



*One Gateway Plaza, Los Angeles, CA 90012,  
3rd Floor, Metro Board Room*

**Agenda - Final**

**Wednesday, March 20, 2024**

**1:00 PM**

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**Planning and Programming Committee**

*Jacquelyn Dupont-Walker, Chair*

*Ara J. Najarian, Vice Chair*

*Lindsey Horvath*

*Hilda Solis*

*Katy Yaroslavky*

*Gloria Roberts, non-voting member*

*Stephanie Wiggins, Chief Executive Officer*

## **METROPOLITAN TRANSPORTATION AUTHORITY BOARD AGENDA RULES**

### **(ALSO APPLIES TO BOARD COMMITTEES)**

#### **PUBLIC INPUT**

A member of the public may address the Board on agenda items, before or during the Board or Committee's consideration of the item for one (1) minute per item, or at the discretion of the Chair. A request to address the Board must be submitted electronically using the tablets available in the Board Room lobby. Individuals requesting to speak will be allowed to speak for a total of three (3) minutes per meeting on agenda items in one minute increments per item. For individuals requiring translation service, time allowed will be doubled. The Board shall reserve the right to limit redundant or repetitive comment.

The public may also address the Board on non-agenda items within the subject matter jurisdiction of the Board during the public comment period, which will be held at the beginning and/or end of each meeting. Each person will be allowed to speak for one (1) minute during this Public Comment period or at the discretion of the Chair. Speakers will be called according to the order in which their requests are submitted. Elected officials, not their staff or deputies, may be called out of order and prior to the Board's consideration of the relevant item.

Notwithstanding the foregoing, and in accordance with the Brown Act, this agenda does not provide an opportunity for members of the public to address the Board on any Consent Calendar agenda item that has already been considered by a Committee, composed exclusively of members of the Board, at a public meeting wherein all interested members of the public were afforded the opportunity to address the Committee on the item, before or during the Committee's consideration of the item, and which has not been substantially changed since the Committee heard the item.

In accordance with State Law (Brown Act), all matters to be acted on by the MTA Board must be posted at least 72 hours prior to the Board meeting. In case of emergency, or when a subject matter arises subsequent to the posting of the agenda, upon making certain findings, the Board may act on an item that is not on the posted agenda.

**CONDUCT IN THE BOARD ROOM** - The following rules pertain to conduct at Metropolitan Transportation Authority meetings:

**REMOVAL FROM THE BOARD ROOM** - The Chair shall order removed from the Board Room any person who commits the following acts with respect to any meeting of the MTA Board:

- a. Disorderly behavior toward the Board or any member of the staff thereof, tending to interrupt the due and orderly course of said meeting.
- b. A breach of the peace, boisterous conduct or violent disturbance, tending to interrupt the due and orderly course of said meeting.
- c. Disobedience of any lawful order of the Chair, which shall include an order to be seated or to refrain from addressing the Board; and
- d. Any other unlawful interference with the due and orderly course of said meeting.

#### **INFORMATION RELATING TO AGENDAS AND ACTIONS OF THE BOARD**

Agendas for the Regular MTA Board meetings are prepared by the Board Clerk and are available prior to the meeting in the MTA Records Management Department and on the Internet. Every meeting of the MTA Board of Directors is recorded and is available at <https://www.metro.net> or on CD's and as MP3's for a nominal charge.



## DISCLOSURE OF CONTRIBUTIONS

The State Political Reform Act (Government Code Section 84308) requires that a party to a proceeding before an agency involving a license, permit, or other entitlement for use, including all contracts (other than competitively bid, labor, or personal employment contracts), shall disclose on the record of the proceeding any contributions in an amount of more than \$250 made within the preceding 12 months by the party, or his or her agent, to any officer of the agency, additionally PUC Code Sec. 130051.20 requires that no member accept a contribution of over ten dollars (\$10) in value or amount from a construction company, engineering firm, consultant, legal firm, or any company, vendor, or business entity that has contracted with the authority in the preceding four years. Persons required to make this disclosure shall do so by filling out a "Disclosure of Contribution" form which is available at the LACMTA Board and Committee Meetings. Failure to comply with this requirement may result in the assessment of civil or criminal penalties.

## ADA REQUIREMENTS

Upon request, sign language interpretation, materials in alternative formats and other accommodations are available to the public for MTA-sponsored meetings and events. All requests for reasonable accommodations must be made at least three working days (72 working hours) in advance of the scheduled meeting date. Please telephone (213) 364-2837 or (213) 922-4600 between 8 a.m. and 5 p.m., Monday through Friday. Our TDD line is (800) 252-9040.

Requests can also be sent to [boardclerk@metro.net](mailto:boardclerk@metro.net).

## LIMITED ENGLISH PROFICIENCY

A Spanish language interpreter is available at all Committee and Board Meetings. All other languages must be requested 72 hours in advance of the meeting by calling (213) 364-2837 or (213) 922-4600. Live Public Comment Instructions can also be translated if requested 72 hours in advance.

Requests can also be sent to [boardclerk@metro.net](mailto:boardclerk@metro.net).



**323.466.3876**

x2 *Español (Spanish)*

x3 *中文 (Chinese)*

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x5 *Tiếng Việt (Vietnamese)*

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**NOTE: ACTION MAY BE TAKEN ON ANY ITEM IDENTIFIED ON THE AGENDA**

### **Live Public Comment Instructions:**

Live public comment can be given by telephone or in-person.

The Committee Meeting begins at 1:00 PM Pacific Time on March 20, 2024; you may join the call 5 minutes prior to the start of the meeting.

Dial-in: 202-735-3323 and enter  
English Access Code: 5647249#  
Spanish Access Code: 7292892#

***Public comment will be taken as the Board takes up each item. To give public comment on an item, enter #2 (pound-two) when prompted. Please note that the live video feed lags about 30 seconds behind the actual meeting. There is no lag on the public comment dial-in line.***

### **Instrucciones para comentarios publicos en vivo:**

Los comentarios publicos en vivo se pueden dar por telefono o en persona.

La Reunion de la Junta comienza a las 1:00 PM, hora del Pacifico, el 20 de Marzo de 2024. Puedes unirte a la llamada 5 minutos antes del comienso de la junta.

Marque: 202-735-3323 y ingrese el codigo  
Codigo de acceso en ingles: 5647249#  
Codigo de acceso en espanol: 7292892#

***Los comentarios del público se tomaran cuando se toma cada tema. Para dar un comentario público sobre una tema ingrese # 2 (Tecla de numero y dos) cuando se le solicite. Tenga en cuenta que la transmisión de video en vivo se retrasa unos 30 segundos con respecto a la reunión real. No hay retraso en la línea de acceso telefónico para comentarios públicos.***

### **Written Public Comment Instruction:**

Written public comments must be received by 5PM the day before the meeting.

Please include the Item # in your comment and your position of "FOR," "AGAINST," "GENERAL COMMENT," or "ITEM NEEDS MORE CONSIDERATION."

Email: BoardClerk@metro.net

Post Office Mail:

Board Administration

One Gateway Plaza

MS: 99-3-1

Los Angeles, CA 90012

## CALL TO ORDER

## ROLL CALL

APPROVE Consent Calendar Items: 13 and 14.

Consent Calendar items are approved by one motion unless held by a Director for discussion and/or separate action.

## CONSENT CALENDAR

**13. SUBJECT: DIGITAL BILLBOARD DEVELOPMENT AGREEMENT WITH  
THE CITY OF EL MONTE**

[2023-0300](#)

### **RECOMMENDATION**

CONSIDER:

- A. AUTHORIZING the Chief Executive Officer, or their designee, to execute a 30-year development agreement with the City of El Monte ("City") and AllVision ("AV") to construct, own, and operate a digital billboard on Metro property adjacent to Division 9 at 3449 Santa Anita Avenue, El Monte ("Project") (Attachment A);
- B. CONSIDERING, in accordance with the California Environmental Quality Act (CEQA), the environmental effects of the Project as shown in the Mitigated Negative Declaration ("MND") prepared by the City of El Monte (Attachment B);
- C. ADOPTING, in accordance with CEQA, the four mitigation measures incorporated in the MND to reduce the impacts of the Project to a less than significant level;
- D. FINDING, in accordance with CEQA, that the four mitigation measures would avoid or mitigate the effects of the Project to a point where no significant effect on the environment would occur, and there is no substantial evidence that the Project, as mitigated, would have a significant effect on the environment; and
- E. AUTHORIZING the Chief Executive Officer to file a Notice of Determination with the Los Angeles County Clerk and the State of California Clearinghouse.

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**Attachments:**      [Attachment A - Development Agreement Between the City of El Monte](#)  
                                 [Attachment B - Initial Study and Mitigated Negative Declaration](#)  
                                 [Attachment C - Location and Site Plan](#)  
                                 [Attachment D - City of El Monte Ordinance No. 3017](#)  
                                 [Presentation](#)

14.    **SUBJECT:      2025 FEDERAL TRANSPORTATION IMPROVEMENT PROGRAM** [2024-0029](#)

**RECOMMENDATION**

ADOPT the resolution for the 2025 Los Angeles County Transportation Improvement Program as shown in Attachment A.

**Attachments:**      Attachment A - Resolution for the 2025 LA County TIP  
                                 [Presentation](#)

**NON-CONSENT**

15.    **SUBJECT:      JOINT DEVELOPMENT BENCH AND EXCLUSIVE NEGOTIATION AGREEMENT** [2023-0751](#)

**RECOMMENDATION**

CONSIDER:

- A. APPROVING the creation of a bench of qualified developers eligible to respond to Requests for Proposals (RFP) for the joint development of the “10K Sites” to be in effect for three years, with the option to extend for two additional one-year periods for up to five years total (Attachment A);
- B. APPROVING the Summary of Key Terms and Conditions (Attachment B) for 10K Sites’ Exclusive Negotiation Agreements (ENAs); and
- C. DELEGATING authority to the Chief Executive Officer, or their designee, to execute the ENAs following a competitive RFP process for the joint development of the 10K Sites.

**Attachments:**      [Attachment A - Procurement Summary](#)  
                                 [Attachment B - Summary of Key ENA Terms](#)  
                                 [Attachment C - 10K Sites](#)  
                                 [Presentation](#)

**16. SUBJECT: CESAR E. CHAVEZ AND FICKETT JOINT DEVELOPMENT**

[2024-0035](#)

**RECOMMENDATION**

CONSIDER:

- A. AUTHORIZING the Chief Executive Officer, or designee, to execute and enter into a joint development agreement (“JDA”), ground lease (“Ground Lease”), and other related documents with Chavez Fickett, L.P. (“Developer”), an affiliate of Abode Communities, for the construction and operation of a mixed-use, affordable housing project (“Project”) on approximately 68,100 square feet (1.56-acres) of Metro-owned property located at the corner of Cesar E. Chavez Avenue and Fickett Street in Boyle Heights (“Site”) in accordance with the Summary of Key Terms and Conditions attached hereto as Attachment A;
- B. AUTHORIZING a discount to the appraised fair market rental value for the Site of 67% or \$6,900,000 under the Ground Lease as set forth in the Summary of Key Terms and Conditions for the Ground Lease; and
- C. FINDING that the Project is exempt from the California Environmental Quality Act (“CEQA”), consistent with the environmental studies and reports set forth in Attachment B, pursuant to Sections 21080(b)(9) and 21084 of the California Public Resources Code and Section 15332 (In-Fill Development Projects) of the CEQA Guidelines; and authorizing the Chief Executive Officer to file a Notice of Exemption for the Project consistent with said exemption.

**Attachments:**      [Attachment A - Summary of Key Terms and Conditions](#)  
                                 [Attachment B - CEQA Studies and Reports](#)  
                                 [Attachment C - Renderings and Site Plan](#)  
                                 [Presentation](#)

**17. SUBJECT: APPROVAL OF CMAQ/STBG/CRP PROJECT  
PRIORITIZATION AND FUNDING RECOMMENDATIONS**

[2024-0070](#)

**RECOMMENDATION**

AUTHORIZE the Chief Executive Officer (CEO) or their designee to submit to SCAG the project prioritization and funding recommendations for Los Angeles County for CMAQ/STBG/CRP funding (Attachment A).

**Attachments:**      [Attachment A - Sum. of Proj. for CMAQ/STBG/CRP Funding for LA County](#)

**18. SUBJECT: METRO BUSINESS INTERRUPTION FUND (BIF)**

[2023-0768](#)

**RECOMMENDATION**

CONSIDER:

- A. AUTHORIZING the Chief Executive Officer to award a firm fixed price Contract No. PS109347-2000 to Pacific Coast Regional Small Business Development Corporation (PCR) to serve as the fund administrator for Metro's Business Interruption Fund (BIF) in the amount of \$5,168,773 for the three-year base term, with two, one-year options in the amounts of \$1,699,722 and \$1,761,758 respectively, for a total amount of \$8,630,253, subject to the resolution of any properly submitted protest(s), if any; and
- B. RECEIVING AND FILING the status update on Motion 17 which directed Metro staff to provide a program update that considers, but is not limited to, resources necessary to maintain a permanent Business Interruption Fund and culturally competent outreach and inclusive technical assistance to adequately support affected businesses.

**Attachments:**      [Attachment A - Motion 17](#)  
                                 [Attachment B - Motion 57](#)  
                                 [Attachment C - BIF Metrics & Measures of Effectiveness Feb 29, 2024](#)  
                                 [Attachment D - Procurement Summary](#)  
                                 [Attachment E - DEOD Summary](#)  
                                 [Presentation](#)

(ALSO ON CONSTRUCTION COMMITTEE)

**19. SUBJECT: DISPARITY STUDY**

[2024-0109](#)

**RECOMMENDATION**

CONSIDER:

- A. RECEIVING AND FILING the Final 2023 Disparity Study Report; and
- B. AUTHORIZING the Chief Executive Officer (CEO) to develop a three-year pilot Micro Small Business Program and certification designation.

**Attachments:**      [Attachment A - 2023 Disparity Study Executive Summary](#)  
                                 [Attachment B - Public Comment Period Comments and Responses](#)  
                                 [Presentation](#)

(ALSO ON EXECUTIVE MANAGEMENT COMMITTEE)

**SUBJECT: GENERAL PUBLIC COMMENT**

[2024-0141](#)

RECEIVE General Public Comment

Consideration of items not on the posted agenda, including: items to be presented and (if requested) referred to staff; items to be placed on the agenda for action at a future meeting of the Committee or Board; and/or items requiring immediate action because of an emergency situation or where the need to take immediate action came to the attention of the Committee subsequent to the posting of the agenda.

COMMENTS FROM THE PUBLIC ON ITEMS OF PUBLIC INTEREST WITHIN COMMITTEE'S  
SUBJECT MATTER JURISDICTION

**Adjournment**



## Board Report

File #: 2023-0300, File Type: Agreement

Agenda Number: 13.

### PLANNING AND PROGRAMMING COMMITTEE MARCH 20, 2024

**SUBJECT: DIGITAL BILLBOARD DEVELOPMENT AGREEMENT WITH THE CITY OF EL MONTE**

**ACTION: APPROVE RECOMMENDATION**

#### **RECOMMENDATION**

CONSIDER:

- A. AUTHORIZING the Chief Executive Officer, or their designee, to execute a 30-year development agreement with the City of El Monte ("City") and AllVision ("AV") to construct, own, and operate a digital billboard on Metro property adjacent to Division 9 at 3449 Santa Anita Avenue, El Monte ("Project") (Attachment A);
- B. CONSIDERING, in accordance with the California Environmental Quality Act (CEQA), the environmental effects of the Project as shown in the Mitigated Negative Declaration ("MND") prepared by the City of El Monte (Attachment B);
- C. ADOPTING, in accordance with CEQA, the four mitigation measures incorporated in the MND to reduce the impacts of the Project to a less than significant level;
- D. FINDING, in accordance with CEQA, that the four mitigation measures would avoid or mitigate the effects of the Project to a point where no significant effect on the environment would occur, and there is no substantial evidence that the Project, as mitigated, would have a significant effect on the environment; and
- E. AUTHORIZING the Chief Executive Officer to file a Notice of Determination with the Los Angeles County Clerk and the State of California Clearinghouse.

#### **ISSUE**

Metro and AV have negotiated a Development Agreement with the City to construct, own, and operate two digital billboard displays on Metro's property adjacent to Division 9 at 3449 Santa Anita Avenue, El Monte ("Property"). See Attachment C for the Location and Site Plan. Over the past seven years, the City has taken a series of actions to allow for digital billboards and, in 2019, approved the Metro Property as a location for construction and operations of a digital billboard.



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Approval of the Development Agreement requires board approval as both the 30-year term and the \$15 million value of the Agreement exceed the delegated authority of the CEO, which is no more than five years or \$500,000.

## **BACKGROUND**

In January 2010, the Metro board approved awarding a License to Manage Billboard Advertising on Metro-Owned Property with AV. In August 2016 and April 2020, the Board approved extensions of the agreement. The current Board-approved extension requires entitlement, construction and commencement of billboard operations to be completed prior to 2028. Under the agreement, AV is responsible for the following:

1. Site Development,
2. Securing entitlements from local jurisdictions for the installation and operation of outdoor advertising signs and
3. Soliciting and managing outdoor advertising sales companies to provide revenue generation at Metro-owned and approved locations.

On July 18, 2017, the El Monte City Council adopted an ordinance that provided for a Freeway Billboard Overlay Zone that would allow for the construction and operation of digital billboards in seven areas. On December 17, 2019, the City approved an MND for a Freeway Billboard Overlay Zone (Attachment B) that incorporated three additional areas, including the Metro Property. On November 15, 2022, the City passed Resolution 3017 (Attachment D), which approved the Development Agreement with Metro and AV.

On August 23, 2023, Caltrans issued an Outdoor Advertising Permit to operate the billboard on Metro's property.

## **DISCUSSION**

The proposed location for the billboard is next to the 1-10 Freeway right-of-way. The proposed installation site (further shown in Attachment C) is compatible with the uses and structures on the site and surrounding area. It will not affect onsite access or circulation. The nearest structures are one-story structures used for bus maintenance and storage. Traveling westbound, the billboard will be located in an area after vehicles entering the freeway from Santa Anita Avenue have already merged with travel lanes. The next exit is more than one-half (1/2) mile away. Therefore, the proposed billboard will not create traffic or safety problems. The billboard base will be outside the Metro fenced area for bus maintenance and parking. Therefore, it will not affect any onsite parking or landscaping required by the Zoning Code.

The proposed sign includes two 48-foot-wide by 14-foot-tall digital displays with the overall height being 75 feet above grade, which is well below the 90 feet allowed in the City. Caltrans approval was needed to approve landscape declassification. The Caltrans permit is administrative, and AV will apply for full entitlement.

## **California Environmental Quality Act (CEQA)**

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The City, as the Lead Agency, prepared an Initial Study and a MND. Metro is a Responsible Agency for the purpose of CEQA. A responsible agency complies with CEQA by considering the environmental document prepared by the Lead Agency and by reaching conclusions on whether and how to approve the Project.

Before deciding on the Project, Metro must consider its environmental effects, as shown in the MND. The MND reviewed all possible environmental impacts that could result from the construction and ongoing operation of an electronic billboard at Metro Division 9. The Project, prior to mitigation, could have potentially significant negative effects on the environment and cultural resources (as noted below). However, the following mitigation measures in the MND will avoid or mitigate these impacts to no significant effect on the environment:

1. Aesthetics - The billboard shall comply with the El Monte Municipal Code, which provides minimum display time, level and type of lighting, etc.
2. Cultural Resources - AV shall obtain the services of a qualified Native American Monitor during construction-related ground disturbance activities. The monitor(s) must be approved by the tribal representatives and will be present on-site during the construction phases that involve any ground-disturbing activities.
3. Cultural Resources - Before any grading activity on site, AV shall retain a qualified paleontologist. The paleontologist shall be approved by the City's Community and Economic Development Director and shall be on-site during grading at depths of six feet or more.
4. Hazards and Hazardous Materials - The billboard shall not be installed on a site that is identified as contaminated in any hazardous site database that is maintained by the California Environmental Protection Agency or the United States Environmental Protection Agency.

With these mitigation measures, there is no substantial evidence that the Project may have a significant effect on the environment or cultural resources. Furthermore, the proposed billboard will meet all requirements of the City and Caltrans. Therefore, no further environmental analysis is required.

### Development Agreement

The Development Agreement is a tri-party agreement between the City, Metro, and AV. The City is the governing authority that adopted the ordinance to construct and operate the billboard on Metro property. Metro is the owner of the Property and will also be the owner of the digital sign structure once it has been installed. AV will handle the following core responsibilities:

- Secure building and electrical permits from the City.
- Finance and construct the sign structure on Metro property.
- Operate and manage the sign structure.
- Manage the solicitation and management of the outdoor advertising sales company.

Key terms of the Development Agreement include:

- The term of the agreement is for 30 years, commencing when the billboard is constructed and operational.
- AV will front all construction costs, which will be reimbursed from the billboard revenues over the first five years of operation.
- Over the term, the percentage of the revenue received from the selected outdoor advertising company will be paid to the City according to the following schedule:

| Year    | City Minimum Guaranteed* | City Share |
|---------|--------------------------|------------|
| 1 - 10  | \$80,000                 | 10%        |
| 11 - 20 | \$100,000                | 15%        |
| 21 - 30 | \$125,000                | 20%        |

\*City will receive the greater of the Guaranteed Minimum or the City Share annually.

- Metro will retain all revenue over the City's share, less AV's operating costs and management fee.
- The City shall have the right to place public service announcements at no cost, not to exceed 5% of the total display time.
- Active members of the El Monte - South El Monte Chamber of Commerce are allowed a 10% discount on advertising rates.
- On both sides of the billboard, AV will install and maintain a sign reading "City of El Monte" in a design approved by the City.

All advertising content will comply with Metro advertising standards. Metro will be able to utilize the billboard for public messaging for every one out of eight segments (eight seconds each) and have immediate access to emergency messaging.

### **DETERMINATION OF SAFETY IMPACT**

The digital billboard will enhance public safety by displaying Metro transit messages and emergency alerts. The displays will be adequately designed for structural support and meet all federal, state, and local design codes.

### **FINANCIAL IMPACT**

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The Project will generate additional revenue for public transportation purposes. No Metro capital or operating expenditure is required as AV is responsible for the upfront costs of the CEQA process and will then be reimbursed for those costs from future billboard revenues.

The total revenue for Metro is estimated to be \$15 million over the 30-year term and is recognized as advertising income. With projected Year 1 income of \$1 million, it is highly unlikely that Metro will ever pay out of pocket to ensure the City's guaranteed payment. However, in the unlikely event that the annual advertising revenue falls below \$80,000 in any year, Metro would be responsible for paying the City to make up the difference. The revenue generated is eligible for bus and rail operations.

#### Impact to Budget

There is no impact on the Budget.

### **EQUITY PLATFORM**

The revenue generated will be eligible for all bus and rail operations and capital improvements, including first-last mile improvements throughout Los Angeles County. The use of the funds will be programmed annually through the Metro budget process, which includes evaluation through the Metro Budget Equity Assessment Tool (MBEAT) and EFC Budget Assessment. Metro's messaging on the billboard will be multi-lingual and provide information about Metro programs, including LIFE and GoPass.

Metro will also have access to immediate messaging in the event of an emergency.

### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

The Project will yield enhanced communication and support, supporting the following Metro Vision 2028 Plan Goals:

- Goal 1 - Provide high-quality mobility options that enable people to spend less time traveling;
- Goal 3 - Enhance communities and lives through mobility and access to opportunity;
- Goal 4 - Transform LA County through regional collaboration and national leadership; and
- Goal 5 - Provide responsive, accountable, and trustworthy governance within the Metro organization.

### **ALTERNATIVES CONSIDERED**

The Board could choose not to approve the Development Agreement. This is not recommended as the digital sign will display Metro transit messages and safety alerts and is expected to generate a minimum of \$15 million in added revenues to Metro over the term of the Development Agreement.

### **NEXT STEPS**

Execute the Development Agreement and submit the building and electrical permit application to the

City.

**ATTACHMENTS**

Attachment A - Development Agreement between the City of El Monte, All Vision LLC, and Los Angeles Metropolitan Transportation Authority

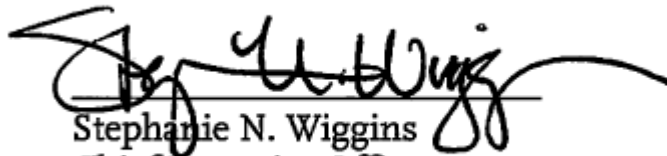
Attachment B - Initial Study and Mitigated Negative Declaration for the Freeway Billboard Overlay Zone Municipal Code Amendment

Attachment C - Location and Site Plan

Attachment D - City of El Monte Ordinance No. 3017

Prepared by: John Beck, Manager, Transportation Planning Real Property & Asset Management,  
(213) 922-4435  
Holly Rockwell, Senior Executive Officer, Real Estate and Transit Oriented  
Communities (213) 547-4325

Reviewed by: Ray Sosa, Chief Planning Officer, (213) 547-4274



Stephanie N. Wiggins  
Chief Executive Officer

**ATTACHMENT A**

**Development Agreement between the City of El Monte, All Vision  
LLC and Los Angeles Metropolitan Transportation Authority**

RECORDING REQUESTED BY AND  
WHEN RECORDED RETURN TO:  
City of El Monte  
c/o City Clerk  
11333 Valley Blvd.  
El Monte, CA 91731

[Exempt From Recording Fee Per Gov. Code §6103]

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(Space Above Line for Recorder's Use)

**DEVELOPMENT AGREEMENT  
BETWEEN  
THE CITY OF EL MONTE  
AND  
ALL VISION LLC  
AND  
LOS ANGELES METROPOLITAN TRANSPORTATION AUTHORITY**

**DEVELOPMENT AGREEMENT  
BETWEEN  
THE CITY OF EL MONTE AND  
ALL VISION LLC**

**AND LOS ANGELES METROPOLITAN TRANSPORTATION AUTHORITY**

This Development Agreement (hereinafter "**Agreement**") is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2023 (hereinafter the "**Effective Date**"), by and between the City of El Monte (hereinafter "**City**"), All Vision LLC, a Delaware limited liability company ("**All Vision**") and the Los Angeles County Metropolitan Transportation Authority, a California public entity ("**Owner**" or "**Metro**") (All Vision and Metro are hereinafter sometimes collectively referred to as the "**Developer**").

**RECITALS**

**This Development Agreement is predicated upon the following facts:**

A. The Development Agreement Act (Government Code section 65864 *et seq.*) authorizes cities to enter into binding development agreements with persons having a legal or equitable interest in real property for the development of such property, all for the purposes of strengthening the public planning process, encouraging private participation and comprehensive planning and identifying the economic costs of such development.

B. Owner is the owner of certain real property located adjacent to and on the southerly side of the west-bound lanes of the Interstate 10 Freeway at 3349 Santa Anita Avenue, in the City of El Monte, also known as the "Metro Transportation Site" on Santa Anita Avenue (APN: 8578-020-908), as more specifically described in Exhibit "A" attached hereto and incorporated herein (the "**Site**").

C. Developer desires to install on the Site a new double-sided 14 x 48-foot digital display which is oriented toward the Interstate 10 Freeway, as more particularly described in the Scope of Development attached hereto as Exhibit "B" and as depicted in the Site Plan attached hereto as Exhibit "C" and incorporated herein (the "**New Digital Billboard**" or the "**Project**").

D. Pursuant to that certain Second Amended and Restated Revenue Services Contract between Developer and Owner ("**Owner Agreement**"), Developer has an interest in developing the New Digital Billboard.

E. Developer and City recognize that Owner has a legal or equitable interest in the Site and Developer, as Owner's agent, also has an interest in the Project, and is qualified to enter into this Agreement in accordance with the Development Agreement Act.

F. In anticipation of the implementation of the Project, the Developer has made or will make application to the City (in its governmental capacity) for certain approvals, entitlements, findings, and permits required for the implementation of the Project,



including, a sign use permit, and an application for a development agreement for the Project under the Development Agreement Act.

G. To mitigate the impact of the installation of the New Digital Billboard and in consideration of the City's agreement to enter into this Agreement with Developer and grant the approvals sought by Developer for the New Digital Billboard, Developer will pay the City an annual Public Benefit Contribution (as such terms are defined below), for the consideration to the City to enter into this Agreement and to mitigate the impact of the installation of the New Digital Billboard and for the Owner (through the Developer as the Owner's agent) to reimburse the City its Project costs.

H. The Site is located within the City's Billboard Overlay Zone Area No. 3, on property that is zoned Specific Plan Gateway (SP-1) with a General Plan Land Use Classification of "Gateway Specific Plan." Developer and the City agree that a development agreement should be approved and adopted to memorialize the property expectations of the City and Developer, as more particularly described herein.

I. Owner's Board considered this Agreement at its duly noticed public meeting of November 1, 2022, and adopted Resolution No. 10399, approving the Agreement.

J. The City Council has specifically considered the Project's environmental impacts and public benefits and approved the Project in compliance with the requirements of the California Environmental Quality Act ("CEQA").

K. This Agreement eliminates uncertainty in planning and provides for the orderly implementation of the Project in a manner consistent with the City's zoning regulations and the General Plan.

L. On October 11, 2022, at a duly noticed public hearing, the Planning Commission adopted Resolution No. 3644, recommending the City Council approve Design Review No. 18-22 for the aesthetics and recommending the City Council approve this Agreement (Development Agreement No. 18-22) for the terms and conditions of the New Digital Billboard.

M. On November 1, 2022, the City Council found that, as a result of the Project, the City's Development Approvals and this Agreement, substantial public benefits will accrue to the public and that it is in the best public interest of the City and its residents, to adopt this Agreement. This Agreement and the proposed Development (as hereinafter defined) will achieve a number of City objectives, including but not limited to utilizing the Site for a revenue-generating use.

N. On November 1, 2022, the City Council, at a duly noticed hearing to consider the approval of this Agreement, considered the proposal, heard testimony, and introduced Ordinance No. 3017, which Ordinance approves this Agreement.

O. On November 15, 2022, the City Council held the second reading on, and adopted Ordinance No. 3017, thereby approving this Agreement.

P. The City finds and determines that all actions required of the City precedent to approval of this Agreement by Ordinance No. 3017 of the City Council have been duly and regularly taken.

NOW, THEREFORE, pursuant to the authority contained in the Development Agreement Act, as it applies to the City, and in consideration of the above recitals and of the mutual covenants hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

## 1. DEFINITIONS AND EXHIBITS.

1.1 **Definitions.** This Agreement uses a number of terms having specific meanings, as defined below. These specially defined terms are distinguished by having the initial letter capitalized, when used in the Agreement. In addition to the terms defined in the Recitals above, the defined terms include the following:

1.1.1 **"Additional Revenue"** means revenue received from a third-party for use of the support structure of the New Digital Billboard for the installation of Telecommunications Facilities.

1.1.2 **"Agreement"** means this Development Agreement and all attachments and exhibits hereto.

1.1.3 **"Anniversary Date"** is the annual reoccurrence of the Commencement Date.

1.1.4 **"City"** means the City of El Monte, a California municipal corporation.

1.1.5 **"City Council"** means the City Council of the City.

1.1.6 **"City Fees"** means all fees and charges required by City that are customarily and uniformly applied to all construction or development related activity including, but not limited to, fees for land use applications, building permit applications, building permits, grading permits, hauling permits, encroachment permits, demolition permits, lot line adjustments, street vacations, inspections, certificates of occupancy and plan check.

1.1.7 **"Commencement Date"** means the date that is five (5) business days after the satisfaction of the Completion Requirements.

1.1.8 **"Completion Requirements"** means (i) issuance of all Development Approvals, Final Permits and/or compliance with all requirements under applicable laws required to operate the New Digital Billboard and the expiration of all applicable challenge periods related to the foregoing without the filing of any challenge or appeal (or if a challenge or appeal has been filed, such challenge or appeal has been resolved on terms reasonably satisfactory to Developer), as evidenced by written notice thereof from Developer to the City, and (ii) completion of construction of the New Digital Billboard, such that Developer can immediately commence operation of the New Digital Billboard (as

determined by Developer in its reasonable discretion) for the display of third party advertising, as evidenced by written notice thereof from Developer to the City.

1.1.9 **"Developer"** means the Los Angeles County Metropolitan Transportation Authority, a public entity, and its successor and assigns and All Vision LLC, a Delaware limited liability company duly existing and operating, and its successors and assigns.

1.1.10 **"Developer Fee"** is the fee to be paid to the City pursuant to Section 3.7 below, which Developer Fee shall be paid in addition to the payment of the City Fees and Processing Fee.

1.1.11 **"Development"** means the installation of a New Digital Billboard on the Site and underground utilities connecting Southern California Edison's electrical source to the New Digital Billboard, as well as any other improvements to the Site for the purpose of completing the structures, improvements and facilities comprising the Project.

1.1.12 **"Development Agreement Act"** means Article 2.5 of Chapter 4 of Division 1 of Title 7 (Sections 65864 through 65869.5) of the California Government Code, as the same may be amended or re-codified from time to time.

1.1.13 **"Development Approvals"** means any and all permits, licenses, consents, rights and privileges that are prerequisites to construct and operate the New Digital Billboard, and that are approved or issued by the City in connection with the Project on or before the Effective Date, including, without limitation, this Agreement and the following entitlements: the Resolution No. 3644 approved by the Planning Commission on October 11, 2022, and adoption by the City Council of Ordinance No. 3017 on November 15, 2022, as further described at Section 4.3 herein.

1.1.14 **"Effective Date"** means the date inserted into the preamble of this Agreement, which is thirty (30) days following (a) approval of this Agreement by ordinance of the City Council, provided this Agreement is signed by Developer and the City, (b) the Development Approvals have been approved; and (c) expiration of all applicable challenge periods without the filing of any challenge or appeal (or if a challenge or appeal has been filed, such challenge or appeal has been resolved on terms reasonably satisfactory to Developer) related to the Development Approvals and CEQA.

1.1.15 **"Final Permits"** shall mean all necessary/required permits and inspections by all governmental and utility agencies, including any permits and approvals required by the California Department of Transportation, to construct and operate the New Digital Billboard and related improvements, which are signed and dated by the City, as applicable. Final Permits do not include the Development Approvals.

1.1.16 Intentionally Omitted.

1.1.17 **"Land Use Regulations"** means all ordinances, resolutions, codes, rules, regulations and official policies of the City, including, but not limited to, the City's General Plan, Municipal Code and Zoning Code, which govern development and use of the Site, including, without limitation, the permitted use of land, the density or intensity of

use, subdivision requirements, the maximum height and size of the New Digital Billboard, and the design, improvement and construction standards and specifications applicable to the Development or the Site which are in full force and effect as of the Effective Date of this Agreement, subject to the terms of this Agreement. Land Use Regulations shall also include the federal National Pollutant Discharge Elimination System ("NPDES") regulations and approvals from the California Department of Transportation Outdoor Advertising Division, to the extent applicable.

1.1.18 "**Lease**" means the lease, license, or contract as the case may be, for the Site between Owner, as landlord or licensor (or similar term), and Developer, as tenant or licensee (or similar term), as set forth in the Owner Agreement or any written lease agreement entered into between Owner and Developer pursuant thereto. In the event that Developer is subsequently granted an easement over the Site for purposes of developing and operating outdoor advertising structures thereon, which easement supersedes Developer's license or leasehold interest therein, all references to herein "Lease" or Developer's leasehold interest shall be deemed to refer Developer's easement over the Site.

1.1.19 "**Mortgagee**" means a mortgagee of a mortgage, a beneficiary under a deed of trust or any other security-device, a lender or each of their respective successors and assigns.

1.1.20 "**Official Records**" means the official Records of Los Angeles County, California.

1.1.21 "**Owner Agreement**" means that certain Second Amended and Restated Revenue Services Contract dated as of June 29, 2017, entered into between Owner and Developer, as amended, governing, among other things, use and development of the Site for outdoor advertising purposes.

1.1.22 "**Processing Fee**" is the fee which is in addition to the payment of City Fees or customary building plan check or building permit fees, and is intended to reimburse the City for fees and costs incurred in connection with City's review, evaluation, and analysis pertaining to the New Digital Billboard, including, but not limited to, legal and consultant fees and feasibility analysis incurred by the City in negotiation and preparation of this Agreement, in the amount of \$25,000.

1.1.23 "**Project**" means the New Digital Billboard as described in Exhibit "B" consistent with the Development Approvals and the Final Permits.

1.1.24 "**Public Benefit Contribution**" means the payment from Developer to City pursuant to Section 3.3 of this Agreement, which payment may be used by the City for various public projects and programs.

1.1.25 "**Site**" refers to the real property described in Recital B and more specifically described on Exhibit "A" attached hereto and incorporated herein.

1.1.26 "**Scope of Development**" means the Scope of Development attached hereto as Exhibit "B" and incorporated herein.

1.1.27 **"Subsequent Land Use Regulations"** means any Land Use Regulations adopted and effective after the Effective Date of this Agreement which govern development and use of the Site and Project.

1.1.28 **"Subsequent Development Approvals"** means any Development Approvals issued subsequent to the Effective Date in connection with the Project.

1.1.29 **"Telecommunications Facilities"** means an antenna or wireless communication device, infrastructure and related equipment for telecommunications, cellular or wi-fi service, surveillance or other video equipment provided by a duly approved and licensed telecommunications service provider.

1.1.30 **"Term"** shall have the meaning provided in Section 2.4, unless earlier terminated as provided in this Agreement.

1.1.31 **"Term Year"** shall mean each 12-month period during the Term of this Agreement commencing on the Commencement Date and on each Anniversary Date thereafter.

1.2 **Exhibits.** The following documents are attached to, and by this reference made a part of, this Agreement: Exhibit "A" (Legal Description of Site), Exhibit "B" (Scope of Development), and Exhibit "C" (Site Plan and Elevations).

## 2. **GENERAL PROVISIONS.**

2.1. **Application of Agreement.** This Agreement shall apply to the development and use of the Project carried out on the Site. The Project shall be developed and operated in accordance with the Development Approvals and this Agreement.

2.2. **Binding Effect of Agreement.** From and following the Effective Date, actions by the City and Developer with respect to the Development, including actions by the City on applications for Subsequent Development Approvals affecting the Site, shall be subject to the terms and provisions of this Agreement, provided, however, that nothing in this Agreement shall be deemed or construed: (i) to modify or amend the Owner Agreement or any Lease entered into pursuant thereto, or any of Developer's obligations thereunder, or to bind or restrict Owner with respect to its ownership or operation of the Site except as expressly set forth herein with respect to the Development, or (ii) to impose any obligation whatsoever on Owner with respect to the Development, except as expressly set forth in this Agreement.

2.3. **Interest in Site.** The City and Developer acknowledge and agree that Metro is the Owner of the Site and that All Vision is the agent of Owner and thus both are qualified to enter into and be a party to this Agreement. The City and Developer acknowledge and agree that Developer has a legal or equitable interest in the Site and thus is qualified to enter into and be a party to this Agreement under the Development Agreement Act. Additionally, prior to the execution of this Agreement, Developer has allowed the City to view a redacted copy of the Owner Agreement which demonstrates that All Vision has a leasehold or license or equitable interest in the Site, which interest

shall be maintained for the entire Term of this Agreement. If All Vision's leasehold or license interest is prematurely and legally terminated by Owner in conformance with the Owner Agreement (other than upon the conveyance of an easement to Developer), then All Vision shall have no further obligations under Section 3(a) of the Scope of Development attached hereto as Exhibit "B", relative to the maintenance of landscaping on the Site, except as provided under Section 6.1. Additionally, if All Vision's leasehold or license interest is prematurely terminated for any reason (other than upon the conveyance of an easement to All Vision), then All Vision shall have no further obligations under this Agreement for the Site, except as provided under Section 6.1.

2.4. **Term of Agreement.** Unless earlier terminated as provided in this Agreement, this Agreement shall commence on the Commencement Date and continue in full force and effect until the date that is thirty (30) years after the Commencement Date (the "**Term**"). Notwithstanding any provision in this Agreement to the contrary, the Term of this Agreement shall automatically expire upon (i) the expiration or earlier termination of the Lease (other than upon the conveyance of an easement to Developer), or (ii) the permanent removal of the New Digital Billboard constructed pursuant to the terms hereof, other than its removal for reconstruction, repair or replacement. Within thirty (30) days after the termination of this Agreement, the parties shall execute a written cancellation of this Agreement which shall be recorded in the Official Records pursuant to Section 9.1 below. If this Agreement is not extended or renewed as set forth herein, then any party may, at its option, elect for Developer to remove the digital displays and restore the portion of the Site affected by the New Digital Billboard to its pre-billboard condition, except the columns can be cut off one (1) foot below grade.

### 3. **DEVELOPER OBLIGATIONS-PUBLIC BENEFIT.**

3.1. **Processing Fee.** Upon submission of this Agreement for approval by the City, Developer paid to the City a one-time non-refundable Processing Fee in the amount of Twenty-Five Thousand and No/100 Dollars (\$25,000.00) to reimburse the City for its costs in processing this Agreement, including costs for outside consultants and staff time.

3.2. **City Fees.** Developer shall pay all City Fees for the development of the Project at the rate and amount in effect at the time the fee is required to be paid by City in accordance with the planning permit process upon submittal and building permit process.

3.3. **Public Benefit Contribution.** In consideration for the rights and benefits to Developer under this Agreement, from and after the Commencement Date, Developer shall pay to the City an annual Public Benefit Contribution in an amount equal to the greater of (i) the applicable "**Minimum Annual Guaranteed Payment**" as specified in the table below, or (ii) the "**Annual Percentage Payment**" calculated in accordance with Section 3.3.2 below.

| <u>Year</u> | <u>Minimum<br/>Guaranteed Payment</u> | <u>Quarterly<br/>Installment</u> | <u>Percentage<br/>Payment</u> |
|-------------|---------------------------------------|----------------------------------|-------------------------------|
| 1-10        | \$80,000                              | \$20,000                         | 10%                           |
| 11-20       | \$100,000                             | \$25,000                         | 15%                           |
| 21-30       | \$125,000                             | \$31,250                         | 20%                           |

3.3.1. **Payment of the Public Benefit Contribution.** From and after the Commencement Date, the Minimum Guaranteed Payment shall be paid to the City on or before the first (1<sup>st</sup>) day of each calendar quarter in four (4) equal installments as set forth in the table above. Quarterly installments for the calendar quarter in which the Commencement Date occurs as well as the calendar quarter in which the Term expires shall be prorated based upon a ninety (90) day quarter. Within forty-five (45) days after the end of each Term Year, Developer shall calculate the Annual Percentage Payment in accordance with Section 3.3.2 below and shall deliver a payment to the City in an amount equal to the positive difference, if any, between the Annual Percentage Payment and Minimum Guaranteed Payment for such Term Year; provided that no further payment shall be required if the Minimum Guaranteed Payment is greater than the Annual Percentage Payment for such Term Year.

3.3.2. **Calculation of Annual Percentage Payment.** For purposes of this Section 3.3, "**Annual Revenue**" shall be defined as (A) all revenues realized and actually received by Developer from the sale of third-party advertising on the New Digital Billboard, less (B) agency fees, broker commissions or other fees paid for marketing the New Digital Billboard to advertisers and selling advertising space thereon to third-party advertisers (in an amount not to exceed 16.67% percent). The Annual Percentage Payment for each Term Year shall be an amount equal to (i) the Annual Revenue for such Term Year multiplied by (ii) the Applicable Percentage for such Term Year as set forth in the table above less (iii) the Minimum Annual Guaranteed Payment. Additional Revenue shall not be included within Annual Revenue for purposes of calculating the Annual Percentage Payment nor credited against the amount of any such Annual Percentage Payment.

3.3.3. **Audit of Annual Revenue.** Developer shall maintain and make available for City's review and audit, all contracts, leases, invoices, and other records that are relevant to the accurate determination of Annual Revenue. The City may conduct an audit annually consistent with the Commencement Date of this Agreement. City shall be entitled once each year of the Term to inspect, examine, copy and audit Developer's books, records and cash receipts as related to Annual Revenue. If the audit shows that there is a deficiency in the determination of Annual Revenue or payment of the Annual Percentage Payment, then Developer shall immediately upon notice pay any such deficiency to City. If the audit shows that there is an overstatement in the determination of Annual Revenue or payment of the Annual Percentage Payment, then City shall immediately upon notice pay Developer any overpayment City received. Developer may offset future payments of the Public Benefit Contribution for any overpayments that are not repaid by City. City shall pay the costs of the **audit** unless the audit shows that Developer understated Annual Revenue by more than three percent (3%), in which case Developer shall pay the City's costs of the audit.

3.4. **Community Benefits.** Developer shall also provide the following community benefits during the entire Term of this Agreement.

