have contact with in the City. The pamphlet provides specific information on resources for employment assistance; medical assistance; transitional housing and shelters; clothing and bedding; recovery and rehabilitation services; assistance for veterans and victims of domestic violence; and other east county resources, such as contact information for Crisis House and 2-1-1 San Diego (see Attachment 3).

Homeless Outreach Teams in the County have received national recognition for their work with the chronically homeless, and were mentioned in an Urban Institute report pointing to this strategy as a model for other regions (The Urban Institute 2004, Strategies for Reducing Chronic Street Homelessness).

### **Grand Jury Recommendations**

The Grand Jury outlined two specific recommendations for the cities of Santee, El Cajon, La Mesa and Lemon Grove:

1. Initiate a coordinated homelessness-related effort to increase prevention, shelter and transitional housing services in East County

Staff Observation: Providing homeless-related services including prevention, shelter and transitional housing is a very specialized business. The City of Santee has chosen to financially support organizations, like Crisis House, who have the appropriate training, knowledge and expertise to best serve this purpose. Because the City of Santee does not have the staff or expertise to fulfill this need, it is recommended that the City continue to support organizations that do.

2. Join the Regional Continuum of Care Council and participate in its work.

Staff Observation: Membership on the Regional Continuum of Care Council (RCCC) is open to organizations and individuals, with a requirement to commit to participate in the work of the RCCC through regular attendance and participation in meetings and/or subgroups, and payment of an annual fee of \$50.

It should be noted that Crisis House is currently a member of the RCCC. As noted above, the City partners with and provides financial support to Crisis House, who we feel has the knowledge and expertise to best serve as a member of this organization in support of Santee and the East County.

### **Additional Options in Response to the Grand Jury Recommendations**

Aside from the Grand Jury's recommendations, staff explored other options to potentially increase the City's support for homeless and homeless-related issues, which the Council may or may not choose to implement.

1. Appropriate Additional Funding for Crisis House

The City of Santee has partnered with and provided funding to Crisis House for homeless related services dating back to 1993. CDBG funding of \$5,000 was provided in Fiscal Year 2016, and another \$5,000 is allocated in Fiscal Year 2017.

Additional funding could potentially enhance existing services, or could possibly be earmarked to boost specific services, such as: a) funding for additional inclement weather shelter vouchers that may be earmarked for Santee homeless; or b) funding for outreach efforts such as printing additional outreach cards with Crisis House and other supportive care phone numbers.

2. Appropriate Additional Funding for the Santee Food Bank

The City of Santee has consistently supported and provided funding to the Santee Food Bank over the years. Through CDBG funding, \$13,122 was given in Fiscal Year 2016, and \$13,603 is allocated for Fiscal Year 2017.

The Santee Food Bank has been an integral part of the Santee community since 1983, and provides local residents in need, including homeless persons, with temporary food assistance. Oftentimes, the Food Bank assists households that are on the brink of homelessness, which helps to prevent homelessness from occurring. Individuals can access the Food Bank to receive a three-day supply of food once a month. While they are an important part of the resource network, food banks (as currently operated) may not be as directly impactful in supporting homeless-related issues as another service.

3. Donate to 2-1-1 San Diego

The City of Santee has provided funding to support the 2-1-1 San Diego program in the past. This program provides referral services and helps people by connecting them to support and social services throughout the region. They also provide data and trend information for proactive community planning. The 2-1-1 program is a great source of data for cities and service providers, however, it is unknown if additional funding would make a measurable difference in the availability or usage of homeless services.

4. Donate to Salvation Army or Goodwill

Both the Salvation Army and Goodwill provide an array of social services, however specialized services tend to be contract and grant-based. For example, the Salvation Army contracts with the County of San Diego to administer and implement the Senior Nutrition Program at various sites throughout the County (via federal funding through the County). They also provide grant-funded supportive care to the needy and homeless, but these services are generally location specific depending on the conditions of the grant. Goodwill Industries receives regional funding for job-training, and use their outlets to train and employ lower income and disabled workers. While both of these organizations have locations in Santee, it is unknown if

funding would make a measurable difference in the availability or usage of homeless services in our City or the East County.

5. Donate to a Church or a Catholic Charity who Provides Support to the Homeless

The churches in Santee get involved through the Santee Ministerial Council, who is the administrator of the Santee Food Bank. As outlined above, an increased donation to the Food Bank may not be as directly impactful on the homeless issue as another service. More research would have to be done to determine if specific churches or charities in Santee offer direct services for the homeless or who have programs to support homelessness issues.

6. Support Housing Programs, other than Crisis House, that Provide Services to the Homeless

The County's Health and Human Services Agency and the Department of Housing and Community Development collaborate with a number of public and private agencies to address the issue of homelessness throughout the San Diego region. We have found that most of these services, especially shelter and transitional housing services are centralized more in the San Diego area, rather than the East County. Crisis House focuses on providing services to the east county region.

**Requirements for Responding to the Grand Jury**

California Penal Code section 933(c) requires any public agency which the Grand Jury has reviewed, and about which it has issued a final report, to comment to the Presiding Judge of the Superior Court on the findings and recommendations pertaining to matters under the control of the agency. Comments must be made no later than 90 days after the Grand Jury files its report. In this case, the Grand Jury has set the date of August 29, 2016 for the City to respond.

California Penal Code section 933(c) also details the manner in which the comments are to be made.

- (a) As to each grand jury finding, the responding entity shall indicate one of the following:
  - 1. The respondent agrees with the finding.
  - 2. The respondent disagrees wholly or partially with the finding, in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons.
  
- (b) As to each grand jury recommendation, the responding entity shall report one of the following actions:
  - 1. The recommendation has been implemented, with a summary regarding the implemented action.
  - 2. The recommendation has not yet been implemented but will be implemented in the future, with a time frame for implementation.

3. The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a time frame for the matter to be prepared for discussion by the officer or head of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This time frame shall not exceed six months from the date of publication of the grand jury report.
  4. The recommendation will not be implemented because it is not warranted or is not reasonable, along with an explanation.
- (c) If a finding or recommendation of the grand jury addresses budgetary or personnel matters of a county agency or department headed by an elected officer, both the agency or department head and the Board of Supervisors shall respond if requested by the grand jury, but the response of the Board of Supervisors shall address only those budgetary or personnel matters over which it has some decision making authority. The response of the elected agency or department head shall address all aspects of the findings or recommendations affecting his or her agency or department.



# CITY OF SANTEE

**MAYOR**  
Randy Voepel

**CITY COUNCIL**  
Jack E. Dale  
Ronn Hall  
Rob McNelis  
John W. Minto

**CITY MANAGER**  
Marlene Best

## DRAFT

July XX, 2016

Honorable Jeffrey B. Barton  
Presiding Judge, San Diego Superior Court  
220 W. Broadway  
San Diego, CA 92101

### **Re: Grand Jury Report: “East County Cities’ Lack of Response to Homelessness”**

Dear Judge Barton,

The City of Santee has reviewed the Grand Jury Report titled, “East County Cities’ Lack of Response to Homelessness” filed on June 8, 2016. In accordance with California Penal Code section 933(c), the following is Santee’s response to the findings and recommendations in the report.

#### **RESPONSE TO FINDINGS**

**Finding 01: East County emergency and transitional housing is available only in El Cajon and exists primarily for families with children, victims of domestic violence, veterans, the mentally ill, and those willing to join a one-year Christian discipleship program.**

**Response: Neither agree nor disagree.** The City of Santee acknowledges there is no emergency or transitional housing located in the City’s jurisdiction. However, Santee is not familiar with the requirements of the emergency and transitional housing available in El Cajon and cannot confirm or refute this finding without further study.

**Finding 02: East County cities have marginal involvement in homeless issues.**

**Response: Disagree.** The City of Santee cannot speak to the involvement of other east county cities in homeless issues. However, we believe Santee has much more than “marginal involvement” which implies our support for homeless issues is negligible or insignificant. Below are examples of some of Santee’s notable contributions towards homeless issues.

## DRAFT

### Partnership with Crisis House

The City of Santee currently partners with and provides funding to Crisis House, who provides humanitarian services to citizens who are socioeconomically disadvantaged, and whose mission is to stabilize families and individuals to break the cycle of poverty, domestic violence and homelessness by providing emergency assistance, housing, and social services that promote self-sufficiency. Crisis House also coordinates a seasonal nighttime shelter, provides counseling and referrals for homeless and persons at risk of homelessness, and provides emergency shelter to victims of domestic violence. They also recently received a federal grant to expand transitional housing opportunities, particularly for veterans.

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### Implementation & Participation on the East Region Homeless Outreach Team

The Santee Sheriff's Department and the City of Santee implemented the East Region Homeless Outreach Team (HOT) in 2014/2015, which is a collaborative partnership between the San Diego County Sheriff's Department, the El Cajon Police Department, Health and Human Services Agency and Psychiatric Emergency Response Team. The Santee Sheriff's Station has the primary administrative responsibility for coordinating the East Region HOT activities, and works closely with Santee staff and elected officials. The goals of the Team are to lead a collaborative effort while providing a humanistic and socially responsive approach to improving the quality of life for chronically homeless individuals; to assist the chronically homeless populations of the east county region in developing a plan to end their homelessness; and to ensure a safe environment for homeless and non-homeless populations in the east county.

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The Santee Sheriff's Department actively seeks out homeless persons on a weekly basis in an attempt to connect them with available resources. The overarching goal is to help the homeless population reintegrate into society. Deputies provide an informational pamphlet to every homeless

**DRAFT**

person they have contact with in the City of Santee. This pamphlet provides specific information on resources for employment assistance; medical assistance; transitional housing and shelters; clothing, and bedding; recovery and rehabilitation services; assistance for veterans and victims of domestic violence; and other east county resources, such as contact information for Crisis House and 2-1-1 San Diego.

Homeless Outreach Teams throughout the County have received national recognition for their work with the chronically homeless, and were mentioned in an Urban Institute report pointing to this strategy as a model for other regions (The Urban Institute 2004, Strategies for Reducing Chronic Street Homelessness).

### **RESPONSE TO RECOMMENDATIONS**

#### **Recommendation 16-58: Initiate coordinated homelessness-related efforts to increase prevention, shelter, and transitional housing services in East County.**

**Response: The recommendation will not be implemented because it is not warranted.**

Providing homelessness-related services including prevention, shelter and transitional housing is a very specialized business. The City of Santee has chosen to support organizations, like Crisis House, who have the appropriate training, knowledge and expertise to best serve this purpose. The City of Santee does not have the staff or expertise to fulfill this need, and therefore will continue to support organizations that do.

#### **Recommendation 16-59: Join the Regional Continuum of Care Council and participate in its work.**

**Response: *To be determined per Council direction***

It should be noted that Crisis House is currently a member of the Regional Continuum of Care Council (RCCC). As noted above, the City of Santee partners with and provides financial support to Crisis House, who has the knowledge and expertise to best serve as a member of this organization in support of Santee and the East County.

Respectfully,

Randy Voepel  
Mayor

**SAN DIEGO COUNTY  
SHERIFF'S DEPARTMENT**

**Homeless Outreach Team  
Community Resources**



**Housing Shelter & Utility Assistance**

**Housing & Urban Development Resource  
Center** call 211 or 858-380-1211

[www.hud.gov/local/ca/homeless/shelters/  
sdgshelter.cfm](http://www.hud.gov/local/ca/homeless/shelters/sdgshelter.cfm)

**Domestic Violence Shelter Aid**

1-888-DVLINKS (385-4657)

**Homeless Outreach Team** 619-692-8750 1250  
Morena Blvd.

**San Diego Rescue Mission** 619-687-3720  
[www.sdrscue.org](http://www.sdrscue.org)

**Neighborhood House mortgage assistance**  
619-263-7761

**Domestic Violence & Sexual Assault Hotline**  
888-385-4657

**Family Justice Center (domestic violence)**  
866-933-HOPE (4673) 707 Broadway

**National Runaway Switchboard**  
800-621-4000

**Renter's Law Line** 858-571-1166

**SD Volunteer Lawyer Program**  
619-235-5656

**Employment Assistance**

**Second Chance/Strive**  
619-234-8888 6145 Imperial Ave.

**Saint Vincent de Paul Village** 619-233-8500

**South Metro Career Center at EDD**

619-266-4200 145 Imperial Ave.

**Vocational Rehabilitation** 619-767-2100

**Worker's Compensation** 619-767-2083

**Furniture Vouchers**

**Salvation Army - Ray and Joan Kroc Center**  
619-287-5762 6845 University Ave.

**Medical Assistance**

**Access Crisis Line (mental health)** 800-479-3339

**American Red Cross** 619-542-7400

**Council of Community Clinics** 619-265-2100

**County Medical Services (CMS)** 800-587-8118

**County Mental Health (CMH)** 619-595-4400

**Downtown Family Health Center**  
619-515-2525 1145 Broadway

**Health and Human Services** 619-515-6770

**Logan Heights Family Health Center**  
619-515-2300 1809 National Ave

**Medi-Cal** 866-262-9881

**SD Blood Bank** 800-479-3902

**Third Ave Charitable Organization**  
619-235-9445

**Santee Sheriff's Station**

8811 Cuyamaca St.

Santee, CA 92071

Tel: 619-956-4000

**San Diego Sheriff's Department**

**Non-Emergency 858-565-5200**

**San Diego Police Department**

**Non-Emergency 619-530-2000**

**El Cajon Police Department**

**Non-Emergency 619-579-3311**

## EAST COUNTY RESOURCES

### **East County Transitional Living**

619-447-4498

1527 East Main St. El Cajon 92021

### **McAlister Institute for Treatment and**

### **E d u c a t i o n , I n c . 6 1 9 - 4 4 2 - 0 2 7 7**

1400 N. Johnson Ave. Suite 101 El Cajon  
www.mcalisterinc.org

### **Crisis House 619-444-1194**

crisishouse.org  
1034 N Magnolia El Cajon

### **East County Mental Health 619-401-5500**

### Online Resources & Phone Contacts

### **Call 2-1-1 or visit [www.211sandiego.org](http://www.211sandiego.org)**

24 hour number to call for resource referrals for all types of situations; services available in various languages

<http://serving-sandiego.com> (website specific to homelessness)

### **[www.ywcasantiego.org](http://www.ywcasantiego.org) 619-234-3164**

For women experiencing domestic violence and/or homelessness

**619-325-3527** The Storefront: emergency shelter care for runaway and/or “unaccompanied homeless” youth

### **San Diego Rescue Mission: Emergency Shelter**

619-687-3720

888-SDRESCUE/ 888-737-3728

<http://www.sdrescue.org>

## Clothing, Bedding and Sleeping Bags

### **Catholic Charities 619-231-2828**

349 Cedar St. (emergencies only)

### **Community Christian Services**

858-274-2271 4167 Rappanhannock Av. San Diego

858-272-0163 1675 Garnet Ave, Pacific Beach.

### **God's Extended Hand**

619-234-3251 1619 Island Ave.

### **Neighborhood House**

619-263-7761

841 S. 41st St. M, W, F 9 am-12 pm & 1:30-4:30 pm

### **Presbyterian Crisis Center 619-232-2753**

2459 Market St. M-Th. 8-11:30am & 1-2:30pm.

F 8-11:30am

### **Rachel's Women's Center 619-696-0873**

759 8th Ave (women only)

### **Salvation Army 619-231-6020**

730 F St. (for interviews & emergencies only) M, W, F 8:30am-4pm Th. 8:30am-2:45pm

### **St. Vincent de Paul 619-233-8500**

1501 Imperial Ave. M-Sat. 8:30-10am (clothing vouchers)

## Recovery & Rehabilitation Assistance

### **Alcoholics Anonymous 619-265-8762**

C.R.A.S.H. 619-233-8054

Ethridge Center, Inc. 619-231-6361

### **Community Connections 619-291-7900**

Gambler's Anonymous 619-239-2911

### **House of Metamorphosis 619-236-9492**

M.I.T.E. 619-441-2493

### **Narcotics Anonymous 800-479-0062**

Pathfinders of San Diego 619-239-7370

### **Salvation Army Rehab Center 619-239-4037**

6:30-11am 13th and Broadway

### **SD Rescue Mission 619-778-6100**

Smokers 858-455-5321

### **Volunteers of America Detox Center**

(VOA) 619-232-9343

### Veteran's Assistance

### **County Veteran's Service 619-531-4545**

734 Beech St #200

### **Dept. of Veteran's Affairs Regional Office**

800-827-1000 8810 Rio San Diego Dr.

### **VET Center 619-294-2040 2400 6th Ave.**

### **Veteran's Homeless Outreach 619-400-5164**

1501 Imperial Ave. Mon. 9-12

### **V.A. Medical Center 858-552-8586**

3350 La Jolla Village Dr.

### **WVSD-Vietnam Vets of SD 619-497-0142**

4141 Pacific Highway

**EAST COUNTY CITIES' LACK OF RESPONSE  
TO HOMELESSNESS**



**A Report by the  
2015/2016 San Diego County Grand Jury  
June 8, 2016**

# EAST COUNTY CITIES' LACK OF RESPONSE TO HOMELESSNESS

## *SUMMARY*

The 2015 Regional Task Force on the Homeless San Diego (RTFHSD) Point-in-Time Count<sup>1</sup> tallied over 8,000 homeless people in San Diego County. By far the largest number (65%) live in the City of San Diego. Thus it makes sense that the bulk of homeless services, such as shelters and transitional housing, are located in San Diego (mostly downtown). In East County cities, however, few homeless services exist despite San Diego County guidelines that services should be located proportional to need. The 2015/2016 San Diego County Grand Jury (Grand Jury) recommends that East County cities initiate common programs to address homelessness issues by joining the Regional Continuum of Care Council and devoting attention and resources to this under-served group.

## *INTRODUCTION*

The 2009/2010 San Diego County Grand Jury produced a report, "Homeless in San Diego," which focused primarily (though not exclusively) on the City of San Diego. This Grand Jury became interested in the situation in East San Diego County's four incorporated cities: El Cajon, La Mesa, Lemon Grove and Santee.

## *PROCEDURE*

- The Grand Jury surveyed the four cities to determine their homeless incidents and costs and their provision of services
- The Grand Jury interviewed elected officials and homeless service providers
- The Grand Jury examined county homeless statistics, and city and County policies, procedures, and programs for homeless people

## *DISCUSSION*

Homelessness is a highly complex set of issues encompassing, among other factors, housing costs, mental illness, drug and alcohol abuse, employment availability, policing practices and city laws. The response to homelessness involves federal, state and local governments, non-profit organizations, police, schools, foundations and individual citizens. In San Diego County, two county-wide organizations, the Regional Task Force on the Homeless and the Regional Continuum of Care Council (RCCC) coordinate stakeholders' efforts to meet the challenges of homelessness collaboratively.

In East County, the response to homelessness lies most heavily on El Cajon, which has the largest homeless population, the only site for emergency and transitional housing (the

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<sup>1</sup> [www.rtfhsd.org](http://www.rtfhsd.org)

East County Transitional Living Center [ECTLC]), and a concentration of low-cost motels.

For the past several years, the El Cajon City Council's primary response to its homeless population has been to appropriate Community Development Block Grant (CDBG) funds to ECTLC for emergency shelter (\$75,000 in the 2015-2016 fiscal year, \$100,000 in 2016-2017). At a daily room rate of \$49.50, the grant funds about 1,500 nights of lodging – an average of eight rooms per night – primarily between October and March according to ECTLC. El Cajon's second major response to homelessness has been to provide city-owned space for Crisis House, Inc. at no cost (estimated by the city as a \$91,000 value). El Cajon reports participation in the RCCC, but not as a municipal member<sup>2</sup>.

Of the other three East County cities, Santee appropriated \$2,000 of its Community Development Block Grant to Crisis House this fiscal year; it reports participating in the RCCC, but is not a municipal member. Neither La Mesa nor Lemon Grove appropriates city funds for homelessness issues, nor participates in the RCCC.

The RCCC Governance Board has just two East County members, a faith community member, and a service provider who oversees programs in two southern California counties. There are no East County elected officials on the Board.

Given this meager participation in regional efforts, it is not surprising that no East County city has sought or received U.S. Department of Housing and Urban Development (HUD) grants for homelessness programs. In March 2016, HUD released almost \$15,000,000 in homelessness-related grants to San Diego County organizations and cities. Of the fifty-five programs funded, just one is located in East County cities: Crisis House in El Cajon will receive \$192,211 for Domestic Violence Transitional Housing and \$414,891 for its Journey Home program (also focused on domestic violence clients). This compares with ten in North County and three in South Bay.

El Cajon and La Mesa Police Departments responded to a request for information on the number and costs of incidents with homeless people. For 2014, El Cajon Police Department reported 655 arrests and 2,568 calls for service, at an estimated cost of \$411,184; La Mesa, 1,761 incidents at a cost of \$269,134. Neither the San Diego County Sheriff's Department Santee Station nor the Lemon Grove Substation provided data, but the December 14, 2015 San Diego County News Center<sup>3</sup> reported that 10% of calls from the Sheriff's Santee Station involved homeless people. To respond to the need, the Sheriff's Department recently added a Homeless Outreach Team to its East County operations.

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<sup>2</sup> Membership requires groups to contribute \$50 per year, commit to the RCCC Mission, and agree to participate in RCCC'S work as evidenced by regular participation in meetings or subgroups.

<sup>3</sup><http://www.countynewscenter.com/news/county-homeless-outreach-team-launched-east-county>

In short, homelessness results in serious costs for East County police and sheriffs. The El Cajon Police Department's survey response included this statement: "In order to effectively deal with the homeless population, the El Cajon Police Department believes there is a significant need for on-going, year round housing and support services for the homeless."

### ***FACTS AND FINDINGS***

***Fact:*** The RTFHSD Point-in-Time Count 2015 listed these figures for East County cities:

- El Cajon: Emergency Shelter: 202. Supportive Housing: 0. Transitional Housing: 318. Sheltered total: 520. Unsheltered: 191. Total: 711
- Santee: Sheltered: 0. Unsheltered: 30. Total: 30
- La Mesa: Sheltered: 0. Unsheltered: 19. Total: 19
- Lemon Grove: Sheltered: 0. Unsheltered: 11. Total: 11

***Fact:*** The El Cajon City Council appropriated \$75,000 of CDBG funds for the emergency shelter at ECTLC for the 2015-2016 fiscal year and \$100,000 for 2016-2017. The \$49.50 daily rate charged to the city grant provides about 1,500 nights of lodging in fiscal 2015-2016. The ECTLC expends these funds from October through March, for an average of eight rooms per night.

***Fact:*** The shelter programs cited in the RTFHSD report include:

- Center for Community Solutions Project Safehouse and Next Step-East, serving domestic violence clients
- Crisis House, serving domestic violence clients, families with children, and people with disabilities
- ECTLC, through one-year Christian discipleship programs, serving 402 individuals and 54 families (174 children and adults) in 2015, and a Transitional Living program serving 73 families (207 adults and children) in 2015
- Home Start, Inc., Hotel/Motel Voucher Program East, serving families with children
- Interfaith Shelter Network East County, serving approximately twelve people per week for about six months
- Volunteers of America, serving people with disabilities, mentally ill clients and veterans

***Fact:*** According to figures supplied by the El Cajon Police Department, costs for arrests and calls dealing with homeless people are estimated at \$411,000 for 2014. The La Mesa Police Department estimates its homeless-related costs for 2014 at \$269,000.

***Fact:*** The Sheriff's Department estimates that about 10% of all calls for service in Santee relate to homeless people.

**Fact:** In fall 2015, the Sheriff's Department and the County of San Diego's Department of Health and Human Services launched the East Regional Homeless Outreach Team (HOT), based at the Sheriff's Santee Station.

**Finding 01:** East County emergency and transitional housing is available only in El Cajon and exists primarily for families with children, victims of domestic violence, veterans, the mentally ill, and those willing to join a one-year Christian discipleship program.

**Fact:** The Regional Continuum of Care Council has no East County municipal members.

**Fact:** El Cajon, La Mesa, Lemon Grove, and Santee all reported receiving no county monies for dealing with homeless issues in the current fiscal year.

**Fact:** The San Diego County Board of Supervisors Comprehensive Homeless Policy states, "The County supports the equitable distribution of facilities and services throughout the Region so that no one jurisdiction or community is impacted by providing more than its fair share of facilities and services."

**Finding 02:** East County cities have marginal involvement in homeless issues.

### ***RECOMMENDATIONS***

**The 2015/2016 San Diego County Grand Jury recommends that the Mayors and City Councils of El Cajon, La Mesa, Lemon Grove, and Santee:**

**16-58:            Initiate coordinated homelessness-related efforts to increase prevention, shelter, and transitional housing services in East County.**

**16-59:            Join the Regional Continuum of Care Council and participate in its work.**

### ***REQUIREMENTS AND INSTRUCTIONS***

The California Penal Code §933(c) requires any public agency which the Grand Jury has reviewed, and about which it has issued a final report, to comment to the Presiding Judge of the Superior Court on the findings and recommendations pertaining to matters under the control of the agency. Such comment shall be made *no later than 90 days* after the Grand Jury publishes its report (filed with the Clerk of the Court); except that in the case of a report containing findings and recommendations pertaining to a department or agency headed by an elected County official (e.g. District Attorney, Sheriff, etc.), such comment shall be made *within 60 days* to the Presiding Judge with an information copy sent to the Board of Supervisors.

Furthermore, California Penal Code §933.05(a), (b), (c), details, as follows, the manner in which such comment(s) are to be made:

- (a) As to each grand jury finding, the responding person or entity shall indicate one of the following:
- (1) The respondent agrees with the finding
  - (2) The respondent disagrees wholly or partially with the finding, in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons therefor.
- (b) As to each grand jury recommendation, the responding person or entity shall report one of the following actions:
- (1) The recommendation has been implemented, with a summary regarding the implemented action.
  - (2) The recommendation has not yet been implemented, but will be implemented in the future, with a time frame for implementation.
  - (3) The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a time frame for the matter to be prepared for discussion by the officer or head of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This time frame shall not exceed six months from the date of publication of the grand jury report.
  - (4) The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation therefor.
- (c) If a finding or recommendation of the grand jury addresses budgetary or personnel matters of a county agency or department headed by an elected officer, both the agency or department head and the Board of Supervisors shall respond if requested by the grand jury, but the response of the Board of Supervisors shall address only those budgetary or personnel matters over which it has some decision making authority. The response of the elected agency or department head shall address all aspects of the findings or recommendations affecting his or her agency or department.

Comments to the Presiding Judge of the Superior Court in compliance with the Penal Code §933.05 are required from the:

<u>Responding Agency</u>	<u>Recommendations</u>	<u>Date</u>
Mayor, City Council—La Mesa	16-58, 16-59	8/29/16
Mayor, City Council-El Cajon	16-58, 16-59	8/29/16
Mayor, City Council—Lemon Grove	16-58, 16-59	8/29/16
Mayor, City Council—Santee	16-58, 16-59	8/29/16

City of Santee  
**COUNCIL AGENDA STATEMENT**

**MEETING DATE** July 13, 2016

**AGENDA ITEM NO.**

**ITEM TITLE** RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA LEVYING SPECIAL TAXES TO BE COLLECTED DURING FISCAL YEAR 2016-17 TO PAY THE ANNUAL COST OF MUNICIPAL MAINTENANCE SERVICES WITHIN COMMUNITY FACILITIES DISTRICT NO. 2015-1 (MUNICIPAL MAINTENANCE SERVICES) OF THE CITY OF SANTEE

**DIRECTOR/DEPARTMENT** Tim K. McDermott, Finance *TKM*

**SUMMARY**

The City Council has established Community Facilities District No. 2015-1 (Municipal Maintenance Services) of the City of Santee ("CFD No. 2015-1") and Tax Zone 1 ("Tax Zone 1") therein to provide a funding mechanism to meet ongoing maintenance requirements of storm water improvements for property within Tax Zone 1 of CFD No. 2015-1.

Ordinance No. 537, adopted on January 13, 2016, authorized the City Council, by resolution, to annually determine the special tax to be levied within CFD No. 2015-1 for the then current tax year or future tax years provided that the special tax to be levied shall not exceed the maximum special tax authorized in the Rates and Method of Apportionment of Special Tax (the "Rates and Method").

Staff requests City Council to adopt the Resolution and direct the Director of Finance to remit the certified resolution to the County of San Diego Auditor and Controller, with a request that the special taxes be collected on the tax bills for parcels within Tax Zone 1 of CFD No. 2015-1, along with the ordinary ad valorem property taxes to be levied on and collected from the owners of said parcels.

**FINANCIAL STATEMENT** *TKM*

A special tax will be levied on parcels within Tax Zone 1 of CFD No. 2015-1, as set forth in Exhibit A of the Resolution, in the maximum amount of \$149 per residential unit in fiscal year 2016-17 to fund the cost of the authorized municipal maintenance services. Such special taxes to be levied do not exceed the maximum special tax authorized in the Rates and Method.

**CITY ATTORNEY REVIEW**     N/A     Completed

**RECOMMENDATION** *MSB*

Adopt the attached Resolution levying special taxes to be collected during FY 2016-17 to pay the annual cost of Municipal Maintenance Services within CFD No. 2015-1.

**ATTACHMENTS**

Resolution

RESOLUTION NO. \_\_\_\_\_

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA,  
LEVYING SPECIAL TAXES TO BE COLLECTED DURING FISCAL YEAR 2016-17  
TO PAY THE ANNUAL COST OF MUNICIPAL MAINTENANCE SERVICES WITHIN  
COMMUNITY FACILITIES DISTRICT NO. 2015-1 (MUNICIPAL MAINTENANCE  
SERVICES) OF THE CITY OF SANTEE**

**WHEREAS**, it is necessary that the City Council (the "City Council") of the City of Santee (the "City") levy special taxes pursuant to Section 53340 of the California Government Code for the payment of the annual cost of the maintenance of municipal maintenance services, within Community Facilities District No. 2015-1 (Municipal Maintenance Services) of the City of Santee, County of San Diego, State of California (the "District") and in the surrounding area, and for the payment of administrative expenses incurred in connection with the levy and collection of said special taxes; and

**WHEREAS**, pursuant to Section 53340 of the Government Code, the City Council may by resolution provide for the levy of special taxes on parcels of taxable property in the District at a rate provided by ordinance or at a lower rate; and

**WHEREAS**, the rates of the special taxes that will be levied on the taxable parcels for fiscal year 2016-17 will not exceed the rates of the special taxes that have previously been levied by ordinance.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Santee, California, as follows:

**Section 1.** The above recitals are all true and correct.

**Section 2.** Special taxes shall be and are hereby levied for the 2016-17 fiscal year on all taxable parcels of real property within the District which are subject to taxation, which are identified in Exhibit A attached hereto, and in the amount set forth for each such parcel in said Exhibit A. The total amount of the special taxes which shall be levied in fiscal year 2016-17 to pay the annual cost of the municipal maintenance services, within the District is \$1,490.00. Such total amount includes a portion of the amount of the special taxes which shall be levied to pay administrative expenses during that fiscal year. Pursuant to Section 53340 of the California Government Code, such special taxes shall be collected in the same manner as ordinary *ad valorem* property taxes are collected and shall be subject to the same penalties and the same procedure, sale, and lien priority in case of delinquency as is provided for *ad valorem* taxes.

**Section 3.** The Director of Finance shall immediately following adoption of this resolution transmit a copy hereof to the San Diego County Auditor and Controller together with a request that the special taxes as levied hereby be collected on the tax bills for the parcels identified in Exhibit A hereto, along with the ordinary *ad valorem* property taxes to be levied on and collected from the owners of said parcels. City staff and consultants are hereby authorized and directed to take all such necessary and further actions to carry out the directives and requirements of this Resolution.

**RESOLUTION NO. \_\_\_\_\_**

**Section 4.** This resolution shall become effective upon its adoption.

**ADOPTED** by the City Council of the City of Santee, California, at a Regular Meeting thereof held this 13<sup>th</sup> day of July, 2016, by the following roll call vote to wit:

**AYES:**

**NOES:**

**ABSENT:**

**APPROVED**

\_\_\_\_\_  
**RANDY VOEPEL, MAYOR**

**ATTEST**

\_\_\_\_\_  
**PATSY BELL, CITY CLERK**

Attachments:      Exhibit A

**EXHIBIT A**

**COMMUNITY FACILITIES DISTRICT NO. 2015-1  
(MUNICIPAL MAINTENANCE SERVICES)  
OF THE CITY OF SANTEE**

**SPECIAL TAX LEVY  
FISCAL YEAR 2016-17**

**EXHIBIT A**

**CITY OF SANTEE**

**COMMUNITY FACILITIES DISTRICT NO. 2015-1 (MUNICIPAL MAINTENANCE SERVICES)**

<u>APN</u>	<u>Levy Amount</u>
381-750-01-00	\$149.00
381-750-02-00	\$149.00
381-750-03-00	\$149.00
381-750-04-00	\$149.00
381-750-05-00	\$149.00
381-750-06-00	\$149.00
381-750-07-00	\$149.00
381-750-08-00	\$149.00
381-750-09-00	\$149.00
381-750-10-00	\$149.00
<b>Total</b>	<b>\$1,490.00</b>

City of Santee  
COUNCIL AGENDA STATEMENT

**MEETING DATE**

July 13, 2016

**AGENDA ITEM NO.**

**ITEM TITLE**

**ADOPT RESOLUTION AUTHORIZING AN OPEN MARKET PURCHASE OF ONE (1) NEW 2016 FORD F-150 REPLACEMENT FIRE COMMAND VEHICLE; AND DECLARING VEHICLE V-142 AS SURPLUS PROPERTY**

**DIRECTOR/DEPARTMENT**

Richard Smith, Fire Chief *RS BK RD*

**SUMMARY**

- This item requests City Council authorization to purchase one (1) new 2016 Ford F-150 XLT SuperCrew Cab 4X4 pickup for the Fire Department to replace vehicle V-142, a 2006 Ford Expedition command vehicle. V-142 was involved in a front end collision and has been deemed a "total loss". V-142 was utilized daily by the operations chief and also served as the back-up battalion chief vehicle for the Fire Department. With the onset of fire season and the likelihood of the battalion chiefs being assigned to fires, the need for a replacement vehicle for the fire department's readiness is urgent. The 2016 Ford F-150 XLT SuperCrew Cab 4X4 pickup will be set up as a command vehicle for daily emergency response purposes. Details are contained in the attached staff report.

**FINANCIAL STATEMENT**

- Funding for this vehicle is included in the proposed FY 2016-17 Vehicle Replacement Fund amended budget. Insurance proceeds will be received from the total loss of V-142 in the approximate amount of \$69,066.

**CITY ATTORNEY REVIEW**

N/A       Completed

**FLEET MANAGER REVIEW**

N/A       Completed

**RECOMMENDATIONS**

– Adopt Resolution *MSB*

1. Finding that open market purchasing is in the City's best interest and authorizing such purchase of 2016 Ford F-150 XLT SuperCrew Cab 4x4 pickup from Penske Ford for an amount not-to-exceed \$46,660;
2. Authorizing open market purchase of add-on equipment such as a camper shell, radios, decals, strobe lights, light bars, command module and other miscellaneous items from American Emergency Products (AEP) for an amount not to exceed \$32,406.00; and
3. Authorizing the City Manager to approve additional expenditures for unforeseen changes in amount not to exceed ten percent (10%) of the total purchase price, which may include changing Ford dealers should the proposed vehicle no longer be available at the time a purchase order is issued; and
4. Declaring vehicle V-142, a 2006 Ford Expedition, surplus and directing disposal in accordance with SMC 3.32.040; and
5. Authorizing the City Manager to execute all necessary documents.

**ATTACHMENTS (Listed Below)**

Staff Report  
Resolution

**STAFF REPORT**  
**ADOPT RESOLUTION AUTHORIZING AN OPEN MARKET PURCHASE OF**  
**ONE (1) NEW 2016 FORD F-150 REPLACEMENT FIRE COMMAND VEHICLE;**  
**AND DECLARING VEHICLE V-142 AS SURPLUS PROPERTY**

**Background**

This item requests City Council authorization to purchase one (1) new 2016 Ford F-150 XLT SuperCrew Cab 4X4 pickup for the Fire Department to replace vehicle V-142, a 2006 Ford Expedition command vehicle. V-142 was involved in a front end collision and was deemed a "total loss". V-142 was utilized daily by the operations chief and also served as the back-up battalion chief vehicle for the Fire Department. With the onset of fire season and the likelihood of the battalion chiefs being assigned to fires, the need for a replacement vehicle for the fire department's readiness is urgent. The 2016 Ford F-150 XLT SuperCrew Cab 4X4 pickup will be set up as a command vehicle for daily emergency response purposes.

Santee Municipal Code (SMC) section 3.24.120.B.4 allows purchase of equipment, materials and supplies on the open market, without compliance with the bidding procedure, when City Council determines that due to special circumstances it would be in the City's best interest to do so. Since time is of the essence for this procurement with the onset of fire season and the essential need for this command vehicle, it would be in the City's best interest to forgo utilizing a cooperative contract or administering a formal bid process which would delay delivery for months. As such, informal quotes were requested from San Diego County Ford dealers. Staff recommends finding in support of and authorizing an open market purchase based on one informal quote received from Penske Ford to purchase one (1) new 2016 Ford F-150 XLT SuperCrew Cab 4x4 pickup for a total amount not to exceed \$46,660.

Staff also requests open market purchase authorization for the purchase and installation of add-on equipment such as a camper shell, radios, decals, strobe lights, light bars, command module and other miscellaneous items from American Emergency Products ("AEP") for an amount not to exceed \$32,406. AEP was the same vendor that outfitted the City's two 2015 F-150 command vehicles per City of Escondido Contract #14-01 that was awarded for up to a five-year term. City of Escondido is currently in the process of renewing Contract #14-01 however the extension will not be implemented in time for this procurement. The quote provided by AEP is in line with the add-on cost for the 2015 F-150s purchase.

**Cost breakdown:**

1. Truck / 2016 Ford F-150 XLT SuperCrew 4x4	46,660.00
2. <u>Equipment / Add-ons</u>	<u>32,406.00</u>
Total All-Inclusive Amount:	\$79,066.00

**Recommendation**

Staff requests authorization to utilize an open market purchase process to purchase one new 2016 Ford F-150 XLT SuperCrew Cab 4x4 pickup from Penske Ford for an amount not to exceed \$46,660 and purchase add-on equipment such as a camper shell, radios, decals, strobe lights, light bars, command module and other miscellaneous items from American Emergency Products (AEP) for an amount not to exceed \$32,406.00; authorizing the City Manager to approve additional expenditures for unforeseen changes in an amount not to exceed ten percent (10%) of the total purchase price; declaring vehicle V-142, a 2006 Ford Expedition, surplus and directing disposal in accordance with SMC 3.32.040; and authorizing the City Manager to execute all necessary documents for a total all-inclusive purchase amount not to exceed \$79,066.

