



**ALAMEDA CORRIDOR-EAST CONSTRUCTION AUTHORITY
BOARD OF DIRECTORS
SPECIAL MEETING AGENDA**

**Monday, December 18, 2017 – 11:00AM
San Gabriel City Hall
425 S. Mission Drive
San Gabriel, CA 91776**

Members of the public may comment on any item on the agenda at the time it is taken up by the Board. We ask that members of the public come forward to be recognized by the Chair and keep their remarks brief. If several persons wish to address the Board on a single item, the Chair may impose a three-minute time limit on individual remarks at the beginning of the discussion.

San Gabriel City Hall is accessible to persons using wheelchairs and with other disabilities. Informational material will be available in large print. Assistive listening devices, materials in other alternate formats, American Sign Language interpreters and other accommodations will be made available upon request. Requests should be made to Deanna Stanley at 626-962-9292 ext. 142 or dstanley@theaceproject.org. Providing at least 72 hours notice will help ensure availability.

- I. Pledge of Allegiance
- II. Roll Call and Introductions
- III. Public Comment
- IV. Approval of Regular Meeting Minutes of November 27, 2017 (Pages 1 – 4) Action
- V. Chairman's Remarks
- VI. Board Member Comments
- VII. Chief Executive Officer's Report (Pages 5 – 6) Information

- | | | | |
|--------|--|-----------------|--------|
| VIII. | Hearing on Amendment to Resolution of Necessity
No. 13-13
Property Address: 19700 Business Parkway Industry,
CA 91789
APN: 8760-029-049
Property Owner: Majestic Realty Co., et. al | (Pages 7 – 23) | Action |
| IX. | Approval of Agreement with Majestic Realty for
Removal of Rail Spurs for the Fairway Drive Grade
Separation Project | (Pages 24 – 33) | Action |
| X. | Approval of Contract Amendment with WSP for
Construction Management Services for the Lemon
Avenue Betterment of the Fairway Drive Grade
Separation Project | (Pages 34 – 39) | Action |
| XI. | Approval of Contract Amendment with URS
Corporation for Design Services for the Durfee Avenue
Grade Separation Project | (Pages 40 – 41) | Action |
| XII. | Approval of Contract Amendment with AECOM for
Construction Management Services for the Puente
Avenue Grade Separation Project | (Pages 42 – 43) | Action |
| XIII. | Approval of Amendment to the Waterline Relocation
Agreement with Rowland Water District for the
Fullerton Road Grade Separation Project | (Pages 44 – 56) | Action |
| XIV. | Approval of Revised Retention Withholding Policy | (Page 57) | Action |
| XV. | Approval of Assignment of Funds for CalPERS
Unfunded Termination Liability | (Pages 58 – 59) | Action |
| XVI. | Approval of Oppose Position on Measures to Repeal
SB-1 | (Page 60) | Action |
| XVII. | Approval of 2018 Meeting Schedule | (Pages 61 – 62) | Action |
| XVIII. | Approval of Extension of Office Lease | Pages (63-67) | Action |
| XIX. | Adjournment | | Action |



If you would like to receive the ACE Board agenda electronically, please email Amy Hanson at ahanson@theaceproject.org



ACE Construction Authority Board of Directors Meeting November 27, 2017 Minutes

Chairperson Costanzo called the meeting of the Board of Directors of the Alameda Corridor-East Construction Authority to order at 12:08pm at the San Gabriel City Hall Council Chambers.

1. **Pledge of Allegiance** – Member Hadjinian led the pledge of allegiance.

2. **Roll Call:** Mr. Christoffels called the roll.

In attendance was:

Juli Costanzo, San Gabriel, Chair

Victoria Martinez, El Monte, Vice Chair

Barbara Messina, SGVCOG

Jack Hadjinian, Montebello

Tim Sandoval, Pomona

Hilda Solis, Los Angeles County

Staff:

Mark Christoffels, CEO

Gregory Murphy, Burke, Williams & Sorensen, legal counsel

Deanna Stanley

Amy Hanson

Phil Balmeo

Victoria Butler

Paul Hubler

Nathan Bocanegra

Fred Leung

Guests:

Chris Moore, CPUC

Charlie Nakamoto

John Burton, LACDPW

Waqas Rehman, First District LA County

3. **Public Comments** – Christopher Moore, CA Public Utilities Commission introduced himself as a point of contact for ACE.
4. **Approval of October 23, 2017 Board meeting minutes** – A motion was made by Member Sandoval and seconded by Vice Chair Martinez to approve the October 23, 2017 regular Board meeting minutes.

M/S/C/Sandoval/Martinez/Unanimous

5. **Chairman Remarks** – Chairperson Costanzo congratulated Vice Chair Martinez for the successful groundbreaking ceremony for El Monte’s future Veteran Family Housing facility.
6. **Board Member Comments** – Vice Chair Martinez thanked ACE for the making excess land available from completed projects for use by the City of El Monte for community needs. She explained the Baldwin Rose Family Veteran’s Housing was a public/private partnership with Mercy Housing, Los Angeles County and El Monte to provide housing and on-site supportive services for Veterans and their families. She explained the affordable housing mix was greatly needed in communities and she was proud to be a part of the project, representing both ACE and the City of El Monte.
7. **Chief Executive Officer’s Report** – Mr. Christoffels reminded the Board that the legislative meetings were being arranged in Washington DC for March 18 through March 21 and any board members planning on attending should contact Deanna Stanley. He reminded the Board that the meetings were to thank legislators and staff for their continued support and provide project updates.
8. **Construction Progress Reports** – Mr. Christoffels reviewed the progress photos of the Lemon Avenue on/off ramps which are expected to be complete by February, 2018. Victoria Butler reviewed the pump station construction photos for the Fullerton Road project. Phil Balmeo reviewed bridge foundation and excavation at the Puente Avenue project. He also reviewed pavement reconstruction photos at the San Gabriel Trench project.
9. **Approval of Local Hire Policy** – Mr. Christoffels reminded the Board that ACE does not currently utilize local hire goals on its projects though staff tracks workers who reside in the San Gabriel Valley which are provided to the Board during the project close out process. He indicated staff worked with Metro, the County and City of Los Angeles to develop the program which staff proposed a two tier process. He reviewed the process and its restrictions. The policy will be two tiered with an 8% goal for San Gabriel Valley residents and 30% Los Angeles County residents.
Member Solis thanked staff for their efforts.

A motion was made to approve a local hire policy for the Authority’s construction projects with a minimum contract value of \$2.5 million and not prohibited by funding source.

M/S/C/Solis/Hadjinian/Unanimous

10. **Approval of Declaration of Surplus Property at 921 Fairway Drive, Walnut, CA** – Mr. Christoffels reminded the Board that typically at the end of a project with excess property the Board is asked to declare it surplus. He indicated in accordance with right of way guidelines this then allows the agency to begin the process for

sale. The property must first be made available to a public entity for certain uses and if no interest shown, only then to the general public. He reminded the board that the property at 921 Fairway Drive was acquired through court order and consists of a 60 unit self-storage facility and strip mall of mostly auto repair businesses. He indicated staff has been approached by interested parties. He indicated if the Board approves declaration of the property surplus this will allow staff to begin the process of selling it if staff determines it is in the best financial interest of the agency. He reminded the board that the property was purchased for \$16 million and the current occupancy rate at the self-storage is at 90% which makes the property an attractive investment opportunity.

A motion was made to declare the parcel located at 921 Fairway Drive, Walnut CA as surplus and direct the Chief Executive Officer to determine the public/market interest of potential sale at this time.

M/S/C/Sandoval/Solis/Unanimous

11. **Approval of Closeout of Construction Contract with GMZ Engineering and Acceptance of Temple Avenue 4th Track Diversion Project** – Mr. Christoffels reviewed the Temple Avenue Culvert project and indicated the work, performed by GMZ Engineering began in June and is now complete. There were no questions.

A motion was made to accept the Temple Avenue 4th Track Culvert Replacement project construction contract with GMZ Engineering as being completed in conformance with the project plans and specifications; approve the final closeout of the construction contract; and authorize the Contracts Manager to release the labor and materials bond and the faithful performance bond upon expiration of the required lien period, if no claims or objections have been filed, upon concurrence of the Chief Executive Officer.

M/S/C/Solis/Martinez/Unanimous

12. **Approval of Closeout of Construction Contract with Horizons Company International and Acceptance of the Property Modifications at Fairway Storage for the Fairway Drive Grade Separation Project as Complete** – Mr. Christoffels reviewed the scope of the property modifications required as a result of the Fairway Drive grade separation project. He indicated a relocation of driveway required a building to be removed. He reported that the property was also cited for inadequate ADA compliance and the contractor was asked to perform site grading and reconstruction including restriping in order to meet the current ADA requirements. There were no questions.

A motion was made to accept the construction contract with Horizons Company International as being completed in conformance with the project plans and

specifications; approve final closeout of the contract and authorize the Contracts Manager to release the labor and materials bond and the faithful performance bond upon expiration of the required lien period and if no claims or objections have been filed, upon concurrence of the Chief Executive Officer.


M/S/C/Solis/Sandoval/Unanimous

13. **Adoption of 2018 State and Federal Legislative Program** – Paul Hubler reviewed staff efforts to secure additional state and federal funding. He reviewed the highlights of the 2018 state and federal legislative program. He indicated the federal goals included securing support for ACE applications such as INFRA and TIGER, work with the Coalition for America’s Gateways and Trade Corridors and other stakeholders for supporting the ACE program. State goals included submission of applications for funding under Senate Bill 1, monitor and advocate for initiatives or legislation that would provide additional funding sources and continue regional collaborative efforts that would benefit ACE.

A motion was made to adopt the 2018 State and Federal Legislative Program.

M/S/C/Solis/Martinez/Unanimous

14. **Adjournment** –The Board meeting was adjourned at 1:06PM. The next meeting will be held December 18, 2017.

X 

Deanna Stanley
Clerk of the Board

MEMO TO: ACE Construction Authority Board Members & Alternates

FROM: Mark Christoffels
Chief Executive Officer

DATE: December 18, 2017

SUBJECT: CEO Report

The following are items of note since the last meeting:

SGVCOG/ACE Integration Update – The SGVCOG Governing Board approved a revised JPA agreement that will, amongst other things, restructure ACE into a committee of the SGVCOG. The JPA agreements must be adopted by 19 member cities in order for the change to occur. Currently 24 cities have it scheduled for review and potential adoption at their council meetings. It is anticipated the required 19th approval will occur in January making the amended JPA effective that month. Thereafter a new committee will be developed, replacing the current ACE Board. The structure will be based on district elections to be held in May, with effective terms beginning in July. Until then the current ACE Board will remain in place as members of the new committee. In addition, the SGVCOG is now recruiting for an Executive Director, a position that will encompass the efforts of the SGVCOG and ACE. An executive search firm is handling the recruitment for this position and the filing deadline for interest is December 29.

TCEP Grant Application – Staff is preparing to submit grant applications next month seeking funds from the Senate Bill 1-funded Trade Corridor Enhancement Program for the Montebello Boulevard and Turnbull Canyon Road grade separations. Similar to the application submitted this month for federal funds, the ACE applications will be submitted as a package of freight rail improvements, including on- and near-dock rail projects at the San Pedro Bay ports. We are seeking a total of \$70 million for the construction phase of the ACE projects.

CTC Presentation – I gave an presentation regarding the ACE program at the December 6 meeting of the California Transportation Commission in Riverside. The CTC is a major funder of the ACE projects with \$648 million in state funds constituting 38 percent of the overall ACE budget. I stressed the importance of the SB 1 funding programs to the completion of the ACE program, given the depletion of the Prop 1B funds which have been critical to our program.

Contracting – Our Administrative Code delegates to the CEO the authority to approve new contracts or change orders for Board-approved contracts within certain limits, with a requirement that I report to the Board any such contract action. Since my last report, I have approved the following:

Consultant/Vendor	Reason for Change	Change Amount	Total Contract Value
OHL USA, Inc.	Fairway Drive Grade Separation project: Change Order No. 5 – Retaining Wall 89R Acceleration	\$195,815	\$92,151,965
Interior Demolition, Inc.	Demolition & Construction Related Services at Durfee Avenue grade separation project	\$105,500	\$1,187,460
PreScience Corporation	Third-Party Inspection Services for San Gabriel Trench Project	\$20,000	\$20,000
APSI CM	Third-Party Schedule Assessment for San Gabriel Trench Project	\$35,000	\$35,000
WSP	Traffic counts for the Fairway Drive grade separation project	\$4,358	8,670,121
Biggs Cardosa Associates	Traffic counts and UPPR modifications for the Fullerton Road grade separation project	\$31,450	\$11,267,679

Community Outreach Update – Staff conducted the following project outreach activities:

- Distributed construction alert notices regarding the temporary closure of Mission Drive and Ramona Street bridge for road rehabilitation for the San Gabriel Trench project;
- Distributed construction alert notices regarding property demolition for the Durfee Avenue project; and
- Conducted ongoing community outreach and support activities for the San Gabriel Trench, Puente Avenue, Fairway Drive and Fullerton Road grade separation projects.