3.4.1. **City's Use of the Billboard.** During the entire Term of this Agreement, Developer shall permit the City to place public service announcements in the current rotation of display images on either side of the New Digital Billboard spread out evenly during a 24 hour day at no cost to the City but subject to availability of space; provided that in no event shall the City be entitled to any use of display images on the New Digital Billboard in excess of five percent (5%) of the total available display time on either face of the New Digital Billboard during any given Term Year. The City shall be responsible for providing Developer with approved advertising copy and shall also be responsible for any costs associated with providing Developer with artwork in acceptable format per Developer's specifications. City's use is subject to the following conditions and parameters: (1) a copy must be submitted to Developer at least five (5) days before the proposed display date and will be subject to Developer's standard advertising copy rejection and removal policies, which allow Developer, in its sole discretion, to approve or disapprove copy and remove copy once posted or displayed, and (2) the City's use of allocated display time for a particular Term Year must be utilized during such Term Year (i.e., no advertisement rights shall accumulate or carryover to the following Term Year). Nothing herein shall give the City the right to sell, barter, trade, or otherwise transfer such advertising rights to any third-person or entity; the same shall be utilized by the City only for its own governmental purposes. The advertising rights available to the City are not assignable, in whole or in part, and any such assignment by the City shall be void ab initio.

3.4.2. **Public Safety Alerts.** The New Digital Billboard shall be connected into and utilized in connection with the Amber Alert communications network established by the U.S. Department of Justice. Developer shall further cooperate with the City, Caltrans, the Federal Emergency Management Agency and any other federal or state emergency management or public safety authority to display public health and safety emergency alerts in the event of natural disasters or other emergency events at no cost to the City or other applicable agency or authority.

3.4.3. **Discount Advertising.** Developer shall offer a ten percent (10%) discount off its applicable rates for display of advertising on the New Digital Billboard to any current, active member of the El Monte - South El Monte Chamber of Commerce holding a City-issued business license and with a home office located in the City of El Monte.

3.4.4. **City Signage.** Developer shall install and maintain on both sides of the New Digital Billboard above the display panel a sign reading "City of El Monte." The design of such sign shall be approved by the City.

3.5. **Restrictions on Use.** Developer shall not utilize any of the displays on the New Digital Billboard to advertise or communicate political matter, tobacco including e-cigarettes and vaping, marijuana, hashish, "strip clubs," adult entertainment businesses, sexually oriented materials, or use sexually oriented images, or use sexually oriented language. Further, Developer shall not utilize any of the displays on the New Digital



Billboard to advertise or communicate any matter that may be prohibited by State or Federal law and any City ordinance existing as of the Effective Date of this Agreement, or as may be amended or implemented from time-to-time after the Effective Date and equally-applicable to all billboard displays by any duly and valid City ordinance. The New Digital Billboard shall at all times be constructed and operated in a manner consistent with the Outdoor Advertising Act of the State of California (Business & Professions Code sections 5200 *et seq.*) and other applicable State and Federal laws and regulations.

**3.6. City's Rights to Use the Site.** The City shall have the right to access and install Telecommunications Facilities on the Site that the City deems necessary for the health, safety and welfare of the public, upon prior written notice and approval from Owner, not to be unreasonably withheld. The City shall be responsible for all of the installation and operating costs of its Telecommunications Facilities, and the City's Telecommunications Facilities shall be installed and operated in a manner that does not interfere with or negatively impact visibility or operation of the New Digital Billboard in any manner, including, without limitation, the amount of advertising revenue received by Developer from the operation of the New Digital Billboard or the amount of Additional Revenue derived therefrom. The City shall indemnify, defend and hold harmless Developer and its members, partners, shareholders, officers, directors, employees and affiliates (collectively, the "**Developer Parties**") from and against any and all claims, lawsuits, actions, proceedings, judgments, losses, costs, claims (including reasonable sums paid in settlement of claims), reasonable attorneys' fees, consultant and expert fees, penalties, damages and liabilities (collectively, "**Claims**") arising from or related to the installation, operation or use of the Telecommunications Facilities installed on the Site by or on behalf of the City, and from the City's use of the New Digital Billboard (as detailed in Section 3.4.1 above), except to the extent that such Claims arise from the active negligence or willful misconduct of any of the Developer Parties.

**3.7. Developer Fee.** Upon issuance of the State ODA Permit, as required under Exhibit "B", Section 6(g) as a Condition of Approval, Developer shall deliver a one-time payment to the City of a Developer Fee in the amount of One Hundred Thousand Dollars (\$100,000) as further consideration for the rights and benefits provided to the Project hereunder.

**3.8. Fixed Facility Fee.** Should Developer enter into any agreement for the installation of Telecommunications Facilities on the support structure of the New Digital Billboard (other than the Telecommunications Facilities installed by the City pursuant to Section 3.6 above), Developer shall pay to the City an annual fixed facility fee equal to Fifteen Percent (15%) of the total amount of Additional Revenue collected by Developer from the use of the Telecommunications Facilities. The City shall have the right upon request to review and audit the Additional Revenue received by Developer for a period of thirty (30) days after the date on which such Additional Revenue was received. The fixed facility fee shall be due and payable forty-five (45) days after the end of each Term Year. Notwithstanding the foregoing or anything to the contrary set forth in this Agreement, any Telecommunications Facilities installed by Developer or Owner, or their agents, to be used as a part of the Owner's Transportation Communication Network (TCN) Program shall not be subject to the payment of any fee by either Developer or Owner.

#### 4. **DEVELOPMENT AND IMPLEMENTATION OF THE DEVELOPMENT.**

4.1. **Rights to Develop.** Subject to provisions of this Agreement, which shall be approved by the Board of Directors of Owner prior to execution of the Agreement and within ninety (90) days of the City Council's approval of the Agreement (which time-period can be extended by mutual agreement of the parties), Developer shall have the right to develop the Site in accordance with, and to the extent of, the Development Approvals, the existing Land Use Regulations, this Agreement and in compliance with all laws, regulations, rules and requirements of all governmental authorities with jurisdiction over the Project.

4.2. **Effect of Agreement on Land Use Regulations.** Except as otherwise provided under the terms of this Agreement, the rules, regulations and official policies governing permitted uses of the Site, the density and intensity of use of the structures on the Site, the maximum height and size of proposed structures on the Site, and the design, improvement and construction standards and specifications applicable to the Site, shall be as set forth in the Land Use Regulations which are in full force and effect as of the Effective Date of this Agreement, subject to the terms of this Agreement.

4.3. **Development Approvals.** Developer shall, at its own expense and before commencement of demolition, construction or development of any structures or other work of improvement upon the Site, secure or cause to be secured the Development Approvals, a Conditional Use Permit and building permit(s) from the City, and any and all permits and approvals which may be required by any other governmental agency or utility affected by such construction, development or work to be performed by Developer pursuant to the Scope of Development; provided, however, that the City acknowledges that the City's Planning Commission and City Council have approved an Initial Study/Negative Declaration for the Project, thus complying with, and satisfying the requirements of CEQA. Not by way of limiting the foregoing, in developing and constructing the Development, Developer shall comply with all: (1) applicable development standards in the City's Municipal Code that were in effect at the time the Agreement and Conditional Use Permit were approved by the City's Planning Commission, (2) applicable NPDES requirements pertaining to the Development, and (3) applicable building codes that were in effect at the time this Agreement and the Conditional Use Permit were approved by the City's Planning Commission, except as may be permitted through approved variances and modifications. Developer shall pay all normal and customary fees and charges applicable to such permits, and any fees and charges hereafter imposed by the City in connection with the Development which are standard and uniformly applied to similar projects in the City. Nothing contained in this Agreement shall be deemed to impose any obligation on Owner with respect to the Development Approvals or the Development, all of which obligations of Owner shall be governed by the terms of the Owner Agreement. Without limiting the foregoing, the City shall take such actions as may be reasonably required to enable Developer to obtain any Final Permits, including without limitation, providing notice of default to a developer or lessee of any City-owned property adjacent to the Site in order to facilitate removal of any outdoor advertising displays or structures located on any City-owned property adjacent to the Site.

#### 4.4. Timing of Development.

4.4.1. The parties acknowledge that Developer cannot at this time predict when or if the Property will be developed. Such decisions depend upon numerous factors that are not within the control of Developer. Because the California Supreme Court held in *Pardee Construction Co. v. City of Camarillo* (1984) 37 Cal.3d 465 (the "**Pardee Case**") that the failure of the parties therein to provide for the timing of development resulted in a later adopted initiative restricting the timing of development to prevail over such parties' agreement, it is the parties' intent to cure that deficiency by acknowledging and providing that, except as otherwise provided in this Agreement, Developer shall have the right to develop the Project consistent with the Development Approvals in such order and at such rate and at such times as Developer deems appropriate within the exercise of its sole and subjective business judgment during the Term of this Agreement. This provision shall be broadly construed to provide Developer the greatest amount of time and flexibility (in light of the *Pardee Case* and any other similar or distinguishing cases) as necessary or appropriate to permit Developer to complete the development of the Project irrespective of later-adopted rules, regulations or initiatives that would otherwise restrict Developer's time to complete the Project.

4.4.2. Developer shall commence construction of the New Digital Billboard on the Site within ninety (90) calendar days following: (a) Developer's receipt of a building permit from the City for construction of the New Digital Billboard and related improvements, (b) the issuance of all Development Approvals and Final Permits for construction of the New Digital Billboard and related improvements and (c) the expiration of all applicable challenge periods related to the foregoing without the filing of any challenge or appeal (or if a challenge or appeal has been filed, such challenge or appeal has been resolved on terms reasonably satisfactory to Developer). In the event that Developer fails to meet the schedule for commencement of construction of the New Digital Billboard set forth above, then after compliance with Section 5.3, either party hereto may terminate this Agreement by delivering written notice to the other party, and, in the event of such termination, neither party shall have any further obligation hereunder. However, if circumstances within the scope of Section 9.10 delay the commencement of construction or completion of construction of the New Digital Billboard, then such delays shall not constitute grounds for any termination rights found within this Agreement and the timeline to commence or complete the relevant task shall be extended in the manner set forth in Section 9.10. Notwithstanding the above, Developer shall, at all times, comply with all other obligations set forth in this Agreement regarding the construction or improvement of the New Digital Billboard. Developer shall also maintain the New Digital Billboard at all times during the Term in accordance with the maintenance provisions set forth in Section 3 of the Scope of Development, attached as Exhibit "B" herein.

4.5. **Changes and Amendments.** Developer may determine that changes to the Development Approvals are appropriate and desirable. In the event Developer makes such a determination, Developer may apply in writing for an amendment to the Development Approvals to effectuate such change(s). The parties acknowledge that the City shall be permitted to use its inherent land use authority in deciding whether to approve or deny any such amendment request; provided, however, that in exercising the

foregoing reasonable discretion, the City shall not apply a standard different than that used in evaluating requests of other developers. Accordingly, under no circumstance shall the City be obligated in any manner to approve any amendment to the Development Approvals. The City Manager shall be authorized to approve any non-substantive amendment to the Development Approvals without processing an amendment to this Agreement. All other amendments shall require the approval of the City Council. Nothing herein shall cause Developer to be in default if it upgrades the digital displays installed pursuant to this Agreement during the Term of this Agreement to incorporate newer technology; provided Developer shall secure all applicable ministerial permits to do so and such upgrade is consistent with the dimensions and standards for the displays, as provided under this Agreement, Land Use Regulations and Subsequent Land Use Regulations.

#### **4.6. Reservation of Authority.**

**4.6.1. Limitations, Reservations and Exceptions.** Notwithstanding any other provision of this Agreement, the following Subsequent Land Use Regulations shall apply to the Development:

(a) Processing fees and charges of every kind and nature imposed by the City to cover the estimated actual costs to the City of processing applications for Subsequent Development Approvals.

(b) Procedural regulations consistent with this Agreement relating to hearing bodies, petitions, applications, notices, findings, records, hearings, reports, recommendations, appeals and any other matter of procedure. Notwithstanding the foregoing, if such change materially changes Developer's costs or otherwise materially impacts its performance hereunder, Developer may terminate this Agreement upon ninety (90) days prior written notice to the City.

(c) Changes adopted by the International Conference of Building Officials, or other similar body, as part of the then most current versions of the Uniform Building Code, Uniform Fire Code, Uniform Plumbing Code, Uniform Mechanical Code, or National Electrical Code, as adopted by the City as Subsequent Land Use Regulations, if adopted prior to the issuance of a building permit for development of the New Digital Billboard. Notwithstanding the foregoing, if such change materially changes Developer's costs or otherwise materially impacts its performance hereunder, Developer may terminate this Agreement upon ninety (90) days prior written notice to the City.

(d) Regulations that are not in conflict with the Development Approvals or this Agreement.

(e) Regulations that are in conflict with the Development Approvals or this Agreement, provided Developer has given written consent to the application of such regulations to the Development.

(f) Applicable federal, state, county and multi-jurisdictional laws and regulations which the City is required to enforce against the Site or the Development, and that do not have an exception for existing signs or legal nonconforming uses.

4.6.2. ***Future Discretion of the City.*** This Agreement shall not prevent the City from denying or conditionally approving any application for a Subsequent Development Approval on the basis of the Land Use Regulations.

4.6.3. ***Modification or Suspension by Federal, State, County, or Multi-Jurisdictional Law.*** In the event that applicable federal, state, county or multi-jurisdictional laws or regulations, enacted after the Effective Date of this Agreement, prevent or preclude compliance with one or more of the provisions of this Agreement, and there is no exception for the legal nonconforming use under applicable federal, state, county or multi-jurisdictional laws or regulations, such provisions of this Agreement shall be modified or suspended as may be necessary to comply with such federal, state, county or multi-jurisdictional laws or regulations, and this Agreement shall remain in full force and effect to the extent it is not inconsistent with such laws or regulations and to the extent such laws or regulations do not render such remaining provision impractical to enforce. Notwithstanding the foregoing, if such change materially changes Developer's costs or otherwise materially impacts its performance hereunder, Developer may terminate this Agreement upon ninety (90) days prior written notice to the City.

4.7. **Regulation by Other Public Agencies.** It is acknowledged by the parties that other public agencies not subject to control by the City may possess authority to regulate aspects of the Development as contemplated herein, and this Agreement does not limit the authority of such other public agencies. Developer acknowledges and represents that, in addition to the Land Use Regulations, Developer shall, at all times, comply with all applicable federal, state and local laws and regulations applicable to the Development and that do not have an exception for a legal nonconforming use. To the extent such other public agencies preclude development or maintenance of the Development and do not have an exception for a legal nonconforming use, Developer shall not be further obligated under this Agreement except as provided in Section 6.1. Notwithstanding the foregoing, if such action by another public agency materially changes Developer's costs or otherwise materially impacts its performance hereunder, Developer may terminate this Agreement upon ninety (90) days prior written notice to the City.

4.8. **Public Improvements.** Notwithstanding any provision herein to the contrary, the City shall retain the right to condition any Subsequent Development Approvals on the requirement that Developer pay subsequently required development fees, and/or construct certain subsequently required public infrastructure ("**Exactions**") at such time as the City shall determine, subject to the following conditions:

4.8.1. The payment or construction must be to alleviate an impact caused by the Development or be of benefit to the Development;

4.8.2. The timing of the Exaction should be reasonably related to the development of the Development and said public improvements shall be phased to be

commensurate with the logical progression of the development of the Development, as well as the reasonable needs of the public;

4.8.3. It is understood, however, that if there is a material increase in cost to Developer, or such action by the City otherwise materially impacts Developer or its performance hereunder, Developer may terminate this Agreement upon ninety (90) days prior written notice to the City.

4.9. **Fees, Taxes and Assessments.** During the Term of this Agreement, the City shall not, without the prior written consent of Developer, impose any additional fees, taxes or assessments on all or any portion of the Development, except such fees, taxes and assessments as are described in or required by this Agreement and/or the Development Approvals. However, this Agreement shall not prohibit the application of fees, taxes or assessments upon the Site only and not on the New Digital Billboard or Developer directly, except as follows:

4.9.1. Developer shall be obligated to pay those fees, taxes or City assessments and any increases in same which exist as of the Effective Date and applicable to the Development or are included in the Development Approvals;

4.9.2. Developer shall be obligated to pay any fees or taxes, and increases thereof, imposed on a City-wide basis such as, but not limited to, business license fees or taxes or utility taxes applicable to the Development;

4.9.3. Developer shall be obligated to pay all fees applicable to any permit applications as charged by the City at the time such application(s) are filed by Developer;

4.9.4. Developer shall be obligated to pay any fees imposed pursuant to any Uniform Code that exist when the permit applications are filed by Developer or that exist when Developer applies for any Subsequent Development Approvals.

4.10. **Changes.** Notwithstanding anything to the contrary herein, if there is a change in such fees as compared to those fees in effect as of the Effective Date, or if any additional fees are charged and such additional or increased fees materially change Developer's costs or otherwise materially impacts its performance hereunder, Developer may terminate this Agreement upon ninety (90) days prior written notice to the City.

## 5. **REVIEW FOR COMPLIANCE.**

5.1. **Review.** In compliance with the Development Agreement Act, the City Council shall have the right to review at its sole cost and expense the Developer's good faith compliance with the terms of this Agreement at least every twelve (12) months during the Term ("**Review**") and City Council may, in its sole and absolute discretion and at its sole cost and expense, order a Review at any time. No failure on the part of the City to conduct or complete any Review as provided herein shall have any impact on the validity of this Agreement. Developer shall cooperate with the City in the conduct of any such Review.

5.2. **City Rights of Access.** Subject to the City's execution of a permit to enter the Site in a form reasonably acceptable to Owner, the City and its officers, employees, agents and contractors shall have the right, at their sole risk and expense, to enter the Site without interfering with any right-of-way, and at all reasonable times with as little interference as possible, for the purpose of conducting the Review under this Section 5 or inspection, construction, reconstruction, relocation, maintenance, repair or service of any public improvements or public facilities located on the Site. Any damage or injury to the Site or to the improvements constructed thereon (including, without limitation, the New Digital Billboard) resulting from such entry shall be promptly repaired at the sole expense of the City. Notwithstanding the foregoing or any other provision in this Agreement (including without limitation Section 5.1 above) to the contrary, the City shall have no right whatsoever to enter the Site unless and until the City executes and delivers to Owner a permit to enter in a form reasonably acceptable to Owner (except that this provision is not intended to interfere with the City's police powers to address any nuisance, dangerous condition, or other condition pursuant to the City's ordinances). Notwithstanding anything to the contrary herein, in no event will the City's representatives ever climb up the pole of the New Digital Billboard during any inspection<sup>1</sup>.

5.3. **Procedure.** Each party shall have a reasonable opportunity to assert matters which it believes have not been undertaken in accordance with this Agreement, to explain the basis for such assertion, and to receive from the other party(ies) a justification of its position on such matters. If, on the basis of the parties' review of any terms of this Agreement, a party concludes that the other party(ies) has not complied in good faith with the terms of this Agreement, then such party may issue a written "**Notice of Non-Compliance**" specifying the grounds therefore and all facts demonstrating such non-compliance. The party receiving a Notice of Non-Compliance shall have thirty (30) days to cure or remedy the non-compliance identified in the Notice of Non-Compliance, but if such cure or remedy is not reasonably capable of being cured or remedied within such thirty (30) day period, then the party receiving a Notice of Non-Compliance shall commence to cure or remedy the non-compliance within such thirty (30) day period and thereafter diligently and in good faith prosecute such cure or remedy to completion. If the party receiving the Notice of Non-Compliance does not believe it is out of compliance and contests the Notice of Non-Compliance, it shall do so by responding in writing to said Notice of Non-Compliance within thirty (30) days after receipt of the Notice of Non-Compliance. If the response to the Notice of Non-Compliance has not been received in the office of the party alleging the non-compliance within the prescribed time period, the Notice of Non-Compliance shall be conclusively presumed to be valid. If a Notice of Non-Compliance is contested, the parties shall, for a period of not less than fifteen (15) days following receipt of the response, seek to arrive at a mutually acceptable resolution of the matter(s) occasioning the Notice of Non-Compliance. In the event that a cure or remedy is not timely completed, the party alleging the non-compliance may thereupon pursue the remedies provided in Section 6; provided, however, that if the Notice of Non-Compliance is contested and the parties are not able to arrive at a mutually acceptable resolution of the matter(s) by the end of the fifteen (15) day period, then either party shall have the right to seek a judicial determination of such contested matter. Neither party hereto shall

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<sup>1</sup> Subject to review and comment by Metro's Board prior to execution of this Agreement.

be deemed in breach if the reason for non-compliance is due to "force majeure" as defined in, and subject to the provisions of, Section 9.10.

**5.4. Certificate of Agreement Compliance.** If, at the conclusion of any Review, Developer is found to be in compliance with this Agreement, the City shall, upon request by Developer, issue within ten (10) days of receipt of the request, a written confirmation ("**Certificate**") to Developer stating that, after the most recent Review, and based upon the information known or made known to the City Manager and the City Council, that (1) this Agreement remains in effect, and (2) Developer is in compliance. The Certificate shall be in recordable form if requested by Developer and shall contain information necessary to communicate constructive record notice of the finding of compliance. Developer may record the Certificate with the County Recorder. Additionally, Developer may, at any time, request from the City a Certificate stating, in addition to the foregoing, which specific obligations under this Agreement have been fully satisfied with respect to the Site and City shall respond within ten (10) days of receipt of the request. If the City fails to respond to a Developer's request pursuant to this Section 5.4, the Developer is presumed to be in compliance with this Agreement or any obligation that is the subject of the Developer's request.

## **6. DEFAULT AND REMEDIES.**

### **6.1. Termination of Agreement.**

#### **6.1.1. Termination of Agreement for Material Default of Developer.**

The City, in its discretion, may terminate this Agreement (a) if Developer fails to make the Public Benefit Contribution within fifteen (15) days after the due date, or (b) for any material failure of Developer to perform any material duty or obligation of Developer hereunder or to comply in good faith with the terms of this Agreement (hereinafter referred to as "**default**" or "**breach**"); provided, however, the City may terminate this Agreement pursuant to subsection (b) above only after following the procedures set forth in Section 5.3. In the event of a termination by the City under this Section 6.1.1, Developer acknowledges and agrees that the City may retain any portion of the Public Benefit Contribution paid up to the date of termination and Developer shall pay the prorated amount of the Public Benefit Contribution within sixty (60) days after the date of termination and removal of the New Digital Billboard that equates to the percentage of time elapsed in the year of the Term at the time of termination.

#### **6.1.2. Termination of Agreement for Material Default of City.**

Developer, in its discretion, may terminate this Agreement for any material failure of the City to perform any material duty or obligation of the City hereunder or to comply in good faith with the terms of this Agreement; provided, however, Developer may terminate this Agreement pursuant to this Section only after following the procedures set forth in Section 5.3.

**6.1.3. Termination of Agreement Without Default.** Developer may terminate this Agreement upon the occurrence of any of the following: (1) if, despite Developer's good faith efforts, Developer is unable to secure the Development Approvals



and/or the necessary permits (including all Final Permits) and/or comply with requirements under applicable laws as necessary to effectuate the Development, or (2) any governmental agency has concluded a taking or regulatory taking of any material portion of the Site and/or the Development, or (3) the Lease is terminated, or (4) Developer is unable to profitably operate the Development or (5) if the advertising value of the New Digital Billboard is materially diminished for any reason, including, without limitation, a diversion or reduction of vehicular traffic or (6) the view of the New Digital Billboard becomes entirely or partially obstructed or impaired or (7) any other circumstance or event pursuant to which termination is permitted by Developer under this Agreement, or (8) if this Agreement and the development of the Project is not approved by the Board of Directors of Owner prior to execution of this Agreement within ninety (90) days of the City Council's approval of the Agreement (which time-period may be extended by mutual agreement of the parties). In the event of a termination by Developer under this Section 6.1.3, Developer acknowledges and agrees that the City may retain any portion of the Public Benefit Contribution paid up to the date of termination. If this Agreement is terminated pursuant to subsections (1) or (8) of this Section 6.1.3, then this Agreement shall terminate immediately and Developer shall not be required to make any payment set forth herein and this Agreement shall be of no further force and effect.

6.1.4. ***Rights and Duties Following Termination.*** Upon the termination of this Agreement, no party shall have any further right or obligation hereunder.

## **7. INSURANCE, INDEMNIFICATION AND WAIVERS.**

### **7.1. Insurance.**

#### **7.1.1. *Types of Insurance.***

(a) ***Liability Insurance.*** On or prior to the Effective Date and until completion of the Term, Developer shall, at its sole cost and expense, keep or cause to be kept in force for Developer general liability insurance against claims and liabilities for bodily injury, death or property arising out of or in connection with Developer's activities on the Site under this Agreement and for claims and liabilities covered by the indemnification provisions of Section 7.2. Such insurance shall name the City as an additional insured and shall have the following limits: (i) at least Two Million Dollars (\$2,000,000) for bodily injury or death to any one person, (ii) at least Four Million Dollars (\$4,000,000) for any one accident or occurrence, and (iii) at least One Million Dollars (\$1,000,000) for property damage. Within seven (7) days after written request from the City, Developer shall also furnish or cause to be furnished to the City evidence that any contractors with whom Developer has contracted for the performance of any work under this Agreement for which Developer is responsible maintains the same coverage required of Developer.

(b) ***Worker's Compensation.*** Within seven (7) days after written request from the City, Developer shall also furnish or cause to be furnished to the City evidence that any contractor with whom Developer has contracted for the performance of any work under this Agreement for which Developer is responsible hereunder carries worker's compensation insurance as required by law.

(c) Insurance Policy Form, Sufficiency, Content and Insurer. All insurance required by express provisions hereof shall be carried only by responsible insurance companies qualified to do business by California with an AM Best Rating of no less than "A". All such policies shall be non-assignable and shall contain language, to the extent obtainable, to the effect that (i) the insurer waives the right of subrogation against the City and against the City's agents and representatives except as provided in this Section; (ii) the policies are primary and noncontributing with any insurance that may be carried by the City, but only with respect to the liabilities assumed by Developer under this Agreement; and (iii) the policies cannot be canceled or materially changed except after written notice by the insurer to the City or the City's designated representative as expeditiously as the insurance company agrees to provide such notice. Developer shall furnish the City with certificates evidencing the insurance required to be procured by the terms of this Agreement on or prior to the Effective Date.

7.1.2. **Failure to Maintain Insurance.** If Developer fails or refuses to procure or maintain insurance as required hereby or fails or refuses to furnish the City with required proof that the insurance has been procured and is in force and paid for, the City, after complying with the requirements of Section 5.3, may view such failure or refusal to be a default hereunder.

## 7.2. Indemnification.

7.2.1. **General.** To the extent of its liability coverage required under Section 7.1.1(a) above, Developer shall indemnify the City and its officers, employees, attorneys, consultants and agents (collectively, "**City-Related Parties**") against, and will hold and save each of the City-Related Parties harmless from, any and all actions, suits, claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions, or liabilities (herein "**claims or liabilities**") that may be claimed or asserted against any City-Related Parties by any person, firm, or entity to the extent arising out of or materially connected with (i) the negligent work, operations, or activities of Developer, its agents, employees, subcontractors, or invitees, hereunder, upon the Site or (ii) the City's approval of this Agreement or any Development Approvals or Subsequent Development Approvals pursuant hereto or (iii) the performance of any obligations of the City hereunder.

(a) Developer will defend any action or actions filed in connection with any such claims or liabilities covered by the indemnification provisions herein and will pay all costs and expenses, including reasonable legal costs and attorneys' fees incurred in connection therewith, which attorneys will be the attorneys hired by the insurance company where insurance coverage applies, or by Developer.

(b) Developer will promptly pay any judgment rendered against any City-Related Party for any such claims or liabilities subject to Developer's indemnification obligations as set forth in Section 7.2.1 above.

7.2.2. **Exceptions.** The foregoing indemnity shall not include claims or liabilities arising from the negligence or willful misconduct of the City, or its officers, agents or employees who are directly responsible to the City.

7.2.3. **Additional Coverage.** Without limiting the generality of the foregoing, Developer's indemnity obligation shall include any liability arising by reason of:

(a) Any accident or other occurrence in or on the Site causing injury to any person or property whatsoever to the extent caused by Developer;

(b) Any failure of Developer to comply with performance of all of the provisions of this Agreement;

(c) Any harm, delays, injuries or other damages incurred by any party as a result of any subsurface conditions on the Site caused solely by Developer, including but not limited to, the presence of buried debris, hazardous materials, hydrocarbons, or any form of soil contamination.

7.2.4. **Loss and Damage.** Except as set forth below, the City shall not be liable for any damage to property of Developer, nor for the loss of or damage to any property of Developer by theft or otherwise. The foregoing sentence shall not apply (i) to the extent the City or its agents, employees, subcontractors, invitees or representatives causes such injury or damage when accessing the Site, or (ii) under the circumstances set forth in Section 7.2.2 above.

7.2.5. **Period of Indemnification.** The obligations for indemnity under this Section 7.2 shall begin upon the Effective Date and shall survive expiration of the Term of this Agreement (unless earlier terminated prior to commencement of construction of the New Digital Billboard) for the period of two (2) years. Developer's indemnification obligations as set forth in Section 7.2.1 shall terminate concurrently with termination of this Agreement for any reason pursuant to Section 6.1 above prior to commencement of construction.

7.3. **Waiver of Subrogation.** Developer and the City mutually agree that neither shall make any claim against, nor seek to recover from the other party(ies) or its agents, servants, or employees, for any loss or damage to Developer or the City or to any person or property relating to this Agreement, except as specifically provided hereunder, which include but is not limited to a claim or liability to the extent arising from the negligence or willful misconduct of the City or Developer, as the case may be, or their respective officers, agents, or employees who are directly responsible to the City and Developer, as the case may be.

8. **MORTGAGEE PROTECTION.** The parties hereto agree that this Agreement shall not prevent or limit Developer, in any manner, at Developer's sole discretion, from encumbering Developer's interest in the Site or any portion thereof or the Development or any improvement on the Site thereon by any mortgage, deed of trust or other security device securing financing with respect to the Site. The City acknowledges that the lenders providing such financing may require certain Agreement interpretations and modifications and the City agrees upon request, from time to time, to meet with Developer or Owner and representatives of such lenders to negotiate in good faith any such request for interpretation or modification. Subject to compliance with applicable laws, the City will not unreasonably withhold its consent to any such requested

interpretation or modification, provided the City determines such interpretation or modification is consistent with the intent and purposes of this Agreement. Upon reasonable approval by the City Attorney, the City authorizes the City Manager to execute any Notices of Consent to Assignment on behalf of the City or similar financial documentation. Any Mortgagee of the Site shall be entitled to the following rights and privileges.

8.1. Neither entering into this Agreement nor a breach of this Agreement shall defeat, render invalid, diminish or impair the lien of any mortgage on the Development of the Site or any mortgage of the Site made in good faith and for value, unless otherwise required by law.

8.2. The Mortgagee of any mortgage or deed of trust encumbering the Development of the Site or any mortgage or deed of trust encumbering the Site, or any part thereof, which Mortgagee has submitted a request in writing to the City in the manner specified herein for giving notices, shall be entitled to receive written notification from the City of any default by Developer in the performance of Developer's obligations under this Agreement.

8.3. If the City timely receives a request from a Mortgagee requesting a copy of any Notice of Non-Compliance given to Developer under the terms of this Agreement, the City shall make a good faith effort to provide a copy of that Notice of Non-Compliance to the Mortgagee within ten (10) days of sending the Notice of Non-Compliance to Developer. The Mortgagee shall have the right, but not the obligation, to cure the non-compliance during the period that is the longer of (i) the remaining cure period allowed such party under this Agreement, or (ii) sixty (60) days.

8.4. Any Mortgagee who comes into possession of the Development or the Site, or any part thereof, pursuant to foreclosure of the mortgage or deed of trust, or deed in lieu of such foreclosure, shall take the Development or the Site, or part thereof, subject to the terms of this Agreement. Notwithstanding any other provision of this Agreement to the contrary, no Mortgagee shall have an obligation or duty under this Agreement to perform any of Developer's obligations or other affirmative covenants of Developer hereunder, or to guarantee such performance; except that (i) to the extent that any covenant to be performed by Developer is a condition precedent to the performance of a covenant by the City, the performance thereof shall continue to be a condition precedent to the City's performance hereunder, and (ii) in the event any Mortgagee seeks to develop or use any portion of the Development or the Site acquired by such Mortgagee by foreclosure, deed of trust, or deed in lieu of foreclosure, such Mortgagee shall strictly comply with all of the terms, conditions and requirements of this Agreement and the Development Approvals applicable to the Development or the Site or such part thereof so acquired by the Mortgagee.

## **9. MISCELLANEOUS PROVISIONS.**

9.1. **Recordation of Agreement.** This Agreement shall be recorded in the Official Records of the Los Angeles County Recorder within ten (10) days of execution,

as required by Government Code Section 65868.5. Amendments approved by the parties, and any cancellation, shall be similarly recorded.

9.2. **Entire Agreement.** This Agreement sets forth and contains the entire understanding and agreement of the parties with respect to the subject matter set forth herein, and there are no oral or written representations, understandings or ancillary covenants, undertakings or agreements which are not contained or expressly referred to herein. No testimony or evidence of any such representations, understandings or covenants shall be admissible in any proceeding of any kind or nature to interpret or determine the terms or conditions of this Agreement.

9.3. **Severability.** If any term, provision, covenant or condition of this Agreement shall be determined invalid, void or unenforceable, then that term, provision, covenant or condition of this Agreement shall be stricken and the remaining portion of this Agreement shall remain valid and enforceable if that stricken term, provision, covenant or condition is not material to the main purpose of this Agreement, which is to allow the Development to be permitted and operated and to provide the Public Benefit Contribution Fee to the City; otherwise, this Agreement shall terminate in its entirety, unless the parties otherwise agree in writing, which agreement shall not be unreasonably withheld.

9.4. **Interpretation and Governing Law.** This Agreement and any dispute arising hereunder shall be governed and interpreted in accordance with the laws of the State of California. This Agreement shall be construed as a whole according to its fair language and common meaning, to achieve the objectives and purposes of the parties hereto. The rule of construction, to the effect that ambiguities are to be resolved against the drafting party or in favor of the non-drafting party, shall not be employed in interpreting this Agreement, all parties having been represented by counsel in the negotiation and preparation hereof.

9.5. **Section Headings.** All section headings and subheadings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

9.6. **Singular and Plural.** As used herein, the singular of any word includes the plural.

9.7. **Time of Essence.** Time is of the essence in the performance of the provisions of this Agreement as to which time is an element.

9.8. **Waiver.** Failure of a party to insist upon the strict performance of any of the provisions of this Agreement by the other party, or the failure by a party to exercise its rights upon the default of the other party, shall not constitute a waiver of such party's right to insist and demand strict compliance by the other party with the terms of this Agreement thereafter.

9.9. **No Third-Party Beneficiaries.** This Agreement is made and entered into for the sole protection and benefit for the parties and Owner and their respective

successors and assigns. No other person shall have any right of action based upon any provision of this Agreement.

9.10. **Force Majeure.** Notwithstanding any provision to the contrary herein, neither party shall be deemed to be in default where failure or delay in performance of any of its obligations under this Agreement is caused by earthquakes, other acts of God, pandemic, epidemic, fires, rains, winds, wars, terrorism, riots or similar hostilities, strikes and other labor difficulties beyond the party's control (including the party's employment force), government actions and regulations (other than those of the City), court actions (such as restraining orders or injunctions), any delay or breach in performance of Owner's obligations under the Owner Agreement or any other causes beyond the party's reasonable control. If any such events shall occur during the term of this Agreement then the time for performance shall be extended for the duration of each such event, provided that the Term of this Agreement shall not be extended under any circumstances for more than five (5) years beyond the date it would have otherwise expired, and further provided that if such delay is longer than six (6) months, Developer may terminate this Agreement upon written notice to the City and the City shall return to Developer any portion of the Public Benefit Contribution Fee paid for any period after the effective date of such termination.

9.11. **Mutual Covenants.** The covenants contained herein are mutual covenants and also constitute conditions to the concurrent or subsequent performance by the party benefited thereby of the covenants to be performed hereunder by such benefited party.

9.12. **Counterparts.** This Agreement may be executed by the parties in counterparts, which counterparts shall be construed together and have the same effect as if all of the parties had executed the same instrument.

9.13. **Litigation.** Any action at law or in equity arising under this Agreement or brought by any party hereto for the purpose of enforcing, construing or determining the validity of any provision of this Agreement shall be filed and tried in the Superior Court of the County of Los Angeles, State of California, or such other appropriate court in said county. Service of process on the City shall be made in accordance with California law. Service of process on Developer shall be made in any manner permitted by California law and shall be effective whether served inside or outside California. In the event of any action between the City and Developer seeking enforcement of any of the terms and conditions to this Agreement, the prevailing party in such action shall be awarded, in addition to such relief to which such party is entitled under this Agreement, its reasonable litigation costs and expenses, including without limitation, its expert witness fees and reasonable attorneys' fees. In any award to the City of its costs and expenses under this Section, Developer hereby represents and warrants that All Vision shall be solely responsible for paying the entire award.

9.14. **Covenant Not to Sue.** The parties to this Agreement, and each of them, agree that this Agreement and each term hereof are legal, valid, binding, and enforceable. The parties to this Agreement, and each of them, hereby covenant and agree that each of them will not commence, maintain, or prosecute any claim, demand, cause of action, suit, or other proceeding against any other party to this Agreement, in law or in equity,

which is based on an allegation, or assert in any such action, that this Agreement or any term hereof is void, invalid, or unenforceable.

**9.15. Development as a Private Undertaking.** It is specifically understood and agreed by and between the parties hereto that the Development is a private development, that as between City and Developer, neither party is acting as the agent of the other in any respect hereunder, and that each party is an independent contracting entity with respect to the terms, covenants and conditions contained in this Agreement. No partnership, joint venture or other association of any kind is formed by this Agreement. The only relationship between the City and Developer is that of a government entity regulating the development of property, on the one hand, and the holder of a legal or equitable interest in such property on the other hand. The City agrees that by its approval of, and entering into, this Agreement, that it is not taking any action which would transform this private development into a "public works" development, and that nothing herein shall be interpreted to convey upon Developer any benefit which would transform Developer's private development into a public works project, it being understood that this Agreement is entered into by the City and Developer upon the exchange of consideration described in this Agreement, including the Recitals to this Agreement which are incorporated into this Agreement and made a part hereof, and that the City is receiving by and through this Agreement the full measure of benefit in exchange for the burdens placed on Developer by this Agreement.

**9.16. Further Actions and Instruments.** Each of the parties shall cooperate with and provide reasonable assistance to the other to the extent contemplated hereunder in the performance of all obligations under this Agreement and the satisfaction of the conditions of this Agreement. Upon the request of a party at any time, the other party(ies) shall promptly execute, with acknowledgment or affidavit if reasonably required, and file or record such required instruments and writings and take any actions as may be reasonably necessary under the terms of this Agreement to carry out the intent and to fulfill the provisions of this Agreement or to evidence or consummate the transactions contemplated by this Agreement.

**9.17. Eminent Domain.** No provision of this Agreement shall be construed to limit or restrict the exercise by the City of its power of eminent domain or Developer's right to seek and collect just compensation or any other remedy available to it.

**9.18. Amendments in Writing/Cooperation.** This Agreement may be amended only by written consent of all parties specifically approving the amendment (which approval shall not be unreasonably withheld, conditioned or delayed) and in accordance with the Government Code provisions for the amendment of development agreements. The parties shall cooperate in good faith with respect to any amendment proposed in order to clarify the intent and application of this Agreement and shall treat any such proposal on its own merits, and not as a basis for the introduction of unrelated matters. Minor, non-material modifications may be approved on behalf of the City by the City Manager upon reasonable approval by the City Attorney.

9.19. **Assignment.** Except with respect to Permitted Assignments (as defined below), Developer shall not transfer or assign its rights and obligations under this Agreement (collectively, an “**Assignment**”) to any person or entity without the prior approval of the City, which approval shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, the Permitted Assignments shall not be deemed an “Assignment” for the purposes of this Agreement and shall not require the prior approval of the City; provided that, (a) Developer shall notify the City in writing of such proposed Permitted Assignment at least thirty (30) days prior to the effective date of any proposed assignment or transfer, (b) Developer and such assignee shall enter into a written assignment and assumption agreement, executed in recordable form, pursuant to which such assignee shall agree to assume all duties and obligations of Developer under this Agreement remaining to be performed from and after the date of such assignment. For purposes of this Agreement, “**Permitted Assignment**” shall mean (i) a transfer or assignment to any person or entity in connection with a transfer or assignment of all of Developer’s interest in the Lease or the Owner Agreement, (ii) a transfer or assignment to a corporation, limited liability company or partnership in which Developer, individually or collectively, hold a voting and financial interest in excess of fifty percent (50%), (iii) a transfer or assignment to a member of Developer, (iv) a transfer or assignment to a trust or other estate planning entity formed for the benefit of Developer’s immediate family members (spouse and children), and (v) a transfer or assignment of this Agreement by Developer to Owner.

9.20. **Corporate Authority.** The person(s) executing this Agreement on behalf of each of the parties hereto represent and warrant that (i) such party, if not an individual, is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other agreement to which such party is bound.

9.21. **Notices.** All notices under this Agreement shall be effective when delivered by United States Postal Service mail, registered or certified, postage prepaid return receipt requested or nationally recognized overnight courier, and addressed to the respective parties as set forth below, or to such other address as either party may from time to time designate in writing by providing notice to the other party:

If to the City:           City of El Monte  
                                  11333 Valley Blvd.  
                                  El Monte, CA 91731  
                                  Attn: City Manager

If to Developer:       The Los Angeles County Metropolitan Transportation  
                                  Authority  
                                  One Gateway Plaza  
                                  Mail Stop: 99-22-9  
                                  Los Angeles, CA 90012  
                                  Attn: Executive Officer, Real Estate



All Vision LLC  
c/o All Vision LLC  
125 Park Avenue, 25<sup>th</sup> Floor  
New York, NY 10017  
Attn: Greg Smith, CEO

With a copy to: All Vision LLC  
c/o All Vision LLC  
125 Park Avenue, 25<sup>th</sup> Floor  
New York, NY 10017  
Attn: General Counsel

**9.22. Nonliability of City Officials.** No officer, official, member, employee, agent, or representatives of the City shall be liable for any amounts due hereunder, and no judgment or execution thereon entered in any action hereon shall be personally enforced against any such officer, official, member, employee, agent, or representative.

**9.23. No Brokers.** The City and Developer each represent and warrant to the other that it has not employed any broker and/or finder to represent its interest in this transaction. Each party agrees to indemnify and hold the other free and harmless from and against any and all liability, loss, cost, or expense (including court costs and reasonable attorneys' fees) in any manner connected with a claim asserted by any individual or entity for any commission or finder's fee in connection with this Agreement or arising out of agreements by the indemnifying party to pay any commission or finder's fee.

**9.24. No Amendment of Owner Agreement or Lease.** Nothing contained in this Agreement shall be deemed to amend or modify any of the terms or provisions of the Lease or Owner Agreement. Nothing contained in this Agreement shall constitute or be deemed to constitute a limit on any of Developer's obligations under the Owner Agreement or the Lease, or any of Owner's rights or remedies against Developer under the Owner Agreement or the Lease.


**9.25. Right of Owner to Assume Agreement.** This Agreement is entered into by Developer on Owner's behalf as Owner's agent pursuant to the Owner Agreement. Owner has the right at any time to assume all of the rights and obligations of Developer under this Agreement upon written notice to the City. This Agreement shall remain in full force and effect, notwithstanding Owner's assumption rights.

***(SIGNATURES ON THE FOLLOWING PAGE)***

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first set forth above.

