I. Call To Order/Roll Call

CALL TO ORDER
Maria Belen Bernal, Chairperson

ROLL CALL
Carmen Avalos, Recording Secretary

II. City Officials

CHAIRPERSON
Maria Belen Bernal

EXECUTIVE DIRECTOR
Michael Flad

VICE CHAIRPERSON
Jorge Morales

RECORDING SECRETARY
Carmen Avalos

AGENCY MEMBERS
Denise Diaz
Maria Davila
Al Rios

SECRETARY
Joe Perez

AUTHORITY COUNSEL
Raul F. Salinas

III. Meeting Compensation Disclosure

Pursuant to Government Code Section 54952.3: Disclosure of compensation for meeting attendance by Agency Members is $0 per meeting regardless of the amount of meetings.

IV. Open Session Agenda

1. Resolution Approving 2019/20 ROPS And Approving Second Amendment With Tetra Tech
The Agency Members will consider: (ADMIN SVCS)

a. Adopting a Resolution _______ approving: (I) the Recognized Obligation Payment Schedule for the 19-20 fiscal period of July 1, 2019 to June 30, 2020, including the Administrative Budget included therewith, and (II) the Second Amendment to the Agreement for Professional Services with Tetra Tech, Inc. for Remediation Activities at 3500-3506 Tweedy Boulevard, subject to submittal to, and review by, the County of Los Angeles First District Oversight Board and then the State of California, Department of Finance pursuant to the Dissolution Law, and authorizing transmittal and posting thereof.

b. Authorizing the Chairperson to execute the Second Amendment in a form acceptable to the General Counsel.

Documents:

ITEM 1 REPORT 010819 SA.PDF

2. Minutes

The Agency Members will consider approving the Meeting Minutes of December 11, 2018. (ADMIN SVCS)

Documents:

ITEM 2 REPORT 010819 SA.PDF

V. Comments From The Audience

VI. Comments From The Board Members

VII. Adjournment

I, Carmen Avalos, Secretary, certify that a true and correct copy of the foregoing Meeting Agenda was posted on January 3, 2019 at 5:17 p.m., as required by law.

Carmen Avalos,
City Clerk

Materials related to an item on this Agenda after distribution of the agenda packet are available for public inspection in the City Clerk's Office
In compliance with the American with Disabilities Act, if you need special assistance to participate in the meeting, please contact the Office of the City Clerk.

Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to assure accessibility.
SUBJECT: RESOLUTION APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE 19-20 FISCAL PERIOD OF JULY 1, 2019 TO JUNE 30, 2020, AND APPROVING THE SECOND AMENDMENT TO THE AGREEMENT FOR PROFESSIONAL SERVICES WITH TETRA TECH, INC.

PURPOSE: To consider approval of both the Recognized Obligation Payment Schedule for the 19-20 Fiscal Period (“ROPS 19-20”), including the administrative budget included therewith, and the Second Amendment to the Agreement for Professional Services (“Second Amendment”) between the Successor Agency and Tetra Tech, Inc. (“Tetra Tech”) for continued environmental consulting services performed by Tetra Tech for the remediation of 3500-3506 Tweedy Boulevard (ROPS Line Item #26).

RECOMMENDED ACTIONS:

a. Adopt Resolution approving: (I) the Recognized Obligation Payment Schedule for the 19-20 fiscal period of July 1, 2019 to June 30, 2020, including the Administrative Budget included therewith, and (II) the Second Amendment to the Agreement for Professional Services with Tetra Tech, Inc. for Remediation Activities at 3500-3506 Tweedy Boulevard, subject to submittal to, and review by, the County of Los Angeles First District Oversight Board and then the State of California, Department of Finance pursuant to the Dissolution Law, and authorizing transmittal and posting thereof.
b. Authorize the Chairperson to execute the Second Amendment in a form acceptable to the General Counsel.

FISCAL IMPACT: None until approved by the County of Los Angeles First District Oversight Board (“First District Oversight Board”) and the State of California, Department of Finance (“DOF”). If the First District Oversight Board and the DOF approve the ROPS 19-20, as submitted, it is anticipated the Successor Agency to the Community Development Commission of the City of South Gate (“Successor Agency”) will receive $5,480,002 from the Redevelopment Property Tax Trust Fund (“RPTTF”), which includes $153,481 for administrative expenses, plus authorization to spend $1,700,913 from the Reserve Fund and $20,606 from Other Funds, for a
total of $7,201,521 to pay the Successor Agency’s enforceable obligations for the 19-20 fiscal period of July 1, 2019 to June 30, 2020.

The residual RPTTF, if any, would be distributed by the Los Angeles County Auditor-Controller to the affected taxing agencies (including the City’s General Fund) on a pro-rata basis based on the amount of property taxes collected.

ANALYSIS: As a result of the dissolution of redevelopment, the Successor Agency was created to administer the enforceable obligations and unwind the affairs of the now dissolved redevelopment agency that was part of the former Community Development Commission of the City of South Gate (“Former Agency”). As part of that process, the Successor Agency must annually adopt the Recognized Obligation Payment Schedule (“ROPS”), as required by Dissolution Law.