MEMO TO: ACE Construction Authority Board Members and Alternates

FROM: Mark Christoffels
Chief Executive Officer

DATE: December 18, 2017

SUBJECT: Amended Resolution of Necessity for Property Acquisition - No. 13-13
Fairway Drive Grade Separation Project
Property Owner: Majestic Realty Co. and Fairway Sub C, LLC, et al.
19700 Business Parkway, City of Industry, CA
APN: 8760-029-049
ACE Parcel No.: 204H

RECOMMENDATION: Staff recommends the ACE Construction Authority:

1. Conduct a hearing on Amended Resolution 13-13 of the ACE Construction Authority finding and determining that, among other things, the public interest, convenience and necessity require the amendment of Resolution 13-13 and the acquisition of certain property for public purposes for the Durfee Avenue Grade Separation Project;
2. Review the evidence presented, including this staff report and public comments and close the hearing; and
3. Adopt the attached Amended Resolution 13-13 authorizing the amendment of eminent domain proceedings, and/or other means, so as to acquire one (1) permanent sanitation district easement 10,979 s.f. in size, (1) modified gas company easement containing 14,561 s.f. more or less, and (1) 36-month temporary construction easement that contains modified easement interests in three segments totaling 20,051 s.f. in size; in addition to the unaltered (1) permanent roadway easement 1,315 s.f. in size, one (1) permanent utility easement 13,651 s.f. in size, one (1) permanent retaining wall easement 428 s.f. in size, (1) footing easement 1,506 in size and (1) bridge easement 147 s.f. in size, from that certain parcel bearing Los Angeles Assessor Parcel Number 8760-029-049. The durations of the TCEs referenced above shall commence no sooner than 30 days after the ACE Construction Authority mails a written Notice of Commencement of TCE. (Note: This requires an affirmative TWO-THIRDS (2/3) vote of the ACE Construction Authority Board).

BACKGROUND: The ACE Construction Authority was formed pursuant to the California Joint Powers law (Govt. Code section 6500 et seq.) for purposes of implementing the

Alameda Corridor East ("ACE Project"). The ACE Project is a multi-phase project that will improve the safety and efficiency of railroad crossings from Los Angeles, east to San Bernardino County to mitigate some of the impacts created by increased rail traffic from the Ports of Long Beach and Los Angeles.

Included in the ACE Project is a grade separation of Fairway Drive/E. Walnut Drive N. ("Fairway Drive Grade Separation Project") in the City of Industry, County of Los Angeles from the Union Pacific Railroad right-of-way, which will eliminate current and future long delays of traffic at the crossing. The Fairway Drive Grade Separation Project is statutorily exempt from CEQA pursuant to Public Resources Code section 21080.13. In order to accommodate the grade separation at Fairway Drive/E. Walnut Drive N., one (1) permanent roadway easement, one (1) permanent utility easement, one (1) permanent retaining wall easement, one (1) permanent wall footing easement, one (1) permanent bridge footing easement, two (2) 36-month temporary construction easements, and (1) 4-month temporary construction easement, were originally required from that certain parcel bearing Los Angeles Assessor Parcel Number 8760-029-049.

The property identified in the original ACE Resolution 13-13 is owned by Majestic Realty Co. and Fairway Sub C, LLC, et al. ("The Majestic Owners"). The Larger Parcel is 258,652 s.f. in size, and is improved with a single tenant industrial building built in 1996, with a gross square footage of approximately 120,048 s.f. The site includes asphalt paved parking areas, exterior lighting, cement paved loading areas, chain link fencing, a rail spur and rail car loading, and miscellaneous landscaping.

Pursuant to California Government Code sections 6500 et seq., 7267.2, 37350.5, and 40401 et seq. and 40404, and California Code of Civil Procedure Section 1230.010 et seq., 1240.410 and 1240.020, and Section 19, Article I of the California Constitution, and other authorities, the ACE Construction Authority is authorized to acquire the subject property in part or whole by eminent domain, provided certain procedural steps are followed.

ACE staff tendered an offer to purchase to the Majestic Owners in the amount of \$424,400 on September 25, 2013 for the originally identified easement. But, with an agreement not having been reached, the Board adopted a Resolution of Necessity for acquisition of the originally identified easements, on October 28, 2013, and Eminent Domain proceedings were commenced on November 12, 2013, ACE having made all necessary findings and having met all statutory prerequisites thereto. (The property interests in Resolution 13-13 were combined with those in ACE Resolution 13-17 for Eminent Domain filing purposes due to proximity and common ownership of the parcels.)

During construction of the Project, it was discovered that an existing Southern California Gas Company easement on parcel 8760-029-049 would need to be amended to allow for nearly uninterrupted service of gas through the pipeline that intersects Fairway Drive, and thus an adjacent easement for the County Sanitation District No. 21 of Los Angeles

and the temporary construction easements would need to be modified, as well. Therefore, ACE, the Majestic Owners and the sole tenant on the property, Tung Hsin Trading Corp ("THT") entered into a Stipulation (attached hereto as Exhibit 1) whereby they agreed that: 1) the Majestic Owners would execute an Amendment to Right of Way, to grant to the Southern California Gas Company, a California Corporation, a revised easement for its gas pipeline, 2) a request would be made to ACE's governing board at its first available public meeting to consider adoption of an Amended Resolution of Necessity ("Amended RON") that ACE acquire an easement for a modified sewer line and uses appurtenant thereto (204H-LACSD) and modified Temporary Construction Easements (formerly identified as ACE Parcel Nos. 204H-TCE1, 204H-TCE2, 204H-TCE3, 204H-TCE4, 204H-TCE5-1 and 204H-TCE5-2) affecting Assessor Parcel Number 8760-029-049, in addition to the unaltered easements identified in the original Complaint in Eminent Domain as Parcel Nos. 204H-PE, 204H-UE, 204H-RW, 204H-FTG, and 204H-BR also affecting APN 8760-029-049, for the above-stated public use, 3) the unaltered easement 204DD-TCE (affecting Assessor Parcel No. 8760-029-035) adopted by the Board as Resolution No. 13-17 shall remain unchanged, and 4) ACE may take immediate possession of the amended TCEs and 204H-LACSD.

By way of the stipulation attached hereto as Exhibit 1, Majestic Owners and THT waived further notice of the hearing on the proposed Amended RON and stipulate that all requirements necessary for consideration of adoption of the Amended RON had been satisfied, including those matters in Article 2 of the Eminent Domain Law and those matters related to a statutory offer as set forth in Government Code section 7267.2. The Majestic Owners and THT further stipulated that if ACE's governing board approves the request and adopts an Amended RON for the taking of the revised easements affecting Assessor Parcel No. 8760-029-049 ("Subject Property"), that said modified taking is necessary for the Project, that the public interest and necessity require the Project, and that the Project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury.

The parties agreed that if ACE's governing board approves the request and adopts an Amended Resolution 13-13 to modify the taking of portions of the property, a First Amended Complaint in Eminent Domain, supported by the Amended RON and ACE's Resolution 13-17 adopted October 28, 2013, shall be filed.

After conducting the public hearing, if the ACE Construction Authority finds that the public necessity so requires, the ACE Construction Authority should adopt the attached Amended Resolution 13-13, authorizing amendment of condemnation proceedings for the purpose of acquiring the modified property which interest are described in Amended Resolution 13-13.

The findings, which need to be made, are as set forth in the Amended Resolution 13-13. Specifically, the ACE Construction Authority must find:

1. That the public interest, convenience and necessity require the acquisition of the proposed project. As proposed, the Fairway Drive Grade Separation Project will serve public purposes, as discussed above; and
2. That the Fairway Drive Grade Separation Project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury. As set forth above, the Property is being acquired to improve the safety and efficiency of the rail crossing by constructing a grade separation at Fairway Drive/ E. Walnut Drive N. The original 1997 San Gabriel Valley Council of Governments study looked at alternatives to an underpass and different grade separation configurations to identify any overall project cost and real estate impact reductions. Subsequently, as the design of the project began, ACE staff evaluated alternative configurations in greater detail. Additionally, ACE conducted an Engineering Value Analysis workshop that engaged stakeholders and technical experts to analyze and vet the various design scenarios. The no build alternative was examined through the project ranking process described in the 1997 report. Fairway Drive is a primary arterial street, serving multiple residential and commercial areas. The Fairway Drive Grade Separation project constructed as an underpass will eliminate the possibility of train—vehicle collisions at this location and the effect of stopped and moving trains on vehicular traffic capacity; and in order to build such an underpass Southern California Gas Company now needs to relocate its transmission line to a new area to avoid taking such a substantive facility off-line for any substantial duration, thus affecting needs for relocation of boundaries for an existing sanitary sewer easement and temporary construction easements; and
3. That the amended property interests sought to be acquired are necessary for the Fairway Drive Grade Separation Project. From the subject property it is necessary to acquire for a permanent easement for roadway purposes, permanent easement for retaining wall, permanent easement for retaining wall footing, permanent easement for bridge footing, utility easements and amended temporary construction easements, an amended Right of Way for gas line purposes, and a modified sanitary sewer easement. The property owners agreed to execute an Amendment to Right of Way as set forth in the attached Stipulation for Scope of Take to avoid a necessary interruption to construction. Without the acquisition of the various amended permanent easements and amended temporary construction easements and unaltered easements, the proposed Fairway Drive Grade Separation Project cannot be completed; and
4. That ACE has complied with CEQA. The Fairway Drive Grade Separation Project is statutorily exempt pursuant to Public Resources Code section 21080.13. The

Legislature created an absolute exemption for railroad grade separations via Public Resources Code § 21080.13, which provides that CEQA “does not apply to any railroad grade separation project which eliminates an existing grade crossing or which reconstructs an existing grade separation.” Cal. Pub. Res. Code § 21080.13. The Fairway Drive Grade Separation Project eliminates an existing grade crossing. Based upon § 21080.13, the Fairway Drive Grade Separation Project is therefore exempt from CEQA review. Since the Fairway Drive Grade Separation is exempt from CEQA, no environmental review is necessary, and it may be implemented without any CEQA compliance whatsoever.

Questions relating to value are not relevant to this proceeding. However, that does not mean that negotiations for the acquisition of the property interests are at an end. If the ACE Construction Authority adopts Amended Resolution of Necessity 13-13, after the hearing, negotiations for the acquisition of the property interests may continue to take place.

BUDGET IMPACT: Funds for the acquisition of this property are available from MTA Measure R and Proposition C funds and are included in the Authority’s FY 2018 budget.

ATTACHMENTS

1 DUFF MURPHY, State Bar No. 106091
 2 CYNTHIA C. MARIAN, State Bar No. 185206
 3 OLIVER, SANDIFER & MURPHY
 4 1230 Rosecrans Avenue, Suite 300
 5 Manhattan Beach, California 90266
 Telephone: (213) 621-2000;
 (424) 456-3194
 Facsimile: (424) 456-3094

6 Attorneys for Plaintiff

7
 8
 9 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
 10 **FOR THE COUNTY OF LOS ANGELES**

11 ALAMEDA CORRIDOR-EAST
 12 CONSTRUCTION AUTHORITY,

13 Plaintiff

14 vs.

15 MAJESTIC REALTY CO., a California
 16 Corporation and FAIRWAY SUB C, LLC, a
 17 Delaware Limited Liability Company, each as
 18 to an Undivided 50 percent interest, as
 19 Tenants in Common; COUNTY
 20 SANITATION DISTRICT NO. 21 OF LOS
 21 ANGELES COUNTY, a body corporate and
 22 politic; SOUTHERN CALIFORNIA EDISON
 23 COMPANY, a Corporation; THE
 24 PRUDENTIAL INSURANCE COMPANY
 OF AMERICA, a New Jersey Corporation;
 SOUTHERN CALIFORNIA GAS
 COMPANY, a Corporation and SOUTHERN
 COUNTIES GAS COMPANY OF
 CALIFORNIA; CITY OF INDUSTRY;
 COUNTY OF LOS Angeles; DOE 1 through
 DOE 100; and ALL PERSONS UNKNOWN
 CLAIMING AN INTEREST IN THE
 PROPERTY TO BE CONDEMNED
 HEREIN,

25 Defendants.

NO. BC 527310

**STIPULATION RE SCOPE OF TAKE AND
 TRANSFER OF POSSESSION**

[ACE Parcel Nos. 204DD-TCE, 204H-BR,
 204H-FTG, 204H-PE, 204H-RW, 204H-TCE-1,
 204H-TCE-2, 204H-TCE-3, 204H-TCE4, 204H-
 TCE5-1, 204H-TCE5-2, 204H-UE]

[APN 8760-029-035 and APN 8760-029-049]

[Exempt from filing fees - Government Code
 §6103]

Assigned for all purposes to:
 Judge Mel Red Recana
 Department 45

Plaintiff Alameda Corridor-East Construction Authority, on Behalf of the San Gabriel Valley Council of Governments ("ACE") and defendants MAJESTIC REALTY CO., a California Corporation and FAIRWAY SUB C, LLC, a Delaware Limited Liability Company, each as to an Undivided 50 percent interest, as Tenants in Common (collectively "Majestic") and TUNG HSIN TRADING CORP, Doe 1 (hereinafter "THT") stipulate as follows:

1. On November 12, 2013, ACE filed its Complaint in Eminent Domain to take easements over a portion of the Majestic Owner's property identified as APNs 8760-029-035 and 8760-029-049, generally located at Fairway Drive and Business Parkway in the City of Industry for the Alameda Corridor-East Project ("Project").

2. During construction of the Project, it was discovered that an existing Southern California Gas Company easement on parcel 8760-029-049 would need to be amended to allow for nearly uninterrupted service of gas through the pipeline that intersects Fairway Drive, and thus an adjacent easement for the County Sanitation District No. 21 of Los Angeles and the temporary construction easement would need to be modified, as well. Therefore, the parties have agreed that:

1) The Majestic Owners will execute an Amendment to Right of Way, a copy of which is attached hereto as Exhibit "1", to grant to the Southern California Gas Company, a California Corporation, a revised easement for its gas pipeline, 2) a request will be made to ACE's governing board at its first available public meeting to consider adoption of an Amended Resolution of Necessity ("Amended RON") that ACE acquire an easement for a modified sewer line and uses appurtenant thereto (204H-LACSD) and modified Temporary Construction Easements (formerly identified as ACE Parcel Nos. 204H-TCE1, 204H-TCE2, 204H-TCE3, 204H-TCE4, 204H-TCE5-1 and 204H-TCE5-2) affecting Assessor Parcel Number 8760-029-049, in addition to the unaltered easements identified in the original Complaint as Parcel Nos. 204H-PE, 204H-UE, 204H-RW, 204H-FTG, and 204H-BR also affecting APN 8760-029-049, for the above-stated public use. (The maps and legal descriptions of the proposed easements affecting Assessor Parcel No. 8760-029-049 are attached hereto as Exhibit "2"), 3) the unaltered easement 204DD-TCE (affecting Assessor Parcel No. 8760-029-035) adopted by the Board as Resolution No. 13-17 shall remain unchanged, and 4) ACE may take immediate possession of the amended TCEs and 204H-LASCD.