CITY:

CITY OF EL MONTE  
a California municipal corporation

By:   
Jessica Ancona  
Mayor

DEVELOPER:

THE LOS ANGELES COUNTY  
METROPOLITAN TRANSPORTATION  
AUTHORITY, a public entity

APPROVED AS TO FORM  
DAWYN R. HARRISON  
County Counsel

By: \_\_\_\_\_  
Its: \_\_\_\_\_

By: \_\_\_\_\_  
Deputy County Counsel

ALL VISION LLC  
a Delaware limited liability company

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**CALIFORNIA ACKNOWLEDGMENT**

CIVIL CODE § 1189

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

State of California

County of Los Angeles

On January 26, 2023

before me, Karina Casas, Notary Public

Date

Here Insert Name and Title of the Officer

personally appeared Jessica Noemi Ancona

Name of Signer

who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Signature of Notary Public

Place Notary Seal and/or Stamp Above

**OPTIONAL**

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

**Description of Attached Document**

Title or Type of Document: Development Agreement between the City of El Monte and All Vision LLC

Document Date: January 26, 2023

Number of Pages: 35

Signer(s) Other Than Named Above: No other signers

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: Jessica Noemi Ancona

☒ Corporate Officer – Title(s): \_\_\_\_\_

☒ Partner – ☐ Limited ☐ General

☒ Individual ☐ Attorney in Fact

☒ Trustee ☐ Guardian or Conservator

☒ Other: \_\_\_\_\_

Signer is Representing: City of El Monte  
Mayor

Signer's Name: \_\_\_\_\_

☐ Corporate Officer – Title(s): \_\_\_\_\_

☐ Partner – ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: \_\_\_\_\_

Signer is Representing: \_\_\_\_\_

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

STATE OF CALIFORNIA

COUNTY OF \_\_\_\_\_

On \_\_\_\_\_, \_\_\_\_\_, before me, \_\_\_\_\_  
(here insert name and title of the officer)

personally appeared \_\_\_\_\_

\_\_\_\_\_

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of \_\_\_\_\_ that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_  
Signature (Seal)

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

STATE OF CALIFORNIA

COUNTY OF \_\_\_\_\_

On \_\_\_\_\_, \_\_\_\_\_, before me, \_\_\_\_\_  
(here insert name and title of the officer)

personally appeared \_\_\_\_\_

\_\_\_\_\_

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of \_\_\_\_\_ that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_  
Signature (Seal)

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

STATE OF CALIFORNIA

COUNTY OF \_\_\_\_\_

On \_\_\_\_\_, \_\_\_\_\_, before me, \_\_\_\_\_  
(here insert name and title of the officer)

personally appeared \_\_\_\_\_

\_\_\_\_\_,

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of \_\_\_\_\_ that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_  
Signature (Seal)

EXHIBIT "A"

LEGAL DESCRIPTION OF SITE

All that certain real property located in the City of El Monte, County of Los Angeles, State of California more particularly described as follows:

**EXHIBIT A**  
**LEGAL DESCRIPTION**

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF EL MONTE IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

THAT PORTION OF SECTION 21, TOWNSHIP 1 SOUTH, RANGE 11 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF SAID WESTERLY LINE OF SAID TRACT 883, WITH THE SOUTHERLY LINE OF THE NORTHERLY 25.00 FEET OF THE SOUTHERLY 151.80 FEET OF LOT 2 OF SAID TRACT;

THENCE WESTERLY SOUTH 89°00'09" WEST, 67.62 FEET;

THENCE AT RIGHT ANGLES TO SAID COURSE SOUTH 00°59'51" EAST, 5.12 FEET;

THENCE AT RIGHT ANGLES TO LAST SAID COURSE SOUTH 89°00'09" WEST, 696.16 FEET TO THE WESTERLY LINE OF SAID SECTION 21;

THENCE SOUTHERLY ALONG SAID WESTERLY LINE TO THE NORTHERLY LINE OF THE LAND DESCRIBED IN THE DECREE UNDER THE LAND TITLE ACT, DESCRIBED AS NUMBER 3452, IN THE DECREE ENTERED DECEMBER 20, 1917;

THENCE EASTERLY ALONG SAID NORTHERLY LINE OF SAID DECREE TO THE SOUTHWESTERLY CORNER OF SAID TRACT 883;

THENCE IN A GENERAL NORTHERLY DIRECTION ALONG SAID WESTERLY LINE OF SAID TRACT TO THE POINT OF BEGINNING.

EXCEPT THEREFROM THAT PORTION OF SAID LAND LYING WITHIN THE FOLLOWING DESCRIBED LINES:

BEGINNING AT THE INTERSECTION OF SAID NORTHERLY LINE OF THE LAND DESCRIBED IN SAID DECREE WITH THE WESTERLY LINE OF SAID SECTION 21;

THENCE ALONG SAID NORTHERLY LINE SOUTH 81°09'47" EAST, 695.18 FEET TO THE SOUTH WESTERLY CORNER OF SAID TRACT 883;

THENCE NORTH 71°26'35" WEST, 246.23 FEET;

THENCE NORTH 64°46'59" WEST, 290.73 FEET;

THENCE NORTH 62°00'01" WEST, 216.67 FEET TO A POINT IN SAID WESTERLY LINE, DISTANT THEREON NORTH 0°14'39" WEST, 197.14 FEET FROM SAID POINT OF BEGINNING;

THENCE ALONG SAID WESTERLY LINE SOUTH 0°14'39" EAST, 197.14 FEET TO SAID POINT OF BEGINNING.

APN: 8578-020-908

## EXHIBIT "B"

### SCOPE OF DEVELOPMENT

Developer and the City agree that the Development shall be undertaken in accordance with the terms of the Agreement, which include the following:

1. The Development. Developer shall install the New Digital Billboard on the Site in accordance with the terms of this Agreement. The New Digital Billboard consists of one (1) 65-foot tall, "bulletin" size V-Shaped freeway-oriented billboard with a total of two (2) digital displays (each display measuring 14' x 48' within the billboard frame) adjacent to the Interstate 10 Freeway. Before the issuance of final inspection of the Final Permits, Developer shall underground all utilities necessary for the New Digital Billboard and the Site shall be maintained in accordance with the conditions at Section 3 below.

2. Building Fees. Developer shall pay all applicable City building fees at the time that the building permit is issued for the installation of the New Digital Billboard.

3. Maintenance and Access. Developer, for itself and its successors and assigns, hereby covenants and agrees to be responsible for the following:

(a) Maintenance and repair of the New Digital Billboard (where authorized pursuant to the Agreement, and including but not limited to, the displays installed thereon, and all related on-site improvements and, if applicable, easements and rights-of-way, at its sole cost and expense), including, without limitation, landscaping, poles, lighting, signs and walls (as they relate to the Development) to be kept in good repair, free of graffiti, rubbish, debris and other hazards to persons using the same, and in accordance with all applicable laws, rules, ordinances and regulations of all federal, state, and local bodies and agencies having jurisdiction over the Site. Such maintenance and repair shall include, but not be limited to, the following: (i) the care and replacement of all shrubbery, plantings, and other landscaping or the painted backing in a healthy condition if damaged by the Developer; and (ii) the repair, replacement and repainting of the New Digital Billboard's structures and displays as necessary to maintain such billboards in good condition and repair.

(b) Maintenance of the New Digital Billboard in such a manner as to avoid the reasonable determination of a duly authorized official of the City that a public nuisance has been created by the absence of adequate maintenance of the Development such as to be detrimental to the public health, safety or general welfare, or that such a condition of deterioration or disrepair causes appreciable harm or is materially detrimental to property or improvements within three hundred (300) feet of the Site.

(c) If more than ten percent (10%) of the display is not operational, the entire display shall be turned off and remain black until the display is repaired.

4. Other Rights of the City. In the event of any violation or threatened violation of any of the provisions of this Exhibit "B", then in addition to, but not in lieu of, any of the rights or remedies the City may have to enforce the provisions of the Agreement, the City



shall have the right, after complying with Section 5.2 and Section 5.3 of the Agreement, to enforce the provisions hereof by undertaking any maintenance or repairs required by Developer under Section 3 above (subject to the execution of a permit to enter in form reasonably acceptable to Owner) and charging Developer for any actual out-of-pocket maintenance costs incurred in performing same.

5. No City Liability. The granting of a right of enforcement to the City does not create a mandatory duty on the part of the City to enforce any provision of the Agreement. The failure of the City to enforce the Agreement shall not give rise to a cause of action on the part of any person. No officer or employee of the City shall be personally liable to Developer, its successors, transferees or assigns, for any default or breach by the City under the Agreement.

6. Conditions of Approval. The following additional conditions shall apply to the installation of the New Digital Billboard and, where stated, landscaping adjacent to New Digital Billboard, which billboard and landscaping or painted backing adjacent to the billboard, respectively, shall conform to all applicable provisions of the Development Approvals and the following conditions, in a manner subject to the approval of the Director of Planning or his or her designee:

(a) A building permit will be required, and structural calculations shall be prepared by a licensed civil engineer and approved by the City.

(b) The Billboard shall be located in the portion of the Site shown on Exhibit "C" and shall be of the dimensions described in Section 1, above.

(c) Except to the extent a variance is granted by the City, the size of each sign display of the New Digital Billboard shall not exceed the dimensions set forth in the Ordinance, and shall not exceed the maximum height set forth in the Ordinance, including all extensions, and shall be spaced at intervals from any other billboard on the same side of the freeway and measured parallel to the freeway as set forth in the Ordinance and depicted in the Site Plan attached hereto as Exhibit "C" approved by the City as part of the Development Approvals.

(d) Plans and specifications for the proposed installation of the New Digital Billboard shall be submitted to the City Planning and Building Departments for plan check and approval prior to the issuance of building permits. Plans and specifications for the proposed installation of the undergrounding of all utilities, shall be submitted to the City Planning and Building Departments for plan check and approval prior to the issuance of electrical permits.

(e) Prior to the approval of the final inspection, all applicable conditions of approval and all mandatory improvements shall be completed to the reasonable satisfaction of the City.

(f) Developer shall maintain the New Digital Billboard and use thereof in full compliance with all applicable codes, standards, policies and regulations imposed by the City, county, state or federal agencies with jurisdiction over the facilities.

(g) Developer shall, at all times, comply with the terms of the approval for the New Digital Billboard from the California Department of Transportation Outdoor Advertising Division, including obtaining a State ODA Permit and shall maintain acceptable clearance between proposed billboards and Southern California Edison distribution lines.

(h) Developer shall pay any and all applicable fees due to any public agency prior to the final issuance of the applicable building or electrical permits.

(i) The activities proposed in the Agreement shall be conducted completely upon the Site and shall not use or encroach on any public right-of-way.

(j) Developer shall ensure that all access to the New Digital Billboard is kept restricted to the general public to the extent permitted under local laws and by the Development Approvals.

(k) If any portion of the landscaping or painted backing installed adjacent to the New Digital Billboard is damaged by the Development or becomes damaged, unhealthy or otherwise in need of replacement, as determined by the City's Director of Planning or his or her designee, Developer shall ensure that the replacement is accomplished within fourteen (14) days of notification by the City, unless such time is extended by the City's Director of Planning or his or her designee if Developer shows special circumstances requiring more time to accomplish such replacement. Developer or Owner may trim such landscaping so as not to block the billboards or with the reasonable consent of the Director of Planning, the Developer at the Developer's own cost, may remove and relocate any landscaping.

(l) Developer shall comply with all necessary federal National Pollutant Discharge Elimination System (NPDES) requirements pertaining to the proposed use, to the extent applicable.

(m) All graffiti shall be adequately and completely removed or painted over within twenty-four (24) hours following notice to Developer of such graffiti being affixed on the Development.

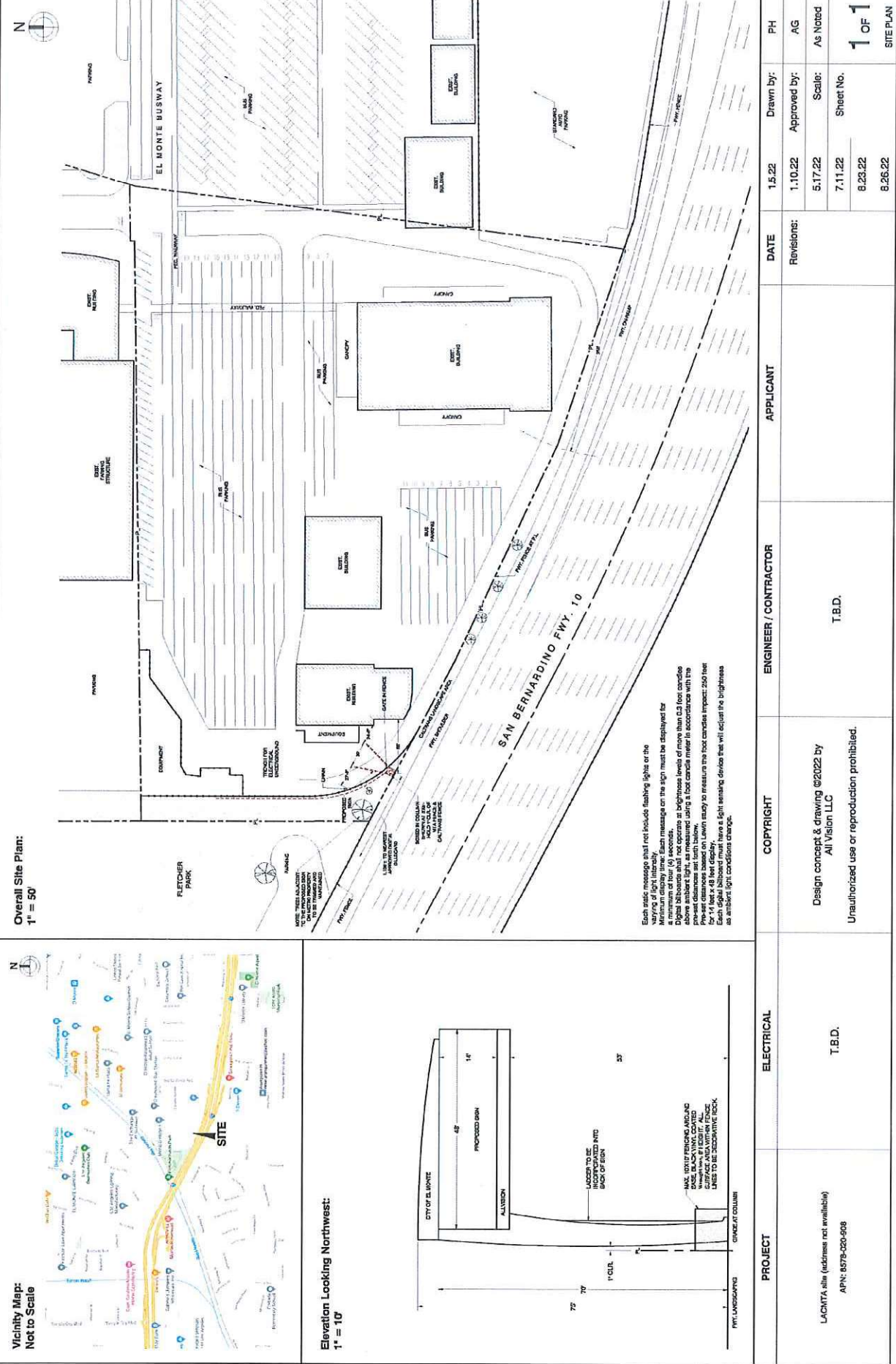
(n) Prior to final sign-off of the building permit for the New Digital Billboard, the applicable landscaping or painted backing shall be installed at the Site.

(o) Developer shall comply with State law regarding the limitation of light or glare or such other standards as adopted by the Outdoor Advertising Association of America, Inc. (OAAA), including but not limited to, the 0.3 foot-candles limitation over ambient light levels at a distance of 250 feet, and ensuring additional flexibility in reducing such maximum light level standard given the lighting environment and the obligation to have automatic dimming capabilities. Upon any reasonable complaint by City Manager or his or her designee, Developer shall perform a brightness measurement and display using OAAA standards and provide City with the results of same within five (5) days of City's complaint.

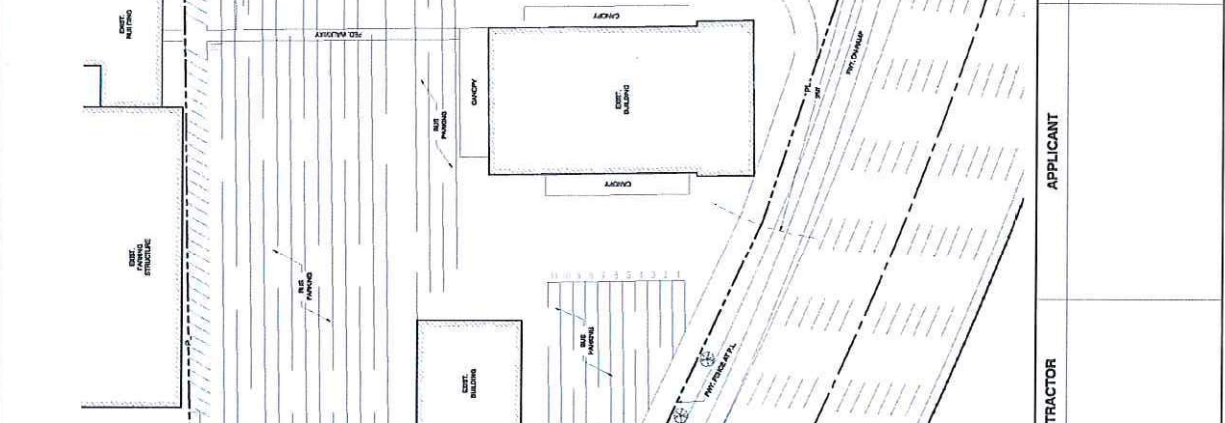
EXHIBIT "C"

SITE PLAN AND ELEVATIONS

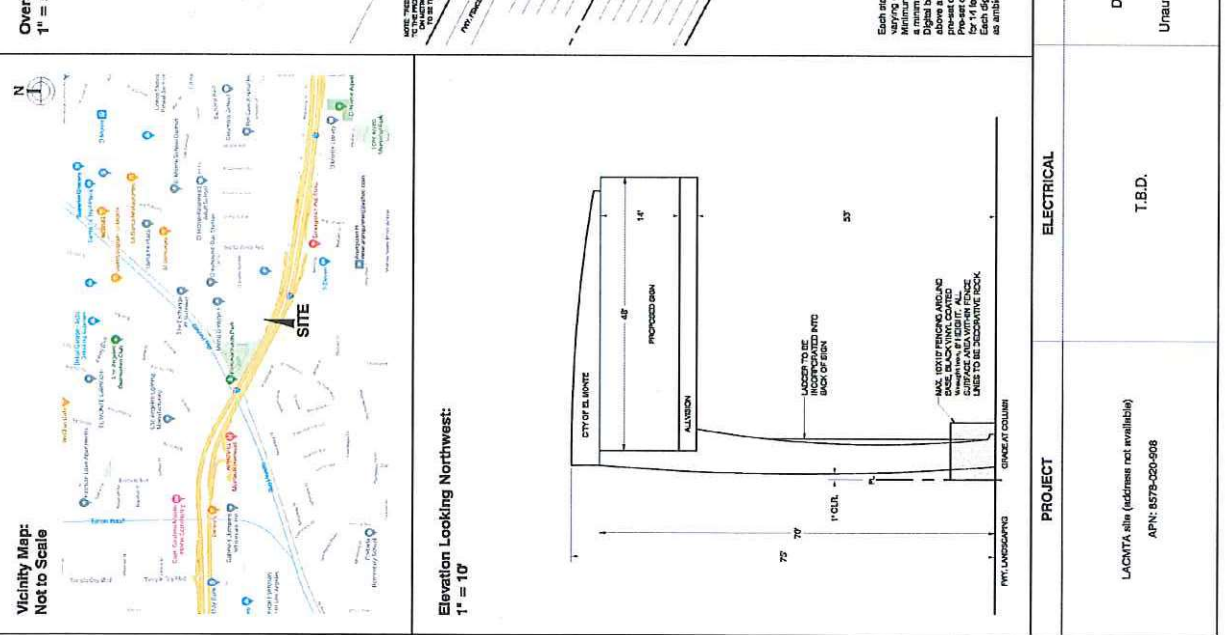
[See Attached]



| PROJECT  | ELECTRICAL | COPYRIGHT   | ENGINEER / CONTRACTOR | APPLICANT | DATE  | Drawn by:  | PH |
|--|------------|---|-----------------------|-----------|---|--|----|
| LACHTA site (address not available)<br>APN: 8578-020-908 | T.B.D.     | Design concept & drawing ©2022 by<br>All Vision LLC<br>Unauthorized use or reproduction prohibited. | T.B.D.                |           | Revisions:<br>1.10.22<br>5.17.22<br>7.11.22<br>8.23.22<br>8.26.22 | Approved by:<br>AG<br>Scale:<br>Sheet No.<br>1 OF 1<br>SITE PLAN |    |



| PROJECT  | ELECTRICAL | COPYRIGHT   | ENGINEER / CONTRACTOR | APPLICANT | DATE  | Drawn by:  | PH |
|--|------------|---|-----------------------|-----------|---|--|----|
| LACHTA site (address not available)<br>APN: 8578-020-908 | T.B.D.     | Design concept & drawing ©2022 by<br>All Vision LLC<br>Unauthorized use or reproduction prohibited. | T.B.D.                |           | Revisions:<br>1.10.22<br>5.17.22<br>7.11.22<br>8.23.22<br>8.26.22 | Approved by:<br>AG<br>Scale:<br>Sheet No.<br>1 OF 1<br>SITE PLAN |    |



| PROJECT  | ELECTRICAL | COPYRIGHT   | ENGINEER / CONTRACTOR | APPLICANT | DATE  | Drawn by:  | PH |
|--|------------|---|-----------------------|-----------|---|--|----|
| LACHTA site (address not available)<br>APN: 8578-020-908 | T.B.D.     | Design concept & drawing ©2022 by<br>All Vision LLC<br>Unauthorized use or reproduction prohibited. | T.B.D.                |           | Revisions:<br>1.10.22<br>5.17.22<br>7.11.22<br>8.23.22<br>8.26.22 | Approved by:<br>AG<br>Scale:<br>Sheet No.<br>1 OF 1<br>SITE PLAN |    |

## **ATTACHMENT B**

### **Initial Study and Mitigated Negative Declaration for the Freeway Billboard Overlay Zone Municipal Code Amendment**

# INITIAL STUDY AND MITIGATED NEGATIVE DECLARATION

---

## **FREEWAY BILLBOARD OVERLAY ZONE MUNICIPAL CODE AMENDMENT** (AN AMENDMENT TO PORTIONS OF TITLE 17 [ZONING] OF THE EL MONTE MUNICIPAL CODE TO ALLOW FOR THE EXPANSION OF THE FREEWAY BILLBOARD OVERLAY ZONE)



**LEAD AGENCY:**

**CITY OF EL MONTE  
11333 VALLEY BOULEVARD  
EL MONTE, CALIFORNIA 91731**

**REPORT PREPARED BY:**

**BLODGETT BAYLOSIS ENVIRONMENTAL PLANNING  
2211 S. HACIENDA BOULEVARD, SUITE 107  
HACIENDA HEIGHTS, CALIFORNIA 91745**

**OCTOBER 9, 2019**

ELMT 032

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## MITIGATED NEGATIVE DECLARATION

**PROJECT NAME:** Freeway Billboard Overlay Zone Municipal Code Amendment.

**PROJECT LOCATION:** The proposed expansion of the Freeway Billboard Overlay Zone involves the addition of three new areas (referred to as Areas 8 through 10) to the Freeway Billboard Overlay Zone, which currently includes seven locations located along portions of the I-10 Freeway Corridor within the City of El Monte.

**CITY AND COUNTY:** El Monte, Los Angeles County.

**PROJECT:** The proposed project is an amendment to portions of Title 17 (Zoning) of the El Monte Municipal Code to allow for the expansion of the Freeway Billboard Overlay Zone. The proposed expansion of the Freeway Billboard Overlay Zone involves the addition of three new areas (referred to as Areas 8 through 10) to the Freeway Billboard Overlay Zone, which currently includes seven locations located along portions of the I-10 Freeway Corridor within the City of El Monte. The Municipal Code will also be amended to allow the installation of billboards within 250 feet of residential zones at the discretion of the Community and Economic Development Director (the installation of billboards is currently not permitted within 250 feet of residential zones). The proposed project also involves a zone change and a general plan amendment at Area 8. A portion of Area 8 is zoned as *R-3 (Medium-Density Multiple-Family Dwelling)* and this zoning designation is proposed to be changed to *C-3 (General Commercial)*. The same portion of Area 8 has a general plan land use designation of *Medium Density Residential* and this general plan land use designation is proposed to be changed to *General Commercial*.

**FINDINGS:** The environmental analysis provided in the attached Initial Study indicates that the proposed project will not result in any significant adverse unmitigable impacts. For this reason, the City of El Monte determined that a *Mitigated Negative Declaration* is the appropriate CEQA document for the proposed project. The following findings may be made based on the analysis contained in the attached Initial Study:

- The proposed project *will not* have the potential to substantially degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, substantially reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory.
- The proposed project *will not* have impacts that are individually limited, but cumulatively considerable.
- The proposed project *will not* have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly.

The environmental analysis is provided in the attached Initial Study prepared for the proposed project. The project is also described in greater detail in the attached Initial Study.

---

Signature  
City of El Monte Community and Economic Development Department

---

Date



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## TABLE OF CONTENTS

| Section   | Page       |
|---|------------|
| <b>1.0 INTRODUCTION .....</b>                           | <b>7</b>   |
| 1.1 Purpose of this Initial Study .....                 | 7          |
| 1.2 Initial Study's Organization .....                  | 8          |
| 1.3 Initial Study Checklist .....                       | 8          |
| <b>2.0 PROJECT DESCRIPTION .....</b>                    | <b>17</b>  |
| 2.1 Project Overview .....                              | 17         |
| 2.2 Project Location & Setting .....                    | 17         |
| 2.3 Project Description .....                           | 18         |
| 2.4 Project Objectives.....                             | 28         |
| 2.5 Discretionary Approvals .....                       | 28         |
| <b>3.0 ENVIRONMENTAL ANALYSIS.....</b>                  | <b>31</b>  |
| 3.1 Aesthetics .....                                    | 32         |
| 3.2 Agriculture & Forestry Resources.....               | 38         |
| 3.3 Air Quality .....                                   | 41         |
| 3.4 Biological Resources .....                          | 49         |
| 3.5 Cultural Resources .....                            | 54         |
| 3.6 Energy.....   | 58         |
| 3.7 Geology & Soils.....                                | 60         |
| 3.8 Greenhouse Gas Emissions.....                       | 66         |
| 3.9 Hazards & Hazardous Materials.....                  | 69         |
| 3.10 Hydrology & Water Quality.....                     | 73         |
| 3.11 Land Use & Planning.....                           | 77         |
| 3.12 Mineral Resources.....                             | 86         |
| 3.13 Noise.....   | 88         |
| 3.14 Population & Housing.....                          | 92         |
| 3.15 Public Services.....                               | 94         |
| 3.16 Recreation .....                                   | 97         |
| 3.17 Transportation & Circulation.....                  | 98         |
| 3.18 Tribal Cultural Resources .....                    | 101        |
| 3.19 Utilities .....                                    | 104        |
| 3.20 Wildfire.....                                      | 106        |
| 3.21 Mandatory Findings of Significance .....           | 108        |
| <b>4.0 CONCLUSIONS.....</b>                             | <b>109</b> |
| 4.1 Findings.....                                       | 109        |
| 4.2 Mitigation Monitoring .....                         | 109        |
| <b>5.0 REFERENCES .....</b>                             | <b>111</b> |
| 5.1 Preparers .....                                     | 111        |
| 5.2 References .....                                    | 111        |
| <b>MITIGATION MONITORING AND REPORTING PROGRAM.....</b> | <b>113</b> |
| <b>APPENDIX A- AIR QUALITY WORKSHEETS.....</b>          | <b>119</b> |

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## SECTION 1 INTRODUCTION

### 1.1 PURPOSE OF THIS INITIAL STUDY

This Initial Study analyzes the environmental impacts associated with the adoption and subsequent implementation of the proposed amendment to the Municipal Code and zone change. The proposed project involves an amendment to portions of Title 17 (Zoning) of the El Monte Municipal Code to allow for the expansion of the Freeway Billboard Overlay Zone. The proposed expansion of the Freeway Billboard Overlay Zone involves the addition of three new areas (referred to as Areas 8 through 10) to the Freeway Billboard Overlay Zone, which currently includes seven locations located along portions of the I-10 Freeway Corridor within the City of El Monte. The Municipal Code will also be amended to allow the installation of billboards within 250 feet of residential zones at the discretion of the Community and Economic Development Director (the installation of billboards is currently not permitted within 250 feet of residential zones). The proposed project also involves a zone change and a general plan amendment at Area 8. A portion of Area 8 is zoned as *R-3 (Medium-Density Multiple-Family Dwelling)* and this zoning designation is proposed to be changed to *C-3 (General Commercial)*. The same portion of Area 8 has a general plan land use designation of *Medium Density Residential* and this general plan land use designation is proposed to be changed to *General Commercial*. This zone change and general plan amendment will permit the installation of billboards within this portion of Area 8 since billboards are only permitted within industrial or commercial zones.<sup>1</sup>

The City of El Monte is the designated *Lead Agency* and is also the project proponent. The City will be responsible for the project's environmental review. Section 21067 of California Environmental Quality Act (CEQA) defines a Lead Agency as the public agency that has the principal responsibility for carrying out or approving a project that may have a significant effect on the environment.<sup>2</sup> As part of the proposed project's environmental review, the City of El Monte has authorized the preparation of this Initial Study.<sup>3</sup> The primary purpose of CEQA is to ensure that decision-makers and the public understand the environmental implications of a specific action or project. An additional purpose of this Initial Study is to ascertain whether the proposed project will have the potential for significant adverse impacts on the environment once it is implemented. Pursuant to the CEQA Guidelines, additional purposes of this Initial Study include the following:

- To provide the City of El Monte with information to use as the basis for deciding whether to prepare an environmental impact report (EIR), mitigated negative declaration, or negative declaration for a project;
- To facilitate the project's environmental assessment early in the design and development of the proposed project;
- To eliminate unnecessary EIRs; and,
- To determine the nature and extent of any impacts associated the proposed project.

---

<sup>1</sup> California Department of Transportation. *Outdoor Advertising Permit Requirements*.

<sup>2</sup> California, State of. *California Public Resources Code. Division 13, Chapter 2.5. Definitions*. as Amended 2001. §21067.

<sup>3</sup> Ibid. (CEQA Guidelines) §15050.

Although this Initial Study was prepared with consultant support, the analysis, conclusions, and findings made as part of its preparation fully represent the independent judgment and position of the City of El Monte, in its capacity as the Lead Agency. The City determined, as part of this Initial Study's preparation, that a Mitigated Negative Declaration is the appropriate environmental document for the proposed project's CEQA review. Certain projects or actions may also require oversight approvals or permits from other public agencies. These other agencies are referred to as *Responsible Agencies* and *Trustee Agencies*, pursuant to Sections 15381 and 15386 of the State CEQA Guidelines.<sup>4</sup> One key Responsible Agency for this project is the California Department of Transportation (Caltrans). This Initial Study and the *Notice of Intent to Adopt a Mitigated Negative Declaration* will be forwarded to responsible agencies, trustee agencies, and the public for review and comment. A 30-day public review period will be provided to allow these entities and other interested parties to comment on the proposed project and the findings of this Initial Study.<sup>5</sup> Questions and/or comments should be submitted to the following contact person:

Betty Donovanik, Director of Community and Economic Development  
City of El Monte Department of Community and Economic Development  
11333 Valley Boulevard  
El Monte, California 91731  
(626) 580-2056  
bdonavanik@elmonteca.gov

## 1.2 INITIAL STUDY'S ORGANIZATION

The following annotated outline summarizes the contents of this Initial Study:

- *Section 1 Introduction*, provides the procedural context surrounding this Initial Study's preparation and insight into its composition.
- *Section 2 Project Description*, provides an overview of the existing environment as it relates to the project area and describes the proposed project's physical and operational characteristics.
- *Section 3 Environmental Analysis*, includes an analysis of potential impacts associated with the construction (billboard installation) and the subsequent operation of the proposed project.
- *Section 4 - Conclusions*, summarizes the findings of the analysis.
- *Section 5 - References*, identifies the sources used in the preparation of this Initial Study.

## 1.3 INITIAL STUDY CHECKLIST

The environmental analysis provided in Section 3 of this Initial Study indicates that the proposed project will not result in any potentially significant impacts on the environment. For this reason, the City of El Monte determined that a Mitigated Negative Declaration is the appropriate CEQA document for the proposed project. The findings of this Initial Study are summarized in Table 1-1, provided on the following pages.

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<sup>4</sup> California, State of. Public Resources Code Division 13. *The California Environmental Quality Act. Chapter 2.5, Section 21067 and Section 21069.* 2000.

<sup>5</sup> Ibid. *Chapter 2.6, Section 2109(b).* 2000.

**Table 1-1  
Initial Study Checklist**

| Description of Issue  | Potentially Significant Impact | Less than Significant Impact with Mitigation | Less than Significant Impact | No Impact |
|---|--------------------------------|--|------------------------------|-----------|
| <b>SECTION 3.1 AESTHETICS.</b>  |                                |  |                              |           |
| <b>A.</b> Would the project have a substantial adverse effect on a scenic vista?  |                                |  | <b>X</b>                     |           |
| <b>B.</b> Would the project substantially damage scenic resources including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway?  |                                |  |                              | <b>X</b>  |
| <b>C.</b> In non-urbanized areas, would the project substantially degrade the existing visual character or quality of public views of the site and its surroundings (public views are those that are experienced from a publicly accessible vantage point)? If the project is in an urbanized area, would the project conflict with applicable zoning and other regulations governing scenic quality? |                                |  | <b>X</b>                     |           |
| <b>D.</b> Would the project create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?  |                                |  | <b>X</b>                     |           |
| <b>SECTION 3.2 AGRICULTURE &amp; FORESTRY RESOURCES</b>   |                                |  |                              |           |
| <b>A.</b> Would the project convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural uses?  |                                |  |                              | <b>X</b>  |
| <b>B.</b> Would the project conflict with existing zoning for agricultural uses, or a Williamson Act Contract?  |                                |  |                              | <b>X</b>  |
| <b>C.</b> Would the project conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code Section 12220(g)), timberland (as defined by Public Resources Code Section 4526), or timberland zoned Timberland Production (as defined by Government Code Section 51104(g))?   |                                |  |                              | <b>X</b>  |
| <b>D.</b> Would the project result in the loss of forest land or conversion of forest land to a non-forest use?   |                                |  |                              | <b>X</b>  |
| <b>E.</b> Would the project involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland to non-agricultural use or conversion of forest land to a non-forest use?  |                                |  |                              | <b>X</b>  |
| <b>SECTION 3.3 AIR QUALITY</b>  |                                |  |                              |           |
| <b>A.</b> Would the project conflict with or obstruct implementation of the applicable air quality plan?  |                                |  |                              | <b>X</b>  |
| <b>B.</b> Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard?  |                                |  | <b>X</b>                     |           |
| <b>C.</b> Would the project expose sensitive receptors to substantial pollutant concentrations?   |                                |  | <b>X</b>                     |           |
| <b>D.</b> Would the project result in other emissions (such as those leading to odors) adversely affecting a substantial number of people?  |                                |  | <b>X</b>                     |           |

**Table 1-1  
Initial Study Checklist**

| Description of Issue  | Potentially Significant Impact | Less than Significant Impact with Mitigation | Less than Significant Impact | No Impact |
|---|--------------------------------|--|------------------------------|-----------|
| <b>SECTION 3.4 BIOLOGICAL RESOURCES</b>   |                                |  |                              |           |
| <b>A.</b> Would the project have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Wildlife or U.S. Fish and Wildlife Service? |                                |  |                              | <b>X</b>  |
| <b>B.</b> Would the project have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations, or by the California Department of Fish and Wildlife or U.S. Fish and Wildlife Service?  |                                |  |                              | <b>X</b>  |
| <b>C.</b> Would the project have a substantial adverse effect on state or federally protected wetlands (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?   |                                |  |                              | <b>X</b>  |
| <b>D.</b> Would the project interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory life corridors, or impede the use of native wildlife nursery sites?   |                                |  |                              | <b>X</b>  |
| <b>E.</b> Would the project conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?  |                                |  | <b>X</b>                     |           |
| <b>F.</b> Would the project conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?   |                                |  |                              | <b>X</b>  |
| <b>SECTION 3.5 CULTURAL RESOURCES</b>   |                                |  |                              |           |
| <b>A.</b> Would the project cause a substantial adverse change in the significance of a historical resource pursuant to §15064.5 of the CEQA Guidelines?  |                                |  |                              | <b>X</b>  |
| <b>B.</b> Would the project cause a substantial adverse change in the significance of an archaeological resource pursuant to §15064.5 of the CEQA Guidelines?   |                                |  | <b>X</b>                     |           |
| <b>C.</b> Would the project disturb any human remains, including those interred outside of dedicated cemeteries?  |                                |  | <b>X</b>                     |           |
| <b>SECTION 3.6 ENERGY</b>   |                                |  |                              |           |
| <b>A.</b> Would the project result in a potentially significant environmental impact due to wasteful, inefficient, or unnecessary consumption of energy resources during project construction or operation?   |                                |  | <b>X</b>                     |           |
| <b>B.</b> Would the project conflict with or obstruct a state or local plan for renewable energy or energy efficiency?  |                                |  |                              | <b>X</b>  |

**Table 1-1  
 Initial Study Checklist**

| Description of Issue   | Potentially Significant Impact | Less than Significant Impact with Mitigation | Less than Significant Impact | No Impact |
|--|--------------------------------|--|------------------------------|-----------|
| <b>SECTION 3.7 GEOLOGY &amp; SOILS</b>   |                                |  |                              |           |
| <b>A.</b> Would the project directly or indirectly cause potential substantial adverse effects, including the risk of loss, injury, or death involving rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault; strong seismic ground shaking; seismic-related ground failure, including liquefaction; or, landslides? |                                |  | <b>X</b>                     |           |
| <b>B.</b> Would the project result in substantial soil erosion or the loss of topsoil?   |                                |  | <b>X</b>                     |           |
| <b>C.</b> Would the project be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse?  |                                |  | <b>X</b>                     |           |
| <b>D.</b> Would the project be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (2012), creating substantial direct or indirect risks to life or property?   |                                |  | <b>X</b>                     |           |
| <b>E.</b> Would the project have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater?  |                                |  |                              | <b>X</b>  |
| <b>F.</b> Would the project directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?   |                                | <b>X</b>                                     |                              |           |
| <b>SECTION 3.8 GREENHOUSE GAS EMISSIONS</b>  |                                |  |                              |           |
| <b>A.</b> Would the project generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?   |                                |  | <b>X</b>                     |           |
| <b>B.</b> Would the project conflict with an applicable plan, policy, or regulation adopted for the purpose of reducing emissions of greenhouse gases?   |                                |  |                              | <b>X</b>  |
| <b>SECTION 3.9 HAZARDS &amp; HAZARDOUS MATERIALS</b>   |                                |  |                              |           |
| <b>A.</b> Would the project create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?   |                                |  |                              | <b>X</b>  |
| <b>B.</b> Would the project create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?   |                                | <b>X</b>                                     |                              |           |
| <b>C.</b> Would the project emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?   |                                |  |                              | <b>X</b>  |



**Table 1-1  
Initial Study Checklist**

| Description of Issue   | Potentially Significant Impact | Less than Significant Impact with Mitigation | Less than Significant Impact | No Impact |
|--|--------------------------------|--|------------------------------|-----------|
| <b>D.</b> Would the project be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?                                      |                                |  | <b>X</b>                     |           |
| <b>E.</b> For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or a public use airport, would the project result in a safety hazard or excessive noise for people residing or working in the project area? |                                |  |                              | <b>X</b>  |
| <b>F.</b> Would the project impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?   |                                |  | <b>X</b>                     |           |
| <b>G.</b> Would the project expose people or structures, either directly or indirectly, to a significant risk of loss, injury, or death involving wildland fires?  |                                |  |                              | <b>X</b>  |

### SECTION 3.10 HYDROLOGY & WATER QUALITY

|  |  |  |  |          |
|--|--|--|--|----------|
| <b>A.</b> Would the project violate any water quality standards or waste discharge requirements or otherwise substantially degrade surface or groundwater quality?   |  |  |  | <b>X</b> |
| <b>B.</b> Would the project substantially decrease groundwater supplies or interfere substantially with groundwater recharge such that the project may impede sustainable groundwater management of the basin?   |  |  |  | <b>X</b> |
| <b>C.</b> Would the project substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river or through the addition of impervious surfaces, in a manner which would result in substantial erosion or siltation on- or off-site; substantially increase the rate or amount of surface runoff in a manner in which would result in flooding on- or off-site; create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff; or, impede or redirect flood flows? |  |  |  | <b>X</b> |
| <b>D.</b> In flood hazard, tsunami, or seiche zones, would the project risk release of pollutants due to project inundation?   |  |  |  | <b>X</b> |
| <b>E.</b> Would the project conflict with or obstruct implementation of a water quality control plan or sustainable groundwater management plan?   |  |  |  | <b>X</b> |

### SECTION 3.11 LAND USE & PLANNING

|   |  |  |          |          |
|---|--|--|----------|----------|
| <b>A.</b> Would the project physically divide an established community?   |  |  |          | <b>X</b> |
| <b>B.</b> Would the project cause a significant environmental impact due to a conflict with any land use plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect? |  |  | <b>X</b> |          |

**Table 1-1  
Initial Study Checklist**

| Description of Issue   | Potentially Significant Impact | Less than Significant Impact with Mitigation | Less than Significant Impact | No Impact |
|--|--------------------------------|--|------------------------------|-----------|
| <b>SECTION 3.12 MINERAL RESOURCES</b>  |                                |  |                              |           |
| <b>A.</b> Would the project result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?  |                                |  |                              | <b>X</b>  |
| <b>B.</b> Would the project result in the loss of availability of a locally important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?   |                                |  |                              | <b>X</b>  |
| <b>SECTION 3.13 NOISE</b>  |                                |  |                              |           |
| <b>A.</b> Would the project result in generation of a substantial temporary or permanent increase in ambient noise levels in the vicinity of the project in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?   |                                |  | <b>X</b>                     |           |
| <b>B.</b> Would the project result in generation of excessive groundborne vibration or groundborne noise levels?   |                                |  | <b>X</b>                     |           |
| <b>C.</b> For a project located within the vicinity of a private airstrip or an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?   |                                |  |                              | <b>X</b>  |
| <b>SECTION 3.14 POPULATION &amp; HOUSING</b>   |                                |  |                              |           |
| <b>A.</b> Would the project induce substantial unplanned population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?   |                                |  |                              | <b>X</b>  |
| <b>B.</b> Would the project displace substantial numbers of existing people or housing, necessitating the construction of replacement housing elsewhere?   |                                |  |                              | <b>X</b>  |
| <b>SECTION 3.15 PUBLIC SERVICES</b>  |                                |  |                              |           |
| <b>A.</b> Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which would cause significant environmental impacts, in order to maintain acceptable service ratios, response times, or other performance objectives for <i>fire protection</i> ?   |                                |  |                              | <b>X</b>  |
| <b>B.</b> Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which would cause significant environmental impacts, in order to maintain acceptable service ratios, response times, or other performance objectives for <i>police protection</i> ? |                                |  | <b>X</b>                     |           |

**Table 1-1  
Initial Study Checklist**

| <b>Description of Issue</b>  | <b>Potentially Significant Impact</b> | <b>Less than Significant Impact with Mitigation</b> | <b>Less than Significant Impact</b> | <b>No Impact</b> |
|--|---------------------------------------|---|-------------------------------------|------------------|
| <b>C.</b> Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which would cause significant environmental impacts, in order to maintain acceptable service ratios, response times, or other performance objectives for <i>schools</i> ?                 |                                       |   |                                     | <b>X</b>         |
| <b>D.</b> Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which would cause significant environmental impacts, in order to maintain acceptable service ratios, response times, or other performance objectives for <i>parks</i> ?                   |                                       |   |                                     | <b>X</b>         |
| <b>E.</b> Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which would cause significant environmental impacts, in order to maintain acceptable service ratios, response times, or other performance objectives for <i>other public facilities</i> ? |                                       |   |                                     | <b>X</b>         |
| <b>SECTION 3.16 RECREATION</b>   |                                       |   |                                     |                  |
| <b>A.</b> Would the project increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?  |                                       |   |                                     | <b>X</b>         |
| <b>B.</b> Would the project include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment?  |                                       |   |                                     | <b>X</b>         |
| <b>SECTION 3.17 TRANSPORTATION</b>   |                                       |   |                                     |                  |
| <b>A.</b> Would the project conflict with a program, plan, ordinance, or policy addressing the circulation system, including transit, roadway, bicycle and pedestrian facilities?  |                                       |   |                                     | <b>X</b>         |
| <b>B.</b> Would the project conflict or be inconsistent with CEQA Guidelines Section 15064.3 subdivision (b)?  |                                       |   |                                     | <b>X</b>         |
| <b>C.</b> Would the project substantially increase hazards due to a geometric design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?  |                                       |   | <b>X</b>                            |                  |
| <b>D.</b> Would the project result in inadequate emergency access?   |                                       |   | <b>X</b>                            |                  |

**Table 1-1  
Initial Study Checklist**

| Description of Issue  | Potentially Significant Impact | Less than Significant Impact with Mitigation | Less than Significant Impact | No Impact |
|---|--------------------------------|--|------------------------------|-----------|
| <b>SECTION 3.18 TRIBAL CULTURAL RESOURCES</b>   |                                |  |                              |           |
| <b>A.</b> Would the project cause a substantial adverse change in the significance of a tribal cultural resource, defined in Public Resources Code Section 21074 as either a site, feature, place, cultural landscape that is geographically defined in terms of the size and scope of the landscape, sacred place, or object with cultural value to a California Native American tribe, and that is listed or eligible for listing in the California Register of Historical Resources, or in a local register of historical resources as defined in Public Resources Code Section 5020.1(k)?   |                                | <b>X</b>                                     |                              |           |
| <b>B.</b> Would the project cause a substantial adverse change in the significance of a tribal cultural resource, defined in Public Resources Code Section 21074 as either a site, feature, place, cultural landscape that is geographically defined in terms of the size and scope of the landscape, sacred place, or object with cultural value to a California Native American tribe, and that is a resource determined by the Lead Agency, in its discretion and supported by substantial evidence, to be significant pursuant to criteria set forth in subdivision (c) of Public Resources Code Section 5024.1? In applying the criteria set forth in subdivision (c) of Public Resource Code Section 5024.1, the Lead Agency shall consider the significance of the resource to a California Native American tribe. |                                |  | <b>X</b>                     |           |
| <b>SECTION 3.19 UTILITIES &amp; SERVICE SYSTEMS</b>   |                                |  |                              |           |
| <b>A.</b> Would the project require or result in the relocation or construction of new or expanded water, wastewater treatment or stormwater drainage, electric power, natural gas, or telecommunications facilities, the construction or relocation of which could cause significant environmental effects?  |                                |  |                              | <b>X</b>  |
| <b>B.</b> Would the project have sufficient water supplies available to serve the project and reasonably foreseeable future development during normal, dry and multiple dry years?  |                                |  |                              | <b>X</b>  |
| <b>C.</b> Would the project result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?  |                                |  |                              | <b>X</b>  |
| <b>D.</b> Would the project generate solid waste in excess of state or local standards, or in excess of the capacity of local infrastructure, or otherwise impair the attainment of solid waste reduction goals?  |                                |  |                              | <b>X</b>  |
| <b>E.</b> Would the project comply with federal, state, and local management and reduction statutes and regulations related to solid waste?   |                                |  |                              | <b>X</b>  |
| <b>SECTION 3.20 WILDFIRE</b>  |                                |  |                              |           |
| <b>A.</b> If located in or near state responsibility areas or lands classified as very high fire hazard severity zones, would the project substantially impair an adopted emergency response plan or emergency evacuation plan?   |                                |  |                              | <b>X</b>  |

**Table 1-1**  
**Initial Study Checklist**

| <b>Description of Issue</b>  | <b>Potentially Significant Impact</b> | <b>Less than Significant Impact with Mitigation</b> | <b>Less than Significant Impact</b> | <b>No Impact</b> |
|--|---------------------------------------|---|-------------------------------------|------------------|
| <b>B.</b> If located in or near state responsibility areas or lands classified as very high fire hazard severity zones, would the project due to slope, prevailing winds, and other factors, exacerbate wildfire risks, and thereby expose project occupants to pollutant concentrations from a wildfire or the uncontrolled spread of a wildfire?   |                                       |   |                                     | <b>X</b>         |
| <b>C.</b> If located in or near state responsibility areas or lands classified as very high fire hazard severity zones, would the project require the installation or maintenance of associated infrastructure (such as roads, fuel breaks, emergency water sources, power lines, or other utilities) that may exacerbate fire risk or that may result in temporary or ongoing impacts to the environment? |                                       |   |                                     | <b>X</b>         |
| <b>D.</b> If located in or near state responsibility areas or lands classified as very high fire hazard severity zones, would the project expose people or structures to significant risks, including downslope or downstream flooding or landslides, as a result of runoff, post-fire slope instability, or drainage changes?   |                                       |   |                                     | <b>X</b>         |

### **SECTION 3.21 MANDATORY FINDINGS OF SIGNIFICANCE**

|   |  |  |  |          |
|---|--|--|--|----------|
| <b>A.</b> Does the project have the potential to substantially degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, substantially reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory? |  |  |  | <b>X</b> |
| <b>B.</b> Does the project have impacts that are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects)?   |  |  |  | <b>X</b> |
| <b>C.</b> Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?  |  |  |  | <b>X</b> |



## SECTION 2 PROJECT DESCRIPTION

### 2.1 PROJECT OVERVIEW

This Initial Study analyzes the environmental impacts associated with the adoption and subsequent implementation of the proposed amendment to the Municipal Code and zone change. The proposed project involves an amendment to portions of Title 17 (Zoning) of the El Monte Municipal Code to allow for the expansion of the Freeway Billboard Overlay Zone. The proposed expansion of the Freeway Billboard Overlay Zone involves the addition of three new areas (referred to as Areas 8 through 10) to the Freeway Billboard Overlay Zone, which currently includes seven locations located along portions of the I-10 Freeway Corridor within the City of El Monte. The Municipal Code will also be amended to allow the installation of billboards within 250 feet of residential zones at the discretion of the Community and Economic Development Director (the installation of billboards is currently not permitted within 250 feet of residential zones). The proposed project also involves a zone change and a general plan amendment at Area 8. A portion of Area 8 is zoned as *R-3 (Medium-Density Multiple-Family Dwelling)* and this zoning designation is proposed to be changed to *C-3 (General Commercial)*. The same portion of Area 8 has a general plan land use designation of *Medium Density Residential* and this general plan land use designation is proposed to be changed to *General Commercial*. This zone change and general plan amendment will permit the installation of billboards within this portion of Area 8 since billboards are only permitted within industrial or commercial zones.<sup>6</sup>

### 2.2 PROJECT LOCATION AND SETTING

The current Freeway Billboard Overlay Zone currently applies to seven areas (referred to as Areas 1 through 7) located along the San Bernardino (I-10) Freeway within the corporate boundaries of the City of El Monte. The proposed expansion of the Freeway Billboard Overlay Zone involves the addition of three new areas (referred to as Areas 8 through 10) to the Freeway Billboard Overlay Zone. These three additional areas will also be located along portions of the Interstate 10 (I-10) Freeway Corridor and California State Route 19 (SR 19, or Rosemead Boulevard, originally SR 164) within the City of El Monte.