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE AUTHORIZING AN OPEN MARKET PURCHASE OF ONE (1) NEW 2016 FORD F-150 REPLACEMENT FIRE COMMAND VEHICLE AND DECLARING VEHICLE V-142 AS SURPLUS PROPERTY**

**WHEREAS**, V-142, a 2006 Ford Expedition fire command vehicle, was involved in a front end collision and deemed a “total loss” and needs to be replaced; and

**WHEREAS**, special circumstances justify use of an open market purchase under Santee Municipal Code 3.24.120.B.4 whereby it is the onset of fire season and the need for readiness response is urgent; and

**WHEREAS**, since time is of the essence for this procurement, it would be in the City’s best interest to forgo utilizing a cooperative contract or administering a formal bid process which would delay delivery for months; and

**WHEREAS**, staff recommends finding in support of and authorizing an open market purchase to purchase one (1) new 2016 Ford F-150 XLT SuperCrew Cab 4x4 pickup from Penske Ford for a total amount not to exceed \$44,585; and purchase and installation of add-on equipment such as a camper shell, radios, decals, strobe lights, light bars, command module and other miscellaneous items from American Emergency Products (AEP) for an amount not to exceed \$32,406.

**NOW THEREFORE BE IT RESOLVED** by the City Council of the City of Santee, California, that the City Council hereby:

1. Finds that open market purchasing is in the City’s best interest and authorizes such purchase of 2016 Ford F-150 XLT SuperCrew Cab 4x4 pickup from Penske Ford for an amount not-to-exceed \$44,585; and
2. Authorizes open market purchase of add-on equipment such as a camper shell, radios, decals, strobe lights, light bars, command module and other miscellaneous items from American Emergency Products (AEP) for an amount not to exceed \$32,406.00; and
3. Authorizes the City Manager to approve additional expenditures for unforeseen changes in amount not to exceed ten percent (10%) of the total purchase price, which may include changing Ford dealers should the proposed vehicle no longer be available at the time a purchase order is issued, and
4. Declares vehicle V-142, a 2006 Ford Expedition, surplus and directing disposal in accordance with SMC 3.32.040; and
5. Authorizes the City Manager to execute all necessary documents.

**RESOLUTION NO. \_\_\_\_\_**

**ADOPTED** by the City Council of the City of Santee, California, at a Regular Meeting thereof held this 13<sup>th</sup> day of July 2016, by the following roll call vote to wit:

**AYES:**

**NOES:**

**ABSENT:**

**APPROVED:**

\_\_\_\_\_  
**RANDY VOEPEL, MAYOR**

**ATTEST:**

\_\_\_\_\_  
**PATSY BELL, CMC, CITY CLERK**

City of Santee  
**COUNCIL AGENDA STATEMENT**

**MEETING DATE** July 13, 2016

**AGENDA ITEM NO.**

**ITEM TITLE** RESOLUTION AMENDING THE FISCAL YEARS 2015-16 AND 2016-17 OPERATING BUDGET AND THE FISCAL YEAR 2016-17 CAPITAL IMPROVEMENT PROGRAM BUDGET

**DIRECTOR/DEPARTMENT**

Marlene Best, City Manager  
 Tim K. McDermott, Director of Finance *TM*

**SUMMARY**

The Two-Year Operating Budget and the Capital Improvement Program Budget for Fiscal Years 2015-16 and 2016-17 were adopted by the City Council on June 24, 2015. Over the course of a multi-year budget amendments are necessary as new information is obtained, conditions change or unforeseen events arise. The attached staff report provides a discussion of changes that have occurred since the budget was adopted and identifies proposed budget amendments.

**FINANCIAL STATEMENT** *TM*

The amended budget reflects a structurally balanced General Fund budget, with ongoing revenues covering ongoing expenditures. The General Fund reserve balance at June 30, 2017 is projected to be \$7,787,216 which represents 20.4% of the annual General Fund operating expenditures.

**CITY ATTORNEY REVIEW**

N/A

Completed

**RECOMMENDATION** *MSB*

Adopt the attached resolution amending the Fiscal Years 2015-16 and 2016-17 Operating Budget and the Fiscal Year 2016-17 Capital Improvement Program Budget, including any changes as directed by the City Council.

**ATTACHMENTS**

- 1) Staff Report
- 2) Resolution
- 3) FY 2015-16 Amended Budget General Fund
- 4) FY 2016-17 Amended Budget General Fund
- 5) FY 2015-16 Amended Budget Special Fund
- 6) FY 2016-17 Amended Budget Special Fund
- 7) GUHSD Funding Request

**STAFF REPORT****RESOLUTION AMENDING THE  
FISCAL YEARS 2015-16 AND 2016-17 OPERATING BUDGET AND THE  
FISCAL YEAR 2016-17 CAPITAL IMPROVEMENT PROGRAM BUDGET****CITY COUNCIL MEETING****July 13, 2016****Overview**

Over the past year Santee has realized steady growth in the local economy. Real estate values have continued to improve, which has translated into growth in property tax revenues. Retail sales activity has been strong with growth continuing across many major industry groups. Growth in the City's two key revenue sources has translated into an improved financial position for the City and has provided resources necessary to meet some unanticipated expenditure impacts as discussed later in this report.

**Fiscal Year 2015-16****General Fund Revenues**

General Fund revenues for FY 2015-16 are expected to total \$39.8 million, which is \$859,070 more than the adopted budget estimate. Sales tax, building permit and land development (planning and engineering) fees are primarily responsible for this increase in revenues as discussed below. More than \$1.5 million in non-recurring revenues were received in FY 2015-16 from the unwinding of the sales tax "triple-flip" and from a payment received for a conservation easement at Mast Park.

**Property Taxes:** Property tax revenues are expected to total \$14.7 million in FY 2015-16, which is \$385,100 less than the adopted budget estimate. This variance is primarily the result of a decrease in the redevelopment residual distribution of property taxes from the Santee CDC Successor Agency, as property taxes that were anticipated to be received by the City were instead required to be retained by the Successor Agency pending the final closeout of the Prospect Avenue Enhancements project. Further impacting this revenue source is that the City of Santee's share of the redevelopment residual distribution has been reduced from 22.9% to 20.3% of the total amount available for distribution. Another factor in the lower than originally anticipated property tax revenues is that the actual change in citywide assessed valuation for FY 2015-16 was 4.6% versus the 4.9% change that was estimated with the adopted budget.

**Sales Tax:** Sales tax revenues are expected to total \$13.5 million in FY 2015-16, a \$934,400 increase from the adopted budget estimate. Strong growth was experienced in the Building and Construction industry group and in allocations from the County Pool, reflecting rates of growth that are not expected to be maintained in the upcoming year. Net sales tax revenues actually retained by the City after required payments are made under a location agreement are expected to reflect a \$504,800 increase from the adopted budget estimate.

**Franchise Fees:** Franchise fees received from Waste Management, San Diego Gas & Electric (SDG&E), Cox Communications and AT&T are expected to total \$2.9 million in FY 2015-16, which is \$42,600 more than the adopted budget estimate.

**Building Permits and Land Development (Planning & Engineering) Fees:** Building permit fees are expected to total \$1.2 million in FY 2015-16, a \$230,900 increase from the adopted budget estimate, while land development (planning & engineering) fees are expected to total \$685,500, a \$276,000 increase from the adopted budget estimate, both the reflection of stronger than anticipated building and land development activity over the past year.

**Charges to Other Funds:** Revenue from charges to other funds is expected to total \$1.1 million in FY 2015-16, a \$215,500 decrease from the adopted budget estimate. This decrease is primarily the result of engineering charges to capital improvement projects which were less than originally anticipated.

### General Fund Expenditures

The FY 2015-16 amended General Fund budget reflects operating expenditure appropriations totaling \$37.6 million, a \$244,070 increase from the current budget, and capital transfers to the Vehicle Replacement Fund and Capital Projects Fund totaling more than \$2.1 million as provided by the adopted budget. The following year-end appropriation adjustments are required.

**City Manager:** Reflects a \$40,760 net increase in personnel costs as a result of final payments to the former Acting City Manager.

**Risk Management:** Reflects a \$9,960 increase as a result of higher than anticipated claims administration costs and loss control program activity (loss control program costs are reimbursed from the City's insurance JPA).

**Development Services (Building):** Reflects a \$193,350 increase for building plan check and inspection services as a direct result of the additional building permit activity/revenue as discussed above.

### General Fund Balance/Reserves

The General Fund reserve balance at June 30, 2016 is projected to be \$8.3 million, or 22.0% of annual General Fund operating expenditures. This represents a \$733,692 improvement from the balance that was projected with the current budget. As discussed below, the additional reserve balance is proposed to be used to fund the cost of the City's share of the 800 MHz Regional Communications System backbone infrastructure with an estimated cost of \$797,000.

### Special Funds and Capital Improvement Program Funds

No budget amendments are proposed for the Special Funds or Capital Improvement Program Funds for FY 2015-16.

## **Fiscal Year 2016-17**

### **General Fund Revenues**

General Fund revenues are projected to total \$38.8 million in FY 2016-17, a \$588,030 increase from the previously adopted budget estimate but a \$1.0 million decrease from the prior fiscal year which included over \$1.5 million in non-recurring revenues from the unwinding of the sales tax “triple-flip” and Mast Park conservation easement payment.

**Property Taxes:** Property tax revenues are projected to total \$15.7 million in FY 2016-17, a \$146,900 increase from the previously adopted budget estimate and a \$1.0 million increase from the prior year. The 2016-17 tax roll reflects a 4.4% increase in net assessed valuation for Santee which is included in the revised estimate. Also included is a \$472,400 increase from the prior year in the amount of the redevelopment residual distribution of property taxes from the Santee CDC Successor Agency, as property taxes that were retained by the Successor Agency in FY 2015-16 pending the final closeout of the Prospect Avenue Enhancements project are expected to be returned to the City in June 2017.

**Sales Tax:** Sales tax revenues are projected to total \$12.6 million in FY 2016-17, a \$657,900 increase from the previously adopted budget estimate but an \$888,200 decrease from the prior year as a result of the unwinding of the “triple-flip” in FY 2015-16. Overall, retail sales activity is projected to increase by approximately 2.0%, with growth in the Building & Construction industry group and in County Pool allocations at lower levels than experienced over the past couple of years. Net sales tax revenues actually retained by the City after the required location agreement payments are made are expected to reflect a \$257,200 increase from the adopted budget estimate.

**Franchise Fees:** Franchise fees are projected to total \$2.9 million in FY 2016-17, a \$36,700 increase from the previously adopted budget estimate but a \$3,600 decrease from the prior year. Slight increases are projected in the franchise fees paid by Waste Management and a continued decrease is projected in the franchise fees paid by Cox Communications. A decrease is projected in the franchise fees paid by SDG&E as a result of a California Public Utilities Commission decision that ordered SDG&E to change the methodology it uses to calculate municipal surcharge remittances made to cities and counties in the SDG&E service territory.

**Charges to Other Funds:** Revenue from charges to other funds is expected to total \$1.1 million in FY 2016-17, a \$197,900 decrease from the adopted budget estimate and an \$8,400 decrease from the prior year, primarily the result of engineering charges to capital improvement projects which are projected to be less than originally anticipated.

### **General Fund Expenditures**

The FY 2016-17 amended General Fund operating budget reflects expenditure appropriations totaling \$38.9 million, a \$1.0 million increase from the adopted budget, and capital transfers to the Vehicle Replacement Fund totaling \$300,000, an increase of \$100,000 from the adopted budget. Key proposed appropriation adjustments are as follows:

**800 MHz Regional Communications System:** The amended budget includes \$797,000 for the City's share of the cost of backbone infrastructure for the NextGen RCS System, which provides communication services to public safety and public service agencies in San Diego and Imperial Counties. This cost is reflected in both the Law Enforcement (\$585,000) and Fire and Life Safety (\$212,000) budgets. By using supplemental reserves that are currently available to fund this cost up-front versus financing the cost over a 10-year period, future annual debt service costs of approximately \$100,000 that would impact future year budgets can be avoided.

**Personnel costs:** Personnel costs have been revised in order to more accurately reflect changes that have occurred over the past year from turnover, the filling of vacant positions and positions that were added over the past year as authorized by the adopted budget. The revised personnel cost estimates also reflect changes in employee health insurance coverage levels and CalPERS retirement tiers which in some cases have resulted in an overall reduction in a department's personnel cost budget from the originally adopted budget. Also included in the personnel cost estimates is a placeholder for across the board salary adjustments for all employee groups.

**City Attorney:** Reflects a \$30,000 increase for work related to the Climate Action Plan.

**City Manager:** Reflects a \$62,010 decrease in personnel costs from the adopted budget.

**Information Technology:** Reflects a net increase of \$36,130 which includes a \$26,270 increase in personnel costs from the adopted budget, \$6,100 for the purchase of four computers, and other incidental increases.

**City Clerk:** Reflects a net increase of \$7,030 which includes an increase of \$20,000 for public noticing and codification for the comprehensive Municipal Code update project and a \$13,270 reduction in personnel costs from the adopted budget.

**Human Resources:** Reflects a \$33,430 increase in personnel costs from the adopted budget and \$1,100 for mandated hearing conservation testing of certain employees.

**Risk Management:** Reflects a net increase of \$82,330 which includes an \$115,000 increase in liability claims administration costs and a \$32,670 decrease in liability insurance premiums.

**Development Services:** Reflects a net decrease of \$68,300 which includes a \$98,300 decrease in personnel costs from the adopted budget, a \$17,100 increase in contract building services based on anticipated plan check and inspection revenues, and other incidental increases.

**Community Services:** Reflects a net decrease of \$9,860 which includes a \$39,220 decrease in personnel costs from the adopted budget, a \$13,730 net increase for grounds maintenance (urban forestry and parks landscaping) a \$15,000 increase for equipment in support of City special events, and other incidental increases.

Law Enforcement: Reflects a total increase of \$759,970 from the adopted budget as follows:

- Law Enforcement Services Contract: The FY 2016-17 law enforcement services contract will experience an overall 4.9% increase from the prior year. Contract costs are capped at a 3.25% increase with the exception of retirement costs which are not subject to the cap. Sheriff Department retirement costs reflect a 7.4% increase which is the cause of the higher than expected overall contract cost increase. The law enforcement services contract will be \$174,970 more than the adopted budget amount and \$628,110 more than in FY 2015-16. Included in this increase is \$15,420 related to the swap of one COPPS deputy for one traffic motor deputy.
- 800 MHz Regional Communications System: Includes \$585,000 for the Law Enforcement portion of this cost as discussed above.
- School Resource Officers: The City has received a request from the Grossmont Union High School District (see attachment 7) to pay for 50% of the cost of two School Resource Officers (one each at Santana and West Hills High Schools). The cost impact of this request would be \$147,026 in FY 2016-17 which has not been included in the proposed budget amendments pending discussion and direction from the City Council. The City previously discontinued the funding of School Resource Officers in 2005.

Fire and Life Safety: Reflects a total increase of \$238,280 from the adopted budget including the following:

- \$35,400 decrease in contract fire plan review services as a result of bringing fire plan review in-house with the hiring of a Fire Marshall as approved by the City Council in January 2016
- \$212,000 increase for the Fire Department share of the 800 MHz Regional Communications System
- Includes \$29,230 for the City's 10% local match if awarded a FEMA grant to replace the department's self-contained breathing apparatus
- Includes a \$27,800 increase for various EMS program costs (reimbursed by County Service Area 69)
- Includes other incidental adjustments

Operating Transfers Out (Vehicle Replacement Fund): The amended budget reflects a \$100,000 increase in funding provided to the Vehicle Replacement Fund.

#### General Fund Balance/Reserves

The amended General Fund budget reflects a projected reserve balance at June 30, 2017 of \$7.8 million, or 20.4% of annual General Fund operating expenditures. This represents a \$157,636 improvement from the balance that was projected with the originally adopted budget.

### Special Funds and Capital Improvement Program Funds

Key proposed appropriation adjustments for various Special Funds and Capital Improvement Program Funds are as follows:

Vehicle Replacement Fund: Reflects a net increase of \$72,640 for the following:

- \$10,460 decrease in debt service payments for two fire apparatus purchased over the past year
- \$4,000 increase for additional costs to outfit a Ford Escape budgeted for purchase by the Development Services Department
- \$79,100 to replace a Fire command vehicle that was declared a total loss after a recent accident. \$69,100 of this cost is expected to be covered from an insurance claim

Supplemental Law Enforcement Fund: Reflects a \$6,260 increase to expend the balance of these State funds currently on hand which will reduce law enforcement services contract costs incurred by the General Fund accordingly.

Zone 2 Flood Control Fund: Reflects a \$25,190 increase for mandatory regional co-permittee fees.

CFD No. 2015-1 Fund: Reflects the initial appropriation of \$1,230 for the maintenance of water quality facility maintenance and administrative costs for the ten-unit El Nopal Estates II subdivision.

Town Center Landscape Maintenance District: Reflects decreases in maintenance costs in three zones and a \$7,730 increase in maintenance costs in the Mission Creek zone.

Santee Landscape Maintenance District: Reflects either decreases or no change in the maintenance costs for nine zones and just a \$20 increase in one other zone.

Roadway Lighting District (Zones A and B): Reflects decreases in anticipated street lighting costs from the adopted budget for Zones A and B in the amounts of \$2,300 and \$24,900 respectively.

Traffic Mitigation Fund: Reflects appropriation increases for the following:

- \$25,000 to replace survey transit equipment that is 30 years old with equipment utilizing current digital technology for use by engineering staff in conducting design surveys for capital improvement projects
- \$56,000 increase in the Circulation Element project budget for additional consultant services, City Attorney office support and staff costs

RESOLUTION NO. \_\_\_\_\_-2016

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE,  
CALIFORNIA AMENDING THE TWO-YEAR OPERATING BUDGET FOR FISCAL YEARS  
2015-16 AND 2016-17 AND THE CAPITAL IMPROVEMENT PROGRAM BUDGET FOR  
FISCAL YEAR 2016-17**

**WHEREAS**, the City Council of the City of Santee adopted the Two Year Operating Budget for Fiscal Years 2015-16 and 2016-17 by Resolution No. 054-2015 on June 24, 2015; and

**WHEREAS**, the City Council of the City of Santee adopted the Capital Improvement Program Budget for Fiscal Years 2015-16 and 2016-17 by Resolution No. 055-2015 on June 24, 2015; and

**WHEREAS**, the City Manager has prepared and submitted to the City Council for its review and approval certain budget amendments for fiscal years 2015-16 and 2016-17; and

**WHEREAS**, the City Council desires to amend the fiscal years 2015-16 and 2016-17 operating and capital improvement program budgets.

**NOW, THEREFORE BE IT RESOLVED** that the City Council of the City of Santee, California, does hereby find, determine and declare as follows:

**Section 1:** The fiscal years 2015-16 and 2016-17 budget amendments as submitted by the City Manager, including all changes directed by the City Council, are approved and adopted.

**Section 2:** The monies necessary to offset the expenditures for the fiscal years 2015-16 and 2016-17 budget amendments as adopted by the City Council pursuant to Section 1 hereof, are authorized by this section to be appropriated out of the funds available to the City during said fiscal years.

**ADOPTED** by the City Council of the City of Santee, California, at a regular meeting thereof held this 13<sup>th</sup> day of July 2016, by the following roll call vote to wit:

**AYES:**

**NOES:**

**ABSTAIN:**

**ABSENT:**

**APPROVED:**

\_\_\_\_\_  
**RANDY VOEPEL, MAYOR**

**ATTEST:**

\_\_\_\_\_  
**PATSY BELL, CMC, CITY CLERK**

**CITY OF SANTEE  
GENERAL FUND  
SUMMARY OF REVENUES AND EXPENDITURES  
FY 2015-16 AMENDED BUDGET**

Attachment 3A

	<b>FY 2015-16 Current Budget</b>	<b>FY 2015-16 Amended Budget</b>	<b>Increase (Decrease)</b>
Revenues	\$ 38,918,130	\$ 39,777,200	\$ 859,070
Expenditures by Dept:			
City Council	393,380	393,380	-
City Attorney	418,000	418,000	-
City Manager	825,740	866,500	40,760
Information Technology	357,530	357,530	-
Animal Control	343,010	343,010	-
City Clerk	365,850	365,850	-
Human Resources	478,790	478,790	-
Risk Management	347,940	357,900	9,960
Finance	1,236,520	1,236,520	-
Development Services (total):	3,873,770	4,067,120	193,350
Engineering	2,119,550	2,119,550	-
Planning	899,910	899,910	-
Building	724,330	917,680	193,350
Code Compliance	129,980	129,980	-
Community Services (total):	4,344,756	4,344,756	-
Administration	503,750	503,750	-
Public Svcs - Maintenance	2,928,380	2,928,380	-
Solid Waste	53,448	53,448	-
Facility Operations	66,210	66,210	-
Recreation	495,040	495,040	-
Senior Programs	750	750	-
Teen Center	58,338	58,338	-
Special Events	197,960	197,960	-
Skate Park	40,880	40,880	-
Law Enforcement	12,643,640	12,643,640	-
Fire and Life Safety (total):	11,561,600	11,561,600	-
Administration	936,420	936,420	-
Emergency Operations	7,569,160	7,569,160	-
Emergency Medical	2,660,430	2,660,430	-
Emergency Preparedness	11,120	11,120	-
Grants	58,194	58,194	-
Fleet Operations and Maintenance	326,276	326,276	-
Debt Service	203,500	203,500	-
Total Operating Expenditures	<u>37,394,026</u>	<u>37,638,096</u>	<u>244,070</u>
Revenues Over (Under) Expenditures	1,524,104	2,139,104	615,000
Transfers to Vehicle Replacement Fund	(895,000)	(895,000)	-
Transfers to Capital Projects Fund	<u>(1,252,530)</u>	<u>(1,252,530)</u>	<u>-</u>
Change in Fund Balance	(623,426)	(8,426)	615,000
Fund Balance, Beg. of Year	<u>8,154,000</u>	<u>8,272,692</u>	<u>118,692</u>
Fund Balance, End of Year	<u><u>\$ 7,530,574</u></u>	<u><u>\$ 8,264,266</u></u>	<u><u>\$ 733,692</u></u>

**CITY OF SANTEE  
GENERAL FUND  
REVENUE DETAIL  
FY 2015-16 REVISED ESTIMATES**

Attachment 3B

General Fund	FY 2014-15 Actual	FY 2015-16 Current	FY 2015-16 Revised	Increase (Decrease)
Property Taxes	8,723,501	9,174,000	9,124,800	(49,200)
Property Taxes-Redev. Resid. Dist.	802,356	944,900	621,500	(323,400)
Property Taxes in Lieu (of VLF)	4,698,304	4,926,600	4,914,100	(12,500)
Sales and Use Tax	8,723,830	10,041,400	10,768,200	726,800
Sales Tax in Lieu ("Triple Flip")	2,768,875	2,556,400	2,764,000	207,600
Less: Location Agreement Payment	(1,161,083)	(961,000)	(1,390,600)	(429,600)
Transient Occupancy Tax	431,550	438,800	478,100	39,300
Franchise Fees	2,875,723	2,873,100	2,915,700	42,600
Sycamore Landfill Fees	293,430	299,300	306,700	7,400
Real Property Transfer Tax	188,717	185,500	238,600	53,100
Business Licenses	115,761	117,300	116,800	(500)
SB 1186 Surcharge	2,054	2,100	2,000	(100)
Alarm Permits	792	900	1,020	120
Planning and Engineering Fees	467,822	409,500	685,500	276,000
Fire Permit/Service Fees	42,825	42,500	43,000	500
Fire Reimbursements	255,325	80,000	86,300	6,300
Building Permits/Plan Check Fees	988,896	1,009,800	1,240,700	230,900
Vehicle/Traffic Safety Fines	158,204	150,000	145,000	(5,000)
Admin Tow Fees	15,207	15,000	20,400	5,400
Other Fines and Forfeitures	20,215	18,000	23,600	5,600
Parking Citations	17,785	20,000	12,600	(7,400)
Cost Recovery Restitution/Subrogation	525	200	13,000	12,800
Interest Income	50,780	90,000	85,000	(5,000)
Rental Income	65,302	45,600	54,900	9,300
City Facilities-Sportsplex	168,947	162,000	173,600	11,600
City Facilities-Civic Center	32,636	34,000	37,500	3,500
Teen Center/Skate Park	7,666	6,200	8,800	2,600
Parks, Fields & Lighting	161,991	150,000	175,900	25,900
AVA Reimbursements	-197,693	-	-	-
Motor Vehicle License Fees	23,787	25,000	22,500	(2,500)
Miscellaneous Income	208,706	444,500	464,300	19,800
Insurance Dividends	150,250	60,000	178,700	118,700
SB90 Claims (Mandated Costs)	86,460	20,000	42,400	22,400
CSA 69 Paramedic Services	2,337,030	2,660,430	2,650,930	(9,500)
Fire Services - FTES	17,309	19,300	11,000	(8,300)
CSA 115 Fire Services	199,978	348,900	403,400	54,500
Assessments/Fire Benefit Fee	925,588	980,000	990,000	10,000
Charges to Other Funds	1,295,993	1,322,000	1,106,500	(215,500)
Grant Claim Reimbursements	114,004	101,900	93,890	(8,010)
Code Compliance	11,201	9,000	28,100	19,100
Special Events	97,804	85,000	105,000	20,000
Donations	1,143	-	3,760	3,760
Operating Transfers In	10,000	10,000	10,000	-
<b>TOTAL GENERAL FUND</b>	<b>36,594,882</b>	<b>38,918,130</b>	<b>39,777,200</b>	<b>859,070</b>

CITY OF SANTEE  
GENERAL FUND

Attachment 3C

SUMMARY OF APPROPRIATION ADJUSTMENTS BY DEPARTMENT  
FY 2015-16 AMENDED OPERATING BUDGET

	<u>FY 2015-16</u>
<b>City Manager</b>	
Personnel costs	\$ 40,760
<b>Risk Management</b>	
Claims administration	4,500
Loss control	5,460
	<u>9,960</u>
<b>Development Services</b>	
Building expert & consulting services (Esgil)	193,350
	<u>193,350</u>
<b>Total General Fund Appropriation Adjustments</b>	<u><u>\$ 244,070</u></u>

**CITY OF SANTEE  
GENERAL FUND  
SUMMARY OF REVENUES AND EXPENDITURES  
FY 2016-17 AMENDED BUDGET**

	<b>FY 2016-17 Adopted Budget</b>	<b>FY 2016-17 Amended Budget</b>	<b>Increase (Decrease)</b>
Revenues	\$ 38,181,070	\$ 38,769,100	\$ 588,030
Expenditures by Dept:			
City Council	409,680	406,870	(2,810)
City Attorney	368,000	398,000	30,000
City Manager	794,480	732,470	(62,010)
Information Technology	344,950	381,080	36,130
Animal Control	359,290	354,890	(4,400)
City Clerk	384,980	392,010	7,030
Human Resources	446,270	480,800	34,530
Risk Management	334,970	417,300	82,330
Finance	1,251,600	1,229,800	(21,800)
Development Services (total):	3,923,160	3,854,860	(68,300)
Engineering	2,145,090	2,134,300	(10,790)
Planning	914,790	837,600	(77,190)
Building	724,520	743,720	19,200
Code Compliance	138,760	139,240	480
Community Services (total):	4,251,660	4,241,800	(9,860)
Administration	496,980	470,950	(26,030)
Public Svcs - Maintenance	2,831,050	2,830,100	(950)
Solid Waste	37,730	40,200	2,470
Facility Operations	69,900	71,180	1,280
Recreation	490,870	480,020	(10,850)
Senior Programs	750	750	-
Teen Center	75,590	77,090	1,500
Special Events	205,580	227,190	21,610
Skate Park	43,210	44,320	1,110
Law Enforcement	13,094,570	13,854,540	759,970
Fire and Life Safety (total):	11,761,150	11,999,430	238,280
Administration	752,630	774,330	21,700
Emergency Operations	7,900,180	8,024,820	124,640
Emergency Medical	2,750,470	2,836,300	85,830
Emergency Preparedness	10,350	10,350	-
Fleet Operations and Maintenance	347,520	353,630	6,110
Debt Service	202,300	202,300	-
<b>Total Operating Expenditures</b>	<b>37,927,060</b>	<b>38,946,150</b>	<b>1,019,090</b>
Revenues Over (Under) Expenditures	254,010	(177,050)	(431,060)
Transfers to Vehicle Replacement Fund	(200,000)	(300,000)	(100,000)
Transfers to Capital Projects Fund	-	-	-
Change in Fund Balance	54,010	(477,050)	(531,060)
Fund Balance, Beg. of Year	7,575,570	8,264,266	688,696
Fund Balance, End of Year	<b>\$ 7,629,580</b>	<b>\$ 7,787,216</b>	<b>\$ 157,636</b>

**CITY OF SANTE  
GENERAL FUND  
REVENUE DETAIL  
FY 2016-17 REVISED ESTIMATES**

Attachment 4B

General Fund	FY 2015-16 Revised	FY 2016-17 Adopted	FY 2016-17 Revised	Increase (Decrease)
Property Taxes	9,124,800	9,467,700	9,472,400	4,700
Property Taxes-Redev. Resid. Dist.	621,500	978,100	1,093,900	115,800
Property Tax in Lieu (of VLF)	4,914,100	5,099,100	5,125,500	26,400
Sales and Use Tax	10,768,200	11,986,100	12,644,000	657,900
Sales Tax in Lieu ("Triple Flip")	2,764,000	-	-	-
Less: Location Agreement Payment	(1,390,600)	(989,900)	(1,390,600)	(400,700)
Transient Occupancy Tax	478,100	448,000	490,800	42,800
Franchise Fees	2,915,700	2,875,400	2,912,100	36,700
Sycamore Landfill Fees	306,700	299,300	307,000	7,700
Real Property Transfer Tax	238,600	185,500	226,600	41,100
Business Licenses	116,800	119,600	117,800	(1,800)
SB 1186 Surcharge	2,000	2,200	2,100	(100)
Alarm Permits	1,020	900	1,000	100
Planning and Engineering Fees	685,500	429,600	518,800	89,200
Fire Permit/Service Fees	43,000	42,500	42,500	-
Fire Reimbursements	86,300	80,000	87,000	7,000
Building Permits/Plan Check Fees	1,240,700	1,010,700	1,006,500	(4,200)
Vehicle/Traffic Safety Fines	145,000	150,000	145,000	(5,000)
Admin Tow Fees	20,400	15,000	17,200	2,200
Other Fines and Forfeitures	23,600	18,000	23,600	5,600
Parking Citations	12,600	20,000	12,600	(7,400)
Cost Recovery Restitution/Subrogation	13,000	200	200	-
Interest Income	85,000	108,000	98,000	(10,000)
Rental Income	54,900	45,600	52,700	7,100
City Facilities-Sportsplex	173,600	162,000	175,000	13,000
City Facilities-Civic Center	37,500	35,700	37,500	1,800
Teen Center/Skate Park	8,800	7,000	8,000	1,000
Parks, Fields & Lighting	175,900	151,000	167,000	16,000
AVA Reimbursements	-	-	-	-
Motor Vehicle License Fees	22,500	25,000	21,000	(4,000)
Miscellaneous Income	464,300	13,000	14,000	1,000
Insurance Dividends	178,700	60,000	80,000	20,000
SB90 Claims (Mandated Costs)	42,400	20,000	23,000	3,000
CSA 69 Paramedic Services	2,650,930	2,750,470	2,836,300	85,830
Fire Services - FTES	11,000	19,300	11,000	(8,300)
CSA 115 Fire Services	403,400	116,000	105,000	(11,000)
Assessments/Fire Benefit Fee	990,000	1,030,000	1,061,400	31,400
Charges to Other Funds	1,106,500	1,296,000	1,098,100	(197,900)
Grant Claim Reimbursements	93,890	-	-	-
Code Compliance	28,100	9,000	15,100	6,100
Special Events	105,000	85,000	100,000	15,000
Donations	3,760	-	-	-
Operating Transfers In	10,000	10,000	10,000	-
<b>TOTAL GENERAL FUND</b>	<b>39,777,200</b>	<b>38,181,070</b>	<b>38,769,100</b>	<b>588,030</b>

CITY OF SANTEE  
GENERAL FUND

Attachment 4C

SUMMARY OF APPROPRIATION ADJUSTMENTS BY DEPARTMENT  
FY 2016-17-16 AMENDED OPERATING BUDGET

	<b>FY 2016-17</b>
<b>City Council</b>	
Personnel costs	\$ (3,560)
Telephone	750
	(2,810)
<b>City Attorney</b>	
Climate action plan	30,000
<b>City Manager</b>	
Personnel costs	(62,010)
<b>Information Technology</b>	
Personnel costs	26,270
Software maintenance and licensing	3,010
Computers (4)	6,100
Telephone	750
	36,130
<b>Animal Control</b>	
Animal control services contract	(4,400)
<b>City Clerk</b>	
Personnel costs	(13,270)
Municipal Code update public noticing and codification	20,000
Telephone	300
	7,030
<b>Human Resources</b>	
Personnel costs	33,430
Hearing conservation program	1,100
	34,530
<b>Risk Management</b>	
Claims administration	115,000
Liability insurance	(32,670)
	82,330
<b>Finance</b>	
Personnel costs	(22,570)
Telephone	770
	(21,800)
<b>Development Services</b>	
Personnel costs	(98,300)
Code Compliance (title searches, printing, postage, supplies, utilities)	3,440
Code Compliance (telephone)	200
Engineering (professional development, printing, supplies)	2,700
Engineering (telephone)	2,360
Planning (professional development, printing, supplies)	2,100
Building expert & consulting services (Esgil)	17,100
Building (Universal Building Code update, supplies)	2,100
	(68,300)
<b>Community Services</b>	
Personnel costs	(39,220)
Grounds maintenance (urban forestry, parks landscaping)	13,730
Telephone (public services)	630
Special events (light trees, canopies, sport fence, tables, chairs)	15,000
	(9,860)
<b>Law Enforcement</b>	
Law enforcement services contract	174,970
School Resource Officer funding	-
RCS 800 MHz system upgrade	585,000
	759,970
<b>Fire and Life Safety</b>	
Personnel costs	(7,770)
Expert & consulting services (fire plan review)	(35,400)
GIS licenses	1,200
Heartland Communications agency assessment (Emergency Operations portion)	4,830
Radio replacement	2,100
RCS 800 MHz system upgrade (Emergency Operations portion)	167,000
RCS 800 MHz system upgrade (EMS/CSA 69 portion)	45,000
Self contained breathing apparatus (10% grant match)	29,230
EMS/CSA 69 (various)	27,800
Telephone (Admin)	1,110
Telephone (Emergency Operations)	3,180
	238,280
<b>Total General Fund Appropriation Adjustments</b>	<b>\$ 1,019,090</b>

**CITY OF SANTEE  
SUMMARY OF SPECIAL FUNDS  
FY 2015-16 AMENDED BUDGET**

Fund	Available Balances 07/01/15	Estimated Revenues	Proposed Operating Budget	Operating Transfers In (Out)	Capital Improvement Program	Estimated Balances 06/30/16
<b>SPECIAL FUNDS</b>						
Risk Management Reserve	\$ 144,370	\$ 1,200	\$ -	\$ (26,000)	\$ -	\$ 119,570
Workers' Comp. Reserve	860,218	8,900	-	26,000	-	895,118
Vehicle Acq. & Replacement	332,384	142,500	(407,190)	928,990	-	996,684
Recreation Revolving	50,124	266,700	(245,940)	(10,000)	-	60,884
Supplemental Law Enforcement	6,260	100,000	(100,000)	-	-	6,260
Gas Tax	1,463,309	1,246,300	(1,247,020)	(25,580)	(1,375,100)	61,909
SAFE Program	151,071	500	(30,000)	(33,990)	-	87,581
Zone 2 Flood Control District	390,167	323,100	(423,050)	-	(100,000)	190,217
Community Dev. Block Grant	-	261,630	(261,630)	-	-	-
CFD No. 2015-1	-	745	-	-	-	745
Town Center Landscape Maint.						
Zone A - Town Center	91,292	141,820	(185,260)	25,580	-	73,432
Zone B - The Lakes	21,428	7,520	(9,920)	-	-	19,028
Zone C - San Remo	15,755	7,860	(8,200)	-	-	15,415
Zone D - Mission Creek	100,256	164,580	(172,090)	-	-	92,746
Santee Landscape Maint.						
Zones 1&2 - El Nopal	4,424	2,260	(3,240)	-	-	3,444
Zone 3 - Country Scenes	2,977	2,070	(2,380)	-	-	2,667
Zone 4 - Camelot Heights	2,256	1,390	(1,690)	-	-	1,956
Zone 8 - Silver Country	41,210	75,740	(70,820)	-	-	46,130
Zone 9 - Mattazaro/Timberline	1,035	1,530	(1,290)	-	-	1,275
Zone 12 - The Heights	13,154	8,760	(10,500)	-	-	11,414
Zone 13 - Prospect Hills	4,523	3,230	(4,230)	-	-	3,523
Zone 14 - Mitchell Ranch	5,488	2,690	(2,900)	-	-	5,278
Zone 17 - Dakota Ranch	19,476	4,830	(7,410)	-	-	16,896
Zone 18 - Allos	2,597	3,740	(3,800)	-	-	2,537
Special Street Light Tax (Zone A)	450,271	264,530	(154,910)	-	-	559,891
Roadway Lighting District (Zone B)	469,274	334,680	(351,280)	-	-	452,674
Mobile Home Park Admin.	49,883	42,500	(41,840)	10,200	-	60,743
Mobile Home Park Legal Defense	10,200	-	-	(10,200)	-	-
<b>TOTAL SPECIAL FUNDS</b>	<b>\$ 4,703,402</b>	<b>\$ 3,421,305</b>	<b>\$ (3,746,590)</b>	<b>\$ 885,000</b>	<b>\$ (1,475,100)</b>	<b>\$ 3,788,017</b>

**CITY OF SANTEE  
SPECIAL FUNDS  
SUMMARY OF APPROPRIATION ADJUSTMENTS BY FUND  
2015-16 AMENDED OPERATING BUDGET**

Attachment 5B

	<u>FY 2015-16</u>
None	-
<b>Capital Improvement Program Funds</b>	
None	-
	<u>                    </u>
	<u>                    </u>

**CITY OF SANTEE  
SPECIAL FUNDS SUMMARY  
FY 2016-17 AMENDED BUDGET**

Fund	Estimated Balances 07/01/16	Estimated Revenues	Operating Budget	Operating Transfers In (Out)	Capital Improvement Program	Estimated Balances 06/30/17
<b>SPECIAL FUNDS</b>						
Risk Management Reserve	\$ 119,570	\$ 1,500	\$ -	\$ -		\$ 121,070
Workers' Comp. Reserve	895,118	9,600	-	-	-	904,718
Vehicle Acq. & Replacement	996,684	213,900	(932,480)	300,000	-	578,104
Recreation Revolving	60,884	271,100	(255,480)	(10,000)	-	66,504
Supplemental Law Enforcement	6,260	100,000	(106,260)	-	-	-
Gas Tax	61,909	1,150,200	(1,173,490)	(23,410)	-	15,209
SAFE Program	87,581	200	(20,000)	-	-	67,781
Zone 2 Flood Control District	190,217	337,100	(313,870)	-	-	213,447
Community Dev. Block Grant	-	264,023	(264,023)	-	-	-
CFD No. 2015-1	745	1,490	(1,230)			1,005
Town Center Landscape Maint.						
Zone A - Town Center	73,432	141,820	(159,400)	23,410	-	79,262
Zone B - The Lakes	19,028	7,520	(9,270)	-	-	17,278
Zone C - San Remo	15,415	7,860	(7,700)	-	-	15,575
Zone D - Mission Creek	92,746	164,580	(176,040)	-	-	81,286
Santee Landscape Maint.						
Zones 1&2 - El Nopal	3,444	2,260	(3,280)	-	-	2,424
Zone 3 - Country Scenes	2,667	2,070	(2,440)	-	-	2,297
Zone 4 - Camelot Heights	1,956	1,390	(1,720)	-	-	1,626
Zone 8 - Silver Country	46,130	75,740	(70,620)	-	-	51,250
Zone 9 - Mattazaro/Timberlane	1,275	1,530	(1,510)	-	-	1,295
Zone 12 - The Heights	11,414	8,760	(8,100)	-	-	12,074
Zone 13 - Prospect Hills	3,523	3,230	(3,950)	-	-	2,803
Zone 14 - Mitchell Ranch	5,278	2,690	(3,000)	-	-	4,968
Zone 17 - Dakota Ranch	16,896	4,830	(6,520)	-	-	15,206
Zone 18 - Allos	2,537	3,920	(3,840)	-	-	2,617
Roadway Lighting District (Zone A)	559,891	272,360	(144,500)	-	-	687,751
Roadway Lighting District (Zone B)	452,674	335,790	(355,150)	-	-	433,314
Mobile Home Park Admin.	60,743	42,600	(45,900)	-	-	57,443
Mobile Home Park Legal Defense	-	-	-	-	-	-
<b>TOTAL SPECIAL FUNDS</b>	<b>\$ 3,788,017</b>	<b>\$ 3,428,063</b>	<b>\$ (4,069,773)</b>	<b>\$ 290,000</b>	<b>\$ -</b>	<b>\$ 3,436,307</b>

**CITY OF SANTEE  
SPECIAL FUNDS  
SUMMARY OF APPROPRIATION ADJUSTMENTS BY FUND  
2016-17 AMENDED OPERATING BUDGET**

Attachment 6B

	<b>FY 2016-17</b>
<b>Vehicle Replacement Fund</b>	
Fire apparatus debt service payments	(10,460)
Ford Escape for DDS (additional cost to outfit vehicle)	4,000
Fire command vehicle	79,100
	72,640
 <b>Recreation Revolving Fund</b>	
Personnel costs	4,950
	4,950
 <b>Supplemental Law Enforcement Fund</b>	
SD County law enforcement services contract	6,260
	6,260
 <b>Zone 2 Flood Control Fund</b>	
Regional Co-permittee fees	25,190
	25,190
 <b>Community Development Block Grant Fund</b>	
Program expenditures based on actual FY 2016-17 allocation	3,163
	3,163
 <b>CFD No. 2015-1 Fund</b>	
	1,230
 <b>Town Center Landscape Maintenance District</b>	
Zone A Town Center	(12,830)
Zone B The Lakes	(850)
Zone C San Remo	(500)
Zone D Mission Creek	7,730
	(6,450)
 <b>Santee Landscape Maintenance District</b>	
Zones 1 & 2 El Nopal	-
Zone 3 Country Scenes	(150)
Zone 4 Camelot Heights	20
Zone 8 Silver Country Estates	(220)
Zone 9 Mattazaro/Timberlane	(250)
Zone 12 The Heights	(2,500)
Zone 13 Prospect Hills	(380)
Zone 14 Mitchell Ranch	-
Zone 17 Dakota Ranch	(1,300)
Zone 18 Allos	(120)
	(4,900)
 <b>Roadway Lighting District Zone A</b>	
	(2,300)
 <b>Roadway Lighting District Zone B</b>	
	(24,900)
 <b>Mobile Home Park Ordinance Admin Fund</b>	
Personnel costs	3,170
	3,170
 <b>Capital Improvement Program Funds</b>	
 <b>Traffic Mitigation Fund</b>	
Replace survey transit for use in project design surveys	25,000
Circulation Element (consultant, City Attorney, staff costs)	56,000
	81,000

**From:** Scott Patterson [<mailto:spatterson@guhdsd.net>]  
**Sent:** Wednesday, June 15, 2016 4:26 PM  
**To:** Marlene Best  
**Cc:** Ralf Swenson; Kathy Valverde  
**Subject:** Re: Meeting Today

Hi Marlene,

As you are considering our cost sharing request, we just received good news from the County Sheriff on the price for the Santana and West Hills SRO's for next year.