Beginning January 1, 2016, successor agencies that have received a Finding of Completion may submit a Last and Final ROPS for approval by the oversight board and the DOF if all of the following conditions are met:

- Remaining debt includes only administrative costs and enforceable obligations with set payment schedules, such as debt service, loan agreements, and contracts;
- All remaining obligations have been previously listed on a ROPS and approved by the DOF, pursuant to Health and Safety Code (“HSC”) section 34177 (m) or (o); and
- The successor agency has no outstanding or unresolved litigation, except as specified in HSC section 34191.6 (a) (3).

The submission of a Last and Final ROPS reduces the administrative burden on successor agencies, as it eliminates the need to prepare a ROPS and complete the ROPS approval process every year. However, once the DOF approves a successor agency’s Last and Final ROPS, it can be amended only twice. At this time, the Successor Agency does not meet the above conditions because Line Item #12 (Property Disposition) and Line Item #27 (Cleanup Cost Recovery) do not have set payment schedules. Therefore, the Successor Agency staff recommends submitting this annual ROPS 19-20, rather than submitting a Last and Final ROPS.

BACKGROUND: The Successor Agency is performing its functions under the Dissolution Law to administer the enforceable obligations and otherwise unwind the Former Agency’s affairs. Under the Dissolution Law, a successor agency’s actions are subject to review by a seven-member oversight board. Until June 30, 2018, each successor agency had a local oversight board that served this purpose; but, as of July 1, 2018, all local oversight boards ended and have been replaced by consolidated county oversight boards as part of the streamlining and winding-down of redevelopment affairs. For this Successor Agency, its new oversight board is referred to as the First District Oversight Board with seven members representing various interests in the Los Angeles County First Supervisorial District, which will review and take action on Successor Agency action items under the Dissolution Law, including this ROPS 19-20 and this Second Amendment.
Under the mandatory dates in the Dissolution Law, the Successor Agency must submit ROPS 19-20 to the DOF by Friday, February 1, 2019, but only after review and approval by this Successor Agency, then review and approval by the First District Oversight Board. After the local approvals, ROPS 19-20 is transmitted to the Los Angeles County Auditor-Controller ("Auditor-Controller"), the Los Angeles County Administrative Officer ("CAO"), the State Controller's Office ("SCO"), and to the DOF by February 1, 2019. If the Successor Agency fails to meet this statutory deadline, the City of South Gate ("City") may be liable for substantial penalties, including a $10,000 per day penalty for each day past the deadline that the ROPS 19-20 is not submitted to DOF.

The ROPS 19-20 contains many of the same enforceable obligations listed on the ROPS 18-19. There are no new line items on the ROPS 19-20, and the line items include:

- **HUD Section 108 Loan (Line Item #3):** Despite the DOF approving the HUD Loan as an enforceable obligation on each ROPS from the ROPS 13-14B, the DOF rejected the loan on the ROPS 14-15A, ROPS 14-15B, and ROPS 15-16A. As a result, the Successor Agency filed a legal action against the DOF that resulted in a court decision and judgment issued in June 2016 in South Gate’s favor holding the City’s HUD Section 108 Loan is an enforceable obligation that must be approved by the DOF in connection with each ROPS funding submittals until such HUD 108 loan is repaid in full, which will occur during the ROPS 19-20 fiscal period as the last payment is due on August 1, 2019. The court decision was not appealed by the DOF.

- **Successor Agency Operations (Line Item #9):** The administrative allowance is limited to the greater of $250,000 per year, or three percent (3%) of the RPTTF distributed in the prior fiscal year, excluding the administrative allowance and any City/Former Agency loan repayments. However, the administrative allowance cannot exceed 50 percent (50%) of RPTTF distributed in the prior fiscal year, excluding the administrative allowance and any City/Former Agency loan repayments. In the Successor Agency’s case, the maximum allowable ROPS 19-20 administrative allowance is $250,000, which is the amount being requested. The Successor Agency’s 19-20 Administrative Budget is included in Attachment No. 1 to the resolution;

- **Property Disposition (Line Item #12):** RPTTF is required to fund consulting services and fees associated with the disposition of three (3) properties designated to be sold by the Successor Agency in the Long Range Property Management Plan ("LRPMP");

- **City/Former Agency Loan Repayment (Line Item #13):** The Successor Agency must repay funds loaned by the City to the Former Agency prior to dissolution;

- **County of Los Angeles Redevelopment Refunding Authority Tax Allocation Revenue Refunding Bonds Series 2014A and 2014B (Line Items #18 and #19):** Line Items #18 and #19 are bonds issued by the County of Los Angeles Redevelopment Refunding Authority for South Gate Redevelopment Project No.1;

- **Reserve for County of Los Angeles Redevelopment Refunding Authority Tax Allocation Revenue Refunding Bonds Series 2014A and 2014B (Line Items #20 and #21):** Pursuant to
HSC Section 34187(a)(2), a successor agency may retain and reserve property tax revenue from one ROPS period that otherwise would be distributed to affected taxing entities to the extent that the DOF determines the successor agency requires those funds for the payment of enforceable obligations in a following ROPS period. In the ROPS 20-21A Period, the Successor Agency estimates a shortfall of $1,500,000 to pay the projected bond obligations for Tax Allocation Revenue Refunding Bonds Series 2014A (Line Item #18) and a shortfall of $195,000 to pay the projected bond obligations for Tax Allocation Revenue Refunding Bonds Series 2014B (Line Item #19);

- **County of Los Angeles Redevelopment Refunding Authority Trustee Fees (Line Item #22):** Line Item #22 is an enforceable obligation due to a Continuing Disclosure Agreement with the County of Los Angeles Redevelopment Refunding Authority for Tax Allocation Revenue Refunding Bonds Series 2014A and 2014B;