OLIVER, SANDIFER & MURPHY
A PROFESSIONAL CORPORATION
1230 ROSECRANS AVENUE, SUITE 300
MANHATTAN BEACH, CALIFORNIA 90266
TELEPHONE: (213) 621-2000
(424) 456-3194

1 3. The Majestic Owners and THT waive notice of the hearing on the proposed
2 Amended RON and stipulate that all requirements necessary for consideration of adoption of the
3 Amended RON have been satisfied, including those matters in Article 2 of the Eminent Domain
4 Law and those matters related to a statutory offer as set forth in Government Code section 7267.2.
5 The Majestic Owners and THT further stipulate if ACE's governing board approves the request
6 and adopts an Amended RON for the taking of the revised easement affecting Assessor Parcel No.
7 8760-029-049 ("Subject Property"), that said taking is necessary for the Project, that the public
8 interest and necessity require the Project, and that the Project is planned or located in the manner
9 that will be most compatible with the greatest public good and the least private injury.

10 4. The parties agree that if ACE's governing board approves the request and adopts an
11 Amended RON to modify the taking of portions of the property, a First Amended Complaint in
12 Eminent Domain, supported by the Amended RON and ACE's Resolution 13-17 adopted October
13 28, 2013, will be filed.

14 5. The Majestic Owners and THT waive any costs and litigation expenses, including
15 attorneys' fees, related to the proposed Amended Resolution and FAC, which may otherwise be
16 recoverable under Code of Civil Procedure section 1250.340 or 1268.610, other than as set forth
17 herein. As compensation for the modification to the Southern California Gas Company easement
18 and reimbursement of litigation expenses for amendment of the Complaint pursuant to Code of
19 Civil Procedure Section 1250.340, ACE shall pay to the Majestic Owners the sum of \$50,000, by
20 check payable to Majestic Realty Co., within 30 days of execution of this stipulation.

21 6. If ACE's governing board approves the request and adopts an Amended RON to
22 take the revised easements, the parties also agree to the following:

23 a. ACE will file a FAC pursuant to Code of Civil Procedure section 1250.340,
24 and the sum deposited with the State Treasurer on or about November 15, 2013,
25 shall be deemed to be the amount of probable compensation pursuant to Code of
26 Civil Procedure Section 1255.010 for the interests identified in the FAC.

27 b. The Majestic Owners and THT will waive any and all objections to ACE's
28 right to take the Subject Property.

OLIVER, SANDIFER & MURPHY
A PROFESSIONAL CORPORATION
1230 ROSECRANS AVENUE, SUITE 300
MANHATTAN BEACH, CALIFORNIA 90266
TELEPHONE: (213) 621-2000
(424) 456-3194

1 c. The date of valuation to be used in this action will be the date that FAC is
2 filed.

3 d. The parties agree that ACE shall be authorized to take possession, of the
4 revised easements immediately as if they were part of the original Complaint in
5 Eminent Domain and therefore subject to the Order for Prejudgment Possession(s)
6 which became effective in this matter on or about April 2, 2014.

7 7. The parties agree to execute such other documents, and to take such other action, as
8 may be necessary to finalize this Stipulation, perform in accordance with its terms, and request
9 continuance of the trial currently schedule for September 5, 2017.

11 DATED: _____, 2017

ALAMEDA CORRIDOR-EAST CONSTRUCTION
AUTHORITY

14 By: _____

15 Its: _____

16 DATED: _____, 2017

MAJESTIC REALTY CO., California Corporation

18 By: _____

19 Its: _____

20 DATED: _____, 2017

FAIRWAY SUB C, LLC, a Delaware Limited
Liability Company

22 By: Principal Real Estate Investors, LLC, a Delaware
23 limited liability company, its authorized signatory

24 By: _____

25 Its: _____

26 By: _____

27 Its: _____

OLIVER, SANDIFER & MURPHY
A PROFESSIONAL CORPORATION
1230 RIVERCHASE DRIVE, SUITE 300
MIRAMAR, CALIFORNIA 92266
Telephone (951) 621-2000
Fax (951) 621-3151

c. The date of valuation to be used in this action will be the date that FAC is filed.

d. The parties agree that ACE shall be authorized to take possession of the revised easements immediately as if they were part of the original Complaint in Eminent Domain and therefore subject to the Order for Prejudgment Possession(s) which became effective in this matter on or about April 2, 2014.

7. The parties agree to execute such other documents, and to take such other action, as may be necessary to finalize this Stipulation, perform in accordance with its terms, and request continuance of the trial currently scheduled for September 5, 2017.

DATED: _____, 2017 ALAMEDA CORRIDOR-EAST CONSTRUCTION AUTHORITY

By: 

Its: _____

DATED: _____, 2017 MAJESTIC REALTY CO., California Corporation

By: 

Its: _____

DATED: _____, 2017 FAIRWAY SUB C, LLC, a Delaware Limited Liability Company

By: Principal Real Estate Investors, LLC, a Delaware limited liability company, its authorized signatory

By: _____

Its: _____

By: _____

Its: _____

OLIVER, SANDIFER & MURPHY
A PROFESSIONAL CORPORATION
1230 ROSECRANS AVE., SUITE 300
MARIETTA, GA 30066
TELEPHONE (404) 456-3194

c. The date of valuation to be used in this action will be the date that FAC is filed.

d. The parties agree that ACE shall be authorized to take possession of the revised easements immediately as if they were part of the original Complaint in Eminent Domain and therefore subject to the Order for Prejudgment Possession(s) which became effective in this matter on or about April 2, 2014.

7. The parties agree to execute such other documents, and to take such other action, as may be necessary to finalize this Stipulation, perform in accordance with its terms, and request continuance of the trial currently schedule for September 5, 2017.

DATED: _____, 2017

ALAMEDA CORRIDOR-EAST CONSTRUCTION
AUTHORITY

By: _____

Its: _____

DATED: _____, 2017

MAJESTIC REALTY CO., California Corporation

By:  

Its: _____

DATED: _____, 2017

FAIRWAY SUB C, L.L.C. a Delaware Limited
Liability Company

By: Principal Real Estate Investors, L.L.C, a Delaware
limited liability company, its authorized signatory

By: _____

Its: _____

By: _____

Its: _____

OLIVER, SANDIFER & MURPHY
A PROFESSIONAL CORPORATION
1230 ROSECRANS AVENUE, SUITE 300
MANHATTAN BEACH, CALIFORNIA 90266
TELEPHONE: (424) 456-3194

1 c. The date of valuation to be used in this action will be the date that FAC is
2 filed.

3 d. The parties agree that ACE shall be authorized to take possession of the
4 revised easements immediately as if they were part of the original Complaint in
5 Eminent Domain and therefore subject to the Order for Prejudgment Possession(s)
6 which became effective in this matter on or about April 2, 2014.

7 7. The parties agree to execute such other documents, and to take such other action, as
8 may be necessary to finalize this Stipulation, perform in accordance with its terms, and request
9 continuance of the trial currently schedule for September 5, 2017.

10
11 DATED: _____, 2017

ALAMEDA CORRIDOR-EAST CONSTRUCTION
AUTHORITY

12 By: _____

13 Its: _____

14
15
16 DATED: _____, 2017

MAJESTIC REALTY CO., California Corporation

17 By: _____

18 Its: _____

19
20 DATED: September 20, 2017

FAIRWAY SUB C, LLC, a Delaware Limited
Liability Company

21 By: Principal Real Estate Investors, LLC, a Delaware
22 limited liability company, its authorized signatory

23 By: Joel L. Winchler

24 Its: Investment Director
25 Asset Management

26 By: _____

27 Its: _____

**RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:**

Southern California Gas Company
Land and Right of Way Department
P. O. Box 513249, ML GT11A1
Los Angeles, CA 90051-1249

AMENDMENT TO RIGHT OF WAY

R/W 11,975

This Amendment to Right of Way is dated for reference purposes only this ____ day of June, 2017, and is made and entered into by and between SOUTHERN CALIFORNIA GAS COMPANY, a California corporation ("SoCalGas") and MAJESTIC REALTY CO., a California Corporation and FAIRWAY SUB C, LLC, a Delaware Limited Liability Company, each as to an undivided 50 percent interest, as tenants in common ("Owners"), with reference to the following recitals of fact:

WHEREAS, SoCalGas is the holder of a certain Right of Way, described as follows;

Right of Way dated June 7, 1950, and recorded June 23, 1950 in Book 33483, Page 179, Official Records, County Los Angeles, State of California,

WHEREAS, such document encumbers certain real property owned by Owners which is located in the County of Los Angeles, State of California;

WHEREAS, the parties hereto desire to amend the legal descriptions of the Rights of Way as provided herein;

NOW THEREFORE, incorporating the above recitals and for valuable consideration, the receipt of which is acknowledged hereby, the parties agree as follows;

1. The legal description of the Right of Way shall be amended to that 16.5 foot wide strip of land as described in Exhibit "A" and as depicted in Exhibit "B" attached hereto and by this reference incorporated herein,
2. Excepted as modified hereby, all other terms, conditions and provisions of the original right of way remain in full force and effect,

3. This Amendment to Right of Way shall inure to the benefit of and be binding upon the successors and assigns of the respective parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment to Rights of Way on the dates written below.

SOUTHERN CALIFORNIA GAS COMPANY

DATE: _____

BY: _____
Artemis G. Manos

TITLE: Land and Right of Way Supervisor

MAJESTIC REALTY CO., a California Corporation

DATE: _____

BY: _____

ITS: _____

FAIRWAY SUB C, LLC, a Delaware Limited Liability Company

By: Principal Real Estate Investors, LLC, a Delaware limited liability company, its authorized signatory

DATE: _____

BY: _____

ITS: _____

BY: _____

ITS: _____

AMENDED RESOLUTION NO. 13-13

**AN AMENDED RESOLUTION OF THE
ALAMEDA CORRIDOR EAST – GATEWAY TO
AMERICA CONSTRUCTION AUTHORITY
FINDING AND DETERMINING THAT THE
PUBLIC INTEREST, CONVENIENCE AND
NECESSITY REQUIRE AN AMENDMENT TO
THE ACQUISITION OF CERTAIN PROPERTY
FOR PUBLIC PURPOSES**

**THE ALAMEDA CORRIDOR EAST – GATEWAY TO AMERICA CONSTRUCTION
AUTHORITY DOES HEREBY RESOLVE AS FOLLOWS:**

SECTION 1. The Alameda Corridor East – Gateway to America Construction Authority (hereafter "ACE Construction Authority"), after consideration of the staff report, staff presentation, discussion, oral testimony and evidence presented at its Board Meeting on Monday, December 18, 2017 at 11 a.m. hereby finds, determines and declares as follows:

- (a) ACE Construction Authority on behalf of the San Gabriel Council of Governments is authorized by statute and pursuant to that certain Joint Powers Agreement dated September 17, 1998, as amended, to acquire property by eminent domain within the City of Industry, County of Los Angeles, State of California for the Alameda Corridor-East Project ("ACE Project"); and
- (b) The public interest, convenience and necessity require the proposed Fairway Drive Grade Separation Project in the City of Industry, County of Los Angeles, State of California as part of said Fairway Drive Grade Separation Project, which includes railroad crossing safety and efficiency improvements and all uses appurtenant thereto intended to partially mitigate the impacts of increased rail traffic from the completed Alameda Corridor on motor vehicle traffic; and
- (c) The interests in real property to be acquired from that certain parcel bearing Los Angeles County Assessor Parcel no. 8760-029-049 are: one permanent modified sanitation district easement, one permanent modified gas line easement, and one 36-month temporary construction easement that contains modified boundaries in three segments (in lieu of, rather than in addition to, the temporary construction easements originally identified in Resolution of Necessity 13-13), as well as the originally identified, and now unaltered permanent roadway easement, utility easement, retaining wall easement, footing easement and bridge easement for which this Board adopted Resolution of Necessity No. 13-13. Said interests are legally described on Exhibits A, A-1, A-2, A-3, A-4, A-5, A-6, and A-7, attached hereto and incorporated herein by this reference ("Property"). The Property is located within the City of Industry, County of Los Angeles, State of California.

Maps showing the general location of the Property are attached hereto, marked Exhibits B, B-1, B-2, B-3, B-4, B-5, B-6, and B-7 and are incorporated herein by reference and made a part hereof. The duration of the TCEs sought to be acquired are set forth in Exhibit C, attached hereto and incorporated herein by this reference;

- (d) The Fairway Drive Grade Separation Project is planned and located in a manner that will be most compatible with the greatest public good and least private injury in that it is specifically designed to improve traffic safety and efficiency at the intersection of Fairway Drive/ E. Walnut Drive N. and the Union Pacific Railroad in the City of Industry, County of Los Angeles, State of California.
- (e) The taking of the Property is necessary for the Fairway Drive Grade Separation Project and such taking is authorized by Section 19, Article I of the California Constitution, Sections 6500 et seq., 37350.5, 40401 et seq. and 40404 of the California Government Code, Section 1230.010 et seq., 1240.020 and 1240.410, of the California Code of Civil Procedure, and other applicable law; and
- (f) The offer to purchase required by California Government Code Section 7267.2 has been made to the owner of the Property.
- (g) The necessary notice of hearing on this Amended Resolution has been given, as required by Code of Civil Procedure section 1245.235.
- (h) ACE has fully complied with the California Environmental Quality Act ("CEQA") as the Fairway Drive Grade Separation Project is statutorily exempt pursuant to Public Resources Code section 21080.13.