The price for those two deputies in 16/17 will be \$147,025.83 each. This represents the "9.5 month" price we had previously negotiated to correspond with our school year rather than a full "12 month price" making a 50/50 cost sharing arrangement between the City of Santee and the District much more economical.

We look forward to hearing from you.

Best,

Scott H. Patterson  
Deputy Superintendent, Business Services  
Grossmont Union High School District  
(619) 644-8010



COMMITTED TO EXCELLENCE  
S I N C E 1 9 2 0

• GOVERNING BOARD MEMBERS

JIM KELLY Attachment 7  
PRISCILLA SCHREIBER  
ROBERT SHIELD  
JIM STIERINGER  
DR. GARY WOODS

• SUPERINTENDENT

RALF SWENSON

January 4, 2016  
Refer to: RS2016-24

Paul Malone  
Interim City Manager  
City of Santee  
10601 Magnolia Avenue  
Santee, CA 92071

Dear Mr. Malone:

The Grossmont Union High School District and the City of Santee have enjoyed a long and cooperative relationship over time signified by a history of cooperation on issues of mutual benefit. Examples of this are the long-standing joint use agreement for facilities use at Santana and West Hills and the recent installation of a traffic signal on Mast Boulevard near West Hills.

At our Santana and West Hills High Schools in the City of Santee, we educate over 3400 high school students each year. To help insure our students' safety, the District contracts for a full-time uniformed School Resource Officer at each school through a contract agreement with the San Diego County Sheriff's Department. For the 2015/16 school year, this represents an investment of \$296,760 for the base services, excluding overtime.

We also contract with the Sheriff's Department for SROs at each of our four high schools in the unincorporated areas of the District (El Capitan, Monte Vista, Mount Miguel, and Valhalla High Schools). This year, in response to our requests due to intense budget pressure, the Sheriff's Department has offered to evenly split the cost of these SROs with the District, saving precious dollars to put back into the classroom. We are extremely grateful to the Department for this adjustment.

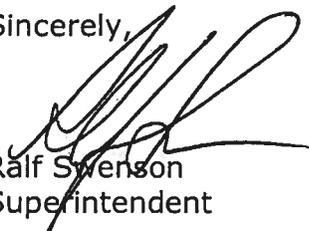
However, while the Sheriff's Department made this adjustment for the unincorporated areas, the Department looks to the City of Santee as having financial responsibility for law enforcement services within the City. Accordingly, we respectfully and formally request a similar cost sharing arrangement with the City of Santee for the two SROs serving Santana and West Hills High Schools. This request is made acknowledging that these officers benefit

both the District and the City by elevating the level of law enforcement provided within the City of Santee.

Understanding that we are halfway through the current fiscal year, we would ask that the cost sharing begin for the 16/17 fiscal year to allow for the necessary budget planning and that the District and the City of Santee each pay one-half of the base costs for the two SROs. Each party would then be paying approximately \$150,000 dependent on the final cost proposal made by the Sheriff's Department for the 16/17 fiscal year. Our fiscal/school year coincides with yours beginning on July 1 and ending on June 30.

Thank you for your kind consideration and I look forward to hearing from you. I am available at your convenience to discuss further.

Sincerely,



Ralf Swenson  
Superintendent

RS/jl

c: William D. Gore – Sheriff, San Diego County  
Michael Barnett - Assistant Sheriff, Law Enforcement  
David Myers – Commander, Law Enforcement

## CDC SUCCESSOR AGENCY AGENDA STATEMENT

**MEETING DATE** July 13, 2016

**AGENDA ITEM NO.**

**ITEM TITLE** RESOLUTION APPROVING THE ISSUANCE OF REFUNDING BONDS IN ORDER TO REFUND CERTAIN OUTSTANDING BONDS OF THE FORMER COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SANTEE, APPROVING THE EXECUTION AND DELIVERY OF AN INDENTURE OF TRUST RELATING THERETO, REQUESTING OVERSIGHT BOARD APPROVAL OF THE ISSUANCE OF THE REFUNDING BONDS, REQUESTING CERTAIN DETERMINATIONS BY THE OVERSIGHT BOARD, AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO

**DIRECTOR/DEPARTMENT**

Tim K. McDermott, Director of Finance *tm*

**SUMMARY** An opportunity exists to refinance \$45.7 million in outstanding Community Development Commission tax allocation bonds that were originally issued in 2005 and 2011. This will allow the Successor Agency to take advantage of a current favorable long-term fixed interest rate environment to provide ongoing annual debt service savings to the Successor Agency, resulting in an increase in property tax revenue to the City of Santee's General Fund as well as to other local affected taxing agencies (such as the school districts and County).

On June 8, 2016 the Successor Agency approved the appointment of a financing team. The next action item is for the Successor Agency to adopt a resolution that approves the issuance of refunding bonds, approves the execution and delivery of an indenture of trust, requests Oversight Board approval of the refunding and requests certain determinations be made by the Oversight Board. The Oversight Board will be meeting on July 14, 2016 to approve the refunding and to take other related actions. Following approval by the Oversight Board, the refunding will be submitted to the State Department of Finance for its approval. During the 65-day period that the Department of Finance has to review the refunding, the Successor Agency Board will be presented with the remaining documents required to issue the refunding bonds, including the preliminary official statement.

The most recent analysis of the potential savings from a refunding, based on current market conditions, indicates present value savings of approximately \$8.7 million, 20.3% of which or \$1.8 million would benefit the City's General Fund.

**FINANCIAL STATEMENT** *tm*

All costs incurred related to the financing are expected to be paid directly from the bond proceeds. Based on current market conditions it is estimated that the refunding would result in the City of Santee receiving approximately \$157,000 in additional annual property tax revenue starting in fiscal year 2017-18.

**CITY ATTORNEY REVIEW**

N/A  Completed

**RECOMMENDATION** *msb*

Adopt the attached resolution approving the issuance of refunding bonds, approving the execution and delivery of the Indenture of Trust relating to the proposed refunding, requesting Oversight Board approval of the issuance of the refunding bonds and requesting certain determinations by the Oversight Board, and providing for other matters properly relating thereto.

**ATTACHMENTS (Listed Below)**

- 1) Staff Report; 2) Resolution; 3) Debt Service Savings Analysis; 4) Indenture of Trust; 5) Escrow and Deposit Agreements (2005 and 2011 Bonds)

## STAFF REPORT

### RESOLUTION APPROVING THE ISSUANCE OF REFUNDING BONDS IN ORDER TO REFUND CERTAIN OUTSTANDING BONDS OF THE FORMER COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SANTEE, APPROVING THE EXECUTION AND DELIVERY OF AN INDENTURE OF TRUST RELATING THERETO, REQUESTING OVERSIGHT BOARD APPROVAL OF THE ISSUANCE OF THE REFUNDING BONDS, REQUESTING CERTAIN DETERMINATIONS BY THE OVERSIGHT BOARD, AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO

#### COMMUNITY DEVELOPMENT COMMISSION SUCCESSOR AGENCY MEETING July 13, 2016

#### **Refunding Bonds – Current Actions**

California Health and Safety Code Section 34177.5 authorizes a Successor Agency to refund tax allocation bonds of its former redevelopment agency in order to achieve debt service savings. The former Community Development Commission of the City of Santee has three bond issues outstanding that can be refunded for savings. On June 8, 2016 the Successor Agency approved the appointment of a financing team to undertake a refunding. This item represents the next step in that process.

Staff recommends that the Successor Agency Board adopt a resolution that takes the following actions.

- Makes the determination that there are significant potential savings available to the Successor Agency and to applicable taxing entities as evidenced by the Debt Service Savings Analysis
- Approves the issuance of refunding bonds provided that they are in compliance with the debt service savings parameters as set forth in Health and Safety Code Section 34177.5(a)(1)
- Approves the Indenture of Trust prescribing the terms and provisions of the refunding bonds and the application of the proceeds of the refunding bonds
- Approves two Escrow Deposit and Trust Agreements which are necessary for the defeasance of the refunded bonds
- Requests the Oversight Board approve the issuance of the refunding bonds and make certain determinations upon which the Successor Agency will rely in undertaking the refunding including:
  - Authorizing the Successor Agency to recover its costs related to the issuance of the refunding bonds from the proceeds of the bonds, including reimbursing the City for administrative staff time spent with respect to the authorization, issuance, sale and delivery of the refunding bonds
  - Authorizing the Successor Agency to apply the proceeds of the refunding bonds to the defeasance and redemption of the prior bonds, as well as the payment by the Successor Agency of costs of issuance of the refunding bonds, promptly upon the sale and delivery of the refunding bonds without the approval of the Oversight Board, the California Department of Finance, the San Diego County Auditor-Controller or any other person or entity other than the Successor Agency

- Entitling the Successor Agency to receive its full Administrative Cost Allowance under Health and Safety Code Section 34171(b) without any deductions with respect to continuing costs related to the refunding bonds, and if for any reason the Successor Agency is unable to complete the issuance of the refunding bonds, the Successor Agency shall be entitled recover its costs incurred with respect to the refunding proceedings from property tax revenues available to the Successor Agency without reduction in its Administrative Cost Allowance
- Authorizing and directing the Successor Agency to prepare, approve and execute any such other documents as may be required to carry out the purposes of the refunding, including the Bond Purchase Agreement, Official Statement and Continuing Disclosure Certificate, without the need for further approval from the Oversight Board
- Authorizes and directs the filing of the Debt Service Savings Analysis, together with a certified copy of the resolution, with the Oversight Board, the San Diego County Administrative Officer, the San Diego County Auditor-Controller and the California Department of Finance
- Authorizes the issuance of the refunding bonds in whole or in part if the savings parameters cannot be met with respect to the whole
- Authorizes and directs the Authorized Officers (Mayor, City Manager, City Treasurer) to take all actions necessary to obtain a municipal bond insurance policy and a debt service reserve insurance policy if it is determined they will reduce the true interest cost of the refunding bonds

The Debt Service Savings Analysis was prepared by the City's Financial Advisor and reviewed by City staff. The Indenture of Trust and Escrow Deposit and Trust Agreements have been prepared by Bond Counsel and reviewed by the full financing team including City staff.

### **Debt Service Savings Analysis**

Based on current market conditions, each of the three outstanding bond issues can be refunded for substantial savings. Under current market conditions, the refunding would generate approximately \$8.7 million in present value savings, representing nearly 19% of the refunded bonds. Most debt policies call for considering the issuance of refunding bonds when they generate 3% to 5% present value savings. As 20.3% of tax increment not required for the payment of Successor Agency recognized payment obligations is allocated to the City's General Fund, the present value benefit to the City would be approximately \$1.8 million. The balance of the savings would benefit other overlapping taxing jurisdictions, primarily the Santee School District, Grossmont Union High School District and the County.

The refunding results are summarized as follows:

	Refunding of 2005 Tax-Exempt TABs	Refunding of 2011 Tax- Exempt TABs	Refunding of 2011 Taxable TABs	Total
Refunding bonds par amount	\$13,425,000	\$23,760,000	\$5,465,000	\$42,650,000
Par amount of refunded bonds	\$17,075,000	\$24,320,000	\$4,335,000	\$45,730,000
Net present value (PV) savings	\$2,697,943	\$5,038,289	\$926,485	\$8,662,717
Value of negative arbitrage <sup>1</sup>	\$32,723	\$1,539,454	\$260,695	\$1,832,872
Refunding efficiency <sup>2</sup>	98.8%	76.6%	78.0%	82.5%
Percentage PV savings of refunded bonds	15.8%	20.7%	21.4%	18.9%
PV savings to City <sup>3</sup>	\$547,682	\$1,022,773	\$188,076	\$1,758,531

<sup>1</sup>Negative arbitrage represents the difference between the interest earnings on the refunding escrow and the maximum allowed (the rate of the refunding bonds) until the call date on the refunded bonds. This is one measure of refunding inefficiency.

<sup>2</sup>The ratio of present value savings to the sum of savings and negative arbitrage. The higher the number, the better.

<sup>3</sup>Based on the City's receiving 20.3% of residual property tax increment to its General Fund.

### **Next Steps**

The Oversight Board will be meeting on July 14, 2016 in order to approve the refunding and to take other related actions. Following Oversight Board approval, the refunding can then be submitted to the State Department of Finance for its approval as required by State law. During the 65-day period for Department of Finance review, the financing team will prepare the balance of the documents required for the bond sale, including the Preliminary Official Statement, the Continuing Disclosure Agreement, and the Bond Purchase Agreement. These documents are expected to be presented to the Successor Agency on September 14<sup>th</sup>, 2016.

### **Recommendation**

Staff recommends that the Successor Agency adopt the attached resolution approving the issuance of refunding bonds, approving the execution and delivery of an indenture of trust relating to the proposed refunding, requesting Oversight Board approval of the issuance of the refunding bonds and requesting certain determinations by the Oversight Board, and providing for other matters properly relating thereto.

**RESOLUTION NO. CDCSA \_\_\_\_\_ - 2016****A RESOLUTION OF THE CDC SUCCESSOR AGENCY OF THE CITY OF SANTEE, APPROVING THE ISSUANCE OF REFUNDING BONDS IN ORDER TO REFUND CERTAIN OUTSTANDING BONDS OF THE FORMER COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SANTEE, APPROVING THE EXECUTION AND DELIVERY OF AN INDENTURE OF TRUST RELATING THERETO, REQUESTING OVERSIGHT BOARD APPROVAL OF THE ISSUANCE OF THE REFUNDING BONDS, REQUESTING CERTAIN DETERMINATIONS BY THE OVERSIGHT BOARD, AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO**

**WHEREAS**, pursuant to Section 34172(a) of the California Health and Safety Code (unless otherwise noted, all Section references hereinafter being to such Code), the City Council of the City of Santee (the "City") elected to assume the activities and obligations of the Community Development Commission of the City of Santee (the "Former Commission"), as the CDC Successor Agency, the successor entity to the Former Commission (the "Successor Agency"); and

**WHEREAS**, prior to the dissolution of the Former Commission, the Former Commission issued its \$23,100,000 Community Development Commission of the City of Santee (Santee Community Redevelopment Project) Tax Allocation Bonds, 2005 Series A (the "Series 2005A Bonds"), its \$26,845,000 Community Development Commission of the City of Santee (Santee Community Redevelopment Project) Tax Allocation Bonds, 2011 Series A (the "Series 2011A Bonds"), and its \$4,710,000 Community Development Commission of the City of Santee (Santee Community Redevelopment Project) Tax Allocation Housing Bonds, 2011 Series B (Taxable) (the "Series 2011B Bonds" and, together with the Series 2005A Bonds and the Series 2011A Bonds, the "Prior Bonds") for the purpose of financing redevelopment and low and moderate income housing activities; and

**WHEREAS**, Section 34177.5 authorizes the Successor Agency to issue refunding bonds pursuant to Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the "Refunding Law") for the purpose of achieving debt service savings within the parameters set forth in Section 34177.5(a)(1) (the "Savings Parameters"); and

**WHEREAS**, to determine compliance with the Savings Parameters for purposes of the issuance by the Successor Agency of its CDC Successor Agency of the City of Santee Tax Allocation Refunding Bonds, 2016 Series A (the "Series 2016A Bonds"), and its CDC Successor Agency of the City of Santee Taxable Tax Allocation Refunding Bonds, 2016 Series B (the "Series 2016B Bonds" and, together with the Series 2016A Bonds, the "Refunding Bonds"), the Successor Agency has caused its municipal advisor, KNN Public Finance LLC (the "Municipal Advisor"), to prepare an analysis of the potential savings that will accrue to the Successor Agency and to applicable taxing entities as a result of the use of the proceeds of the Refunding Bonds to repay all or a portion of the Prior Bonds and, thereby, to refund all or a portion of the Prior Bonds (the "Debt Service Savings Analysis"); and

**WHEREAS**, the Successor Agency wishes at this time to approve the issuance of the Refunding Bonds and to approve the form of and authorize the execution and delivery of an indenture of trust, expected to be dated as of the first day of the month such bonds are issued, by and between the Successor Agency and U.S. Bank National Association, as trustee, providing for the issuance of the Refunding Bonds (the "Indenture of Trust") and two separate escrow deposit and trust agreements (each an "Escrow Agreement") between the Successor Agency and U.S. Bank National Association, as escrow bank, for the Series 2005A Bonds, and the Series 2011A Bonds and Series 2011B Bonds, each Escrow Agreement to be dated as of the first day of the month of the issuance and delivery of the Refunding Bonds; and

**WHEREAS**, pursuant to Section 34179, an oversight board (the "Oversight Board") has been established for the Successor Agency; and

**WHEREAS**, the Successor Agency requests that the Oversight Board approve the issuance of the Refunding Bonds; and

**WHEREAS**, the Successor Agency further requests that the Oversight Board make certain determinations described below on which the Successor Agency will rely in undertaking the refunding proceedings and the issuance of the Refunding Bonds; and

**WHEREAS**, the Successor Agency has determined to sell the Refunding Bonds on a negotiated basis to Piper Jaffray & Co. (the "Underwriter") and the Successor Agency will enter into a bond purchase agreement (the "Bond Purchase Agreement") in connection with the sale of the Refunding Bonds subject to the limitations set forth in this Resolution; and

**WHEREAS**, following approval by the Oversight Board of the issuance of the Refunding Bonds by the Successor Agency to be effective upon approval by the California Department of Finance of such approval by the Oversight Board, the Successor Agency, with the assistance of its Municipal Advisor, the Underwriter, Quint & Thimmig LLP, as disclosure counsel, and Best Best & Krieger LLP, as bond counsel, will cause to be prepared an official statement describing the Refunding Bonds and containing material information relating to the Refunding Bonds, the preliminary form of which will be submitted to the Successor Agency for approval for distribution by the Underwriter to persons and institutions interested in purchasing the Refunding Bonds.

**NOW, THEREFORE, BE IT RESOLVED** by the CDC Successor Agency of the City of Santee as follows:

**Section 1. Recitals.** The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

**Section 2. Determination of Savings.** The Successor Agency has determined that there are significant potential savings available to the Successor Agency and to applicable taxing entities in compliance with the Savings Parameters by the issuance by the Successor Agency of the Refunding Bonds to provide funds to defease and redeem the Prior Bonds, all as evidenced by the Debt Service Savings Analysis on file with the Successor Agency, which Debt Service Savings Analysis is hereby approved.

**Section 3. Approval of Issuance of the Bonds.** The Successor Agency hereby authorizes and approves the issuance of the Refunding Bonds pursuant to Section 34177.5(a)(1) of the California Health and Safety Code and other applicable provisions of law and the Refunding Law in the aggregate principal amount of not to exceed \$55,000,000, provided that the Refunding Bonds are in compliance with the Savings Parameters at the time of sale and delivery.

**Section 4. Approval of the Indenture of Trust.** The Successor Agency hereby approves the Indenture of Trust prescribing the terms and provisions of the Refunding Bonds and the application of the proceeds of the Refunding Bonds. The Mayor of the City, as the Chair and presiding officer of the Successor Agency, the City Manager of the City, as the chief administrative officer of the Successor Agency, or the City Treasurer of the City (each, an "Authorized Officer"), are hereby authorized and directed to execute and deliver the Indenture of Trust for and in the name and on behalf of the Successor Agency, in the form on file with the City Clerk, with such changes therein, deletions therefrom and additions thereto as the Authorized Officer executing the same shall approve, such approval to be conclusively evidenced by the execution and delivery of the Indenture of Trust. The Successor Agency hereby authorizes the delivery and performance of the Indenture of Trust.

**Section 5. Approval of Escrow Agreements.** The forms of the Escrow Agreements on file with the City Clerk are hereby approved and the Authorized Officers are, each acting alone, hereby authorized and directed, for and in the name and on behalf of the Successor Agency, to execute and deliver the Escrow Agreements upon the issuance of the Refunding Bonds. The Successor Agency hereby authorizes the delivery and performance of its obligations under the Escrow Agreements.

**Section 6. Oversight Board Approval of the Issuance of the Bonds.** The Successor Agency hereby requests the Oversight Board as authorized by Section 34177.5(f) and Section 34180 to approve the issuance of the Refunding Bonds pursuant to Section 34177.5(a)(1) and this Resolution and the Indenture of Trust.

**Section 7. Determinations by the Oversight Board.** The Successor Agency requests that the Oversight Board make the following determinations upon which the Successor Agency will rely in undertaking the refunding proceedings and the issuance of the Refunding Bonds:

(a) the Successor Agency is authorized, as provided in Section 34177.5(f), to recover its costs related to the issuance of the Refunding Bonds from the proceeds of the Refunding Bonds, including the cost of reimbursing the City for administrative staff time spent with respect to the authorization, issuance, sale and delivery of the Refunding Bonds;

(b) the application of proceeds of the Refunding Bonds by the Successor Agency to the defeasance and redemption of the Prior Bonds, as well as the payment by the Successor Agency of costs of issuance of the Refunding Bonds, as provided in Section 34177.5(a), shall be implemented by the Successor Agency promptly upon sale and delivery of the Refunding Bonds, notwithstanding Section 3417.3 or any other provision of law to the contrary, without the approval of the

Oversight Board, the California Department of Finance, the San Diego County Auditor-Controller or any other person or entity other than the Successor Agency;

(c) the Successor Agency shall be entitled to receive its full Administrative Cost Allowance under Section 34171(b) without any deductions with respect to continuing costs related to the Refunding Bonds, such as trustee's fees, auditing and fiscal consultant fees and continuing disclosure and rating agency costs (collectively, "Continuing Costs of Issuance"), and such Continuing Costs of Issuance shall be payable from property tax revenues pursuant to Section 34183. In addition and as provided by Section 34177.5(f), if the Successor Agency is unable to complete the issuance of the Refunding Bonds for any reason, the Successor Agency shall, nevertheless, be entitled to recover its costs incurred with respect to the refunding proceedings from such property tax revenues pursuant to Section 34183 without reduction in its Administrative Cost Allowance; and

(d) the Successor Agency is authorized and directed to prepare, approve and execute such other documents, including, as necessary, the Bond Purchase Agreement, an official statement, a continuing disclosure certificate and any additional agreements as may be required to carry out the purposes of this Resolution without the need for further approval from the Oversight Board.

**Section 8. Filing of Debt Service Savings Analysis and Resolution.** The City Clerk is hereby authorized and directed to file the Debt Service Savings Analysis, on behalf of the Successor Agency, together with a certified copy of this Resolution, with the Oversight Board, and, as provided in Section 34180(j) with the San Diego County Administrative Officer, the San Diego County Auditor-Controller and the California Department of Finance.

**Section 9. Issuance of Refunding Bonds in Whole or in Part.** It is the intent of the Successor Agency to sell and deliver the Refunding Bonds in whole, provided that there is compliance with the Savings Parameters. However, the Successor Agency will initially authorize the sale and delivery of the Refunding Bonds in whole or, if such Savings Parameters cannot be met with respect to the whole, then in part; provided that the Refunding Bonds so sold and delivered in part are in compliance with the Savings Parameters. The sale and delivery of the Refunding Bonds in part will in each instance provide sufficient funds only for the refunding of that portion of the Refunding Bonds that meet the Savings Parameters. In the event the Refunding Bonds are initially sold in part, the Successor Agency intends to sell and deliver additional parts of the Refunding Bonds pursuant to a supplement to the Indenture of Trust without the prior approval of the Oversight Board provided that in each such instance the Refunding Bonds so sold and delivered in part are in compliance with the Savings Parameters.

**Section 10. Municipal Bond Insurance and Surety Bonds.** The Authorized Officers, each acting alone, are hereby authorized and directed to take all actions necessary to obtain a municipal bond insurance policy for the Refunding Bonds and a debt service reserve insurance policy for the Refunding Bonds from a municipal bond insurance company if it is determined, upon consultation with the Municipal Advisor and the Underwriter, that such municipal bond insurance policy and/or debt service reserve insurance policy will reduce the true interest costs with respect to the Refunding Bonds.

**Section 11. Ratification.** All actions heretofore taken by the officials, employees and agents of the Successor Agency with respect to the sale and issuance of the Refunding Bonds are hereby approved, ratified and confirmed.

**Section 12. Official Actions.** The Authorized Officers and any and all other officers of the Successor Agency are hereby authorized and directed, for and in the name and on behalf of the Successor Agency, to do any and all things and take any and all actions, which they, or any of them, may deem necessary or advisable in obtaining the requested approvals by the Oversight Board and the California Department of Finance and in the issuance, sale and delivery of the Refunding Bonds. Whenever in this Resolution any officer of the Successor Agency is directed to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

**Section 13. Effective Date.** This Resolution shall take effect immediately upon its adoption; provided, however, that the Successor Agency will not execute and deliver the documents approved hereby or issue the Refunding Bonds until such execution, delivery and issuance has been approved by the Oversight Board and the Department of Finance of the State of California.

**ADOPTED** by the City Council of the City of Santee, California acting in its capacity as designated Successor Agency to the former Community Development Commission of the City of Santee, at a Regular Meeting thereof held this \_\_\_\_\_ day of \_\_\_\_\_, 2016, by the following roll call vote to wit:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

**APPROVED**

\_\_\_\_\_  
**RANDY VOEPEL, MAYOR**

**ATTEST**

\_\_\_\_\_  
**PATSY BELL, CMC, CITY CLERK**

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**SOURCES AND USES OF FUNDS**

**Successor Agency of the City of Santee  
Proposed 2016 Tax Allocation Refunding Bonds  
Assumes Underlying 'A+' Rating  
Reflects Market Conditions as of June 23, 2016  
\*\*Preliminary, Subject to Change\*\***

Sources:	Refunding of 2005 Series A Tax-Exempt Tax Allocation Bonds	Refunding of 2011 Series A Tax-Exempt Tax Allocation Bonds	Refunding of 2011 Series B Taxable Tax Allocation Bonds	Total
<b>Bond Proceeds:</b>				
Par Amount	13,425,000.00	23,760,000.00	5,465,000.00	42,650,000.00
Premium	2,578,163.95	4,645,432.50		7,223,596.45
	<u>16,003,163.95</u>	<u>28,405,432.50</u>	<u>5,465,000.00</u>	<u>49,873,596.45</u>
<b>Other Sources of Funds:</b>				
2005 Series A Prior DSRF	1,474,193.75			1,474,193.75
2011 Series A Prior DSRF		2,200,925.00		2,200,925.00
2011 Series B Prior DSRF			471,000.00	471,000.00
	<u>1,474,193.75</u>	<u>2,200,925.00</u>	<u>471,000.00</u>	<u>4,146,118.75</u>
	<u>17,477,357.70</u>	<u>30,606,357.50</u>	<u>5,936,000.00</u>	<u>54,019,715.20</u>

Uses:	Refunding of 2005 Series A Tax-Exempt Tax Allocation Bonds	Refunding of 2011 Series A Tax-Exempt Tax Allocation Bonds	Refunding of 2011 Series B Taxable Tax Allocation Bonds	Total
<b>Refunding Escrow Deposits:</b>				
Cash Deposit	0.31	0.09	201.24	201.64
SLGS Purchases	17,323,443.00	30,223,965.00		47,547,408.00
Open Market Purchases			5,826,169.31	5,826,169.31
	<u>17,323,443.31</u>	<u>30,223,965.09</u>	<u>5,826,370.55</u>	<u>53,373,778.95</u>
<b>Delivery Date Expenses:</b>				
Cost of Issuance	62,954.28	111,418.52	25,627.20	200,000.00
Underwriter's Discount	59,875.50	105,969.60	24,373.90	190,219.00
Surety Reserve at 2.50%	26,602.44	47,081.87	10,829.23	84,513.54
Bond Insurance at 90 bps		117,867.94	45,811.99	163,679.93
	<u>149,432.22</u>	<u>382,337.93</u>	<u>106,642.32</u>	<u>638,412.47</u>
<b>Other Uses of Funds:</b>				
Additional Proceeds	4,482.17	54.48	2,987.13	7,523.78
	<u>17,477,357.70</u>	<u>30,606,357.50</u>	<u>5,936,000.00</u>	<u>54,019,715.20</u>

Note: Prior Debt Service Reserve Fund (DSRF) values taken from each of the respective refunding series' Official Statements

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**SUMMARY OF REFUNDING RESULTS**

**Successor Agency of the City of Santee  
Proposed 2016 Tax Allocation Refunding Bonds  
Assumes Underlying 'A+' Rating  
Reflects Market Conditions as of June 23, 2016  
\*\*Preliminary, Subject to Change\*\***

Dated Date	11/01/2016
Delivery Date	11/01/2016
Arbitrage yield	2.531297%
Escrow yield	1.083639%
Value of Negative Arbitrage	1,832,872.00
Bond Par Amount	42,650,000.00
True Interest Cost	3.105859%
Net Interest Cost	3.421952%
Average Coupon	4.817083%
Average Life	11.820
Par amount of refunded bonds	45,730,000.00
Average coupon of refunded bonds	6.480721%
Average life of refunded bonds	12.579
Net PV Savings	8,662,717.29
Percentage savings of refunded bonds	18.943182%
Percentage savings of refunding bonds	20.311178%

**SUMMARY OF REFUNDING RESULTS**

**Successor Agency of the City of Santee  
Proposed 2016 Tax Allocation Refunding Bonds  
Assumes Underlying 'A+' Rating  
Reflects Market Conditions as of June 23, 2016  
\*\*Preliminary, Subject to Change\*\***

	Refunding of 2005 Series A Tax-Exempt Tax Allocation Bonds	Refunding of 2011 Series A Tax-Exempt Tax Allocation Bonds	Refunding of 2011 Series B Taxable Tax Allocation Bonds	Total
Dated Date	11/01/2016	11/01/2016	11/01/2016	11/01/2016
Delivery Date	11/01/2016	11/01/2016	11/01/2016	11/01/2016
Arbitrage Yield	2.531297%	2.531297%	2.531297%	2.531297%
Escrow Yield	0.246702%	1.073517%	1.197943%	1.083639%
Value of Negative Arbitrage	32,722.81	1,539,453.92	260,695.27	1,832,872.00
Bond Par Amount	13,425,000.00	23,760,000.00	5,465,000.00	42,650,000.00
True Interest Cost	2.668648%	3.137636%	4.011544%	3.105859%
Net Interest Cost	2.995047%	3.498518%	3.936789%	3.421952%
Average Coupon	4.920952%	4.957027%	3.897564%	4.817083%
Average Life	9.740	13.099	11.370	11.820
Par amount of refunded bonds	17,075,000.00	24,320,000.00	4,335,000.00	45,730,000.00
Average coupon of refunded bonds	4.534739%	6.916061%	9.389825%	6.480721%
Average life of refunded bonds	9.809	14.299	13.841	12.579
PV of prior debt	20,767,293.62	37,659,397.89	6,802,857.14	8,662,717.29
Net PV Savings	2,697,942.89	5,038,288.91	926,485.49	18,943,182%
Percentage savings of refunded bonds	15.800544%	20.716648%	21.372214%	20.311178%
Percentage savings of refunding bonds	20.096409%	21.204920%	16.953074%	

**SAVINGS**

**Successor Agency of the City of Santee  
Proposed 2016 Tax Allocation Refunding Bonds  
Assumes Underlying 'A+' Rating  
Reflects Market Conditions as of June 23, 2016  
\*\*Preliminary, Subject to Change\*\***

Date	Prior Debt Service	Refunding Debt Service	Savings
08/01/2017	4,129,871.26	3,553,869.70	576,001.56
08/01/2018	4,129,396.26	3,354,433.06	774,963.20
08/01/2019	4,129,546.26	3,358,272.10	771,274.16
08/01/2020	4,128,858.76	3,352,252.50	776,606.26
08/01/2021	4,125,221.26	3,348,682.26	776,539.00
08/01/2022	4,130,846.26	3,352,237.00	778,609.26
08/01/2023	4,125,896.26	3,348,152.30	777,743.96
08/01/2024	4,125,301.26	3,355,067.50	770,233.76
08/01/2025	4,133,138.76	3,357,227.40	775,911.36
08/01/2026	4,128,713.76	3,354,652.60	774,061.16
08/01/2027	4,126,688.76	3,352,343.00	774,345.76
08/01/2028	4,127,007.52	3,354,473.40	772,534.12
08/01/2029	4,127,531.26	3,356,541.60	770,989.66
08/01/2030	4,123,750.02	3,348,235.00	775,515.02
08/01/2031	4,125,006.26	3,349,741.00	775,265.26
08/01/2032	4,125,425.00	3,350,434.80	774,990.20
08/01/2033	4,123,707.50	3,348,027.80	775,679.70
08/01/2034	1,694,700.00	1,219,217.40	475,482.60
08/01/2035	1,694,400.00	1,218,361.40	476,038.60
08/01/2036	1,688,950.00	1,215,505.40	473,444.60
08/01/2037	1,693,350.00	1,215,681.60	477,668.40
08/01/2038	1,691,425.00	1,218,530.00	472,895.00
08/01/2039	1,693,300.00	1,218,905.60	474,394.40
08/01/2040	1,693,025.00	1,221,835.60	471,189.40
08/01/2041	1,690,375.00	1,212,042.80	478,332.20
	83,705,431.42	66,934,722.82	16,770,708.60

**Savings Summary**

PV of savings from cash flow	12,801,312.26
Less: Prior funds on hand	-4,146,118.75
Plus: Refunding funds on hand	7,523.78
Net PV Savings	8,662,717.29