- **Remediation Costs 3500-3506 Tweedy Boulevard (Line Item #26):** The Successor Agency received local oversight board approval and entered into an original Professional Services Agreement with Tetra Tech on January 30, 2017 due to notices issued and enforcement actions taken against the Successor Agency by the Los Angeles Regional Water Quality Control Board ("LARWQCB") related to the contaminated properties and necessary environmental cleanup or the real property located at 3500-3506 Tweedy Boulevard. Earlier this year, the LARWQCB provided comments to a periodic environmental report issued by Tetra Tech that requested additional professional services to be completed to satisfy the LARWQCB’s directives. Tetra Tech drafted an expanded scope of work and fee proposal that provided a revised budget for FY 18-19 as well as a preliminary budget for FY 19-20. The First Amendment to the Professional Services Agreement between the Successor Agency and Tetra Tech ("First Amendment") was approved by the First District Oversight Board on September 24, 2018, and by the DOF on October 24, 2018.

During implementation of the Original Agreement and First Amendment, Tetra Tech, on behalf of the Successor Agency, has performed the work directed by the LARWQCB, including identifying a remediation method that is most efficient and cost effective for the Successor Agency, which is a Soil Vapor Extraction method of remediation that is consistent with the LARWQCB’s requirements. However, during implementation of the First Amendment, Tetra Tech in consultation with the Successor Agency and LARWQCB, has determined that the remediation method requires an additional amendment to Tetra Tech’s scope of work and estimated fees and costs, which are detailed in the Second Amendment to the Agreement for Professional Services between the Successor Agency and Tetra Tech ("Second Amendment") that is included as Attachment No. 2 to this Agenda Bill. The Second Amendment, if approved for funding and performance by the First District Oversight Board and the DOF, will allow Tetra Tech to be compensated for the Second Amended Scope of Work of up to $620,676 for the applicable fiscal year with a cumulative amount not to exceed $1,018,319 for the applicable and approved fiscal year(s);

- **Cleanup Cost Recovery (Line Item #27):** The LARWQCB is the regional division of a state agency that oversees the environmental cleanup of certain real property referred to as the Freedom Ford Site, located at 7916 Long Beach Boulevard, and is authorized to assess and
recover costs and expenses for oversight of the cleanup of waste that affects or threatens waters of the state under Section 13304 of the California Water Code.

The Cash Balances page shows the inflow and outflow of funds held by the Successor Agency. Funds are being spent in a timely manner and consistent with the prior approvals by the applicable oversight boards and the DOF. As reported on the Cash Balances tab of the ROPS 19-20 form, the Successor Agency had $1,758,196 of cash as of the end of the ROPS 16-17 period, which was designated to fund enforceable obligations in the ROPS 18-19 period and ROPS 19-20 period in place of RPTTF. Of the $1,758,196 amount:

- $20,251 is allocable to bond proceeds that were designated by the DOF during the ROPS 18-19 approval process to be spent in the ROPS 18-19 period;
- $85,875 is allocable to remaining RPTTF monies that were designated by the DOF in the ROPS 18-19 approval process to be spent in the ROPS 18-19 period;
- $68,657 is made up of $48,051 of other funds that were designated by the DOF during the ROPS 18-19 approval process to be spent in the ROPS 18-19 period and $20,606 of other funds requested for expenditure on ROPS 19-20 to fund Successor Agency Operations (Line Item #9);
- $1,507,500 is RPTTF monies that were reserved in the ROPS 16-17B period for bond payments in the ROPS 17-18A period;
- $75,913 of RPTTF monies are available to be spent in the ROPS 19-20 period. Pursuant to HSC Section 34186(c), the Successor Agency submitted a ROPS 16-17 Prior Period Adjustment (“PPA”) form to the Auditor-Controller. This 16-17 PPA form reports the Successor Agency’s amount of unspent RPTTF monies as of the end of the ROPS 16-17 period. The Successor Agency reported $75,913 of unspent RPTTF monies as of the end of ROPS 16-17 period, which has been applied to the Reserve Balance and is being requested to fund Successor Agency Operations (Line Item #9) in place of RPTTF monies on ROPS 19-20.

The Successor Agency intends to bring its ROPS 19-20 and the Second Amendment before the First District Oversight Board at its January 14, 2019 regular meeting. If obtained, and after obtaining, the First District Oversight Board’s approval, Successor Agency staff will then transmit the ROPS 19-20 and the Second Amendment to the DOF, the Auditor-Controller, the CAO and the SCO.

Upon receipt of an oversight board-approved ROPS, the DOF has 45 days to make its determination of the enforceable obligations, including amounts and funding sources. Within five business days of the DOF’s determination, the Successor Agency may request additional review and an opportunity to meet and confer on disputed items. The DOF has until 15 days prior to the date for property tax distribution to make its final decision after the meet and confer. The RPTTF distribution dates for the ROPS 19-20A period and 19-20B period are on or about June 1, 2019 and January 2, 2020, respectively.