SECTION 2. ACE Construction Authority hereby declares that it is its intention to acquire said Property in accordance with the provision of the laws of the State of California governing condemnation procedures.

SECTION 3. ACE Construction Authority further finds that if any portion of the area of the Property has been appropriated to some public use, the public uses to which it is to be applied by ACE Construction Authority, as described above, are more necessary and paramount public uses, pursuant to Code of Civil Procedure section 1240.610, or alternatively, are compatible with those other uses pursuant to Code of Civil Procedure section 1240.510.

SECTION 4. ACE Legal Counsel is authorized and directed to prepare, institute and prosecute such amended proceedings in the proper Court having jurisdiction thereof as may be necessary for the acquisition of said Property, including the filing of an application for an Order for Possession prior to judgment, if necessary.

SECTION 5. This Amended Resolution shall be effective immediately upon its adoption.

SECTION 6. The Clerk of the ACE Construction Authority shall certify the adoption of this Amended Resolution and certify this record to be a full true, correct copy of the action taken.

PASSED, APPROVED AND ADOPTED this 18^h day of December, 2017.

ATTEST:

Deanna Stanley, Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES)§
CITY OF SAN GABRIEL)

I HEREBY CERTIFY that the foregoing Amended Resolution 13-13 was duly adopted by the ACE Construction Authority at a special meeting thereof, held on the 18th day of December 2017, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Deanna Stanley, Clerk



MEMO TO: ACE Construction Authority Board Members and Alternates

FROM: Mark Christoffels
Chief Executive Officer

DATE: December 18, 2017

SUBJECT: Approval of Agreement with Majestic Realty Company for the Removal of Rail Spurs for the Fairway Drive Grade Separation Project

RECOMMENDATION: Authorize the Chief Executive Office to enter into an agreement with Majestic Realty Company in an amount not to exceed \$444,252 for the elimination of an existing rail spur connection on the Fairway Drive Grade Separation Project.

BACKGROUND: Majestic Realty and their corporate partners own 6 warehouse/light manufacturing buildings located along UPRR's track just west of Fairway Drive. 5 of these buildings can be serviced by rail spurs leading to UPRR tracks. Two are currently connected with the others having the track in place but not fully connected at this time. A requirement of ACE's grade separation project is to make sure in the after condition that the existing rail spur services are maintained. To do this will require extensive track modifications as well as the construction of retaining walls, relocation of underground utilities, and the acquisition of rights of way, both temporary and permanent. All of these required improvements are currently included in the construction contract for this grade separation project.

Majestic Realty approached ACE staff indicating that in lieu of constructing the rail spur-related improvements for one of the spurs (known as rail spur 757), they would consider ACE's acquisition of the rail spur, or in other words a buy-out of that facility. Generally, rail spurs cannot be appraised, as their value depends on the building occupants' use/need for them which varies immensely by location and business. ACE staff therefore contacted the California Department of Transportation (Caltrans) as to how such an offer can be constructed. Caltrans indicated that the payment for the removal of real property that cannot be appraised can be done under the category of "agency cost avoidance".

The elimination of the subject rail spur eliminates or reduces track work construction and drainage, sewer, and retaining wall construction costs. Based on prior direction by the Board, ACE staff completed negotiations on an agreement with Majestic Realty regarding the elimination of the subject rail spur. Under the agreement a lump sum payment of \$444,252 will be made to Majestic Realty based on the savings to be incurred by ACE through the elimination of the rail spur with Majestic Realty waiving all rights it has related to the rail spurs.

BUDGET IMPACT: The payment made to Majestic Realty pursuant to this action is offset by cost savings on construction costs, based on the guidance given ACE staff by Caltrans. As such this action will have no budget impacts.

AGREEMENT FOR THE ELIMINATION OF RAIL SPUR CONNECTION TO
TRACK 757 IN CONJUNCTION WITH THE FAIRWAY DRIVE GRADE
SEPARATION PROJECT BEING CONSTRUCTED BY ALAMEDA CORRIDOR-
EAST CONSTRUCTION AUTHORITY

This Agreement ("Agreement") is made by and between Alameda Corridor-East Construction Authority, on behalf of the San Gabriel Valley Council Of Governments ("ACE"), on the one hand, and Majestic Realty Co., a California corporation ("Majestic Realty Co."), and Industrial Park E I-A, LLC, a Delaware limited liability company, Industrial Park E Sub A, LLC, a Delaware limited liability company, Industrial Park E I-B, LLC, a Delaware limited liability company, and Industrial Park E Sub B, LLC, a Delaware limited liability company, Industrial Park E Sub A Exchange, LLC, a Delaware limited liability company, and Industrial Park E Sub B Exchange, LLC, a Delaware limited liability company (collectively, the "Principal Entities"), on the other hand.

RECITALS

This Agreement is made with reference to the following facts and circumstances, which ACE, Majestic Realty Co., and the Principal Entities (collectively, the "Parties") agree are accurate and are material to the Agreement:

WHEREAS, ACE was created to facilitate the railroad crossing safety and efficiency improvements, as part of the Alameda Corridor-East Project, which includes the Fairway Drive grade separation project in the City of Industry and Unincorporated Los Angeles County (the "Project"), and all uses appurtenant thereto.

WHEREAS, ACE commenced an eminent domain action entitled *Alameda Corridor-East Construction Authority v. Majestic Realty Co., etc., et al.*, Los Angeles County Superior Court Case No. BC527309 (the "Eminent Domain Action") to condemn portions of certain real property in the City of Industry, California, 91748 (the "Subject Properties"). The portions of real property sought to be condemned by ACE include various permanent and temporary easements as more particularly described within ACE's Complaint in Eminent Domain in such proceeding (the "Parts Taken").

WHEREAS, at the time ACE commenced the Eminent Domain Action, the Subject Properties were owned by Majestic Realty Co. and certain of the Principal Entities. Majestic Realty Co. subsequently sold its ownership interests in the Subject Properties to Industrial Park E Sub A Exchange, LLC, a Delaware limited liability company, and Industrial Park E Sub B Exchange, LLC, a Delaware limited liability company. Under the terms of such sale, however, Majestic Realty Co. retained its rights to compensation for ACE's acquisition of the Parts Taken in the Eminent Domain Action.

WHEREAS, the Subject Properties include several rail spur lines and related improvements (Rail Spur Track Nos. 757, 759, 761, and 765) as shown on Exhibit 1 attached hereto and incorporated herein by reference.

WHEREAS, the Project requires the removal and reconstruction of tracks servicing the Rail Spur Track Nos. 757, 759, 761, and 765, in addition to appurtenant work of construction of retaining walls, grading, and the reconstruction of the Rail Spur Track connections.

WHEREAS, Majestic Realty Co. and the Principal Entities have made an inquiry with ACE regarding the potential payment by ACE for the elimination of the connection to Rail Spur Track No. 757 and associated improvements in conjunction with the Project.

WHEREAS, ACE, in consultation with the State, has determined that ACE can compensate Majestic Realty Co. and the Principal Entities for the elimination of the connection to Rail Spur Track No. 757 and associated improvements in conjunction with the Project, based upon the cost savings to ACE resulting from deletion of that Rail Spur Track connection and other related work from the Project (the "Cost Avoidance").

WHEREAS, ACE has made a payment offer to Majestic Realty Co. and the Principal Entities based on the Cost Avoidance, and Majestic Realty Co. and the Principal Entities have accepted that payment offer.

NOW, THEREFORE, in consideration of the promises, covenants, and representations contained herein, the adequacy and sufficiency of which are deemed acknowledged by the Parties, the Parties agree as follows:

1. PAYMENT

For the elimination of the connection to Rail Spur Track No. 757 and other related work in conjunction with the Project as generally shown on Exhibit 2 attached hereto and incorporated herein by reference, ACE agrees to tender to Majestic Realty Co. and the Principal Entities, and Majestic Realty Co. and the Principal Entities agree to accept, a check in the amount of \$444,252.50 ("Settlement Sum") made payable to "Majestic Realty Co." and delivered to

Dennis Daze, Majestic Realty Co., 13191 Crossroads Parkway No., 6th Floor, City of Industry, CA 91746, upon execution by all the parties of this document. The Settlement Sum represents ACE's claimed cost savings for deletion of the Rail Spur Track No. 757 connection and other related work from the Project and shall not be admissible or otherwise used for any purpose in the Eminent Domain Action, including without limitation for valuation of the Parts Taken.

2. ACKNOWLEDGEMENT; COMPROMISE, AND SETTLEMENT;
GENERAL AND SPECIFIC WAIVER, RELEASE, AND
DISCHARGE OF LIABILITY

Majestic Realty Co. and the Principal Entities hereby acknowledge that payment of the Settlement Sum in the manner described in Paragraph 1 of this Agreement shall amount to a full satisfaction and extinction of ACE's obligation to pay just compensation for the elimination of the connection to Rail Spur Track 757 and associated improvements and for the loss of use of Rail Spur Track 757 as a result of the Project. Nothing herein shall be deemed to eliminate or otherwise affect ACE's obligation to reconstruct and restore the connections and associated improvements pertaining to Rail Spur Track Nos. 759, 761, and 765 impacted by the Project.

For and in consideration of the full payment of the Settlement Sum as set forth in Paragraph 1 of this Agreement, the reasonableness and sufficiency of which is hereby acknowledged, Majestic Realty Co. and the Principal Entities, on behalf of themselves and any respective parent, sister and/or related corporation(s) or company(ies), shareholders, affiliates, divisions, subsidiaries, predecessors, successors, and each of them, agree to fully and

forever waive, release, and discharge from liability ACE, and its employees, agents, insurance carriers, directors, officers, attorneys, assigns, representatives, predecessors, and successors, and each of them, in regard to any and all claims, causes of action, actions, demands, damages, costs, loss of services, expenses, and compensation, whether known or unknown, fixed or contingent, liquidated or unliquidated, asserted or unasserted of any kind or nature that have been, could have been, or could in the future be, brought by Majestic Realty Co. and the Principal Entities, or any of them, for the elimination of the connection to Rail Spur Track No. 757 and associated improvements and for the loss of use of Rail Spur Track 757 as a result of the Project. This waiver and release shall not extend to any claims of Majestic Realty Co. and the Principal Entities for just compensation arising from ACE's acquisition of the Parts Taken and construction and use of the Project except as specifically provided herein.

3. ENTIRE AGREEMENT

This Agreement contains the entire agreement and understanding among the Parties and supersedes and replaces all other prior negotiations, proposed agreements and agreements, written and oral. The Parties further declare and represent that no promise, representation, or agreement not herein expressed has been made.

4. ATTORNEYS' FEES AND COSTS

Each of the Parties shall bear its own respective legal fees, expert fees, and litigation costs arising out of any and all claims which have been settled by the terms of this Agreement.

5. CONSULTATION WITH LEGAL COUNSEL

The Parties to this Agreement represent that each has consulted with independent legal counsel and each has secured independent advice concerning every aspect of this Agreement and the rights and liabilities each is hereby relinquishing.

6. REMEDIES

The Parties may pursue any and all available legal and/or equitable remedies to enforce the terms and conditions of this Agreement. In the event of a breach, any forbearance on the part of any party to enforce the terms and provisions hereof shall not be deemed a waiver of enforcement rights regarding any subsequent breach.

7. AMENDMENTS

No amendment, modification, waiver, or termination of this Agreement shall be binding unless executed in writing by the parties to be bound thereby.

8. CONSTRUCTION OF AGREEMENT

The Parties agree that this Agreement was jointly prepared through negotiations of the Parties and the provisions of the Agreement are not to be strictly or liberally construed for or against any of the Parties.

9. COUNTERPARTS AND FACSIMILE / ELECTRONIC SIGNATURES

The Parties agree that this Agreement may be executed in counterparts and that each fully executed copy of the Agreement shall have the same binding force and effect as an original. The Parties further agree that facsimile and electronic signatures shall have the same force and effect as original signatures.

10. INCORPORATION OF RECITALS

The Recitals set forth above are incorporated into this Agreement as though fully set forth herein and are integral parts of this Agreement and not mere recitals of facts.

11. EFFECTIVE DATE

The “Effective Date” is hereby defined as the date this Agreement has been executed by all Parties.

12. SUCCESSORS AND ASSIGNS

This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and their respective successors and assigns.

13. INFORMED CONSENT

The Parties admit, acknowledge, and declare that each has given mature and careful thought and consideration to the making of this Agreement and to all of the obligations hereby undertaken and the rights hereby extinguished or created; that this Agreement is entered into voluntarily, after

advice of counsel, free of undue influence, coercion, duress, menace, or fraud of any kind; that this Agreement and each and every paragraph and every part hereof has been carefully read and explained; and that each of the Parties fully and completely understands and is cognizant of all of the terms and conditions in this Agreement.

14. AUTHORITY

Any person purporting to have the authority to enter into this Agreement on behalf of or for the benefit of any other person or entity hereby represents and warrants that it has such authority.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be signed on the day and year mentioned hereunder.

MAJESTIC REALTY CO., a California corporation:

By: _____

Title: _____

Dated: _____

INDUSTRIAL PARK E I-A, LLC, a Delaware limited liability company:

By: _____

Title: _____

Dated: _____

[Signatures continued on next page.]



MEMO TO: ACE Construction Authority Board Members and Alternates

FROM: Mark Christoffels
Chief Executive Officer

DATE: December 18, 2017

SUBJECT: Approval of Contract Amendment with WSP for Construction Management Services for the Construction Betterments to State Route 60 in Conjunction with Fairway Drive Grade Separation Project

RECOMMENDATION: Staff recommends that the Board authorize the Chief Executive Officer to execute a contract amendment under the construction management (CM) services contract with WSP (formerly Parsons Brinckerhoff) for a not-to-exceed amount of \$451,714 for a total contract value of \$9,121,835 for the Fairway Drive grade separation project.