The City of El Monte is located in the San Gabriel Valley approximately 13 miles east of downtown Los Angeles. El Monte is bounded on the north by Arcadia and Temple City; on the west by Rosemead; on the east by Irwindale, Baldwin Park, City of Industry, and unincorporated areas; and on the south by South El Monte. Regional access to El Monte is possible from two area freeways: the San Bernardino Freeway (I-10), which traverses the center portion of the City in an east-west orientation; and, the San Gabriel River Freeway (I-605), which extends along the City's east side in a north-south orientation.<sup>7</sup> Exhibit 2-1 indicates the location of the City of El Monte in a regional context.

The current Freeway Billboard Overlay Zone is located along portions of the San Bernardino (I-10) Freeway. Several on-premise and off-premise billboards and signs are currently located within the Freeway Billboard Overlay Zone.<sup>8</sup> A location map of the City, in relationship to surrounding communities

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<sup>6</sup> California Department of Transportation. *Outdoor Advertising Permit Requirements*.

<sup>7</sup> Google Earth. Website accessed August 1, 2019.

<sup>8</sup> Off-premise displays, or billboards, advertise off-site products and businesses. On-premise signs advertise on-site business.

and freeways and including the location of the Freeway Billboard Overlay Zone, is provided in Exhibit 2-2. A larger scale map of the Freeway Billboard Overlay Zone is provided in Exhibit 2-3. The portions that constitute the Freeway Billboard Overlay Zone are located within 660 feet of the I-10 Freeway right-of-way, which is the regulatory area that Caltrans has on off-premise displays (billboards). The proposed new areas of the Freeway Billboard Overlay Zone (Areas 8 through 10) are summarized below and are shown in Exhibits 2-4 through 2-6. The land use and environmental setting of the new proposed Freeway Billboard Overlay Zone areas are summarized below.

- *Area 8.* This area extends laterally for approximately 775 feet and is located directly south of the I-10 Freeway. This portion encompasses the area south of the I-10 Freeway and Asher Street, along the east and west sides of Meeker Avenue, west of Peck Road. This portion is zoned *R-3 (Medium-Density Multiple-Family Dwelling)*, *C-3 (General Commercial)*, and *C-4 (Heavy Commercial)*. Industrial uses and commercial uses are located within this area. There are no existing billboards located within this area. Area 8 is shown in Exhibit 2-4.
- *Area 9.* This new area is located approximately 0.28 miles south of the I-10 Freeway along the east and west sides of SR 19 (Rosemead Boulevard). This portion is zoned *O-P (Office Professional)*. Office uses are located within this portion. There is one static billboard located in the northern portion of this area. Area 9 is shown in Exhibit 2-5.
- *Area 10.* This area is triangular in shape and is located directly south of the I-10 Freeway and Stockham Place and extends laterally 950 feet west from Cogswell Road. This portion is zoned *M-1 (Light Manufacturing)*. Located within this area are industrial and residential uses. There are no existing billboards located in this area. Area 10 is shown in Exhibit 2-6.

## 2.3 PROJECT DESCRIPTION

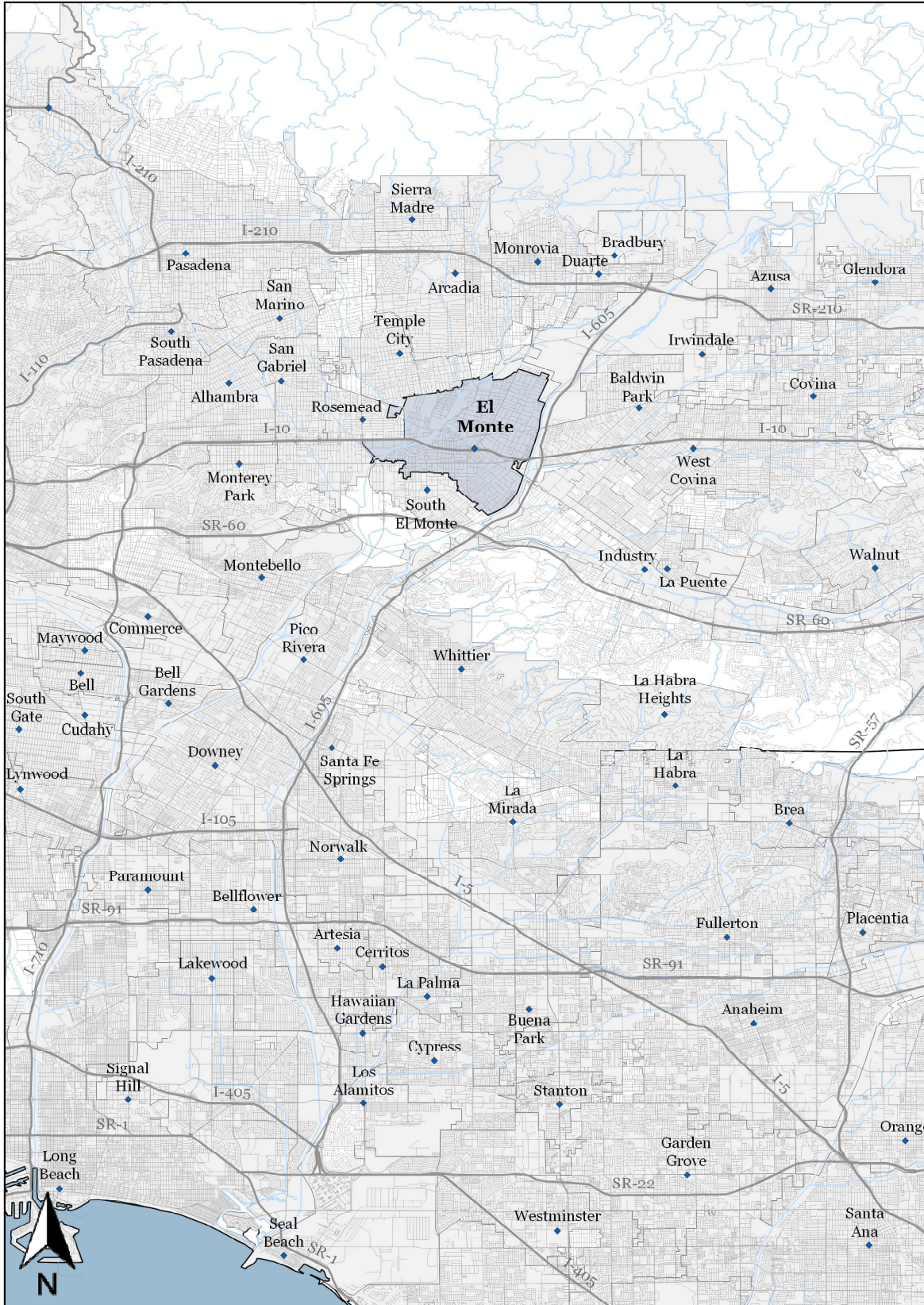
This Initial Study analyzes the environmental impacts associated with the adoption and subsequent implementation of the proposed amendment to the Municipal Code and zone change. The proposed project involves an amendment to portions of Title 17 (Zoning) of the El Monte Municipal Code to allow for the expansion of the Freeway Billboard Overlay Zone. The proposed expansion of the Freeway Billboard Overlay Zone involves the addition of three new areas (referred to as Areas 8 through 10) to the Freeway Billboard Overlay Zone, which currently includes seven locations located along portions of the I-10 Freeway Corridor within the City of El Monte. The Municipal Code will also be amended to allow the installation of billboards within 250 feet of residential zones at the discretion of the Community and Economic Development Director (the installation of billboards is currently not permitted within 250 feet of residential zones). The proposed project also involves a zone change and a general plan amendment at Area 8. A portion of Area 8 is zoned as *R-3 (Medium-Density Multiple-Family Dwelling)* and this zoning designation is proposed to be changed to *C-3 (General Commercial)*. The same portion of Area 8 has a general plan land use designation of *Medium Density Residential* and this general plan land use designation is proposed to be changed to *General Commercial*. This zone change and general plan amendment will permit the installation of billboards within this portion of Area 8 since billboards are only permitted within industrial or commercial zones.<sup>9</sup>

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<sup>9</sup> California Department of Transportation. *Outdoor Advertising Permit Requirements*.

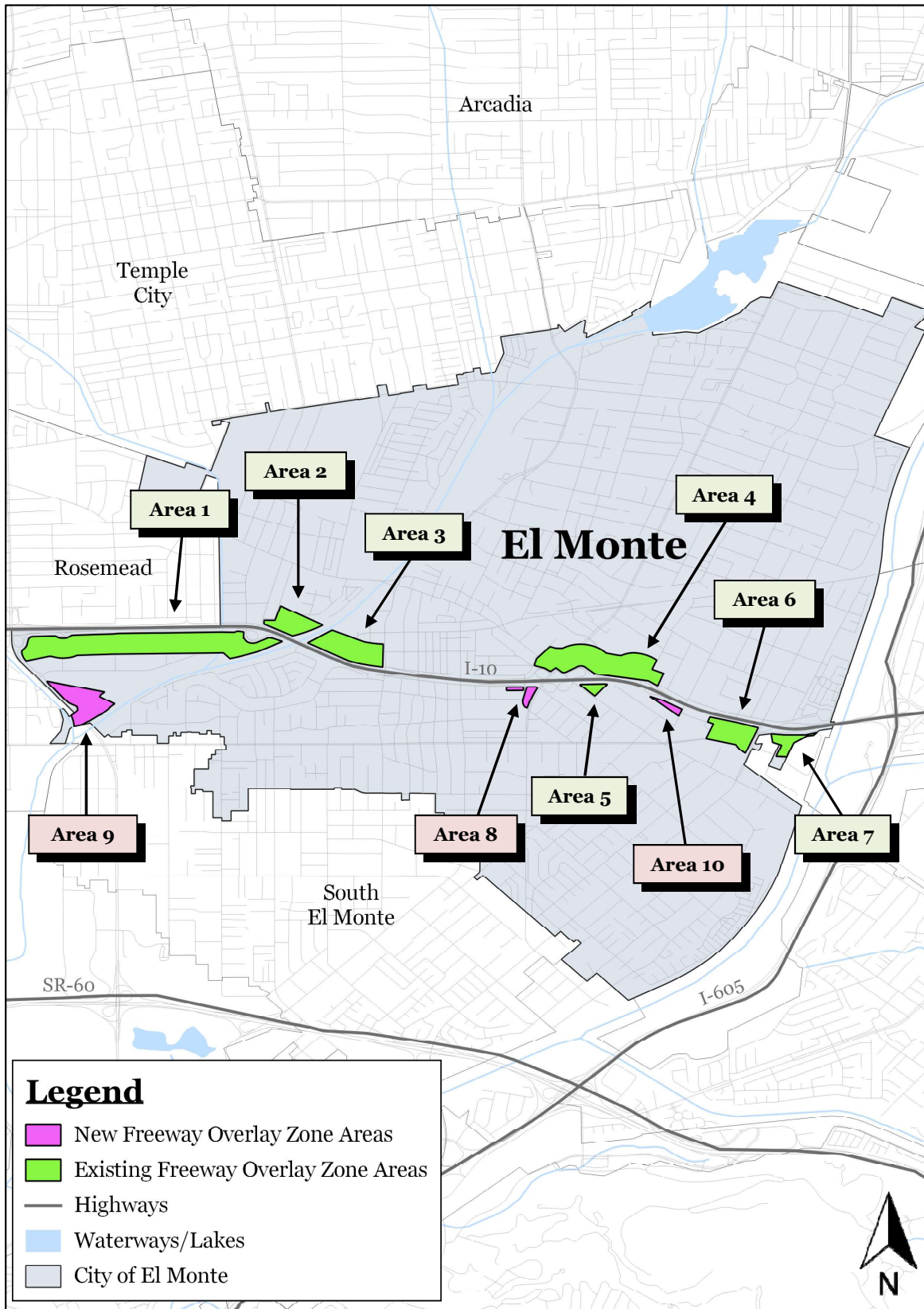


INITIAL STUDY AND MITIGATED NEGATIVE DECLARATION  
FREeway BILLBOARD OVERLAY ZONE MUNICIPAL CODE AMENDMENT • CITY OF EL MONTE

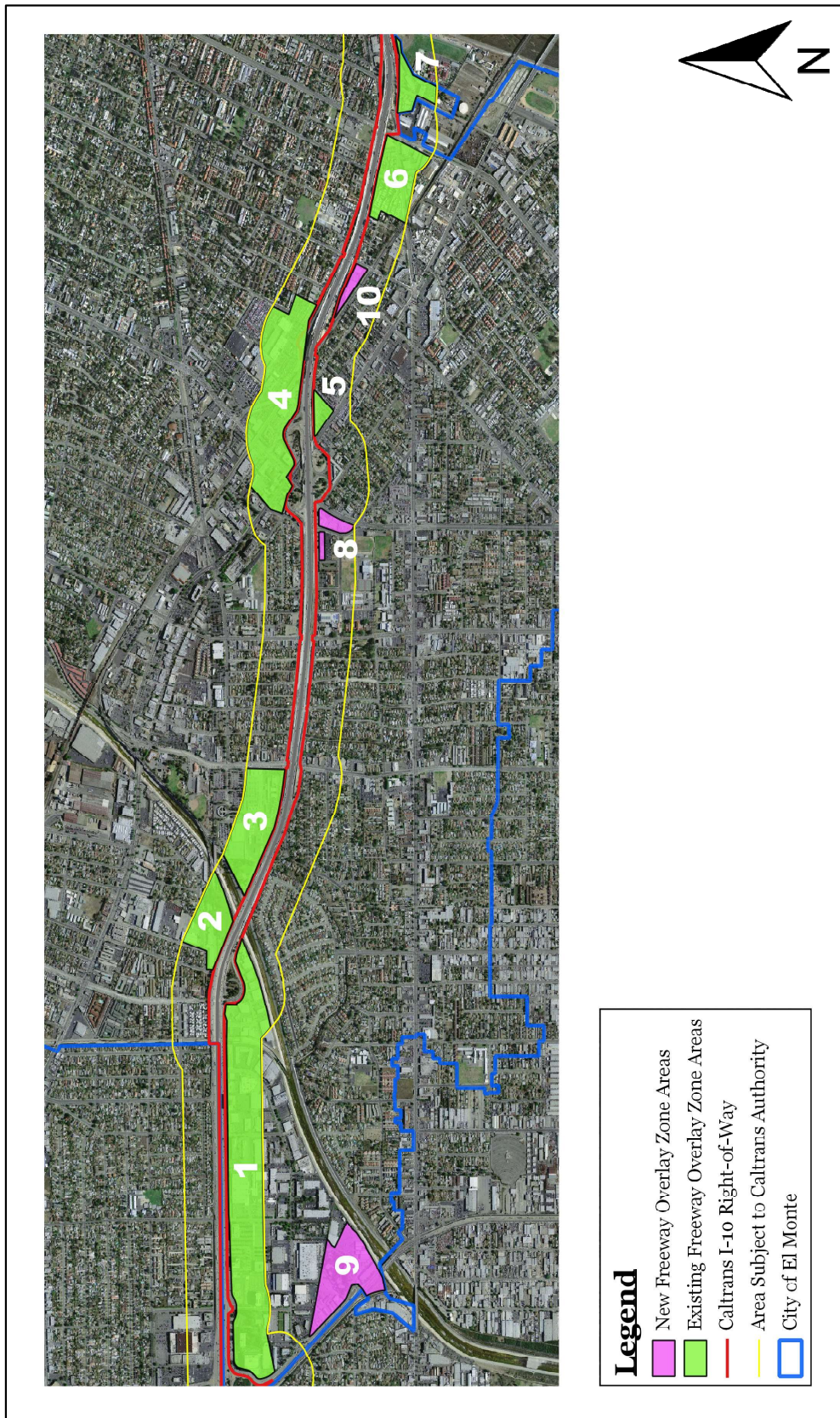


**EXHIBIT 2-1**  
**REGIONAL MAP**  
SOURCE: QUANTUM GIS





**EXHIBIT 2-2**  
**FREEWAY BILLBOARD OVERLAY ZONE AREAS**  
SOURCE: QUANTUM GIS



**EXHIBIT 2-3**  
**FREEWAY BILLBOARD OVERLAY ZONE MAP**

SOURCE: CITY OF EL MONTE





**EXHIBIT 2-4**  
**AERIAL PHOTOGRAPH OF FREWAY BILLBOARD OVERLAY ZONE AREA 8**

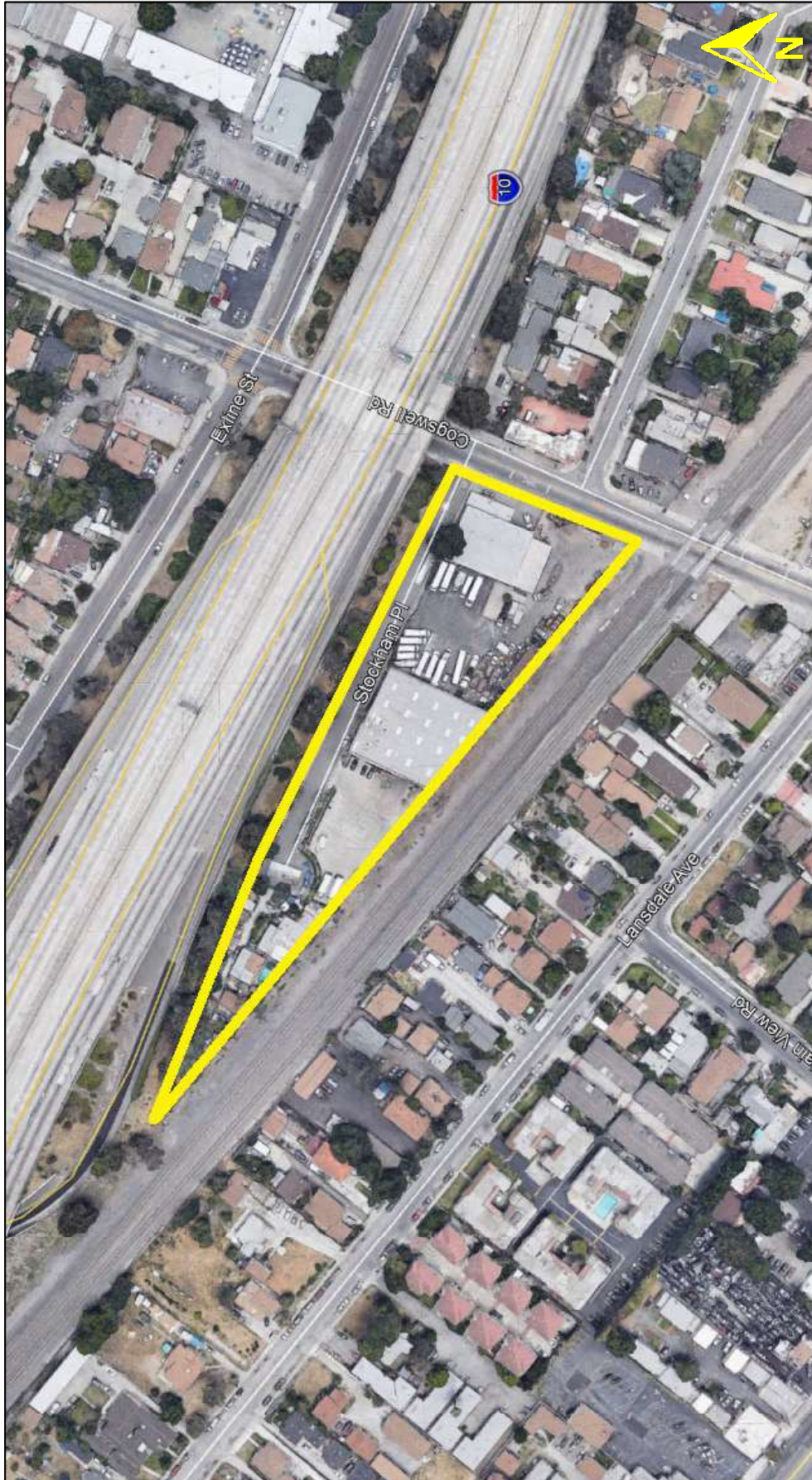
SOURCE: GOOGLE EARTH





**EXHIBIT 2-5**  
**AERIAL PHOTOGRAPH OF FREeway BILLBOARD OVERLAY ZONE AREA 9**  
SOURCE: GOOGLE EARTH





**EXHIBIT 2-6**  
**AERIAL PHOTOGRAPH OF FREeway BILLBOARD OVERLAY ZONE AREA 10**  
SOURCE: GOOGLE EARTH

### **2.3.1 REGULATORY BACKGROUND (CALTRANS AND THE CITY OF EL MONTE)**

The Federal Highway Beautification Act of 1965 (23 U.S.C. 131) governs advertising signage located along the interstate highway system (the San Bernardino Freeway [I-10] is an Interstate Highway). The Act is enforced by the Federal Highway Administration (FHWA), and as part of its enforcement effort the FHWA has entered into agreements regarding the Act with State departments of transportation. The California Department of Transportation (Caltrans) is involved in the control of “off-premise” displays along Interstate Highways, including the I-10 Freeway, SR 19 and other highways.<sup>10</sup>

The FHWA has entered into written agreements with Caltrans: one dated May 29, 1965, and a subsequent agreement dated February 15, 1968. The agreements generally provide that the State will control the construction and installation of all outdoor advertising signs, displays, and devices within 660 feet of the interstate highway right-of-way (ROW). The agreements provide that such signs shall be erected only in commercial or industrial zones and these signs are subject to the following restrictions:

- No signs shall imitate or resemble any official traffic sign, signal or device, nor shall signs obstruct or interfere with official signs;
- No signs shall be erected on rocks or other natural features;
- Signs [faces] shall be no larger than 25 feet in height and 60 feet in width, excluding border, trim, and supports;
- Signs located on the same side of the freeway must be separated by at least 500 feet; and,
- Signs shall not include flashing, intermittent or moving lights, and shall not emit light that may obstruct or impair the vision of any driver.

Caltrans requires applicants for new outdoor digital and static signs to demonstrate that the owner of the parcel consents to the placement sign, that the parcel on which the sign would be located is zoned commercial or industrial, and that local building permits are obtained and complied with. The Outdoor Advertising Act contains a number of provisions relating to the construction, installation and operation of digital and static signs:

- The sign must be constructed to withstand a wind pressure of 20 pounds per square feet of exposed surface (§5401);
- No sign shall display any statements or words of an obscene, indecent, or immoral character (§5402);<sup>11</sup>

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<sup>10</sup> California regulates outdoor advertising in the Outdoor Advertising Act (Business and Professions Code, Sections 5200 et seq.) and the California Code of Regulations, Title 4, Division 6 (Sections 2240 et seq.) Caltrans enforces the law and regulations.

<sup>11</sup> This Section (5402) states the following: “Obscenity, indecency, or immorality No person shall display or cause or permit to be displayed upon any advertising structure or sign, any statements or words of an obscene, indecent or immoral character, or any picture or illustration of any human figure in such detail as to offend public morals or decency, or any other matter or thing of an obscene, indecent or immoral character.”

- No digital sign shall display flashing, intermittent, or moving light or lights (§5403[h]);
- Signs are restricted from areas within 300 feet of an intersection of highways or of highway and railroad ROWs; and,
- Message center signs may not include any illumination or message change that is in motion or appears to be in motion or that change or expose a message for less than four seconds. No message center sign may be located within 500 feet of an existing billboard or 1,000 feet of another message center display, on the same side of the highway (§5405 of the Outdoor Advertising Act).

Section 21466.5 prohibits the placing of any light source “...of any color of such brilliance as to impair the vision of drivers upon the highway.” Specific standards for measuring light sources are indicated in this section. The restrictions may be enforced by Caltrans, the California Highway Patrol, or local authorities.

Off-premise displays (billboards) are prohibited by Caltrans within landscaped freeways without entering into a relocation agreement with the State. Caltrans has designated two segments of the I-10 Freeway within the City of El Monte as a Landscaped Freeway. Landscaped freeway is defined as follows:

- (a) Landscaped Freeway means a section or sections of a freeway that is now, or hereafter may be, improved by the planting at least on one side or on the median of the freeway right-of-way of lawns, trees, shrubs, flowers, or other ornamental vegetation requiring reasonable maintenance.
- (b) Planting for the purpose of soil erosion control; traffic safety requirements, including light screening; reduction of fire hazards; covering soundwalls or fences; or traffic noise abatement shall not change the character of a freeway to a landscaped freeway.
- (c) Notwithstanding subdivision (a), if an agreement to relocate advertising displays from within one area of a city or county to an area adjacent to a freeway right-of-way has been entered into between a city or county and the owner of an advertising display, then a “landscaped freeway” shall not include the median of a freeway right-of-way.<sup>12</sup>

### **2.3.2 EXISTING MUNICIPAL CODE AND THE PROPOSED AMENDMENTS**

The City of El Monte adopted Ordinance No. 2522 in the year 2000 to prohibit the installation of new billboards in all zones throughout the City, resulting in the establishment of numerous existing billboards in the City as legal nonconforming billboards. The City adopted Ordinance No. 3473 in the year 2017 to allow for the installation or relocation of billboards within seven specified geographic areas within the Freeway Billboard Overlay Zone (referred to as Areas 1 through 7). As part of the proposed amendment, the City will provide additional opportunities for the installation of new and relocated billboards with the expansion of the Freeway Billboard Overlay Zone to three additional areas (referred to as Areas 8 through 10).

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<sup>12</sup> California Department of Transportation. *Outdoor Advertising Act, Business and Professions Code*. Section 5216 Landscaped Freeway.

The existing municipal code text and the proposed changes are provided below and on the following pages. The new text is shown using underlining while the deleted text is shown using ~~strikeout~~.

Section 17.88.020 (Establishment of Freeway Overlay Zone) of Chapter 17.88 [Freeway Overlay Zone (Billboards)] of the El Monte Municipal Code is hereby amended to read as follows:

17.88.020 – Establishment of Freeway Overlay Zone.

A new Freeway Overlay Zone for the establishment of new and relocated billboards is hereby established as shown on the approved Freeway Overlay Zone map approved by the City Council on \_\_\_\_\_, 2017 ~~and attached hereto as Exhibit “A”~~.

The Freeway Overlay Zone map was amended to include three new areas and is hereby established as shown on the approved Freeway Overlay Zone map approved by the City Council on \_\_\_\_\_, 2019 and attached hereto as Exhibit “A”.

Subdivision H.9 of Section 17.88.030 (General Requirements) of Chapter 17.88 [Freeway Overlay Zone (Billboards)] of the El Monte Municipal Code is hereby amended to read as follows:

9. All billboards shall be placed at least two hundred fifty (250) feet from any residentially zoned property. Specifically from properties zoned R-1A/B/C (One-Family Dwelling), R-2 (Low-Density Multiple-Family Dwelling), R-3 (Medium-Density Multiple-Family Dwelling) and R-4 (High-Density Multiple-Family Dwelling). The measurement shall be from the closest edge of the billboard to the closest edge of the residential zone. Billboards may be placed within 250 feet of a residentially zoned property if it can be demonstrated by the positioning of the digital panels that there is no significant light intrusion, to be determined by the Community and Economic Development Director.

### **2.3.3 PROPOSED REZONING FOR AREA 8**

The proposed project involves a zone change and a general plan amendment at Area 8. A portion of Area 8 is zoned as *R-3 (Medium-Density Multiple-Family Dwelling)* and this zoning designation is proposed to be changed to *C-3 (General Commercial)*. The same portion of Area 8 has a general plan land use designation of *Medium Density Residential* and this general plan land use designation is proposed to be changed to *General Commercial*. This zone change and general plan amendment will permit the installation of billboards within this portion of Area 8 since billboards are only permitted within industrial or commercial zones.<sup>13</sup>

### **2.3.4 BILLBOARD INSTALLATION CHARACTERISTICS**

The materials used in the construction of static or digital billboards are manufactured off-site. The billboard components would be transported to the individual sites where they would be assembled. The billboard installation would be subject to the City of El Monte building code requirements that

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<sup>13</sup> California Department of Transportation. *Outdoor Advertising Permit Requirements*.



limits the hours of construction within a residential area to 6:00 AM to 7:00 PM, Monday through Friday, and 8:00 AM to 7:00 PM, Saturday and Sunday. The typical duration of a static or digital billboard installation occurs over a six-day period and includes the following:

- *Day One:* The footings for the static or digital billboard structure are completed. The estimated column depth for the billboard support is approximately 25 feet deep. In addition to the drilling rig, the construction team uses a skip loader (bucket truck), dump truck for soil export, and water truck as needed to water down dust. Any excavated areas are required to be fully covered.
- *Day Two:* The construction crew first installs the sign column and then pours the concrete. The crew utilizes a crane truck, a flatbed truck (to carry in the pre-fabricated columns), and a concrete truck. A fast-setting concrete is utilized, allowing the concrete to cure overnight.
- *Day Three:* The crew erects the sign supports and the signs. For this billboard installation activity, a crane truck is utilized, and a flatbed truck is required to transport the billboard structure and sign faces.
- *Day Four:* On day four, the electrical connections are installed.
- *Day Five:* On day five, the crew completes any other necessary tasks to complete the billboard structure and clean up the project site.
- *Day Six:* Any necessary landscaping repairs and improvements occur on day six.

## **2.4 PROJECT OBJECTIVES**

The objectives that the City of El Monte seeks to accomplish as part of the proposed project's implementation include the following:

- To ensure that the amendment to the Freeway Billboard Overlay Zone is in conformance with the City of El Monte General Plan and Zoning Ordinance; and,
- To effectively mitigate any potentially significant adverse environmental impacts associated with the installation and subsequent operation of any future billboards.

## **2.5 DISCRETIONARY APPROVALS**

A Discretionary Approval is an action taken by a government agency (for this project, the government agency is the City of El Monte) that calls for an exercise of judgment in deciding whether to approve a project. The following discretionary approvals are required:

- The adoption of the proposed amendment to the Municipal Code. The proposed project involves an amendment to portions of Title 17 (Zoning) of the El Monte Municipal Code to allow for the expansion of the Freeway Billboard Overlay Zone and for the installation of billboards within 250 feet of residential zones;

- The adoption of a zone change at Area 8. A portion of Area 8 is zoned as *R-3 (Medium-Density Multiple-Family Dwelling)* and this zoning designation is proposed to be changed to *C-3 (General Commercial)*; and,
- The approval of the Mitigated Negative Declaration.

Individual requests for billboards will be further evaluated on a case-by-case basis. The following discretionary approvals are required for the installation of any future billboards:

- The approval of a *Development Agreement* for billboard installation or relocation;
- The approval of a *Design Review* for the installation of a new billboard or rehabilitation of an existing billboard;
- The approval of a *Sign Permit* for billboard installation or relocation; and,
- The approval of a *Building Permit* for billboard installation or relocation.

Other permits required for any future billboard installation or relocation will include, but may not be limited to, building permits and permits for new utility connections.

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## SECTION 3 ENVIRONMENTAL ANALYSIS

This section of the Initial Study analyzes the potential environmental impacts that may result from the proposed project's implementation. The issue areas evaluated in this Initial Study include the following:

|  |   |
|--|---|
| Aesthetics (Section 3.1);                        | Mineral Resources (Section 3.12);           |
| Agricultural & Forestry Resources (Section 3.2); | Noise (Section 3.13);                       |
| Air Quality (Section 3.3);                       | Population & Housing (Section 3.14);        |
| Biological Resources (Section 3.4);              | Public Services (Section 3.15);             |
| Cultural Resources (Section 3.5);                | Recreation (Section 3.16);                  |
| Energy (Section 3.6)                             | Transportation (Section 3.17);              |
| Geology & Soils (Section 3.6);                   | Tribal Cultural Resources (Section 3.18);   |
| Greenhouse Gas Emissions; (Section 3.8);         | Utilities (Section 3.19);                   |
| Hazards & Hazardous Materials (Section 3.9);     | Wildfire (Section 3.20); and,               |
| Hydrology & Water Quality (Section 3.10);        | Mandatory Findings of Significance (Section |
| Land Use & Planning (Section 3.11);              | 3.21).                                      |

The environmental analysis included in this section reflects the Initial Study Checklist format used by the City of El Monte in its environmental review process (refer to Section 1.3 herein). Under each issue area, an analysis of impacts is provided in the form of questions and answers. The analysis then provides a response to the individual questions. For the evaluation of potential impacts, questions are stated and an answer is provided according to the analysis undertaken as part of this Initial Study's preparation. To each question, there are four possible responses:

- *No Impact.* The proposed project *will not* have any measurable environmental impact on the environment.
- *Less Than Significant Impact.* The proposed project *may have* the potential for affecting the environment, although these impacts will be below levels or thresholds that the City of El Monte or other responsible agencies consider to be significant.
- *Less Than Significant Impact with Mitigation.* The proposed project *may have* the potential to generate impacts that will have a significant impact on the environment. However, the level of impact may be reduced to levels that are less than significant with the implementation of mitigation measures.
- *Potentially Significant Impact.* The proposed project may result in environmental impacts that are significant.

This Initial Study will assist the City of El Monte in making a determination as to whether there is a potential for significant adverse impacts on the environment associated with the implementation of the proposed project.

### 3.1 AESTHETICS

#### 3.1.1 THRESHOLDS OF SIGNIFICANCE

According to the City of El Monte, acting as Lead Agency, a project may be deemed to have a significant adverse aesthetic impact if it results in any of the following:

- A substantial adverse effect on a scenic vista;
- Substantial damage to scenic resources including, but not limited to, trees, rock outcroppings, and historic buildings within a State scenic highway;
- In non-urbanized areas, a substantial degradation to the existing visual character or quality of public views of the site and its surroundings (public views are those that are experienced from a publicly accessible vantage point); in an urbanized area, a conflict with the applicable zoning and other regulations governing scenic quality; or,
- A new source of substantial light or glare which would adversely affect day or nighttime views in the area.

#### 3.1.2 ANALYSIS OF ENVIRONMENTAL IMPACTS

**A.** *Would the project have a substantial adverse effect on a scenic vista?* • *Less than Significant Impact.*

The proposed project involves an amendment to portions of Title 17 (Zoning) of the El Monte Municipal Code to allow for the expansion of the Freeway Billboard Overlay Zone and to allow for the installation of billboards within 250 feet of residential zones. The proposed project also involves a zone change and a general plan amendment at Area 8. A portion of Area 8 is zoned as *R-3 (Medium-Density Multiple-Family Dwelling)* and this zoning designation is proposed to be changed to *C-3 (General Commercial)*. The same portion of Area 8 has a general plan land use designation of *Medium Density Residential* and this general plan land use designation is proposed to be changed to *General Commercial*.

The dominant physiographic features in the area that are considered to be viewsheds include the Puente Hills, located approximately three miles to the south of the I-10 Freeway, and the San Gabriel Mountains, located approximately six miles to the north of the I-10 Freeway.<sup>14</sup> There are no protected views in the vicinity of the I-10 Freeway and SR-19 (Rosemead Boulevard). The Freeway Billboard Overlay Zone Ordinance standards, as they relate to billboards, are outlined in Table 3-1.

Areas 8 through 10, and therefore any future billboard installation sites, consist of areas that are located in the midst of urban development, adjacent to the I-10 Freeway and SR 19. As indicated in Table 3-1, no billboard will exceed 75 feet in height, measured from the finished grade of the freeway travel lane closest

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<sup>14</sup> Blodgett Baylosis Environmental Planning. Site Survey was completed on August 8, 2019.

**Table 3-1  
 Summary of the Proposed Development Standards  
 Related to Billboard Appearance and Design**

| Standard                          | Description of Standard   |
|-----------------------------------|---|
| Number of Sign Faces.             | Billboards cannot be used to support more than two advertising structures with each one facing in different directions.   |
| Advertising Structure Dimensions. | The entire portion of an advertising structure that comprises the active display face (digital or static) of an advertising structure shall not be more than 60 feet in width and 25 feet in height, excluding border, trim, and supports.  |
| Maximum Height.                   | No billboard, inclusive of supporting structures, shall exceed seventy-five (75) feet in height, measured from the finished grade of the freeway travel lane closest to the sign to the uppermost point of the sign, except as may be approved for good cause as demonstrated by the applicant and determined in the sole discretion of the City.   |
| Utilities.                        | All utilities for each billboard shall be underground.  |
| Face Orientation.                 | No billboard shall have more than one face (display surface) oriented in the same vertical plane.   |
| Other Minimum Clearance.          | Billboards projecting over a driveway or driving aisle shall have a minimum clearance of sixteen (16) feet between the lowest point of the sign and the driveway grade.<br>Billboards projecting over a pedestrian walkway shall have a minimum clearance of twelve (12) feet between the lowest point of the sign and the walkway grade.   |
| Screening.                        | All new billboard structures shall be free of any visible bracing, angle iron, guy wires, cable, and/or similar supporting elements. All exposed portions of billboards, including backs, sides, structural support members and support poles, shall be screened to the satisfaction of the Community and Economic Development Director.  |
| Brightness Levels.                | Digital billboards shall not operate at brightness levels of more than 0.3 foot candles above ambient light, as measured using a foot candle meter in accordance with the pre-set distances set forth below. Pre-set distances to measure the foot candles impact vary with the expected viewing distances of each size sign and shall comply with the following ratios of face size dimensions to points of measurement distances: <ul style="list-style-type: none"> <li>• 12' x 25'; 150'</li> <li>• 10'6" x 36'; 200'</li> <li>• 14' x 48'; 250'</li> <li>• 20' x 60' or 25' x 48'; 350'</li> </ul> Each digital billboard must have a light sensing device that will adjust the brightness as ambient light conditions change. |
| Image Displays.                   | Each static message shall not include flashing lights or the varying of light intensity. Each message on the sign must be displayed for a minimum of four seconds. No billboard shall involve any red or blinking or intermittent light likely to be mistaken for warning or danger signals nor shall its illumination impair the vision of travelers on the adjacent freeway and for roadways.   |
| Distance Between Billboards       | The minimum distance between two (2) or more billboards placed within the Freeway Billboard Overlay Zone or between billboards and the freeway right-of-way shall be the same as the minimum distance and separation criteria established by the California Department of Transportation.* All distances shall be measured from the vertical centerline of each billboard face.   |

Source: City of El Monte.

\*Currently, the minimum required distance between digital billboards is 1,000 feet; between billboards adjacent to the I-10 freeway is 500 feet for static billboard signs; between all billboards adjacent to primary highways that are not freeways, such as Rosemead Boulevard, is 100 feet.

to the sign to the uppermost point of the sign. The maximum dimensions shall not be more than 60 feet in width and 25 feet in height, excluding border, trim, and supports. Any future billboards will be similar to, and in conformance with, the existing billboards located within the City.