Accordingly, staff recommends that the Successor Agency adopt the Resolution approving the ROPS 19-20 and the Second Amendment (attached) and authorize the Executive Director/ City
Manager and/or his authorized designees to transmit the ROPS and the Second Amendment to the First District Oversight Board for its review and approval under the Dissolution Law, and after the First District Oversight Board's approval to send a copy of the ROPS 19-20 and the Second Amendment to the DOF, the Auditor-Controller, the CAO and the SCO, as required by the Dissolution Law. Further, the Director of Administrative Services and/or her authorized designee(s), in consultation with legal counsel, shall be authorized to request and complete meet and confer session(s), if any, with the DOF and authorized to make augmentations, modifications, additions or revisions as may be necessary or directed by the DOF. and changes, if any, will be reported back to the Successor Agency and the First District Oversight Board.

**ATTACHMENT:** Proposed Resolution Approving the ROPS 19-20 (including the 19-20 Administrative Budget) and the Second Amendment
SUCCESSOR AGENCY RESOLUTION NO. 19-

CITY OF SOUTH GATE
LOS ANGELES COUNTY, CALIFORNIA

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SOUTH GATE APPROVING: (I) THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE 19-20 FISCAL PERIOD OF JULY 1, 2019 TO JUNE 30, 2020, INCLUDING THE ADMINISTRATIVE BUDGET INCLUDED THEREWITH, AND (II) THE SECOND AMENDMENT TO THE AGREEMENT FOR PROFESSIONAL SERVICES WITH TETRA TECH, INC. FOR REMEDIATION ACTIVITIES AT 3500-3506 TWEEDY BOULEVARD, SUBJECT TO SUBMITTAL TO, AND REVIEW BY, THE COUNTY OF LOS ANGELES FIRST DISTRICT OVERSIGHT BOARD AND THEN THE STATE OF CALIFORNIA, DEPARTMENT OF FINANCE PURSUANT TO THE DISSOLUTION LAW, AND AUTHORIZING TRANSMITTAL AND POSTING THEREOF

WHEREAS, the Community Development Commission of the City of South Gate ("Former Agency") was a public body, corporate and politic formed, organized, existing and exercising its powers pursuant to Section 34100, et seq. of the California Health and Safety Code ("HSC"), and exercised the powers, authority, functions, jurisdiction of a community redevelopment agency formed, organized, existing and exercising its powers pursuant to the California Community Redevelopment Law, Health and Safety Code, Section 33000, et seq., and specifically formed by the City Council ("City Council") of the City of South Gate ("City"); and

WHEREAS, Assembly Bill x1 26 added Parts 1.8 and 1.85 to Division 24 of the California Health & Safety Code, which caused the dissolution of all redevelopment agencies and winding down of the affairs of former agencies, including as such laws were amended by Assembly Bill 1484 and other subsequent legislation including Senate Bill 107 (together, the "Dissolution Law"); and

WHEREAS, as of February 1, 2012, the Former Agency was dissolved pursuant to the Dissolution Law, and as a separate public entity, corporate and politic, the Successor Agency to the Community Development Commission of the City of South Gate ("Successor Agency") administers the enforceable obligations of the Former Agency and otherwise unwinds the Former Agency’s affairs, all subject to the review and approval by a seven-member oversight board; and

WHEREAS, pursuant to Section 34179(j) of the Dissolution Law, in every California county there shall be only one oversight board that is staffed by the county’s auditor-controller, with the exception of Los Angeles County that has five oversight boards, each a consolidated board with one each for the five supervisorial districts in the County of Los Angeles; and

WHEREAS, the applicable consolidated oversight board overseeing this Successor Agency is called the Consolidated Oversight Board First District of Los Angeles County ("First District Oversight Board"); and
WHEREAS, as of, on, and after July 1, 2018, the County of Los Angeles through the Los Angeles County Auditor-Controller established theFirst District Oversight Board (inclusive of the five oversight boards in the County of Los Angeles) in compliance with Section 34179(j), which serves as the oversight board to the successor agencies located within the boundaries of the First Supervisorial District of Los Angeles County, including this Successor Agency; and

WHEREAS, every oversight board, both the prior local oversight board and this newly established First District Oversight Board, has fiduciary responsibilities to the holders of enforceable obligations and to the taxing entities that benefit from distributions of property tax and other revenues under the Dissolution Law, in particular Section 34188; and

WHEREAS, Sections 34177(m), 34177(o) and 34179 provide that each Recognized Obligation Payment Schedule (“ROPS”) is submitted to, reviewed and approved by the successor agency and then reviewed and approved by the oversight board before final review and approval by the State Department of Finance (“DOF”); and

WHEREAS, Section 34177(o) of the Dissolution Law requires that the annual ROPS for the 19-20 fiscal period of July 1, 2019 to June 30, 2020 (“ROPS 19-20”) be submitted to the DOF by the Successor Agency, after approval by the First District Oversight Board, no later than February 1, 2019; and

WHEREAS, Line Item #26 on ROPS 19-20 is listed as Remediation Costs under an existing agreement (“Tetra Tech Original Agreement”), as amended (“’Tetra Tech First Amendment”), for professional services between the Successor Agency and Tetra Tech, Inc. to undertake clean-up of hazardous materials contamination on certain real property located at 3500-3506 Tweedy Blvd. in the City of South Gate (“Contaminated Property”), which is owned in fee by the Successor Agency and is listed on its DOF-approved Long Range Property Management Plan (“LRPMP”); and

WHEREAS, the Contaminated Property has been and remains the subject of an enforcement notice and action by the Los Angeles Regional Water Quality Control Board (“LARWQCB”) due to the contaminated condition of the Contaminated Property, which public agency recently issued notice and direction to the Successor Agency through Tetra Tech that necessitates changes in the scope of work and costs and fees therefor in connection with continuing to undertake remediation of the Contaminated Property; and