**SAVINGS**

**Successor Agency of the City of Santee  
Refunding of 2005 Series A Tax-Exempt Tax Allocation Bonds**

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 11/01/2016 @ 2.1429745%
08/01/2017	1,451,008.76	1,229,625.00	221,383.76	220,225.57
08/01/2018	1,458,208.76	1,159,200.00	299,008.76	288,700.48
08/01/2019	1,459,008.76	1,162,550.00	296,458.76	280,143.51
08/01/2020	1,448,608.76	1,149,550.00	299,058.76	276,598.89
08/01/2021	1,451,433.76	1,151,150.00	300,283.76	271,829.93
08/01/2022	1,451,796.26	1,151,750.00	300,046.26	265,838.37
08/01/2023	1,455,671.26	1,155,000.00	300,671.26	260,752.73
08/01/2024	1,457,401.26	1,161,500.00	295,901.26	251,188.09
08/01/2025	1,461,713.76	1,161,000.00	300,713.76	249,861.07
08/01/2026	1,463,813.76	1,163,750.00	300,063.76	244,038.85
08/01/2027	1,467,913.76	1,169,500.00	298,413.76	237,551.59
08/01/2028	1,469,763.76	1,173,000.00	296,763.76	231,229.42
08/01/2029	1,473,243.76	1,174,250.00	298,993.76	228,020.35
08/01/2030	1,474,193.76	1,178,250.00	295,943.76	220,904.03
08/01/2031	1,472,306.26	1,174,750.00	297,556.26	217,389.79
08/01/2032	1,472,875.00	1,174,000.00	298,875.00	213,714.42
08/01/2033	1,470,332.50	1,170,750.00	299,582.50	209,667.38
	24,859,293.90	19,859,575.00	4,999,718.90	4,167,654.47

**Savings Summary**

PV of savings from cash flow	4,167,654.47
Less: Prior funds on hand	-1,474,193.75
Plus: Refunding funds on hand	4,482.17
<b>Net PV Savings</b>	<b>2,697,942.89</b>

**SAVINGS**

**Successor Agency of the City of Santee  
Refunding of 2011 Series A Tax-Exempt Tax Allocation Bonds**

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 11/01/2016 @ 2.3542618%
08/01/2017	2,190,362.50	1,899,700.00	290,662.50	291,796.10
08/01/2018	2,183,762.50	1,798,400.00	385,362.50	372,752.35
08/01/2019	2,184,762.50	1,797,400.00	387,362.50	365,960.51
08/01/2020	2,191,975.00	1,803,600.00	388,375.00	358,400.54
08/01/2021	2,190,412.50	1,803,400.00	387,012.50	348,856.89
08/01/2022	2,191,025.00	1,802,000.00	389,025.00	342,504.65
08/01/2023	2,183,900.00	1,796,250.00	387,650.00	333,375.27
08/01/2024	2,184,175.00	1,798,750.00	385,425.00	323,771.82
08/01/2025	2,181,200.00	1,794,000.00	387,200.00	317,688.74
08/01/2026	2,174,975.00	1,787,250.00	387,725.00	310,713.03
08/01/2027	2,175,500.00	1,788,500.00	387,000.00	302,912.39
08/01/2028	2,172,250.00	1,782,250.00	390,000.00	298,107.70
08/01/2029	2,169,450.00	1,783,750.00	385,700.00	287,936.61
08/01/2030	2,166,750.00	1,777,500.00	389,250.00	283,757.30
08/01/2031	2,168,800.00	1,778,750.00	390,050.00	277,658.64
08/01/2032	2,169,900.00	1,782,000.00	387,900.00	269,637.83
08/01/2033	2,169,700.00	1,782,000.00	387,700.00	263,144.96
08/01/2034	1,467,850.00	1,078,750.00	389,100.00	257,851.07
08/01/2035	1,468,000.00	1,082,250.00	385,750.00	249,637.49
08/01/2036	1,463,950.00	1,078,750.00	385,200.00	243,421.39
08/01/2037	1,465,700.00	1,078,500.00	387,200.00	238,919.42
08/01/2038	1,467,550.00	1,081,250.00	386,300.00	232,742.15
08/01/2039	1,464,150.00	1,076,750.00	387,400.00	227,886.76
08/01/2040	1,465,500.00	1,080,250.00	385,250.00	221,256.38
08/01/2041	1,465,900.00	1,076,250.00	389,650.00	218,469.43
	<b>48,777,500.00</b>	<b>39,188,250.00</b>	<b>9,589,250.00</b>	<b>7,239,159.43</b>

**Savings Summary**

PV of savings from cash flow	7,239,159.43
Less: Prior funds on hand	-2,200,925.00
Plus: Refunding funds on hand	54.48
<b>Net PV Savings</b>	<b>5,038,288.91</b>

**SAVINGS**

**Successor Agency of the City of Santee  
Refunding of 2011 Series B Taxable Tax Allocation Bonds**

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 11/01/2016 @ 3.9595820%
08/01/2017	488,500.00	424,544.70	63,955.30	65,038.18
08/01/2018	487,425.00	396,833.06	90,591.94	86,530.77
08/01/2019	485,775.00	398,322.10	87,452.90	80,357.56
08/01/2020	488,275.00	399,102.50	89,172.50	78,724.24
08/01/2021	483,375.00	394,132.26	89,242.74	75,715.07
08/01/2022	488,025.00	398,487.00	89,538.00	73,002.30
08/01/2023	486,325.00	396,902.30	89,422.70	70,067.99
08/01/2024	483,725.00	394,817.50	88,907.50	66,953.38
08/01/2025	490,225.00	402,227.40	87,997.60	63,691.84
08/01/2026	489,925.00	403,652.60	86,272.40	60,020.35
08/01/2027	483,275.00	394,343.00	88,932.00	59,409.75
08/01/2028	484,993.76	399,223.40	85,770.36	55,079.98
08/01/2029	484,837.50	398,541.60	86,295.90	53,224.04
08/01/2030	482,806.26	392,485.00	90,321.26	53,462.03
08/01/2031	483,900.00	396,241.00	87,659.00	49,843.02
08/01/2032	482,650.00	394,434.80	88,215.20	48,149.38
08/01/2033	483,675.00	395,277.80	88,397.20	46,316.34
08/01/2034	226,850.00	140,467.40	86,382.60	43,447.01
08/01/2035	226,400.00	136,111.40	90,288.60	43,620.18
08/01/2036	225,000.00	136,755.40	88,244.60	40,968.56
08/01/2037	227,650.00	137,181.60	90,468.40	40,344.93
08/01/2038	223,875.00	137,280.00	86,595.00	37,105.29
08/01/2039	229,150.00	142,155.60	86,994.40	35,803.32
08/01/2040	227,525.00	141,585.60	85,939.40	33,967.80
08/01/2041	224,475.00	135,792.80	88,682.20	33,655.06
	10,068,637.52	7,886,897.82	2,181,739.70	1,394,498.36

**Savings Summary**

PV of savings from cash flow	1,394,498.36
Less: Prior funds on hand	-471,000.00
Plus: Refunding funds on hand	2,987.13
<b>Net PV Savings</b>	<b>926,485.49</b>

**BOND PRICING**

**Successor Agency of the City of Santee  
Proposed 2016 Tax Allocation Refunding Bonds  
Assumes Underlying 'A+' Rating  
Reflects Market Conditions as of June 23, 2016  
\*\*Preliminary, Subject to Change\*\***

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price
Uninsured Tax-Exempt Serial Bonds:								
	08/01/2017	1,825,000	2.000%	0.860%	100.849			
	08/01/2018	1,255,000	3.000%	0.990%	103.477			
	08/01/2019	1,295,000	4.000%	1.100%	107.833			
	08/01/2020	1,340,000	4.000%	1.200%	110.235			
	08/01/2021	1,395,000	4.000%	1.370%	112.053			
	08/01/2022	1,450,000	5.000%	1.500%	119.210			
	08/01/2023	1,520,000	5.000%	1.630%	121.455			
	08/01/2024	1,605,000	5.000%	1.780%	123.211			
	08/01/2025	1,680,000	5.000%	1.930%	124.604			
	08/01/2026	1,760,000	5.000%	2.080%	125.645			
	08/01/2027	1,855,000	5.000%	2.170%	124.745 C	2.377%	08/01/2026	100.000
	08/01/2028	1,945,000	5.000%	2.210%	124.347 C	2.584%	08/01/2026	100.000
	08/01/2029	2,045,000	5.000%	2.260%	123.852 C	2.767%	08/01/2026	100.000
	08/01/2030	2,145,000	5.000%	2.360%	122.869 C	2.963%	08/01/2026	100.000
	08/01/2031	2,250,000	5.000%	2.410%	122.381 C	3.098%	08/01/2026	100.000
	08/01/2032	2,365,000	5.000%	2.460%	121.896 C	3.217%	08/01/2026	100.000
	08/01/2033	2,480,000	5.000%	2.510%	121.412 C	3.322%	08/01/2026	100.000
	08/01/2034	730,000	5.000%	2.560%	120.931 C	3.417%	08/01/2026	100.000
		<u>30,940,000</u>						
Insured Tax-Exempt Serial Bonds:								
	08/01/2035	770,000	5.000%	2.500%	121.509 C	3.434%	08/01/2026	100.000
	08/01/2036	805,000	5.000%	2.540%	121.123 C	3.508%	08/01/2026	100.000
		<u>1,575,000</u>						
Insured Tax-Exempt Term Bond, Final Maturity 2041:								
	08/01/2041	4,670,000	5.000%	2.590%	120.644 C	3.717%	08/01/2026	100.000
Uninsured Taxable Serial Bonds:								
	08/01/2017	285,000	1.483%	1.483%	100.000			
	08/01/2018	215,000	1.633%	1.633%	100.000			
	08/01/2019	220,000	1.918%	1.918%	100.000			
	08/01/2020	225,000	2.209%	2.209%	100.000			
	08/01/2021	225,000	2.509%	2.509%	100.000			
	08/01/2022	235,000	2.802%	2.802%	100.000			
	08/01/2023	240,000	2.952%	2.952%	100.000			
	08/01/2024	245,000	3.098%	3.098%	100.000			
	08/01/2025	260,000	3.298%	3.298%	100.000			
	08/01/2026	270,000	3.448%	3.448%	100.000			
		<u>2,420,000</u>						
Insured Taxable Term Bond, Final Maturity 2031:								
	08/01/2031	1,465,000	3.748%	3.748%	100.000			
Insured Taxable Term Bond, Final Maturity 2036:								
	08/01/2036	970,000	4.356%	4.356%	100.000			
Insured Taxable Term Bond, Final Maturity 2041:								
	08/01/2041	610,000	4.456%	4.456%	100.000			
		<u>42,650,000</u>						

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**BOND PRICING**

**Successor Agency of the City of Santee  
Proposed 2016 Tax Allocation Refunding Bonds  
Assumes Underlying 'A+' Rating  
Reflects Market Conditions as of June 23, 2016  
\*\*Preliminary, Subject to Change\*\***

Dated Date	11/01/2016	
Delivery Date	11/01/2016	
First Coupon	02/01/2017	
Par Amount	42,650,000.00	
Premium	7,223,596.45	
Production	49,873,596.45	116.936920%
Underwriter's Discount	-190,219.00	-0.446000%
Purchase Price	49,683,377.45	116.490920%
Accrued Interest		
Net Proceeds	49,683,377.45	

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**BOND DEBT SERVICE**

**Successor Agency of the City of Santee  
Proposed 2016 Tax Allocation Refunding Bonds  
Assumes Underlying 'A+' Rating  
Reflects Market Conditions as of June 23, 2016  
\*\*Preliminary, Subject to Change\*\***

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/01/2017			481,289.90	481,289.90	
08/01/2017	2,110,000	** %	962,579.80	3,072,579.80	3,553,869.70
02/01/2018			942,216.53	942,216.53	
08/01/2018	1,470,000	** %	942,216.53	2,412,216.53	3,354,433.06
02/01/2019			921,636.05	921,636.05	
08/01/2019	1,515,000	** %	921,636.05	2,436,636.05	3,358,272.10
02/01/2020			893,626.25	893,626.25	
08/01/2020	1,565,000	** %	893,626.25	2,458,626.25	3,352,252.50
02/01/2021			864,341.13	864,341.13	
08/01/2021	1,620,000	** %	864,341.13	2,484,341.13	3,348,682.26
02/01/2022			833,618.50	833,618.50	
08/01/2022	1,685,000	** %	833,618.50	2,518,618.50	3,352,237.00
02/01/2023			794,076.15	794,076.15	
08/01/2023	1,760,000	** %	794,076.15	2,554,076.15	3,348,152.30
02/01/2024			752,533.75	752,533.75	
08/01/2024	1,850,000	** %	752,533.75	2,602,533.75	3,355,067.50
02/01/2025			708,613.70	708,613.70	
08/01/2025	1,940,000	** %	708,613.70	2,648,613.70	3,357,227.40
02/01/2026			662,326.30	662,326.30	
08/01/2026	2,030,000	** %	662,326.30	2,692,326.30	3,354,652.60
02/01/2027			613,671.50	613,671.50	
08/01/2027	2,125,000	** %	613,671.50	2,738,671.50	3,352,343.00
02/01/2028			562,236.70	562,236.70	
08/01/2028	2,230,000	** %	562,236.70	2,792,236.70	3,354,473.40
02/01/2029			508,270.80	508,270.80	
08/01/2029	2,340,000	** %	508,270.80	2,848,270.80	3,356,541.60
02/01/2030			451,617.50	451,617.50	
08/01/2030	2,445,000	** %	451,617.50	2,896,617.50	3,348,235.00
02/01/2031			392,370.50	392,370.50	
08/01/2031	2,565,000	** %	392,370.50	2,957,370.50	3,349,741.00
02/01/2032			330,217.40	330,217.40	
08/01/2032	2,690,000	** %	330,217.40	3,020,217.40	3,350,434.80
02/01/2033			264,013.90	264,013.90	
08/01/2033	2,820,000	** %	264,013.90	3,084,013.90	3,348,027.80
02/01/2034			194,608.70	194,608.70	
08/01/2034	830,000	** %	194,608.70	1,024,608.70	1,219,217.40
02/01/2035			174,180.70	174,180.70	
08/01/2035	870,000	** %	174,180.70	1,044,180.70	1,218,361.40
02/01/2036			152,752.70	152,752.70	
08/01/2036	910,000	** %	152,752.70	1,062,752.70	1,215,505.40
02/01/2037			130,340.80	130,340.80	
08/01/2037	955,000	** %	130,340.80	1,085,340.80	1,215,681.60
02/01/2038			106,765.00	106,765.00	
08/01/2038	1,005,000	** %	106,765.00	1,111,765.00	1,218,530.00
02/01/2039			81,952.80	81,952.80	
08/01/2039	1,055,000	** %	81,952.80	1,136,952.80	1,218,905.60

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**BOND DEBT SERVICE**

**Successor Agency of the City of Santee  
Proposed 2016 Tax Allocation Refunding Bonds  
Assumes Underlying 'A+' Rating  
Reflects Market Conditions as of June 23, 2016  
\*\*Preliminary, Subject to Change\*\***

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/01/2040			55,917.80	55,917.80	
08/01/2040	1,110,000	** %	55,917.80	1,165,917.80	1,221,835.60
02/01/2041			28,521.40	28,521.40	
08/01/2041	1,155,000	** %	28,521.40	1,183,521.40	1,212,042.80
	42,650,000		24,284,722.82	66,934,722.82	66,934,722.82

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**SUMMARY OF BONDS REFUNDED**

**Successor Agency of the City of Santee  
Proposed 2016 Tax Allocation Refunding Bonds  
Assumes Underlying 'A+' Rating  
Reflects Market Conditions as of June 23, 2016  
\*\*Preliminary, Subject to Change\*\***

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Tax Allocation Bonds, Series 2005A, 05:					
SER	08/01/2017	4.000%	695,000.00	12/01/2016	100.000
	08/01/2018	4.000%	730,000.00	12/01/2016	100.000
	08/01/2019	4.000%	760,000.00	12/01/2016	100.000
	08/01/2020	4.125%	780,000.00	12/01/2016	100.000
	08/01/2021	4.250%	815,000.00	12/01/2016	100.000
	08/01/2022	4.250%	850,000.00	12/01/2016	100.000
	08/01/2023	4.300%	890,000.00	12/01/2016	100.000
	08/01/2024	4.375%	930,000.00	12/01/2016	100.000
T27	08/01/2025	4.400%	975,000.00	12/01/2016	100.000
	08/01/2027	4.500%	2,090,000.00	12/01/2016	100.000
T29	08/01/2029	4.600%	2,295,000.00	12/01/2016	100.000
T31	08/01/2031	4.625%	2,515,000.00	12/01/2016	100.000
T33	08/01/2033	4.650%	2,750,000.00	12/01/2016	100.000
			17,075,000.00		
Tax Allocation 2011 Series A, 11A:					
SER	08/01/2017	4.750%	560,000.00		
	08/01/2018	5.000%	580,000.00		
	08/01/2019	5.375%	610,000.00		
	08/01/2020	5.625%	650,000.00		
	08/01/2021	5.750%	685,000.00	02/01/2021	100.000
T26	08/01/2026	6.500%	4,085,000.00	02/01/2021	100.000
T31	08/01/2031	7.000%	5,580,000.00	02/01/2021	100.000
T41	08/01/2041	7.000%	11,570,000.00	02/01/2021	100.000
			24,320,000.00		
Tax Allocation 2011 Series B (Taxable), 11B:					
SER	08/01/2017	6.750%	90,000.00		
	08/01/2018	7.000%	95,000.00		
	08/01/2019	7.500%	100,000.00		
T26	08/01/2026	9.000%	110,000.00		
	08/01/2026	9.000%	890,000.00	02/01/2021	100.000
T31	08/01/2031	9.375%	1,180,000.00	02/01/2021	100.000
T41	08/01/2041	9.500%	1,870,000.00	02/01/2021	100.000
			4,335,000.00		
			45,730,000.00		

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**ESCROW DESCRIPTIONS DETAIL**

**Successor Agency of the City of Santee  
Refunding of 2005 Series A Tax-Exempt Tax Allocation Bonds**

Type of Security	Type of SLGS	Maturity Date	First Int Pmt Date	Par Amount	Rate	Max Rate
Global Proceeds Escrow, Nov 1, 2016:						
SLGS	Certificate	12/01/2016	12/01/2016	17,323,443	0.250%	0.250%
				17,323,443		

**SLGS Summary**

SLGS Rates File	23JUN16
Total Certificates of Indebtedness	17,323,443.00

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**ESCROW DESCRIPTIONS DETAIL**

**Successor Agency of the City of Santee  
Refunding of 2011 Series A Tax-Exempt Tax Allocation Bonds**

Type of Security	Type of SLGS	Maturity Date	First Int Pmt Date	Par Amount	Rate	Max Rate
Global Proceeds Escrow, Nov 1, 2016:						
SLGS	Certificate	02/01/2017	02/01/2017	740,050	0.280%	0.280%
SLGS	Certificate	08/01/2017	08/01/2017	1,221,484	0.490%	0.490%
SLGS	Note	02/01/2018	02/01/2017	652,662	0.620%	0.620%
SLGS	Note	08/01/2018	02/01/2017	1,234,685	0.730%	0.730%
SLGS	Note	02/01/2019	02/01/2017	644,691	0.800%	0.800%
SLGS	Note	08/01/2019	02/01/2017	1,257,270	0.860%	0.860%
SLGS	Note	02/01/2020	02/01/2017	636,283	0.940%	0.940%
SLGS	Note	08/01/2020	02/01/2017	1,289,273	1.020%	1.020%
SLGS	Note	02/01/2021	02/01/2017	22,547,567	1.110%	1.110%
				30,223,965		

**SLGS Summary**

SLGS Rates File	23JUN16
Total Certificates of Indebtedness	1,961,534.00
Total Notes	28,262,431.00
Total original SLGS	30,223,965.00

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**ESCROW DESCRIPTIONS DETAIL**

**Successor Agency of the City of Santee  
Refunding of 2011 Series B Taxable Tax Allocation Bonds**

Type of Security	CUSIP or ID	Maturity Date	Par Amount	Rate	Yield	Price	Interest Class	Interest Frequency	Interest Day Basis
Global Proceeds Escrow, Nov 1, 2016:									
TSTRIP-P	912834JN9	01/31/2017	194,000		3.916%	99.04100	Zero Coupon	Semiannual	ACT/ACT
TSTRIP-P	912820S73	01/31/2017	194,000		0.535%	99.86800	Zero Coupon	Semiannual	ACT/ACT
TNote	912828NR7	07/31/2017	283,000	2.375%	0.645%	101.28714	Periodic	Semiannual	ACT/ACT
TSTRIP-I	912834JZ2	04/15/2018	289,000		0.963%	98.61400	Zero Coupon	Semiannual	ACT/ACT
TSTRIP-I	912834LA4	01/31/2019	190,000		0.872%	98.06400	Zero Coupon	Semiannual	ACT/ACT
TSTRIP-I	912834LQ9	07/31/2019	291,000		1.027%	97.22500	Zero Coupon	Semiannual	ACT/ACT
TSTRIP-I	912834MC9	01/31/2020	187,000		1.102%	96.49400	Zero Coupon	Semiannual	ACT/ACT
TNote	912828XM7	07/31/2020	296,000	1.625%	1.132%	101.80321	Periodic	Semiannual	ACT/ACT
TSTRIP-I	912834NE4	01/31/2021	4,124,000		1.230%	94.92500	Zero Coupon	Semiannual	ACT/ACT
			6,048,000						

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**INDENTURE OF TRUST**

**Dated as of \_\_\_\_\_, 2016**

**by and between the**

**CDC SUCCESSOR AGENCY OF THE  
CITY OF SANTEE**

**and**

**U.S. BANK NATIONAL ASSOCIATION,  
as Trustee**

**Relating to**

**\$ \_\_\_\_\_  
CDC Successor Agency of the City of Santee  
Tax Allocation Refunding Bonds, 2016 Series A**

**and**

**\$ \_\_\_\_\_  
CDC Successor Agency of the City of Santee  
Taxable Tax Allocation Refunding Bonds, 2016 Series B**

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## INDENTURE OF TRUST

This INDENTURE OF TRUST (this "Indenture") is dated as of \_\_\_\_\_, 2016, by and between the CDC SUCCESSOR AGENCY OF THE CITY OF SANTEE, a public entity existing under the laws of the State of California (the "Successor Agency"), as successor to the Community Development Commission of the City of Santee (the "Former Commission"), and U.S. BANK NATIONAL ASSOCIATION, a national banking association duly organized and existing under the laws of the United States of America, as trustee (the "Trustee");

### WITNESSETH:

**WHEREAS**, the Former Commission was a public body, corporate and politic, duly established and authorized to transact business and exercise powers under and pursuant to the provisions of the Community Redevelopment Law of the State of California, constituting Part 1 of Division 24 of the Health and Safety Code of the State (the "Redevelopment Law");

**WHEREAS**, redevelopment plans for the Former Commission's Santee Community Redevelopment Project in the City of Santee, California (the "Redevelopment Project"), have been adopted in compliance with all requirements of the Redevelopment Law;

**WHEREAS**, the Former Commission has issued its \$23,100,000 Community Development Commission of the City of Santee (Santee Community Redevelopment Project) Tax Allocation Bonds, 2005 Series A (the "Series 2005A Bonds") pursuant to an Indenture of Trust, by and between the Former Commission and the Trustee, dated as of January 1, 2005 (the "2005 Indenture") and its \$26,845,000 Community Development Commission of the City of Santee (Santee Community Redevelopment Project) Tax Allocation Bonds, 2011 Series A (the "Series 2011A Bonds") and its \$4,710,000 Community Development Commission of the City of Santee (Santee Community Redevelopment Project) Tax Allocation Housing Bonds, 2011 Series B (Taxable) (the "Series 2011B Bonds") pursuant to a First Supplemental Indenture, dated as of March 1, 2011 (the "First Supplemental Indenture" and together with the 2005 Indenture, the "Prior Indenture"); and

**WHEREAS**, by implementation of California Assembly Bill X1 26, which amended provisions of the California Redevelopment Law (found at Health and Safety Code Section 33000, *et seq.*) and the California Supreme Court's decision in California Redevelopment Association v. Matosantos, the Former Commission was dissolved on January 11, 2012 in accordance with California Assembly Bill X1 26 approved by the Governor of the State of California on June 28, 2011 (as amended, the "Dissolution Act"), and on January 11, 2012, the Successor Agency, in accordance with and pursuant to the Dissolution Act, assumed the duties and obligations of the Former Commission as provided in the Dissolution Act, including, without limitation, the obligations of the Former Commission under the Prior Indenture and related documents to which the Former Commission was a party; and

**WHEREAS**, Section 34177.5(a)(1) of the Dissolution Act authorizes the Successor Agency to undertake proceedings for the refunding of outstanding bonds and other obligations of the Former Commission, subject to the conditions precedent contained in said Section 34177.5; and

**WHEREAS**, said Section 34177.5 also authorizes the Successor Agency to issue bonds pursuant to Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the "Refunding Law") for the purpose of achieving debt service savings within the parameters set forth in said Section 34177.5; and

**WHEREAS**, the Successor Agency has determined that it will achieve debt service savings within such parameters by the issuance pursuant to the Redevelopment Law, the Refunding Law, and the Dissolution Act, of its \$\_\_\_\_\_ aggregate principal amount of CDC Successor Agency of the City of Santee Tax Allocation Refunding Bonds, 2016 Series A (the "Series 2016A Bonds") in order to refund, on a current basis, the outstanding Series 2005A Bonds, and, on an advance basis, the Series 2011A Bonds; and

**WHEREAS**, the Successor Agency has determined that it will achieve debt service savings within such parameters by the issuance pursuant to the Redevelopment Law, the Refunding Law, and the Dissolution Act, of its \$\_\_\_\_\_ aggregate principal amount of CDC Successor Agency of the City of Santee Tax Allocation Refunding Bonds, 2016 Series B (Taxable) (the "Series 2016B Bonds," collectively with the Series 2016A Bonds, the "Series 2016 Bonds") in order to refund, on an advance basis, the outstanding Series 2011B Bonds; and

**WHEREAS**, in order to provide for the authentication and delivery of the Series 2016 Bonds, to establish and declare the terms and conditions upon which the Series 2016 Bonds are to be issued and secured and to secure the payment of the principal thereof and interest and redemption premium (if any) thereon, the Successor Agency and the Trustee have duly authorized the execution and delivery of this Indenture; and

**WHEREAS**, all acts and proceedings required by law necessary to make the Series 2016 Bonds when executed by the Successor Agency, and authenticated and delivered by the Trustee, the legal, valid and binding special obligations of the Successor Agency, and to constitute this Indenture a legal, valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done or taken;

**NOW, THEREFORE**, in order to secure the payment of the principal of and the interest and redemption premium (if any) on all the Outstanding Series 2016 Bonds and any Parity Debt issued under this Indenture according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Series 2016 Bonds and such Parity Debt are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Series 2016 Bonds and such Parity Debt by the Owners thereof, and for other valuable considerations, the receipt of which is hereby acknowledged, the Successor Agency and the Trustee do hereby covenant and agree with one another, for the benefit of the respective Owners from time to time of the Series 2016 Bonds and such Parity Debt, as follows:

## ARTICLE I

### DEFINITIONS; RULES OF CONSTRUCTION

**Section 1.01. Definitions.** Unless the context otherwise requires, the terms defined in this Section 1.01 shall, for all purposes of this Indenture, of any Supplemental Indenture, and of any certificate, opinion or other document herein mentioned, have the meanings herein specified.

“Annual Debt Service” means, for each Bond Year, the sum of (a) the interest payable on the Outstanding Bonds (including any Parity Debt) in such Bond Year, and (b) the principal amount of the Outstanding Bonds (including any Parity Debt) scheduled to be paid in such Bond Year upon the maturity or mandatory sinking account redemption thereof.

“Bond Counsel” means (a) Best Best & Krieger LLP, or (b) any other attorney or firm of attorneys appointed by or acceptable to the Successor Agency of nationally-recognized experience in the issuance of obligations the interest on which is excludable from gross income for federal income tax purposes under the Tax Code.

“Bond Year” means any twelve-month period beginning on August 2 in any year and extending to the next succeeding August 1, both dates inclusive; except that the first Bond Year shall begin on the Closing Date and end on August 1, 2017.

“Bonds” means Series 2016 Bonds and, if the context requires, any additional Parity Debt.

“Business Day” means a day of the year (other than a Saturday or Sunday) on which banks in the State or the State of New York are not required or permitted to be closed, and on which the New York Stock Exchange is open.

“Closing Date” means, with respect to the Series 2016 Bonds, the date on which the Series 2016 Bonds are delivered by the Successor Agency to the Original Purchaser.

“Continuing Disclosure Certificate” means that certain Continuing Disclosure Certificate, if any, executed by the Successor Agency, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“Costs of Issuance” means items of expense payable or reimbursable directly or indirectly by the Successor Agency and related to the authorization, sale and issuance of the Series 2016 Bonds, which items of expense shall include, but not be limited to, printing costs, costs of reproducing and binding documents, closing costs, filing and recording fees, initial fees and charges of the Trustee including its first annual administration fee, expenses incurred by the Successor Agency in connection with the issuance of the Series 2016 Bonds, fees and charges of the Trustee for paying and redeeming the Prior Bonds pursuant to the Escrow Agreements, underwriter’s discount, original issue discount, legal fees and charges, including bond counsel and financial consultants fees, costs of cash flow verification, premiums for any municipal bond insurance policy that may be purchased and for any reserve account surety bond the Successor Agency may purchase, rating agency fees, charges for execution, transportation and safekeeping of the Series 2016 Bonds and other costs, charges and fees in connection with the original

issuance of the Series 2016 Bonds or any other expense directed by the Successor Agency to be paid from moneys in the Costs of Issuance Fund.

“Costs of Issuance Fund” means the fund by that name established by Section 3.03.

“County” means the County of San Diego, a county duly organized and existing under the Constitution and laws of the State.

“Debt Service Fund” means the fund by that name established and held by the Trustee pursuant to Section 4.03.

“Defeasance Obligations” means:

(a) cash;

(b) Federal Securities; and

(c) Subject to the written approval of the Insurer, pre-refunded municipal bonds rated “Aa” or higher by Moody’s and “AA” or higher by S&P, provided that, the pre-refunded municipal bonds must have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, or AAA rated pre-refunded municipals;

“Depository” means (a) initially, DTC, and (b) any other Securities Depository acting as Depository pursuant to Section 2.11.

“Depository System Participant” means any participant in the Depository’s book-entry system.

“Dissolution Act” means the provisions of Assembly Bill X1 26, signed by the Governor June 28, 2011, and filed with the Secretary of State June 29, 2011, consisting of Part 1.8 (commencing with Section 34161) and Part 1.85 (commencing with Section 34170) of Division 24 of the California Health and Safety Code, as amended by Assembly Bill 1484, signed by the Governor on June 27, 2012, and filed with the Secretary of State on June 27, 2012.

“DOF” means the California Department of Finance.

“DTC” means The Depository Trust Company, New York, New York, and its successors and assigns.

“Escrow Bank” means U.S. Bank National Association.

“Escrow Funds” means the funds established under the Escrow Agreements for the purpose of defeasing the Prior Bonds.

“Event of Default” means any of the events described in Section 8.01.

“Fair Market Value” means, with respect to any investment, the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm’s length transaction (determined as of the date the contract to purchase or sell the investment becomes

binding) if the investment is traded on an established securities market (within the meaning of section 1273 of the Tax Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Tax Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Tax Code, (iii) the investment is a United States Treasury Security--State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) any commingled investment fund in which the Successor Agency and related parties do not own more than a ten percent (10%) beneficial interest therein if the return paid by the fund is without regard to the source of the investment. The Trustee shall have no duty in connection with the determination of Fair Market Value other than to follow the investment directions of the Successor Agency in any written directions of the Successor Agency.

"Federal Securities" means any direct, noncallable general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America and CATS and TGRS), or obligations the payment of principal of and interest on which are unconditionally guaranteed by the United States of America.

"Fiscal Year" means any twelve-month period beginning on July 1 in any year and extending to the next succeeding June 30, both dates inclusive, or any other twelve-month period selected and designated by the Successor Agency as its official fiscal year period pursuant to a Request of the Successor Agency filed with the Trustee.

"Former Commission" means the Community Development Commission of the City of Santee, a public body corporate and politic duly organized and formerly existing under the Law and dissolved in accordance with the Dissolution Act.

"Indenture" means this Indenture of Trust by and between the Successor Agency and the Trustee, as amended or supplemented from time to time pursuant to any Supplemental Indenture entered into pursuant to the provisions hereof.

"Independent Accountant" means any accountant or firm of such accountants duly licensed or registered or entitled to practice and practicing as such under the laws of the State, appointed by or acceptable to the Successor Agency, and who, or each of whom: (a) is in fact independent and not under domination of the Successor Agency; (b) does not have any substantial interest, direct or indirect, with the Successor Agency; and (c) is not connected with the Successor Agency as an officer or employee of the Successor Agency, but who may be regularly retained to make reports to the Successor Agency.

"Independent Fiscal Consultant" means any consultant or firm of such consultants appointed by or acceptable to the Successor Agency and who, or each of whom: (a) is judged by the Successor Agency to have experience in matters relating to the financing of redevelopment projects; (b) is in fact independent and not under domination of the Successor Agency; and (c) is

not connected with the Successor Agency as an officer or employee of the Successor Agency, but who may be regularly retained to make reports to the Successor Agency.

“Information Services” means “EMMA” or the “Electronic Municipal Market Access” system of the Municipal Securities Rulemaking Board; or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other services providing information with respect to called bonds as the Successor Agency may designate in a Request of the Successor Agency delivered to the Trustee.

[“Insurance Policies” means collectively the Series 2016A Bonds Insurance Policy and the Series 2016B Bonds Insurance Policy.]

[“Insurer” means \_\_\_\_\_.]

“Interest Account” means the account by that name established and held by the Trustee pursuant to Section 4.03(a).

“Interest Payment Date” means each February 1 and August 1, commencing March 1, 2017, for so long as any of the Bonds remain unpaid.

“Law” means the Redevelopment Law, as amended by the Dissolution Act, and referenced in the Health and Safety Code of the State.

“Maximum Annual Debt Service” means, as of the date of calculation, the largest Annual Debt Service for the current or any future Bond Year payable on the Bonds or any Parity Debt in such Bond Year.

“Moody’s” means Moody’s Investors Service, Inc., its successors and assigns.

“Office” means, with respect to the Trustee, the corporate trust office of the Trustee at \_\_\_\_\_, or at such other or additional offices as may be specified by the Trustee in writing to the Successor Agency, provided that for the purposes of maintenance of the Registration Books and presentation of Bonds for transfer, exchange or payment such term shall mean the office of the Trustee at which it conducts its corporate agency business.

“Original Purchaser” means the original purchaser of the Series 2016 Bonds upon their delivery by the Trustee on the Closing Date.

“Outstanding”, when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 9.05) all Bonds except: (a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation; (b) Bonds paid or deemed to have been paid within the meaning of Section 9.03; and (c) Bonds in lieu of or in substitution for which other Bonds shall have been authorized, executed, issued and delivered by the Successor Agency pursuant hereto.

“Oversight Board” means the oversight board of the Successor Agency, duly constituted from time to time pursuant to Section 34179 of the Dissolution Act.

“Owner” means, with respect to any Bond, the person in whose name the ownership of such Bond shall be registered on the Registration Books.

“Parity Debt” means any bonds, notes, loans, advances or other indebtedness issued or incurred by the Successor Agency on parity with the Series 2016 Bonds pursuant to Section 3.04.

“Parity Debt Instrument” means any resolution, indenture of trust, trust agreement or other instrument authorizing the issuance of any Parity Debt and which otherwise complies with all of the terms and conditions of this Indenture, including, without limitation, the provisions of Section 3.04.

“Permitted Investments” means any of the following which at the time of investment are legal investments under the laws of the State of California for the moneys proposed to be invested therein (provided that the Trustee shall be entitled to rely upon any investment direction from the Successor Agency as conclusive certification to the Trustee that the investments described therein are so authorized under the laws of the State and constitute Permitted Investments), but only to the extent that the same are acquired at Fair Market Value:

(a) Federal Securities;

(b) obligations of any of the following federal agencies which obligations represent full faith and credit of the United States of America, including: Export-Import Bank, Farm Credit System Financial Assistance Corporation, Rural Economic Community Development Administration (formerly Farmers Home Administration), General Services Administration, U.S. Maritime Administration, Small Business Administration, Government National Mortgage Association, U.S. Department of Housing & Urban Development, Federal Housing Administration and Federal Financing Bank;

(c) direct obligations for any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America: senior debt obligations rated “Aaa” by Moody’s and “AAA” by S&P issued by Fannie Mae or Federal Home Loan Mortgage Corporation (FHLMC); obligations of the Resolution Funding Corporation (REFCORP); senior debt obligations of the Federal Home Loan Bank System; and senior debt obligations of other Government Sponsored Agencies approved by the Insurer;

(d) U.S. dollar denominated deposit accounts, federal funds and banker’s acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase of A-1 or A-1+ by S&P and P-1 by Moody’s, and maturing no more than 360 days after the date of purchase, including those of the Trustee or its affiliates;

(e) commercial paper which is rated at the time of purchase in the single highest classification, A-1+ by S&P and P-1 by Moody’s and which matures not more than 270 days after the date of purchase;

(f) investments in a money market fund rated AAAM or AAAM-G or better by S&P, including funds for which the Trustee or its affiliates provide investment advisory or other management services;

(g) any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and (i) which are rated, based on the escrow, in the highest rating category of S&P and Moody's or (ii)(A) which are fully secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or Federal Securities, which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, in such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (B) which fund is sufficient, as verified by an Independent Accountant and with the prior approval of S&P, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to above, as appropriate;

(h) investment agreements approved in writing by the Insurer with notice to S&P;

(i) other forms of investments approved in writing by the Insurer with notice to S&P;

(j) the County's investment pool; and

(k) the Local Agency Investment Fund of the State, created pursuant to Section 11429.1 of the California Government Code but only, in the case of Trustee held funds, to the extent any monies invested by the Trustee are subject to deposit and withdrawal solely by the Trustee.

"Plan Limitations" means the limitations contained or incorporated in the Redevelopment Plan on (a) the aggregate principal amount of indebtedness payable from Tax Incremental Revenues which may be outstanding at any time, or (b) the aggregate amount of taxes which may be divided and allocated to the Successor Agency pursuant to the Dissolution Act provisions.

"Pledged Tax Revenues" means all monies deposited from time to time in the Redevelopment Property Tax Trust Fund as provided in paragraph (2) of subdivision (a) of Section 34183 of the California Health and Safety Code but excluding (i) amounts of such taxes required to be paid by the Successor Agency pursuant to Section 33607.5 of the Redevelopment Law, except and to the extent that any amounts so payable are payable on a basis subordinate to the payment of the Bonds, any additional Parity Debt, as applicable. If, and to the extent, that the provisions of Section 34172 or paragraph (2) of subdivision (a) of Section 34183 are invalidated by a final judicial decision, then Pledged Tax Revenues shall include all tax revenues

allocated to the payment of indebtedness pursuant to Health & Safety Code Section 33670 or such other section as may be in effect at the time providing for the allocation of tax increment revenues in accordance with Article XVI, Section 16 of the California Constitution, subject to the exclusions set forth above.

“Principal Account” means the account by that name established and held by the Trustee pursuant to Section 4.03(b).

“Prior Bonds” means the Series 2005A Bonds and the Series 2011 Bonds.