BACKGROUND: At the February 25, 2013 meeting, the Board approved the selection of Parsons Brinckerhoff, now WSP, for CM services for the Fairway Drive Grade Separation Project. At the July 2016 Board meeting, the Board approved a construction contract amendment with OHL for betterments on SR-60 freeway related to the Fairway project. The contract with OHL would provide construction of on/off ramps to connect Lemon Avenue to the 60 Freeway in conjunction with the Fairway Drive grade separation project at the request of the Cities of Diamond Bar and Industry. As a result of the extra construction work, WSP's construction management contract was also amended by the Board on September 26, 2016 to add the required CM services to oversee the betterment construction work with all costs to be paid for by the cities of Diamond Bar and Industry.

Changes in requirements from Caltrans, plan changes and requests to accelerate the work resulted in changes to the original cost assumptions which were done back in 2016. The attached memorandum from WSP identifies these changes. This additional work has been discussed with the cities of Diamond Bar and Industry and they are in concurrence with the proposed contract changes to WSP's scope of work.

This authorization will also allow a 10% contingency allowance in accordance with normal agency procedures. Any contract amount changes from the above figure due to contract change orders during CM services for this task that exceed the CEO's authorization will be brought back to the Board for further consideration and approval.

BUDGET IMPACT: There will be no budget impact to ACE, as all expenses related to this contract amendment with WSP for construction management services for the

construction of the cities' requested improvements will be paid by the City of Industry and City of Diamond Bar through grants allocated to them for this work in accordance with executed Betterment Agreements.

ATTACHMENT: WSP CM Memo and Cost Summaries



MEMO

TO: Charles Tsang, Fairway Drive Grade Separation Project Manager

FROM: Charlie Guess, Project Manager

SUBJECT: Construction Management Services Staffing Plan Updates for SR-60/Lemon Interchange Betterments; Agreement 12-07A Task Order 4

DATE: November 27, 2017

Lemon/SR-60 Interchange

The Lemon SR 60 Interchange Project ("Lemon Project") was executed as Change Order # 02 to OHL USA for the Fairway Drive Grade Separation Project on October 11, 2016 in conjunction with the Betterment Agreement with the Cities of Diamond Bar and Industry, and coordinated with Caltrans. The construction management (CM) services for the Lemon Project were not included in the original cost proposal to the Alameda Corridor East Construction Authority ("the Authority") for the Fairway Project. The Authority requested a separate cost proposal from WSP USA ("WSP") for performing construction management service for the Lemon Project and WSP provided this cost proposal based on the scope of work. Task Order #4 was subsequently executed with effective date of November 1, 2016 for construction management services by WSP on the Lemon Project.

The Notice to Proceed was issued by the Authority to OHL in the last quarter of 2016, with WSP on board to perform the CM services. However, after the issuance of the NTP, additional scope to the Authority's CM services was caused by Caltrans due to changes with Inspection and QC/QA requirements that were not going to be performed by Caltrans. Another Caltrans impact to the CM costs resulted in the need for full time inspection. The original CM assumptions found that part-time inspection would have been adequate for the Lemon Project, which was feasible because the CM managers and inspectors were available on Lemon due to the close proximity of the Fairway Project. There has also been a schedule impact on the Lemon CM costs due to Stage II work being moved into Stage I, which caused an acceleration of the estimated Lemon CM costs being drawn down on a full-time basis, when only part-time was estimated. The project acceleration is due to several unforeseen utilities delays, grading changes and Soundwall changes that had to be worked out and these changes required more CM support by the Authority. These Caltrans caused scope changes, which includes acceleration impacts, and the design issues for grading and Soundwall changes have resulted in increasing the cost for the Authority to complete the CM services. These cost change impacts for the Lemon Project are described as follows and included in a summary chart for your review and discussion with the Cities of Diamond Bar and Industry:

- **Source Inspection:** Source inspection was originally assumed in the proposal to be performed by Caltrans. However, this work had to be performed by WSP and its subconsultant ZTC, which

is going to result in the added amount of \$129,348 for CM services. The source inspection scope was added several months after NTP as the parties on the project were informed accordingly.

- **QC / QA Testing:** QC / QA Testing was originally assumed to be \$144,350 in the original estimate. Due to the changes, more testing was required and the estimated final total for QC/QA is estimated to be \$242,000, for an requested CM increase of \$97,650.
- **Full Time Inspection:** The original CM estimate provided for part time inspection of 140 hours per month from November 2016 through May 2017. The hours tapered off to 40 hours per month from June 2017 through December 2017. Caltrans representatives indicated that it was not acceptable to have part time inspection and requested inspection to be full time. The hours of inspection increased by 16 hours in May 2017 and by 116 hours per month from June 2017 through December 2017, which results in a CM increase of 102,945.
- **Acceleration:** Delays on the project due to unforeseen conditions and the design changes created schedule acceleration of the Stages which impacted the CM services. The project encountered several unforeseen conditions during Stage I work. Specifically, the Unknown Utility pipe and the SCE power pole protection work impacted the construction of the drainage and retaining wall work in the first quarter of 2017. In addition, due to TCE expiration issue, the Agency in connection with both Cities decided that construction of RW # 89R, which is Stage II work, would be accelerated and completed in Stage I. In order to mitigate delays associated with unforeseen conditions and TCE expiration issues, the Project Team determined that Stage II work would start concurrently with Stage I work. Work on Stage II and RW # 89R started in May 2017. Stage II work started in May 2017, or approximately 6 months ahead of schedule.

The acceleration of Stage II work that was concurrent with Stage I work required additional CM services to manage the increased work load. The original cost proposal provided for 40 hours per week (or two hours per day) for RE and OE from July 2017 through December 2017 (Stage I work) and 40 hours a week (or two hours per day) for RE and OE from January 2018 through June 2018 (Stage II work). Additional hours of expenditures per month for both RE and OE started in May 2017 through December of 2017 results in an increase of \$81,901.
- **Design Changes Impacts:** Additional CM staff hours to manage design changes and omissions were required. The Authority had to expend additional CM time to resolve higher than expected issues encountered on the project. The Issues Log to date includes approximately 120 issues resulting in a CM cost increase of \$32,760, which is 32 additional hours per month - 16 hours for the RE and 16 hours for the OE from May 2017 through December 2017 at the rate of \$146.25 /hour.
- **OT Inspection:** OT hours for the CM inspector on RW # 89R acceleration were incurred. This wall had to be accelerated in order to resolve the TCE issue at LA Fitness CO#05. Invoices for the OT from June – August 2017 resulted in additional CM costs of \$7,110.00.



Since “time was of the essence” in the execution of Change Order # 02 for OHL USA and the Task Order to perform construction management services to WSP, the Authority determined that the proposed CM cost in the amount of \$840,406.00 was acceptable and this allowed construction to start without further delay to the Lemon Project.

The current contract amount of \$840,406.00 for CM work to date is estimated to be expended by January 2018. It should be noted that in an effort to expedite the stage constructions for the Fairway and Lemon Projects, and to mitigate potential delays associated with unforeseen field conditions in Lemon construction, Stage II construction was started in third quarter of 2017, prior to the completion of Stage I work. This accelerated the CM expenditures originally planned, leading to the need for the Authority to proceed with increasing the Task Order amount necessary for the completion of the remainder of the project.

The following table summarizes the project costs as follows:

	Original Plan	Scope Changes	Estimated Funds as of Dec '17	Additional Funds Required
Current	\$ 840,406		\$ 5,000	
Changes				
Source Inspection		\$ 129,348		
QC/QA Testing		\$ 97,650		
Full Time Inspection		\$ 102,945		
Acceleration		\$ 81,901		
Design Changes Impacts		\$ 32,760		
OT Inspection		\$ 7,110		
TOTAL	\$ 840,406	\$ 451,714		\$ 451,722

Lemon/SR 60 Interchange Summary

Original Contract Amount	Anticipated Change Order amount	Revised Contract Amount
\$ 840,406	\$ 451,714	\$ 1,292,120



This Staffing Plan Update for the Lemon Project is being submitted by Charles Guess, requesting ACE's approval of the budget increase due the changed conditions to the Lemon Project, as described above. I understand that ACE staff will need to prepare a Board Report in December for submitting this change order request to the Cities as soon as practicable:

A handwritten signature in blue ink that reads 'Charles Guess'.

Charles Guess, P.E.
WSP Project Manager

Charles Tsang, P.E.
ACE Project Manager

Mark Christoffels, P.E.
ACE Chief Executive Officer

ATTACHMENTS:

Attachment A: Changed Conditions Cost Summaries 11-20-17



MEMO TO: ACE Construction Authority Board Members & Alternates

FROM: Mark Christoffels
Chief Executive Officer

DATE: December 18, 2017

SUBJECT: Approval of Contract Amendment with URS Corporation for Design Services for the Durfee Avenue Grade Separation Project

RECOMMENDATION: Staff recommends that the Board authorize the Chief Executive Officer to amend the contract with URS Corporation (URS) to add \$158,096 for additional services for the Durfee Avenue grade separation, for a new contract value of \$6,150,618.

BACKGROUND: In September 2012, the Board approved a contract with URS to design the Durfee Avenue grade separation in the City of Pico Rivera. The current executed contract value is \$5,992,522.

The need for additional funds is to address design support to the agency for the right-of-way (ROW) property acquisition process and utility engineering support, which has taken longer than anticipated. The following design changes are required to get the project out to construction bid, which staff anticipates to release in August 2018:

1. Additional Coordination and Administration - This task is to cover the coordination and administrative tasks related to the extension of the final design schedule. Under the previous task order revision, the design completion date was December 2017, current design schedule indicates a final design completion date of August 2018 and ROW and utility coordination will extend to August 2018. Additional request under this task is \$85,603.
2. Additional Right of Way and Utility Engineering Coordination - This task is to support, ACE's ROW consultant, Paragon Partners in completing the right-of-way acquisition process, completing project permits and completing utility relocation plans with third-party utility owners. Due to a number of design issues that affect the property acquisition negotiations, coordination with URS will be required to discuss changes and/or design options that may, or may not, reduce the overall ROW cost for the project. Additional request under this task is \$47,493.
3. Provide allowance for additional design services - At the request of staff, URS will provide as-needed services, such as requested changes by stakeholder (UPRR, City of Pico Rivera and LA County). Additional request under this task is \$25,000.

URS' scope of work is divided by phases; the history of this contract is as follows:

Phase	Executed Amount
1: Preliminary Engineering	\$1,463,436
2: Final Design	\$4,529,086
THIS REQUEST: Additional Final Design	\$158,096
TOTAL	\$6,150,618

BUDGET IMPACT: Funds for this contract are available with the existing project budget contingency from Federal and Metro grants



MEMO TO: ACE Construction Authority Board Members & Alternates

FROM: Mark Christoffels
Chief Executive Officer

DATE: December 18, 2017

SUBJECT: Approval of Contract Amendment with AECOM for Construction Management Services for the Puente Avenue Grade Separation Project

RECOMMENDATION: Staff recommends that the Board authorize the Chief Executive Officer to amend the contract with AECOM to add \$979,996 for additional services for the Puente Avenue grade separation, for a new contract value of \$5,262,208.

BACKGROUND: In August 2015, the Board approved a contract with AECOM for construction management services in the amount of \$4,208,823 with payment to be based on actual services requested by ACE rendered by the consultant. This contract amount was based on an anticipated scope of work developed by the consultant and ACE staff, including the estimated labor hours associated with the work. Assumptions were made on how the construction work would progress and how long the services would be required.

The construction work is approximately 70% complete, and has encountered several issues that have delayed the completion of the contract, or required changes to the construction plans. Some of these issues include the following:

- The re-phasing of construction work to accommodate UPRR crew availability for connection to temporary tracks
- A Verizon duct that needed to be re-located was determined to be much larger than originally shown on their plans, requiring plan and construction phasing modifications
- San Gabriel Valley Water Company (SGVWC) was not able to remove their mains in the Valley Overcrossing area in a timely manner
- While excavating for the Valley Overcrossing CIDH piles, the contractor encountered buried concrete pavement and a buried concrete structure that were unknown.
- A schedule of 6-8 weeks provided by the Gas Company and incorporated into the construction schedule became 20 weeks due to lack of Gas Company resources.
- UPRR crews scheduled to do track work this past July were delayed several months

The above has resulted in more labor hours being required than originally anticipated when the contract was initially negotiated. Staff has reviewed the work remaining and the amount of services that will be required and estimates that the cost associated with these additional CM services will be \$979,996. Staff is recommending the CM contract be amended to add this additional amount.

The history of this contract is as follows:

Phase	Executed Amount
Construction Management Services	\$4,208,823
Amendment #1: CM Services for Temple	\$73,389 ¹
THIS REQUEST: Additional CM Services	\$979,996
TOTAL	\$5,262,208

It should be noted that the contract-authorized amount including this recommended amendment is not a guaranteed payment amount to the consultant, but rather an estimate of the maximum anticipated expenditures. The construction management task order is structured as a time and material type of compensation. The Consultant will only be compensated for the services requested by ACE. Invoices will be reviewed to ensure that only the services authorized by ACE will be paid for under this contract.

BUDGET IMPACT: Funds for this contract change are available from the project budget contingency and funded from State and Metro funds allocated to this project.

¹Within CEO authorized contingency.



MEMO TO: ACE Construction Authority Board Members and Alternates

FROM: Mark Christoffels
Chief Executive Officer

DATE: December 18, 2017

SUBJECT: Approval of an Amendment to the Waterline Relocation Agreement with Rowland Water District for the Fullerton Road Grade Separation Project

RECOMMENDATION: Staff recommends that the Board authorize the Chief Executive Officer to execute an Amendment to the Waterline Relocation Agreement with Rowland Water District for the design, construction and inspection of private water facilities as part of the Fullerton Road Grade Separation project for a revised not to exceed amount of \$2,225,898.