WHEREAS, in order to undertake the amended scope of work and pay for the increased costs and fees therefor, further amendment of the Tetra Tech Original Agreement, as amended by the First Amendment, is necessary, which is set forth in that certain Second Amendment to Agreement for Professional Services (Tetra Tech Remediation Activities at 3500-3506 Tweedy Boulevard) (“Second Amendment”) to implement that certain Second Amended Scope of Work (defined therein) and the increased funding to implement such work during the ROPS 19-20 fiscal year; and

WHEREAS, the ROPS 19-20, including the Administrative Budget included therewith, and the Second Amendment have been prepared and each is presented for review and approval by this Successor Agency, and then each will be presented to the First District Oversight Board for
review and approval and then to the DOF, which is the subject of this agenda item and resolution; and

WHEREAS, the ROPS 19-20, including the Administrative Budget included therewith, in the form required by DOF, is attached hereto as Attachment No. 1, and the Second Amendment is attached hereto as Attachment No. 2, with all attachments fully incorporated by this reference; and

WHEREAS, the Successor Agency has reviewed the draft ROPS 19-20, including the Administrative Budget included therewith, and the Second Amendment, and desires to approve the ROPS 19-20, including the Administrative Budget included therewith, and the Second Amendment, and to authorize the Successor Agency to transmit the ROPS 19-20, including the Administrative Budget included therewith, and the Second Amendment to the First District Oversight Board.

NOW, THEREFORE, THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SOUTH GATE DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The foregoing recitals are incorporated into this Resolution by this reference, and constitute a material part of this Resolution.

SECTION 2. Under the Dissolution Law, the Successor Agency hereby approves: (I) the ROPS 19-20, including the Administrative Budget, attached hereto as Attachment No. 1, and (II) the Second Amendment between the Successor Agency and Tetra Tech, Inc., attached hereto as Attachment No. 2, each submitted herewith.

SECTION 3. The Successor Agency hereby authorizes and directs transmittal of the ROPS 19-20, including the Administrative Budget, and the Second Amendment to the First District Oversight Board and then to the DOF and all other bodies as required by the Dissolution Law.

[Remainder of page left blank intentionally]
SECTION 4. The Director of Administrative Services, and/or her authorized designee, is hereby directed to post this Resolution, including the ROPS 19-20 and the Second Amendment on the City’s website: http://www.cityofsouthgate.org/247/Successor-Agency, pursuant to the Dissolution Law.

SECTION 5. The Recording Secretary of the Successor Agency shall certify to the adoption of this Resolution which shall be effective upon its adoption.

PASSED, APPROVED and ADOPTED this 8th day of January 2019.

Maria Belén Bernal, Chairperson
Successor Agency to
the Community Development Commission of
the City of South Gate

ATTEST:

Carmen Avalos, Recording Secretary
Successor Agency to
the Community Development Commission of
the City of South Gate

(SEAL)

DRAFT

APPROVED AS TO FORM:

Raul F. Salinas, General Counsel
Successor Agency to
the Community Development Commission of
the City of South Gate
Recognized Obligation Payment Schedule (ROPS 19-20) - Summary
Filed for the July 1, 2019 through June 30, 2020 Period

Enforceable Obligations Funded as Follows (B+C+D):

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<th>Bond Proceeds</th>
<th>Reserve Balance</th>
<th>Other Funds</th>
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<tr>
<td>$1,683,562</td>
<td>$37,957</td>
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Redevelopment Property Tax Trust Fund (RPTTF) (F+G):

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<tr>
<th>RPTTF</th>
<th>Administrative RPTTF</th>
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<tr>
<td>$2,988,072</td>
<td>$2,338,440</td>
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Successor Agency:

County: South Gate
Los Angeles

Current Period Enforceable Obligations (A+E):

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<tr>
<th>19-20A Total</th>
<th>(January - June)</th>
<th>ROPS 19-20 Total</th>
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<tr>
<td>$1,662,956</td>
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<td>$1,700,913</td>
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<td>$2,988,072</td>
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<td>$4,738,072</td>
<td>$2,463,649</td>
<td>$7,201,721</td>
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Certification of Oversight Board Chairman:

Pursuant to Section 34177 (o) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named successor agency.

[Name]
[Title]
[Signature] [Date]
South Gate Recognized Obligation Payment Schedule (ROPS 19-20) - Report of Cash Balances
July 1, 2016 through June 30, 2017
(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177(I), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. For tips on how to complete the Report of Cash Balances Form, see Cash Balance Tips Sheet.