“Prior Trustee” means U.S. Bank National Association, as trustee under the Prior Trust Indenture.

“Project Areas” means the territory within the Redevelopment Project, as described in the Redevelopment Plan.

“Qualified Reserve Account Credit Instrument” means (i) the Surety Bond or (ii) an irrevocable standby or direct-pay letter of credit or surety bond issued by a commercial bank or insurance company and deposited with the Trustee pursuant to Section 4.03(d), provided that all of the following requirements are met by the Successor Agency at the time of delivery thereof to the Trustee: (a) the long-term credit rating of such bank or insurance company is “A” (without regard to modifier) or higher; (b) such letter of credit or surety bond has a term of at least twelve (12) months; (c) such letter of credit or surety bond has a stated amount at least equal to the portion of the Reserve Requirement with respect to which funds are proposed to be released pursuant to Section 4.03(d); (d) the Trustee is authorized pursuant to the terms of such letter of credit or surety bond to draw thereunder an amount equal to any deficiencies which may exist from time to time in the Interest Account, the Principal Account or the Sinking Account for the purpose of making payments required pursuant to Section 4.03; and (e) prior written notice is given to the Indenture before the effective date of any such Qualified Reserve Account Credit Instrument.

“Recognized Obligation Payment Schedule” means a Recognized Obligation Payment Schedule, each prepared and approved from time to time pursuant to subdivision (l) of Section 34177 of the California Health and Safety Code.

“Record Date” means, with respect to any Interest Payment Date, the close of business on the fifteenth (15th) calendar day of the month preceding such Interest Payment Date, whether or not such fifteenth (15th) calendar day is a Business Day.

“Redemption Account” means the account by that name established and held by the Trustee pursuant to Section 4.03(e).

“Redevelopment Law” means the Community Redevelopment Law of the State, constituting Part 1 of Division 24 of the Health and Safety Code of the State, and the acts amendatory thereof and supplemental thereto, subject to the provisions of the Dissolution Act.

“Redevelopment Obligation Retirement Fund” means the fund by that name established pursuant to California Health and Safety Code Section 34170.5 and administered by the Successor Agency.

“Redevelopment Plan” means the Redevelopment Plan for the Santee Community Redevelopment Project, approved by Ordinance No. 58 enacted by the City Council of the City on July 20, 1982, as amended by Ordinance No. 330, enacted by the City Council of the City on November 23, 1994, as amended by Ordinance No. 392, enacted by the City Council of the City on September 8, 1999, as amended by Ordinance No. 393, enacted by the City Council of the City on October 13, 1999, as amended by Ordinance No. 394, enacted by the City Council of the City on October 13, 1999, as amended and restated by Ordinance No. 423, enacted by the City Council of the City on July 10, 2002, as amended by Ordinance No. 446, enacted by the City Council of the City on August 10, 2004, and as amended by Ordinance No. 447, enacted by the City Council of the City on August 10, 2004, together with any amendments thereof at any time duly authorized pursuant to the Law.

“Redevelopment Project” means the Santee Community Redevelopment Project, as described in the Redevelopment Plan.

“Redevelopment Property Tax Trust Fund” or “RPTTF” means the fund by that name established pursuant to Health & Safety Code Sections 34170.5(b) and 34172(c) and administered by the County auditor-controller.

“Refunding Law” means Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State, and the acts amendatory thereof and supplemented thereto.

“Registration Books” means the records maintained by the Trustee pursuant to Section 2.08 for the registration and transfer of ownership of the Series 2016 Bonds.

“Request of the Successor Agency” means a request in writing signed by the City Manager in the capacity of Chief Administrator for the Successor Agency, the City Finance Director in the capacity of Treasurer of the Successor Agency or City Clerk in the capacity of Secretary of the Successor Agency, or any other officer of the Successor Agency duly authorized by the Successor Agency for that purpose.

“Reserve Account” means the account by that name established and held by the Trustee pursuant to Section 4.03(d) hereof.

“Reserve Requirement” means, with respect to the Series 2016 Bonds, as of any calculation date, the least of (i) ten percent (10%) of the original principal amount of the Series 2016 Bonds, (ii) Maximum Annual Debt Service with respect to the Series 2016 Bonds, or (iii) 125% of average Annual Debt Service on the Series 2016 Bonds; provided further that (a) the Reserve Requirement with respect to the Series 2016A Bonds and the Series 2016B Bonds will be calculated on a combined basis, provided that, in the event the Reserve Requirement for the Series 2016A Bonds and the Series 2016B Bonds is funded with cash, the Trustee shall establish separate subaccounts for the proceeds of the Series 2016A Bonds and the Series 2016B Bonds to enable the Trustee to track the investment of the proceeds of the Series 2016A Bonds and the

Series 2016B Bonds and (b) that the Successor Agency may meet all or a portion of the Reserve Requirement by depositing a Qualified Reserve Account Credit Instrument meeting the requirements of Section 4.03(d) hereof.

“S&P” means S&P Global Ratings, a business unit of Standard & Poor’s Financial Services, its successors and assigns.

“Securities Depositories” means The Depository Trust Company, 55 Water Street, 50th Floor, New York, N.Y. 10041-0099 Attn: Call Notification Department, Fax (212) 855-7232 and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the Successor Agency may designate in a Request of the Successor Agency delivered to the Trustee.

“Series 2005A Bonds” means the \$23,100,000 Community Development Commission of the City of Santee (Santee Community Redevelopment Project) Tax Allocation Bonds, 2005 Series A.

“Series 2005A Bonds Escrow Agreement” means the Escrow Deposit and Trust Agreement, dated as of \_\_\_\_\_, 2016, relating to the Series 2005A Bonds, between the Successor Agency and the Escrow Bank.

“Series 2011 Bonds” means the Series 2011A Bonds and the Series 2011B Bonds.

“Series 2011A Bonds” means the \$26,845,000 Community Development Commission of the City of Santee (Santee Community Redevelopment Project) Tax Allocation Bonds, 2011 Series A.

“Series 2011B Bonds” means the \$4,710,000 Community Development Commission of the City of Santee (Santee Community Redevelopment Project) Tax Allocation Bonds, 2011 Series B (Taxable).

“Series 2011 Bonds Escrow Agreement” means the Escrow Deposit and Trust Agreement, dated as of \_\_\_\_\_, 2016, relating to the Series 2011 Bonds, between the Successor Agency and the Escrow Bank.

“Series 2016 Account” means the account by that name within the Refunding Fund established and held by the Trustee pursuant to Section 3.04.

“Series 2016 Bonds” means the Series 2016A Bonds and the Series 2016B Bonds.

“Series 2016A Bonds” means the CDC Successor Agency of the City of Santee Tax Allocation Refunding Bonds, 2016 Series A, issued in the initial principal amount of \$\_\_\_\_\_.

“Series 2016B Bonds” means the CDC Successor Agency of the City of Santee Taxable Tax Allocation Refunding Bonds, 2016 Series B, issued in the initial principal amount of \$\_\_\_\_\_.

["Series 2016A Bonds Insurance Policy" means the municipal bond insurance policy issued by guaranteeing the scheduled payment of the principal of and interest on the Series 2016A Bonds when due, as provided in the Indenture.]

"Series 2016A Subaccount" means the subaccount by that name within the Reserve Account established and held by the Trustee pursuant to Section 4.03(d).

["Series 2016B Bonds Insurance Policy" means the municipal bond insurance policy issued by guaranteeing the scheduled payment of the principal of and interest on the Series 2016B Bonds when due, as provided in the Indenture.]

"Series 2016B Subaccount" means the subaccount by that name within the Reserve Account established and held by the Trustee pursuant to Section 4.03(d).

"Sinking Account" means the account by that name established and held by the Trustee pursuant to Section 4.03(c).

"State" means the State of California.

"Subordinate Debt" means any bonds, notes, loans, advances or other indebtedness issued or incurred by the Successor Agency in accordance with the requirements of Section 3.06, which are either: (a) payable from, but not secured by a pledge of or lien upon, the Pledged Tax Revenues; or (b) secured by a pledge of or lien upon the Pledged Tax Revenues which is subordinate to the pledge of and lien upon the Pledged Tax Revenues hereunder for the security of the Bonds.

"Successor Agency" means the CDC Successor Agency of the City of Santee, a public entity existing under the Dissolution Act, as successor to the Former Commission.

"Supplemental Indenture" means any indenture, agreement or other instrument which amends, supplements or modifies this Indenture and which has been duly entered into by and between the Successor Agency and the Trustee; but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

["Surety Bonds" means the municipal bond debt service reserve insurance policies issued as (i) Policy Number \_\_\_\_\_ deposited into the Series 2016A Bonds Subaccount related to the Series 2016A Bonds, issued by \_\_\_\_\_; and (ii) Policy Number \_\_\_\_\_ deposited into the Series 2016B Bonds Subaccount related to the Series 2016B Bonds, issued by \_\_\_\_\_.]

"Tax Code" means the Internal Revenue Code of 1986 as in effect on the Closing Date or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the Closing Date, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under said Code.

"Term Bonds" means, collectively, (a) the Series 2016A Bonds maturing on August 1, 20\_\_, (b) the Series 2016B Bonds maturing on August 1, \_\_\_\_\_, and (c) any maturity of Parity

Debt which is subject to mandatory Sinking Account redemption pursuant to the Supplemental Indenture authorizing the issuance thereof.

“Trustee” means U.S. Bank National Association, as trustee hereunder, or any successor thereto appointed as Trustee hereunder in accordance with the provisions of Article VI.

**Section 1.02. Rules of Construction.** All references herein to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture, and the words “herein,” “hereof,” “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof.

## ARTICLE II

### AUTHORIZATION AND TERMS OF SERIES 2016 BONDS

**Section 2.01. Authorization and Purpose of Series 2016 Bonds.** The Successor Agency has reviewed all proceedings heretofore taken and has found, as a result of such review, and hereby finds and determines that all things, conditions and acts required by law to exist, happen or be performed precedent to and in connection with the issuance of the Series 2016 Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and the Successor Agency is now duly empowered, pursuant to each and every requirement of law, to issue the Series 2016 Bonds in the manner and form provided in this Indenture.

Series 2016A Bonds in the aggregate principal amount of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) and the Series 2016B Bonds in the aggregate principal amount of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) are hereby authorized to be issued by the Successor Agency pursuant to the Redevelopment Law, the Refunding Law, and the Dissolution Act, for the purpose of providing funds to refund the Series 2005A Bonds and the Series 2011 Bonds. The Series 2016 Bonds shall be authorized and issued under, and shall be subject to the terms of, this Indenture and the Redevelopment Law, as amended by the Dissolution Act. The Series 2016A Bonds shall be designated the “CDC Successor Agency of the City of Santee Tax Allocation Refunding Bonds, 2016 Series A” and the Series 2016B Bonds shall be designated the “CDC Successor Agency of the City of Santee Tax Allocation Refunding Bonds, 2016 Series B (Taxable).”

**Section 2.02. Terms of the Series 2016 Bonds.** The Series 2016A Bonds shall be issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof, so long as no Series 2016A Bond shall have more than one maturity date. The Series 2016A Bonds shall mature on August 1 in each of the years and in the amounts, and shall bear interest (calculated on the basis of a 360-day year comprised of twelve 30-day months) at the rates, as follows:

**Series 2016A Bonds**

Maturity Date ( <u>August 1</u> )	Principal <u>Amount</u>	Interest <u>Rate</u>
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The Series 2016B Bonds shall be issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof, so long as no Series 2016B Bond shall have more than one maturity date. The Series 2016B Bonds shall mature on August 1 in each of the years and in the amounts, and shall bear interest (calculated on the basis of a 360-day year comprised of twelve 30-day months) at the rates, as follows:

**Series 2016B Bonds**

Maturity Date ( <u>August 1</u> )	Principal <u>Amount</u>	Interest <u>Rate</u>
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Interest on the Series 2016 Bonds shall be payable on each Interest Payment Date to the person whose name appears on the Registration Books as the Owner thereof as of the Record Date immediately preceding each such Interest Payment Date, such interest to be paid by check of the Trustee mailed by first class mail, postage prepaid, on each Interest Payment Date to the Owner at the address of such Owner as it appears on the Registration Books as of the preceding Record Date; provided however, that payment of interest may be by wire transfer to an account in the United States of America to any Owner of Series 2016 Bonds of the same series in the aggregate amount of \$1,000,000 or more who shall furnish written instructions to the Trustee before the applicable Record Date. Any such written instructions shall remain in effect until rescinded in writing by the Owner. Principal of and premium (if any) on any Series 2016 Bond shall be paid upon presentation and surrender thereof, at maturity or the prior redemption thereof, at the Office of the Trustee and shall be payable in lawful money of the United States of America.

Each Series 2016 Bond shall be dated as of the Closing Date and shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (b) unless it is authenticated on or before \_\_\_\_\_ 15, 201\_, in which event it shall bear interest from the Closing Date;

provided, however, that if, as of the date of authentication of any Series 2016 Bond, interest thereon is in default, such Series 2016 Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

**Section 2.03. Redemption of Series 2016 Bonds.**

(a) Optional Redemption.

(i) *Series 2016A Bonds.* The Series 2016A Bonds may be called before maturity and redeemed at the option of the Successor Agency, in whole or in part, from the proceeds of refunding bonds or other available funds, on August 1, \_\_\_\_ or on any date thereafter. Series 2016A Bonds called for redemption will be redeemed at a redemption price equal to the principal amount of Series 2016A Bonds to be redeemed plus accrued interest to the redemption date.

(ii) *Series 2016B Bonds.* The Series 2016B Bonds may be called before maturity and redeemed at the option of the Successor Agency, in whole or in part, from the proceeds of refunding bonds or other available funds, on August 1, \_\_\_\_ or on any date thereafter. Series 2016B Bonds called for redemption will be redeemed at a redemption price equal to the principal amount of Series 2016B Bonds to be redeemed plus accrued interest to the redemption date.

The Successor Agency shall be required to give the Trustee written notice of its intention to redeem Series 2016 Bonds under this Section 2.03(a) at least 60 days prior to the date to be fixed for redemption or such later date as shall be permitted by the Trustee and the Successor Agency to deposit all amounts required for any redemption pursuant to this Section 2.03(a) at least one Business Day prior to the date fixed for such redemption.

(b) Mandatory Sinking Fund Redemption.

(i) *Series 2016A Bonds.* The Series 2016A Bonds maturing on August 1, \_\_\_\_\_ (the "Series A Term Bonds") are subject to redemption in part by lot, on August 1 in each of the years as set forth in the following table, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium, or in lieu thereof shall be purchased as described below, in the aggregate respective principal amounts and on the respective dates as set forth in the following table; *provided, however*, that if some but not all of the Series A Term Bonds have been redeemed the optional redemption provisions described above, the total amount of all future payments with respect to such Series A Term Bonds shall be reduced by the aggregate principal amount of such Series A Term Bonds so redeemed, to be allocated among such payments on a pro rata basis in integral multiples of \$5,000 as determined by the Successor Agency (written notice of which determination shall be given by the Successor Agency to the Trustee).

Sinking Account  
Redemption Date  
(August 1)

Principal Amount  
to be Redeemed

(ii) *Series 2016B Bonds.* The Series 2016B Bonds maturing on August 1, \_\_\_\_\_ (the “Series B Term Bonds”) are subject to redemption in part by lot, on August 1 in each of the years as set forth in the following table, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium, or in lieu thereof shall be purchased as described below, in the aggregate respective principal amounts and on the respective dates as set forth in the following table; *provided, however*, that if some but not all of the Series B Term Bonds have been redeemed the optional redemption provisions described above, the total amount of all future payments with respect to such Series B Term Bonds shall be reduced by the aggregate principal amount of such Series B Term Bonds so redeemed, to be allocated among such payments on a pro rata basis in integral multiples of \$5,000 as determined by the Successor Agency (written notice of which determination shall be given by the Successor Agency to the Trustee).

Sinking Account  
Redemption Date  
(August 1)

Principal Amount  
to be Redeemed

In lieu of redemption of the Series A Term Bonds or Series B Term Bonds under the preceding paragraph, amounts on deposit in the Debt Service Fund (to the extent not required to be deposited by the Trustee in the Interest Account or the Principal Account during the current Bond Year) may also be used and withdrawn by the Successor Agency at any time for the purchase of such Series A Term Bonds or Series B Term Bonds at public or private sale as and when and at such prices (including brokerage and other charges and including accrued interest) as the Successor Agency may in its discretion determine. The par amount of any of such Series A Term Bonds or Series B Term Bonds so purchased by the Successor Agency in any twelve-month period ending on July 15 in any year shall be credited towards and shall reduce the par amount of such Term Bonds required to be redeemed on the next succeeding August 1.

(c) Notice of Redemption, Rescission. The Trustee on behalf and at the expense of the Successor Agency shall mail (by first class mail, postage prepaid) notice of any redemption, at least thirty (30) but not more than sixty (60) days prior to the redemption date, to (i) the Owners of any Series 2016 Bonds designated for redemption at their respective addresses appearing on the Registration Books, and (ii) the Securities Depositories and to one or more Information Services designated in a Request of the Successor Agency delivered to the Trustee (by any means acceptable to such depositories and services in substitution of first class mail); provided, however, that such mailing shall not be a condition precedent to such redemption and neither failure to receive any such notice nor any defect therein shall affect the validity of the proceedings for the redemption of such Series 2016 Bonds or the cessation of the accrual of interest thereon. Such notice shall state the redemption date and the redemption price, shall, if applicable, designate the CUSIP number of the Series 2016 Bonds to be redeemed, shall state the

individual number of each Series 2016 Bond to be redeemed or state that all Series 2016 Bonds between two stated numbers (both inclusive) or shall state that all of the Series 2016 Bonds Outstanding of one or more maturities are to be redeemed, and shall require that such Series 2016 Bonds be then surrendered at the Office of the Trustee for redemption at the said redemption price, giving notice also that further interest on the Series 2016 Bonds to be redeemed will not accrue from and after the date fixed for redemption.

The Successor Agency shall have the right to rescind any optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any such notice of optional redemption shall be canceled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Series 2016 Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under this Indenture. The Successor Agency and the Trustee shall have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee shall mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent.

(d) Partial Redemption of Series 2016 Bonds. In the event only a portion of any Series 2016 Bond is called for redemption, then upon surrender thereof the Successor Agency shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Successor Agency, a new Series 2016 Bond or Bonds of the same interest rate and maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Series 2016 Bond to be redeemed.

(e) Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the principal of and interest (and premium, if any) on the Series 2016 Bonds so called for redemption shall have been duly deposited with the Trustee, such Series 2016 Bonds so called shall cease to be entitled to any benefit under this Indenture other than the right to receive payment of the redemption price and accrued interest to the redemption date, and no interest shall accrue thereon from and after the redemption date specified in such notice.

(f) Manner of Redemption. Whenever provision is made in this Indenture for the redemption of less than all of the maturity of the Series 2016 Bonds, the Trustee shall select the Series 2016 Bonds of such maturity to be redeemed by lot in any manner which the Trustee in its sole discretion shall deem appropriate and fair. For purposes of such selection, all Series 2016 Bonds shall be deemed to be comprised of separate \$5,000 denominations and such separate denominations shall be treated as separate Series 2016 Bonds that may be separately redeemed.

**Section 2.04. Form of Series 2016 Bonds.** The Series 2016A Bonds, the form of Trustee's certificate of authentication, and the form of assignment to appear thereon, shall be substantially in the respective forms set forth in Exhibit A-1 attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture.

The Series 2016B Bonds, the form of Trustee's certificate of authentication, and the form of assignment to appear thereon, shall be substantially in the respective forms set forth in Exhibit

A-2 attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture.

**Section 2.05. Authentication and Delivery of Series 2016 Bonds.** The Series 2016 Bonds shall be executed on behalf of the Successor Agency by the signature of its Chairman, Executive Director or Treasurer and the signature of its Secretary who are in office on the date of execution and delivery of this Indenture or at any time thereafter. Either or both of such signatures may be made manually or may be affixed by facsimile thereof. If any officer whose signature appears on any Series 2016 Bond ceases to be such officer before the Closing Date, such signature shall nevertheless be as effective as if the officer had remained in office until the Closing Date. Any Series 2016 Bond may be signed and attested on behalf of the Successor Agency by such persons as at the actual date of the execution of such Series 2016 Bond shall be the proper officers of the Successor Agency, duly authorized to execute debt instruments on behalf of the Successor Agency, although on the date of such Series 2016 Bond any such person shall not have been such officer of the Successor Agency.

Only such of the Series 2016 Bonds as shall bear thereon a certificate of authentication in the form set forth in Exhibit A-1 or Exhibit A-2, as applicable, manually executed and dated by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such certificate of the Trustee shall be conclusive evidence that such Series 2016 Bonds have been duly authenticated and delivered hereunder and are entitled to the benefits of this Indenture.

**Section 2.06. Transfer of Series 2016 Bonds.** Any Series 2016 Bond may, in accordance with its terms, be transferred on the Registration Books by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Series 2016 Bond for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form approved by the Trustee. Transfer of any Series 2016 Bond shall not be permitted by the Trustee during the fifteen (15) day period preceding the selection of Series 2016 Bonds for redemption or if such Series 2016 Bond has been selected for redemption pursuant to Article IV. Whenever any Series 2016 Bonds shall be surrendered for transfer, the Successor Agency shall execute and the Trustee shall authenticate and shall deliver a new Series 2016 Bond for a like aggregate principal amount and of like series and maturity. The Trustee may require the Series 2016 Bond Owner requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer. The cost of printing Series 2016 Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer shall be paid by the Successor Agency.

**Section 2.07. Exchange of Series 2016 Bonds.** Any Series 2016 Bond may be exchanged at the Office of the Trustee for a like aggregate principal amount of Series 2016 Bonds of other authorized denominations and of like series and maturity. Exchange of any Series 2016 Bond shall not be permitted during the fifteen (15) day period preceding the selection of Series 2016 Bonds for redemption or if such Series 2016 Bond has been selected for redemption pursuant to Article IV. The Trustee may require the Series 2016 Bond Owner requesting such exchange to pay any tax or other governmental charge required to be paid with respect to such exchange. The cost of printing Series 2016 Bonds and any services rendered or

expenses incurred by the Trustee in connection with any exchange shall be paid by the Successor Agency.

**Section 2.08. Registration Books.** The Trustee will keep or cause to be kept, at its Office, sufficient records for the registration and registration of transfer of the Series 2016 Bonds, which shall at all times during normal business hours, and upon reasonable notice, be open to inspection by the Successor Agency; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on the Registration Books, Series 2016 Bonds as hereinbefore provided.

**Section 2.09. Temporary Bonds.** The Series 2016 Bonds may be initially issued in temporary form exchangeable for definitive Series 2016 Bonds when ready for delivery. The temporary Series 2016 Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the Successor Agency, and may contain such reference to any of the provisions of this Indenture as may be appropriate. Every temporary Series 2016 Bond shall be executed by the Successor Agency upon the same conditions and in substantially the same manner as the definitive Series 2016 Bonds. If the Successor Agency issues temporary Series 2016 Bonds it will execute and furnish definitive Series 2016 Bonds without delay, and thereupon the temporary Series 2016 Bonds shall be surrendered, for cancellation, in exchange therefor at the Office of the Trustee, and the Trustee shall deliver in exchange for such temporary Series 2016 Bonds an equal aggregate principal amount of definitive Series 2016 Bonds of authorized denominations. Until so exchanged, the temporary Series 2016 Bonds shall be entitled to the same benefits pursuant to this Indenture as definitive Series 2016 Bonds authenticated and delivered hereunder.

**Section 2.10. Series 2016 Bonds Mutilated, Lost, Destroyed or Stolen.** If any Series 2016 Bond shall become mutilated, the Successor Agency, at the expense of the Owner of such Series 2016 Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Series 2016 Bond of like series and tenor in exchange and substitution for the Series 2016 Bond so mutilated, but only upon surrender to the Trustee of the Series 2016 Bond so mutilated. Every mutilated Series 2016 Bond so surrendered to the Trustee shall be canceled by it and delivered to, or upon the order of, the Successor Agency. If any Series 2016 Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence be satisfactory and indemnity satisfactory to the Trustee shall be given, the Successor Agency, at the expense of the Owner, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Series 2016 Bond of like series and tenor in lieu of and in substitution for the Series 2016 Bond so lost, destroyed or stolen. The Trustee may require payment of a sum not exceeding the actual cost of preparing each new Series 2016 Bond issued under this Section and of the expenses which may be incurred by the Trustee in connection therewith. Any Series 2016 Bond issued under the provisions of this Section in lieu of any Series 2016 Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Successor Agency whether or not the Series 2016 Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Indenture with all other Series 2016 Bonds issued pursuant to this Indenture.

Notwithstanding any other provision of this Section 2.10, in lieu of delivering a new Series 2016 Bond for which principal has become due for a Series 2016 Bond which has been mutilated, lost, destroyed or stolen, the Trustee may make payment of such Series 2016 Bond in accordance with its terms upon receipt of indemnity satisfactory to the Trustee.

### **Section 2.11. Book Entry Form.**

(a) Original Delivery to DTC. The Series 2016 Bonds shall be initially delivered to DTC in the form of a separate single fully registered bond (which may be typewritten) for each maturity of the Series 2016 Bonds. Upon initial delivery, the ownership of each such Series 2016 Bond shall be registered on the Registration Books in the name of the Nominee. Except as provided in subsection (c), the ownership of all of the Outstanding Series 2016 Bonds shall be registered in the name of the Nominee on the Registration Books.

With respect to Series 2016 Bonds the ownership of which shall be registered in the name of the Nominee, the Successor Agency and the Trustee shall have no responsibility or obligation to any Depository System Participant or to any person on behalf of which the Successor Agency holds an interest in the Series 2016 Bonds. Without limiting the generality of the immediately preceding sentence, the Successor Agency and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee or any Depository System Participant with respect to any ownership interest in the Series 2016 Bonds, (ii) the delivery to any Depository System Participant or any other person, other than a Series 2016 Bond Owner as shown in the Registration Books, of any notice with respect to the Series 2016 Bonds, including any notice of redemption, (iii) the selection by the Depository of the beneficial interests in the Series 2016 Bonds to be redeemed in the event the Successor Agency elects to redeem the Series 2016 Bonds in part, (iv) the payment to any Depository System Participant or any other person, other than a Series 2016 Bond Owner as shown in the Registration Books, of any amount with respect to principal, premium, if any, or interest on the Series 2016 Bonds, or (v) any consent given or other action taken by the Depository as Owner of the Series 2016 Bonds. The Successor Agency and the Trustee may treat and consider the person in whose name each Series 2016 Bond is registered as the absolute owner of such Series 2016 Bond for the purpose of payment of principal of and premium, if any, and interest on such Series 2016 Bond, for the purpose of giving notices of redemption and other matters with respect to such Series 2016 Bond, for the purpose of registering transfers of ownership of such Series 2016 Bond, and for all other purposes whatsoever. The Trustee shall pay the principal of and the interest and premium, if any, on the Series 2016 Bonds only to the respective Owners or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge all obligations with respect to payment of principal of and interest and premium, if any, on the Series 2016 Bonds to the extent of the sum or sums so paid. No person other than a Series 2016 Bond Owner shall receive a Series 2016 Bond evidencing the obligation of the Successor Agency to make payments of principal, interest and premium, if any, pursuant to this Indenture. Upon delivery by the Depository to the Nominee of written notice to the effect that the Depository has determined to substitute a new Nominee in its place, and subject to the provisions herein with respect to Record Dates, such new nominee shall become the Nominee hereunder for all purposes; and upon receipt of such a notice the Successor Agency shall promptly deliver a copy of the same to the Trustee.

(b) Representation Letter. In order to qualify the Series 2016 Bonds for the Depository's book-entry system, the Successor Agency shall execute and deliver to such Depository a letter representing such matters as shall be necessary to so qualify the Series 2016 Bonds. The execution and delivery of such letter shall not in any way limit the provisions of subsection (a) above or in any other way impose upon the Successor Agency or the Trustee any obligation whatsoever with respect to persons having interests in the Series 2016 Bonds other than the Series 2016 Bond Owners. Upon the written acceptance by the Trustee, the Trustee shall agree to take all action reasonably necessary for all representations of the Trustee in such letter with respect to the Trustee to at all times be complied with. In addition to the execution and delivery of such letter, the Successor Agency may take any other actions, not inconsistent with this Indenture, to qualify the Series 2016 Bonds for the Depository's book-entry program.

(c) Transfers Outside Book-Entry System. In the event that either (i) the Depository determines not to continue to act as Depository for the Series 2016 Bonds, or (ii) the Successor Agency determines to terminate the Depository as such, then the Successor Agency shall thereupon discontinue the book-entry system with such Depository. In such event, the Depository shall cooperate with the Successor Agency and the Trustee in the issuance of replacement Series 2016 Bonds by providing the Trustee with a list showing the interests of the Depository System Participants in the Series 2016 Bonds, and by surrendering the Series 2016 Bonds, registered in the name of the Nominee, to the Trustee on or before the date such replacement Series 2016 Bonds are to be issued. The Depository, by accepting delivery of the Series 2016 Bonds, agrees to be bound by the provisions of this subsection (c). If, prior to the termination of the Depository acting as such, the Successor Agency fails to identify another Securities Depository to replace the Depository, then the Series 2016 Bonds shall no longer be required to be registered in the Registration Books in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging Series 2016 Bonds shall designate, in accordance with the provisions hereof.

In the event the Successor Agency determines that it is in the best interests of the beneficial owners of the Series 2016 Bonds that they be able to obtain certificated Series 2016 Bonds, the Successor Agency may notify the Depository System Participants of the availability of such certificated Series 2016 Bonds through the Depository. In such event, the Trustee will issue, transfer and exchange Series 2016 Bonds as required by the Depository and others in appropriate amounts; and whenever the Depository requests, the Trustee and the Successor Agency shall cooperate with the Depository in taking appropriate action (i) to make available one or more separate certificates evidencing the Series 2016 Bonds to any Depository System Participant having Series 2016 Bonds credited to its account with the Depository, or (ii) to arrange for another Securities Depository to maintain custody of a single certificate evidencing such Series 2016 Bonds, all at the Successor Agency's expense.

(d) Payments to the Nominee. Notwithstanding any other provision of this Indenture to the contrary, so long as any Series 2016 Bond is registered in the name of the Nominee, all payments with respect to principal of and interest and premium, if any, on such Series 2016 Bond and all notices with respect to such Series 2016 Bond shall be made and given, respectively, as provided in the letter described in subsection (b) of this Section or as otherwise instructed by the Depository.

## ARTICLE III

### DEPOSIT AND APPLICATION OF PROCEEDS OF SERIES 2016 BONDS ISSUANCE OF PARITY DEBT

**Section 3.01. Issuance of Series 2016 Bonds.** Upon the execution and delivery of this Indenture, the Successor Agency shall execute and deliver the Series 2016A Bonds in the aggregate principal amount of \$\_\_\_\_\_ and the Series 2016B Bonds in the aggregate principal amount of \$\_\_\_\_\_ to the Trustee, and the Trustee shall authenticate and deliver the Series 2016A Bonds and the Series 2016B Bonds to the Original Purchaser upon receipt of a Request of the Successor Agency therefor.

#### **Section 3.02. Deposit and Application of Proceeds.**

(a) *Series 2016A Bonds.* On the Closing Date the Original Purchaser shall purchase the Series 2016A Bonds for a purchase price of \$\_\_\_\_\_ (being the initial aggregate principal amount of the Series 2016A Bonds (\$\_\_\_\_\_), (i) plus the net original issue premium in the amount of \$\_\_\_\_\_, (ii) less an Original Purchaser's discount of \$\_\_\_\_\_, (iii) less the premium on the Series 2016A Bonds Insurance Policy in the amount of \$\_\_\_\_\_, and (iv) less the premium on the Series 2016A Bonds Surety Bond in the amount of \$\_\_\_\_\_. The amount of \$\_\_\_\_\_ shall be deposited into the Costs of Issuance Fund. Net proceeds of the Series 2016A Bonds in the amount of \$\_\_\_\_\_ shall be transferred to the Escrow Bank and deposited in the Escrow Fund established under the Series 2005A Bonds Escrow Agreement and the amount of \$\_\_\_\_\_ shall be deposited in the Escrow Fund established under the Series 2011 Bonds Escrow Agreement; and

(b) *Series 2016B Bonds.* On the Closing Date the Original Purchaser shall purchase the Series 2016B Bonds for a purchase price of \$\_\_\_\_\_ (being the initial aggregate principal amount of the Series 2016B Bonds (\$\_\_\_\_\_), (i) plus the net original issue premium in the amount of \$\_\_\_\_\_, (ii) less a Purchaser's discount of \$\_\_\_\_\_, (iii) less the premium on the Series 2016B Bonds Insurance Policy in the amount of \$\_\_\_\_\_, and (iv) less the premium on the Series 2016B Bonds Surety Bond in the amount of \$\_\_\_\_\_. The amount of \$\_\_\_\_\_ shall be deposited into the Costs of Issuance Fund. Net proceeds of the Series 2016B Bonds in the amount of \$\_\_\_\_\_ shall be transferred to the Escrow Bank and deposited in the Escrow Fund established under the Series 2011 Bonds Escrow Agreement.

**Section 3.03. Costs of Issuance Fund.** There is hereby established a separate fund to be known as the "Costs of Issuance Fund," which shall be held by the Trustee in trust. The moneys in the Costs of Issuance Fund shall be used and withdrawn by the Trustee from time to time to pay the Costs of Issuance upon submission of a Request of the Successor Agency stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund. On or before \_\_\_\_\_ 15, 2016, or upon the earlier Request of the Successor Agency stating that all known Costs of Issuance have been paid, all amounts, if any, remaining in the Costs of Issuance Fund shall be withdrawn therefrom by the Trustee and transferred to the Interest Account of the Bond Fund to be used to pay interest on the Bonds on \_\_\_\_\_ 1, 2016.

**Section 3.04. Issuance of Parity Debt.** The District will not incur any obligations payable from Pledged Tax Revenues on a basis superior to Series 2016 Bonds. In addition to the Series 2016 Bonds, the Successor Agency may issue or incur additional Parity Debt in such principal amount as shall be determined by the Successor Agency. The Successor Agency may issue and deliver any Parity Debt subject to the following specific conditions that are hereby made conditions precedent to the issuance and delivery of such Parity Debt issued under this Section:

(a) Such Parity Debt is for the issuance of refunding bonds of all or a portion of the Series 2016 Bonds payable from Pledged Tax Revenues on a parity with Series 2016 Bonds so long as (i) annual debt service on such refunding bonds is lower than annual debt service on the bonds or other indebtedness being refunded during every year the Series 2016 Bonds or Parity Debt, as applicable, will be Outstanding and (ii) the final maturity of any such refunding bonds does not exceed the final maturity of the Series 2016 Bonds or Parity Debt being refunded, as applicable;

(b) The Successor Agency may fund a reserve account relating to such Parity Debt as described in the Supplemental Indenture.

(c) The Successor Agency shall deliver to the Trustee a Request of the Successor Agency certifying that the conditions precedent to the issuance of such Parity Debt set forth above have been satisfied.

**Section 3.05. Issuance of Subordinate Debt.** The Successor Agency may issue or incur Subordinate Debt in such principal amount as shall be determined by the Successor Agency.

**Section 3.06. Validity of Bonds.** The validity of the authorization and issuance of the Bonds shall not be dependent upon the completion of the Redevelopment Project or upon the performance by any person of its obligation with respect to the Redevelopment Project. Such Subordinate Debt may be payable from any assets or property of the Successor Agency, including Pledged Tax Revenues on a subordinate basis to the payment of debt service on the Series 2016 Bonds and any Parity Debt.

## ARTICLE IV

### SECURITY OF BONDS; FLOW OF FUNDS INVESTMENTS

**Section 4.01. Pledge of Pledged Tax Revenues.** Except as provided in Section 6.06, the Series 2016 Bonds and all Parity Debt, shall be secured by a pledge of, security interest in and lien on all of the Pledged Tax Revenues. In addition, the Series 2016 Bonds, and any other Parity Debt (to the extent provided in the applicable Parity Debt Instrument), shall, subject to Section 8.02, be secured by a first and exclusive pledge of, security interest in and lien upon all of the moneys in the Debt Service Fund, the Interest Account, the Principal Account, the Sinking Account, the Redemption Account and the Reserve Account. Such pledge, security interest in and lien shall be for the equal security of the Outstanding Bonds without preference or priority for series, issue, number, dated date, sale date, date of execution or date of delivery. Except for

the Pledged Tax Revenues and such moneys, no funds of the Successor Agency are pledged to, or otherwise liable for, the payment of principal of or interest or redemption premium (if any) on the Bonds.

In consideration of the acceptance of the Series 2016 Bonds by those who shall hold the same from time to time, this Indenture shall be deemed to be and shall constitute a contract between the Successor Agency and the Owners from time to time of the Series 2016 Bonds, and the covenants and agreements herein set forth to be performed on behalf of the Successor Agency shall be for the equal and proportionate benefit, security and protection of all Owners of the Series 2016 Bonds without preference, priority or distinction as to security or otherwise of any of the Series 2016 Bonds over any of the others by reason of the number or date thereof or the time of sale, execution and delivery thereof, or otherwise for any cause whatsoever, except as expressly provided therein or herein.

**Section 4.02. Redevelopment Obligation Retirement Fund; Deposit of Pledged Tax Revenues.** There has been established a special trust fund known as the "Redevelopment Obligation Retirement Fund," which shall be held by the Successor Agency pursuant to Section 34170.5(b) of the California Health and Safety Code. There is hereby established a special trust fund known as the "Debt Service Fund" and the accounts therein referred to below which shall be held by the Trustee in accordance with this Indenture. The Successor Agency shall deposit all of the Pledged Tax Revenues received in any Bond Year from the RPTTF in accordance with the Dissolution Act for the purpose of paying debt service on the Series 2016 Bonds and any Parity Debt in the Redevelopment Obligation Retirement Fund immediately upon receipt thereof by the Successor Agency, and promptly thereafter shall transfer amounts therein to the Trustee for deposit in the Debt Service Fund established and held under this Indenture until such time that the aggregate amounts on deposit in such Debt Service Fund equal the aggregate amounts required to be deposited into the Interest Account, the Principal Account and the Reserve Account in such Bond Year pursuant to Section 4.03 of this Indenture, and for deposit in such Bond Year in the funds and accounts established with respect to Parity Debt, as provided in any Supplemental Indenture.

In the event that the amount of Pledged Tax Revenues is not sufficient to pay debt service on the Series 2016 Bonds and any Parity Debt outstanding, any such insufficiency shall be allocated among the Series 2016 Bonds and any Parity Debt on a pro rata basis (based on the amount of debt service coming due during any such period of insufficiency).