Views of the San Gabriel Mountains and the Puente Hills are currently partially and intermittently obscured by existing development along both sides of the I-10 Freeway. All future billboards will be taller than the buildings that surround them and will therefore not have a sign face that will obstruct views from the buildings. The billboards will not be in the line-of-sight in between the occupants of the buildings and any potentially visible viewsheds. In addition, the billboard poles will not present a large enough surface area to cause an obstruction of views. Therefore, any future billboards would not substantially obscure views of the San Gabriel Mountains and the Puente Hills and as a result, the proposed project would result in less than significant impacts.

**B.** *Would the project substantially damage scenic resources including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway? • No Impact.*

The Federal Highway Beautification Act of 1965 (23 U.S.C. 131) governs advertising signage located along the interstate highway system (the San Bernardino Freeway [I-10] is an Interstate Highway). Caltrans is involved in the control of “off-premise” displays along the I-10 Freeway, SR 19 and other highways.<sup>15</sup> The agreements provide that such signs shall be erected only in commercial or industrial zones and these signs are subject to the following Caltrans and FHWA requirements:

- No signs are permitted to imitate or resemble any official traffic sign, signal or device, nor shall signs obstruct or interfere with official signs;
- No signs shall be erected on rocks or other natural features;
- Signs [faces] shall be no larger than 25 feet in height and 60 feet in width, excluding border, trim, and supports;
- Static signs located on the same side of the freeway must be separated by at least 500 feet and digital signs located on the same side of the freeway must be separated by at least 1,000 feet; and,
- Signs shall not include flashing, intermittent or moving lights, and shall not emit light that may obstruct or impair the vision of any driver.

There are neither rock outcroppings nor historic buildings located on-site of the proposed installation areas.<sup>16</sup> The installation of any future billboards will not result in any impact on protected trees or Heritage trees. Any necessary tree removal or modification will be required to adhere to the regulations listed within Chapter 14.03 of the El Monte Municipal Code (Tree Protection and Preservation). These

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<sup>15</sup> The FHWA has entered into written agreements with Caltrans: one dated May 29, 1965, and a subsequent agreement dated February 15, 1968. The agreements generally provide that the State will control the construction of all outdoor advertising signs, displays, and devices within 660 feet of the interstate highway right-of-way (ROW). California regulates outdoor advertising in the Outdoor Advertising Act (Business and Professions Code, Sections 5200 et. seq.) and the California Code of Regulations, Title 4, Division 6 (Sections 2240 et seq.) Caltrans enforces the law and regulations.

<sup>16</sup> California Department of Transportation. *Officially Designated State Scenic Highways*. <http://www.dot.ca.gov/hq/LandArch/scenic/schwy.htm>.

impacts are discussed further in Section 3.4, Biological Resources, E. Furthermore, there are no Designated State Scenic Highways located within the City of El Monte. A search of the California Office of Historic Preservation online list of California Historical Landmarks yielded two State-designated landmarks in the City: California Register of Historical Resources No. 975 - El Monte First Southern California Settlement by Immigrants from the United States, and California Point of Historical Interest No. LAN-047 – Old El Monte Jail, Pioneer Park, which are both located near the southwestern corner of Valley Boulevard and Santa Anita Avenue, and over 660 feet north of the I-10 Freeway and therefore outside of the potential range for billboard placement.<sup>17</sup> As a result, no impacts on scenic resources will result from the proposed project.

*C. In non-urbanized areas, would the project substantially degrade the existing visual character or quality of public views of the site and its surroundings (public views are those that are experienced from a publicly accessible vantage point)? If the project is in an urbanized area, would the project conflict with applicable zoning and other regulations governing scenic quality? • Less than Significant Impact.*

The aesthetic character of each new proposed area of the Freeway Billboard Overlay Zone (Areas 8 through 10) is summarized below.

- *Area 8.* This area extends laterally for approximately 775 feet and is located directly south of the I-10 Freeway. This portion encompasses the area south of the I-10 Freeway and Asher Street, along the east and west sides of Meeker Avenue, west of Peck Road. This portion is zoned *R-3 (Medium-Density Multiple-Family Dwelling)*, *C-3 (General Commercial)*, and *C-4 (Heavy Commercial)*. Industrial uses and commercial uses are located within this area. There are no existing billboards located within this area.
- *Area 9.* This new area is located approximately 0.28 miles south of the I-10 Freeway along the east and west sides of SR 19 (Rosemead Boulevard). This area is roughly triangular in shape. This portion is zoned *O-P (Office Professional)*. Office uses are located within this portion. There is one static billboard located in the northern portion of this area.
- *Area 10.* This area is triangular in shape and is located directly south of the I-10 Freeway and Stockham Place and extends laterally 950 feet west from Cogswell Road. This portion is zoned *M-1 (Light Manufacturing)*. Located within this area are industrial and residential uses. There are no existing billboards located in this area.

All existing buildings and landscaping features would be retained with the proposed project. New landscaping will be required to replace loss of any existing landscaping. City staff will review all future proposed billboard designs as part of the approval process, and design parameters would be imposed by the City. All billboards would be required to be consistent with applicable design provisions and Comprehensive Design Guidelines provided in the City's zoning code. As previously mentioned in Subsection A, there are no protected views in the vicinity of the City and the City does not contain any

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<sup>17</sup> California Office of Historic Preservation. *California Historical Resources*. <http://ohp.parks.ca.gov/ListedResources>. Website accessed August 2, 2019.



scenic vistas. Adherence to the required standard conditions will reduce potential impacts to levels that are less than significant.

**D. Would the project create a new source of substantial light or glare which would adversely affect day or nighttime views in the area? • Less than Significant Impact.**

The primary area of concern is the potential for light and glare impacts resulting from digital billboards that would affect drivers traveling along I-10 and SR-19. To ensure that new lighting does not interfere with adjacent traffic, all future billboards will be required to comply with the following requirements included in Chapter 17.88, Freeway Overlay Zone (Billboards), of the El Monte Municipal Code:<sup>18</sup>

*Each static message shall not include flashing lights or the varying of light intensity.*

*Minimum display time. Each message on the sign must be displayed for a minimum of four (4) seconds.*

*Each digital billboard shall be designed and required to freeze the display in one static position, display a full black screen, or turn off, in the event of a malfunction.*

*No billboard shall involve any red or blinking or intermittent light likely to be mistaken for warning or danger signals nor shall its illumination impair the vision of travelers on the adjacent freeway and for roadways.*

*Digital billboards shall not operate at brightness levels of more than 0.3 foot candles above ambient light, as measured using a foot candle meter in accordance with the pre-set distances set forth below.*

*Pre-set distances to measure the foot candles impact vary with the expected viewing distances of each size sign and shall comply with the following ratios of face size dimensions to points of measurement distances:*

- 12' x 25'; 150'
- 10'6" x 36'; 200'
- 14' x 48'; 250'
- 20' x 60' or 25' x 48'; 350'

*Each digital billboard must have a light sensing device that will adjust the brightness as ambient light conditions change.*

In addition, each billboard is required to comply with all applicable Federal, State, and local laws and regulations, including, but not limited to, the Highway Beautification Act of 1965 (23 U.S.C. 131), the California Outdoor Advertising Act and the California Vehicle Code.

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<sup>18</sup> El Monte, City of. *Municipal Code*. Title 17 Zoning, Chapter 17.88 Freeway Overlay Zone (Billboards), Section 17.88.030 General Requirements.

As previously mentioned, the proposed project will involve an amendment to the Municipal Code to allow for the installation of billboards within 250 feet of residential zones at the discretion of the Community and Economic Development Director (billboards are currently not allowed within 250 feet of residential zones). The amendment to the Municipal Code states that billboards may be placed within 250 feet of a residentially zoned property if it can be demonstrated by the positioning of the digital panels that there is no significant light intrusion, to be determined by the Community and Economic Development Director. Therefore, each billboard will be considered on a case-by-case basis.

Furthermore, the proposed zone change and general plan amendment for Area 8 will change the residentially-zoned portion of Area 8 to a commercial zone. Future digital billboards will feature light-emitting diode (“LED”) displays. As opposed to incandescent signs, LED signs are highly directional, which is an advantage in an urban setting since the light can be directed more precisely to the intended audience. Further, obstructions such as trees would further reduce overall ambient light increases. In addition to obstructions, any existing light within the area will further diminish any light increase. As a result, any nearby residential uses will not be significantly impacted by the introduction of any digital billboards and conformance to the aforementioned Municipal Code requirements will reduce the potential light and glare impacts to levels that are less than significant.

### **3.1.3 MITIGATION MEASURES**

The analysis of aesthetics indicated that less than significant impacts on these resources would occur as part of the proposed project's implementation. As a result, no mitigation is required.

## 3.2 AGRICULTURE & FORESTRY RESOURCES

### 3.2.1 THRESHOLDS OF SIGNIFICANCE

According to the City of El Monte, acting as Lead Agency, a project may be deemed to have a significant impact on agriculture and forestry resources if it results in any of the following:

- The conversion of Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural uses;
- A conflict with existing zoning for agricultural uses, or a Williamson Act Contract;
- A conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code Section 12220(g)), timberland (as defined by Public Resources Code Section 4526), or timberland zoned Timberland Production (as defined by Government Code Section 51104(g));
- The loss of forest land or conversion of forest land to a non-forest use; or,
- Changes in the existing environment which, due to their location or nature, could result in conversion of Farmland to non-agricultural use or conversion of forest land to a non-forest use.

### 3.2.2 ANALYSIS OF ENVIRONMENTAL IMPACTS

*A. Would the project convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural uses? • No Impact.*

No agricultural activities are located within the City of El Monte or within Areas 8 through 10 nor does the City of El Monte General Plan provide for any agricultural land uses.<sup>19</sup> In addition, no agriculture zones exist within the City's zoning code nor do any other zoning designations in the City's zoning code permit agricultural uses. Areas 8 through 10 are located within properties that are zoned for urban development.

Area 8 is zoned *R-3 (Medium-Density Multiple-Family Dwelling)*, *C-3 (General Commercial)*, and *C-4 (Heavy Commercial)* and has General Plan land use designations of *Medium Density Residential* and *General Commercial*. Area 9 is zoned *O-P (Office Professional)* and has a General Plan land use designation of *Office Professional*. Area 10 is zoned *M-1 (Light Manufacturing)* and has a General Plan land use designation of *Industrial/Business Park*. The proposed project involves a zone change and a general plan amendment at Area 8. A portion of Area 8 is zoned for residential uses and is proposed to be changed to a commercial zone. The environmental settings of the Freeway Billboard Overlay Zone areas are summarized in the Section 3.1.2.C, in Table 3-1. As a result, no conversion of farmland soils will result from the proposed project's implementation.

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<sup>19</sup> City of El Monte. *El Monte General Plan Land Use Element*.

- B. *Would the project conflict with existing zoning for agricultural uses, or a Williamson Act Contract?***  
• *No Impact.*

As indicated previously, Areas 8 through 10 and the adjacent properties are not being used for agricultural purposes. The City's applicable General Plan and Zoning designations for the Freeway Billboard Overlay Zone areas do not permit farming or agricultural land uses. According to the State Department of Conservation, Division of Land Resource Protection, Areas 8 through 10 are not subject to a Williamson Act Contract.<sup>20</sup> As a result, no impacts on existing or future Williamson Act Contracts would occur.

- C. *Would the project conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code Section 12220(g)), timberland (as defined by Public Resources Code Section 4526), or timberland zoned Timberland Production (as defined by Government Code Section 51104(g))?*** • *No Impact.*

According to the California Public Resources Code, "forest land" is land that can support 10% native tree cover of any species, including hardwoods, under natural conditions, and that allows for management of one or more forest resources, including timber, aesthetics, fish and wildlife, biodiversity, water quality, recreation, and other public benefits. "Timberland" is defined as land, other than land owned by the federal government and land designated by the board as experimental forest land, which is available for, and capable of, growing a crop of trees of a commercial species used to produce lumber and other forest products, including Christmas trees. "Timberland production zone" or "TPZ" means an area which has been zoned and is devoted to and used for growing and harvesting timber, or for growing and harvesting timber and compatible uses.<sup>21</sup>

The City of El Monte and Areas 8 through 10 are located in the midst of a larger urban area and no forest lands are located within the City. The City of El Monte General Plan and the El Monte Zoning Code do not provide for any forest land preservation. As a result, no impacts on forest land or timber resources will result upon the proposed project's implementation.

- D. *Would the project result in the loss of forest land or conversion of forest land to a non-forest use?*** • *No Impact.*

No forest lands are found within the City of El Monte nor does the City of El Monte General Plan or zoning code provide for any forest land protection. As indicated previously, Areas 8 through 10 and the surrounding properties are currently developed in urban uses.<sup>22</sup> As a result, no impacts will occur with the adoption of the proposed project.

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<sup>20</sup> California Department of Conservation. *State of California Williamson Act Contract Land*. <ftp://ftp.consrv.ca.gov>.

<sup>21</sup> California Public Resources Code. Sections 12220(g), 4526 and 51104(g).

<sup>22</sup> Blodgett Baylosis Environmental Planning. Site Survey was completed on August 8, 2019.

- E.** *Would the project involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland to non-agricultural use or conversion of forest land to a non-forest use? • No Impact.*

No farmland or forest lands are located in the City or within any of the Freeway Billboard Overlay Zone areas. As a result, the proposed project will not involve the conversion of any existing farmland or forest area to urban uses and, as a result, no impacts will occur.

### **3.2.3 MITIGATION MEASURES**

The analysis of agricultural and forestry resources indicated that no significant adverse impacts on these resources would occur as part of the proposed project and no mitigation is required.

## 3.3 AIR QUALITY

### 3.3.1 THRESHOLDS OF SIGNIFICANCE

According to the City of El Monte, acting as Lead Agency, a project will be deemed to have a significant adverse environmental impact on air quality, if it results in any of the following:

- A conflict with or an obstruction of the implementation of the applicable air quality plan;
- A cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable Federal or State ambient air quality standard;
- The exposure of sensitive receptors to substantial pollutant concentrations; or,
- Other emissions adversely affecting a substantial number of people.

Air quality impacts may occur during the installation or operation phase of a project, and may come from stationary (e.g., industrial processes, generators), mobile (e.g., automobiles, trucks), or area (e.g., residential water heaters) sources. The South Coast Air Quality Management District (SCAQMD) is the main regulatory authority in the region (the South Coast Air Basin, which includes the City of El Monte) with regard to air quality issues. In April 1993, the SCAQMD adopted a CEQA Air Quality Handbook that provides guidance for the CEQA analysis of potential air quality impacts of new projects.

The SCAQMD has established quantitative thresholds for short-term (construction/billboard installation) emissions and long-term (operational) emissions for the following criteria pollutants:

- *Ozone* ( $O_3$ ) is a nearly colorless gas that irritates the lungs, damages materials, and vegetation. Ozone is formed by photochemical reaction (when nitrogen dioxide is broken down by sunlight).
- *Carbon monoxide* (CO) is a colorless, odorless toxic gas that interferes with the transfer of oxygen to the brain and is produced by the incomplete combustion of carbon-containing fuels emitted as vehicle exhaust.
- *Nitrogen dioxide* ( $NO_2$ ) is a yellowish-brown gas, which at high levels can cause breathing difficulties.  $NO_2$  is formed when nitric oxide (a pollutant from burning processes) combines with oxygen.
- *Sulfur dioxide* ( $SO_2$ ) is a colorless, pungent gas formed primarily by the combustion of sulfur-containing fossil fuels. Health effects include acute respiratory symptoms and difficulty in breathing for children.
- *$PM_{10}$  and  $PM_{2.5}$*  refers to particulate matter less than ten microns and two and one-half microns in diameter, respectively. Particulates of this size cause a greater health risk than larger-sized particles since fine particles can more easily cause irritation.

Projects in the South Coast Air Basin (Basin) generating construction-related emissions that exceed any of the following emissions thresholds are considered to be significant under CEQA:

- 75 pounds per day of reactive organic compounds;
- 100 pounds per day of nitrogen dioxide;
- 550 pounds per day of carbon monoxide;
- 150 pounds per day of PM<sub>10</sub>;
- 55 pounds per day of PM<sub>2.5</sub>; or,
- 150 pounds per day of sulfur oxides.

A project would have a significant effect on air quality if any of the following operational emissions thresholds for criteria pollutants are exceeded:

- 55 pounds per day of reactive organic compounds;
- 55 pounds per day of nitrogen dioxide;
- 550 pounds per day of carbon monoxide;
- 150 pounds per day of PM<sub>10</sub>;
- 55 pounds per day of PM<sub>2.5</sub>; or,
- 150 pounds per day of sulfur oxides.

### **3.3.2 ANALYSIS OF ENVIRONMENTAL IMPACTS**

**A.** *Would the project conflict with or obstruct implementation of the applicable air quality plan? • No Impact.*

The proposed project involves an amendment to portions of Title 17 (Zoning) of the El Monte Municipal Code to allow for the expansion of the Freeway Billboard Overlay Zone and to allow for the installation of billboards within 250 feet of residential zones. The proposed project also involves a zone change and a general plan amendment at Area 8. A portion of Area 8 is zoned as *R-3 (Medium-Density Multiple-Family Dwelling)* and this zoning designation is proposed to be changed to *C-3 (General Commercial)*. The same portion of Area 8 has a general plan land use designation of *Medium Density Residential* and this general plan land use designation is proposed to be changed to *General Commercial*.

The City is located within the South Coast Air Basin (Basin), which covers a 6,600 square-mile area within all of Orange County, the non-desert portions of Los Angeles County, Riverside County, and San Bernardino County. Measures to improve regional air quality are outlined in the SCAQMD's Air Quality Management Plan (AQMP). The most recent 2016 AQMP was adopted in March 2017 and was jointly prepared with the California Air Resources Board (CARB) and the Southern California Association of Governments (SCAG).<sup>23</sup>

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<sup>23</sup> South Coast Air Quality Management District. *Final 2016 Air Quality Plan*. Adopted March 2017.

The AQMP will help the SCAQMD maintain focus on the air quality impacts of major projects associated with goods movement, land use, energy efficiency, and other key areas of growth. Key elements of the 2016 AQMP include enhancements to existing programs to meet the 24-hour PM<sub>2.5</sub> federal health standard and a proposed plan of action to reduce ground-level ozone. The primary criteria pollutants that remain non-attainment in the local area include PM<sub>2.5</sub> and ozone. Specific criteria for determining a project's conformity with the AQMP is defined in Section 12.3 of the SCAQMD's CEQA Air Quality Handbook. The Air Quality Handbook refers to the following criteria as a means to determine a project's conformity with the AQMP:<sup>24</sup>

- *Consistency Criteria 1* refers to a proposed project's potential for resulting in an increase in the frequency or severity of an existing air quality violation or its potential for contributing to the continuation of an existing air quality violation.
- *Consistency Criteria 2* refers to a proposed project's potential for exceeding the assumptions included in the AQMP or other regional growth projections relevant to the AQMP's implementation.

In terms of Criteria 1, the long-term (operational) airborne emissions associated with the operation of future billboards will be below levels that the SCAQMD considers to be a significant impact (refer to the analysis included in the next section where the long-term stationary and mobile emissions for the installation of the billboards are summarized in Table 3-3). Operational emissions will be limited to off-site stationary emissions associated with electrical power generation and routine maintenance. The installation of the billboards will also conform to Consistency Criteria 2 since it will not affect any regional population, housing, and employment projections prepared for the City because the billboards will not result in an increase in population and employment, or a need for housing.

The City's General Plan includes Air Quality sections within the Public Health and Safety Element, and the Health and Wellness Element. In these sections, the following policies related to air quality are identified:<sup>25</sup>

- *Goal PHS-3 (Public Health and Safety):* Clean and healthful air through the implementation of responsive land use practices, enhancement to the natural landscape, pollution reduction strategies, and cooperation with regional agencies.
- *PHS-3.1, Land Use:* As a condition for siting or expanding operations in El Monte, require air pollution emitters to evaluate and fully mitigate the impacts of their operations on schools, homes, medical facilities, child care centers, and other sensitive receptors.
- *PHS-3.2, Sensitive Receptors:* Utilize CARB recommendations to evaluate the siting of dry cleaners, chrome platers, large gas stations, freeways, and other high pollutant sources near residences, health care facilities, schools, and other sensitive land uses.
- *PHS-3.3, Community Forest:* As prescribed in the Parks and Recreation Element, enhance the City's community forest by planting trees along all roadways as a means to help filter air pollutants, clean the air, and provide other health benefits to the community.

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<sup>24</sup> South Coast Air Quality Management District. *CEQA Air Quality Handbook*. April 1993.

<sup>25</sup> City of El Monte. *Vision El Monte General Plan*. June 2011.



- *PHS-3.4, Transportation:* Encourage alternative modes of travel to work and school by maximizing transit service, purchasing alternative fuel vehicles, completing all sidewalks, and creating a network of multiuse trails and bicycle paths.
- *PHS-3.6, Health Risk Assessment:* Require that projects for new industries or expansion of industries that produce air pollutants conduct a health risk assessment and establish appropriate mitigation prior to approval of new construction, rehabilitation, or expansion permits.
- *Goal HW-12 (Health and Wellness):* Land use patterns reduce driving, enhance air quality, and improve respiratory health.
  - *HW-12.1, Walking, Cycling, and Transit Use:* Promote land use patterns that reduce driving rates and promote walking, cycling and transit use.
  - *HW-12.2, Truck Routes:* Discourage locating truck routes on primarily residential streets.
  - *HW-12.5, Air Pollution Mitigation:* Use landscaping, ventilation systems, double paned windows, or other mitigation measures to achieve healthy indoor air quality and noise levels in sensitive land uses.
  - *HW-12.8, Air Quality Policies:* Support policies that reduce emissions of pollutants from stationary and mobile sources such as industrial facilities, motor vehicles and trains.

The proposed project will not prohibit or preclude the policies outlined above relating to air quality and greenhouse gas emissions. Based on the findings made above, no violation of an air quality plan will occur.

**B. Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard? • Less than Significant Impact.**

Areas 8 through 10 and the entire City are located in a non-attainment area for ozone and particulates; therefore, the installation of the billboards will be required to comply with the requirements of SCAQMD Rule 403, Fugitive Dust, which requires the implementation of Best Available Control Measures (BACM) for all fugitive dust sources, and the 2016 AQMP, which identifies BACMs and Best Available Control Technologies (BACT) for area sources and point sources, respectively. According to SCAQMD Rule 403, Fugitive Dust, all unpaved demolition and construction areas shall be regularly watered up to three times per day during excavation, grading, and construction as required (depending on temperature, soil moisture, wind, etc.). Watering could reduce fugitive dust by as much as 55 percent. Rule 403 also requires that temporary dust covers be used on any piles of excavated or imported earth to reduce wind-blown dust. In addition, all clearing, earthmoving, or excavation activities must be discontinued during periods of high winds (i.e. greater than 15 mph), so as to prevent excessive amounts of fugitive dust. Finally, the contractors must comply with other SCAQMD regulations governing equipment idling and emissions controls. The aforementioned SCAQMD regulations are standard conditions required for every construction project undertaken in the City as well as in the cities and counties governed by the SCAQMD.

The typical duration of a static or digital billboard installation occurs over a six-day period. The analysis of daily construction/billboard installation and operational emissions was prepared utilizing the

California Emissions Estimator Model (CalEEMod V.2016.3.2). The air quality emissions model assumed the installation and operation of one billboard since the new potential billboards will not be constructed simultaneously and will not be located adjacent to each other (the minimum required distance between digital billboards is 1,000 feet; between all billboards adjacent to the I-10 freeway is 500 feet; between all billboards adjacent to primary highways that are not freeways, such as Rosemead Boulevard, is 100 feet).

The assumptions regarding the billboard installation phases and the length of construction/billboard installation followed those identified in Section 2.4.2. As shown in Table 3-2, daily construction emissions are not anticipated to exceed the SCAQMD significance thresholds.

**Table 3-2**  
**Estimated Daily Construction Emissions**

| Construction Phase                  | ROG         | NO <sub>x</sub> | CO          | SO <sub>2</sub> | PM <sub>10</sub> | PM <sub>2.5</sub> |
|-------------------------------------|-------------|-----------------|-------------|-----------------|------------------|-------------------|
| Demolition (on-site)                | 0.87        | 7.87            | 7.62        | 0.01            | 0.47             | 0.45              |
| Demolition (off-site)               | 0.05        | 0.03            | 0.41        | 1.15e-3         | 0.11             | 0.03              |
| <b>Total Demolition Phase</b>       | <b>0.92</b> | <b>7.90</b>     | <b>8.03</b> | <b>0.01</b>     | <b>0.58</b>      | <b>0.48</b>       |
| Site Preparation (on-site)          | 0.69        | 8.43            | 4.09        | 9.74e-3         | 0.34             | 0.31              |
| Site Preparation (off-site)         | 0.02        | 0.02            | 0.20        | 5.70e-4         | 0.06             | 0.02              |
| <b>Total Site Preparation</b>       | <b>0.71</b> | <b>8.45</b>     | <b>4.29</b> | <b>0.01</b>     | <b>0.40</b>      | <b>0.33</b>       |
| Grading (on-site)                   | 0.87        | 7.87            | 7.62        | 0.01            | 1.22             | 0.86              |
| Grading (off-site)                  | 0.05        | 0.03            | 0.41        | 1.15e-3         | 0.11             | 0.03              |
| <b>Total Grading</b>                | <b>0.92</b> | <b>7.90</b>     | <b>8.03</b> | <b>0.01</b>     | <b>1.33</b>      | <b>0.89</b>       |
| Building Construction (on-site)     | 0.86        | 8.85            | 7.39        | 0.01            | 0.52             | 0.48              |
| Building Construction (off-site)    | 0.00        | 0.00            | 0.00        | 0.00            | 0.00             | 0.00              |
| <b>Total Building Construction</b>  | <b>0.86</b> | <b>8.85</b>     | <b>7.39</b> | <b>0.01</b>     | <b>0.52</b>      | <b>0.48</b>       |
| Paving (on-site)                    | 0.77        | 7.23            | 7.11        | 0.01            | 0.40             | 0.37              |
| Paving (off-site)                   | 0.08        | 0.05            | 0.74        | 2.07e-3         | 0.20             | 0.05              |
| <b>Total Paving</b>                 | <b>0.85</b> | <b>7.28</b>     | <b>7.85</b> | <b>0.01</b>     | <b>0.60</b>      | <b>0.42</b>       |
| Architectural Coatings (on-site)    | 0.71        | 1.68            | 1.83        | 2.97e-3         | 0.11             | 0.11              |
| Architectural Coatings (off-site)   | 0.00        | 0.00            | 0.00        | 0.00            | 0.00             | 0.00              |
| <b>Total Architectural Coatings</b> | <b>0.71</b> | <b>1.68</b>     | <b>1.83</b> | <b>2.97e-3</b>  | <b>0.11</b>      | <b>0.11</b>       |
| <b>Maximum Daily Emissions</b>      | <b>0.92</b> | <b>8.85</b>     | <b>8.03</b> | <b>0.01</b>     | <b>1.33</b>      | <b>0.89</b>       |
| <b>Daily Thresholds</b>             | <b>75</b>   | <b>100</b>      | <b>550</b>  | <b>150</b>      | <b>150</b>       | <b>55</b>         |

Source: CalEEMod V.2016.3.2

The short-term construction emissions will be limited to those emissions generated during the billboard installation. The billboard support structure, sign face, and the ancillary equipment are manufactured off-site and will be assembled at the installation sites. The estimated daily construction emissions (shown

in Table 3-2) assume compliance with the following applicable SCAQMD rules and regulations for the control of fugitive dust and architectural coating emissions:

- Excessive fugitive dust emissions shall be controlled by regular watering or other dust preventive measures using the applicable procedures outlined in the SCAQMD's Rules and Regulations.
- Ozone precursor emissions from construction equipment vehicles shall be controlled by maintaining equipment engines in good condition and in proper tune.
- All trucks associated with the billboard installation activities shall comply with State Vehicle Code Section 23114, with special attention to Sections 23114(b)(F), (e)(2) and (e)(4) as amended, regarding the prevention of such material spilling onto public streets and roads.
- The project shall comply with SCAQMD Rule 402 that limits the generation of airborne pollutants that would cause injury, detriment, or result in a nuisance.

Long-term emissions refer to those air quality impacts that will occur once the development is operational and that will continue over the operational life of the project. The analysis of long-term operational impacts also used the CalEEMod V. 2016.3.2 computer model. Table 3-3 depicts the estimated operational emissions generated by the proposed project.

**Table 3-3**  
**Estimated Operational Emissions in lbs/day**

| <b>Emission Source</b>  | <b>ROG</b>     | <b>NO<sub>2</sub></b> | <b>CO</b>      | <b>SO<sub>2</sub></b> | <b>PM<sub>10</sub></b> | <b>PM<sub>2.5</sub></b> |
|-------------------------|----------------|-----------------------|----------------|-----------------------|------------------------|-------------------------|
| Area-wide (lbs/day)     | 2.24e-3        | 0.00                  | 1.00e-4        | 0.00                  | 0.00                   | 0.00                    |
| Energy (lbs/day)        | 0.00           | 0.00                  | 0.00           | 0.00                  | 0.00                   | 0.00                    |
| Mobile (lbs/day)        | 0.00           | 0.00                  | 0.00           | 0.00                  | 0.00                   | 0.00                    |
| <b>Total (lbs/day)</b>  | <b>2.24e-3</b> | <b>0.00</b>           | <b>1.00e-4</b> | <b>0.00</b>           | <b>0.00</b>            | <b>0.00</b>             |
| <b>Daily Thresholds</b> | <b>55</b>      | <b>55</b>             | <b>550</b>     | <b>150</b>            | <b>150</b>             | <b>55</b>               |

Source: CalEEMod V.2016.3.2

As indicated in Table 3-3, the projected long-term emissions are below thresholds considered to represent a significant adverse impact. Therefore, the operation of the billboards will not contribute to an existing air quality violation. With the implementation of the standard construction-related SCAQMD rules and regulations, the impacts will be less than significant.

**C. Would the project expose sensitive receptors to substantial pollutant concentrations? • Less than Significant Impact.**

Sensitive receptors refer to land uses and/or activities that are especially sensitive to poor air quality and typically include homes, schools, playgrounds, hospitals, convalescent homes, and other facilities where children or the elderly may congregate. These population groups are generally more sensitive to poor air quality.

As previously mentioned, the proposed project will involve an amendment to the Municipal Code to allow for the installation of billboards within 250 feet of residential zones at the discretion of the Community and Economic Development Director (billboards are currently not allowed within 250 feet of residential zones). The amendment to the Municipal Code states that billboards may be placed within 250 feet of a residentially zoned property if it can be demonstrated by the positioning of the digital panels that there is no significant light intrusion, to be determined by the Community and Economic Development Director. Therefore, each billboard will be considered on a case-by-case basis. Furthermore, the proposed zone change and general plan amendment for Area 8 will change the residentially-zoned portion of Area 8 to a commercial zone.

In addition, the short-term impacts related to the installation of any of the potential static or digital billboards will not result in significant emissions (refer to the Tables 3-2 and 3-3 in the previous section and the CalEEMod worksheets in Appendix A). The trips generated as a result of the future billboards will not be significant enough to result in a carbon monoxide “hot-spot” that could lead to an exceedance of the State’s one-hour or eight-hour carbon monoxide standards. An intersection’s level of service (LOS) would need to degrade to a LOS F for the congestion to be great enough to result in the creation of a CO hot-spot.<sup>26</sup> As previously mentioned, operational vehicle trips will be limited to those associated with routine billboard maintenance; therefore, mobile emissions will be minimal (refer to Table 3-3). Since the proposed project will not result in any significant net increase in traffic generation, no change in the existing LOS for any area intersections will occur.

Furthermore, fugitive dust emission, which is responsible for PM<sub>10</sub> and PM<sub>2.5</sub> emissions, will further be reduced through the implementation of SCAQMD regulations related to fugitive dust generation and other construction-related emissions.<sup>27</sup> These SCAQMD regulations are standard conditions required for every construction project undertaken in the City as well as in the cities and counties governed by the SCAQMD. As a result, less than significant impacts will occur.

**D. *Would the project result in other emissions (such as those leading to odors) adversely affecting a substantial number of people? • Less than Significant Impact.***

The SCAQMD has identified those land uses that are typically associated with odor complaints. These uses include activities involving livestock, rendering facilities, food processing plants, chemical plants, composting activities, refineries, landfills, and businesses involved in fiberglass molding. The proposed project will not result in the generation of any odors. Furthermore, construction truck drivers must adhere to Title 13 - §2485 of the California Code of Regulations, which limits the idling of diesel powered vehicles to less than five minutes.<sup>28</sup> In addition, the project’s contractors must adhere to SCAQMD Rule 403 regulations, which significantly reduce the generation of fugitive dust. As a result, less than significant impacts will occur.

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<sup>26</sup> South Coast Air Quality Management District. *CEQA Air Quality Handbook, Appendix 9*. 2004 (as amended).

<sup>27</sup> South Coast Air Quality Management District. *Rule 403, Fugitive Dust*. As Amended June 3, 2005.

<sup>28</sup> California, State of. *California Code of Regulations, Title 13, Section 2485 Airborne Toxic Control Measure to Limit Diesel-Fueled Commercial Motor Vehicle Idling*.

### **3.3.3 MITIGATION MEASURES**

The future billboards' construction/installation and operational emissions are not considered to represent a significant adverse impact. As a result, no mitigation is required.

### 3.4 BIOLOGICAL RESOURCES

#### 3.4.1 THRESHOLDS OF SIGNIFICANCE

According to the City of El Monte, acting as Lead Agency, a project may be deemed to have a significant adverse impact on biological resources if it results in any of the following:

- A substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Wildlife or U.S. Fish and Wildlife Service;
- A substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations, or by the California Department of Fish and Wildlife or U.S. Fish and Wildlife Service;
- A substantial adverse effect on State or Federally protected wetlands (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means;
- A substantial interference with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory life corridors, or the impedance of the use of native wildlife nursery sites;
- A conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance; or,
- A conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or State habitat conservation plan.

#### 3.4.2 ANALYSIS OF ENVIRONMENTAL IMPACTS

- A. Would the project have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Wildlife or U.S. Fish and Wildlife Service? • No Impact.*

Areas 8 through 10 and the surrounding areas are fully developed. No native or natural habitats are located within Areas 8 through 10 or within the surrounding area.<sup>29</sup> Animal life within the area consists of species commonly found in an urban area. All existing buildings and landscaping features would be retained. The EIR prepared for the City's 2011 General Plan does not identify any protected species within Areas 8 through 10.<sup>30</sup> However, the El Monte General Plan Background Report noted several occurrences of threatened or endangered species as late as 1987. There are no recent occurrences. There

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<sup>29</sup> Blodgett Baylosis Environmental Planning. Site Survey was completed on August 8, 2019.

<sup>30</sup> City of El Monte. *Vision El Monte General Plan*. June 2011.

are no other local or regional plans, policies, or regulations that identify candidate, sensitive or special status species except those identified by the California Department of Fish and Wildlife.

A review of the California Department of Fish and Wildlife California Natural Biodiversity Database (CNDDDB) Bios Viewer for the El Monte Quadrangle indicated that there are nine federally- or State-recognized threatened or endangered species located within the El Monte Quadrangle.<sup>31</sup> The majority of these threatened or endangered species are not likely to be found on-site due to the lack of suitable habitat. These species include:

- The *coastal California gnatcatcher* is a bird species not likely to be found within Areas 8 through 10 due to the lack of coastal sage scrub, the species primary habitat.<sup>32</sup>
- The *least Bell's vireo* is not likely to be found within Areas 8 through 10 due to the lack of riparian habitat. Furthermore, the majority of the bird species live in San Diego County.<sup>33</sup>
- The *Santa Ana sucker* is a fish species that will not be found within Areas 8 through 10 because the nearest body of water (Rio Hondo Channel) is located one-quarter mile to the east.<sup>34</sup>
- The *bank swallow* is a bird species not likely to be found within Areas 8 through 10 due to the lack of riparian habitat.<sup>35</sup>
- The *willow flycatcher* is a bird species not likely to be found within Areas 8 through 10 due to the lack of marsh, brushy fields, and willow thickets, the species primary habitat.<sup>36</sup>
- The *southwestern Willow flycatcher* is a bird species not likely to be found within Areas 8 through 10 due to the lack of dense riparian habitat.<sup>37</sup>
- The *western yellow-billed cuckoo* is an insect-eating bird not likely to be found within Areas 8 through 10 due to the lack of riparian woodland habitat.<sup>38</sup>
- The *light-footed Ridgway's rail* is a bird species not likely to be found within Areas 8 through 10 due to the lack of coastal salt marshes and lagoons.<sup>39</sup>
- The *Swainson's hawk* is not likely to be found within Areas 8 through 10 due to the lack of plains and farmland.<sup>40</sup>

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<sup>31</sup> California Department of Fish and Wildlife. Bios Viewer. <https://map.dfg.ca.gov/bios/?tool=cnddbQuick>.

<sup>32</sup> Center for Biological Diversity. *Coastal California Gnatcatcher*. [http://www.biologicaldiversity.org/species/birds/coastal\\_California\\_gnatcatcher/](http://www.biologicaldiversity.org/species/birds/coastal_California_gnatcatcher/).

<sup>33</sup> California Partners in Flight Riparian Bird Conservation Plan. *Least Bell's Vireo (Vireo bellii pusillus)*. [http://www.prbo.org/calpif/htmldocs/species/riparian/least\\_bell\\_vireo.htm](http://www.prbo.org/calpif/htmldocs/species/riparian/least_bell_vireo.htm).

<sup>34</sup> Blodgett Baylosis Environmental Planning. Survey was completed on August 8, 2019.

<sup>35</sup> Audubon. *Bank Swallow (Riparia riparia)*. <https://www.audubon.org/guia-de-aves/ave/bank-swallow>.

<sup>36</sup> Audubon. *Willow Flycatcher (Empidonax traillii)*. <http://birds.audubon.org/birds/willow-flycatcher>.

<sup>37</sup> United State Geological Survey. *Southwestern Willow Flycatcher Habitat*. <http://sbsc.wr.usgs.gov/cprs/research/projects/swwf/wiflhab.asp>.

<sup>38</sup> US Fish and Wildlife Service. *Sacramento Fish and Wildlife Office, Public Advisory*. [http://www.fws.gov/sacramento/outreach/Public-Advisories/WesternYellow-BilledCuckoo/outreach\\_PA\\_Western-Yellow-Billed-Cuckoo.htm](http://www.fws.gov/sacramento/outreach/Public-Advisories/WesternYellow-BilledCuckoo/outreach_PA_Western-Yellow-Billed-Cuckoo.htm).

<sup>39</sup> U.S. Fish & Wildlife Service, San Diego Bay. *Light-footed Ridgway's Rail*. [https://www.fws.gov/refuge/san\\_diego\\_bay/wildlife\\_and\\_habitat/Light-footed\\_Ridgways\\_Rail.html](https://www.fws.gov/refuge/san_diego_bay/wildlife_and_habitat/Light-footed_Ridgways_Rail.html).

<sup>40</sup> Audubon. *Swainson's Hawk (Buteo swainsoni)*. <http://www.audubon.org/field-guide/bird/swainsons-hawk>.

The proposed project will have no impact on the aforementioned species because Areas 8 through 10 are located in the midst of an urban area. Areas 8 through 10 and the surrounding areas are not conducive to the survival of the aforementioned species due to the lack of suitable habitat. As a result, no impacts on any candidate, sensitive, or special status species will result upon the installation of any billboards.

**B.** *Would the project have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations, or by the California Department of Fish and Wildlife or U.S. Fish and Wildlife Service?* • No Impact.

Areas 8 through 10 and surrounding areas are largely developed. There are no local or regional plans, policies, or regulations that identify any riparian habitat or other sensitive natural community at or near Areas 8 through 10, nor does the California Department of Fish and Wildlife identify any such habitat. A review of the U.S. Fish and Wildlife Service National Wetlands Inventory, Wetlands Mapper confirmed that there are no wetlands or riparian habitat present within Areas 8 through 10 and the City of El Monte (refer to Exhibit 3-1). This conclusion is also supported by the field survey of Areas 8 through 10 and the surrounding area.<sup>41</sup> The nearest wetlands to the City of El Monte are found along the San Gabriel River, adjacent to the eastern and southeastern portion of the City.<sup>42</sup> As a result, no impacts on natural or riparian habitats will result from the proposed project's implementation.

**C.** *Would the project have a substantial adverse effect on state or federally protected wetlands (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?* • No Impact.

As previously mentioned, Areas 8 through 10 are located in the midst of an urbanized setting and no wetlands are located within the City, but various wetlands are located adjacent to the City. However, the installation or relocation of any billboards will be limited to the installation sites and will not affect any wetlands. As a result, no impacts will occur.

**D.** *Would the project interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory life corridors, or impede the use of native wildlife nursery sites?* • No Impact.

There are no areas of natural open space or areas of significant biological value within or adjacent to Areas 8 through 10. In addition, there are no bodies of water that could provide a habitat for migratory birds. The Rio Hondo Channel extends through the City of El Monte and along the southeast border of proposed Area 9. As indicated on the National Wetlands Inventory, the Rio Hondo Channel is classified as a Riverine but does not serve as a wetland in the City of El Monte.<sup>43</sup> Therefore, any future static or digital billboards will not infringe upon any bodies of water or habitats. The individual Freeway Billboard Overlay Zone areas do not function as a migratory corridor for the movement of native or migratory animals. Constant disturbance (noise and vibration) from vehicles traveling on the adjacent roadways

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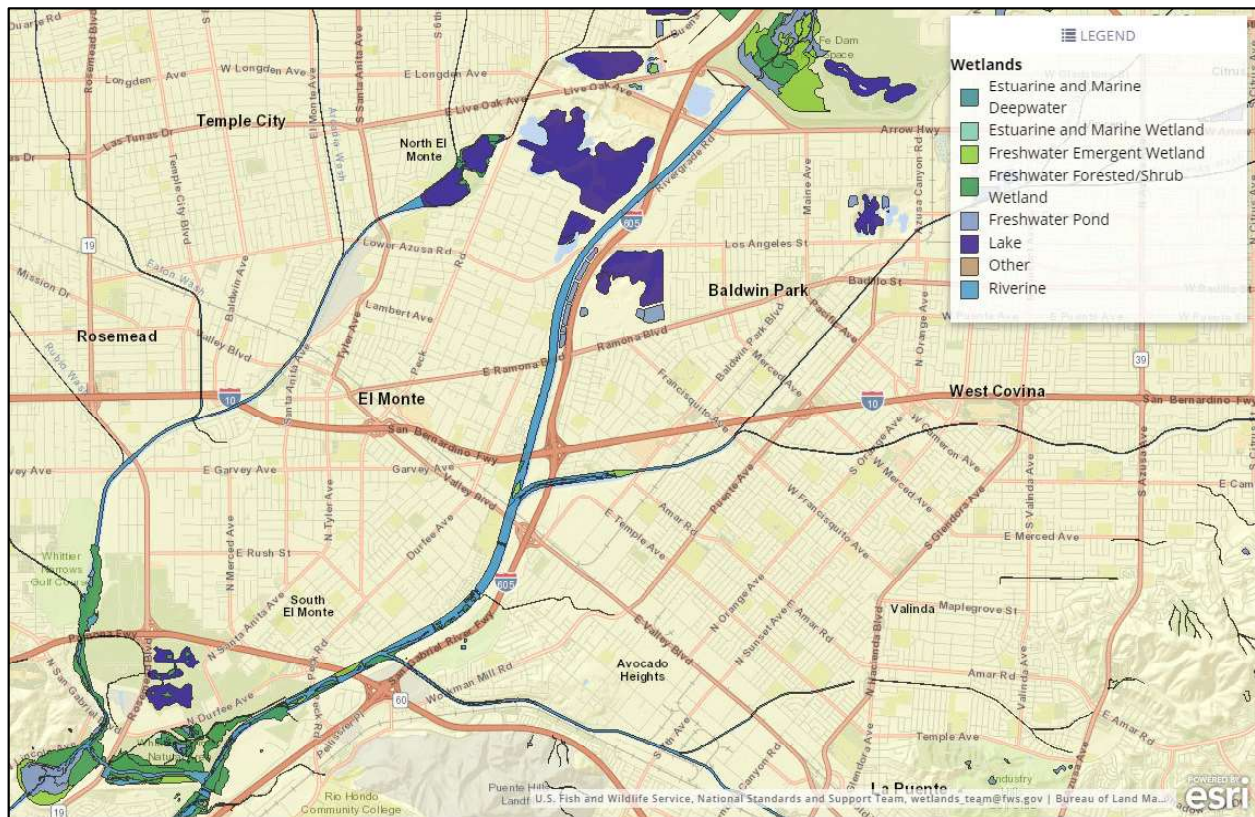
<sup>41</sup> Blodgett Baylosis Environmental Planning. Survey was completed on August 8, 2019.