<table>
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<tr>
<th></th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
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<td>Revenue/Income (Actual 06/30/17)</td>
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<td></td>
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</tr>
<tr>
<td>3</td>
<td>Expenditures for ROPS 16-17 Enforceable Obligations (Actual 06/30/17)</td>
<td>20,606</td>
<td>6,291,954</td>
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<td>Retention of Available Cash Balance (Actual 06/30/17)</td>
<td>1,457,500</td>
<td>8,173</td>
<td>4,708,541</td>
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<td>ROPS 16-17 RPTTF Prior Period Adjustment</td>
<td>20,251</td>
<td>85,875</td>
<td>68,657</td>
<td>1,507,500</td>
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<td>Ending Actual Available Cash Balance (06/30/17)</td>
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<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
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C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)

-$0$ $0$ $0$ $0$ $0$ $0$
The 16-17 PPA form reports $75,913 of unspent RPTTF at the end of ROPS 16-17 period, which has been applied to the Reserve Balance and is being requested to fund a portion of administrative expenses in place of RPTTF on ROPS 19-20. In addition, $20,606 of Other Funds unspent in FY 16-17 is being requested to fund a portion of administrative expenses in place of RPTTF on ROPS 19-20.
### EXHIBIT B
SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SOUTH GATE
ADMINISTRATIVE BUDGET FISCAL YEAR 2019-2020
JULY 1, 2019 to JUNE 30, 2020

<table>
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<th>EXPENSE CATEGORY</th>
<th>RESPONSIBILITIES</th>
<th>FY 2019-20 PROPOSED BUDGET</th>
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<td>Salaries and Wages</td>
<td>• Process payment of enforceable obligations</td>
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<tr>
<td></td>
<td>• Maintain documentation of Agency records</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Coordinate with consultant to answer questions and provide documentation as</td>
<td></td>
</tr>
<tr>
<td>Staff salaries, benefits, and payroll</td>
<td>requested by Oversight Board, County Auditor-Controller, and Department of Finance</td>
<td></td>
</tr>
<tr>
<td>taxes</td>
<td>• Attend Oversight Board meetings</td>
<td></td>
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<tr>
<td>TOTAL</td>
<td></td>
<td>$140,000</td>
</tr>
<tr>
<td>Maintenance and Operations</td>
<td></td>
<td></td>
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<tr>
<td>Rent and Utilities</td>
<td>• Utility and rent expenses</td>
<td>$7,500</td>
</tr>
<tr>
<td></td>
<td>• Supplies</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Equipment</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• LRPMP property maintenance prior to transfer/sale</td>
<td></td>
</tr>
<tr>
<td>Contract services</td>
<td>• Prepare ROPS, PPA, staff reports, and resolutions</td>
<td>$52,500</td>
</tr>
<tr>
<td></td>
<td>• Coordinate with and answer questions for Oversight Board, County Auditor-</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Controller, and Department of Finance</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Monitor and project cash flow to ensure sufficient revenues for obligations</td>
<td></td>
</tr>
<tr>
<td></td>
<td>and to inform Agency staff of expected revenues</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Audit financial records</td>
<td></td>
</tr>
<tr>
<td>Insurance and legal services</td>
<td>• Review staff reports and resolutions</td>
<td>$50,000</td>
</tr>
<tr>
<td></td>
<td>• Provide legal services as needed</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>$110,000</td>
</tr>
<tr>
<td>TOTAL BUDGET</td>
<td></td>
<td>$250,000</td>
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</table>
SECOND AMENDMENT TO AGREEMENT FOR PROFESSIONAL SERVICES
(Tetra Tech Remediation Activities at 3500-3506 Tweedy Boulevard)

This SECOND AMENDMENT TO AGREEMENT FOR PROFESSIONAL SERVICES
(Tetra Tech Remediation Activities at 3500-3506 Tweedy Boulevard) (“Second Amendment”) is
made and entered into as of January 8, 2019 (as dated for reference) by and between the
SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION OF
THE CITY OF SOUTH GATE, a public body (“Successor Agency”) and TETRA TECH, INC.,
a California corporation (“Consultant”). Each of the Successor Agency and Consultant are a
“Party” and together referred to as the “Parties.”

RECITALS

The Parties are entering into this Second Amendment based upon the following facts,
which form a substantive part hereof:

A. Successor Agency is a separate public body that exists under Parts 1.8 and 1.85,
Division 24, Section 34160 and 34170, et seq., respectively, of the California Health and Safety
Code (“Dissolution Law”), in particular as set forth in Section 34173(g) thereof.

B. Successor Agency and Consultant entered into that certain Agreement for
Professional Services (Tetra Tech Remediation Activities at 3500-3506 Tweedy Boulevard)
(“Original Agreement”) dated as of January 24, 2017, for remediation activities to be undertaken
on and about certain real property located at 3500-3506 Tweedy Boulevard, South Gate
(“Property”), which Original Agreement was approved for partial funding as an enforceable
obligation by the State of California, Department of Finance (“DOF”) under Line Item #26 of
ROPS 18-19.

C. The Successor Agency received local oversight board approval of the
Original Agreement on January 30, 2017, based on a series of notices and directives issued under
an enforcement action by the Los Angeles Regional Water Quality Control Board (“LARWQCB”)
against the Successor Agency related to the hazardous material contamination and necessary
environmental cleanup on, under, and about the Property.

D. Successor Agency and Consultant entered into that certain First Amendment to
Agreement for Professional Services (Tetra Tech Remediation Activities at 3500-3506 Tweedy
Boulevard) (“First Amendment”) dated as of September 11, 2018, for a revised scope of work and
additional funding related to continued remedial services at the Property, which First Amendment
was approved by the County of Los Angeles, First District Oversight Board (“First District
Oversight Board”) on September 24, 2018, and thereafter approved by the DOF on or about
October 26, 2018.