**Section 4.03. Debt Service Fund; Transfer of Amounts to Trustee.** Moneys in the Debt Service Fund shall be transferred in the following amounts at the following times, in the following respective special accounts within the Debt Service Fund, which accounts are hereby established with the Trustee to pay debt service on the Series 2016 Bonds and any Parity Debt not otherwise provided for in a Parity Debt Instrument, in the following order of priority:

(a) **Interest Account.** On or before the fourth (4th) Business Day preceding each date on which interest on the Series 2016 Bonds and any such Parity Debt becomes due and payable, the Trustee shall withdraw from the Debt Service Fund and transfer to the Interest Account an amount which, when added to the amount then on deposit in the Interest Account, will be equal to the aggregate amount of the interest becoming due and payable on the Outstanding Series

2016 Bonds and any such Parity Debt on such date. No such transfer and deposit need be made to the Interest Account if the amount contained therein is at least equal to the interest to become due on the Interest Payment Date upon all of the Outstanding Series 2016 Bonds and any such Parity Debt. All moneys in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds as it shall become due and payable (including accrued interest on any Series 2016 Bonds and any such Parity Debt purchased or redeemed prior to maturity pursuant to this Indenture).

(b) Principal Account. On or before the fourth (4th) Business Day preceding each date on which principal of the Series 2016 Bonds and any such Parity Debt becomes due and payable at maturity, the Trustee shall withdraw from the Debt Service Fund and transfer to the Principal Account an amount which, when added to the amount then on deposit in the Principal Account, will be equal to the amount of principal coming due and payable on such date on the Outstanding Series 2016 Bonds and any such Parity Debt. All moneys in the Principal Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Series 2016 Bonds and any such Parity Debt upon the maturity thereof.

(c) Sinking Account. On or before the fourth (4th) Business Day preceding each date on which any Outstanding Series 2016 Term Bonds become subject to mandatory Sinking Account redemption, the Trustee shall withdraw from the Debt Service Fund and transfer to the Sinking Account an amount which, when added to the amount then contained in the Sinking Account, will be equal to the aggregate principal amount of the Series 2016 Term Bonds required subject to mandatory Sinking Account redemption on such date. All moneys on deposit in the Sinking Account shall be used and withdrawn by the Trustee for the sole purpose of paying the principal of the Series 2016 Term Bonds as it shall become due and payable upon the mandatory Sinking Account redemption thereof.

(d) Reserve Account. In the event that the amount on deposit in the Series 2016A Subaccount or Series 2016B Subaccount of the Reserve Account, or the reserve fund subaccount of any other Parity Debt, at any time becomes less than the Reserve Requirement, the Trustee shall promptly notify the Successor Agency of such fact. Promptly upon receipt of any such notice, the Successor Agency shall transfer to the Trustee an amount sufficient to maintain the Reserve Requirement on deposit in each subaccount of Reserve Account. If there shall then not be sufficient Pledged Tax Revenues on deposit in the Redevelopment Obligation Retirement Fund to transfer an amount sufficient to maintain the Reserve Requirement on deposit in each subaccount of the Reserve Account, the Successor Agency shall be obligated to continue making transfers as Pledged Tax Revenues become available in the Redevelopment Obligation Retirement Fund until there is an amount sufficient to maintain the Reserve Requirement on deposit in each subaccount of the Reserve Account. No such transfer and deposit need be made to either subaccount of the Reserve Account so long as there shall be on deposit therein a sum at least equal to the Reserve Requirement for each series of Series 2016 Bonds. All money in the Reserve Account shall be used and withdrawn by the Trustee solely for the purpose of making transfers to the Interest Account, the Principal Account and the Sinking Account of the respective series of Series 2016 Bonds in such order of priority, in the event of any deficiency at any time in any of such accounts or for the retirement of all the respective series of Series 2016 Bonds then Outstanding, except that so long as the Successor Agency is not in default hereunder, any amount in the Reserve Account in excess of the Reserve Requirement shall be withdrawn

from the Reserve Account semiannually on or before four (4) Business Days preceding each February 1 and August 1 by the Trustee and deposited in the Interest Account. All amounts in the applicable Reserve Account on the Business Day preceding the final Interest Payment Date shall be withdrawn from the Reserve Account and shall be transferred either (i) to the Interest Account and the Principal Account, in such order, to the extent required to make the deposits then required to be made pursuant to this Section 4.03 or, (ii) if the Successor Agency shall have caused to be transferred to the Trustee an amount sufficient to make the deposits required by this Section 4.03, then, at the Request of the Successor Agency, such amount shall be transferred as directed by the Successor Agency.

The Successor Agency shall, with the prior written consent of the Insurer, have the right at any time to direct the Trustee to release funds from the Reserve Account, in whole or in part, by tendering to the Trustee: (i) a Qualified Reserve Account Credit Instrument, and (ii) an opinion of Bond Counsel stating that neither the release of such Funds nor the acceptance of such Qualified Reserve Account Credit Instrument will cause interest on the Series 2016A Bonds to become includable in gross income for purposes of federal income taxation. Upon tender of such items to the Trustee, and upon delivery by the Successor Agency to the Trustee of written calculation of the amount permitted to be released from the Reserve Account (upon which calculation the Trustee may conclusively rely), the Trustee shall transfer such funds from the Reserve Account to the Successor Agency to be applied in accordance with the Redevelopment Law, as amended by the Dissolution Act, to call and redeem Series 2016 Bonds or for any other lawful purpose. The Trustee shall comply with all documentation relating to the Surety Bonds or other Qualified Reserve Account Credit Instrument as shall reasonably be required to maintain such Qualified Reserve Account Credit Instrument in full force and effect and as shall reasonably be required to receive payments thereunder in the event and to the extent required to make any payment when and as required under this subsection (d). Upon the expiration of any Qualified Reserve Account Credit Instrument, the Successor Agency shall be obligated either (i) to replace such Qualified Reserve Account Credit Instrument with a new Qualified Reserve Account Credit Instrument, or (ii) to deposit or cause to be deposited with the Trustee an amount of funds equal to the Reserve Requirement, to be derived from the first available Pledged Tax Revenues. In the event that the Reserve Account is funded with cash and a Qualified Reserve Account Credit Instrument, then the Trustee shall first draw on the available cash, and next draw upon such Qualified Reserve Account Credit Instrument.

The Reserve Account may be maintained in the form of one or more separate sub-accounts which are established for the purpose of securing separate series of Bonds or Parity Debt (to the extent secured by the Reserve Account) or for holding the proceeds of separate issues of the Bonds and any Parity Debt (to the extent secured by the Reserve Account) in conformity with applicable provisions of the Code to the extent directed by the Successor Agency in writing to the Trustee. Additionally, the Successor Agency may, in its discretion, combine amounts on deposit in the Reserve Account and on deposit in any reserve account relating to any (but not necessarily all) Parity Debt in order to maintain a combined reserve account for the Bonds and any (but not necessarily all) Parity Debt.

(e) Redemption Account. On or before the Business Day preceding any date on which Bonds are subject to redemption, other than mandatory Sinking Account redemption of Series 2016 Term Bonds, the Trustee shall withdraw from the Debt Service Fund for deposit in

the Redemption Account an amount required to pay the principal of and premium, if any, on the Series 2016 Bonds or other Parity Debt to be so redeemed on such date. The Trustee shall also deposit in the Redemption Account any other amounts received by it from the Successor Agency designated by the Successor Agency in writing to be deposited in the Redemption Account. All moneys in the Redemption Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of and premium, if any, on the Series 2016 Bonds or other Parity Debt upon the redemption thereof, on the date set for such redemption, other than mandatory Sinking Account redemption of Term Bonds.

(f) Equal Rights. It is the intention of the Successor Agency that the Series 2016 Bonds and Parity Debt shall be secured by and payable from all moneys deposited in the Redevelopment Obligation Payment Fund on an equal basis. To the extent that moneys deposited in the Redevelopment Obligation Payment Fund are insufficient to pay debt service on the Series 2016 Bonds and Parity Debt as it becomes due, the Series 2016 Bonds and Parity Debt shall be payable on a pro-rata basis from all available moneys deposited in the Redevelopment Obligation Payment Fund. Additionally, any moneys which remain in the Debt Service Fund after payment of principal of and interest on the Bonds shall be used to pay the Insurer for any other unpaid advances under the Insurance Policies or the Surety Bonds.

**Section 4.04. Investment of Moneys in Funds.** Moneys in the Debt Service Fund, the Interest Account, the Principal Account, the Sinking Account, the Reserve Account and the Redemption Account shall be invested by the Trustee in Permitted Investments specified in the Request of the Successor Agency (which Request shall be deemed to include a certification that the specified investment is a Permitted Investment) delivered to the Trustee at least two (2) Business Days in advance of the making of such investments; provided, however, that in the absence of any such direction from the Successor Agency, the Trustee shall invest any such moneys solely in Permitted Investments described in clause (f) of the definition thereof. Moneys in the Redevelopment Obligation Retirement Fund shall be invested by the Successor Agency in any obligations in which the Successor Agency is legally authorized to invest funds within its control.

Obligations purchased as an investment of moneys in any fund or account shall be deemed to be part of such fund or account. Whenever in this Indenture any moneys are required to be transferred by the Successor Agency to the Trustee, such transfer may be accomplished by transferring a like amount of Permitted Investments. All interest or gain derived from the investment of amounts in any of the funds or accounts held by the Trustee hereunder shall be deposited in the Interest Account; provided, however, that all interest or gain from the investment of amounts in the Reserve Account shall be deposited by the Trustee in the Interest Account to the extent not required to cause the balance in the Reserve Account to equal the Reserve Requirement. No Permitted Investment of moneys in the Reserve Account shall have a maturity in excess of five (5) years following the date of its acquisition, except that such restriction shall not apply to any investment agreement approved by the Insurer. For purposes of acquiring any investments hereunder, the Trustee may commingle funds held by it hereunder upon receipt by the Trustee of the Request of the Successor Agency. The Trustee may act as principal or agent in the acquisition or disposition of any investment, may utilize the investment departments of its affiliates to complete each transaction and may impose its customary charges therefor. The Trustee shall incur no liability for losses arising from any investments made

pursuant to this Section. The Successor Agency acknowledges that to the extent that regulations of the Comptroller of the Currency or other applicable regulatory agency grant the Successor Agency the right to receive brokerage confirmations of security transactions as they occur, the Successor Agency specifically waives receipt of such confirmations to the extent permitted by law. The Trustee shall furnish to the Successor Agency periodic statements which include detail of all investment transactions made by the Trustee.

#### **Section 4.05. Valuation and Disposition of Investments.**

(a) Except as otherwise provided in subsection (b) of this Section, the Successor Agency covenants that all investments of amounts deposited in any fund or account created by or pursuant to this Indenture, or otherwise containing gross proceeds of the Bonds (within the meaning of Section 148 of the Tax Code) shall be acquired, disposed of and valued (as of the date that valuation is required by this Indenture or the Tax Code) at Fair Market Value. The Trustee shall have no duty in connection with the determination of Fair Market Value other than to follow the investment directions of the Successor Agency in any Certificate or Request of the Successor Agency.

(b) Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Tax Code and investments in the Reserve Account shall be valued at cost thereof, (consisting of present value thereof, as determined by the Successor Agency, within the meaning of Section 148 of the Tax Code); provided that the Successor Agency shall inform the Trustee which funds are subject to a yield restriction.

(c) Except as provided in the preceding subsection (b), with respect to a yield restriction, for the purpose of determining the amount in any fund, the value of Permitted Investments credited to such fund shall be valued by the Trustee at least annually at the market value thereof. For purposes of valuation, the Trustee shall be entitled to utilize any pricing services it considers reliable. The Trustee may sell in any commercially reasonable manner, or present for redemption, any Permitted Investment so purchased by the Trustee whenever it shall be necessary in order to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund to which such Permitted Investment is credited, and the Trustee shall not be liable or responsible for any loss resulting from sale or redemption of any such Permitted Investment.

#### **Section 4.06. Municipal Bond Insurance; Surety Bonds [To Come]**

### **ARTICLE V**

#### **OTHER COVENANTS OF THE SUCCESSOR AGENCY**

**Section 5.01. Punctual Payment.** The Successor Agency shall punctually pay or cause to be paid the principal, premium (if any) and interest to become due in respect of all the Series 2016 Bonds and parity Debt in strict conformity with the terms of the Series 2016 Bonds and of this Indenture. The Successor Agency shall faithfully observe and perform all of the conditions, covenants and requirements of this Indenture and all Supplemental Indentures. Nothing herein

contained shall prevent the Successor Agency from making advances of its own moneys howsoever derived to any of the uses or purposes referred to herein.

**Section 5.02. Continuing Disclosure.** The Successor Agency hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate, if any, executed and delivered by the Successor Agency. Notwithstanding any other provision hereof, failure of the Successor Agency to comply with such Continuing Disclosure Certificate shall not constitute an Event of Default hereunder; provided, however, that any Participating Underwriter (as such term is defined in such Continuing Disclosure Certificate) or any Owner or beneficial owner of the Series 2016 Bonds may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Successor Agency to comply with its obligations under this Section 5.02.

**Section 5.03. Limitation on Additional Indebtedness.** The Successor Agency hereby covenants that so long as any of the Series 2016 Bonds remain Outstanding, the Successor Agency shall not issue any bonds, notes or other obligations which are otherwise secured on a basis which is senior to the pledge and lien which secures the Series 2016 Bonds. The Successor Agency hereby covenants that it shall not issue any bonds, notes or other obligations, enter into any agreement or otherwise incur any indebtedness, which is in any case payable from all or any part of the Tax Increment Revenues, excepting only the Series 2016 Bonds and Parity Debt, any Subordinate Debt and any obligations entered into pursuant to Section 5.10.

**Section 5.04. Extension of Payment of Series 2016 Bonds.** The Successor Agency shall not directly or indirectly extend or assent to the extension of the maturity of any of the Series 2016 Bonds or the time of payment of any claims for interest by the purchase of such Series 2016 Bonds or by any other arrangement, and in case the maturity of any of the Series 2016 Bonds or the time of payment of any such claims for interest shall be extended, such Series 2016 Bonds or claims for interest shall not be entitled, in case of any default hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal of all of the Outstanding Series 2016 Bonds and of all claims for interest thereon which shall not have been so extended. Nothing in this Section shall be deemed to limit the right of the Successor Agency to issue bonds for the purpose of refunding any Outstanding Series 2016 Bonds, and such issuance shall not be deemed to constitute an extension of maturity of the Series 2016 Bonds.

**Section 5.05. Payment of Claims.** The Successor Agency shall pay and discharge, or cause to be paid and discharged, any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien or charge upon the properties owned by the Successor Agency or upon the Pledged Tax Revenues or any part thereof, or upon any funds held by the Trustee pursuant hereto, or which might impair the security of the Series 2016 Bonds or any Parity Debt. Nothing herein contained shall require the Successor Agency to make any such payment so long as the Successor Agency in good faith shall contest the validity of said claims.

**Section 5.06. Books and Accounts; Financial Statements.** The Successor Agency shall keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Successor Agency and the County, in which complete and correct entries shall be made of all transactions relating to the Redevelopment Project, the Pledged Tax Revenues and the Redevelopment Obligation Retirement Fund. Such books of record and

accounts shall at all times during business hours be subject to the inspection of the Owners of not less than ten percent (10%) in aggregate principal amount of the Series 2016 Bonds then Outstanding, or their representatives authorized in writing.

The Successor Agency will cause to be prepared and delivered to the Trustee and the Insurer annually, within one hundred and eighty (180) days after the close of each Fiscal Year so long as any of the Series 2016 Bonds are Outstanding, complete audited financial statements with respect to such Fiscal Year showing the Pledged Tax Revenues, all disbursements from the Redevelopment Obligation Retirement Fund and the financial condition of the Redevelopment Project, including the balances in all funds and accounts relating to the Redevelopment Project, as of the end of such Fiscal Year. In accordance with Section 6.03(e), the Trustee shall not be responsible for reviewing such financial statements. The Successor Agency shall furnish a copy of such statements to any Owner upon reasonable request and at the expense of such Owner. In addition, the Successor Agency shall deliver the Successor Agency's annual budget to the Insurer upon the written request of the Insurer.

**Section 5.07. Protection of Security and Rights of Owners.** The Successor Agency will preserve and protect the security of the Series 2016 Bonds and the rights of the Owners. From and after the date of issuance of any Series 2016 Bonds, such Series 2016 Bonds shall be incontestable by the Successor Agency.

**Section 5.08. Payments of Taxes and Other Charges.** The Successor Agency will pay and discharge, or cause to be paid and discharged, all taxes, service charges, assessments and other governmental charges which may hereafter be lawfully imposed upon the Successor Agency or the properties then owned by the Successor Agency in the Project Area, when the same shall become due. Nothing herein contained shall require the Successor Agency to make any such payment so long as the Successor Agency in good faith shall contest the validity of said taxes, assessments or charges. The Successor Agency will duly observe and conform with all valid requirements of any governmental authority relative to the Redevelopment Project or any part thereof.

**Section 5.09. Disposition of Property.** Except as otherwise required by the Dissolution Act, the Successor Agency will not participate in the disposition of any land or real property in the Project Area to anyone which will result in such property becoming exempt from taxation because of public ownership or use or otherwise (except property dedicated for public right-of-way and except property planned for public ownership or use by the Redevelopment Plan in effect on the date of this Indenture) so that such disposition shall, when taken together with other such dispositions, aggregate more than ten percent (10%) of the land area in the Project Area unless such disposition is permitted as hereinafter provided in this Section 5.09. If the Successor Agency proposes to participate in such a disposition, it shall thereupon appoint an Independent Fiscal Consultant to report on the effect of said proposed disposition. If the report of the Independent Fiscal Consultant concludes that the security of the Bonds or the rights of the Owners will not be materially adversely impaired by said proposed disposition, the Successor Agency may thereafter make such disposition. If such report concludes that such security will be materially adversely impaired by the proposed disposition, the Successor Agency shall not approve the proposed disposition.

**Section 5.10. Maintenance of Pledged Tax Revenues.** The Successor Agency shall comply with all requirements of the Redevelopment Law and the Dissolution Act to insure the allocation and payment to it of the Pledged Tax Revenues, including without limitation the timely filing of any necessary statements of indebtedness with appropriate officials of the County and (in the case of supplemental revenues and other amounts payable by the State) appropriate officials of the State of California. The Successor Agency shall not enter into any agreement with the County or any other governmental unit which would have the effect of reducing the amount of Pledged Tax Revenues available to the Successor Agency for payment of the Series 2016 Bonds. The Successor Agency shall not undertake any obligation or actions which would result in payments to one of more taxing entities pursuant to the Dissolution Act unless the Successor Agency shall first obtain a written opinion of an Independent Fiscal Consultant that such payments will not adversely impair the Successor Agency's ability to pay the Series 2016 Bonds and all Parity Debt. Nothing herein is intended or shall be construed in any way to prohibit or impose any limitations on the entering into by the Successor Agency of any such agreement, amendment or supplement which by its term is subordinate to the payment of the Series 2016 Bonds and all Parity Debt.

**Section 5.11. Compliance with the Law; Recognized Obligation Payment Schedules.** The Successor Agency shall comply with all of the requirements of the Redevelopment Law and the Dissolution Act. Without limiting the generality of the foregoing, the Successor Agency covenants and agrees to file all required statements and hold all public hearings required under the Dissolution Act to assure compliance by the Successor Agency with its covenants hereunder. Further, the Successor Agency will take all actions required under the Dissolution Act to annually submit to the Oversight Board and DOF, a Recognized Obligation Payment Schedule that includes the principal and interest on the Bonds due and payable February 1 and August 1 of the following year.

The Successor Agency shall place on the applicable Recognized Obligation Payment Schedule for approval by the Oversight Board and DOF, to the extent necessary, any amount required to be held by the Successor Agency as a reserve until the next annual period, as contemplated by paragraph (1)(A) of subdivision (d) of Section 34171 of the Law and any amount required to be deposited in the Reserve Account in order to maintain in the Reserve Account the amount of the Reserve Requirement. Additionally, the Successor Agency shall include on the Recognized Obligation Payment Schedule any amounts owing to the Insurer pursuant to the Insurance Policies and the Surety Bonds.

These actions will include, without limitation, placing on the periodic Recognized Obligation Payment Schedule for approval by the Oversight Board and State Department of Finance, to the extent necessary, the amounts to be held by the Successor Agency as a reserve until the next annual period, as contemplated by paragraph (1)(A) of subdivision (d) of Section 34171 of the Dissolution Act, that are necessary to comply with this Indenture and to provide for the payment of principal and interest under this Indenture when the next property tax allocation is projected to be insufficient to pay all obligations due under this Indenture for the next payment due thereunder and hereunder in the following next annual period; provided that the Successor Agency shall ensure that any payments pursuant to Section 33607.5 of the Redevelopment Law which have been subordinated pursuant to Section 34183(b) of the Dissolution Act will be payable from the RPTTF on June 1 of each year.

**Section 5.12. Tax Covenants Relating to the Series 2016A Bonds.**

(a) Private Activity Bond Limitation. The Successor Agency shall assure that the proceeds of the Series 2016A Bonds are not so used as to cause Series 2016A Bonds to satisfy the private business tests of Section 141(b) of the Tax Code or the private loan financing test of Section 141(c) of the Tax Code.

(b) Federal Guarantee Prohibition. The Successor Agency shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Series 2016 Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Tax Code.

(c) No Arbitrage. The Successor Agency shall not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the Series 2016A Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date would have caused the Series 2016A Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Tax Code.

(d) Maintenance of Tax-Exemption. The Successor Agency shall take all actions necessary to assure the exclusion of interest on the Series 2016A Bonds from the gross income of the Owners of the Series 2016A Bonds to the same extent as such interest is permitted to be excluded from gross income under the Tax Code as in effect on the Closing Date. This covenant shall remain in full force and effect following defeasance of Bonds pursuant to Section 9.03.

(e) Rebate Requirement. The Successor Agency shall take any and all actions necessary to assure compliance with section 148(f) of the Tax Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Series 2016A Bonds.

The Trustee shall have no duty to monitor the compliance by the Successor Agency with any of the covenants contained in this Section 5.12.

**Section 5.13. Notice of Insufficiency.** The Successor Agency covenants that it will, no later than May 1 and December 1 of each year, file a Notice of Insufficiency with the County Auditor-Controller if the amount of Pledged Tax Revenues available to the Successor Agency from the Redevelopment Property Tax Trust Fund on the upcoming July 1 or January 2, as applicable, is insufficient to pay debt service on the Series 2016 Bonds, to pay debt service on any Parity Debt, to deposit into the Reserve Account an amount required in order to maintain in the Reserve Account the amount of the Reserve Requirement and to pay amounts due and owing to the Insurer pursuant to the Insurance Policies, the Surety Bonds and Article IV hereof.

**Section 5.14. Further Assurances.** The Successor Agency will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture, and for the better assuring and confirming unto the Owners the rights and benefits provided in this Indenture.

## ARTICLE VI

### THE TRUSTEE

#### **Section 6.01. Duties, Immunities and Liabilities of Trustee.**

(a) The Trustee shall, prior to the occurrence of an Event of Default, and after the curing of all Events of Default which may have occurred, perform such duties and only such duties as are specifically set forth in this Indenture and no implied covenants or duties shall be read into this Indenture against the Trustee. The Trustee shall, during the existence of any Event of Default (which has not been cured or waived), exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use in the conduct of such person's own affairs.

(b) The Successor Agency may, with the prior written consent of the Insurer, remove the Trustee at any time, unless an Event of Default shall have occurred and then be continuing, and shall remove the Trustee (i) if at any time requested to do so by the Insurer or, with the prior written consent of the Insurer, an instrument or concurrent instruments in writing signed by the Owners of not less than a majority of the principal amount of the Series 2016 Bonds then Outstanding (or their attorneys duly authorized in writing) or (ii) if at any time the Trustee shall cease to be eligible in accordance with subsection (e) of this Section, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation. In each case such removal shall be accomplished by the giving of 30 days' written notice of such removal by the Successor Agency to the Trustee, whereupon the Successor Agency shall appoint a successor Trustee by an instrument in writing.

(c) The Trustee may at any time resign by giving written notice of such resignation to the Successor Agency, and by giving the Owners notice of such resignation by first class mail, postage prepaid, at their respective addresses shown on the Registration Books. Upon receiving such notice of resignation, the Successor Agency shall promptly appoint a successor Trustee by an instrument in writing.

(d) Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee. If no successor Trustee shall have been appointed and have accepted appointment within forty-five (45) days following giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or any Owner (on behalf of such Owner and all other Owners) may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Indenture shall signify its acceptance of such appointment by executing and delivering to the Successor Agency and to its predecessor Trustee a written acceptance thereof, and to the predecessor Trustee an instrument indemnifying the predecessor Trustee for any costs or claims arising during the time the successor Trustee serves as Trustee hereunder, and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and

obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless, upon the receipt by the predecessor Trustee of the Request of the Successor Agency or the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under this Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the Successor Agency shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the Successor Agency shall mail or cause the successor Trustee to mail, by first class mail postage prepaid, a notice of the succession of such Trustee to the trusts hereunder to S&P and Moody's, and to the Owners at the addresses shown on the Registration Books. If the Successor Agency fails to mail such notice within fifteen (15) days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the Successor Agency.

(e) Any Trustee appointed under the provisions of this Section in succession to the Trustee shall (i) be a company or bank having trust powers, (ii), shall have an office in the State of California or such other state as shall be acceptable to the Successor Agency, (iii) have (or be part of a bank holding company system whose bank holding company has) a combined capital and surplus of at least Seventy Five Million Dollars (\$75,000,000), and (iv) be subject to supervision or examination by federal or state authority. If such bank or company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this subsection the combined capital and surplus of such bank or company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this subsection (e), the Trustee shall promptly resign in the manner and with the effect specified in subsection (c) of this Section.

**Section 6.02. Merger or Consolidation.** Any bank or company into which the Trustee may be merged or converted or with which either of them may be consolidated or any bank or company resulting from any merger, conversion or consolidation to which it shall be a party or any bank or company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such bank or company shall be eligible under subsection (e) of Section 6.01, shall be the successor to such Trustee without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

**Section 6.03. Liability of Trustee.**

(a) The recitals of facts herein and in the Series 2016 Bonds contained shall be taken as statements of the Successor Agency, and the Trustee shall not assume responsibility for the correctness of the same, nor make any representations as to the validity or sufficiency of any offering memorandum, this Indenture or of the Series 2016 Bonds nor shall incur any

responsibility in respect thereof, other than as expressly stated herein. The Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Series 2016 Bonds. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct. The Trustee shall not be liable for the acts of any agents of the Trustee selected by it with due care. The Trustee may become the Owner of any Series 2016 Bonds with the same rights it would have if they were not Trustee and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of the Owners, whether or not such committee shall represent the Owners of a majority of the principal amount of the Series 2016 Bonds then Outstanding. The Trustee, either as principal or agent, may engage in or be entrusted in any financial or other transaction with the Successor Agency.

(b) The Trustee shall not be liable for any error of judgment made in good faith by a responsible officer.

(c) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in accordance with the direction of the Successor Agency, accompanied by an opinion of Bond Counsel, or in accordance with direction of the Owners of not less than a majority of the principal amount of the Series 2016 Bonds then Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture.

(d) The Trustee shall not be liable for any action taken by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture, except for actions arising from the negligence or willful misconduct of the Trustee. The permissive right of the Trustee to do things enumerated hereunder shall not be construed as a mandatory duty.

(e) The Trustee shall not be deemed to have knowledge of any Event of Default hereunder unless and until a responsible officer of the Trustee shall have actual knowledge thereof, or the Trustee shall have received written notice thereof at its Office. Except as otherwise expressly provided herein, the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements herein or of any of the documents executed in connection with the Series 2016 Bonds, or as to the existence of an Event of Default hereunder or thereunder. The Trustee shall not be responsible for the Successor Agency's payment of principal and interest on the Series 2016 Bonds, the observance or performance by the Successor Agency of any other covenants, conditions or terms contained herein, or the validity or effectiveness of any collateral given to or held by it. Without limiting the generality of the foregoing, the Trustee shall not be responsible for reviewing the contents of any financial statements furnished to the Trustee pursuant to Section 5.06 and may rely conclusively on the Request of the Successor Agency accompanying such financial statements to establish the Successor Agency's compliance with its financial covenants hereunder, including, without limitation, its covenants regarding the deposit of Pledged Tax Revenues into the Redevelopment Obligation Retirement Fund and the investment and application of moneys on deposit in the Redevelopment Obligation Retirement Fund (other than its covenants to transfer such moneys to the Trustee when due hereunder).

(f) No provision in this Indenture shall require the Trustee to risk, expend, or advance its own funds or otherwise incur any financial liability hereunder. However, if the Trustee elects to advance funds, it shall be entitled to receive interest on any moneys advanced by it hereunder, at the maximum rate permitted by law.

(g) The Trustee may establish additional accounts or subaccounts of the funds established hereunder as the Trustee deems necessary or prudent in furtherance of its duties under this Indenture.

(h) The Trustee shall have no responsibility or liability with respect to any information, statements or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of these Series 2016 Bonds.

(i) Before taking any action under Article VIII or this Article at the request of the Owners or Insurer, the Trustee may require that a satisfactory indemnity bond be furnished by the Owners or Insurer for the reimbursement of all expenses to which it may put and to protect it against all liability, except liability which is adjudicated to have resulted from its negligence or willful misconduct in connection with any action so taken.

(j) The Trustee shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of enforced delay (“unavoidable delay”) in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, Acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to the project, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Trustee.

(k) The Trustee agrees to accept and act upon facsimile transmission of written instructions and/or directions pursuant to this Indenture provided, however, that: (i) subsequent to such facsimile transmission of written instructions and/or directions the Trustee shall forthwith receive the originally executed instructions and/or directions, (ii) such originally executed instructions and/or directions shall be signed by a person as may be designated and authorized to sign for the party signing such instructions and/or directions, and (iii) the Trustee shall have received a current incumbency certificate containing the specimen signature of such designated person.

**Section 6.04. Right to Rely on Documents.** The Trustee shall be protected in acting upon any notice, resolution, requisition, request, consent, order, certificate, report, opinion or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, including, without limitation, Bond Counsel or other counsel of or to the Successor Agency, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Trustee hereunder in accordance therewith.

The Trustee shall not be bound to recognize any person as the Owner of a Bond unless and until such Bond is submitted for inspection, if required, and his title thereto is established to the satisfaction of the Trustee.

Whenever in the administration of the trusts imposed upon it by this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Request of the Successor Agency, which shall be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of this Indenture in reliance upon such Request of the Successor Agency, but in its discretion the Trustee may (but shall have no duty to), in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may deem reasonable. The Trustee may conclusively rely on any certificate or Report of any Independent Accountant or Independent Fiscal Consultant appointed by the Successor Agency.

**Section 6.05. Preservation and Inspection of Documents.** All documents received by the Trustee under the provisions of this Indenture shall be retained in its possession and shall be subject during normal business hours, and upon reasonable prior written notice, to the inspection of the Successor Agency and any Owner, and their agents and representatives duly authorized in writing.

**Section 6.06. Compensation and Indemnification.** The Successor Agency shall pay to the Trustee from time to time compensation for all services rendered under this Indenture and also all expenses, charges, legal and consulting fees and other disbursements and those of its attorneys (including any allocated costs of internal counsel), agents and employees, incurred in and about the performance of its powers and duties under this Indenture. The Trustee shall have a first lien on the Pledged Tax Revenues and all funds and accounts held by the Trustee hereunder to secure the payment to the Trustee of all fees, costs and expenses, including compensation to its experts, attorneys and counsel incurred in declaring such Event of Default and in exercising the rights and remedies set forth in Article VIII.

The Successor Agency further covenants and agrees to indemnify and save the Trustee and its officers, directors, agents affiliates and employees, harmless against any loss, expense, including legal fees and expenses, and liabilities which it may incur arising out of or in the exercise and performance of its powers and duties hereunder, including the costs and expenses of defending against any claim of liability and of enforcing any remedies hereunder and under any related documents, but excluding any and all losses, expenses and liabilities which are due to the negligence or willful misconduct of the Trustee, its officers, directors, agents affiliates or employees. The obligations of the Successor Agency under this Section 6.06 shall survive resignation or removal of the Trustee under this Indenture and payment of the Bonds and discharge of this Indenture.

**Section 6.07. Accounting Records and Financial Statements.** The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with corporate trust industry standards, in which complete and accurate entries shall be made of all transactions made by it relating to the proceeds of the Bonds and all funds and accounts established and held by the Trustee pursuant to this Indenture. Such books of record and account

shall be available for inspection by the Successor Agency at reasonable hours, during regular business hours, with reasonable prior notice and under reasonable circumstances. The Trustee shall furnish to the Successor Agency, at least monthly, an accounting (which may be in the form of its customary statements) of all transactions relating to the proceeds of the Bonds and all funds and accounts held by the Trustee pursuant to this Indenture.

**Section 6.08. Appointment of Co-Trustee or Agent.** It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the law of the State) denying or restricting the right of banking associations to transact business as Trustee in such jurisdiction. It is recognized that in the case of litigation under this Indenture, and in particular in case of the enforcement of the rights of the Trustee on default, or in the case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein granted to the Trustee or hold title to the properties, in trust, as herein granted, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an additional individual or institution as a separate co-Trustee. The following provisions of this Section 6.08 are adopted to these ends.

In the event that the Trustee appoints an additional individual or institution as a separate or co-Trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Indenture to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such separate or co-Trustee but only to the extent necessary to enable such separate or co-Trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such separate or co-Trustee shall run to and be enforceable by either of them, provided that in the event of any conflict, the Co-Trustee shall defer to the Trustee.

Should any instrument in writing from the Successor Agency be required by the separate Trustee or co-Trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to it such properties, rights, powers, trusts, duties and obligations, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Successor Agency. In case any separate Trustee or co-Trustee, or a successor to either, shall become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate Trustee or co-Trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new Trustee or successor to such separate Trustee or co-Trustee.

The Trustee may perform any of its obligations or duties hereunder and under any related documents through agents or attorneys and shall not be responsible for the acts of any such agents or attorneys appointed by it with due care.

**Section 6.09. No Liability for Agency Performance.** The Trustee shall have no liability or obligation to the Bond Owners with respect to the payment of debt service by the Successor Agency or with respect to the observance or performance by the Successor Agency of the other conditions, covenants, and terms contained in this Indenture, or with respect to the investment of any moneys in any fund or account established, held, or maintained by the Successor Agency pursuant to this Indenture

## ARTICLE VII

### MODIFICATION OR AMENDMENT OF THIS INDENTURE

**Section 7.01. Authorized Amendments.** This Indenture and the rights and obligations of the Successor Agency and of the Owners may be modified or amended at any time by a Supplemental Indenture which shall become binding upon adoption, with the consent of the Insurer (except no consent is required with respect to subsection (c) below), but without the consent of any Owners, to the extent permitted by law and only for any one or more of the following purposes-

(a) to add to the covenants and agreements of the Successor Agency contained in this Indenture, other covenants and agreements thereafter to be observed, or to limit or surrender any rights or power herein reserved to or conferred upon the Successor Agency provided such addition, limit, or surrender shall not materially adversely affect the interest of the Owners as determined by the Successor Agency and certified to the Trustee; or

(b) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this Indenture, or in any other respect whatsoever as the Successor Agency may deem necessary or desirable, provided under any circumstances that such modifications or amendments shall not materially adversely affect the interests of the Owners; or

(c) to provide for the issuance of Parity Debt pursuant to Section 3.04, and to provide the terms and conditions under which such Parity Debt may be issued, including but not limited to the establishment of special funds and accounts relating thereto and any other provisions relating solely thereto, subject to and in accordance with the provisions of Section 3.05; or

(d) to amend any provision hereof to assure the exclusion from gross income of interest on the Series 2016A Bonds for federal income tax purposes, in the opinion of Bond Counsel filed with the Successor Agency and the Trustee; or

(e) to comply with the requirements of the provider of a Qualified Reserve Account Credit Instrument.

Except as set forth in the preceding paragraph, this Indenture and the rights and obligations of the Successor Agency and of the Owners may be modified or amended at any time by a Supplemental Indenture which shall become binding when the written consent of the Insurer and the written consents of the Owners of a majority of the principal amount of the Bonds then Outstanding are delivered to the Trustee. No such modification or amendment shall (A) extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Successor Agency to pay the principal, interest or redemption premium (if any) at the time and place and at the rate and in the currency provided therein of any Bond without the express written consent of the Owner of such Bond, (B) reduce the percentage of Bonds required for the written consent to any such amendment or modification, or (C) without its written consent thereto, modify any of the rights or obligations of the Trustee.

Promptly following the adoption of any Supplemental Indenture pursuant to the written consent of the Insurer, the Successor Agency shall deliver a copy of the executed Supplemental Indenture to S&P.

As long as an Insurer is not in default under the terms of its Insurance Policies, it shall be deemed the owner of all of the Series 2016 Bonds or Parity Debt insured by its Insurance Policies for all purposes of the Section 7.01.

**Section 7.02. Effect of Supplemental Indenture.** From and after the time any Supplemental Indenture becomes effective pursuant to this Article VII, this Indenture shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations of the parties hereto or thereto and all Owners, as the case may be, shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

**Section 7.03. Endorsement or Replacement of Bonds After Amendment.** After the effective date of any amendment or modification hereof pursuant to this Article VII, the Successor Agency may determine that any or all of the Bonds shall bear a notation, by endorsement in form approved by the Successor Agency, as to such amendment or modification and in that case upon demand of the Successor Agency the Owners of such Bonds shall present such Bonds for that purpose at the Office of the Trustee, and thereupon a suitable notation as to such action shall be made on such Bonds. In lieu of such notation, the Successor Agency may determine that new Bonds shall be prepared and executed in exchange for any or all of the Bonds and in that case upon demand of the Successor Agency the Owners of the Bonds shall present such Bonds for exchange at the Office of the Trustee without cost to such Owners.

**Section 7.04. Amendment by Mutual Consent.** The provisions of this Article VII shall not prevent any Owner from accepting any amendment as to the particular Bond held by such Owner, provided that due notation thereof is made on such Bond.

**Section 7.05. Trustee's Reliance.** The Trustee may conclusively rely, and shall be protected in relying, upon an opinion of counsel stating that all requirements of this Indenture relating to the amendment or modification hereof have been satisfied and that such amendments or modifications do not materially adversely affect the interests of the Owners.

## ARTICLE VIII

### EVENTS OF DEFAULT AND REMEDIES

**Section 8.01. Events of Default and Acceleration of Maturities.** Each of the following events shall constitute an Event of Default hereunder:

(a) Failure to pay any installment of the principal of any Bonds when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption, by acceleration, or otherwise.

(b) Failure to pay any installment of interest on any Bonds when and as the same shall become due and payable.