BACKGROUND: The construction of the Fullerton Road grade separation project will impact existing water service connections to a water main due to the project lowering streets adjacent to the railroad tracks. The Rowland Water District owns water lines within the streets that will be impacted by the project and several of the affected customer service lines must be relocated in order to maintain service to the various customers.

On April 25, 2016 the Board authorized ACE to enter into an agreement with Rowland Water District in an amount not to exceed \$1,565,771 for the design, construction and inspection for relocation of these various waterlines. Reimbursement to Rowland Water District was to be based on actual expenditures after the relocation work is complete.

Various previously unidentified water lines were discovered, which required relocation or abandonment and other lines were discovered to have been placed shallower than records showed, requiring additional relocations. Additional actual expenditures are in the amount of \$660,127.

A copy of the proposed Amended Utility Relocation Agreement is attached.

BUDGET IMPACT: Funding for the Rowland Water District relocation work is budgeted and will be paid using LA Metro funds and the City of Industry.

Attachment

FIRST AMENDMENT TO JOINT USE AGREEMENT
AND AGREEMENT FOR RELOCATION OF WATERLINES

ALAMEDA CORRIDOR-EAST PROJECT
FULLERTON ROAD GRADE SEPARATION
(REFERENCE NO. 207.15-07)

THIS FIRST AMENDMENT is entered into on _____, 2017 by and between the ALAMEDA CORRIDOR-EAST CONSTRUCTION AUTHORITY OF THE SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS, a joint powers agency ("ACE"), and ROWLAND WATER DISTRICT, a county water district ("ROWLAND"), hereafter each identified as "Party" or jointly as "Parties".

RECITALS

- A. The Parties entered into a Joint Use Agreement and Agreement for Relocation of Waterlines dated May 10, 2016 for the relocation of waterlines ("Agreement").
- B. The Parties desire to amend the Agreement to modify the Parties' obligations with respect to the location and scope of work to be performed on portions of the water lines, sewer lines and electrical that were installed.

TERMS

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree to amend the Agreement as follows:

1. Amendments:

1.1.2 Job Numbers 15SX-87 IHOP (18261 E. Gale Ave.)

Added item 1: Construction of an additional 2" domestic water service to upstairs facility – During potholing activities it was discovered that an independent 2" domestic water service line serviced the upstairs portion of the IHOP building. This configuration was not known at the time of the budget preparation and was only discovered when on site work commenced. In addition to the aforementioned investigation efforts, as a result of the unknown configuration, required to install a backflow assembly, service line to said building of approximately 140' in length, pressure test said facilities, perform associated disinfection, perform connection to building and restore pavement. All efforts are considered additional work since the existence of this dedicated service was not known during the budget development phase of the project. Budget adjustment \$47,985.77

Added item 2: Unforeseen efforts related to dealing with the existing irrigation system configuration – Potholing at the meter uncovered a substantial amount of sprinkler wiring and an atypical alignment for the irrigation piping that saw the piping meander all over the site. This situation prompted a meeting to be called with property representatives to shed some light on their operations. After the meeting, it was determined that in order to avoid damage to the system and to ensure no cross-connections were noticed, that an in depth investigation was needed via performance of additional potholing of the area. Because of the atypical installation of the existing irrigation system there was no way for us to budget for all of the required efforts that had to take place. Thus this work effort is considered additional. Budget adjustment \$14,423.04

Added item 3: Investigation of parking lot lighting system damaged by others (performed by ACE) – Well after WAR had completed work at referenced site, Berg and Associates noticed that the parking lot lighting was not operating properly. At this point they contacted us to perform an investigation accordingly. As requested, Image Services Inc. was contacted to help in the investigation and associated repair efforts. The costs of this investigation and resultant repair have been split between this project and the Jack in the Box onsite project (refer to War Project number 15SX-88). Budget adjustment \$4,931.39

An overall budget increase of \$67,340.20

15SX-88 Jack in the Box (18271 E. Gale Ave.)

Added item 1: Change in location of meters and backflow devices due to field conflicts (moved by ACE preconstruction) – The meters and backflow devices were all relocated during the pre-construction phase by ACE to avoid the layout of the future storm drain in the parking lot. As a result of the change, additional potholing had to take place to verify the alignment of the existing on-site lines. The existing lines had to be chased to locate typical forty fives and nineties. The new location further required saw cutting into the sidewalk outside of the property fencing and more potholing to locate a typical tee in the house line and subsequent restoration of the concrete panels, none of which would have been required under the original base design. Also curb stops were installed to prevent cars pulling into the parking spaces from hitting the backflow devices. Budget adjustment \$26,562.11

Added item 2: Investigation of parking lot damaged by others (performed by ACE) – Well after WAR had completed work at referenced site, Berg and Associates noticed that the parking lot lighting was not operating properly. At this point they contacted us to perform an investigation accordingly. As requested, Image Services Inc. was contacted to help in the investigation and associated repair efforts. The costs of this investigation and resultant repair have been split between this project and the IHOP on-site project (refer to War Project number 15SX-87). Budget adjustment \$4,931.39

An overall budget increase of \$31,493.50

1.1.3 Job Number 15SX-90 Baskin Robbins (18271 E. Gale Ave.)

Added item 1: Design conflict with future wall and footings – Comments came back from ACE after initial review of possible conflicts with future storm drain facilities which we were able to mitigate through adjustments in piping configuration prior to start of work. Also in this same timeframe, our site team performed an additional investigation as it relates to the proposed future retaining wall and found that the proposed future retaining wall was also in conflict with our piping installation. The piping design had to be re-engineered to avoid conflicts with the future proposed retaining wall. The re-design resulted in an alternate route being selected which required additional effort and a tree being removed. Budget adjustment of \$7,034.86

An overall budget increase of \$7,034.86

1.1.6 Job Number 15SX-93 TWG (18333 E. Gale Ave.)

Added item 1: Additional coordination efforts with property owner – Property Manager/Owner had insurance requirements for entering property that needed to be addressed and the requirements were above and beyond what was needed for any of the other properties. Also multiple on-site meetings with warehouse manager Bruce Wei to coordinate our efforts was needed. These meetings were beyond the norm. Further to this gaining access took extra coordination and proved to be a difficult process even though we had meetings and agreements in place and TWG was informed of the schedule well in advance of the work efforts taking place. As a result of these difficulties and lack of cooperation, the crews incurred several delayed starts and missed opportunities to perform work when semi-trucks occupied the work area. Lastly TWG required us to perform asphalt paving on a Saturday. All of these items are a product of the environment and could not have been anticipated; therefore we consider them to be additional efforts not factored into the base budget. Budget adjustment \$9,150.29

Added item 2: Relocate construction laydown yard as directed (partial move - entire move distributed between various projects) – ACE directed us to move our construction yard to accommodate other work activities on the project. During the budgeting of the project schedule was such that the vast majority of our work would be completed prior to general contractor major activities. As such our budget only included establishment of the construction yard one (1) time. The costs for this item are for partial move of the construction yard for total costs have been distributed to various projects. This project is carrying one day of the construction yard relocation activities. Budget adjustment \$6,613.22

Added item 3: Requirement to perform system tie-in on Saturday – Property owner required the tie-in to the existing system to be performed on a Saturday. This request could not have been anticipated and therefore is considered additional work. Budget adjustment \$2,204.49

An overall budget increase of \$17,968.00

1.1.8 Job Number 15SX-91 ADP (1210 S. Fullerton Rd.)

Added item 1: Hand digging of trench due to existing utilities & demo of existing vault in conflict with installation – During exploratory excavation efforts we identified Edison, Gas and telephone utilities in the parkway. The alignment of referenced utilities was such that it occupied the preferred route for installation so alternative route was utilized. This alternative route took us in close proximity to a number of mature trees and in order to preserve them we hand dug this section of the trench. Also an abandoned vault was found in conflict and additional work efforts were noticed utilizing a rivet buster and chipping gun to create a path for the new lines. Budget adjustment \$15,720.53

Added item 2: Vault clean-out & preparation due to change in fire service tie-in location & to the existence of asbestos cement pipe (ACP) – When the existing fire service pipe was potholed to make the connection and tie-in, it was discovered that this existing pipeline was asbestos cement pipe (ACP). This existing condition dictated that the tie in be moved to inside the fire service vault at the flange to ensure system integrity. The existing fire service vault was completely full of dirt and to make the tie-in inside the vault we were required to remove the dirt by hand. Budget adjustment \$6,431.19

Added item 3: Relocate construction laydown yard as directed (partial move - entire move distributed between various projects) – ACE directed us to move our construction yard to accommodate other work activities on the project. During the budgeting of the project schedule was such that the vast majority of our work would be completed prior to general contractor major activities. As such our budget only included establishment of the construction yard one (1) time. The costs for this item are for partial move of the construction yard for total costs have been distributed to various projects. This project is carrying one day of the construction yard relocation activities. Budget adjustment \$6,613.22

Added item 4: Perform tie-in's to existing facilities on Saturday – For the least impact to the customers in the area (not necessarily 1210 Fullerton) a Saturday tie in was preferred and requested by ACE. Costs detailed herein are for the difference between straight time and overtime rates. Budget adjustment \$1,930.11

An overall budget increase of \$30,695.05

1.1.10 Job Number 15SX-94 Pokies (18268 E. Gale Ave.)

Added item 1: Impact from retaining wall – The design for the retaining wall at time of project inception was unknown. Once the footing of the retaining was known, it was significant and reduced the available area to install our on-site facilities dramatically. To accommodate the large footing the, pipe route had to be altered and this required us to remove three palm trees. In addition to this other utilities relocated their facilities prior to us, occupying areas of the reduced easement making the installation more difficult for we were the last utility to relocated and were required to work around all of the other utilities. Additional coordination to understand the future wall design and coordinate field layout was

required as well as and additional potholing of relocated utilities. The original means and methods for installation was to utilize a mini excavator, but due to the limited space available resulting from the wall footing coupled with the congested utility corridor, the entire trench had to be dug by hand which resulted in cost impact. Budget adjustment \$34,557.95

Added item 2: Unforeseen/conflicting sewer facilities – As-Built drawings for on-site facilities were not provided prior to the design phase for this project scope and our budget was based on there being one (1) sewer line exiting the property and that it would not be deep enough so that it was not in conflict with our proposed facilities. As it turned out two (2) sewer laterals existed and they came from the building on the east side and were in conflict with the elevations available for installation of our facilities. As a result additional potholing was required to determine the extent of the conflict, elevation data was acquired on existing utilities, additional coordination was noticed to mitigate the conflict and further exploration were required to secure acceptable installation route. Note that research was performed to ensure compliance with Plumbing Code and several meetings and coordination with project team. Eventually ABS piping was used and slurry placed between sanitary sewer and PW line for separation and code compliance. Budget adjustment \$9,525.69

Added item 3: Additional effort related to reconfiguring irrigation system – The base budget had anticipated the existing irrigation lines to run under the patio in close proximity to the building riser for a short distance since this would have been a logical installation method. Actual field conditions saw the routing of the lines not linear or coming directly from the meter but rather meandering through the front area making multiple direction changes at varying depths. The differing conditions of the existing irrigation piping system required us to expend significantly more effort than was anticipated, to locate said facilities and ensure no cross connections with recycled water system occurred and also to ensure all on-site facilities were being incorporated in the new installation. Additional effort was noticed in the form of more crew time to locate the existing facilities and removal/restoration of additional concrete panels that could not have been anticipated. Budget adjustment \$20,011.31

Added item 4: Relocate construction laydown yard as directed (partial move - entire move distributed between various projects) – ACE directed us to move our construction yard to accommodate other work activities on the project. During the budgeting of the project schedule was such that the vast majority of our work would be completed prior to general contractor major activities. As such our budget only included establishment of the construction yard one (1) time. The costs for this item are for partial move of the construction yard for total costs have been distributed to various projects. This project is carrying one day of the construction yard relocation activities. Budget adjustment \$6,613.22

An overall budget increase of \$70,708.17

1.1.11 Job Number 15SX-95 Cathay Bank (1250 S. Fullerton Rd.)

Added item 1: Design changes associated with domestic/irrigation service – Plans called for Rowland Water District to terminate their domestic water service near the Southwest corner of the building. From here design had us installing the domestic/irrigation service line along the West side of the building and then installing along the North side of the building, with connection to existing facilities being near the Northeast area of the building. While performing potholing along this route it was determined that adequate room did not exist to install said facilities, due to the building foundation configuration coupled with the future ACE improvements (retaining wall). In turn route was abandoned, and a route that went along the South of the property and proceeded in a Northerly fashion along the East side of the building, with ultimate termination on the North side of the building being selected. In addition to this, it was determined that the Rowland Water District domestic service needed to be moved South on Fullerton Road to avoid conflict with ACE facilities (retaining wall) as well. The result of this change saw the potholing of existing facilities along both routes (double effort), extension of domestic water line due to relocating Rowland Water District to the South to avoid ACE improvements (addition of approximately 150'), extensive pavement demolition & restoration of the parking lot that would not have been encountered if we had been able to follow the original route through landscaping, full export of native soils & full import of aggregate for trench zone due to the fact that the piping was now underneath pavement (added compaction testing also noticed), restoration of pavement along with utilization of traffic plates to facilitate installation in vehicle travel area. Note since the installation of the domestic water and fire water feeds to Cathay Bank were installed in a joint trench for a significant portion of the overall length, the items of additional work performed for this design change are therefore shared with item 2 - Design changes associated with fire water service. As such some items have been equally split between the two in terms of a cost standpoint. The efforts outlined herein are a deviation from the baseline plan and considered work outside our budgeted scope. Budget adjustment \$60,630.32