E. Based on continued assessment and remediation work at the Property by
Consultant, with oversight thereof by the LARWQCB and Successor Agency, it is now the
professional opinion that the scope of work, method of remediation, previous budget and approved
funding must be amended and funding increased in order for Consultant to undertake a revised
scope of work to remediate the Property, which necessitates this Second Amendment.
F. In this regard, Consultant has informed the Successor Agency and LARWQCB that in its professional opinion the budget and funding approved to date by the DOF under the Original Agreement and First Amendment must be amended because the base assumptions that two wells and a temporary blower system in operation for several months would be adequate to remediate the Property; however, after continued onsite work and further analyses by Consultant and review thereof by LARWQCB, at this time the Consultant believes that the contamination is present in several locations at the Property and will require at least six (6) multi-depth soil vapor extraction wells in operation for about one (1) year using modified methods, stronger equipment and a semi-permanent compound.

G. Based on the foregoing, the Successor Agency in consultation with Consultant, and as Consultant has consulted with the LARWQCB, it is necessary to move forward with this modified soil vapor extraction remediation approach at the Property with additional funding therefor, which is the subject of this Second Amendment.

H. Tetra Tech has prepared an expanded scope of work and fee/cost estimate to be funded through ROPS 19-20, Line Item #26, which amended scope of work and funding are set forth in the attached Exhibit A, Updated and Detailed Cost Estimate and Scope of Work for Excavation and Off-Site Disposal, Former Target/Lazar Site, 3500-3506 Tweedy Boulevard, which is fully incorporated by this reference (“Second Amended Scope of Work”).

I. Therefore, Consultant, in consultation with the Successor Agency and LARWQCB, has identified a remediation method that is the most efficient and cost effective for the Successor Agency to remediate the contamination at the Property by implementation of the Second Amended Scope of Work, which is called a soil vapor extraction method of remediation that is consistent with the LARWQCB’s directives, which requires the Second Amended Scope of Work and additional funding as detailed in Exhibit A.

NOW, THEREFORE, Successor Agency and Consultant agree as follows:

Section 1. SECOND AMENDED SCOPE OF WORK; CONSULTANT’S SERVICES. Consultant agrees to provide the services and perform the tasks set forth in the Second Amended Scope of Work, Exhibit A. The Second Amended Scope of Work is set forth in Consultant’s proposal dated as of December 19, 2018, the costs to implement such will be listed on Line Item #26 of ROPS 19-20 for review and approval by the First District Oversight Board and then by the DOF.

Section 2. EFFECTIVENESS OF SECOND AMENDMENT AND EXTENDED TERM OF AGREEMENT, AS AMENDED. This Second Amendment will become effective after all of the following occur: (a) approval by the Successor Agency; (b) review and approval by the First District Oversight Board; and, (c) review and approval by the DOF, all under the Dissolution Law, and all subject to concurrent approvals by such entities of ROPS 19-20, which has been considered and approved by the Successor Agency of even date herewith. The Term of the Original Agreement is extended for the period commencing upon DOF’s approval of this Second Amendment and ending on June 30, 2020, with such Term subject to one or more extensions of up to one year for and during the subsequent fiscal year of 20-21, if necessary, which shall coincide with continued undertaking and completion of the Second Amended Scope of Work as described in the above Recitals and Section 1 above, and for which the DOF has reviewed and approved
funding in each successive fiscal year(s) that the Successor Agency continues to own the subject Property and for which continued remediation work is required to continue, including work ordered or otherwise directed by LARWQCB or other governmental agency with jurisdiction over the Property, but in no event shall the Term, as amended, extend beyond June 30, 2021, unless otherwise expressly extended and agreed to by both Parties or terminated by either Party as provided herein, and subject to Dissolution Law requirements.

Section 3. ADJUSTMENT TO COMPENSATION FOR SERVICES TO IMPLEMENT SECOND AMENDED SCOPE OF WORK. Under the Second Amendment and subject to the terms and conditions stated hereinafter, the Successor Agency agrees to pay the Consultant for its professional services performed and costs incurred therefor as described in the Second Amended Scope of Work, Exhibit A, which includes Consultant’s estimated fees and costs schedule that is a part of the December 19, 2018 submittal from Consultant to the Successor Agency, in cumulative funding under the Original Agreement, First Amendment and this Second Amendment not to exceed $1,018,319 as detailed in the Contract Budget Summary included as Exhibit B; provided however and expressly subject to and limited by the condition that any and all funding shall be approved by the First District Oversight Board and by the DOF, then such approved funding being allocated by the DOF to the Successor Agency through the ROPS 18-19 and ROPS 19-20 processes, all for work completed in compliance with the Original Agreement, the First Amendment, and this Second Amendment. To the extent that the DOF does not approve and allocate funding to the Successor Agency to pay for Consultant’s services as described in the Original Agreement, the First Amendment, and this Second Amendment, then Consultant acknowledges that Successor Agency is not obligated to pay Consultant for its services performed and costs incurred because the Successor Agency has no other source or sources of funds to pay for such services and costs therefor except for DOF-approved and allocated monies.

Section 4. DEFINED TERMS. All other terms not defined in this Second Amendment shall have the same meaning and use as set forth in the Original Agreement.

Section 5. ORIGINAL AGREEMENT AND FIRST AMENDMENT IN FULL FORCE AND EFFECT. All other provisions of the Original Agreement, as amended by the First Amendment, and by this Second Amendment, shall remain in full force and effect.
Section 6. COUNTERPARTS. This Second Amendment may be executed in counterparts and as so executed shall constitute a contract that shall be binding upon all Parties herein.