(c) Failure by the Successor Agency to observe and perform any of the other covenants, agreements or conditions on its part in this Indenture or in the Bonds contained, if such failure shall have continued for a period of thirty (30) days after written notice thereof, specifying such failure and requiring the same to be remedied, shall have been given to the Successor Agency by the Trustee or the Insurer; provided, however, if in the reasonable opinion of the Successor Agency the failure stated in the notice can be corrected, but not within such thirty (30) day period, such failure shall not constitute an Event of Default if corrective action is instituted by the Successor Agency within such thirty (30) day period and the Successor Agency shall thereafter diligently and in good faith cure such failure in a reasonable period of time.

(d) The Successor Agency shall commence a voluntary case under Title 11 of the United States Code or any substitute or successor statute.

Subject in all respects to the provisions of Section 8.08, if an Event of Default has occurred and is continuing, the Trustee may, and if requested in writing by the Owners of a majority of the principal amount of the Bonds then Outstanding the Trustee shall, (A) declare the principal of the Bonds, together with the accrued interest thereon, to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable, anything in this Indenture or in the Bonds to the contrary notwithstanding, and (B) upon receipt of indemnity satisfactory to it from any liability or expense, including payment of the fees and expenses of its counsel and agents, exercise any other remedies available to the Trustee and the Owners in law or at equity. The Trustee shall be entitled as a matter of right to the appointment of a receiver or receivers for the Pledged Tax Revenues, if appropriate, and for the revenues, income, product, and profits thereon, if any, ex parte, and without notice, and the Successor Agency consents to the appointment of such receiver upon the occurrence of an Event of Default. If any receivership, bankruptcy, insolvency, or reorganization or other judicial proceedings affecting the Successor Agency is filed, the Trustee shall be entitled to file such proofs of claims and other documents as may be necessary or advisable in order to have claims of the Trustee and Owners allowed in such proceedings for the entire amount due and payable under this Indenture at the time of the institution of such proceedings, and also for any additional amount which may become due and payable after such date, without prejudice to the right of any Owner to file a claim on his own behalf. The Trustee shall not be obligated to take any such action unless offered compensation, indemnity for its potential liability, and reimbursement for its legal fees and expenses in accordance with this Section.

Promptly upon becoming aware of the occurrence of an Event of Default, the Trustee shall give notice of such Event of Default to the Successor Agency by telephone confirmed in writing. Such notice shall also state whether the principal of the Bonds shall have been declared to be or have immediately become due and payable. With respect to any Event of Default described in clauses (a) or (b) above the Trustee shall, and with respect to any Event of Default described in clause (c) above the Trustee in its sole discretion may, also give such notice to the Owners in the same manner as provided herein for notices of redemption of the Bonds, which shall include the statement that interest on the Bonds shall cease to accrue from and after the date, if any, on which the Trustee shall have declared the Bonds to become due and payable

pursuant to the preceding paragraph (but only to the extent that principal and any accrued, but unpaid, interest on the Bonds is actually paid on such date).

This provision, however, is subject to the condition that if, at any time after the principal of the Bonds shall have been so declared due and payable, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the Successor Agency shall deposit with the Trustee a sum sufficient to pay all principal on the Bonds matured prior to such declaration and all matured installments of interest (if any) upon all the Bonds, with interest on such overdue installments of principal and interest (to the extent permitted by law) at the weighted average interest rate then borne by the Outstanding Bonds, and the fees and expenses of the Trustee, including any fees and expenses of its attorneys, and any and all other defaults known to the Trustee (other than in the payment of principal of and interest on the Bonds due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case, the Owners of a majority of the principal amount of the Bonds then Outstanding, by written notice to the Successor Agency and to the Trustee, may, on behalf of the Owners of all of the Bonds, rescind and annul such declaration and its consequences. However, no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon.

**Section 8.02. Application of Funds Upon Acceleration.** All of the Pledged Tax Revenues and all sums in the funds and accounts established and held by the Trustee hereunder upon the date of the declaration of acceleration as provided in Section 8.01, and all sums thereafter received by the Trustee hereunder, shall be applied by the Trustee as follows and in the following order:

(a) To the payment of any fees, costs and expenses incurred by the Trustee to protect the interests of the Owners of the Bonds; payment of the fees, costs and expenses of the Trustee (including fees and expenses of its counsel, including any allocated costs of internal counsel) incurred in and about the performance of its powers and duties under this Indenture, together with interest on all such amounts advanced by the Trustee at the maximum rate permitted by law;

(b) To the payment of the whole amount then owing and unpaid upon the Bonds for interest and principal, with interest on such overdue amounts at the respective rates of interest borne by the Outstanding Bonds, and in case such moneys shall be insufficient to pay in full the whole amount so owing and unpaid upon the Bonds, then to the payment of such interest, principal and interest on overdue amounts without preference or priority among such interest, principal and interest on overdue amounts ratably to the aggregate of such interest, principal and interest on overdue amounts.

**Section 8.03. Power of Trustee to Control Proceedings.** In the event that the Trustee, upon the happening of an Event of Default, shall have taken any action, by judicial proceedings or otherwise, pursuant to its duties hereunder, whether upon its own discretion or upon the request of the Owners of a majority of the principal amount of the Bonds then Outstanding, it shall have full power, in the exercise of its discretion for the best interests of the Owners of the Bonds, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; provided, however, that the Trustee shall not, unless there no

longer continues an Event of Default, discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, if at the time there has been filed with it a written request signed by the Owners of a majority of the principal amount of the Bonds then Outstanding opposing such discontinuance, withdrawal, compromise, settlement or other disposal of such litigation accompanied, if requested by the Trustee, by indemnity or confirmation of indemnity as described in Section 8.01.

**Section 8.04. Limitation on Owners' Right to Sue.** No Owner of any Bond issued hereunder shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Indenture, unless (A) such Owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default; (B) the Owners of a majority of the principal amount of the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (C) said Owners shall have tendered to the Trustee indemnity reasonably acceptable to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request; and (D) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of any remedy hereunder; it being understood and intended that no one or more Owners shall have any right in any manner whatever by his or their action to enforce any right under this Indenture, except in the manner herein provided, and that all proceedings at law or in equity to enforce any provision of this Indenture shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Owners of the Outstanding Bonds.

The right of any Owner of any Bond to receive payment of the principal of and premium, if any, and interest on such Bond as herein provided, shall not be impaired or affected without the written consent of such Owner, notwithstanding the foregoing provisions of this Section or any other provision of this Indenture.

**Section 8.05. Non-waiver.** Nothing in this Article VIII or in any other provision of this Indenture or in the Bonds, shall affect or impair the obligation of the Successor Agency, which is absolute and unconditional, to pay from the Pledged Tax Revenues and other amounts pledged hereunder, the principal of and interest and redemption premium (if any) on the Bonds to the respective Owners when due and payable as herein provided, or affect or impair the right of action, which is also absolute and unconditional, of the Owners to institute suit to enforce such payment by virtue of the contract embodied in the Bonds.

A waiver of any default by any Owner shall not affect any subsequent default or impair any rights or remedies on the subsequent default. No delay or omission of any Owner or the Trustee to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein, and every power and remedy conferred upon the Trustee and Owners by the Redevelopment Law, the Dissolution Act, or by this Article VIII may be enforced and exercised from time to time and as often as shall be deemed expedient by the Owners and the Trustee.

If a suit, action or proceeding to enforce any right or exercise any remedy shall be abandoned or determined adversely to the Trustee, Successor Agency, or Owners, the Successor Agency, Trustee, and the Owners shall be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.

**Section 8.06. Actions by Trustee as Attorney-in-Fact.** Any suit, action or proceeding which any Owner shall have the right to bring to enforce any right or remedy hereunder may be brought by the Trustee for the equal benefit and protection of all Owners similarly situated and the Trustee is hereby appointed (and the successive respective Owners by taking and holding the Bonds shall be conclusively deemed so to have appointed it) the true and lawful attorney-in-fact of the respective Owners for the purpose of bringing any such suit, action or proceeding and to do and perform any and all acts and things for and on behalf of the respective Owners as a class or classes, as may be necessary or advisable in the opinion of the Trustee as such attorney-in-fact, subject to the provisions of Article VI.

**Section 8.07. Remedies Not Exclusive.** No remedy herein conferred upon or reserved to the Trustee or Owners is intended to be exclusive of any other remedy. Every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise, and may be exercised without exhausting and without regard to any other remedy conferred by the Redevelopment Law, the Dissolution Act, or any other law.

**Section 8.08. Rights of the Insurer.** Anything in this Indenture to the contrary notwithstanding, upon the occurrence and continuation of an Event of Default, the Insurer shall be entitled to control and direct the enforcement of all rights and remedies (including the right to require a declaration of acceleration) granted hereunder to the Bond Owners, or to the Trustee for the benefit of the Bond Owners, including but not limited to rights and remedies granted pursuant to Section 8.01 and including but not limited to the right to approve all waivers of any Events of Default. The rights granted to the Insurer under this Indenture shall be deemed terminated and shall not be exercisable by the Insurer during any period during which the Insurer shall be in default under the Insurance Policies.

## ARTICLE IX

### MISCELLANEOUS

**Section 9.01. Benefits Limited to Parties.** Nothing in this Indenture, expressed or implied, is intended to give to any person other than the Successor Agency, the Trustee, the Insurer, and the Owners, any right, remedy, claim under or by reason of this Indenture. Any covenants, stipulations, promises or agreements in this Indenture contained by and on behalf of the Successor Agency shall be for the sole and exclusive benefit of the Trustee, the Insurer, and the Owners.

**Section 9.02. Successor is Deemed Included in All References to Predecessor.** Whenever in this Indenture or any Supplemental Indenture either the Successor Agency or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf

of the Successor Agency or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

**Section 9.03. Defeasance of Bonds.**

(a) If the Successor Agency shall pay and discharge the entire indebtedness on any Bonds in any one or more of the following ways:

(i) by paying or causing to be paid the principal of and interest on such Bonds, as and when the same become due and payable;

(ii) by irrevocably depositing with the Trustee or another fiduciary, in trust, at or before maturity, an amount of cash which, together with the available amounts then on deposit in the funds and accounts established pursuant to this Indenture, is fully sufficient to pay such Bonds, including all principal, interest and redemption premium, if any;

(iii) by irrevocably depositing with the Trustee or another fiduciary, in trust, non-callable Defeasance Obligations in such amount as an Independent Accountant shall determine will, together with the interest to accrue thereon and available moneys then on deposit in any of the funds and accounts established pursuant to this Indenture, be fully sufficient to pay and discharge the indebtedness on such Bonds (including all principal, interest and redemption premium, if any) at or before maturity; or

(iv) by purchasing such Bonds prior to maturity and tendering such Bonds to the Trustee for cancellation;

and if such Bonds are to be redeemed prior to the maturity thereof notice of such redemption shall have been duly given or provision satisfactory to the Trustee shall have been made for the giving of such notice, then, at the election of the Successor Agency, and notwithstanding that any such Bonds shall not have been surrendered for payment, the pledge of the Pledged Tax Revenues and other funds provided for in this Indenture and all other obligations of the Trustee and the Successor Agency under this Indenture with respect to such Bonds shall cease and terminate, except only (A) the obligations of the Successor Agency under Section 5.11, (B) the obligation of the Trustee to transfer and exchange Bonds hereunder, (C) the obligation of the Successor Agency to pay or cause to be paid to the Owners of such Bonds, from the amounts so deposited with the Trustee, all sums due thereon, and (D) the obligations of the Successor Agency to compensate and indemnify the Trustee pursuant to Section 6.06. Notice of such election shall be filed with the Trustee. In the event the Successor Agency shall, pursuant to the foregoing provisions, pay and discharge any portion or all of the Bonds then Outstanding, the Trustee shall be authorized to take such actions and execute and deliver to the Successor Agency all such instruments as may be necessary or desirable to evidence such discharge, including without limitation, selection by lot of Bonds of any maturity of the Bonds that the Successor Agency has determined to pay and discharge in part. Any funds thereafter held by the Trustee, which are not required for said purpose, shall be paid over to the Successor Agency.

(b) Notwithstanding the foregoing provisions of this Section 9.03, in the event that the principal, interest and premium (if any) on the Series 2016A Bonds or the Series 2016B Bonds shall be paid by the Insurer pursuant to the Series 2016A Bonds Insurance Policy or the

Series 2016B Bonds Insurance Policy, respectively, the obligations of the Trustee and the Successor Agency hereunder shall continue in full force and effect and the Insurer shall be fully subrogated to the rights of all Owners of the Series 2016 Bonds so paid.

(c) In the event that any portion or all of the Bonds are to be paid and discharged pursuant to Section 9.03(a)(iii), the Insurer shall be notified and provided with a draft copy of any proposed escrow agreement establishing the trust, the form of the Independent Certified Public Accountant's Certificate, the Preliminary Official Statement of the refunding issue (if applicable) and the form of approving opinion of bond counsel. These materials shall be delivered to the Insurer by the Successor Agency no less than five (5) Business Days prior to the scheduled payment and discharge. Substitution of securities held in trust in the escrow shall not be permitted.

**Section 9.04. Execution of Documents and Proof of Ownership by Owners.** Any request, declaration or other instrument which this Indenture may require or permit to be executed by any Owner may be in one or more instruments of similar tenor, and shall be executed by such Owner in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Owner or his attorney of such request, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

The ownership of Bonds and the amount, maturity, number and date of ownership thereof shall be proved by the Registration Books.

Any request, declaration or other instrument or writing of the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the Successor Agency or the Trustee in good faith and in accordance therewith.

**Section 9.05. Disqualified Bonds.** In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are owned or held by or for the account of the Successor Agency (but excluding Bonds held in any employees' retirement fund) shall be disregarded and deemed not to be Outstanding for the purpose of any such determination, provided however that the Trustee shall not be deemed to have knowledge that any Bond is owned or held by or for the account of the Successor Agency unless the Successor Agency is the registered Owner or the Trustee has received written notice that any other registered Owner is the owner or is holding for the account of the Successor Agency.

**Section 9.06. Waiver of Personal Liability.** No member, officer, agent or employee of the Successor Agency shall be individually or personally liable for the payment of the principal of or interest or any premium on the Bonds; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law.

**Section 9.07. Destruction of Canceled Bonds.** Whenever in this Indenture provision is made for the surrender to the Successor Agency of any Bonds which have been paid or canceled pursuant to the provisions of this Indenture, upon receipt by the Trustee of the Request of the Successor Agency a certificate of destruction duly executed by the Trustee shall be deemed to be the equivalent of the surrender of such canceled Bonds and the Successor Agency shall be entitled to rely upon any statement of fact contained in any certificate with respect to the destruction of any such Bonds therein referred to.

**Section 9.08. Notices.** All written notices to be given under this Indenture shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or at such address as the party may provide to the other party in writing from time to time. Notice shall be effective either (a) upon transmission by facsimile transmission or other form of telecommunication, with prompt written confirmation by mail, (b) 48 hours after deposit in the United States mail, postage prepaid, or (c) in any other case, upon actual receipt. The Successor Agency or the Trustee may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder.

If to the Successor Agency: CDC Successor Agency of the City of Santee  
10601 Magnolia Ave.  
Santee, CA 92071  
Attention: Director of Finance/Treasurer  
Fax:

If to the Trustee: U.S. Bank Global Corporate Trust Services  
U.S. Bank Tower  
633 West 5th Street, 24th Floor  
Los Angeles, CA 90071  
Attention: \_\_\_\_\_  
Fax:

If to the Insurer: [To Come]  
[Street Address]  
[City, State, Zip Code]  
Attention: \_\_\_\_\_  
Tel: \_\_\_\_\_  
Fax: \_\_\_\_\_  
Re Policy: No. \_\_\_\_\_

So long as the Insurance Policies remain in effect, the Trustee shall furnish to the Insurer, by registered or certified mail or by facsimile or electronic transmission, a copy of any notice required to be given hereunder to the Bond Owners.

**Section 9.09. Partial Invalidity.** If any Section, paragraph, sentence, clause or phrase of this Indenture shall for any reason be held illegal, invalid or unenforceable, such holding shall not affect the validity of the remaining portions of this Indenture. The Successor Agency and the Trustee hereby declare that they would have entered into this Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issue of the Bonds

pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Indenture may be held illegal, invalid or unenforceable.

**Section 9.10. Unclaimed Moneys.** Anything contained herein to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of the interest or premium (if any) on or principal of the Bonds which remains unclaimed for two (2) years after the date when the payments of such interest, premium and principal have become payable, if such money was held by the Trustee at such date, or for two (2) years after the date of deposit of such money if deposited with the Trustee after the date when the interest and premium (if any) on and principal of such Bonds have become payable, shall be repaid by the Trustee to the Successor Agency as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Owners shall look only to the Successor Agency for the payment of the principal of and interest and redemption premium (if any) on such Bonds.

**Section 9.11. Payment on Non-Business Days.** In the event any payment is required to be made hereunder on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day.

**Section 9.12. Execution in Counterparts.** This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**Section 9.13. Governing Law.** This Indenture shall be construed and governed in accordance with the laws of the State.

*(Signature Page follows)*

IN WITNESS WHEREOF, the CDC SUCCESSOR AGENCY OF THE CITY OF SANTEE has caused this Indenture to be signed in its name and on its behalf by the Mayor of the City of Santee as Successor Agency and attested to by the City Clerk of the City of Santee as Successor Agency, and U.S. BANK NATIONAL ASSOCIATION, in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

CDC SUCCESSOR AGENCY OF THE CITY OF SANTEE

By: \_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_

City Clerk

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: \_\_\_\_\_  
Authorized Officer

*-Signature Page-  
Indenture of Trust*

**EXHIBIT A-1**

**FORM OF SERIES 2016A BOND**

No. \_\_\_\_\_

\$ \_\_\_\_\_

**UNITED STATES OF AMERICA  
STATE OF CALIFORNIA**

**CDC SUCCESSOR AGENCY  
OF THE CITY OF SANTEE  
TAX ALLOCATION REFUNDING BONDS, 2016 SERIES A**

RATE OF INTEREST      MATURITY DATE      ORIGINAL ISSUE DATE      CUSIP

\_\_\_\_\_ %

REGISTERED OWNER:

PRINCIPAL AMOUNT:      DOLLARS

The CDC SUCCESSOR AGENCY OF THE CITY OF SANTEE, a public entity duly existing under the laws of the State of California (the "Successor Agency"), for value received, hereby promises to pay (but only out of the Pledged Tax Revenues and other moneys and securities hereinafter referred to) to the Registered Owner identified above or registered assigns (the "Registered Owner"), on the Maturity Date identified above, the Principal Amount identified above in lawful money of the United States of America; and to pay interest thereon at the Rate of Interest identified above in like lawful money from the date hereof, which date shall be the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this Bond (unless this Bond is authenticated on or before an Interest Payment Date and after the fifteenth calendar day of the month preceding such Interest Payment Date (a "Record Date"), in which event it shall bear interest from such Interest Payment Date, or unless this Bond is authenticated on or prior to January 15, 2017, in which event it shall bear interest from the Original Issue Date identified above; provided, however, that if, at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the Interest Payment Date to which interest hereon has previously been paid or made available for payment), payable semiannually on February 1 and August 1 in each year, commencing February 1, 2017 (the "Interest Payment Dates"), until payment of such Principal Amount in full. The Principal Amount hereof is payable upon presentation hereof at the principal corporate trust office of U.S. Bank National Association, as trustee (the "Trustee"), in Los Angeles, California or such other

location as the trustee may designate. Interest hereon is payable by check of the Trustee mailed by first class mail on each Interest Payment Date to the Registered Owner hereof at the address of such Registered Owner as it appears on the registration books of the Trustee as of the preceding Record Date; provided that at the written request of the owner of at least \$1,000,000 aggregate principal amount of Bonds, which written request is on file with the Trustee prior to any Record Date, interest on such Bonds shall be paid on the succeeding Interest Payment Date by wire transfer to an account of a financial institution within the United States of America as shall be specified in such written request.

This Bond is one of a duly authorized issue of bonds of the Successor Agency designated as the "CDC Successor Agency of the City of Santee Tax Allocation Refunding Bonds, 2016 Series A" (the "Series 2016A Bonds") of an aggregate principal amount of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) all of like tenor and date (except for such variation, if any, as may be required to designate varying numbers, maturities, interest rates or redemption provisions) and all issued pursuant to the provisions of the Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State (the "Refunding Law") and the Community Redevelopment Law, constituting Part 1 of Division 24 of the California Health and Safety Code (the "Redevelopment Law"), as amended by Assembly Bill X1 26 in 2011 and Assembly Bill 1484 in 2012 (the "Dissolution Act") and pursuant to an Indenture of Trust, dated as of \_\_\_\_\_, 2016, by and between the Successor Agency and the Trustee (the "Indenture"). Simultaneously with the issuance of the Bonds, the Successor Agency is also issuing its CDC Successor Agency of the City of Santee Tax Allocation Refunding Bonds, 2016 Series B (Taxable), which are payable on a parity with the Series 2016A Bonds. The Successor Agency may issue or incur additional obligations on a parity with the Bonds, but only subject to the terms of the Indenture. Reference is hereby made to the Indenture (copies of which are on file at the office of the Successor Agency) and all supplements thereto and to the Refunding Law, the Redevelopment Law and the Dissolution Act for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Pledged Tax Revenues, as that term is defined in the Indenture, and the rights thereunder of the owners of the Bonds and the rights, duties and immunities of the Trustee and the rights and obligations of the Successor Agency thereunder, to all of the provisions of which the Registered Owner of this Bond, by acceptance hereof, assents and agrees.

The Series 2016A Bonds have been issued by the Successor Agency to finance and refinance redevelopment activities of the Successor Agency. This Bond and the interest hereon and all other parity obligations and the interest thereon (to the extent set forth in the Indenture) are payable from, and are secured by a charge and lien on the Pledged Tax Revenues derived by the Successor Agency from the Redevelopment Project, a duly designated redevelopment project under the laws of the State of California, under and in accordance with the Indenture. As and to the extent set forth in the Indenture, all of the Pledged Tax Revenues are exclusively and irrevocably pledged in accordance with the terms hereof and the provisions of the Indenture and the Redevelopment Law, to the payment of the principal of and interest and premium (if any) on the Series 2016A Bonds and any such parity obligations. The Series 2016A Bonds and any such parity obligations are secured by a pledge on, security interest in and lien on the Pledged Tax Revenues which is a pledge, security interest and lien on the Pledged Tax Revenues in favor of certain outstanding obligations of the Successor Agency, as provided in the Indenture.

Notwithstanding the foregoing, certain amounts out of Pledged Tax Revenues may be applied for other purposes as provided in the Indenture.

This Series 2016A Bond is not a debt of the City of Santee, the County of San Diego, the State of California, or any of its political subdivisions, other than the Successor Agency, and neither said City, said County, said State, nor any of its political subdivisions, is liable hereon nor in any event shall this Bond be payable out of any funds or properties other than the Pledged Tax Revenues.

The rights and obligations of the Successor Agency and the owners of the Bonds may be modified or amended at any time in the manner, to the extent and upon the terms provided in the Indenture, but no such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the redemption price thereof or in the rate of interest thereon without the consent of the owner of such Bond, or shall reduce the percentages of the Bond owners required to effect any such modification or amendment.

The Series 2016A Bonds may be called before maturity and redeemed at the option of the Successor Agency, in whole or in part, from the proceeds of refunding bonds or other available funds, on August 1, \_\_\_\_ or on any date thereafter. Series 2016A Bonds called for redemption will be redeemed at a redemption price equal to the principal amount of Series 2016A Bonds to be redeemed plus accrued interest to the redemption date.

The Series 2016A Bonds maturing on August 1, \_\_\_\_\_ (the "Series A Term Bonds") are subject to redemption in part by lot, on August 1 in each of the years as set forth in the following table, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium, or in lieu thereof shall be purchased as described below, in the aggregate respective principal amounts and on the respective dates as set forth in the following table; *provided, however*, that if some but not all of the Series A Term Bonds have been redeemed the optional redemption provisions described above, the total amount of all future payments with respect to such Series A Term Bonds shall be reduced by the aggregate principal amount of such Series A Term Bonds so redeemed, to be allocated among such payments on a pro rata basis in integral multiples of \$5,000 as determined by the Successor Agency (written notice of which determination shall be given by the Successor Agency to the Trustee).

Sinking Account  
Redemption Date  
(August 1)

Principal Amount  
to be Redeemed

As provided in the Indenture, notice of redemption shall be mailed by the Trustee by first class mail not less than thirty (30) nor more than sixty (60) days prior to the redemption date to the respective owners of any Series 2016A Bonds designated for redemption at their addresses appearing on the Bond registration books of the Trustee, but neither failure to receive such notice nor any defect in the notice so mailed shall affect the sufficiency of the proceedings for redemption.

The Successor Agency has the right to rescind any optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any such notice of optional redemption shall be canceled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Series 2016A Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under the Indenture. The Successor Agency and the Trustee shall have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee shall mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent.

If this Bond is called for redemption and payment is duly provided therefor as specified in the Indenture, interest shall cease to accrue hereon from and after the date fixed for redemption.

In lieu of redemption of Series 2016A Bonds amounts on deposit in the Debt Service Fund (as defined in the Indenture) may be withdrawn and used at the direction of the Successor Agency at any time to purchase such Series 2016A Bonds at public or private sale at such prices (including brokerage and other charges and including accrued interest) as the Successor Agency may in its discretion determine. The par amount of any such Series 2016A Bonds so purchased by the Successor Agency in any twelve-month period ending on July 15 will be credited toward, and will reduce the par amount of, Series 2016A Bonds required to be redeemed pursuant to the Indenture on the next succeeding August 1 of such year.

If an Event of Default, as defined in the Indenture, shall occur, the principal of all outstanding Series 2016A Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture, but such declaration and its consequences may be rescinded and annulled as further provided in the Indenture.

This Bond is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at said corporate trust office of the Trustee in San Diego, California or such other place as designated by the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Bond. Upon registration of such transfer a new Bond or Bonds, of authorized denomination or denominations, for the same aggregate principal amount and of the same maturity will be issued to the transferee in exchange herefor.

The Successor Agency and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the Successor Agency and the Trustee shall not be affected by any notice to the contrary.

It is hereby certified that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of this Bond do exist, have happened or have been performed in due and regular time, form and manner as required by the Redevelopment Law, the Dissolution Act, and the laws of the State of California and that the amount of this Bond, together with all other indebtedness of the Successor Agency, does not exceed any limit prescribed by the Redevelopment Law, the Dissolution Act, or any laws of the

State of California, and is not in excess of the amount of Bonds permitted to be issued under the Indenture.

This Bond shall not be entitled to any benefit under the Indenture or become valid or obligatory for any purpose until the Trustee's Certificate of Authentication hereon endorsed shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, the CDC SUCCESSOR AGENCY OF THE CITY OF SANTEE has caused this Bond to be executed in its name and on its behalf with the facsimile signature of the Mayor of the City as Successor Agency and attested to by the facsimile signature of the City Clerk of the City as Successor Agency, all as of the Original Issue Date specified above.

CDC SUCCESSOR AGENCY OF THE CITY OF  
SANTEE

By: \_\_\_\_\_  
Mayor

ATTEST:

By: \_\_\_\_\_  
City Clerk

**STATEMENT OF INSURANCE**

[To Come]

**TRUSTEE'S CERTIFICATE OF AUTHENTICATION**

This is one of the Bonds described in the within-mentioned Indenture.

Dated: \_\_\_\_\_, 2016

U.S. BANK NATIONAL ASSOCIATION, as  
Trustee

By: \_\_\_\_\_  
Authorized Signatory

[FORM OF ASSIGNMENT]

For value received the undersigned do(es) hereby sell, assign and transfer unto \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within Bond and do(es) hereby irrevocably constitute and appoint \_\_\_\_\_

\_\_\_\_\_ attorney, to transfer the same on the books of the Trustee, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_  
Note: Signature guarantee shall be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee.

\_\_\_\_\_  
Note: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

**EXHIBIT A-2**

**FORM OF SERIES 2016B BOND**

No. \_\_\_\_\_

\$ \_\_\_\_\_

**UNITED STATES OF AMERICA  
STATE OF CALIFORNIA**

**CDC SUCCESSOR AGENCY  
OF THE CITY OF SANTEE  
TAX ALLOCATION REFUNDING BONDS, 2016 SERIES B (TAXABLE)**

RATE OF INTEREST    MATURITY DATE    ORIGINAL ISSUE DATE    CUSIP

\_\_\_\_\_ %

REGISTERED OWNER:

PRINCIPAL AMOUNT:    DOLLARS

The CDC SUCCESSOR AGENCY OF THE CITY OF SANTEE, a public entity duly existing under the laws of the State of California (the "Successor Agency"), for value received, hereby promises to pay (but only out of the Pledged Tax Revenues and other moneys and securities hereinafter referred to) to the Registered Owner identified above or registered assigns (the "Registered Owner"), on the Maturity Date identified above, the Principal Amount identified above in lawful money of the United States of America; and to pay interest thereon at the Rate of Interest identified above in like lawful money from the date hereof, which date shall be the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this Bond (unless this Bond is authenticated on or before an Interest Payment Date and after the fifteenth calendar day of the month preceding such Interest Payment Date (a "Record Date"), in which event it shall bear interest from such Interest Payment Date, or unless this Bond is authenticated on or prior to January 15, 2017, in which event it shall bear interest from the Original Issue Date identified above; provided, however, that if, at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the Interest Payment Date to which interest hereon has previously been paid or made available for payment), payable semiannually on February 1 and August 1 in each year, commencing February 1, 2017 (the "Interest Payment Dates"), until payment of such Principal Amount in full. The Principal Amount hereof is payable upon presentation hereof at the principal corporate trust office of U.S. Bank National Association, as trustee (the "Trustee"), in San Diego, California or such other location as the trustee may designate. Interest hereon is payable by check of the Trustee mailed by first class mail on each Interest Payment Date to the

Registered Owner hereof at the address of such Registered Owner as it appears on the registration books of the Trustee as of the preceding Record Date; provided that at the written request of the owner of at least \$1,000,000 aggregate principal amount of Bonds, which written request is on file with the Trustee prior to any Record Date, interest on such Bonds shall be paid on the succeeding Interest Payment Date by wire transfer to an account of a financial institution within the United States of America as shall be specified in such written request.

This Bond is one of a duly authorized issue of bonds of the Successor Agency designated as the "CDC Successor Agency of the City of Santee Tax Allocation Refunding Bonds, 2016 Series B (Taxable)" (the "Series 2016B Bonds") of an aggregate principal amount of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) all of like tenor and date (except for such variation, if any, as may be required to designate varying numbers, maturities, interest rates or redemption provisions) and all issued pursuant to the provisions of the Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State (the "Refunding Law") and the Community Redevelopment Law, constituting Part 1 of Division 24 of the California Health and Safety Code (the "Redevelopment Law"), as amended by Assembly Bill X1 26 in 2011 and Assembly Bill 1484 in 2012 (the "Dissolution Act"), and pursuant to an Indenture of Trust, dated as of \_\_\_\_\_, 2016, by and between the Successor Agency and the Trustee (the "Indenture"). Simultaneously with the issuance of the Bonds, the Successor Agency is also issuing its CDC Successor Agency of the City of Santee Tax Allocation Refunding Bonds, 2016 Series A, which are payable on a parity with the Series 2016B Bonds. The Successor Agency may issue or incur additional obligations on a parity with the Bonds, but only subject to the terms of the Indenture. Reference is hereby made to the Indenture (copies of which are on file at the office of the Successor Agency) and all supplements thereto and to the Refunding Law, the Redevelopment Law, and the Dissolution Act for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Pledged Tax Revenues, as that term is defined in the Indenture, and the rights thereunder of the owners of the Bonds and the rights, duties and immunities of the Trustee and the rights and obligations of the Successor Agency thereunder, to all of the provisions of which the Registered Owner of this Bond, by acceptance hereof, assents and agrees.

The Series 2016B Bonds have been issued by the Successor Agency to finance and refinance redevelopment activities of the Successor Agency. This Bond and the interest hereon and all other parity obligations and the interest thereon (to the extent set forth in the Indenture) are payable from, and are secured by a charge and lien on the Pledged Tax Revenues derived by the Successor Agency from the Redevelopment Project, a duly designated redevelopment project under the laws of the State of California, under and in accordance with the Indenture. As and to the extent set forth in the Indenture, all of the Pledged Tax Revenues are exclusively and irrevocably pledged in accordance with the terms hereof and the provisions of the Indenture and the Redevelopment Law, to the payment of the principal of and interest and premium (if any) on the Series 2016B Bonds and any such parity obligations. The Series 2016B Bonds and any such parity obligations are secured by a pledge on, security interest in and lien on the Pledged Tax Revenues which is a pledge, security interest and lien on the Pledged Tax Revenues in favor of certain outstanding obligations of the Successor Agency, as provided in the Indenture. Notwithstanding the foregoing, certain amounts out of Pledged Tax Revenues may be applied for other purposes as provided in the Indenture.

This Series 2016B Bond is not a debt of the City of Santee, the County of San Diego, the State of California, or any of its political subdivisions, other than the Successor Agency, and neither said City, said County, said State, nor any of its political subdivisions, is liable hereon nor in any event shall this Bond be payable out of any funds or properties other than the Pledged Tax Revenues.

The rights and obligations of the Successor Agency and the owners of the Bonds may be modified or amended at any time in the manner, to the extent and upon the terms provided in the Indenture, but no such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the redemption price thereof or in the rate of interest thereon without the consent of the owner of such Bond, or shall reduce the percentages of the Bond owners required to effect any such modification or amendment.

The Series 2016B Bonds may be called before maturity and redeemed at the option of the Successor Agency, in whole or in part, from the proceeds of refunding bonds or other available funds, on August 1, \_\_\_\_\_ or on any date thereafter. Series 2016B Bonds called for redemption will be redeemed at a redemption price equal to the principal amount of Series 2016B Bonds to be redeemed plus accrued interest to the redemption date.

The Series 2016B Bonds maturing on August 1, \_\_\_\_\_ (the "Series B Term Bonds") are subject to redemption in part by lot, on August 1 in each of the years as set forth in the following table, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium, or in lieu thereof shall be purchased as described below, in the aggregate respective principal amounts and on the respective dates as set forth in the following table; *provided, however*, that if some but not all of the Series B Term Bonds have been redeemed the optional redemption provisions described above, the total amount of all future payments with respect to such Series B Term Bonds shall be reduced by the aggregate principal amount of such Series B Term Bonds so redeemed, to be allocated among such payments on a pro rata basis in integral multiples of \$5,000 as determined by the Successor Agency (written notice of which determination shall be given by the Successor Agency to the Trustee).

Sinking Account  
Redemption Date  
(August 1)

Principal Amount  
to be Redeemed

As provided in the Indenture, notice of redemption shall be mailed by the Trustee by first class mail not less than thirty (30) nor more than sixty (60) days prior to the redemption date to the respective owners of any Series 2016B Bonds designated for redemption at their addresses appearing on the Bond registration books of the Trustee, but neither failure to receive such notice nor any defect in the notice so mailed shall affect the sufficiency of the proceedings for redemption.

The Successor Agency has the right to rescind any optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any such notice of optional redemption shall be canceled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Series 2016B Bonds then called for redemption,

and such cancellation shall not constitute an Event of Default under the Indenture. The Successor Agency and the Trustee shall have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee shall mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent.

If this Bond is called for redemption and payment is duly provided therefor as specified in the Indenture, interest shall cease to accrue hereon from and after the date fixed for redemption.

In lieu of redemption of Series 2016B Bonds amounts on deposit in the Debt Service Fund (as defined in the Indenture) may be withdrawn and used at the direction of the Successor Agency at any time to purchase such Series 2016B Bonds at public or private sale at such prices (including brokerage and other charges and including accrued interest) as the Successor Agency may in its discretion determine. The par amount of any such Series 2016B Bonds so purchased by the Successor Agency in any twelve-month period ending on July 15 will be credited toward, and will reduce the par amount of, Series 2016B Bonds required to be redeemed pursuant to the Indenture on the next succeeding August 1 of such year.

If an Event of Default, as defined in the Indenture, shall occur, the principal of all outstanding Series 2016B Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture, but such declaration and its consequences may be rescinded and annulled as further provided in the Indenture.

This Bond is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at said corporate trust office of the Trustee in San Diego, California or such other place as designated by the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Bond. Upon registration of such transfer a new Bond or Bonds, of authorized denomination or denominations, for the same aggregate principal amount and of the same maturity will be issued to the transferee in exchange herefor.

The Successor Agency and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the Successor Agency and the Trustee shall not be affected by any notice to the contrary.

It is hereby certified that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of this Bond do exist, have happened or have been performed in due and regular time, form and manner as required by the Redevelopment Law, the Dissolution Act, and the laws of the State of California and that the amount of this Bond, together with all other indebtedness of the Successor Agency, does not exceed any limit prescribed by the Redevelopment Law, the Dissolution Act, or any laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Indenture.

This Bond shall not be entitled to any benefit under the Indenture or become valid or obligatory for any purpose until the Trustee's Certificate of Authentication hereon endorsed shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, the CDC SUCCESSOR AGENCY OF THE CITY OF SANTEE has caused this Bond to be executed in its name and on its behalf with the facsimile signature of the Mayor of the City as Successor Agency and attested to by the facsimile signature of the City Clerk of the City as Successor Agency, all as of the Original Issue Date specified above.

CDC SUCCESSOR AGENCY OF THE CITY OF  
SANTEE

By: \_\_\_\_\_  
Mayor

ATTEST:

By: \_\_\_\_\_  
City Clerk

**STATEMENT OF INSURANCE**

[To Come]

**TRUSTEE'S CERTIFICATE OF AUTHENTICATION**

This is one of the Bonds described in the within-mentioned Indenture.

Dated: \_\_\_\_\_, 2016

U.S. BANK NATIONAL ASSOCIATION, as  
Trustee

By: \_\_\_\_\_  
Authorized Signatory

**[FORM OF ASSIGNMENT]**

For value received the undersigned do(es) hereby sell, assign and transfer unto \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within Bond and do(es) hereby irrevocably constitute and appoint \_\_\_\_\_

\_\_\_\_\_ attorney, to transfer the same on the books of the Trustee, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_  
Note: Signature guarantee shall be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee.