<sup>42</sup> U.S. Fish and Wildlife Service. National Wetlands Inventory – V2. <https://www.fws.gov/Wetlands/data/Mapper.html>. Website accessed August 9, 2019.

<sup>43</sup> Ibid.



INITIAL STUDY AND MITIGATED NEGATIVE DECLARATION  
FREeway BILLBOARD OVERLAY ZONE MUNICIPAL CODE AMENDMENT • CITY OF EL MONTE



**EXHIBIT 3-1**  
**WETLANDS MAP**  
SOURCE: NATIONAL WETLANDS INVENTORY

further limit the installation sites' utility as a migration corridor. As a result, the proposed project will not affect wildlife migration in the area or otherwise impede the use of native wildlife nursery sites. As a result, no impacts are anticipated.

**E.** *Would the project conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance? • Less than Significant Impact.*

Chapter 14.03 of the El Monte Municipal Code "Tree Protection and Preservation" provides rules and regulations regarding the tampering, removal, maintenance, and protection of trees.<sup>44</sup> Each individual proposed billboard installation or relocation will require a review for approval by the City. In addition, there are no other local policies or ordinances protecting other biological resources. As a result, the installation or relocation of any billboards within Areas 8 through 10 is not in conflict with any local policies or ordinances protecting biological resources. For this reason, the potential impacts are less than significant.

**F.** *Would the project conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan? • No Impact.*

Areas 8 through 10 are not located within areas governed by a habitat conservation or community conservation plan. As a result, no impacts on local, regional or State habitat conservation plans will result from the proposed project's implementation.

### **3.4.3 MITIGATION MEASURES**

The analysis indicated that the installation or relocation of any billboards would not result in any significant adverse impacts on biological resources. As a result, no mitigation measures are required.

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<sup>44</sup> El Monte, City of. *El Monte Tree Protection and Preservation Ordinance*.  
<http://www.elmonteca.gov/LinkClick.aspx?fileticket=mDNuyrd4rhE%3D&tabid=306>.

## 3.5 CULTURAL RESOURCES

### 3.5.1 THRESHOLDS OF SIGNIFICANCE

According to the City of El Monte, acting as Lead Agency, a project will have a significant adverse impact on cultural resources if it results in any of the following:

- A substantial adverse change in the significance of a historical resource pursuant to §15064.5 of the CEQA Guidelines;
- A substantial adverse change in the significance of an archaeological resource pursuant to §15064.5 of the CEQA Guidelines;
- The disturbance of any human remains, including those interred outside of dedicated cemeteries.

### 3.5.2 ANALYSIS OF ENVIRONMENTAL IMPACTS

**A.** *Would the project cause a substantial adverse change in the significance of a historical resource pursuant to §15064.5 of the CEQA Guidelines?* • *No Impact.*

Historic structures and sites are defined by local, State, and Federal criteria. A site or structure may be historically significant if it is locally protected through a General Plan or historic preservation ordinance. In addition, a site or structure may be historically significant according to State or Federal criteria even if the locality does not recognize such significance. To be considered eligible for the National Register, a property's significance may be determined if the property is associated with events, activities, or developments that were important in the past, with the lives of people who were important in the past, or represents significant architectural, landscape, or engineering elements. Specific criteria include the following:

- Districts, sites, buildings, structures, and objects that are associated with the lives of significant persons in or past;
- Districts, sites, buildings, structures, and objects that embody the distinctive characteristics of a type, period, or method of construction, or that represent the work of a master, or that possess high artistic values, or that represent a significant and distinguishable entity whose components may lack individual distinction; or,
- Districts, sites, buildings, structures, and objects that have yielded or may be likely to yield, information important in history or prehistory.

Ordinarily, properties that have achieved significance within the past 50 years are not considered eligible for the National Register. However, such properties *will qualify* if they are integral parts of districts that do meet the criteria or if they fall within the following categories:

- A religious property deriving primary significance from architectural or artistic distinction or historical importance;
- Districts, sites, buildings, structures, and objects that are associated with events that have made a significant contribution to the broad patterns of our history;
- A building or structure removed from its original location that is significant for architectural value, or which is the surviving structure is associated with a historic person or event;
- A birthplace or grave of a historical figure of outstanding importance if there is no appropriate site or building associated with his or her productive life;
- A cemetery that derives its primary importance from graves of persons of transcendent importance, from age, from distinctive design features, or from association with historic events;
- A reconstructed building when accurately executed in a suitable environment and presented in a dignified manner as part of a restoration master plan, and when no other building or structure with the same association has survived;
- A property primarily commemorative in intent if design, age, tradition, or symbolic value has invested it with its own exceptional significance; or,
- A property achieving significance within the past 50 years if it is of exceptional importance.<sup>45</sup>

The State has established *California Historical Landmarks* that include sites, buildings, features, or events that are of statewide significance and have anthropological, cultural, military, political, architectural, economic, scientific or technical, religious, experimental, or other value. *California Points of Historical Interest* have a similar definition, except they are deemed of local significance. A search of the California Office of Historic Preservation online list of California Historical Landmarks yielded the following State-designated landmarks in the City:<sup>46</sup>

- *California Register of Historical Resources No. 975 - El Monte First Southern California Settlement by Immigrants from the United States.* This settlement was located on the banks of the San Gabriel River and played a significant role in California's early pioneer history. The settlement was initially an encampment along the Old Spanish Trail and was an extension of the trail from Missouri to Santa Fe. This historical site is located at Santa Fe Trail Historical Park, near the southwest corner of Valley Boulevard and Santa Anita Avenue.
- *California Point of Historical Interest No. LAN-047 – Old El Monte Jail, Pioneer Park.* The El Monte Jail was constructed by William Dodson and donated to the town in 1880. The original jail was a one room wooden structure and was utilized as a jail until 1922. This historical site is

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<sup>45</sup> U. S. Department of the Interior, National Park Service. National Register of Historic Places. <http://nrhp.focus.nps.gov>. 2010.

<sup>46</sup> California Department of Parks and Recreation. *California Historical Resources*. <http://ohp.parks.ca.gov/ListedResources>. Website accessed August 13, 2019.

located at Pioneer Park, also near the southwest corner of Valley Boulevard and Santa Anita Avenue.

Areas 8 through 10 are not located in areas that meet any of the National or State criteria and are not listed on the National or State Historic Register.<sup>47</sup> In addition, the City's General Plan has not identified the areas as being historically significant. The installation or relocation of any billboards will be limited to the installation sites and will not affect any existing resources listed on any historical register or those identified as being eligible for listing on a historical register. Based on the analysis provided herein, no impacts will occur.

**B. *Would the project cause a substantial adverse change in the significance of an archaeological resource pursuant to §15064.5 of the CEQA Guidelines?* • *Less than Significant Impact.***

The greater Los Angeles Basin was previously inhabited by the Gabrieleño people, named after the San Gabriel Mission. The Gabrieleño tribe has lived in this region for around 7,000 years.<sup>48</sup> Prior to Spanish contact, approximately 5,000 Gabrieleño people lived in villages throughout the Los Angeles Basin.<sup>49</sup> Villages were typically located near major rivers such as the San Gabriel, Rio Hondo, or Los Angeles Rivers. No significant archaeological sites are likely to be discovered during excavation activities due to the previous disturbance and the limited degree of excavation that will be required to install the proposed pylon footings and infrastructure connections. Although Areas 8 through 10 have been subject to disturbance to accommodate the existing buildings, the areas could potentially be situated in an area of high archaeological significance. As a result, a mitigation measure is provided in Section 3.18 (Tribal Cultural Resources) to ensure that a tribal representative is present during construction-related ground-disturbing activities. In the event that the tribal representative identifies an archeological resource on-site during ground-disturbing activities, Title 14; Chapter 3; Article 5; Section 15064.5 of CEQA will apply in terms of the identification of significant archaeological resources and their salvage.<sup>50</sup> The California Office of Historic Preservation states that avoidance and preservation in place are the preferable forms of mitigation for archeological sites. When avoidance is infeasible, a data recovery plan, which makes provision for adequately recovering the scientifically consequential information from and about the historical resource, shall be prepared and adopted prior to any excavation being undertaken. Such studies shall be deposited with the California Historical Resources Regional Information Center.<sup>51</sup> If an artifact must be removed during project excavation or testing, curation may be an appropriate mitigation.<sup>52</sup> Adherence to the abovementioned regulations will reduce potential impacts to levels that are less than significant.

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<sup>47</sup> U. S. Department of the Interior, National Park Service. *National Register of Historic Places*. <http://focus.nps.gov/nrhp>. Website accessed August 13, 2019. Secondary Source: California Department of Parks and Recreation. *California Historical Resources*. <http://ohp.parks.ca.gov/ListedResources>. Website accessed August 13, 2019.

<sup>48</sup> Tongva People of Sunland-Tujunga. *Introduction*. [http://www.lausd.k12.ca.us/Verdugo\\_HS/classes/multimedia/intro.html](http://www.lausd.k12.ca.us/Verdugo_HS/classes/multimedia/intro.html).

<sup>49</sup> Rancho Santa Ana Botanical Garden. *Tongva Village Site*. <http://www.rsabg.org/component/k2/item/453-tongva-village-site>.

<sup>50</sup> California, State of. *Title 14. California Code of Regulations. Chapter 3. Guidelines for the Implementation of the California Environmental Quality Act*. as Amended 1998 (CEQA Guidelines). §15064.5.

<sup>51</sup> Ibid. §15126.4.

<sup>52</sup> Curation would involve the selection, organization and looking after of archeological items in a collection or exhibition.

**C. *Would the project disturb any human remains, including those interred outside of dedicated cemeteries? • Less than Significant Impact.***

There are no cemeteries located within or adjacent to Areas 8 through 10. The installation process is unlikely to uncover human remains due to the limited excavation that is to be performed in the designated sites. Notwithstanding, in the unlikely event that remains are uncovered by construction crews, all excavation activities shall be halted and the El Monte Police Department (EMPD) will be contacted (the EMPD will then contact the Los Angeles County Coroner). In addition, a mitigation measure is provided in Section 3.18 (Tribal Cultural Resources) to ensure that a tribal representative is present during construction-related ground-disturbing activities. As a result, billboard installation activities are not anticipated to impact any interred human remains and the impacts are considered to be less than significant.

### **3.5.3 MITIGATION MEASURES**

The analysis of potential cultural resources impacts indicated that Areas 8 through 10 are situated in an area of high archaeological significance. A mitigation measure is provided in Section 3.18 (Tribal Cultural Resources) to ensure that a tribal representative is present during construction-related ground-disturbing activities.

## 3.6 ENERGY

### 3.6.1 THRESHOLDS OF SIGNIFICANCE

According to the City of El Monte, acting as Lead Agency, a project may be deemed to have a significant adverse impact on the environment if it results in the following:

- A potentially significant environmental impact due to wasteful, inefficient, or unnecessary consumption of energy resources during project construction or operation; or,
- A conflict with or obstruction of a State or local plan for renewable energy or energy efficiency.

### 3.6.2 ANALYSIS OF ENVIRONMENTAL IMPACTS

A. *Would the project result in a potentially significant environmental impact due to wasteful, inefficient, or unnecessary consumption of energy resources during project construction or operation? • Less than Significant Impact.*

A number of variables will affect the potential power consumption of a digital billboard including sign face size, resolution (how close pixels are spaced, also referred to as the diode density), how many LEDs (light emitting diodes) are in each pixel, the color capabilities of the board (tri-color or full color), the image being displayed and the time of day (day-time operation requires more power than night-time operation, as the lit image must compete with the brightness of the sun). The average annual energy consumption for LED billboards in the Los Angeles region is 61,032 kilowatt hours (“kWh”). For purposes of comparison, a typical single family home in the U.S. will consume 11,040 kWh annually.<sup>53</sup> Future billboards would use electrical energy and would be constructed pursuant to current electrical codes, including Title 24 of the State Building Code. In addition, the City’s Municipal Code contains the following requirements in order to prevent excessive light and energy consumption:<sup>54</sup>

*Digital billboards shall not operate at brightness levels of more than 0.3 foot candles above ambient light, as measured using a foot candle meter in accordance with the pre-set distances set forth below.*

*Pre-set distances to measure the foot candles impact vary with the expected viewing distances of each size sign and shall comply with the following ratios of face size dimensions to points of measurement distances:*

- 12' x 25'; 150'
- 10'6" x 36'; 200'
- 14' x 48'; 250'
- 20' x 60' or 25' x 48'; 350'

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<sup>53</sup> Young, Gregory. *The Basics of Digital Signage and Energy Consumption*.  
[http://www.scenic.org/storage/documents/EXCERPT The Basics of Digital Signage and Energy Consumption.pdf](http://www.scenic.org/storage/documents/EXCERPT%20The%20Basics%20of%20Digital%20Signage%20and%20Energy%20Consumption.pdf).

<sup>54</sup> El Monte, City of. *Municipal Code*. Title 17 Zoning, Chapter 17.88 Freeway Overlay Zone (Billboards), Section 17.88.030 General Requirements (I.3.c-e).

*Each digital billboard must have a light sensing device that will adjust the brightness as ambient light conditions change.*

The installation of billboards will not result in excessive energy consumption because the materials used in the construction of billboards are manufactured off-site and each sign will be installed over a six-day period. The off-site manufacturing of the billboards is not subject to this environmental analysis because it is not directly part of the on-site billboard installation. The manufacturing of the billboards and other construction materials are done off-site and their manufacturing processes are not subject to this CEQA analysis. Therefore, the proposed project will not result in wasteful, inefficient, or unnecessary consumption of energy during installation or operation and the impacts are considered to be less than significant.

**B.** *Would the project conflict with or obstruct a state or local plan for renewable energy or energy efficiency?* • *No Impact.*

The California Public Utilities Commission prepared an updated Energy Efficiency Strategic Plan in 2011 with the goal of promoting energy efficiency and a reduction in greenhouse gases (GHG). Assembly Bill 1109, which was adopted in 2007, also serves as a framework for lighting efficiency. This bill requires the State Energy Resources Conservation and Development Commission to adopt minimum energy efficiency standards structured to reduce average statewide electrical energy consumption by not less than 50 percent from the 2007 levels for indoor residential lighting and not less than 25 percent from the 2007 levels for indoor commercial and outdoor lighting by 2018. As indicated in the previous subsection, the project will not result in wasteful, inefficient, or unnecessary consumption of energy during installation or operation. Therefore, the proposed project will not conflict with or obstruct the state's goal of promoting energy and lighting efficiency and no impacts will occur.

### **3.6.3 MITIGATION MEASURES**

The analysis determined that the proposed project will not result in significant impacts related to energy and mitigation measures are not required.



## 3.7 GEOLOGY & SOILS

### 3.7.1 THRESHOLDS OF SIGNIFICANCE

According to the City of El Monte, acting as Lead Agency, a project may be deemed to have a significant adverse impact on the environment if it results in any of the following:

- Substantial adverse effects, including the risk of loss, injury, or death involving rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault; strong seismic ground shaking; seismic-related ground failure, including liquefaction; or, landslides;
- Substantial soil erosion or the loss of topsoil;
- Location of the project on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse;
- Location of the project on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (2012), creating substantial direct or indirect risks to life or property;
- The project having soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater; or,
- The direct or indirect destruction of a unique paleontological resource or site or unique geologic feature.

### 3.7.2 ANALYSIS OF ENVIRONMENTAL IMPACTS

- A. *Would the project directly or indirectly cause potential substantial adverse effects, including the risk of loss, injury, or death involving rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault; strong seismic ground shaking; seismic-related ground failure, including liquefaction; or, landslides? • Less than Significant Impact.*

*Rupture of a known earthquake fault:*

The City is located in a seismically active region (refer to Exhibit 3-2). Many major and minor local faults traverse the entire Southern California region, posing a threat to millions of residents, including those who reside in the City. Major earthquake faults in the Los Angeles County area include the San Andreas Fault Zone, the Sierra Madre Fault Zone, the Newport-Inglewood Fault, the Norwalk Fault, and the Whittier Fault. In 1972, the Alquist-Priolo Earthquake Zoning Act was passed in response to the damage sustained in the 1971 San Fernando Earthquake. The Alquist-Priolo Earthquake Fault Zoning Act's main purpose is to prevent the construction of buildings used for human occupancy on

the surface trace of active faults.<sup>55</sup> A list of cities and counties subject to the Alquist-Priolo Earthquake Fault Zones is available on the State's Department of Conservation website. The City of El Monte is not on the list.<sup>56</sup> The City is located between the Whittier Fault and the Sierra Madre Fault. However, Areas 8 through 10 are not located within the fault zones of the Whittier Fault and the Raymond/Duarte/Sierra Madre Faults (refer to Exhibit 3-2). Any future billboards will continue to be exposed to potential ground-shaking in the event of an earthquake. The degree of ground-shaking is dependent on the location of the earthquake epicenter, the earthquake's intensity, and a number of other variables. For the project area, the degree of impact will not be significantly different from that anticipated for the surrounding areas. In addition, all future billboards will be subject to all applicable City and state building regulations, including the California Building Code to ensure that potential impacts are less than significant.

*Strong seismic ground shaking:*

As previously mentioned, the City is not on the list of cities subject to the Alquist-Priolo Earthquake Fault Zones and Areas 8 through 10 are not located within the fault zones of the Whittier Fault and the Raymond/Duarte/Sierra Madre Faults (refer to Exhibit 3-2).<sup>57</sup> In addition, all future billboards will be subject to all applicable City and state building regulations, including the California Building Code to ensure that potential impacts are less than significant.

*Seismic-related ground failure, including liquefaction, or landslides:*

Liquefaction is the process by which water-saturated sediment temporarily loses strength and acts as a fluid. Essentially, liquefaction is the process by which the ground soil loses strength due to an increase in water pressure following seismic activity.<sup>58</sup> According to the California Department of Conservation, California Geologic Survey, the entire City of El Monte is located within a potential liquefaction hazard zone (refer to Exhibit 3-2).<sup>59</sup> Areas 8 through 10 are not subject to the risk of landslides (refer to Exhibit 3-2).

The State Seismic Hazards Mapping Act requires the preparation of a geotechnical report for most new development projects that are located in areas that may be subject to seismic hazards. However, the Seismic Hazards Mapping Act and the Alquist-Priolo Earthquake Fault Zoning Act define projects that are exempt from any investigation requirements. The exemption applies to structures of Group

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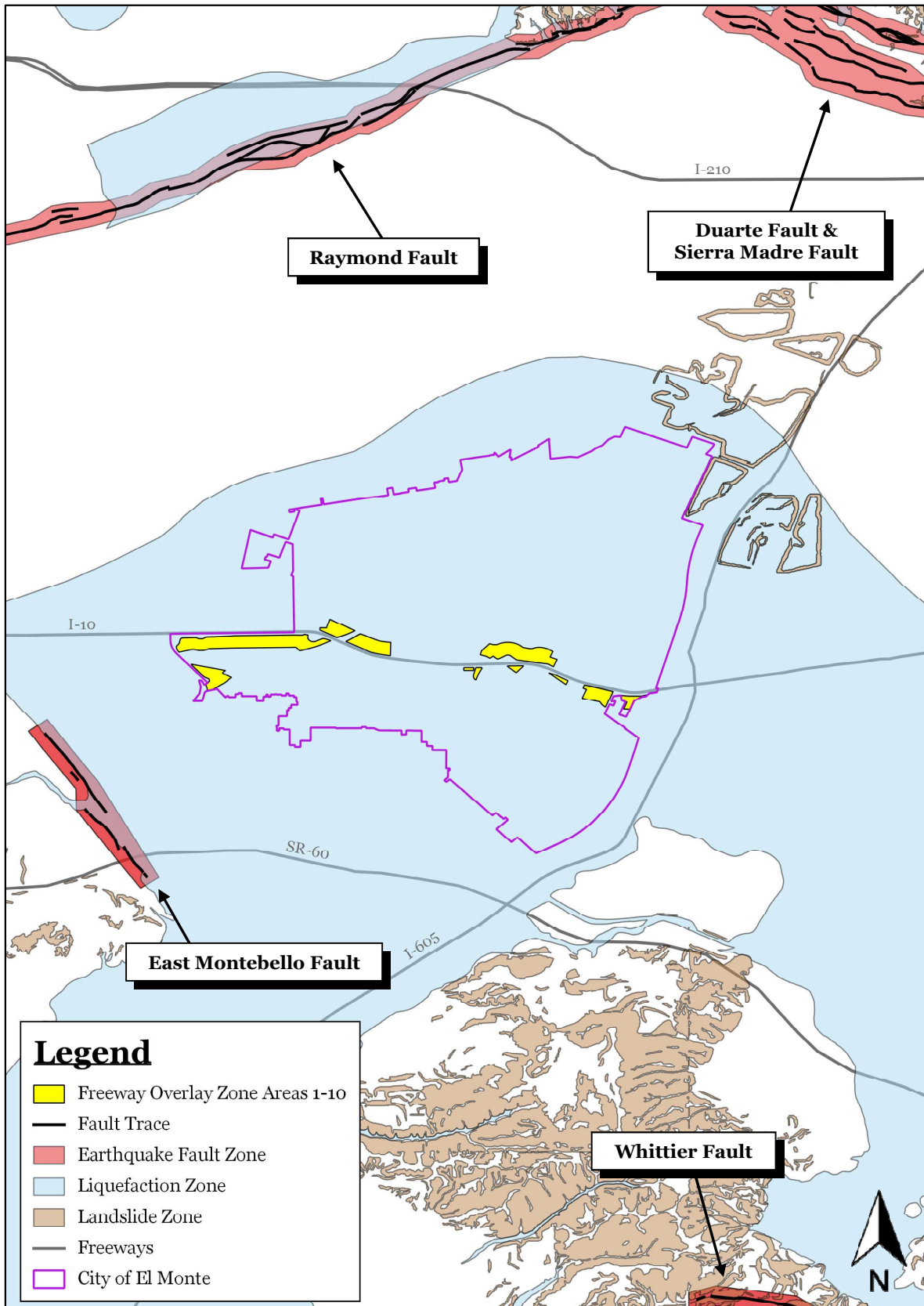
<sup>55</sup> California Department of Conservation. *What is the Alquist-Priolo Act*. <http://www.conservation.ca.gov/cgs/rghm/ap/Pages/main.aspx>.

<sup>56</sup> California Department of Conservation. *Table 4, Cities and Counties Affected by Alquist Priolo Earthquake Fault Zones as of January 2010*. <http://www.conservation.ca.gov/cgs/rghm/ap/Pages/affected.aspx>.

<sup>57</sup> Ibid.

<sup>58</sup> U.S. Geological Survey. *About Liquefaction*. <http://geomaps.wr.usgs.gov/sfgeo/liquefaction/aboutliq.html>.

<sup>59</sup> California Department of Conservation. *Regulatory Maps*. <http://maps.conservation.ca.gov/cgs/informationwarehouse/index.html?map=regulatorymaps>.



**EXHIBIT 3-2**  
**GEOLOGIC HAZARDS MAP**  
SOURCE: UNITED STATES GEOLOGICAL SURVEY

U occupancy, which includes buildings and structures of an accessory character and miscellaneous structures not classified in any specific occupancy. Buildings and structures within Group U include, but are not limited to, private garages, carports, retaining walls, fences, and cell phone towers.<sup>60</sup>

Billboards are not specifically mentioned in this exception; however, cell towers are included in this classification. Billboards may be categorized with cell towers for the purpose of geotechnical analysis because billboards and cell towers are both vertical structures that are not habitable and are powered by electricity. All new future billboards will be subject to all applicable City and state building regulations, including the California Building Code to ensure that potential impacts are less than significant. As a result, the potential impacts in regards to ground shaking, liquefaction, and landslides are less than significant.

**B. *Would the project result in substantial soil erosion or the loss of topsoil? • Less than Significant Impact.***

Given the developed character of Areas 8 through 10 and the limited area of disturbance, no impacts related to expansive soil erosion or loss of topsoil are anticipated. According to the soil maps prepared for Los Angeles County by the United States Department of Agriculture, the City of El Monte is underlain by the Hanford Soils Association. Soils of the Hanford association have a slight erosion hazard; however, current development and the placement of landscaping have reduced the soil's erosion risk.<sup>61</sup> In addition, limited excavation will be required for the installation of the pylon footings and infrastructure connections. Furthermore, each individual billboard will only occupy a maximum of 100 square feet of land area and will not present a runoff or erosion risk because the billboards will not introduce significant impermeable land cover to any of the installation sites.<sup>62</sup> As a result, the impacts are expected to be less than significant.

**C. *Would the project be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse? • Less than Significant Impact.***

Lateral spreading is a phenomenon that is characterized by the horizontal, or lateral, movement of the ground. Lateral spreading could be liquefaction-induced or can be the result of excess moisture within the underlying soils. As previously mentioned, the entire City of El Monte is located within a potential liquefaction hazard zone (refer to Exhibit 3-2).<sup>63</sup> As previously mentioned, the entire City is underlain with soils of the Hanford Association. Hanford soils are described as being used almost exclusively for residential and industrial development, as evident by the current level of urbanization present within the project site and surrounding areas.

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<sup>60</sup> California Building Standards Commission. *2016 California Residential Code*. California Code of Regulations Title 24 Building Standards Code, Part 2.5 California Residential Code, Chapter 1 Scope and Application, Section 1.1.3.1.2 Utility and Miscellaneous Group U.

<sup>61</sup> United States Department of Agriculture Soil Conservation Service. *Report and General Soils Map Los Angeles County, California*. Revised 1969.

<sup>62</sup> United States Department of Agriculture. *Web Soil Survey*. <https://websoilsurvey.sc.egov.usda.gov/App/WebSoilSurvey.aspx>. Website accessed August 13, 2019.

<sup>63</sup> California Department of Conservation. *Regulatory Maps*. <http://maps.conservation.ca.gov/cgs/informationwarehouse/index.html?map=regulatorymaps>.

Subsidence occurs via soil shrinkage and is triggered by a significant reduction in an underlying groundwater table, thus causing the earth on top to sink. Shrinking and swelling is influenced by the amount of clay present in the underlying soils. The installation sites are underlain by soils of various soil associations, which have various levels of clay.

As previously mentioned, billboards would be considered exempt from requiring a geotechnical report. All new future billboards will be subject to all applicable City and state building regulations, including the California Building Code to ensure that potential impacts are less than significant. Therefore, less than significant impacts related to unstable soils are expected.

**D.** *Would the project be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (2012), creating substantial direct or indirect risks to life or property? • Less than Significant Impact.*

As previously mentioned, the entire City is underlain with soils of the Hanford Association. Hanford soils are described as being used almost exclusively for residential and industrial development, as evident by the current level of urbanization present within the project site and surrounding areas. As previously mentioned, billboards would be considered exempt from requiring a geotechnical report. In addition, future billboards will be subject to all applicable City and state building regulations, including the California Building Code to ensure that potential impacts are less than significant. Therefore, less than significant impacts related to expansive soils are expected.

**E.** *Would the project have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater? • No Impact.*

No septic tanks will be used in conjunction with any future billboards. As a result, no impacts associated with the use of septic tanks or alternative wastewater disposal systems will occur as part of the billboard installations or relocations.

**F.** *Would the project directly or indirectly destroy a unique paleontological resource or site or unique geologic feature? • Less than Significant Impact with Mitigation.*

The likelihood of the discovery of paleontological resources or site or unique geologic features is considered to be low given the extensive ground disturbance that has occurred throughout the City. In addition, the limited excavation (25 feet) for the new support columns and the infrastructure connections are not likely to encounter any resources.

The upper sediments that underlie the project area consist of younger Quaternary Alluvium, which have a low paleontological sensitivity. These younger sediments, however, overlie Older Quaternary Alluvium which is considered to be sensitive.<sup>64</sup> The likelihood of the discovery of paleontological materials will increase where the excavations will extend into the Older Quaternary Alluvium. In the event that intact paleontological resources are located within the project site, ground-disturbing activities associated with billboard installation activities have the potential for destroying a unique paleontological resource or site.

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<sup>64</sup> Los Angeles, City of. *L.A. CEQA Thresholds Guide. Section D.1 Paleontological Resources.* <http://www.environmentla.org/programs/Thresholds/D-Cultural>.

In the absence of mitigation, the potential damage to paleontological resources or sites during billboard installation would be a potentially significant impact. Therefore, the following mitigation is required:

- Prior to commencement of any grading activity on site, the Applicant shall retain a qualified paleontologist, subject to the review and approval of the City's Community and Economic Development Director, or designee. The qualified paleontologist shall be on-site during grading and other significant ground disturbance activities that impact Pleistocene alluvial deposits, which could occur at depths below six feet. The monitoring shall apply to the areas of the site where excavation shall extend at depths of six feet or more.

With the above mitigation, the potential impacts will be reduced to levels that are less than significant.

### **3.7.3 MITIGATION MEASURES**

In the absence of mitigation, the potential damage to paleontological resources or sites during billboard installation would be a potentially significant impact. Therefore, the following mitigation is required:

*Mitigation Measure No. 1 (Geology & Soils).* Prior to commencement of any grading activity on site, the Applicant shall retain a qualified paleontologist, subject to the review and approval of the City's Community and Economic Development Director, or designee. The qualified paleontologist shall be on-site during grading and other significant ground disturbance activities that impact Pleistocene alluvial deposits, which could occur at depths below six feet. The monitoring shall apply to the areas of the site where excavation shall extend at depths of six feet or more.

## 3.8 GREENHOUSE GAS EMISSIONS

### 3.8.1 THRESHOLDS OF SIGNIFICANCE

According to the City of El Monte, acting as Lead Agency, a project may be deemed to have a significant adverse impact on greenhouse gas emissions if it results in any of the following:

- The generation of greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment; or,
- A conflict with an applicable plan, policy, or regulation adopted for the purpose of reducing emissions of greenhouse gases.

### 3.8.2 ENVIRONMENTAL ANALYSIS

**A.** *Would the project generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment? • Less than Significant Impact.*

The State of California requires CEQA documents include an evaluation of greenhouse gas (“GHG”) emissions or gases that trap heat in the atmosphere. GHG are emitted by both natural processes and human activities. Examples of GHG that are produced both by natural and industrial processes include carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), and nitrous oxide (N<sub>2</sub>O). The accumulation of GHG in the atmosphere regulates the earth's temperature. Without these natural GHG, the Earth's surface would be about 61°F cooler. The passage of Assembly Bill (AB) 32, the California Global Warming Solutions Act of 2006, established the California target to achieve reductions in GHG to 1990 GHG emission levels by the year 2020.<sup>65</sup> Future billboards will utilize minimal amounts of electricity and, as a result, off-site stationary emissions will be minimal.

The SCAQMD has established a single quantified threshold of 10,000 metric tons of CO<sub>2</sub>E (MTCO<sub>2</sub>E) per year for new development.<sup>66</sup> Carbon dioxide equivalent, or CO<sub>2</sub>E, is a term that is used for describing different greenhouses gases in a common and collective unit. Table 3-4 summarizes annual greenhouse gas emissions from installation and operation of an individual billboard. Installation emissions include construction emissions and mobile emissions. Long-term (operational) emissions include mobile emissions from maintenance vehicles and off-site emissions for electricity generation. As indicated in Section 3.6, Energy, A, future billboards will not result in wasteful, inefficient, or unnecessary consumption of energy during installation or operation. Table 3-4 summarizes annual GHG (CO<sub>2</sub>E) emissions from the operation of the billboards.

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<sup>65</sup> California, State of. OPR Technical Advisory – *CEQA and Climate Change: Addressing Climate Change through the California Environmental Quality Act (CEQA) Review*. June 19, 2008.

<sup>66</sup> SCAQMD. *Greenhouse Gas CEQA Significance Threshold Stakeholder Working Group Meeting #15*. [https://planning.lacity.org/eir/8150Sunset/References/4.E.%20Greenhouse%20Gas%20Emissions/GHG.39\\_SCAQMD%20GHG%20Meeting%2015.pdf](https://planning.lacity.org/eir/8150Sunset/References/4.E.%20Greenhouse%20Gas%20Emissions/GHG.39_SCAQMD%20GHG%20Meeting%2015.pdf).

**Table 3-4  
 Greenhouse Gas Emissions Inventory**

| Source  | GHG Emissions (lbs/day) |                 |                  |   |
|---|-------------------------|-----------------|------------------|---|
|   | CO <sub>2</sub>         | CH <sub>4</sub> | N <sub>2</sub> O | CO <sub>2</sub> E                             |
| Construction Phase – Max Daily Emissions                | 1,261.68                | 0.36            | 0.00             | 1,267.18                                      |
| <b>Total Construction Emissions (MTCO<sub>2</sub>E)</b> |                         |                 |                  | <b>208.05<br/>MTCO<sub>2</sub>E per year</b>  |
| Long-term Area Emissions                                | 2.20e-4                 | 0.00            | 0.00             | 2.30e-4                                       |
| Long-term Energy Emissions                              | 0.00                    | 0.00            | 0.00             | 0.00  |
| Long-term Mobile Emissions                              | 0.00                    | 0.00            | 0.00             | 0.00  |
| <b>Total Long-term Emissions (MTCO<sub>2</sub>E)</b>    |                         |                 |                  | <b>3.80e-5<br/>MTCO<sub>2</sub>E per year</b> |
| <b>Thresholds of Significance</b>                       |                         |                 |                  | <b>10,000<br/>MTCO<sub>2</sub>E per year</b>  |

Source: CalEEMod.

As indicated in Table 3-4, the CO<sub>2</sub>E total for the project is a negligible amount of CO<sub>2</sub>E per day. Since the project's operational emissions will be below the quantified threshold of significance, the potential impacts are considered to be less than significant.

**B. Would the project conflict with an applicable plan, policy, or regulation adopted for the purpose of reducing emissions of greenhouse gases? • No Impact.**

AB 32 requires the reduction of GHG emissions to 1990 levels, which would require a minimum 28 percent reduction in "business as usual" GHG emissions for the entire State. The proposed project will not involve or require any variance from an adopted plan, policy, or regulation governing GHG emissions. As a result, no significant adverse impacts related to a potential conflict with an applicable plan, policy, or regulation adopted for the purpose of reducing emissions of greenhouse gases are anticipated.

The City of El Monte does not have an adopted Climate Action Plan. However, the City's General Plan includes Air Quality sections within the Public Health and Safety Element, and the Health and Wellness Element. In these sections, the following policies related to air quality and greenhouse gasses are identified:<sup>67</sup>

- *Goal PHS-3 (Public Health and Safety):* Clean and healthful air through the implementation of responsive land use practices, enhancement to the natural landscape, pollution reduction strategies, and cooperation with regional agencies.
- *PHS-3.1, Land Use:* As a condition for siting or expanding operations in El Monte, require air pollution emitters to evaluate and fully mitigate the impacts of their operations on schools, homes, medical facilities, child care centers, and other sensitive receptors.

<sup>67</sup> City of El Monte. *Vision El Monte General Plan*. <http://elmonteca.gov/LinkClick.aspx?fileticket=lynL7WIS6f4%3d&tabid=101>. June 2011.



- *PHS-3.2, Sensitive Receptors:* Utilize CARB recommendations to evaluate the siting of dry cleaners, chrome platers, large gas stations, freeways, and other high pollutant sources near residences, health care facilities, schools, and other sensitive land uses.
- *PHS-3.3, Community Forest:* As prescribed in the Parks and Recreation Element, enhance the City's community forest by planting trees along all roadways as a means to help filter air pollutants, clean the air, and provide other health benefits to the community.
- *PHS-3.4, Transportation:* Encourage alternative modes of travel to work and school by maximizing transit service, purchasing alternative fuel vehicles, completing all sidewalks, and creating a network of multiuse trails and bicycle paths.
- *PHS-3.6, Health Risk Assessment:* Require that projects for new industries or expansion of industries that produce air pollutants conduct a health risk assessment and establish appropriate mitigation prior to approval of new construction, rehabilitation, or expansion permits.
- *Goal HW-12 (Health and Wellness):* Land use patterns reduce driving, enhance air quality, and improve respiratory health.
  - *HW-12.1, Walking, Cycling, and Transit Use:* Promote land use patterns that reduce driving rates and promote walking, cycling and transit use.
  - *HW-12.2, Truck Routes:* Discourage locating truck routes on primarily residential streets.
  - *HW-12.5, Air Pollution Mitigation:* Use landscaping, ventilation systems, double paned windows, or other mitigation measures to achieve healthy indoor air quality and noise levels in sensitive land uses.
  - *HW-12.8, Air Quality Policies:* Support policies that reduce emissions of pollutants from stationary and mobile sources such as industrial facilities, motor vehicles and trains.

The proposed project will not involve or require any variance from the aforementioned policies. Furthermore, the proposed project will not involve or require any other variance from the adopted plan, policy, or regulation governing GHG emissions. As indicated previously, the installation and subsequent operation of static or digital billboards will result in the generation of a limited amount of emissions that will be below the SCAQMD's thresholds (refer to Table 3-4). The only operational emissions will involve vehicle trips made by maintenance vehicles and off-site emissions for electricity generation to power the billboards. In order to reduce the consumption of electricity, LED display digital billboards will be utilized. As indicated in Section 3.6, Energy, A, the billboards will not result in wasteful, inefficient, or unnecessary consumption of energy during installation or operation. As a result, no impacts will occur.

### **3.8.3 MITIGATION MEASURES**

The analysis of potential impacts related to greenhouse gas emissions indicated that no significant adverse impacts would result from the proposed project's approval and subsequent implementation. As a result, no mitigation measures are required.

### **3.9 HAZARDS & HAZARDOUS MATERIALS**

#### **3.9.1 THRESHOLDS OF SIGNIFICANCE**

According to the City of El Monte, acting as Lead Agency, a project may be deemed to have a significant adverse impact on risk of upset and human health if it results in any of the following:

- The creation of a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials;
- The creation of a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment;
- The emission of hazardous emissions or the handling of hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school;
- The location of the project on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, the creation of a significant hazard to the public or the environment;
- A safety hazard or excessive noise for people residing or working in the project area for a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or a public use airport;
- The impairment of the implementation of or the physical interference with an adopted emergency response plan or emergency evacuation plan; or,
- The exposure of people or structures, either directly or indirectly, to a significant risk of loss, injury, or death involving wildland fires.

#### **3.9.2 ANALYSIS OF ENVIRONMENTAL IMPACTS**

**A.** *Would the project create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials? • No Impact.*

The proposed project involves an amendment to portions of Title 17 (Zoning) of the El Monte Municipal Code to allow for the expansion of the Freeway Billboard Overlay Zone and to allow for the installation of billboards within 250 feet of residential zones. The proposed project also involves a zone change and a general plan amendment at Area 8. A portion of Area 8 is zoned as *R-3 (Medium-Density Multiple-Family Dwelling)* and this zoning designation is proposed to be changed to *C-3 (General Commercial)*. The same portion of Area 8 has a general plan land use designation of *Medium Density Residential* and this general plan land use designation is proposed to be changed to *General Commercial*.

Once in operation, any new billboards will not require the transport, use, or disposal of hazardous materials beyond what is typically used for installation and routine maintenance. Therefore, no impacts will result upon project implementation.

**B.** *Would the project create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment? • Less than Significant Impact with Mitigation.*

The United States Environmental Protection Agency's multi-system search Envirofacts was consulted and it was determined that several sites were identified within proposed Areas 8 and 9.<sup>68</sup> The types of uses associated with the hazardous materials include, but are not limited to, auto repair uses, industrial manufacturing uses and plumbing uses. Since several potentially hazardous sites were identified within proposed Areas 8 and 9, the following mitigation is required:

- Billboards must not be installed over sites that are identified as contaminated under any hazardous site database that is maintained by the California Environmental Protection Agency or the United States Environmental Protection Agency.

The above mitigation measure will ensure that ongoing remediation of contaminated sites continues and that the contamination is not disturbed and further spread.

**C.** *Would the project emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school? • No Impact.*

El Monte Christian Academy, Colombia School, El Monte High School are located within one-quarter mile of proposed Area 8; Agape Montessori School is located within one-quarter mile of proposed Area 9; and, Baker Elementary School is located within one-quarter mile of proposed Area 10. The installation and operation of any static or digital billboards will not involve any emissions of hazardous substances or the handling of any hazardous or acutely hazardous materials, substances, or waste. The installation and operation of any static or digital billboards will also not involve any changes to the surrounding environment which could result in the release of hazardous materials. As a result, no impacts will occur.

**D.** *Would the project be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment? • Less than Significant Impact.*

Government Code Section 65962.5 refers to the Hazardous Waste and Substances Site List, commonly known as the Cortese List, maintained by the California Department of Toxic Substances Control. One Cortese site is located in the City of El Monte and it is the San Gabriel Groundwater Basin.<sup>69</sup> The San Gabriel Valley has been under environmental investigation since 1979 when groundwater contaminated with volatile organic compounds (VOCs) was first identified. The groundwater contamination resulted

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<sup>68</sup> United States Environmental Protection Agency. *Envirofacts-Multisystem Search*. <https://www3.epa.gov/enviro/?CFID=59839&CFTOKEN=30600241>.

<sup>69</sup> California Department of Toxic Substances Control. *DTSC's Hazardous Waste and Substances Site List – Site Cleanup (Cortese List)*. [http://www.dtsc.ca.gov/SiteCleanup/Cortese\\_List.cfm](http://www.dtsc.ca.gov/SiteCleanup/Cortese_List.cfm).

from the historic use and improper handling and disposal of chlorinated solvents (such as tetrachloroethene (PCE) and trichloroethene (TCE)) and other chemicals (other VOCs, 1,4-dioxane, perchlorate, NDMA). USEPA believes that the contamination initially stemmed from an increase in industrial activity during World War II, followed by rapid post-war industrial.

In May 1984, USEPA listed four broad areas of regional-scale groundwater contamination within the Basin on the National Priorities List (NPL) under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA). Since listing the San Gabriel Valley Superfund Sites, USEPA has been working to address the groundwater contamination on a regional scale through installation and operation of groundwater extraction systems that control the contaminant migration. Extracted groundwater is treated to safe levels and, if feasible, is reused for drinking water supply. Although the groundwater cleanup activities started in the 1990's, and progress has been made, the groundwater contamination in the San Gabriel Valley is extensive and will require multiple decades to remediate. Therefore, no site-specific impacts will occur upon the implementation of the proposed project because the contamination is regional and under remediation. Furthermore, the proposed project will not require deep excavation for the billboard footings (25 feet) and will not have the potential to disturb any contaminated groundwater, which reaches a depth of 150 feet to 350 feet.

The excavation required for the sign supports will not extend into the contaminated aquifer. The estimated column depth for the billboard support will be approximately 25 feet deep and the contaminated groundwater reaches a depth of 150 feet to 350 feet. During grading and excavation for the sign footings and utility connections, the contractor(s) will be familiar with the identification, handling, removal, and disposal of contaminated soils. Should contaminated soils be encountered during the sign's installation, all pertinent protocols must be followed in the proper handling and disposal of any contaminated soils. Furthermore, adherence to the mitigation measure provided in Section 3.8.2.B will reduce potential impacts to levels that are less than significant. Adherence to the aforementioned regulations will result in a less than significant impact.

**E.** *For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or a public use airport, would the project result in a safety hazard or excessive noise for people residing or working in the project area? • No Impact.*

Areas 8 through 10 are not located within an airport land use plan. However, the I-10 Freeway is located 0.87 miles south of the San Gabriel Valley Airport. Future billboards will not introduce a structure that will interfere with the approach and take off of airplanes utilizing the airport. The runway protection zones for approaches and takeoffs are 1,000 feet and these runway protection zones do not extend to the project site. As a result, the proposed project's implementation would not present a safety hazard to aircraft and/or airport operations at a public use airport. Therefore, no impacts will occur.

**F.** *Would the project impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan? • Less than Significant Impact.*

At no time during billboard installation or maintenance will adjacent streets be completely closed to traffic. The individual billboard installation plans must identify specific provisions for the regulation of construction vehicle access to the billboard site during installation as a means to provide continued

through-access and prevent street blockage or queuing. If any of the billboard installations require partial or full street closures, the contractor will be required to follow the proper protocol pursuant to the California Manual on Uniform Traffic Control Devices (MUTCD) as it relates to temporary and intermittent street closures.<sup>70</sup> As a result, less than significant impacts are associated with the installation or relocation of any billboards.

**G.** *Would the project expose people or structures, either directly or indirectly, to a significant risk of loss, injury, or death involving wildland fires?* • *No Impact.*

The City of El Monte is urbanized and the majority of the parcels are developed. There are no areas of native vegetation found within Areas 8 through 10 or in the surrounding areas that could provide a fuel source for a wildfire. As a result, there are no impacts associated with potential wildfires from off-site locations.