WITNESS, the Parties hereto have caused this Second Amendment to Agreement for Professional Services (Tetra Tech Remediation Activities At 3500-3506 Tweedy Boulevard) be executed by and through their respective authorized officers, as of the date first written above.

SUCCESSOR AGENCY:

SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SOUTH GATE, a public body

____________________________
María Belén Bernal, Chair  
Successor Agency to  
the Community Development Commission of  
the City of South Gate

ATTEST:

____________________________
Carmen Avalos, Recording Secretary  
Successor Agency to  
the Community Development Commission of  
the City of South Gate

(SEAL)

APPROVED AS TO FORM:

Raul F. Salinas, General Counsel  
Successor Agency to  
the Community Development Commission of  
the City of South Gate
CONSULTANT:

TETRA TECH, INC.
a California corporation

By: ____________________________

Its: ____________________________
### PROJECT WORK SCOPE BY TASK

<table>
<thead>
<tr>
<th>TASK 1: Additional Offsite Groundwater Investigation</th>
<th>2019 Jan-Jun</th>
<th>2019 Jul-Dec</th>
<th>2020 Jan-Jun</th>
</tr>
</thead>
<tbody>
<tr>
<td>Task 1a: Submit Additional Sampling Work Plan</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Task 1b: Field Sampling and Well Installation (2 wells)</td>
<td>$20,000</td>
<td></td>
<td></td>
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<tr>
<td>Subtask 1bi: Report writing &amp; CSM Update</td>
<td>$15,000</td>
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<td></td>
</tr>
<tr>
<td>TASK 2: Interim Remedial Action</td>
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<td></td>
<td></td>
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<tr>
<td>Task 2a: Prepare and Submit Interim Remedial Action Plan</td>
<td>$10,000</td>
<td></td>
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<tr>
<td>Subtask 2ai: Final Design (Assumes SVE)</td>
<td>$70,000</td>
<td>$20,000</td>
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<tr>
<td>Task 2b: Install SVE System includes Permits</td>
<td>$170,000</td>
<td>$89,000</td>
<td>$33,378</td>
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<td>Subtask 2bi: Operation, Maintenance, and Monitoring (OMM)</td>
<td>$8,000</td>
<td>$40,000</td>
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<td>Task 2c: Groundwater Hot Spot Treatment</td>
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<td>$40,000</td>
<td>$50,000</td>
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<tr>
<td>Task 2d: Remediation Report</td>
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<td>$40,000</td>
<td>$45,000</td>
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<tr>
<td>TASK 3: Ongoing Groundwater Monitoring</td>
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<tr>
<td>Task 3a: Second Semi-annual 2018</td>
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<td></td>
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<tr>
<td>Task 3b: Semi-annual 2019</td>
<td>$10,000</td>
<td>$10,000</td>
<td>$10,000</td>
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<td>Task 3c: Semi-annual 2020</td>
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<tr>
<td>TASK 4: Project Management</td>
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<td>Task 4a: Monthly Progress Reports &amp; PM</td>
<td>$25,233</td>
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<td>Task 4b: GeoTracker Uploads</td>
<td>$600</td>
<td>$1,000</td>
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<td>Task 4c: Meetings with City of South Gate</td>
<td>$2,116</td>
<td>$2,116</td>
<td>$2,116</td>
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<td><strong>Totals:</strong></td>
<td>$330,949</td>
<td>$252,349</td>
<td>$151,327</td>
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Previously forecasted/approved budget: $113,949

Total Additional Funding Needed To Be Approved by Finance: $217,000
### Contract Budget Summary

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>July-Dec</td>
<td>Jan-Jun</td>
<td>July-Dec</td>
<td>Jan-Jun</td>
<td>Jul-Dec</td>
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<tr>
<td>Total Approved Contract Amount</td>
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<td>93,356</td>
<td>66,949</td>
<td>113,940</td>
<td>469,349</td>
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<tr>
<td>(Requested)</td>
<td></td>
<td></td>
<td>(Requested)</td>
<td></td>
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</table>

Total Contract Not To Exceed: $1,018,319
MINUTES FOR THE REGULAR MEETING OF THE SUCCESSOR AGENCY OF THE CITY OF SOUTH GATE

TUESDAY, DECEMBER 11, 2018

CALL TO ORDER
The regular meeting of the Successor Agency of the City of South Gate was called to order by Chairwoman Bernal at 6:54 p.m.

ROLL CALL
Gregory Martinez, Recording Secretary

PRESENT
Chairwoman María Belén Bernal, Agency Member Denise Diaz, Agency Member Maria Davila, and Agency Member Al Rios; Executive Director Michael Flad, Authority Counsel Raul F. Salinas, Secretary Joe Perez

ABSENT
Vice Chairman Jorge Morales and City Clerk Carmen Avalos

MINUTES
The Successor Agency approved the Regular Meeting minutes of September 11, 2018 by motion of Chairwoman Bernal and seconded by Agency Member Davila.

COMMENTS FROM THE AUDIENCE
There were no comments from the audience.

COMMENTS FROM THE BOARD MEMBERS
There were no comments from the Board Members.

ADJOURNMENT
Agency Member Davila motioned to adjourn the meeting at 6:56 p.m. and seconded by Chairwoman Bernal.

PASSED and APPROVED this 8th day of January, 2019.

Maria Belén Bernal, Chairwoman

Carmen Avalos, City Clerk