Added item 2: Design changes associated with fire water service – Plans called for Rowland Water District to terminate their fire water service lateral near the Southwest corner of the building. From here design had us installing the domestic/irrigation service line along the West side of the building and then installing along the North side of the building, with connection to existing facilities being near the Northeast area of the building. While performing potholing along this route it was determined that adequate room did not exist to install said facilities, due to the building foundation configuration coupled with the future ACE improvements (retaining wall). In turn this route was abandoned, and a route that went along the South of the property and proceeded in a Northerly fashion along the East side of the building for a short distance with ultimate termination being just past the Southeast corner of the building being selected. In addition to this it was determined that the Rowland Water District fire water service needed to be moved South on Fullerton Road to avoid conflict with ACE facilities (retaining wall) as well. The result of this change saw the potholing of existing facilities along both routes (double effort), extension of fire water line due to relocating Rowland Water District to the South to avoid ACE improvements (addition of approximately

50'), extensive pavement demolition & restoration of the parking that would not have been encountered if we had been able to follow the original route through landscaping, full export of native soils & full import of aggregate for trench zone due to the fact that the piping was now underneath pavement (added compaction testing also noticed), restoration of pavement along with utilization of traffic plates to facilitate installation in vehicle travel area. Note since the installation of the fire water and domestic/irrigation water feeds to Cathay Bank were installed in a joint trench for a significant portion of the overall length, the items of additional work performed for this design change are therefore shared with item 1 - Design changes associated with domestic/irrigation water service. As such some items have been equally split between the two in terms of a cost standpoint. The efforts outlined herein are a deviation from the baseline plan and considered work outside our budgeted scope. Budget adjustment \$54,348.88

Added item 3: Existing sewer investigation – Due to the change in route of the new facilities it was necessary to locate the sewer to ensure compliance with applicable codes (spacing of water supply from sewers) and to finalize the proposed layout. For this property As-Built drawings of the existing sewer were either nonexistent or not available so as part of the work at this site we were directed to secure the services of a CCTV firm and to provide assistance accordingly to locate said sewer. The efforts outlined herein are additional efforts performed beyond our baseline scope. Budget adjustment \$1,522.50

Added item 4: Added effort to perform domestic water connection @ building - The original design saw the new domestic water line being connected behind the existing backflow device (connection between the existing backflow device & the building) in front of the North side of the building. Since the existing domestic water backflow device was on the North side of the building this would put the connection in the grass area. Upon further investigation it was determined that the domestic service connected to the building on the East side and not the North side of the building (as-built drawings were not available for this property). With this piping alignment pipe depth would be of issue as it relates to ACE grade adjustments on the driveway approach and also with other ACE facilities, mainly retaining walls along perimeter of property. With the connection to the building being on the East side coupled with the aforementioned conflicts with future improvements, it was determined that domestic water supply would be connected to the East side of the building and not near the existing backflow device. The connection to the East side of the building required additional effort for the domestic line connection due to the confined area and location relative to the banks entry way (note original design was in grass area now this connection is in pavement). Budget adjustment \$2,191.26

Added item 5: Added effort to connect new fire water supply to building (including fire alarm conduit & wiring) – The original design saw the new fire water line being connected behind the existing backflow device (connection between the existing backflow device & the building) in front of the North side of the building. Since the existing fire water backflow device was on the North side of the building this would put the connection in the grass area. Further to this, the fire alarm conduit and control wiring was going to be intersected at this point as well, meaning all work would be in proximity of the existing fire service backflow,

well outside the building with no need to install new facilities into the building. Upon further investigation it was determined that the fire service connected to the building on the East side and not the North side of the building (as-built drawings were not available for this property). With this piping alignment pipe depth would be of issue as it relates to ACE grade adjustments on the driveway approach and also with other ACE facilities, mainly retaining walls along perimeter of property. With the connection to the building being on the East side coupled with the aforementioned conflicts with future improvements, it was determined that fire water supply would be connected to the East side of the building and not near the existing backflow device. The connection to the East side of the building required additional investigation to determine the piping configuration and additional effort for the fire line connection due to the confined area and location relative to the banks entry way (note original design was in grass area now this connection is in pavement). Also of note is that the original design had the fire alarm conduit running to the North side of the building wherein the intent was to connect to existing facilities. This alteration saw new conduit being run into the building. Budget adjustment \$20,627.80

Added item 6: Relocate construction laydown yard as directed (partial move - entire move distributed between various projects) – ACE directed us to move our construction yard to accommodate other work activities on the project. During the budgeting of the project schedule was such that the vast majority of our work would be completed prior to general contractor major activities. As such our budget only included establishment of the construction yard one (1) time. The costs for this item are for partial move of the construction yard for total costs have been distributed to various projects. This project is carrying one day of the construction yard relocation activities. Budget adjustment \$6,613.22

An overall budget increase of \$145,933.98

1.1.17 Job Number 15SX-98 Lee & Ro (1199 S. Fullerton Rd.)

Added item 1: Install of additional 2" irrigation service – Initial plans called for irrigation service to be sourced off of the domestic water service thus providing same configuration as existing (single 2" line feeding domestic & irrigation). Alterations were made after plan and budget approval, splitting the irrigation and domestic water feeds to referenced facility. This alteration facilitated the need to install a dedicated 2" irrigation service of over 400', construct associated backflow device, connect to existing facilities and perform of associated restoration of site improvements. Budget Adjustment \$61,540.67

Added item 2: Hand excavate trench due to unforeseen existing utilities & pothole newly installed utilities – While performing the installation of the 2" domestic water and 2" irrigation services we encountered significant unforeseen existing utilities that required an alteration in installation methodology to ensure that said utilities were not disturbed. Essentially to preserve the integrity of the unforeseen utilities we hand dug the portions of the trench that were of issue. This alteration in our methodology slowed our production down and extended our installation time by 3.25 days. Note in some areas we were required to increase the depth of our installation to go under the unforeseen existing utilities. Further to

this we were required to perform extensive potholing of the newly installed utilities in the parkway. At time of preparing the budget these utilities were not in existence and further to this we were to install Rowland Water District facilities prior to power, communications and cable TV. This additional effort resulted in one (1) additional day being noticed to locate, expose and select a route through the area of newly installed utilities. Budget adjustments \$37,288.72

Added item 3: Relocate construction laydown yard as directed (partial move - entire move distributed between various projects) – ACE directed us to move our construction yard to accommodate other work activities on the project. During the budgeting of the project schedule was such that the vast majority of our work would be completed prior to general contractor major activities. As such our budget only included establishment of the construction yard one (1) time. The costs for this item are for partial move of the construction yard for total costs have been distributed to various projects. This project is carrying one day of the construction yard relocation activities. Budget adjustment \$6,613.22

An overall budget increase of \$105,442.61

1.1.20 Job Number 15SX-16 FedEx Ship Center (1081 Fullerton Road)

Added item 1: Additional coordination efforts with FedEx facility group – In conjunction with ACE it was decided to have WAR to coordinate directly with FedEx facility group on the installations. It was deemed a better approach that WAR handle the coordination and meetings required to get the work completed. Although we had the requisite amount of management to handle the construction efforts within the budget, we did not have the property owner coordination efforts in our budget. The costs herein are for the additional efforts related to items noted above that were not in the base budget. Budget adjustment \$4,209.76

Added item 2: Irrigation system investigation & repair – We received correspondence from FedEx that the grass in the front of the property the grass was turning brown and that FedEx facility group thinks that irrigation system was turned off by us in performance of our work. During the performance of the system tie in, the valve on the customer irrigation line was already turned off and thus WAR was unable to test the line. Note that FedEx facility group had turned off referenced irrigation valve as part of their winter irrigation schedule. After we performed an initial investigation of the area and subsequently dispatched a crew to make piping repair and open valve. Costs are for performance of said additional work efforts. Budget adjustment \$2,304.16

Added Item 3: As per the Agreement, *“In order for Rowland to maintain potable water service and fire service to 1081 Fullerton Road (FedEx), 1101 Fullerton Road and 1110 Fullerton Road (Acteck), at no cost to Rowland , a 12-inch potable waterline will be installed within the public right of way behind curb on the West side of Fullerton Road to 1101 Fullerton Road and a 12-inch potable waterline will be installed in public right of*

way on the East side of Fullerton Road connecting to the existing potable waterline servicing Actek.”

Due to existing and future conflicts in the public right-of-way behind the curb on the East and West side of Fullerton Road. Rowland has abandoned this dual alignment for the future 12-inch potable waterline and has opted for a single 12-inch potable waterline in Fullerton Road to provide potable water service and fire service to 1081 Fullerton Road (FedEx), 1101 Fullerton Road and 1110 Fullerton Road (Actek). As an offset, Rowland is requesting ACE’s consideration to cover a portion of the cost for the new alignment of the 12-inch potable waterline in Fullerton Road. ACE would cover the cost of the installation of one 12-inch hot tap w/valve \$20,524.41; the installation of 704 feet of 12-inch ductile iron pipe class 350 (restrained all joints) \$207,482.88; the installation of one 12-inch gate valve \$4,349.23; The construction of a temporary 2-inch blow-off assembly \$6,174.21; The performance of a pressure test of the system \$6,632.13; disinfection of the system \$8,492.31; Abandon main @ existing tee in intersection of Fullerton Road & Rowland Street \$8,701.59; and perform asphalt paving for 1,408 feet \$37,861.12. Budget adjustment \$300,217.88

An overall budget increase of \$306,731.80

1.1.21 Job Number 15TX-18 Rowland and Lawson

Added item 1: RWD was requested to relocate an existing fire service on the south east corner of Lawson and a fire hydrant on the north west corner of Lawson that were impacted by the roadway improvements. The cost for the removal and replacement of the existing waterlines was \$47,790.66.

An overall budget increase of \$47,790.66

1.1.23 Job Number 15TX-19 18268 E. Gale Ave.

Original proposal

Our price to provide all necessary labor, equipment and material to construct a portion of the 6” sewer lateral (from station 5+00 to station 6+42) for referenced project in accordance with plans developed by Kimley Horn (sheet 197 of 628 dated April 11, 2016) is \$10,358.00. Note that this proposal is for a portion of referenced sewer lateral and others shall complete the work beyond station 6+42 and also perform connection to existing building piping @ station 5+00.

Base proposal total	\$10,358.00
---------------------	-------------

Added Item 1: Due to discoveries made in the field it was necessary to make changes to the initial approach of the construction of referenced project. The following are the added scope elements Rasic performed to complete the sewer installation work given the changes:

1. Provide and place 1 sack slurry backfill in the trench zone in lieu of utilizing native materials

2. Perform additional exploratory excavations to determine where the additional sewer line is connected to and where said sewer line will be installed
Budget adjustment \$3,994.46

Added Item 2: The following are elements of work performed that are outside the original scope of referenced project:

1. Conflicts with existing electrical facilities along sewer alignment – During construction of referenced facilities we encountered an electrical duct bank that services the current Pokies facility (old Pancheros). The conflict with said duct bank required additional crew time to locate the extent of the conflict and subsequent development of work-around plan for avoidance of said duct bank. Of note is that a section of the sewer line was left out where it interfered with the live duct bank and that to complete this work it will require us to re-mobilization to site, remove/dispose of the interfering section of existing duct bank, install sewer pipe section and perform associated backfilling/compaction.

Budget adjustment \$12,726.91

Overall budget adjustment of \$27,079.37

1.1.24 Job Number 16TX-65 18204 E. Gale Ave.

Added item 1: Camera sewer at La Puente Plaza parking lot - While constructing facilities for referenced project we were requested by ACE to camera sewer facilities at the La Puente Plaza parking lot. Camera work, along with associated flushing of the sewer line was not part of the original project budget and work was performed on a Time & Material basis. Budget adjustment \$2,490.90

An overall budget increase of \$2,490.90

1.1.25 Job Number 16TX-66 18268 E. Gale Ave.

Added item 1: Electrical cabinet design – While constructing facilities for referenced project we were requested by ACE to secure the services of a firm to perform design of a new electrical cabinet for Pokies. This work was not part of the original project budget and said work was performed on a Time & Material basis. Budget adjustment \$29,070.51

An overall budget increase of \$29,070.51

1.1.26 Job Number 17SX-85 Fullerton south of the 60 Freeway

Added item 1: While constructing facilities for referenced project, it was discovered that additional work was required as it related to protection of the existing domestic water pipeline South of the 60 Freeway. Direction was given for W. A. Rasic Construction to perform said work based on a solution developed by RMC, ACE and RWD. Note this work was not part

of the original budget and is considered additional to our contract. Currently a majority of the work has been completed (180' of the total 200') and an invoice has been submitted in the amount of \$138,870.09.

An overall budget increase of \$138,870.09

Total of all change order requests listed above is \$ 1,028,649.70

2. Continuing Effect of Agreement. Except as amended by the First Amendment, all other provisions of the Agreement remain in full force and effect. From and after the date of this First Amendment, whenever the term "Agreement" appears in the Agreement, it shall mean the Agreement as amended by the First Amendment.

3. Authority to enter into First Amendment. Each Party represents to the other that the person executing this First Amendment has the requisite power and authority to execute the First Amendment and to bind each respective Party.

4. Execution in Counterparts. This First Amendment may be executed in duplicate counterparts, each of which shall be deemed an original.

IN WITNESS WHEREOF, the Parties have duly executed this First Amendment effective as of the date first written above.

ROWLAND WATER DISTRICT

ACE

Tom Coleman, General Manager

Chief Executive Officer

APPROVED AS TO FORM:

APPROVED AS TO FORM:

Joseph Byrne, Rowland Legal Counsel

ACE General Counsel



MEMO TO: ACE Construction Authority Board Members and Alternates

FROM: Mark Christoffels
Chief Executive Officer

DATE: December 18, 2017

SUBJECT: Approval of Construction Project Retention Withholding for Grade Separation Projects

RECOMMENDATION: Staff recommends that the Board find the ACE's grade separation projects to be of sufficient size and complexity to warrant 10% retention for construction contracts.

