

SUCCESSOR AGENCY RESOLUTION NO. 33

**CITY OF SOUTH GATE
LOS ANGELES COUNTY, CALIFORNIA**

**RESOLUTION OF THE SUCCESSOR AGENCY TO THE
COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF
SOUTH GATE APPROVING (i) THE FIRST AMENDMENT TO THE
AGREEMENT FOR PROFESSIONAL SERVICES BETWEEN THE
SUCCESSOR AGENCY AND TETRA TECH, INC., AND (ii) AN
AMENDMENT TO RECOGNIZED OBLIGATION PAYMENT
SCHEDULE 18-19 FOR THE "B" FISCAL PERIOD OF JANUARY 1,
2019 TO JUNE 30, 2019 RELATED TO SUCH FIRST AMENDMENT;
AND AUTHORIZING THE TRANSMITTAL OF THE FIRST
AMENDMENT AND AMENDMENT TO ROPS 18-19B TO THE FIRST
DISTRICT OVERSIGHT BOARD AND THEN TO THE STATE
DEPARTMENT OF FINANCE PURSUANT TO THE
DISSOLUTION LAW, AND AUTHORIZING 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, 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, as of, on, and after July 1, 2018, under the Dissolution Law, in particular Section 34179(j), in every California county there shall be only one oversight board that is staffed by the county 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 the First 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)(1)(E) authorizes that "[o]nce per period, and no later than October 1, a successor agency may submit one amendment to the [ROPS] approved by the department pursuant to this subdivision, if the oversight board makes a finding that a revision is necessary for the payment of approved enforceable obligations during the second one-half of the [ROPS] period, which shall be defined as January 1 to June 30, inclusive. A successor agency may only amend the amount requested for payment of approved enforceable obligations. The revised [ROPS] shall be approved by the oversight board and submitted to the department by electronic means in a manner of the department's choosing. The department shall notify the successor agency and the county auditor-controller as to the outcome of the department's review at least 15 days before the date of the property tax distribution;" and;

WHEREAS, Line Item No. 26 on ROPS 18-19 is listed as Remediation Costs under an existing agreement for professional services between the Successor Agency and Tetra Tech, Inc. ("Tetra Tech Contract") 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 Tetra Tech Contract states an estimated total contract price for performance thereunder of \$221,545, which contract itself was reviewed and approved by this Successor Agency, by the original local oversight board, and by DOF; and

WHEREAS, while on ROPS 18-19, the Successor Agency listed and asked for Redevelopment Property Tax Trust Fund ("RPTTF") funding of \$221,545 to pay for services to be rendered by Tetra Tech, the DOF in its March 14, 2018 decision letter for ROPS 18-19 DOF determined:

"Item No. 26 - Remediation Costs in the outstanding amount of \$221,545 is partially allowed. The [Successor] Agency provided updated budget projections from the contractor Tetra Tech, Inc., supporting \$47,164 is needed for the ROPS 18-19 period. Therefore, the remaining amount of \$174,381 is ineligible for Redevelopment Property Tax Trust Fund (RPTTF) funding."

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 subject property, which agency recently issued notice and direction to the Successor Agency through Tetra Tech that changes in the scope of work for remediation of the Contaminated Property are required, and, in turn, Tetra Tech has evaluated the estimated costs for undertaking and completing the modified scope of work that requires amendment of both the Tetra Tech Contract and amendment of ROPS 18-19B ("ROPS 18-19B Amendment") to increase the funding by \$133,734 to a total of \$180,898 for the ROPS 18-19 fiscal year; and

WHEREAS, the Tetra Tech Contract, which was reviewed and approved first by the local oversight board and then by DOF in connection with enforceable obligations listed on ROPS 17-18, includes and delegates express authority to the Successor Agency Executive Director (who is also the City Manager), as necessary, to modify the scope of work and services provided by Tetra Tech and to extend the term of that contract (See: Recital M. Sections 1 and 2 of Tetra Tech contract, a copy of which is attached to the First Amendment); and

WHEREAS, because an increase in RPTTF funding through the amendment to ROPS 18-19B is necessary to pay for Tetra Tech's additional and modified scope of services described in that certain First Amendment to Agreement for Professional Services between the Successor Agency and Tetra Tech, Inc. ("First Amendment"), as required and directed by the LARWQCB; and

WHEREAS, the First Amendment and the amendment to ROPS 18-19B 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 First Amendment to the Tetra Tech Contract is attached as Attachment A and the amendment to ROPS 18-19B, in the form required by DOF, is attached as Attachment B, and both attachments are fully incorporated by this reference; and