### **3.9.3 MITIGATION MEASURES**

The environmental analysis determined that various contaminated sites, as listed by the California Environmental Protection Agency and the United States Environmental Protection Agency, are located within the proposed Freeway Billboard Overlay Zone. In order to ensure that ongoing remediation of contaminated sites continues and that the contamination is not disturbed and further spread, the following mitigation measure is required:

*Mitigation Measure No. 2 (Hazards & Hazardous Materials).* Billboards must not be installed over sites that are identified as contaminated under any hazardous site database that is maintained by the California Environmental Protection Agency or the United States Environmental Protection Agency.

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<sup>70</sup> California Department of Transportation (Caltrans). California Manual on Uniform Traffic Control Devices. 2014, as revised March 2018.

### 3.10 HYDROLOGY & WATER QUALITY

#### 3.10.1 THRESHOLDS OF SIGNIFICANCE

According to the City of El Monte, acting as Lead Agency, a project may be deemed to have a significant adverse environmental impact on water resources or water quality if it results in any of the following:

- A violation of any water quality standards or waste discharge requirements or an otherwise substantial degradation of surface or groundwater quality;
- A substantial decrease of groundwater supplies or a substantial interference with groundwater recharge such that the project may impede sustainable groundwater management of the basin;
- A substantial alteration of the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river or through the addition of impervious surfaces, in a manner which would result in substantial erosion or siltation on- or off-site; substantially increase the rate or amount of surface runoff in a manner in which would result in flooding on- or off-site; create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff; or, impede or redirect flood flows;
- The risk of release of pollutants due to project inundation in flood hazard, tsunami, or seiche zones; or,
- A conflict with or an obstruction of implementation of a water quality control plan or sustainable groundwater management plan.

#### 3.10.2 ANALYSIS OF ENVIRONMENTAL IMPACTS

**A.** *Would the project violate any water quality standards or waste discharge requirements or otherwise substantially degrade surface or groundwater quality?* • **No Impact.**

The proposed project involves an amendment to portions of Title 17 (Zoning) of the El Monte Municipal Code to allow for the expansion of the Freeway Billboard Overlay Zone and to allow for the installation of billboards within 250 feet of residential zones. The proposed project also involves a zone change and a general plan amendment at Area 8. A portion of Area 8 is zoned as *R-3 (Medium-Density Multiple-Family Dwelling)* and this zoning designation is proposed to be changed to *C-3 (General Commercial)*. The same portion of Area 8 has a general plan land use designation of *Medium Density Residential* and this general plan land use designation is proposed to be changed to *General Commercial*.

The nearest naturally-occurring bodies of water to any of the existing or potential billboard sites are the Rio Hondo Channel and the San Gabriel River, which are both channelized. In the event of a relocation or installation, the billboard structure components will be transported to the individual installation sites where they are to be assembled. The typical duration of a billboard installation would occur over a six-day period. The estimated column depth for the billboard support would be approximately 25 feet deep.

Any excavated areas will be fully covered. The construction crew would first install the sign column and then pour the concrete for the sign column. Fast-setting concrete would be utilized, allowing the concrete to cure overnight.

According to the soil maps prepared for Los Angeles County by the United States Department of Agriculture, the City of El Monte is underlain by the Hanford Soils Association. Soils of the Hanford association have a slight erosion hazard; however, current development and the placement of landscaping have reduced the soil's erosion risk.<sup>71</sup> In the absence of mitigation, new impervious surfaces (buildings, internal driveways, parking areas, etc.) that would be constructed may result in the generation of urban pollutants. However, limited excavation will be required for the installation of the pylon footings and infrastructure connections. Furthermore, each individual billboard will only occupy a maximum of 100 square feet of land area and will not present a runoff or erosion risk because the billboards will not introduce significant impermeable land cover to any of the installation sites.<sup>72</sup> Overall, the proposed project will not involve any physical features or activities that would lead to erosion or the contamination of stormwater runoff. As a result, no impacts will occur.

**B. *Would the project substantially decrease groundwater supplies or interfere substantially with groundwater recharge such that the project may impede sustainable groundwater management of the basin?* • No Impact.**

A search was conducted through the Regional Water Quality Control Board's on-line database Geotracker to identify the presence of any natural underground water wells within Areas 8 through 10. The search yielded negative results for existing or abandoned wells.<sup>73</sup> Therefore, excavation activities are not anticipated to encounter and deplete groundwater supplies from any underlying aquifer.

The City of El Monte and the surrounding cities are underlain by the Central groundwater basin. Groundwater resources in the Central Basin consists of a body of shallow, unconfined and semi-perched water on the upper part of the alluvial deposits; the principal body of fresh groundwater within the Recent and Pleistocene deposits; and salt water under the freshwater resources. Water-bearing deposits are unconsolidated and semi-consolidated alluvial sediments that hold water and allow water to pass through, and are referred to as aquifers. Non-water-bearing deposits are consolidated rocks and ground layers which provide limited water and form the boundaries between aquifers. According to the United States Environmental Protection Agency, the average depth to the bottom of the shallow groundwater zone is approximately 150 feet below ground surface (bgs).<sup>74</sup> The excavation required for the sign supports will not extend into the groundwater basin. The estimated column depth for the billboard support will be approximately 25 feet deep. The excavation required for utility connections and pylons that will support the signs will not be deep enough to interfere with local groundwater supplies. In addition, the

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<sup>71</sup> United States Department of Agriculture Soil Conservation Service. *Report and General Soils Map Los Angeles County, California*. Revised 1969.

<sup>72</sup> United States Department of Agriculture. *Web Soil Survey*. <https://websoilsurvey.sc.egov.usda.gov/App/WebSoilSurvey.aspx>. Website accessed August 16, 2019.

<sup>73</sup> Geotracker GAMA. <http://geotracker.waterboards.ca.gov/gama/gamamap/public/default.asp>. Website accessed August 16, 2019.

<sup>74</sup> United States Environmental Protection Agency (USEPA). San Gabriel Valley (Area 1) El Monte, South El Monte, Whittier Narrows. <https://yosemite.epa.gov/r9/sfund/r9sfdocw.nsf/cadf7f8d48234c98882574260073d787/e06c87d4a19ae069882576030004ab90!OpenDocument>.

installation of billboards will not involve any water consumption and no net change in area-wide water consumption will occur. As a result, no impacts are anticipated to result from the installation or relocation of billboards.

**C.** *Would the project substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river or through the addition of impervious surfaces, in a manner which would result in substantial erosion or siltation on- or off-site; substantially increase the rate or amount of surface runoff in a manner in which would result in flooding on- or off-site; create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff; or, impede or redirect flood flows? • No Impact.*

As previously mentioned, the billboards will require limited excavation for installation. No natural drainage or riparian areas exist within the existing or potential billboard sites. The nearest naturally occurring bodies of water to any of the existing or potential billboard sites are the Rio Hondo Channel and the San Gabriel River, which are both channelized. The billboards will be restricted to the designated sites and will not alter the course of the Rio Hondo Channel or the San Gabriel River.<sup>75</sup>

Each individual billboard will only occupy approximately 100 square feet of land area and therefore will not cause a significant increase in impermeable surfaces so as to significantly alter the existing drainage pattern, increase the risk of erosion or siltation, or increase the rate or amount of runoff within of any area within the City. No significant change in the amount of surface runoff volumes within the project site is anticipated due to the nature and extent of the existing surfaces and of the billboards. As a result, no impacts will occur.

**D.** *In flood hazard, tsunami, or seiche zones, would the project risk release of pollutants due to project inundation? • No Impact.*

According to the Los Angeles County Department of Public Works, the City of El Monte is not located within a designated 100-year flood hazard area, as defined by the Federal Emergency Management Agency (FEMA).<sup>76</sup> According to the Federal Emergency Management Agency (FEMA) flood insurance map obtained from the Los Angeles County Department of Public Works, the existing and potential billboard sites are located in Zone X. This flood zone has an annual probability of flooding of less than 0.2 percent and represents areas outside the 500-year flood plain. Thus, sites located in Zone X are not located within a 100-year flood plain.

The potential installation sites will not be exposed to a tsunami since the City is located approximately 23 miles inland from the Pacific Ocean. There are no hillsides located in the area that would result in mudslides. A seiche refers to an occasional and sudden oscillation of the water within a lake, bay, estuary, or other surface water body that may be caused by an earthquake. There are no surface water bodies located in the immediate area of Areas 8 through 10 that would result in a seiche. A seiche in the Rio

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<sup>75</sup> Google Earth. Website accessed August 16, 2019.

<sup>76</sup> Los Angeles County Department of Public Works. *Flood Zone Determination Website*.  
<http://dpw.lacounty.gov/wmd/floodzone/>.



Hondo Channel, which extends along the southeast border of proposed Area 9, is not likely to happen due to the current level of channelization. As a result, no impacts are anticipated.

**E.** *Would the project conflict with or obstruct implementation of a water quality control plan or sustainable groundwater management plan? • No Impact.*

The installation of future billboards will result in minimal ground disturbance. The footprint of the pylon billboard support structures will be minimal (100 square feet) and will not lead to a substantial amount of impervious surfaces. In addition, the billboards will not utilize any materials or equipment that could lead to surface water pollution. Finally, the project contractors must adhere to all pertinent best management practices during the installation. As a result, adoption of the Municipal Code Amendment will not result in a conflict with or obstruct implementation of a water quality control plan or sustainable groundwater management plan and no impacts will occur.

### **3.10.3 MITIGATION MEASURES**

As indicated previously, hydrological characteristics will not substantially change due to the limited excavation and limited land area the individual billboards will occupy. As a result, no mitigation is required.

### 3.11 LAND USE & PLANNING

#### 3.11.1 THRESHOLDS OF SIGNIFICANCE

According to the City of El Monte, acting as Lead Agency, a project may be deemed to have a significant impact on land use and development if it results in any of the following:

- The physical division of an established community; or,
- A significant environmental impact due to a conflict with any land use plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect.

#### 3.11.2 ANALYSIS OF ENVIRONMENTAL IMPACTS

**A.** *Would the project physically divide an established community?* • *No Impact.*

The proposed project involves an amendment to portions of Title 17 (Zoning) of the El Monte Municipal Code to allow for the expansion of the Freeway Billboard Overlay Zone and to allow for the installation of billboards within 250 feet of residential zones. The proposed project also involves a zone change and a general plan amendment at Area 8. The land use and environmental setting of the new proposed Freeway Billboard Overlay Zone areas are summarized below.

- *Area 8.* This area extends laterally for approximately 775 feet and is located directly south of the I-10 Freeway. This portion encompasses the area south of the I-10 Freeway and Asher Street, along the east and west sides of Meeker Avenue, west of Peck Road. This portion is zoned *R-3 (Medium-Density Multiple-Family Dwelling)*, *C-3 (General Commercial)*, and *C-4 (Heavy Commercial)*. Industrial uses and commercial uses are located within this area. There are no existing billboards located within this area.
- *Area 9.* This new area is located approximately 0.28 miles south of the I-10 Freeway along the east and west sides of Rosemead Boulevard (SR-19). This area is roughly triangular in shape. This portion is zoned *O-P (Office Professional)*. Office uses are located within this portion. There are no existing billboards located within this area.
- *Area 10.* This area is triangular in shape and is located directly south of the I-10 Freeway and Stockham Place and extends laterally 950 feet west from Cogswell Road. This portion is zoned *M-1 (Light Manufacturing)*. Located within this area are industrial uses and residential uses. There are no existing billboards located in this area.

All future billboards will be compatible to their respective zoning and General Plan land use designations (refer to Exhibits 3-3 through 3-8 for the Zoning and General Plan land use maps). An *R-3 (Medium-Density Multiple-Family Dwelling)* zone is located within Zone 8. The proposed zone change and general plan amendment for Area 8 will change the residentially-zoned portion of Area 8 to a commercial zone. A portion of Area 8 is zoned as *R-3 (Medium-Density Multiple-Family Dwelling)* and this zoning designation is proposed to be changed to *C-3 (General Commercial)*. The same portion of Area 8 has a

general plan land use designation of *Medium Density Residential* and this general plan land use designation is proposed to be changed to *General Commercial*.

Each billboard will only occupy 100 square feet of land area. The billboard installation will not involve the permanent closure of any existing roadways or otherwise result in the division of an established residential neighborhood. Due to the nature of the project and its minimal land coverage, the project will not lead to any division of an existing established neighborhood and no impacts will occur.

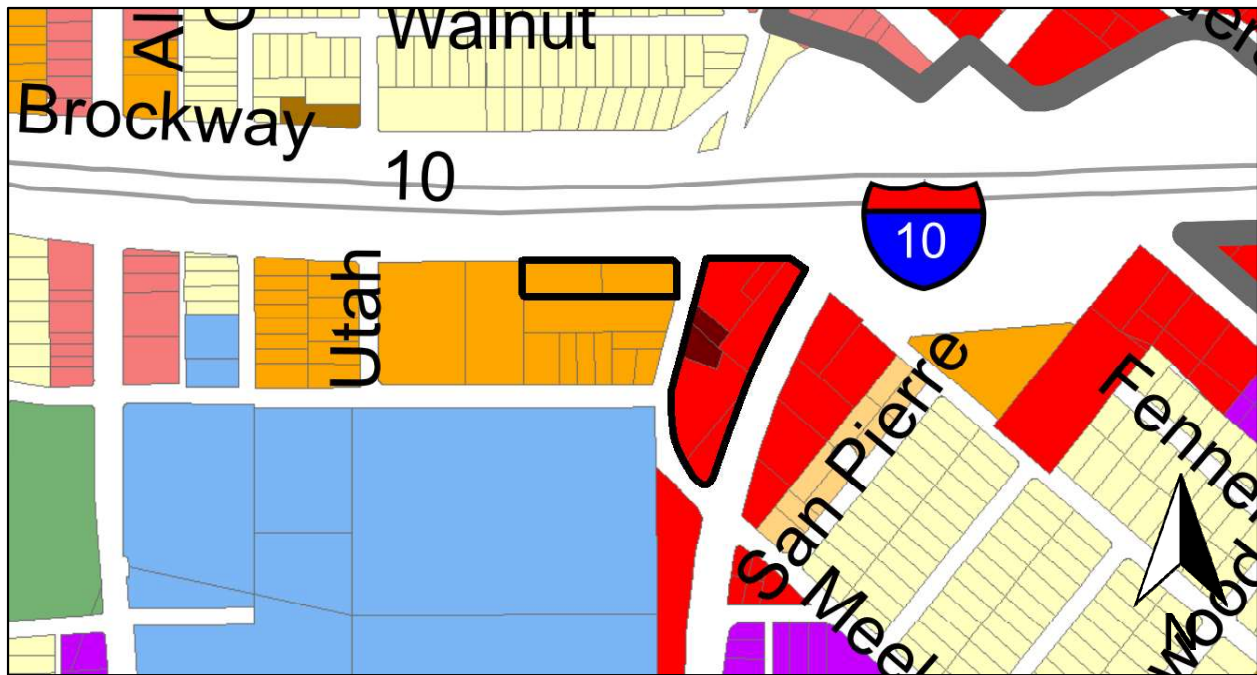
**B.** *Would the project cause a significant environmental impact due to a conflict with any land use plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect? • Less than Significant Impact.*

Area 8 is zoned *R-3 (Medium-Density Multiple-Family Dwelling)*, *C-3 (General Commercial)*, and *C-4 (Heavy Commercial)* and has General Plan land use designations of *Medium Density Residential* and *General Commercial*. Area 9 is zoned *O-P (Office Professional)* and has a General Plan land use designation of *Office Professional*. Area 10 is zoned *M-1 (Light Manufacturing)* and has a General Plan land use designation of *Industrial/Business Park*. Refer to Exhibits 3-3 through 3-8 for the Zoning and General Plan land use maps

As previously mentioned, all future billboards will be compatible to their respective zoning and General Plan land use designations (refer to Exhibits 3-3 through 3-8 for the Zoning and General Plan land use maps). The proposed project will involve an amendment to the Municipal Code to allow for the installation of billboards within 250 feet of residential zones at the discretion of the Community and Economic Development Director (billboards are currently not allowed within 250 feet of residential zones). The amendment to the Municipal Code states that billboards may be placed within 250 feet of a residentially zoned property if it can be demonstrated by the positioning of the digital panels that there is no significant light intrusion, to be determined by the Community and Economic Development Director. Therefore, each billboard will be considered on a case-by-case basis. In addition, the following requirements are listed within the Municipal Code:

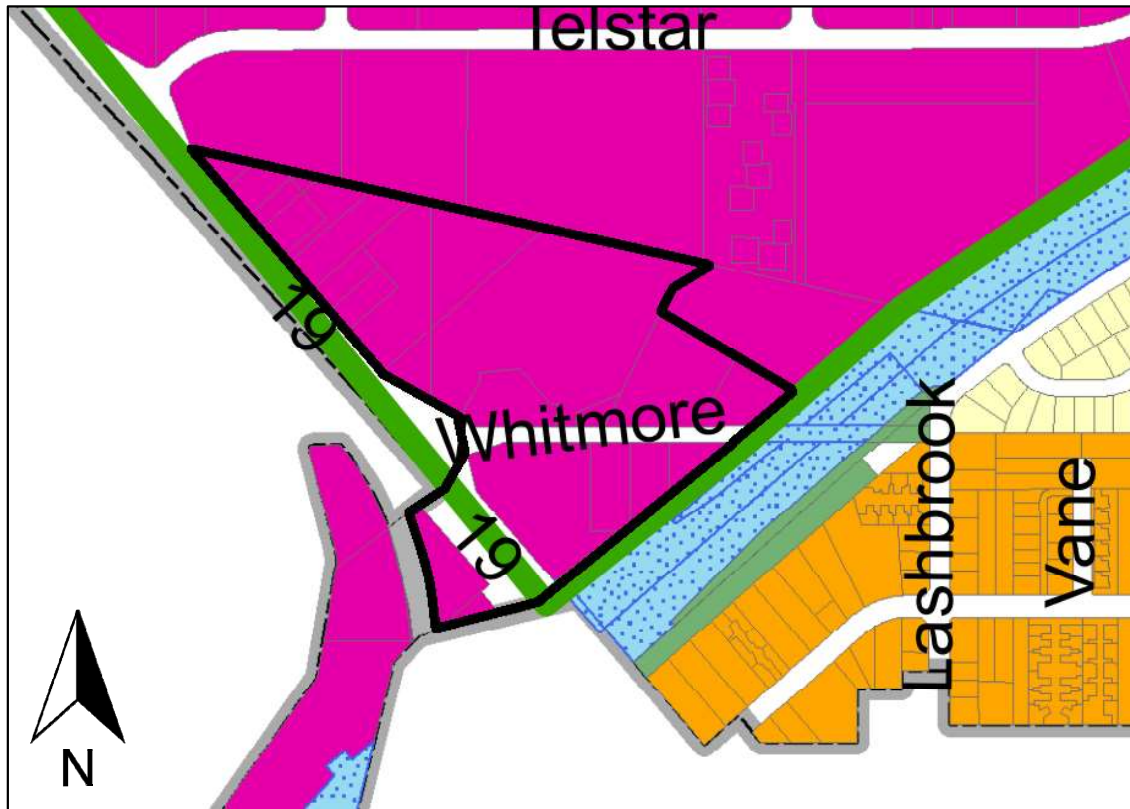
- Billboards projecting over a driveway or driving aisle shall have a minimum clearance of sixteen (16) feet between the lowest point of the sign and the driveway grade. Billboards shall comply with any California Department of Transportation requirements for placement and operation. No part of any billboard shall cross onto an adjacent property.
- Billboards projecting over a pedestrian walkway shall have a minimum clearance of twelve (12) feet between the lowest point of the sign and the walkway grade.
- All billboards not projecting over drive areas or pedestrian walkways shall have a minimum clearance of twelve (12) feet between the lowest point of the billboard and ground level.

Because the amendment is not project- or site-specific, the proposed project will not significantly conflict with any land use plan, policy, or regulation and less than significant impacts will occur.



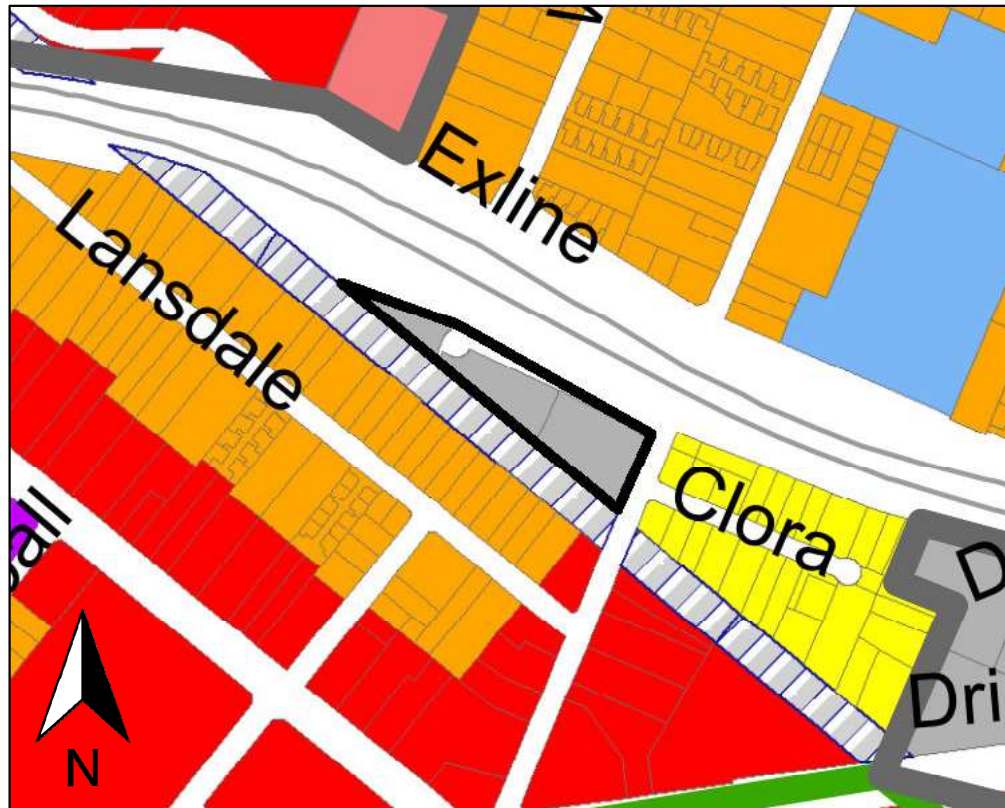
| City Zoning  |   |
|--|---|
|  R-1A - Single Family Residential     |  M-1 - Light Manufacturing   |
|  R-1B - Single Family Residential     |  M-2 - General Manufacturing |
|  R-1C - Single Family Residential     |  OP - Office Professional    |
|  R-2 - Low-Density Multiple-Family    |  OS - Open Space             |
|  R-3 - Medium-Density Multiple-Family |  PF - Public Facility        |
|  R-4 - High-Density Multiple-Family   |  SP-1 - Gateway              |
|  RMP - Residential Mobilehome Park    |  SP-2 - Mountain View        |
|  MMU - Mixed/Multiuse                 |  SP-3 - Flair Spectrum       |
|  C-0 - Professional Office            |  SP-4 - Downtown             |
|  C-1 - Limited Commercial             |  Airport                     |
|  C-2 - Retail Commercial              |  Railroad                    |
|  C-3 - General Commercial             |  Transitway                  |
|  C-4 - Heavy Commercial               |  Drainage/River              |
| Overlay Zones  |   |
|  Billboards                           |  Medicinal-only Cannabis     |
|  Rurban Homes (RHOD)                  |   |

### EXHIBIT 3-3 ZONING MAP, AREA 8 Source: City of El Monte



**EXHIBIT 3-4**  
**ZONING MAP, AREA 9**  
 Source: City of El Monte

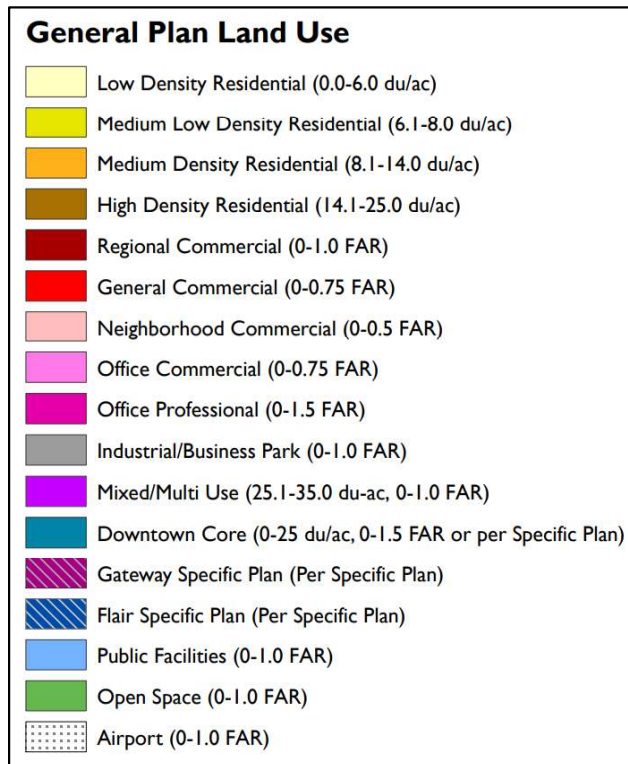
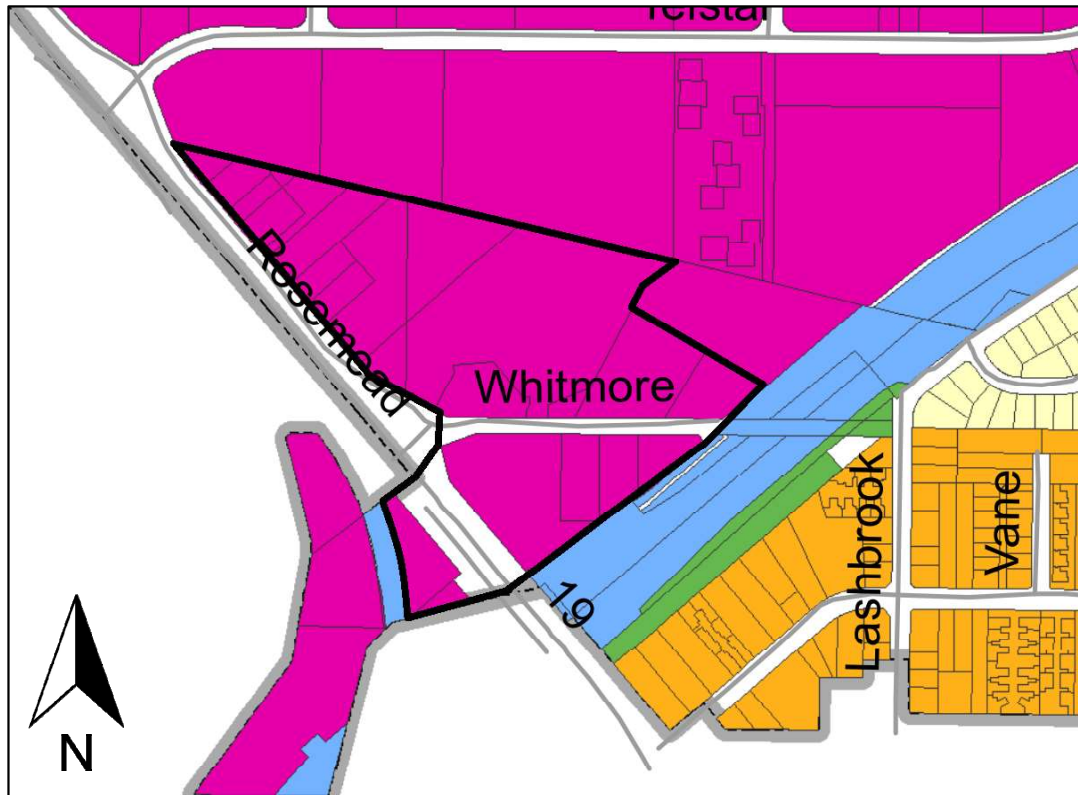




| City Zoning  |   |
|--|---|
|  R-1A - Single Family Residential     |  M-1 - Light Manufacturing   |
|  R-1B - Single Family Residential     |  M-2 - General Manufacturing |
|  R-1C - Single Family Residential     |  OP - Office Professional    |
|  R-2 - Low-Density Multiple-Family    |  OS - Open Space             |
|  R-3 - Medium-Density Multiple-Family |  PF - Public Facility        |
|  R-4 - High-Density Multiple-Family   |  SP-1 - Gateway              |
|  RMP - Residential Mobilehome Park    |  SP-2 - Mountain View        |
|  MMU - Mixed/Multiuse                 |  SP-3 - Flair Spectrum       |
|  C-0 - Professional Office            |  SP-4 - Downtown             |
|  C-1 - Limited Commercial             |  Airport                     |
|  C-2 - Retail Commercial              |  Railroad                    |
|  C-3 - General Commercial             |  Transitway                  |
|  C-4 - Heavy Commercial               |  Drainage/River              |
| Overlay Zones  |   |
|  Billboards                           |  Medicinal-only Cannabis     |
|  Rurban Homes (RHOD)                  |   |

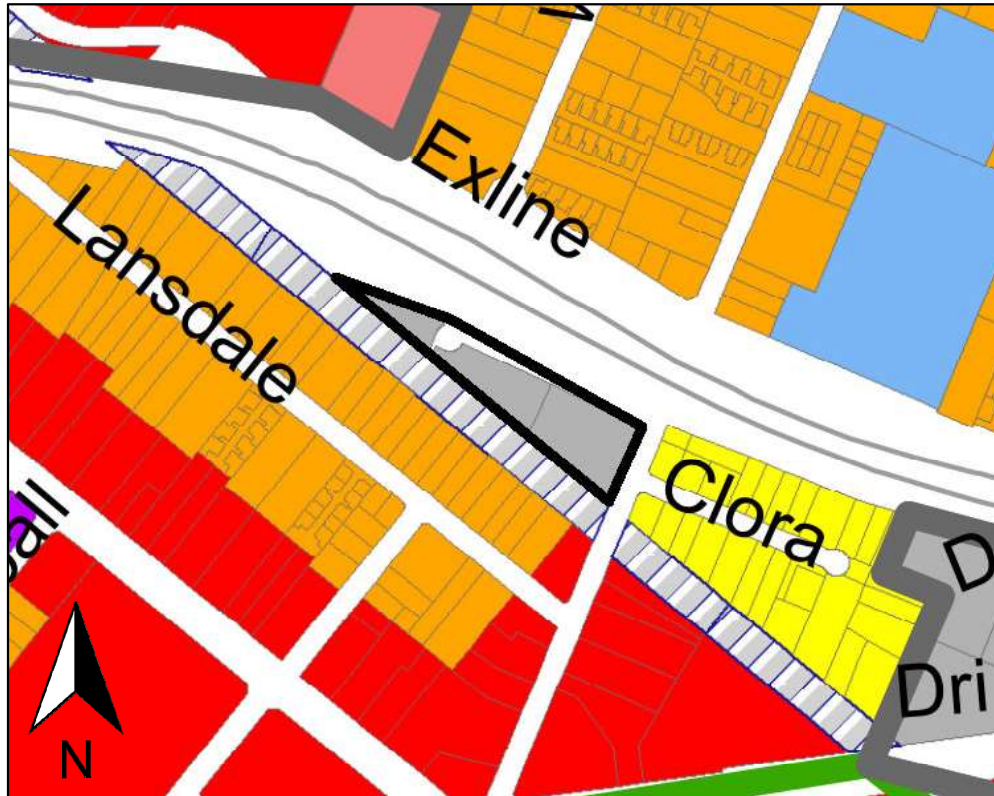
**EXHIBIT 3-5**  
**ZONING MAP, AREA 10**  
 Source: City of El Monte





**EXHIBIT 3-7**  
**GENERAL PLAN MAP, AREA 9**  
 Source: City of El Monte





### General Plan Land Use

|  |  |
|--|--|
|  | Low Density Residential (0.0-6.0 du/ac)                    |
|  | Medium Low Density Residential (6.1-8.0 du/ac)             |
|  | Medium Density Residential (8.1-14.0 du/ac)                |
|  | High Density Residential (14.1-25.0 du/ac)                 |
|  | Regional Commercial (0-1.0 FAR)                            |
|  | General Commercial (0-0.75 FAR)                            |
|  | Neighborhood Commercial (0-0.5 FAR)                        |
|  | Office Commercial (0-0.75 FAR)                             |
|  | Office Professional (0-1.5 FAR)                            |
|  | Industrial/Business Park (0-1.0 FAR)                       |
|  | Mixed/Multi Use (25.1-35.0 du-ac, 0-1.0 FAR)               |
|  | Downtown Core (0-25 du/ac, 0-1.5 FAR or per Specific Plan) |
|  | Gateway Specific Plan (Per Specific Plan)                  |
|  | Flair Specific Plan (Per Specific Plan)                    |
|  | Public Facilities (0-1.0 FAR)                              |
|  | Open Space (0-1.0 FAR)                                     |
|  | Airport (0-1.0 FAR)  |

## EXHIBIT 3-8 GENERAL PLAN MAP, AREA 10

Source: City of El Monte

### **3.11.3 MITIGATION MEASURES**

The analysis determined that no impacts on land use and planning would result upon the implementation of the proposed project. As a result, no mitigation measures are required.

## **3.12 MINERAL RESOURCES**

### **3.12.1 THRESHOLDS OF SIGNIFICANCE**

According to the City of El Monte, acting as Lead Agency, a project may be deemed to have a significant adverse impact on energy and mineral resources if it results in any of the following:

- The loss of availability of a known mineral resource that would be of value to the region and the residents of the State; or,
- The loss of availability of a locally important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan.

### **3.12.2 ANALYSIS OF ENVIRONMENTAL IMPACTS**

**A.** *Would the project result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state? • No Impact.*

There are no oil wells located within or near Areas 8 through 10. The California Geological Survey Mineral Resources Project provides information regarding mineral resources (metals, rare-earth elements, clays, limestone, gypsum, salt and dimension stone, and construction aggregate) and classifies lands throughout the State that contain regionally significant mineral resources. This classification is mandated by the Surface Mining and Reclamation Act (SMARA). The SMARA requires all cities to incorporate in their General Plans mapped designations approved by the State Mining and Geology Board. The State Geologist classifies mineral resource areas into Mineral Resource Zones (MRZs), Scientific Resource Zones (SZ), or Identified Resource Areas (IRAs).

The City of El Monte is located within the San Gabriel Production-Consumption Region. The northeastern portion of the City is identified as containing significant mineral deposits and is designated as a MRZ-2 zone. However, no County of Los Angeles-designated Mineral Resource Zones are located in El Monte. El Monte is completely urbanized and does not contain mining uses, nor does the City have land designated for mineral, aggregate, or sand production.<sup>77</sup> Areas 8 through 10 are not located within a mineral resource zone nor are they located in an area with active mineral extraction activities. Furthermore, there are no oil wells located within Areas 8 through 10.<sup>78</sup> As a result, no impacts on existing mineral resources would result from the implementation of the proposed project.

**B.** *Would the project result in the loss of availability of a locally important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan? • No Impact.*

As mentioned in the previous section, no existing or former wells are located within Areas 8 through 10 and the areas do not involve active mineral extraction activities. Additionally, the resources and materials

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<sup>77</sup> City of El Monte (and Planning Center). *General Plan and Zoning Code Update and EIR Existing Conditions Report*. May 24, 2006.

<sup>78</sup> California Department of Conservation. <http://maps.conservation.ca.gov/doggr/index.html#close>. Website accessed August 19, 2019.

that will be utilized for the installation of the billboards will not include any materials that are considered rare or unique. Thus, the proposed project will not result in any impacts on mineral resources in the region.

### **3.12.3 MITIGATION MEASURES**

The analysis of potential impacts related to mineral resources indicated that no significant adverse impacts would result from the approval of the proposed project and its subsequent implementation. As a result, no mitigation measures are required.

### 3.13 NOISE

#### 3.13.1 THRESHOLDS OF SIGNIFICANCE

According to the City of El Monte, acting as Lead Agency, a project may be deemed to have a significant impact on the environment if it results in any of the following:

- The generation of a substantial temporary or permanent increase in ambient noise levels in the vicinity of the project in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies;
- The generation of excessive groundborne vibration or groundborne noise levels; or,
- The exposure of people residing or working in the project area to excessive noise levels for a project located within the vicinity of a private airstrip or an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport.

#### 3.13.2 ANALYSIS OF ENVIRONMENTAL IMPACTS

- A.** *Would the project result in generation of a substantial temporary or permanent increase in ambient noise levels in the vicinity of the project in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?* • *Less than Significant Impact.*

The proposed project involves an amendment to portions of Title 17 (Zoning) of the El Monte Municipal Code to allow for the expansion of the Freeway Billboard Overlay Zone and to allow for the installation of billboards within 250 feet of residential zones. The proposed project also involves a zone change and a general plan amendment at Area 8. A portion of Area 8 is zoned as *R-3 (Medium-Density Multiple-Family Dwelling)* and this zoning designation is proposed to be changed to *C-3 (General Commercial)*. The same portion of Area 8 has a general plan land use designation of *Medium Density Residential* and this general plan land use designation is proposed to be changed to *General Commercial*.

The installation of the static or digital billboards will result in short-term (construction-related) noise impacts during the six-day installation period, though these noise impacts will be minimal. Construction-related noise impacts will not be significant since the signs will be located in the vicinity of the I-10 Freeway, thus drowning out any construction-related noise due to high ambient noise levels. As mentioned in Section 3.10.2.A, the billboards will be compatible to their respective zoning and General Plan land use designations. Furthermore, the billboard support structure, sign face, and the ancillary equipment are manufactured off-site and will be assembled at the installation sites. The limited duration of billboard installation activities and the City's construction-related noise control requirements will reduce the potential impacts to levels that are less than significant.

The most commonly used unit for measuring the level of sound is the decibel (dB). Zero on the decibel scale represents the lowest limit of sound that can be heard by humans. The eardrum may rupture at 140 dB. In general, an increase of between 3.0 dB and 5.0 dB in the ambient noise level is considered to represent the threshold for human sensitivity. In other words, increases in ambient noise levels of 3.0 dB

or less are not generally perceptible to persons with average hearing abilities.<sup>79</sup> Noise levels that are associated with common, everyday activities are illustrated in Exhibit 3-9.

The ambient noise environments within Areas 8 through 10 are dominated by high ambient vehicle noise emanating from the I-10 Freeway and SR 19 (Rosemead Boulevard), and noise typically associated with the adjacent uses, which include industrial, commercial, park and residential uses. Upon billboard installation, noise will not be generated from the operation of the static and digital billboards. The City has set the following additional provisions applicable to certain special noise sources:<sup>80</sup>

*It is unlawful for any person within the city to operate power construction tools or equipment in the performance of any outside construction or repair work on buildings, structures, or projects in or adjacent to a residential area, except between the hours of six a.m. and seven p.m. Monday through Friday or between the hours of eight a.m. and seven p.m. on Saturday and Sunday.*

The abovementioned provisions related to construction will apply to the installation of the billboards. A change in traffic noise levels of between 3.0 dBA and 5.0 dBA is generally considered to be the limit where the change in the ambient noise levels may be perceived by persons with normal hearing. It typically requires a doubling of traffic volumes to register a perceptible change (increase) in traffic noise. As indicated in Section 3.17 (Transportation), there will not be any change in the traffic distribution over that which presently exists. The only vehicle trips that will be generated will be those necessary for installation over the six-day period for each billboard and those necessary for periodic maintenance. Therefore, the projected traffic generation will not result in a doubling of traffic volumes. As a result, the billboards will result in less than significant impacts.

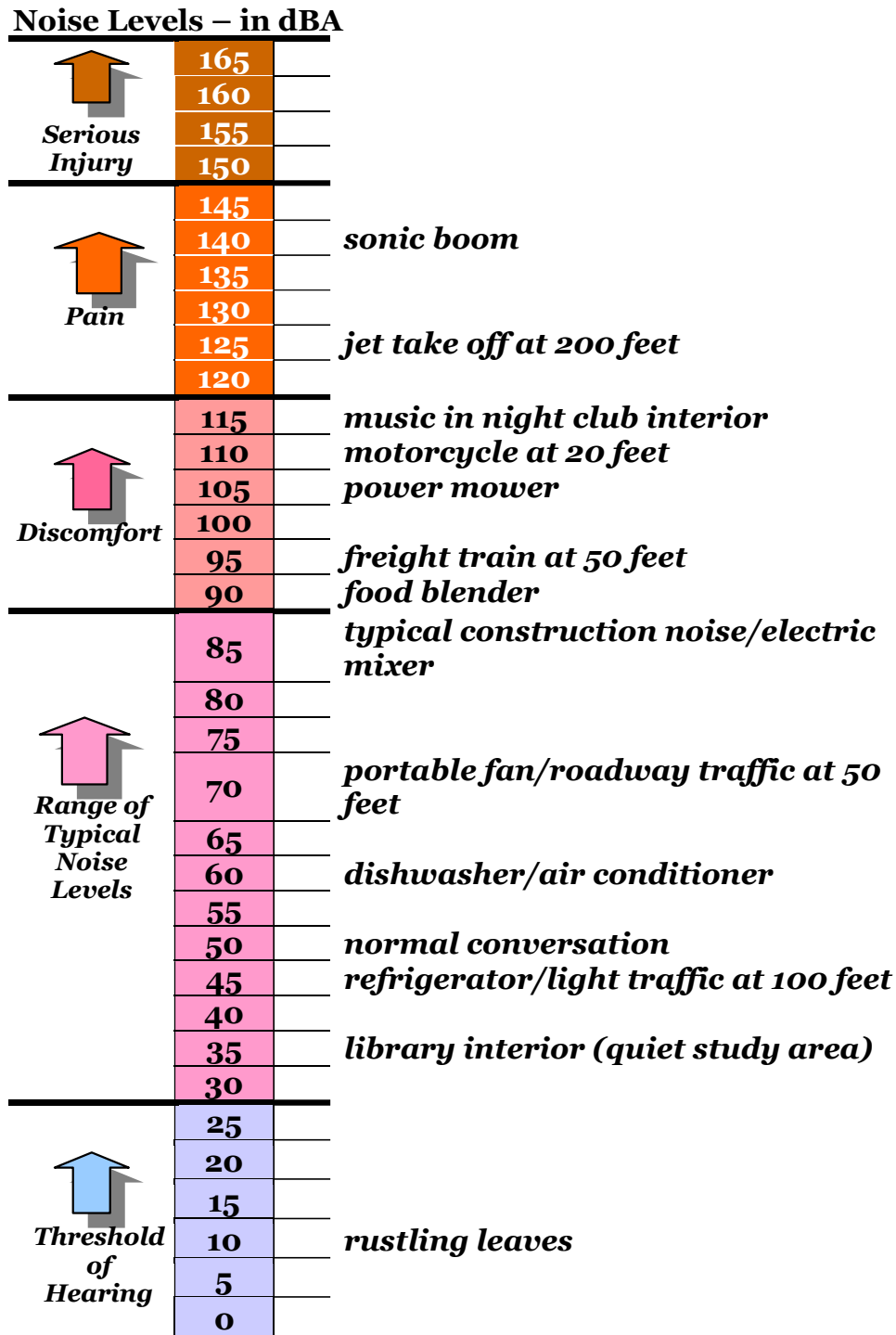
**B. Would the project result in generation of excessive groundborne vibration or groundborne noise levels? • Less than Significant Impact.**

Once in operation, the billboards will not raise groundborne noise levels. No mobile (traffic-related) noise or stationary noise will result from the operation of the billboards. However, slight increases in groundborne noise levels could occur during the six-day billboard installation phase. The increase in noise during the billboard installation phase will be difficult to distinguish due to the high ambient vehicle noise levels that will be present in Areas 8 through 10. The limited duration of billboard installation activities and the City's construction-related noise control requirements will reduce the potential impacts to levels that are less than significant. As a result, the impacts will be less than significant.

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<sup>79</sup> Bugliarello, et. al. *The Impact of Noise Pollution*, Chapter 127, 1975.

<sup>80</sup> El Monte, City of. *Municipal Code*. Title 8 Health and Safety, Chapter 8.36 Noise Control, 8.36.050 Special Noise Sources.