BACKGROUND: California Public Contract Code 10261, enacted January 1, 2012, imposed a 5% retention withholding limit on construction contracts, unless the project was found to be of sufficient size or complexity to warrant a waiver of the limit. This paragraph of Section 10261 was scheduled to expire January 1, 2018 but has since been extended to January 1, 2023, per Assembly Bill 92.

ACE proposes to find grade separation projects currently under design to be of sufficient size and complexity to warrant said waiver. This recommended finding is based both on size and complexity. Typical grade separation projects exceed \$25 million in construction costs. They are multi-disciplinary and required integrated construction of retaining walls, roadways and bridges, railroad shooflies and utility relocations.

Project not meeting the characteristics listed above would adhere to the 5% retention limitation.

BUDGET IMPACT: No budget impact.



Memo to: ACE Construction Authority Board Members & Alternates

From: Mark Christoffels
Chief Executive Officer

Date: December 18, 2017

Subject: Assignment of Funds for CalPERS Unfunded Termination Liability

RECOMMENDATION: That the Board approve an assignment of a portion of the agency's fund balance to the Unfunded Termination Liability currently identified as \$6,347,036 in the most recent and available CalPERS valuation report, dated June 30, 2016.

BACKGROUND: The current CalPERS contract under which both ACE and COG employees are covered is held by the San Gabriel Valley Council of Governments (SGVCOG). Because of this, since its inception, ACE staff have worked closely with CalPERS to minimize any potential payment liabilities to the San Gabriel Valley Council of Governments, particularly as it was envisioned that the ACE project would eventually sunset and the current CalPERS contract would be terminated. The intent was that termination of the contract would secure retirement benefits to present and past employees and eliminate ongoing financial liability to the SGVCOG. The process to terminate is initiated when the contracting agency (in our case the SGVCOG) adopts an "Intent to Terminate" with a specified final date which will initiate CalPERS to prepare an actuarial study to determine the cost to fund all present and past employees' benefits as per the terms of the contract. CalPERS then prepares a final termination fee, which the agency will have to pay on the specified termination date.

CalPERS requires a minimum of a one-year notice to prepare the actuarial report and calculate the final termination fee. Since the SGVCOG has not adopted an "Intent to Terminate" this process has not begun, and the exact amount of the potential termination fee is unknown at this time. What is known is a *hypothetical* unfunded termination liability amount that CalPERS now includes in each annual valuation report. The amount of the hypothetical unfunded termination liability as of June 30, 2016 is \$6,347,036.

Staff has consistently shown this potential liability in its quarterly financial statements to demonstrate that sufficient funds exist to pay this termination fee. Staff believes it is financially prudent for the ACE Board to formally assign funds for this purpose preventing those funds for being used for other purposes. The ACE Construction Authority consistent with Governmental Accounting Standards can assign a portion of its unrestricted fund balance to pay for the hypothetical unfunded termination liability.

An excerpt of the Statement of Net Position identifying the components of the current fund balance shows the following:

FUND BALANCE / NET POSITION	
Fund balance	
Nonspendable for:	
Prepaid expenses	\$387,056
Assigned:	
CalPERS unfunded termination liability at 06/30/2016	\$6,347,036
Capital project fund	\$7,273,427
Total fund balance	\$14,007,519

Prepaid expenses include general liability insurance premiums with expiration dates that extend beyond June 30, 2017.

Assigned funds are those intended to be used for a certain purpose, but not yet committed. Staff is recommending the ACE Board formally assign the \$6,347,036 for the anticipated CalPERS unfunded termination liability. This would essentially reduce the agency's fund assigned for capital projects to \$7,273,427, but also insure that those funds remain committed for that purpose.

BUDGET IMPACT: Since staff has been insuring that sufficient funds are available in the fund balance to cover this anticipated expense, the action of formally assigning the funds will have no financial impact to the current approved budget.



MEMO TO: ACE Construction Authority Board Members and Alternates

FROM: Mark Christoffels, Chief Executive Officer

DATE: December 18, 2017

SUBJECT: Approval of Oppose Position on Measures Seeking Repeal of Senate Bill 1

RECOMMENDATION: Staff recommends your approval of an oppose position on proposed statewide ballot measures to repeal the new state transportation revenues enacted due to Senate Bill 1 (Beall) and reiterating support for Assembly Constitutional Amendment 5, a measure to safeguard the new SB 1 revenues for transportation uses approved by the Legislature for the June 2018 ballot.

SB 1 will provide \$5.2 billion annually for transportation improvements, including an estimated \$300 million for the Trade Corridor Enhancement Program. Repeal of SB 1 would threaten this potential source of funding for the ACE projects and is contrary to the Board-adopted legislative program goal of supporting funding programs needed to complete the ACE program. Opposition to the proposed ballot measures is also consistent with prior Board positions of support for SB 1, the Road Repair and Accountability Act of 2017, as well as its companion measure, ACA 5.

BACKGROUND:

Opponents of SB 1 have filed notices to collect signatures to qualify two initiatives to repeal SB 1 for the November 2018 ballot. The "Repeal the Gas Tax" initiative filed by Assemblyman Travis Allen (R-Huntington Beach), must gather 365,880 signatures from registered voters by January 2018 to qualify for the ballot. A competing repeal measure filed by former San Diego Councilman Carl DeMaio would in addition require future gas taxes to be approved by the voters. The second measure is a proposed state constitutional amendment and thus needs the signatures of 587,407 registered voters by March 2018 to be placed on the November ballot.

The Fix Our Roads coalition of business, labor and transportation organizations and local governments recently asked ACE and other coalition members to adopt formal positions opposing the SB 1 repeal measures and supporting ACA 5.

ACE's public funds may not be used for ballot measure advocacy but may be used to prepare and disseminate fact-based and objective informational materials and presentations regarding the effect of the proposed ballot measures on the ACE Program. ACE staff will comply with applicable rules and regulations and legal counsel will be prepared to offer further guidance regarding this issue at your Board meeting.



MEMO TO: ACE Construction Authority Board Members & Alternates

FROM: Mark Christoffels
Chief Executive Officer

DATE: December 18, 2017

SUBJECT: 2018 Meeting Schedule

As you know, integration of ACE and the San Gabriel Valley Council of Governments is underway. It is anticipated a new ACE Board structure will occur mid-year during Governing Board elections. The officers of the newly created governing entity of ACE may change and the structure from a Board to a Committee. However, it is important that a regular meeting of the ACE Board/Committee continue in order to comply with existing required policies, approval processes and transparency.

Therefore staff is recommending an ACE Board/Committee and Finance Committee meeting schedule as follows.

BOARD MEETING

January 22

February 26

March 26

April 23

*June 4 (May meeting)

June 25

July 23

August 27

September 24

October 22

November 26

*December 17

FINANCE COMMITTEE MEETING

January 25

April 26

July 26

October 25

*Changed due to holiday or schedule conflicts

The schedule is subject to change when the new governing entity is seated.

Attachment

2018 TENTATIVE ACE Board Calendar

JANUARY

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

FEBRUARY

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28			

MARCH

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

APRIL

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

MAY

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

JUNE

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

JULY

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

AUGUST

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

SEPTEMBER

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

OCTOBER

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

NOVEMBER

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

DECEMBER

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

 Board Meeting

 Finance Committee Meeting

 Legislative Meetings, Washington DC



Alameda Corridor-East Construction Authority

4900 Rivergrade Rd. Ste. A120 Irwindale, CA 91706 (626) 962-9292 fax (626) 962-3552 www.theaceproject.org

MEMO TO: ACE Construction Authority Board Members & Alternates

FROM: Mark Christoffels
Chief Executive Officer

DATE: December 18, 2017

SUBJECT: Approval of Extension of ACE Office Lease

RECOMMENDATION: Staff requests that the Board authorize the Chief Executive Officer to execute a lease amendment for its current office space extending the lease for a period of three years through April 30, 2021 in consideration of owner furnished tenant improvements and other considerations outlined below.

BACKGROUND: The lease between the Alameda Corridor East Construction Authority of the San Gabriel Valley Council of Governments began at the San Gabriel Valley Corporate Campus in 2000. The Campus provides staff the amenities and space necessary for a productive and enjoyable workplace. The current office space consists of 9,137 square feet with a layout of cubicles, enclosed offices, one large and two smaller conference rooms, storage and a kitchen area. There are currently 27 full time and two part time staff working in the ACE office. The cost of office space is recovered through the ACE Project overhead.

Should lesser space be necessary during the term of the lease there is an assignment and subletting provision which we can utilize that will allow costs to be recovered through this means if necessary.

The lease extension will include the following tenant improvements:

- Replace wallpaper throughout and re-paint
- Replace all existing carpet

The proposed lease amendment that staff finds reasonable is attached.

BUDGET IMPACT: The funds for office rent is included in the FY 2018 budget.

Kevin Duffy
Senior Vice President
Broker Lic. 01032613

CBRE, Inc.
Brokerage Services
Lic. 00409987



234 S. Brand Boulevard
8th Floor
Glendale, CA 91204

+ 1 818 502 6724 Tel
+ 1 818 243 6069 Fax

kevin.duffy@cbre.com
www.cbre.com

December 13, 2017

Ms. Deanna R. Stanley
Administrative Services Manager
ALAMEDA CORRIDOR-EAST CONSTRUCTION AUTHORITY
4900 Rivergrade Road, Suite A120
Irwindale, CA 91706

RE: LETTER OF INTENT
4900 RIVERGRADE ROAD, POD A, SUITE A120
IRWINDALE, CA

Dear Deanna:

Metropolitan Life Insurance Company ("Landlord") has authorized CBRE, Inc. to submit the following Letter of Intent to **Alameda Corridor-East Construction Authority** ("Tenant") for the building located at 4900 Rivergrade Road, Irwindale (the "Building") under the following terms and conditions.

- Project Description:** San Gabriel Valley Corporate Campus, a three building, self-contained office campus consisting of approximately 693,164 square feet.
- Ownership:** Metropolitan Life Insurance Company
- Premises:** The Premises consists of 9,137 rentable square feet located in Pod A, Suite A120 and the adjacent break room located in Pod A, consisting of 280 rentable square feet.
- Lease Term:** Thirty-six (36) months.
- Commencement Date:** May 1, 2018.
- Base Rent:** The Base Rent for the Premises shall be \$2.25 per rentable square foot, per month on a full service gross basis and shall increase by three percent (3%) per annum thereafter on each subsequent anniversary of the Commencement Date.
- Operating and Property Tax Expenses:** In addition to the Base Rent, Tenant shall be responsible for Tenant's proportionate share of any increase in the Building's operating expenses and real estate taxes ("Operating Expenses") in excess of Operating Expenses incurred during calendar year 2018 ("Base Year").
- Renewal Option:** Tenant shall have the right to extend the Lease for all space then under lease by Tenant in the Building for one (1) additional three (3) year Term by providing Landlord with prior written notice of its intent to exercise such Option not less than nine (9) months and not more than twelve (12) months prior to the expiration of the Lease Term ("Option Term"). The Base Rent for the Option Term shall be the then Fair Market Rental Rate ("FMRR").

Tenant Improvement Allowance:

Landlord shall deliver the Premises in an “as-is” condition and shall modify the Premises utilizing building standard materials pursuant to a mutually approved plan substantially similar to the attached plan prepared by Landlord’s architect, Struere dated August 5, 2017, not to exceed fourteen dollars (\$14.00) per rentable square foot.

Confidentiality:

The material contained herein is confidential. It is intended for the use of Tenant solely in determining whether they desire to enter into a Lease with Landlord and is not to be copied nor disclosed to any other person. In the event Tenant does not enter into the contemplated transaction, Tenant will continue to keep such information and material confidential.

Subject to Lease Execution:

This Letter of Intent is an outline of major Lease provisions only, and is neither a binding agreement nor should it be construed as a legal offer to Lease. The Premises described herein is subject to prior leasing and/or withdrawal at any time without further notice. Neither Landlord nor Tenant shall have any obligation resulting from this Letter of Intent made hereby nor shall any obligation of liability be incurred by either party until and unless an Amendment is executed by both parties.

Expiration:

The terms contained herein shall expire ten (10) days from the date of this Letter of Intent.

CBRE © 2017 All Rights Reserved. All information included in this proposal pertaining to CBRE—including but not limited to its operations, employees, technology and clients—are proprietary and confidential, and are supplied with the understanding that they will be held in confidence and not disclosed to third parties without the prior written consent of CBRE. This letter/proposal is intended solely as a preliminary expression of general intentions and is to be used for discussion purposes only.

The parties intend that neither shall have any contractual obligations to the other with respect to the matters referred herein unless and until a definitive agreement has been fully executed and delivered by the parties. The parties agree that this letter/proposal is not intended to create any agreement or obligation by either party to negotiate a definitive lease/purchase and sale agreement and imposes no duty whatsoever on either party to continue negotiations, including without limitation any obligation to negotiate in good faith or in any way other than at arm’s length. Prior to delivery of a definitive executed agreement, and without any liability to the other party, either party may (1) propose different terms from those summarized herein, (2) enter into negotiations with other parties and/or (3) unilaterally terminate all negotiations with the other party hereto.

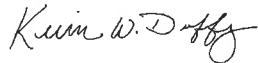
The Landlord looks forward to the prospect of **Alameda Corridor-East Construction Authority’s** continued tenancy at the San Gabriel Valley Corporate Campus.

As a next step in the proceeding, please sign, date and return a counterpart of this Letter of Intent. Upon receipt, I will forward to the Landlord for preparation of an Amendment.

Should you have any questions or need any additional information, please feel free to call.

Sincerely,

CBRE, INC.



Kevin W. Duffy
Senior Vice President
818.502.6724
kevin.duffy@cbre.com

cc: MetLife
CBRE, Inc.

AGREED & ACCEPTED

Tenant: Alameda Corridor-East Construction
Authority

By: _____

Its: _____

Date: _____

Exhibit "A"