WHEREAS, the Successor Agency has reviewed the First Amendment and the amendment to ROPS 18-19B and desires to make certain findings, including: (i) the First Amendment to the Tetra Tech Contract and corresponding amendment to ROPS 18-19B are necessary to implement a DOF-approved enforceable obligation (Tetra Tech Contract, as amended) listed as Item 26 on ROPS 18-19 during the "B" fiscal period as necessitated by the LARWQCB review and enforcement action; (ii) the First Amendment to Tetra Tech Contract is approved; (iii) the amendment to ROPS 18-19B is approved; and (iv) Successor Agency staff is authorized to post ROPS 18-19, as amended, on the City's website: <http://www.cityofsouthgate.org>; and (v) staff is directed to transmit the First Amendment and the amendment to ROPS 18-19B to the First District Oversight Board and then to the DOF, with copies to the County of Los Angeles Administrative Officer, the County of Los Angeles Auditor-Controller, and the State Controller's Office pursuant to the Dissolution Law;

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 (a) the First Amendment to Agreement for Professional Services with Tetra Tech, Inc. attached hereto as Attachment A; and (b) the amendment to ROPS 18-19 attached hereto as Attachment B, each submitted herewith.

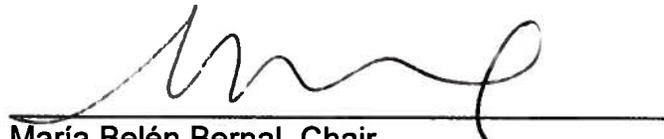
SECTION 3. The Successor Agency hereby authorizes and directs transmittal of the First Amendment and the amendment to ROPS 18-19B to the First District Oversight Board and then to the State Department of Finance.

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SECTION 4. The Director of Administrative Services, or her authorized designee, is hereby directed to post this Resolution including a copy of the First Amendment and the amendment to ROPS 18-19B on the City's website: <http://www.cityofsouthgate.org>, 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 11th day of September 2018.



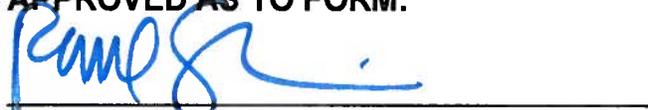
María Belén Bernal, Chair
Successor Agency to
the Community Development Commission of
the City of South Gate

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

FIRST AMENDMENT TO AGREEMENT FOR PROFESSIONAL SERVICES
(Tetra Tech Remediation Activities at 3500-3506 Tweedy Boulevard)

This **FIRST AMENDMENT TO AGREEMENT FOR PROFESSIONAL SERVICES** (Tetra Tech Remediation Activities at 3500-3506 Tweedy Boulevard) (“First Amendment”) is made and entered into 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 First 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* (“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”).

C. The Original Agreement sets forth an estimated total contract price for undertaking and completing that certain Scope of Work (as defined and described therein) of \$221,545.

D. The Original Agreement was reviewed and approved by the Successor Agency, and then submitted to, reviewed and approved by the local oversight board under Section 34180 and by the State of California, Department of Finance (“DOF”), and the funding therefor was approved in part under the Successor Agency’s Recognized Obligation Payment Schedules for the annual fiscal periods of July 1, 2017 to June 30, 2018, and July 1, 2018 to June 30, 2019.

E. While in ROPS 18-19 the Successor Agency listed and asked for Redevelopment Property Tax Trust Fund (“RPTTF”) funding of \$221,545 to pay for services to be rendered by Consultant under the Original Agreement, the DOF, in its March 14, 2018 decision letter for ROPS 18-19 DOF, determined:

“Item No. 26 - Remediation Costs in the outstanding amount of \$221,545 is partially allowed. The [Successor] Agency provided updated budget projections from the contractor Tetra Tech, Inc., supporting \$47,164 is needed for the ROPS 18-19 period. Therefore, the remaining amount of \$174,381 is ineligible for Redevelopment Property Tax Trust Fund (RPTTF) funding.”

F. The 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 thereof, which agency recently issued notice and direction to the Successor Agency through Consultant that changes in the scope of work for remediation of the Property are required, and, in turn, Consultant has evaluated the estimated costs for undertaking and completing the modified scope of work that requires amendment of the Original Agreement Contract by this First Amendment, in particular as to the Scope of Work and the schedule to complete such modified work, and an increase in the contract price; further, such amendment must be stated and approved by DOF through an amendment of ROPS 18-19B (“ROPS 18-19B Amendment”) to increase the funding by \$133,734.

G. The Original Contract, which was reviewed and approved first by the local oversight board and then by DOF in connection with enforceable obligations listed on ROPS 17-18, includes and delegates express authority to the Successor Agency Executive Director (who is also the City Manager), as necessary, to modify the scope of work and services provided by Consultant and to extend the term of that contract, in particular Recital M., and Sections 1 and 2 thereof.