\_\_\_\_\_  
Note: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

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**ESCROW DEPOSIT AND TRUST AGREEMENT**

**by and between the**

**CDC SUCCESSOR AGENCY OF THE  
CITY OF SANTEE**

**and**

**U.S. BANK NATIONAL ASSOCIATION,  
as Escrow Bank**

**Dated \_\_\_\_\_, 2016**

**Relating to:**

**COMMUNITY DEVELOPMENT COMMISSION  
OF THE CITY OF SANTEE  
(SANTEE COMMUNITY DEVELOPMENT PROJECT)  
TAX ALLOCATION BONDS  
2005 SERIES A**

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## **ESCROW DEPOSIT AND TRUST AGREEMENT**

This ESCROW DEPOSIT AND TRUST AGREEMENT (the "Escrow Agreement") is made and entered into as of \_\_\_\_\_, 2016, by and between the CDC Successor Agency of the City of Santee, a Successor Agency existing under the laws of the State of California (the "Successor Agency") and U.S. Bank National Association, as Escrow Bank (the "Escrow Bank");

### **WITNESSETH:**

WHEREAS, the Community Development Commission of the City of Santee (the "Former Agency") previously issued its Community Development Commission of the City of Santee (Santee Community Redevelopment Project) Tax Allocation Bonds, 2005 Series A (the "Prior Bonds") pursuant to an Indenture of Trust (the "Prior Indenture") dated January 1, 2005, by and between the Former Agency and U.S. Bank National Association (in such capacity, the "Prior Trustee");

WHEREAS, the Prior Indenture provides that in the event that deposits of moneys and certain Defeasance Obligations (as defined in the Prior Indenture) in an amount, together with investment earnings and certain funds held under the Prior Indenture (defined below), sufficient to pay and discharge all or a portion of the indebtedness of the Prior Bonds at or before maturity, then the obligations of the Former Agency under the Prior Indenture shall cease and terminate with respect to the obligations so discharged, except only the obligation of the Former Agency to pay or cause to be paid to the Former Agency all sums due thereon out of the Escrow Fund with respect to the obligations so discharged and thereafter such Revenues (as defined in the Prior Indenture) shall be released from the lien of the Prior Indenture; and

WHEREAS, the Successor Agency has determined that it is in the best interests of the Successor Agency at this time to refinance the Prior Bonds and to provide for the redemption of the Prior Bonds on \_\_\_\_\_, 2016, at a redemption price of 100% of the principal amount thereof, plus accrued interest; and

WHEREAS, the Successor Agency proposes to make the deposit of moneys and Defeasance Obligations referenced in the Prior Indenture and to appoint the Escrow Bank as its agent for the purpose of applying said deposit to the payment of the Prior Bonds in accordance with the instructions provided by this Escrow Agreement and redeeming the Prior Bonds in accordance with the Prior Indenture, and the Escrow Bank will accept said appointment; and

WHEREAS, to obtain moneys to make such deposit, the Successor Agency proposes to issue its \$\_\_\_\_\_ Tax Allocation Refunding Bonds 2016 Series A pursuant to an Indenture of Trust, dated as of \_\_\_\_\_, 2016, (the "Indenture"), by and between the Successor Agency and the Trustee; and

WHEREAS, the Successor Agency wishes to make such a deposit with the Escrow Bank and to enter into this Escrow Agreement for the purpose of providing the terms and conditions for the deposit and application of amounts so deposited; and

WHEREAS, the Escrow Bank has full powers to act with respect to the irrevocable escrow and trust created herein and to perform the duties and obligations to be undertaken pursuant to this Escrow Agreement.

NOW, THEREFORE, in consideration of the above premises and of the mutual promises and covenants herein contained and for other valuable consideration, the parties hereto do hereby agree as follows:

Section 1. Definition of Defeasance Obligations. As used herein, the term “Defeasance Obligations” shall have the meaning given such term in the Prior Indenture.

Section 2. Appointment of Escrow Bank. The Successor Agency hereby appoints the Escrow Bank as escrow bank for all purposes of this Escrow Agreement and in accordance with the terms and provisions of this Escrow Agreement, and the Escrow Bank hereby accepts such appointment.

Section 3. Establishment of Escrow Fund. There is hereby created by the Successor Agency with, and to be held by, the Escrow Bank, as security for the payment of the Prior Bonds as hereinafter set forth, an irrevocable escrow to be maintained in trust by the Escrow Bank on behalf of the Former Agency and for the benefit of the owners of the Prior Bonds, said escrow to be designated the “Escrow Fund.” All moneys and Defeasance Obligations deposited in the Escrow Fund shall be held as a special fund for the payment of the Prior Payments in accordance with the provisions of the Prior Indenture. If at any time the Escrow Bank shall receive actual knowledge that the moneys and Defeasance Obligations in the Escrow Fund will not be sufficient to make any payment required by Section 5 hereof, the Escrow Bank shall notify the Successor Agency of such fact and the Successor Agency shall immediately cure such deficiency.

The Escrow Bank may rely upon the conclusion of \_\_\_\_\_ (the “Verification Agent”) in its report dated \_\_\_\_\_, 2016 (the “Verification Report”) that the Defeasance Obligations listed on Exhibit A, together with interest to accrue thereon, and cash will be fully sufficient to pay the Prior Payments as described in the sixth recital above.

Section 4. Deposit into Escrow Fund; Investment of Amounts. Concurrently with delivery of the Bonds, the Successor Agency shall cause to be transferred to the Escrow Bank for deposit into the Escrow Fund the amount of \$\_\_\_\_\_ in immediately available funds.

The Escrow Bank shall invest all of the moneys deposited into the Escrow Fund pursuant to the preceding paragraph in the Defeasance Obligations set forth in Exhibit A attached hereto and by this reference incorporated herein (the “Escrowed Defeasance Obligations”). The purchase price of the Escrowed Defeasance Obligations is \$\_\_\_\_\_. The remainder in the Escrow Fund (\$\_\_\_\_\_) shall be held in cash uninvested (the “Cash”). The Escrowed Defeasance Obligations shall be deposited with and held by the Escrow Bank in the Escrow Fund solely for the uses and purposes set forth herein.

The Escrow Bank shall not be liable or responsible for any loss resulting from any reinvestment made pursuant to this Escrow Agreement and in full compliance with the provisions hereof.

Section 5. Instructions as to Application of Deposit; Agency Retains Right of Optional Redemption. The Successor Agency hereby irrevocably directs and instructs the Escrow Bank to apply the interest on and maturing principal amount of the Escrowed Defeasance Obligations and Cash to pay the Prior Bonds relating to the Prior Indenture, through \_\_\_\_\_, 2016 and to redeem the remaining Prior Bonds in full on \_\_\_\_\_, 2016 at a redemption price of 100% of the principal amount hereof, all as more particularly set forth in Exhibit B attached hereto and hereby made a part hereof. For such purpose of call and redemption prior to maturity of a portion of the Prior Bonds, the Successor Agency hereby instructs the Escrow Bank, as Prior Trustee, and the Escrow Bank, as Prior Trustee, hereby agrees to give notice of redemption, such notice of redemption to be given timely for redemption of the Prior Bonds on \_\_\_\_\_, 2016, in accordance with the applicable provisions of the Prior Indenture. Any funds remaining in the Escrow Fund after \_\_\_\_\_, 2016, shall be delivered to the Successor Agency. Upon the receipt of funds, the Escrow Bank shall send a notice of defeasance substantially in the form of Exhibit C attached hereto.

Section 6. Investment of Any Remaining Moneys. At the written direction of the Successor Agency received at least two (2) Business Days in advance, the Escrow Bank shall invest and reinvest the proceeds received from any of the Escrowed Defeasance Obligations originally deposited into the Escrow Fund for a period ending not later than the next succeeding Prior Payment date, in Defeasance Obligations; provided, however, that (a) such written directions of the Successor Agency shall be accompanied by (i) the opinion of an independent certified public accountant or firm of certified public accountants of favorable national reputation experienced in the refunding of obligations of political subdivisions, that amounts in the Escrow Fund after such investment, together with interest to be derived therefrom, shall be at all times at least sufficient to make the payments specified in Section 5 hereof, and (ii) an opinion of nationally recognized bond counsel ("Bond Counsel") that investment in accordance with such directions will not affect, for federal income tax purposes, the exclusion from gross income of interest due with respect to the Prior Bonds or the Bonds, and (b) if the Successor Agency directs such investment or reinvestment to be made in United States Treasury Securities - State and Local Government Series, the Successor Agency shall, at its cost, cause to be prepared and delivered all necessary subscription forms therefor to enable the Escrow Bank to acquire such securities not less than 14 days prior to the date of making such investment. In the event that the Successor Agency shall fail to file any such written directions with the Escrow Bank concerning the reinvestment of any such proceeds, such proceeds shall be held uninvested by the Escrow Bank. Any interest income resulting from investment or reinvestment of moneys pursuant to this Section 6 and not, in the opinion of an independent certified public accountant or firm of certified public accountants of favorable national reputation experienced in the refunding of obligations of political subdivisions, required for the purposes set forth in Section 5 shall be paid to the Trustee for deposit in the Bond Fund under the Indenture promptly upon the receipt of such interest income by the Escrow Bank.

Section 7. Application of Certain Terms of Prior Indenture. All of the terms of the Prior Indenture relating to the making of payments of principal and interest with respect to the Prior Bonds are incorporated in this Escrow Agreement as if set forth in full herein. The provisions of the Prior Indenture relating to the limitations from liability and protections afforded the Prior Trustee and the resignation and removal of the Prior Trustee are also incorporated in

this Escrow Agreement as if set forth in full herein and shall be the procedure to be followed with respect to any resignation or removal of the Escrow Bank hereunder.

Section 8. Compensation to Escrow Bank. The Successor Agency shall pay the Escrow Bank full compensation for its duties under this Escrow Agreement, including out-of-pocket costs such as publication costs, redemption or redemption expenses, legal fees and other costs and expenses relating hereto and, in addition, fees, costs and expenses relating to the purchase of any Defeasance Obligations after the date hereof, pursuant to a separate agreement between the Successor Agency and the Escrow Bank. Under no circumstances shall amounts deposited in the Escrow Fund be deemed to be available for said purposes.

Section 9. Liabilities and Obligations of Escrow Bank. The Escrow Bank shall have no obligation to make any payment or disbursement of any type or incur any financial liability in the performance of its duties under this Escrow Agreement unless the Successor Agency shall have deposited sufficient funds with the Escrow Bank to satisfy such obligation. The Escrow Bank may rely and shall be protected in acting upon the written instructions of the Successor Agency or its agents relating to any matter or action as Escrow Bank under this Escrow Agreement.

The Escrow Bank undertakes such duties as specifically set forth herein and no implied duties or obligations shall be read into this Escrow Agreement against the Escrow Bank.

The Successor Agency hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save and hold harmless the Escrow Bank and its respective successors, assigns, agents and servants from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, at any time, the Escrow Bank (whether or not also indemnified against by any other person under any other agreement or instrument) and in any way relating to or arising out of the execution and delivery of this Escrow Agreement, the establishment of the Escrow Fund, the retention of the moneys therein and any payment, transfer or other application of moneys or securities by the Escrow Bank in accordance with the provisions of this Escrow Agreement, or as may arise by reason of any act, omission or error of the Escrow Bank made in good faith in the conduct of its duties; provided, however, that the Successor Agency shall not be required to indemnify the Escrow Bank against its own negligence or misconduct. The indemnities contained in this Section 9 shall survive the termination of this Escrow Agreement and the resignation and removal of the Escrow Bank.

The Escrow Bank shall not have any liability hereunder except to the extent of its own negligence or willful misconduct. In no event shall the Escrow Bank be liable for any special indirect or consequential damages.

The Escrow Bank may consult with counsel of its own choice and the opinion of such counsel shall be full and complete authorization to take or suffer in good faith any action hereunder in accordance with such opinion of counsel.

The Escrow Bank shall not be responsible for any of the recitals or representations contained herein.

Whenever in the administration of this Escrow Agreement the Escrow Bank shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence or willful misconduct on the part of the Escrow Bank, be deemed to be conclusively proved and established by a certificate of an authorized representative of the Successor Agency, and such certificate shall, in the absence of negligence or willful misconduct on the part of the Escrow Bank, be full warrant to the Escrow Bank for any action taken or suffered by it under the provisions of this Escrow Agreement upon the faith thereof.

The liability of the Escrow Bank to make the payments required by this Escrow Agreement shall be limited to the moneys and Defeasance Obligations in the escrow Fund.

The Escrow Bank shall not be liable for the accuracy of any calculations provided as to the sufficiency of the moneys or Defeasance Obligations deposited with it to pay the principal, interest, or premiums, if any, on the Bonds.

No provision of this Escrow Agreement shall require the Escrow Bank to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers.

The Escrow Agent may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care, and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed.

The Escrow Agent agrees to accept and act upon instructions or directions pursuant to this Escrow Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Escrow Agent shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the Successor Agency elects to give the Escrow Agent e-mail or facsimile instructions (or instructions by a similar electronic method) and the Escrow Agent in its discretion elects to act upon such instructions, the Escrow Agent's understanding of such instructions shall be deemed controlling. The Escrow Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Agent's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Successor Agency agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Escrow Agent, including without limitation the risk of the Escrow Agent acting on unauthorized instructions, and the risk of interception and misuse by third parties.

The Successor Agency acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Successor Agency the right to receive brokerage confirmations of security transactions as they occur, the Successor Agency specifically waives receipt of such confirmations to the extent permitted by law. The Escrow Bank will furnish the Successor Agency periodic cash transaction statements which include detail for all investment transactions made by the Escrow Bank hereunder.

Section 10. Amendment. This Escrow Agreement may be modified or amended at any time by a supplemental agreement which shall become effective when the written consents of the owners of one hundred percent (100%) in aggregate principal amount of the Prior Bonds then outstanding shall have been filed with the Escrow Bank. This Escrow Agreement may be modified or amended at any time by a supplemental agreement, without the consent of any such owners, but only (a) to add to the covenants and agreements of any party, other covenants to be observed, or to surrender any right or power herein or therein reserved to the Successor Agency, (b) to cure, correct or supplement any ambiguous or defective provision contained herein, (c) in regard to questions arising hereunder or thereunder, as the parties hereto or thereto may deem necessary or desirable and which, in the opinion of counsel, shall not adversely affect the interests of the owners of the Prior Bonds or the Bonds, and that such amendment will not cause interest on the Prior Bonds or the Bonds to become subject to federal income taxation.

Section 11. Termination; Unclaimed Money. This Escrow Agreement shall terminate when the Prior Payments have been paid; provided, however, that (a) money held by the Escrow Bank pursuant to this Escrow Agreement for the payment and discharge of any of the Prior Payments (which shall not be payable as to interest from and after the date set for redemption) which remain unclaimed for two (2) years after such payments were due, shall be repaid by the Escrow Bank to the Successor Agency free from the trust created by the Prior Indenture and this Escrow Agreement, and the Escrow Bank shall thereupon be released and discharged with respect thereto and hereto and all liability of the Escrow Bank with respect to such money shall thereupon cease and (b) excess moneys held by the Escrow Bank not needed for the payment and discharge of the Prior Payments shall be transferred to the Bond Fund under the Indenture.

Section 12. Severability. If any section, paragraph, sentence, clause or provision of this Escrow Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, sentence, clause or provision shall not affect any of the remaining provisions of this Escrow Agreement.

Section 13. Notice of Escrow Bank and Agency. Any notice to or demand upon the Escrow Bank may be served and presented, and such demand may be made, at the principal corporate trust office of the Escrow Bank as specified by the Escrow Bank as Prior Trustee in accordance with the provisions of the Prior Indenture or by physical delivery with confirmation of receipt or by confirmed telecopy. Any notice to or demand upon the Successor Agency shall be deemed to have been sufficiently given or served for all purposes by being mailed by registered or certified mail, and deposited, postage prepaid, in a post office letter box, addressed to such party as provided in the Prior Indenture (or such other address as may have been filed in writing by the Successor Agency with the Escrow Bank).

Section 14. Merger or Consolidation of Escrow Bank. Any company into which the Escrow Bank may be merged or converted or with which may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Escrow Bank may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible to act as Trustee under the Indenture and the Prior Indenture, shall be the successor hereunder to the Escrow Bank without the execution or filing of any paper or any further act.

Section 15. Governing Law. This Escrow Agreement shall be construed and governed in accordance with the laws of the State of California.

Section 16. Execution in Several Counterparts. This Escrow Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts shall constitute but one and the same instrument.

*(Signature page follows)*

IN WITNESS WHEREOF, the Successor Agency and the Escrow Bank have each caused this Escrow Agreement to be executed by their duly authorized officers all as of the date first above written.

CDC SUCCESSOR AGENCY OF THE CITY  
OF SANTEE

By: \_\_\_\_\_

U.S. BANK NATIONAL ASSOCIATION, as  
Escrow Bank

By: \_\_\_\_\_  
Authorized Officer

*-Signature Page-  
Escrow Deposit and Trust Agreement*

**EXHIBIT A**

**IDENTIFICATION OF AND PAYMENT SCHEDULE FOR  
ESCROWED DEFEASANCE OBLIGATIONS**

<b><u>Type of Security</u></b>	<b><u>Maturity Date</u></b>	<b><u>Par Amount</u></b>	<b><u>Rate</u></b>	<b><u>Cost</u></b>
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**EXHIBIT B**  
**PAYMENT SCHEDULE**

<b><u>Period</u></b> <b><u>Ending</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Principal</u></b> <b><u>Redeemed</u></b>	<b><u>Redemption</u></b> <b><u>Premium</u></b>	<b><u>Total</u></b>
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**EXHIBIT C**

**NOTICE OF DEFEASANCE**

\$ \_\_\_\_\_

**Community Development Commission  
of the City of Santee  
(Santee Community Redevelopment Project)  
Tax Allocation Bonds, 2005 Series A**

**NOTICE OF DEFEASANCE**

OWNERS of the above-described Bonds (the “Defeased Bonds”) are hereby NOTIFIED that, pursuant to an Escrow Deposit and Trust Agreement dated as of \_\_\_\_\_, 2016, by and between the CDC Successor Agency of the City of Santee and U.S. Bank National Association, as Escrow Bank (the “Escrow Bank”), the Escrow Bank has received and holds in irrevocable trust, cash moneys or *<insert description of the actual Defeasance Obligations>* (collectively, the “Escrowed Securities”) the interest on and the principal of which obligations, when due, will provide moneys together with any such cash sufficient to pay interest on and the principal of a portion of the Defeased Bonds to \_\_\_\_\_, 2016, as indicated on such Defeased Bonds, all as verified by an independent certified public accountant. The Escrow Bank shall collect interest on and the principal of such obligations and shall pay the same, together with any such cash moneys held by the Escrow Bank, to owners of record of the Defeased Bonds, in such amounts and at such times as shall be required to pay interest on and the principal of the Defeased Bonds to the redemption date or maturity date, as applicable.

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**ESCROW DEPOSIT AND TRUST AGREEMENT**

**by and between the**

**CDC SUCCESSOR AGENCY OF THE  
CITY OF SANTEE**

**and**

**U.S. BANK NATIONAL ASSOCIATION,  
as Escrow Bank**

**Dated \_\_\_\_\_, 2016**

**Relating to:**

**COMMUNITY DEVELOPMENT COMMISSION  
OF THE CITY OF SANTEE  
(SANTEE COMMUNITY DEVELOPMENT PROJECT)  
TAX ALLOCATION BONDS, 2011 SERIES A**

**AND**

**COMMUNITY DEVELOPMENT COMMISSION  
OF THE CITY OF SANTEE  
(SANTEE COMMUNITY DEVELOPMENT PROJECT)  
TAX ALLOCATION HOUSING BONDS, 2011 SERIES B (TAXABLE)**

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## ESCROW DEPOSIT AND TRUST AGREEMENT

This ESCROW DEPOSIT AND TRUST AGREEMENT (the "Escrow Agreement") is made and entered into as of \_\_\_\_\_, 2016, by and between the CDC Successor Agency of the City of Santee, a Successor Agency existing under the laws of the State of California (the "Successor Agency") and U.S. Bank National Association, as Escrow Bank (the "Escrow Bank");

### WITNESSETH:

WHEREAS, the Community Development Commission of the City of Santee (the "Former Commission") previously issued its Community Development Commission of the City of Santee (Santee Community Redevelopment Project) Tax Allocation Bonds, 2011 Series A (the "Series 2011A Bonds") and its Community Development Commission of the City of Santee (Santee Community Redevelopment Project) Tax Allocation Housing Bonds, 2011 Series B (Taxable) (the "Series 2011B Bonds" and, together with the Series 2011A Bonds, the "Prior Bonds") pursuant to an Indenture of Trust, dated as of January 1, 2005, by and between the Former Commission and U.S. Bank National Association (in such capacity, the "Prior Trustee"), as amended by the First Supplemental Bond Indenture, dated as of March 1, 2011, by and between the Former Commission and the Prior Trustee (the "Prior Indenture");

WHEREAS, the Prior Indenture provides that in the event that deposits of moneys and certain Defeasance Obligations (as defined in the Prior Indenture) in an amount, together with investment earnings and certain funds held under the Prior Indenture (defined below), sufficient to pay and discharge all or a portion of the indebtedness of the Prior Bonds at or before maturity, then the obligations of the Former Commission under the Prior Indenture shall cease and terminate with respect to the obligations so discharged, except only the obligation of the Former Commission to pay or cause to be paid to the Former Commission all sums due thereon out of the Escrow Fund with respect to the obligations so discharged and thereafter such Revenues (as defined in the Prior Indenture) shall be released from the lien of the Prior Indenture; and

WHEREAS, the Successor Agency has determined that it is in the best interests of the Successor Agency at this time to refinance the Prior Bonds and to provide for the redemption of the Prior Bonds on February 1, 2021, at a redemption price of 100% of the principal amount thereof, plus accrued interest; and

WHEREAS, the Successor Agency proposes to make the deposit of moneys and Defeasance Obligations referenced in the Prior Indenture and to appoint the Escrow Bank as its agent for the purpose of applying said deposit to the payment of the Prior Bonds in accordance with the instructions provided by this Escrow Agreement and redeeming the Prior Bonds in accordance with the Prior Indenture, and the Escrow Bank will accept said appointment; and

WHEREAS, to obtain moneys to make such deposit, the Successor Agency proposes to issue its \$\_\_\_\_\_ Tax Allocation Refunding Bonds 2016 Series A and its \$\_\_\_\_\_ Taxable Tax Allocation Refunding Bonds 2016 Series B pursuant to an Indenture of Trust, dated as of \_\_\_\_\_, 2016, (the "Indenture"), by and between the Successor Agency and the Trustee; and

WHEREAS, the Successor Agency wishes to make such a deposit with the Escrow Bank and to enter into this Escrow Agreement for the purpose of providing the terms and conditions for the deposit and application of amounts so deposited; and

WHEREAS, the Escrow Bank has full powers to act with respect to the irrevocable escrow and trust created herein and to perform the duties and obligations to be undertaken pursuant to this Escrow Agreement.

NOW, THEREFORE, in consideration of the above premises and of the mutual promises and covenants herein contained and for other valuable consideration, the parties hereto do hereby agree as follows:

Section 1. Definition of Defeasance Obligations. As used herein, the term “Defeasance Obligations” shall have the meaning given such term in the Prior Indenture.

Section 2. Appointment of Escrow Bank. The Successor Agency hereby appoints the Escrow Bank as escrow bank for all purposes of this Escrow Agreement and in accordance with the terms and provisions of this Escrow Agreement, and the Escrow Bank hereby accepts such appointment.

Section 3. Establishment of Escrow Fund. There is hereby created by the Successor Agency with, and to be held by, the Escrow Bank, as security for the payment of the Prior Bonds as hereinafter set forth, an irrevocable escrow to be maintained in trust by the Escrow Bank on behalf of the Former Commission and for the benefit of the owners of the Prior Bonds, said escrow to be designated the “Escrow Fund.” All moneys and Defeasance Obligations deposited in the Escrow Fund shall be held as a special fund for the payment of the Prior Payments in accordance with the provisions of the Prior Indenture. If at any time the Escrow Bank shall receive actual knowledge that the moneys and Defeasance Obligations in the Escrow Fund will not be sufficient to make any payment required by Section 5 hereof, the Escrow Bank shall notify the Successor Agency of such fact and the Successor Agency shall immediately cure such deficiency.

The Escrow Bank may rely upon the conclusion of \_\_\_\_\_ (the “Verification Agent”) in its report dated \_\_\_\_\_, 2016 (the “Verification Report”) that the Defeasance Obligations listed on Exhibit A, together with interest to accrue thereon, and cash will be fully sufficient to pay the Prior Payments as described in the sixth recital above.

Section 4. Deposit into Escrow Fund; Investment of Amounts. Concurrently with delivery of the Bonds, the Successor Agency shall cause to be transferred to the Escrow Bank for deposit into the Escrow Fund the amount of \$\_\_\_\_\_ in immediately available funds.

The Escrow Bank shall invest all of the moneys deposited into the Escrow Fund pursuant to the preceding paragraph in the Defeasance Obligations set forth in Exhibit A attached hereto and by this reference incorporated herein (the “Escrowed Defeasance Obligations”). The purchase price of the Escrowed Defeasance Obligations is \$\_\_\_\_\_. The remainder in the Escrow Fund (\$\_\_\_\_\_) shall be held in cash uninvested (the “Cash”). The Escrowed Defeasance Obligations shall be deposited with and held by the Escrow Bank in the Escrow Fund solely for the uses and purposes set forth herein.

The Escrow Bank shall not be liable or responsible for any loss resulting from any reinvestment made pursuant to this Escrow Agreement and in full compliance with the provisions hereof.

Section 5. Instructions as to Application of Deposit; Agency Retains Right of Optional Redemption. The Successor Agency hereby irrevocably directs and instructs the Escrow Bank to apply the interest on and maturing principal amount of the Escrowed Defeasance Obligations and Cash to pay scheduled debt service on the Prior Bonds relating to the Prior Indenture, through February 1, 2016 and to redeem the remaining Prior Bonds in full on February 1, 2021 at a redemption price of 100% of the principal amount hereof, all as more particularly set forth in Exhibit B attached hereto and hereby made a part hereof. For such purpose of call and redemption prior to maturity of a portion of the Prior Bonds, the Successor Agency hereby instructs the Escrow Bank, as Prior Trustee, and the Escrow Bank, as Prior Trustee, hereby agrees to give notice of redemption, such notice of redemption to be given timely for redemption of the Prior Bonds on \_\_\_\_\_, 2021, in accordance with the applicable provisions of the Prior Indenture. Any funds remaining in the Escrow Fund after February 1, 2021, shall be delivered to the Successor Agency. Upon the receipt of funds and the investment of such funds in the Defeasance Obligations, the Escrow Bank shall send a notice of defeasance substantially in the form of Exhibit C attached hereto.

Section 6. Investment of Any Remaining Moneys. At the written direction of the Successor Agency received at least two (2) Business Days in advance, the Escrow Bank shall invest and reinvest the proceeds received from any of the Escrowed Defeasance Obligations originally deposited into the Escrow Fund for a period ending not later than the next succeeding Prior Payment date, in Defeasance Obligations; provided, however, that (a) such written directions of the Successor Agency shall be accompanied by (i) the opinion of an independent certified public accountant or firm of certified public accountants of favorable national reputation experienced in the refunding of obligations of political subdivisions, that amounts in the Escrow Fund after such investment, together with interest to be derived therefrom, shall be at all times at least sufficient to make the payments specified in Section 5 hereof, and (ii) an opinion of nationally recognized bond counsel ("Bond Counsel") that investment in accordance with such directions will not affect, for federal income tax purposes, the exclusion from gross income of interest due with respect to the Prior Bonds or the Bonds, and (b) if the Successor Agency directs such investment or reinvestment to be made in United States Treasury Securities - State and Local Government Series, the Successor Agency shall, at its cost, cause to be prepared and delivered all necessary subscription forms therefor to enable the Escrow Bank to acquire such securities not less than 14 days prior to the date of making such investment. In the event that the Successor Agency shall fail to file any such written directions with the Escrow Bank concerning the reinvestment of any such proceeds, such proceeds shall be held uninvested by the Escrow Bank. Any interest income resulting from investment or reinvestment of moneys pursuant to this Section 6 and not, in the opinion of an independent certified public accountant or firm of certified public accountants of favorable national reputation experienced in the refunding of obligations of political subdivisions, required for the purposes set forth in Section 5 shall be paid to the Trustee for deposit in the Bond Fund under the Indenture promptly upon the receipt of such interest income by the Escrow Bank.

Section 7. Application of Certain Terms of Prior Indenture. All of the terms of the Prior Indenture relating to the making of payments of principal and interest with respect to the Prior Bonds are incorporated in this Escrow Agreement as if set forth in full herein. The provisions of the Prior Indenture relating to the limitations from liability and protections afforded the Prior Trustee and the resignation and removal of the Prior Trustee are also incorporated in this Escrow Agreement as if set forth in full herein and shall be the procedure to be followed with respect to any resignation or removal of the Escrow Bank hereunder.

Section 8. Compensation to Escrow Bank. The Successor Agency shall pay the Escrow Bank full compensation for its duties under this Escrow Agreement, including out-of-pocket costs such as publication costs, redemption or redemption expenses, legal fees and other costs and expenses relating hereto and, in addition, fees, costs and expenses relating to the purchase of any Defeasance Obligations after the date hereof, pursuant to a separate agreement between the Successor Agency and the Escrow Bank. Under no circumstances shall amounts deposited in the Escrow Fund be deemed to be available for said purposes.

Section 9. Liabilities and Obligations of Escrow Bank. The Escrow Bank shall have no obligation to make any payment or disbursement of any type or incur any financial liability in the performance of its duties under this Escrow Agreement unless the Successor Agency shall have deposited sufficient funds with the Escrow Bank to satisfy such obligation. The Escrow Bank may rely and shall be protected in acting upon the written instructions of the Successor Agency or its agents relating to any matter or action as Escrow Bank under this Escrow Agreement.

The Escrow Bank undertakes such duties as specifically set forth herein and no implied duties or obligations shall be read into this Escrow Agreement against the Escrow Bank.

The Successor Agency hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save and hold harmless the Escrow Bank and its respective successors, assigns, agents and servants from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, at any time, the Escrow Bank (whether or not also indemnified against by any other person under any other agreement or instrument) and in any way relating to or arising out of the execution and delivery of this Escrow Agreement, the establishment of the Escrow Fund, the retention of the moneys therein and any payment, transfer or other application of moneys or securities by the Escrow Bank in accordance with the provisions of this Escrow Agreement, or as may arise by reason of any act, omission or error of the Escrow Bank made in good faith in the conduct of its duties; provided, however, that the Successor Agency shall not be required to indemnify the Escrow Bank against its own negligence or misconduct. The indemnities contained in this Section 9 shall survive the termination of this Escrow Agreement and the resignation and removal of the Escrow Bank.

The Escrow Bank shall not have any liability hereunder except to the extent of its own negligence or willful misconduct. In no event shall the Escrow Bank be liable for any special indirect or consequential damages.

The Escrow Bank may consult with counsel of its own choice and the opinion of such counsel shall be full and complete authorization to take or suffer in good faith any action hereunder in accordance with such opinion of counsel.

The Escrow Bank shall not be responsible for any of the recitals or representations contained herein.

Whenever in the administration of this Escrow Agreement the Escrow Bank shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence or willful misconduct on the part of the Escrow Bank, be deemed to be conclusively proved and established by a certificate of an authorized representative of the Successor Agency, and such certificate shall, in the absence of negligence or willful misconduct on the part of the Escrow Bank, be full warrant to the Escrow Bank for any action taken or suffered by it under the provisions of this Escrow Agreement upon the faith thereof.

The liability of the Escrow Bank to make the payments required by this Escrow Agreement shall be limited to the moneys and Defeasance Obligations in the escrow Fund.

The Escrow Bank shall not be liable for the accuracy of any calculations provided as to the sufficiency of the moneys or Defeasance Obligations deposited with it to pay the principal, interest, or premiums, if any, on the Bonds.

No provision of this Escrow Agreement shall require the Escrow Bank to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers.

The Escrow Agent may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care, and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed.

The Escrow Agent agrees to accept and act upon instructions or directions pursuant to this Escrow Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Escrow Agent shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the Successor Agency elects to give the Escrow Agent e-mail or facsimile instructions (or instructions by a similar electronic method) and the Escrow Agent in its discretion elects to act upon such instructions, the Escrow Agent's understanding of such instructions shall be deemed controlling. The Escrow Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Agent's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Successor Agency agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Escrow Agent, including

without limitation the risk of the Escrow Agent acting on unauthorized instructions, and the risk of interception and misuse by third parties.

The Successor Agency acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Successor Agency the right to receive brokerage confirmations of security transactions as they occur, the Successor Agency specifically waives receipt of such confirmations to the extent permitted by law. The Escrow Bank will furnish the Successor Agency periodic cash transaction statements which include detail for all investment transactions made by the Escrow Bank hereunder.

Section 10. Amendment. This Escrow Agreement may be modified or amended at any time by a supplemental agreement which shall become effective when the written consents of the owners of one hundred percent (100%) in aggregate principal amount of the Prior Bonds then outstanding shall have been filed with the Escrow Bank. This Escrow Agreement may be modified or amended at any time by a supplemental agreement, without the consent of any such owners, but only (1) to add to the covenants and agreements of any party, other covenants to be observed, or to surrender any right or power herein or therein reserved to the Successor Agency, (b) to cure, correct or supplement any ambiguous or defective provision contained herein, (c) in regard to questions arising hereunder or thereunder, as the parties hereto or thereto may deem necessary or desirable and which, in the opinion of counsel, shall not adversely affect the interests of the owners of the Prior Bonds or the Bonds, and that such amendment will not cause interest on the Prior Bonds or the Bonds to become subject to federal income taxation.

Section 11. Termination; Unclaimed Money. This Escrow Agreement shall terminate when the Prior Payments have been paid; provided, however, that (a) money held by the Escrow Bank pursuant to this Escrow Agreement for the payment and discharge of any of the Prior Payments (which shall not be payable as to interest from and after the date set for redemption) which remain unclaimed for two (2) years after such payments were due, shall be repaid by the Escrow Bank to the Successor Agency free from the trust created by the Prior Indenture and this Escrow Agreement, and the Escrow Bank shall thereupon be released and discharged with respect thereto and hereto and all liability of the Escrow Bank with respect to such money shall thereupon cease and (b) excess moneys held by the Escrow Bank not needed for the payment and discharge of the Prior Payments shall be transferred to the Bond Fund under the Indenture.

Section 12. Severability. If any section, paragraph, sentence, clause or provision of this Escrow Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, sentence, clause or provision shall not affect any of the remaining provisions of this Escrow Agreement.

Section 13. Notice of Escrow Bank and Agency. Any notice to or demand upon the Escrow Bank may be served and presented, and such demand may be made, at the principal corporate trust office of the Escrow Bank as specified by the Escrow Bank as Prior Trustee in accordance with the provisions of the Prior Indenture or by physical delivery with confirmation of receipt or by confirmed telecopy. Any notice to or demand upon the Successor Agency shall be deemed to have been sufficiently given or served for all purposes by being mailed by registered or certified mail, and deposited, postage prepaid, in a post office letter box, addressed

to such party as provided in the Prior Indenture (or such other address as may have been filed in writing by the Successor Agency with the Escrow Bank).

Section 14. Merger or Consolidation of Escrow Bank. Any company into which the Escrow Bank may be merged or converted or with which may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Escrow Bank may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible to act as Trustee under the Indenture and the Prior Indenture, shall be the successor hereunder to the Escrow Bank without the execution or filing of any paper or any further act.

Section 15. Governing Law. This Escrow Agreement shall be construed and governed in accordance with the laws of the State of California.

Section 16. Execution in Several Counterparts. This Escrow Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts shall constitute but one and the same instrument.

*(Signature page follows)*

IN WITNESS WHEREOF, the Successor Agency and the Escrow Bank have each caused this Escrow Agreement to be executed by their duly authorized officers all as of the date first above written.

CDC SUCCESSOR AGENCY OF THE CITY  
OF SANTEE

By: \_\_\_\_\_

U.S. BANK NATIONAL ASSOCIATION, as  
Escrow Bank

By: \_\_\_\_\_  
Authorized Officer

*-Signature Page-  
Escrow Deposit and Trust Agreement*

**EXHIBIT A**

**IDENTIFICATION OF AND PAYMENT SCHEDULE FOR  
ESCROWED DEFEASANCE OBLIGATIONS**

<u>Type of Security</u>	<u>Maturity Date</u>	<u>Par Amount</u>	<u>Rate</u>	<u>Cost</u>
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**EXHIBIT B**  
**PAYMENT SCHEDULE**

<u>Period</u> <u>Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u> <u>Redeemed</u>	<u>Redemption</u> <u>Premium</u>	<u>Total</u>
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**EXHIBIT C**

\$ \_\_\_\_\_  
**Community Development Commission  
of the City of Santee  
(Santee Community Redevelopment Project)  
Tax Allocation Bonds, 2011 Series A**

**and**

\$ \_\_\_\_\_  
**Community Development Commission  
of the City of Santee  
(Santee Community Redevelopment Project)  
Tax Allocation Housing Bonds, 2011 Series B (Taxable)**

**NOTICE OF DEFEASANCE**

OWNERS of certain maturities of the above-described Bonds (the “Defeased Bonds”) are hereby NOTIFIED that, pursuant to an Escrow Deposit and Trust Agreement dated as of \_\_\_\_\_, 2016, by and between the CDC Successor Agency of the City of Santee and U.S. Bank National Association, as Escrow Bank (the “Escrow Bank”), the Escrow Bank has received and holds in irrevocable trust, cash moneys or *<insert description of the actual Defeasance Obligations>* (collectively, the “Escrowed Securities”) the interest on and the principal of which obligations, when due, will provide moneys together with any such cash sufficient to pay interest on and the principal of a portion of the Defeased Bonds to February 1, 2021, as indicated on such Defeased Bonds, all as verified by an independent certified public accountant. The Escrow Bank shall collect interest on and the principal of such obligations and shall pay the same, together with any such cash moneys held by the Escrow Bank, to owners of record of the Defeased Bonds, in such amounts and at such times as shall be required to pay interest on and the principal of the Defeased Bonds to the redemption date or maturity date, as applicable.

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The Defeased Bond CUSIP numbers, maturity dates and principal amounts are listed below:

<u>Original CUSIP Number</u>	<u>Maturity Date (September 1)</u>	<u>Principal Amount Outstanding</u>	<u>Principal Amount Defeased</u>	<u>Interest Rate</u>	<u>Non-Defeased Amount</u>	<u>Defeased CUSIP</u>
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The Defeased Bonds are now deemed to have been paid, and the owners thereof shall hereafter be limited to the application of such cash moneys or Escrowed Securities for the payment of interest on and the principal of such Defeased Bonds as the same become due and payable as described above.

THIS IS NOT A NOTICE OF REDEMPTION. THIS NOTICE IS FOR INFORMATIONAL PURPOSES ONLY AND DOES NOT REQUIRE OR SOLICIT THE PRESENT SURRENDER OR EXCHANGE OF THE DEFEASED BONDS.

*The CUSIP numbers have been assigned by an independent service for convenience of reference and none of the Successor Agency, the Trustee or the Escrow Bank shall be held liable for any inaccuracy in any such CUSIP number.*

DATED: \_\_\_\_\_

U.S. BANK NATIONAL ASSOCIATION, as  
Escrow Bank, on behalf of the CDC  
SUCCESSOR AGENCY OF THE CITY OF  
SANTEE

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