H. Because an increase in RPTTF funding for the ROPS 18-19B period is necessary to pay for Consultant’s additional and modified scope of services (the Amended Scope of Work defined in Section 1. below) under this First Amendment as required and directed by the LARWQCB, an amendment to the Original Agreement, both in the contract amount, Term and Amended Scope of Work has been prepared as set forth in this First Amendment, and the ROPS 18-19B Amendment has been prepared and is being presented to the Successor Agency herewith for review and approval.

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

1.0 AMENDMENT OF SCOPE OF WORK; CONSULTANT’S SERVICES. Consultant agrees to provide the services and perform the tasks set forth in the amended scope of work, “Amended Scope of Work”, as set forth in Attachment No. 1 attached and fully incorporated to this First Amendment. The Amended Scope of Work is the Consultant’s proposal dated as of August 31, 2018, which includes both the modified services for remediation and the costs for services for the remaining “B” fiscal period of January 1, 2019 to June 30, 2019 (as well as estimated costs for services during FY 19-20, which FY 19-20 costs that will be presented as a part of the ROPS 19-20 process.)

2.0 AMENDMENT OF TERM OF AGREEMENT, AS AMENDED. This First 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 the ROPS 18-19B Amendment. The Term of the Original Agreement is extended for the period commencing upon DOF’s approval of this First Amendment and ending on June 30, 2019, with such Term subject to one or more extensions of up to one year for and during the subsequent fiscal year of 2019-2020, if necessary, which shall coincide with continued undertaking and completion of the Amended Scope of Work as described in Section 1.0 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, 2020, unless otherwise expressly extended and agreed to by both Parties or terminated by either Party as provided herein, and subject to Dissolution Law requirements.

3.0 ADJUSTMENT TO COMPENSATION FOR SERVICES. Successor Agency shall pay Consultant for the modified scope of performing its professional services and costs incurred under this First Amendment, and the Original Agreement, in accordance with Consultant's "Fees and Costs Schedule" that is a part of the August 31, 2018 letter from Consultant to the Successor Agency, in a total cumulative amount not to exceed \$180,898; provided however and expressly subject to and limited by the funding approved by the DOF and allocated to the Successor Agency through the ROPS process and for work completed in compliance with the Original Agreement and this First Amendment.

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

5.0 ORIGINAL AGREEMENT IN FULL FORCE AND EFFECT. All other provisions of the Original Agreement, as amended by this First Amendment, shall remain in full force and effect.

6.0 COUNTERPARTS. This First Amendment may be executed in counterparts and as so executed shall constitute a contract that shall be binding upon all Parties herein.

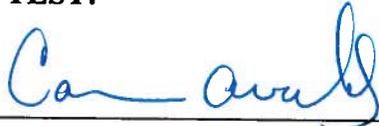
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WITNESS, the Parties hereto have caused this *First Amendment to Agreement for Professional Services (Tetra Tech Remediation Activities at 3500-3506 Tweedy Boulevard)* to be executed by and through their respective authorized officers, as of the date 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: _____

Amended Recognized Obligation Payment Schedule (ROPS 18-19B) - Summary

Filed for the January 1, 2019 through June 30, 2019 Period

Successor Agency: South Gate
 County: Los Angeles

	ROPS 18-19B Authorized Amounts	ROPS 18-19B Requested Adjustments	ROPS 18-19B Amended Total
A	Enforceable Obligations Funded as Follows (B+C+D):		
B	Bond Proceeds	-	-
C	Reserve Balance	-	-
D	Other Funds	30,000	30,000
E	Redevelopment Property Tax Trust Fund (RPTTF) (F+G):	133,734	2,537,695
F	RPTTF	133,734	2,412,695
G	Administrative RPTTF	-	125,000
H	Current Period Enforceable Obligations (A+E):	133,734	2,567,695

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
 /s/
 Signature
 Date

RESOLUTION CERTIFICATION PAGE

STATE OF CALIFORNIA)

COUNTY OF LOS ANGELES) SS

CITY OF SOUTH GATE)

I, Carmen Avalos, City Clerk of the City of South Gate, California, hereby certify that the whole number of Members of the Successor Agency of said City is five; that Resolution No. 33 was adopted by the Successor Agency at their Regular Meeting held on September 11, 2018, by the following vote:

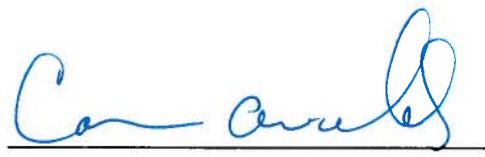
Ayes: Agency Members: Davila, Bernal, Diaz, Morales and Rios

Noes: Agency Members: None

Absent: Agency Members: None

Abstain: Agency Members: None

Witness my hand and the seal of said City on September 12, 2018.



Carmen Avalos, City Clerk
City of South Gate, California