### EXHIBIT 3-9 TYPICAL NOISE SOURCES AND LOUDNESS SCALE

SOURCE: BLODGETT BAYLOSIS ENVIRONMENTAL PLANNING

- C. *For a project located within the vicinity of a private airstrip or an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels? • No Impact.*

The existing and potential billboard sites are not located within an airport land use plan. However, the I-10 Freeway is located 0.87 miles south of the San Gabriel Valley Airport. The airport will not be a source of excessive noise levels to people because the billboard structures are stand-alone structures which will only require people for a six-day installation period and for periodic maintenance. The San Gabriel Valley Airport provides services for general civilian aviation, which are exclusive of scheduled passenger airlines. The majority of aircraft that utilize the San Gabriel Valley Airport are small civilian single engine airplanes, which are not a significant source of noise as compared to larger aircraft, such as turbo prop and turbo jet planes, which make up a very small percentage of airport's based aircraft.<sup>81</sup> As a result, the proposed project will not expose people residing or working in the project area to excessive noise levels related to airport uses.

### **3.13.3 MITIGATION MEASURES**

The analysis of potential noise impacts indicated that no significant adverse impacts would result from the proposed project's installation and operation. As a result, no mitigation measures are required.

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<sup>81</sup> Los Angeles County Department of Public Works, Los Angeles County Airports. *Operational Data*.  
<https://dpw.lacounty.gov/avi/airports/BrackettFieldOperational.aspx>.



## 3.14 POPULATION & HOUSING

### 3.14.1 THRESHOLDS OF SIGNIFICANCE

According to the City of El Monte, acting as Lead Agency, a project may be deemed to have a significant impact on housing and population if it results in any of the following:

- A substantial unplanned population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure); or,
- The displacement of substantial numbers of existing people or housing, necessitating the construction of replacement housing elsewhere.

### 3.14.2 ANALYSIS OF ENVIRONMENTAL IMPACTS

**A.** *Would the project induce substantial unplanned population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)? • No Impact.*

Growth-inducing impacts are generally associated with the provision of urban services to an undeveloped or rural area. Growth-inducing impacts include the following:

- New development in an area presently undeveloped and economic factors which may influence development;
- Extension of roadways and other transportation facilities;
- Extension of infrastructure and other improvements;
- Major off-site public projects (treatment plants, etc.);
- The removal of housing requiring replacement housing elsewhere;
- Additional population growth leading to increased demand for goods and services; and,
- Short-term growth-inducing impacts related to the project's construction.

An *R-3 (Medium-Density Multiple-Family Dwelling)* zone is located within Zone 8. The proposed zone change and general plan amendment for Area 8 will change the residentially-zoned portion of Area 8 to a commercial zone. A portion of Area 8 is zoned as *R-3 (Medium-Density Multiple-Family Dwelling)* and this zoning designation is proposed to be changed to *C-3 (General Commercial)*. The same portion of Area 8 has a general plan land use designation of *Medium Density Residential* and this general plan land use designation is proposed to be changed to *General Commercial*.

The adoption of the proposed project would involve the installation of static or digital billboards within Areas 8 through 10. The billboards will not result in any direct or indirect population growth for the El Monte area since the billboards will not create housing or employment. The billboard structures are stand-alone structures which will only require outside employees for the six-day installation period and

for periodic maintenance. Furthermore, the new billboards are not considered an extension of infrastructure which could induce population growth. As a result, no housing or population impacts will occur.

**B.** *Would the project displace substantial numbers of existing people or housing, necessitating the construction of replacement housing elsewhere? • No Impact.*

As previously mentioned, each individual billboard will only occupy a maximum of 100 square feet of land area and will not replace any existing uses within the City. As a result, no housing units will be displaced as a result of the proposed project's implementation and no impacts will occur.

### **3.14.3 MITIGATION MEASURES**

The analysis of potential population and housing impacts indicated that no significant adverse impacts would result from the proposed project's approval and subsequent implementation.

### 3.15 PUBLIC SERVICES

#### 3.15.1 THRESHOLDS OF SIGNIFICANCE

According to the City of El Monte, acting as Lead Agency, a project may be deemed to have a significant adverse impact on public services if it results in any of the following:

- Substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, the need for new or physically altered governmental facilities, the construction of which would cause significant environmental impacts, in order to maintain acceptable service ratios, response times, or other performance objectives for *fire protection*;
- Substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, the need for new or physically altered governmental facilities, the construction of which would cause significant environmental impacts, in order to maintain acceptable service ratios, response times, or other performance objectives for *police protection*;
- Substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, the need for new or physically altered governmental facilities, the construction of which would cause significant environmental impacts, in order to maintain acceptable service ratios, response times, or other performance objectives for *schools*;
- Substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, the need for new or physically altered governmental facilities, the construction of which would cause significant environmental impacts, in order to maintain acceptable service ratios, response times, or other performance objectives for *parks*; or,
- Substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, the need for new or physically altered governmental facilities, the construction of which would cause significant environmental impacts, in order to maintain acceptable service ratios, response times, or other performance objectives for *other public facilities*.

#### 3.15.2 ANALYSIS OF ENVIRONMENTAL IMPACTS

- A. *Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which would cause significant environmental impacts, in order to maintain acceptable service ratios, response times, or other performance objectives for fire protection?* • *No Impact.*

The City of El Monte contracts with the Los Angeles County Fire Department (LACFD) for fire protection and emergency services. Response time county-wide is under five minutes.<sup>82</sup> The billboards are stand-alone structures which will not be habitable and will not result in an incremental increase in

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<sup>82</sup> County of Los Angeles Fire Department. [www.fire.lacounty.gov/HometownFireStations/HometownFireStations.asp](http://www.fire.lacounty.gov/HometownFireStations/HometownFireStations.asp).

demand for fire protection services. As a result, no impacts on the LACFD will result from the proposed project's implementation.

- B.** *Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which would cause significant environmental impacts, in order to maintain acceptable service ratios, response times, or other performance objectives for police protection?* • *Less than Significant Impact.*

Law enforcement services are provided by the City of El Monte Police Department. The billboards will neither increase police response times nor place a strain on existing or future police resources. However, there is a possibility for graffiti. The following requirements are listed within the City's Municipal Code and will be included as conditions of approval to the entitlements for the signs:<sup>83</sup>

- Walls or screens at the base of the billboard shall not create a hazard to public safety or provide an attractive nuisance and shall be continually maintained free from graffiti.

The above requirement will be enforced by the City with assistance from the City of El Monte Police Department. As a result, less than significant impacts on law enforcement services will result from the proposed project's implementation.

- C.** *Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which would cause significant environmental impacts, in order to maintain acceptable service ratios, response times, or other performance objectives for schools?* • *No Impact.*

The proposed project will not involve any development and/or uses that could potentially affect school enrollments. The proposed project will not result in an increase in population and therefore will not create an incremental demand for school services. As a result, no impacts on school services will result from the proposed project's implementation.

- D.** *Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which would cause significant environmental impacts, in order to maintain acceptable service ratios, response times, or other performance objectives for parks?* • *No Impact.*

The proposed project will not cause local population growth which could potentially overwhelm the local recreational facilities. As a result, no impacts on parks will result from the proposed project's implementation.

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<sup>83</sup> El Monte, City of. *Municipal Code*. Title 17 Zoning, Chapter 17.88 Freeway Overlay Zone (Billboards), Section 17.88.030 General Requirements (1.3.c-e).

- E.** *Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which would cause significant environmental impacts, in order to maintain acceptable service ratios, response times, or other performance objectives for other public facilities? • No Impact.*

No new governmental services will be needed due to the nature of the project. Furthermore, the billboards will not be expected to have any impact on existing governmental services. As a result, no impacts are anticipated.

### **3.15.3 MITIGATION MEASURES**

The analysis of public service impacts indicated that no significant adverse impacts are anticipated and no mitigation is required with the implementation of the proposed project.

### **3.16 RECREATION**

#### **3.16.1 THRESHOLDS OF SIGNIFICANCE**

According to the City of El Monte, acting as Lead Agency, a project may be deemed to have a significant adverse impact on the environment if it results in any of the following:

- An increase in the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated; or,
- The inclusion of recreational facilities or the construction or expansion of recreational facilities which might have an adverse physical effect on the environment.

#### **3.16.2 ANALYSIS OF ENVIRONMENTAL IMPACTS**

*A. Would the project increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated? • No Impact.*

The proposed project will not cause local population growth which could potentially overwhelm the local recreational facilities. As a result, no impacts on parks will result from the proposed project's implementation.

*B. Would the project include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment? • No Impact.*

The proposed project would not result in any development that would potentially increase the demand for recreational facilities and services. In addition, the project will not include recreational facilities or require the construction or expansion of recreational facilities. As a result, no impacts are anticipated.

#### **3.16.3 MITIGATION MEASURES**

The analysis of potential impacts related to parks and recreation indicated that no significant adverse impacts would result from the proposed project's approval and subsequent implementation. As a result, no mitigation measures are required.

### 3.17 TRANSPORTATION

#### 3.17.1 THRESHOLDS OF SIGNIFICANCE

According to the City of El Monte, acting as Lead Agency, a project will have a significant adverse impact on traffic and circulation if it results in any of the following:

- A conflict with a plan, ordinance, or policy addressing the circulation system, including transit, roadway, bicycle and pedestrian facilities;
- A conflict or inconsistency with CEQA Guidelines Section 15064.3 subdivision (b);
- A substantial increase in hazards due to a geometric design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment); or,
- Inadequate emergency access.

#### 3.17.2 ANALYSIS OF ENVIRONMENTAL IMPACTS

**A.** *Would the project conflict with a program, plan, ordinance, or policy addressing the circulation system, including transit, roadway, bicycle and pedestrian facilities?* • *No Impact.*

The proposed project involves an amendment to portions of Title 17 (Zoning) of the El Monte Municipal Code to allow for the expansion of the Freeway Billboard Overlay Zone and to allow for the installation of billboards within 250 feet of residential zones. The proposed project also involves a zone change and a general plan amendment at Area 8. A portion of Area 8 is zoned as *R-3 (Medium-Density Multiple-Family Dwelling)* and this zoning designation is proposed to be changed to *C-3 (General Commercial)*. The same portion of Area 8 has a general plan land use designation of *Medium Density Residential* and this general plan land use designation is proposed to be changed to *General Commercial*.

The implementation of the proposed project will not affect the performance of existing transit, roadway, bicycle and pedestrian facilities. Given the nature of the proposed project, there will not be any change in the traffic distribution over that which presently exists. The only vehicle trips that will be generated will be those necessary for installation over a six-day period and those necessary for periodic maintenance. As a result, no change in the operating levels of service at the area intersections is anticipated to result as part of the proposed project's implementation and no impacts will occur.

**B.** *Would the project conflict or be inconsistent with CEQA Guidelines Section 15064.3 subdivision (b)?*  
• *No Impact.*

According to CEQA Guidelines Section 15064.3 subdivision (b)(1), vehicle miles traveled (VMT) exceeding an applicable threshold of significance may indicate a significant impact. Generally, projects within one-half mile of either an existing major transit stop or a stop along an existing high quality transit corridor should be presumed to cause a less than significant transportation impact. Projects that decrease vehicle miles traveled in the project area compared to existing conditions should be considered to have a less than significant transportation impact. Due to the nature of the proposed project, there will not be any change

in the traffic distribution over that which presently exists. The only vehicle trips that will be generated will be those necessary for installation over a six-day period for each billboard and those necessary for periodic maintenance.

CEQA Guidelines Section 15064.3 subdivision (b)(2) focuses on impacts that result from certain transportation projects. The proposed project involves an amendment to the Municipal Code and a zone change and is not a transportation project.

CEQA Guidelines Section 15064.3 subdivision (b)(3) and (b)(4) focuses on the evaluation of a project's VMT. As previously mentioned in Subsection A, there will not be any change in the traffic circulation over that which presently exists. The only vehicle trips that will be generated will be those necessary for installation over a six-day period for each billboard and those necessary for periodic maintenance. As a result, the proposed project will not result in a conflict or be inconsistent with Section 15064.3 subdivision (b) of the CEQA Guidelines and no impacts will occur.

*C. Would the project substantially increase hazards due to a geometric design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)? • Less than Significant Impact.*

The new billboards will not require the construction of new roadways, thus eliminating the impacts related to sharp curves or dangerous intersections. The existing configuration of the existing roadways located adjacent to the signs will not change. The Federal Highway Beautification Act of 1965 (23 U.S.C. 131) governs advertising signage located along the interstate highway system (the San Bernardino Freeway [I-10] is an Interstate Highway). Caltrans is involved in the control of “off-premise” displays along the I-10 Freeway, SR 19 and other highways.<sup>84</sup> The agreements provide that such signs shall be erected only in commercial or industrial zones and these signs are subject to the following restrictions:

- No signs shall imitate or resemble any official traffic sign, signal or device, nor shall signs obstruct or interfere with official signs;
- Signs located on the same side of the freeway must be separated by at least 500 feet; and,
- Signs shall not include flashing, intermittent or moving lights, and shall not emit light that may obstruct or impair the vision of any driver.

The Outdoor Advertising Act contains a number of provisions relating to the construction, installation and operation of static or digital billboards:

- The sign must be constructed to withstand a wind pressure of 20 pounds per square feet of exposed surface (§5401);

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<sup>84</sup> The FHWA has entered into written agreements with Caltrans: one dated May 29, 1965, and a subsequent agreement dated February 15, 1968. The agreements generally provide that the State will control the construction of all outdoor advertising signs, displays, and devices within 660 feet of the interstate highway right-of-way (ROW). California regulates outdoor advertising in the Outdoor Advertising Act (Business and Professions Code, Sections 5200 et. seq.) and the California Code of Regulations, Title 4, Division 6 (Sections 2240 et seq.) Caltrans enforces the law and regulations.



- No sign shall display any statements or words of an obscene, indecent, or immoral character (§5402);
- No sign shall display flashing, intermittent, or moving light or lights (§5403[h]);
- Message center signs may not include any illumination or message change that is in motion or appears to be in motion or that change or expose a message for less than four seconds. No message center sign may be located within 500 feet of an existing billboard or 1,000 feet of another message center display, on the same side of the highway (§5405).

Section 21466.5 prohibits the placing of any light source “...of any color of such brilliance as to impair the vision of drivers upon the highway.” Specific standards for measuring light sources are indicated in this section. The restrictions may be enforced by Caltrans, the California Highway Patrol, or local authorities. These requirements will reduce the potential impacts to levels that are less than significant.

**D. *Would the project result in inadequate emergency access? • Less than Significant Impact.***

The proposed project would not affect emergency access to any adjacent parcels. As previously mentioned in Section 3.9.2.F, at no time during billboard installation or maintenance will adjacent streets be completely closed to traffic. The individual billboard installation plans must identify specific provisions for the regulation of construction vehicle access to the billboard site during billboard installation as a means to provide continued through-access and prevent street blockage or queuing. If any of the billboard installations require partial or full street closures, the contractor will be required to follow the proper protocol pursuant to the California Manual on Uniform Traffic Control Devices (MUTCD) as it relates to temporary and intermittent street closures.<sup>85</sup> As a result, less than significant impacts are associated with the installation or relocation of any billboards.

### **3.17.3 MITIGATION MEASURES**

The analysis of potential impacts related to traffic and circulation indicated that no significant adverse impacts would result from the proposed project’s approval and subsequent implementation. As a result, no mitigation measures are required.

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<sup>85</sup> California Department of Transportation (Caltrans). California Manual on Uniform Traffic Control Devices. 2014, as revised March 2018.

### **3.18 TRIBAL CULTURAL RESOURCES**

#### **3.18.1 THRESHOLDS OF SIGNIFICANCE**

According to the City of El Monte, acting as Lead Agency, a project may be deemed to have a significant adverse impact on tribal cultural resources if it results in any of the following:

- A substantial adverse change in the significance of a tribal cultural resource, defined in Public Resources Code Section 21074 as either a site, feature, place, cultural landscape that is geographically defined in terms of the size and scope of the landscape, sacred place, or object with cultural value to a California Native American tribe, and that is listed or eligible for listing in the California Register of Historical Resources, or in a local register of historical resources as defined in Public Resources Code Section 5020.1(k); or,
- A substantial adverse change in the significance of a tribal cultural resource, defined in Public Resources Code Section 21074 as either a site, feature, place, cultural landscape that is geographically defined in terms of the size and scope of the landscape, sacred place, or object with cultural value to a California Native American tribe, and that is a resource determined by the Lead Agency, in its discretion and supported by substantial evidence, to be significant pursuant to criteria set forth in subdivision (c) of Public Resources Code Section 5024.1.

#### **3.18.2 ANALYSIS OF ENVIRONMENTAL IMPACTS**

- A.** *Would the project cause a substantial adverse change in the significance of a tribal cultural resource, defined in Public Resources Code Section 21074 as either a site, feature, place, cultural landscape that is geographically defined in terms of the size and scope of the landscape, sacred place, or object with cultural value to a California Native American tribe, and that is listed or eligible for listing in the California Register of Historical Resources, or in a local register of historical resources as defined in Public Resources Code Section 5020.1(k)? • Less than Significant Impact with Mitigation.*

A Tribal Resource is defined in Public Resources Code section 21074 and includes the following:

- Sites, features, places, cultural landscapes, sacred places, and objects with cultural value to a California Native American tribe that are either of the following: included or determined to be eligible for inclusion in the California Register of Historical Resources or included in a local register of historical resources as defined in subdivision (k) of Section 5020.1.
- A resource determined by the lead agency, in its discretion and supported by substantial evidence, to be significant pursuant to criteria set forth in subdivision (c) of Section 5024.1. In applying the criteria set forth in subdivision (c) of Section 5024.1 for the purposes of this paragraph, the lead agency shall consider the significance of the resource to a California Native American tribe.

- A cultural landscape that meets the criteria of subdivision (a) is a tribal cultural resource to the extent that the landscape is geographically defined in terms of the size and scope of the landscape.
- A historical resource described in Section 21084.1, a unique archaeological resource as defined in subdivision (g) of Section 21083.2, or a “non-unique archaeological resource” as defined in subdivision (h) of Section 21083.2 may also be a tribal cultural resource if it conforms with the criteria of subdivision (a).

The billboards would be located within an urbanized area of the City that has been disturbed due to past development and there is a limited likelihood that artifacts will be encountered. The drilling for the billboard support will be 25 feet. In addition, Areas 8 through 10 are not located within areas that are typically associated with habitation sites, foraging areas, ceremonial sites, or burials. However, the entire City of El Monte is located within the cultural area that was formerly occupied by the Gabrieleño-Kizh. Formal Native American consultation was provided in accordance with AB-52 and it was determined that Areas 8 through 10 are located in areas of high archaeological significance. Although Areas 8 through 10 have been subject to disturbance to accommodate the surrounding existing buildings, Areas 8 through 10 are situated in an area of high archaeological significance. As a result, the following mitigation is required:

- The project Applicant will be required to obtain the services of a qualified Native American Monitor(s) during construction-related ground disturbance activities. Ground disturbance is defined by the Tribal Representatives from the Gabrieleño Band of Mission Indians, Kizh Nation as activities that include, but are not limited to, pavement removal, pot-holing or auguring, boring, grading, excavation, and trenching, within the installation sites. The monitor(s) must be approved by the tribal representatives and will be present on-site during the construction phases that involve any ground-disturbing activities.

Title 14; Chapter 3; Article 5; Section 15064.5 of CEQA will apply in terms of the identification of significant archaeological resources and their salvage. Adherence to the abovementioned mitigation measure will reduce potential impacts to levels that are less than significant.

**B.** *Would the project cause a substantial adverse change in the significance of a tribal cultural resource, defined in Public Resources Code Section 21074 as either a site, feature, place, cultural landscape that is geographically defined in terms of the size and scope of the landscape, sacred place, or object with cultural value to a California Native American tribe, and that is a resource determined by the Lead Agency, in its discretion and supported by substantial evidence, to be significant pursuant to criteria set forth in subdivision (c) of Public Resources Code Section 5024.1. In applying the criteria set forth in subdivision (c) of Public Resource Code Section 5024.1, the Lead Agency shall consider the significance of the resource to a California Native American tribe. • Less than Significant Impact.*

As previously mentioned, the entire City of El Monte is located within the cultural area that was formally occupied by the Gabrielino-Kizh and it was determined that Areas 8 through 10 are situated in an area of high archaeological significance.

The billboards would be located within an urbanized area of the City that has been disturbed due to past development and there is a limited likelihood that artifacts will be encountered. The drilling for the billboard support will be 25 feet. In addition, Areas 8 through 10 are not located within areas that are typically associated with habitation sites, foraging areas, ceremonial sites, or burials. Although Areas 8 through 10 have been subject to disturbance to accommodate the surrounding existing buildings, a mitigation measure was provided in the previous subsection. With the implementation of this mitigation measure, tribal cultural impacts will be reduced to levels that are considered to be less than significant.

### **3.18.3 MITIGATION MEASURES**

Although Areas 8 through 10 have been subject to disturbance to accommodate the surrounding buildings, Areas 8 through 10 are situated in an area of high archaeological significance. As a result, the following mitigation is required:

*Mitigation Measure No. 3 (Tribal Cultural Resources).* The project Applicant will be required to obtain the services of a qualified Native American Monitor(s) during construction-related ground disturbance activities. Ground disturbance is defined by the Tribal Representatives from the Gabrieleño Band of Mission Indians, Kizh Nation as activities that include, but are not limited to, pavement removal, pot-holing or auguring, boring, grading, excavation, and trenching, within the installation sites. The monitor(s) must be approved by the tribal representatives and will be present on-site during the construction phases that involve any ground-disturbing activities.

### 3.19 UTILITIES

#### 3.19.1 THRESHOLDS OF SIGNIFICANCE

According to the City of El Monte, acting as Lead Agency, a project may be deemed to have a significant adverse impact on utilities if it results in any of the following:

- The requirement or relocation or construction of new or expanded water, wastewater treatment or stormwater drainage, electric power, natural gas, or telecommunications facilities, the construction or relocation of which could cause significant environmental effects;
- Insufficient water supplies available to serve the project and reasonably foreseeable future development during normal, dry and multiple dry years;
- A determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments;
- The generation of solid waste in excess of State or local standards, or in excess of the capacity of local infrastructure, or otherwise impair the attainment of solid waste reduction goals;
- Incompliance with Federal, State, and local management and reduction statutes and regulations related to solid waste.

#### 3.19.2 ANALYSIS OF ENVIRONMENTAL IMPACTS

- A.** *Would the project require or result in the relocation or construction of new or expanded water, wastewater treatment or stormwater drainage, electric power, natural gas, or telecommunications facilities, the construction or relocation of which could cause significant environmental effects? • No Impact.*

The proposed project involves a Municipal Code Amendment and a zone change relating to billboard uses. Due to the nature of the proposed project, future billboards will not require water, wastewater treatment, stormwater drainage, natural gas or telecommunication facilities. As previously mentioned in Section 3.6 (Energy), the installation of the billboards will not result in excessive energy consumption because the materials used in the construction of billboards are manufactured off-site and each billboard will be installed over a six-day period. The billboards will require electrical connections but will not require the relocation or construction of new or expanded electric power facilities and no impacts will result.

- B.** *Would the project have sufficient water supplies available to serve the project and reasonably foreseeable future development during normal, dry and multiple dry years? • No Impact.*

The installation and operation of future billboards will not involve any uses or activities that would result in the consumption of any water. The installation of the billboards will not require the installation of landscaping and therefore will not require water for landscaping. As a result, no impacts will occur.

- C.** *Would the project result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments? • No Impact.*

The proposed project will not involve any uses or activities that would result in the generation of wastewater. As a result, no impacts will occur.

- D.** *Would the project generate solid waste in excess of state or local standards, or in excess of the capacity of local infrastructure, or otherwise impair the attainment of solid waste reduction goals? • No Impact.*

The proposed project will not involve any uses or activities that would result in the generation of solid waste. As a result, no impacts will occur.

- E.** *Would the project comply with federal, state, and local management and reduction statutes and regulations related to solid waste? • No Impact.*

The proposed project will not involve any uses or activities that would result in the generation of solid waste. As a result, no impacts will occur.

### **3.19.3 MITIGATION MEASURES**

The analysis of utilities impacts indicated that no significant adverse impacts would result from the proposed project's approval and subsequent implementation. As a result, no mitigation is required.

## 3.20 WILDFIRE

### 3.20.1 THRESHOLDS OF SIGNIFICANCE

According to the City of El Monte, acting as Lead Agency, a project may be deemed to have a significant adverse impact if it results in any of the following located in or near State responsibility areas or lands classified as very high fire hazard severity zones:

- If located in or near State responsibility areas or lands classified as very high fire hazard severity zones, a substantial impairment of an adopted emergency response plan or emergency evacuation plan;
- If located in or near State responsibility areas or lands classified as very high fire hazard severity zones, the exacerbation of wildfire risks due to slope, prevailing winds, and other factors, and thereby exposing project occupants to pollutant concentrations from a wildfire or the uncontrolled spread of a wildfire;
- If located in or near State responsibility areas or lands classified as very high fire hazard severity zones, the requirement of the installation or maintenance of associated infrastructure (such as roads, fuel breaks, emergency water sources, power lines, or other utilities) that may exacerbate fire risk or that may result in temporary or ongoing impacts to the environment would the project; or,
- If located in or near State responsibility areas or lands classified as very high fire hazard severity zones, the exposure of people or structures to significant risks, including downslope or downstream flooding or landslides, as a result of runoff, post-fire slope instability, or drainage changes.

### 3.20.2 ANALYSIS OF ENVIRONMENTAL IMPACTS

*A. If located in or near state responsibility areas or lands classified as very high fire hazard severity zones, would the project substantially impair an adopted emergency response plan or emergency evacuation plan? • No Impact.*

The proposed project involves a Municipal Code Amendment and a zone change relating to billboard uses. As previously mentioned in Section 3.9.2.F, at no time during billboard installation or maintenance will adjacent streets be completely closed to traffic. The individual billboard installation plans must identify specific provisions for the regulation of construction vehicle access to the billboard site during billboard installation as a means to provide continued through-access and prevent street blockage or queuing. If any of the billboard installations require partial or full street closures, the contractor will be required to follow the proper protocol pursuant to the California Manual on Uniform Traffic Control Devices (MUTCD) as it relates to temporary and intermittent street closures.<sup>86</sup> Furthermore, the

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<sup>86</sup> California Department of Transportation (Caltrans). California Manual on Uniform Traffic Control Devices. 2014, as revised March 2018.

installation sites are located within an urbanized area and no areas prone to wildfires are located near the installation sites. As a result, no impacts will occur.

- B.** *If located in or near state responsibility areas or lands classified as very high fire hazard severity zones, would the project due to slope, prevailing winds, and other factors, exacerbate wildfire risks, and thereby expose project occupants to pollutant concentrations from a wildfire or the uncontrolled spread of a wildfire? • No Impact.*

There is no risk from wildfire within Areas 8 through 10 or the surrounding area given the distance from any area that may be at risk of a wildfire event. In addition, the billboards will not change the nature of their respective installation sites. As a result, no impacts will occur.

- C.** *If located in or near state responsibility areas or lands classified as very high fire hazard severity zones, would the project require the installation or maintenance of associated infrastructure (such as roads, fuel breaks, emergency water sources, power lines, or other utilities) that may exacerbate fire risk or that may result in temporary or ongoing impacts to the environment? • No Impact.*

The future billboards will not change the nature of their respective installation sites. There is no risk from wildfire within Areas 8 through 10 or the surrounding area given the distance from any area that may be at risk of a wildfire event. As a result, no impacts will occur.

- D.** *If located in or near state responsibility areas or lands classified as very high fire hazard severity zones, would the project expose people or structures to significant risks, including downslope or downstream flooding or landslides, as a result of runoff, post-fire slope instability, or drainage changes? • No Impact.*

There is no risk from wildfire within Areas 8 through 10 or the surrounding area given the distance from any area that may be at risk of a wildfire event. In addition, the surrounding areas are level. As a result, no impacts will occur.

### **3.20.3 MITIGATION MEASURES**

The analysis of wildfires impacts indicated that no impacts would result from the proposed project's approval and subsequent implementation. As a result, no mitigation is required.



### **3.21 MANDATORY FINDINGS OF SIGNIFICANCE**

The following findings can be made regarding the Mandatory Findings of Significance set forth in Section 15065 of the CEQA Guidelines based on the results of this environmental assessment:

- The proposed project *will not* have the potential to substantially degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, substantially reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory. As indicated in Section 3.1 through 3.20, the proposed project will not result in any significant unmitigable environmental impacts.
- The proposed project *will not* have impacts that are individually limited, but cumulatively considerable. The proposed project is relatively small and the attendant environmental impacts will not lead to a cumulatively significant impact on any of the issues analyzed herein.
- The proposed project *will not* have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly. As indicated in Section 3.1 through 3.20, the proposed project will not result in any significant unmitigable environmental impacts.

## SECTION 4 CONCLUSIONS

### 4.1 FINDINGS

The Initial Study determined that the proposed project is not expected to have significant adverse environmental impacts. The following findings can be made regarding the Mandatory Findings of Significance set forth in Section 15065 of the CEQA Guidelines based on the results of this Initial Study:

- The proposed project *will not* have the potential to substantially degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, substantially reduce the number or restrict the range of an endangered, rare or threatened species or eliminate important examples of the major periods of California history or prehistory.
- The proposed project *will not* have impacts that are individually limited, but cumulatively considerable.
- The proposed project *will not* have environmental effects which will cause substantially adverse effects on human beings, either directly or indirectly.
- A Mitigation Reporting and Monitoring Program *will be* required.

### 4.2 MITIGATION MONITORING

In addition, pursuant to Section 21081(a) of the Public Resources Code, findings must be adopted by the decision-maker coincidental to the approval of a Mitigated Negative Declaration, which relates to the Mitigation Monitoring Program. These findings shall be incorporated as part of the decision-maker's findings of fact, in response to AB-3180 and in compliance with the requirements of the Public Resources Code. In accordance with the requirements of Section 21081(a) and 21081.6 of the Public Resources Code, the City of El Monte can make the following additional findings:

- A mitigation monitoring and reporting program will be required; and,
- An accountable enforcement agency or monitoring agency shall be identified for the mitigation measures adopted as part of the decision-maker's final determination.

Mitigation measures have been recommended as a means to reduce or eliminate potential adverse environmental impacts to insignificant levels. AB-3180 requires that a monitoring and reporting program be adopted for the recommended mitigation measures.

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## SECTION 5 REFERENCES

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### 5.2 REFERENCES

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## **MITIGATION MONITORING AND REPORTING PROGRAM**

MITIGATION MONITORING AND REPORTING PROGRAM  
INITIAL STUDY & MITIGATED NEGATIVE DECLARATION  
FREEWAY BILLBOARD OVERLAY ZONE MUNICIPAL CODE AMENDMENT • CITY OF EL MONTE

## MITIGATION MONITORING AND REPORTING PROGRAM

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### **FREEWAY BILLBOARD OVERLAY ZONE MUNICIPAL CODE AMENDMENT** (AN AMENDMENT TO PORTIONS OF TITLE 17 [ZONING] OF THE EL MONTE MUNICIPAL CODE TO ALLOW FOR THE EXPANSION OF THE FREEWAY BILLBOARD OVERLAY ZONE)



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**OCTOBER 9, 2019**

ELMT 032

MITIGATION MONITORING AND REPORTING PROGRAM  
INITIAL STUDY & MITIGATED NEGATIVE DECLARATION  
FREEWAY BILLBOARD OVERLAY ZONE MUNICIPAL CODE AMENDMENT • CITY OF EL MONTE

## TABLE OF CONTENTS

| <u>Section</u>                                     | <u>Page</u> |
|--|-------------|
| 1. Overview of the Project .....                   | 3           |
| 2. Findings of the Environmental Assessment .....  | 3           |
| 3. Findings Related to Mitigation Monitoring ..... | 3           |
| 4. Mitigation Measures .....                       | 4           |
| 5. Mitigation Monitoring .....                     | 5           |



INITIAL STUDY AND MITIGATED NEGATIVE DECLARATION  
FREEWAY BILLBOARD OVERLAY ZONE MUNICIPAL CODE AMENDMENT • CITY OF EL MONTE

MITIGATION MONITORING AND REPORTING PROGRAM  
INITIAL STUDY & MITIGATED NEGATIVE DECLARATION  
FREEWAY BILLBOARD OVERLAY ZONE MUNICIPAL CODE AMENDMENT • CITY OF EL MONTE

## 1. OVERVIEW OF THE PROJECT

The proposed project is an amendment to portions of Title 17 (Zoning) of the El Monte Municipal Code to allow for the expansion of the Freeway Billboard Overlay Zone. The proposed expansion of the Freeway Billboard Overlay Zone involves the addition of three new areas (referred to as Areas 8 through 10) to the Freeway Billboard Overlay Zone, which currently includes seven locations located along portions of the I-10 Freeway Corridor within the City of El Monte. The Municipal Code will also be amended to allow the installation of billboards within 250 feet of residential zones at the discretion of the Community and Economic Development Director (the installation of billboards is currently not permitted within 250 feet of residential zones). The proposed project also involves a zone change and a general plan amendment at Area 8. A portion of Area 8 is zoned as *R-3 (Medium-Density Multiple-Family Dwelling)* and this zoning designation is proposed to be changed to *C-3 (General Commercial)*. The same portion of Areas 8 has a general plan land use designation of *Medium Density Residential* and this general plan land use designation is proposed to be changed to *General Commercial*.

## 2. FINDINGS OF THE ENVIRONMENTAL ASSESSMENT

The attached Initial Study prepared for the proposed project indicated that the proposed project will not result in significant environmental impacts upon implementation of the required mitigation measures. The following Mandatory Findings of Significance can be made as set forth in Section 15065 of the CEQA Guidelines, as amended, based on the results of this environmental assessment:

- The proposed project *will not* have the potential to substantially degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, substantially reduce the number or restrict the range of an endangered, rare or threatened species or eliminate important examples of the major periods of California history or prehistory.
- The proposed project *will not* have impacts that are individually limited, but cumulatively considerable.
- The proposed project *will not* have environmental effects which will cause substantially adverse effects on human beings, either directly or indirectly.

## 3. FINDINGS RELATED TO MITIGATION MONITORING

Section 21081(a) of the Public Resources Code states that findings must be adopted by the decision-makers coincidental to the approval of a Mitigated Negative Declaration. These findings shall be incorporated as part of the decision-maker's findings of fact, in response to AB-3180. In accordance with the requirements of Section 21081(a) and 21081.6 of the Public Resources Code, the following additional findings may be made:

MITIGATION MONITORING AND REPORTING PROGRAM  
INITIAL STUDY & MITIGATED NEGATIVE DECLARATION  
FREEWAY BILLBOARD OVERLAY ZONE MUNICIPAL CODE AMENDMENT • CITY OF EL MONTE

- A mitigation monitoring and reporting program will be required;
- Site plans and/or building plans, submitted for approval by the responsible monitoring agency, shall include the required standard conditions; and,
- An accountable enforcement agency or monitoring agency shall be identified for the mitigations adopted as part of the decision-maker's final determination.

#### 4. MITIGATION MEASURES

In the absence of mitigation, the potential damage to paleontological resources or sites during billboard installation would be a potentially significant impact. Therefore, the following mitigation is required:

*Mitigation Measure No. 1 (Geology & Soils).* Prior to commencement of any grading activity on site, the Applicant shall retain a qualified paleontologist, subject to the review and approval of the City's Community and Economic Development Director, or designee. The qualified paleontologist shall be on-site during grading and other significant ground disturbance activities that impact Pleistocene alluvial deposits, which could occur at depths below six feet. The monitoring shall apply to the areas of the site where excavation shall extend at depths of six feet or more.

The environmental analysis determined that various contaminated sites, as listed by the California Environmental Protection Agency and the United States Environmental Protection Agency, are located within the proposed Freeway Billboard Overlay Zone. In order to ensure that ongoing remediation of contaminated sites continues and that the contamination is not disturbed and further spread, the following mitigation measure is required:

*Mitigation Measure No. 2 (Hazards & Hazardous Materials).* Billboards must not be installed over sites that are identified as contaminated under any hazardous site database that is maintained by the California Environmental Protection Agency or the United States Environmental Protection Agency.

Although Areas 8 through 10 have been subject to disturbance to accommodate the surrounding buildings, Areas 8 through 10 are situated in an area of high archaeological significance. As a result, the following mitigation is required:

*Mitigation Measure No. 3 (Tribal Cultural Resources).* The project Applicant will be required to obtain the services of a qualified Native American Monitor(s) during construction-related ground disturbance activities. Ground disturbance is defined by the Tribal Representatives from the Gabrieleño Band of Mission Indians, Kizh Nation as activities that include, but are not limited to, pavement removal, pot-holing or auguring, boring, grading, excavation, and trenching, within the installation sites. The monitor(s) must be approved by the tribal representatives and will be present on-site during the construction phases that involve any ground-disturbing activities.



INITIAL STUDY AND MITIGATED NEGATIVE DECLARATION  
 FREEWAY BILLBOARD OVERLAY ZONE MUNICIPAL CODE AMENDMENT • CITY OF EL MONTE

MITIGATION MONITORING AND REPORTING PROGRAM  
 INITIAL STUDY & MITIGATED NEGATIVE DECLARATION  
 FREEWAY BILLBOARD OVERLAY ZONE MUNICIPAL CODE AMENDMENT • CITY OF EL MONTE

## 5. MITIGATION MONITORING

The monitoring and reporting on the implementation of these measures, including the period for implementation, monitoring agency, and the monitoring action, are identified in Table 1.

| TABLE 1<br>MITIGATION-MONITORING PROGRAM  |   |   |                            |
|---|---|---|----------------------------|
| Measure   | Enforcement Agency  | Monitoring Phase  | Verification               |
| <b>Mitigation Measure No. 1 (Geology &amp; Soils).</b><br>Prior to commencement of any grading activity on site, the Applicant shall retain a qualified paleontologist, subject to the review and approval of the City's Community and Economic Development Director, or designee. The qualified paleontologist shall be on-site during grading and other significant ground disturbance activities that impact Pleistocene alluvial deposits, which could occur at depths below six feet. The monitoring shall apply to the areas of the site where excavation shall extend at depths of six feet or more.   | Community and Economic Development Director, City Engineer and the Chief Building Official<br>•<br>(The City is responsible for implementation) | Prior to the start of any construction-related activities.<br>•<br>Mitigation ends when ground disturbance is completed or otherwise noted by the appointed paleontologist.             | Date:<br><br>Name & Title: |
| <b>Mitigation Measure No. 2 (Hazards &amp; Hazardous Materials).</b> Billboards must not be installed over sites that are identified as contaminated under any hazardous site database that is maintained by the California Environmental Protection Agency or the United States Environmental Protection Agency.   | Community and Economic Development Director, City Engineer<br>•<br>(The City is responsible for implementation)                                 | Prior to the start of any construction-related activities.<br>•<br>Mitigation ends when construction is complete.   | Date:<br><br>Name & Title: |
| <b>Mitigation Measure No. 3 (Tribal Cultural Resources).</b> The project Applicant will be required to obtain the services of a qualified Native American Monitor(s) during construction-related ground disturbance activities. Ground disturbance is defined by the Tribal Representatives from the Gabrieleño Band of Mission Indians, Kizh Nation as activities that include, but are not limited to, pavement removal, pot-holing or auguring, boring, grading, excavation, and trenching, within the installation sites. The monitor(s) must be approved by the tribal representatives and will be present on-site during the construction phases that involve any ground-disturbing activities. | Community and Economic Development Director<br>•<br>(The City is responsible for implementation)  | Prior to the start of any construction-related activities.<br>•<br>Mitigation ends when ground disturbance is completed or otherwise noted by the appointed Native American Monitor(s). | Date:<br><br>Name & Title: |



## **APPENDIX A – AIR QUALITY WORKSHEETS**

CalEEMod Version: CalEEMod 2016.3.2  
 Page 1 of 25  
 Date: 8/21/2019 10:03 AM  
 El Monte Billboard Ordinance Amendment - South Coast AQMD Air District, Summer

**El Monte Billboard Ordinance Amendment**  
 South Coast AQMD Air District, Summer

**1.0 Project Characteristics**

**1.1 Land Usage**

| Land Uses               | Size | Metric            | Lot Acreage | Floor Surface Area | Population |
|-------------------------|------|-------------------|-------------|--------------------|------------|
| User Defined Industrial | 1.00 | User Defined Unit | 0.00        | 100.00             | 0          |

**1.2 Other Project Characteristics**

|                          |                            |                          |       |                           |       |
|--------------------------|----------------------------|--------------------------|-------|---------------------------|-------|
| Urbanization             | Urban                      | Wind Speed (m/s)         | 2.2   | Precipitation Freq (Days) | 31    |
| Climate Zone             | 9                          |                          |       | Operational Year          | 2020  |
| Utility Company          | Southern California Edison |                          |       |                           |       |
| CO2 Intensity (lb/MW/hr) | 702.44                     | CH4 Intensity (lb/MW/hr) | 0.029 | N2O Intensity (lb/MW/hr)  | 0.006 |

**1.3 User Entered Comments & Non-Default Data**

Project Characteristics -  
 Land Use - 100 square feet per billboard  
 Construction Phase - one day per phase  
 Energy Use - average annual energy consumption for digital billboard  
 Vehicle Trips - Maintenance once per week  
 Energy Mitigation -

CalEEMod Version: CalEEMod 2016.3.2  
 Page 2 of 25  
 El Monte Billboard Ordinance Amendment - South Coast AQMD Air District, Summer  
 Date: 8/21/2019 10:03 AM

| Table Name           | Column Name       | Default Value | New Value   |
|----------------------|-------------------|---------------|-------------|
| tblConstructionPhase | NumDays           | 0.00          | 2.00        |
| tblConstructionPhase | NumDays           | 0.00          | 2.00        |
| tblConstructionPhase | NumDays           | 0.00          | 2.00        |
| tblConstructionPhase | NumDays           | 0.00          | 2.00        |
| tblConstructionPhase | NumDays           | 0.00          | 2.00        |
| tblConstructionPhase | NumDays           | 0.00          | 2.00        |
| tblConstructionPhase | PhaseEndDate      | 12/31/2019    | 1/21/2020   |
| tblConstructionPhase | PhaseEndDate      | 12/31/2019    | 1/14/2020   |
| tblConstructionPhase | PhaseEndDate      | 12/31/2019    | 1/2/2020    |
| tblConstructionPhase | PhaseEndDate      | 12/31/2019    | 1/9/2020    |
| tblConstructionPhase | PhaseEndDate      | 12/31/2019    | 1/16/2020   |
| tblConstructionPhase | PhaseEndDate      | 12/31/2019    | 1/7/2020    |
| tblConstructionPhase | PhaseStartDate    | 1/1/2020      | 1/20/2020   |
| tblConstructionPhase | PhaseStartDate    | 1/1/2020      | 1/13/2020   |
| tblConstructionPhase | PhaseStartDate    | 1/1/2020      | 1/8/2020    |
| tblConstructionPhase | PhaseStartDate    | 1/1/2020      | 1/15/2020   |
| tblConstructionPhase | PhaseStartDate    | 1/1/2020      | 1/6/2020    |
| tblEnergyUse         | LightingElect     | 0.00          | 61,032.00   |
| tblGrading           | AcresOfGrading    | 1.00          | 0.00        |
| tblLandUse           | LandUseSquareFeet | 0.00          | 100.00      |
| tblLandUse           | LotAcreage        | 0.00          | 2.2957e-003 |
| tblVehicleTrips      | ST_TR             | 0.00          | 0.14        |
| tblVehicleTrips      | SU_TR             | 0.00          | 0.14        |
| tblVehicleTrips      | WD_TR             | 0.00          | 0.14        |

## 2.0 Emissions Summary

CalEEMod Version: CalEEMod.2016.3.2

Page 3 of 25

Date: 8/21/2019 10:03 AM

El Monte Billboard Ordinance Amendment - South Coast AQMD Air District, Summer

## 2.1 Overall Construction (Maximum Daily Emission)

### Unmitigated Construction

| Year    | ROG    | NOx    | CO     | SO2    | Fugitive PM10 | Exhaust PM10 | PM10 Total | Fugitive PM2.5 | Exhaust PM2.5 | PM2.5 Total | Bio-CO2 | NBio-CO2  | Total CO2 | CH4    | N2O    | CO2e      |
|---------|--------|--------|--------|--------|---------------|--------------|------------|----------------|---------------|-------------|---------|-----------|-----------|--------|--------|-----------|
| 2020    | 0.9126 | 8.8523 | 8.0314 | 0.0133 | 0.8645        | 0.5224       | 1.3326     | 0.4434         | 0.4806        | 0.8899      | 0.0000  | 1,261,677 | 1,261,677 | 0.3567 | 0.0000 | 1,267,181 |
| Maximum | 0.9126 | 8.8523 | 8.0314 | 0.0133 | 0.8645        | 0.5224       | 1.3326     | 0.4434         | 0.4806        | 0.8899      | 0.0000  | 1,261,677 | 1,261,677 | 0.3567 | 0.0000 | 1,267,181 |

### Mitigated Construction

| Year    | ROG    | NOx    | CO     | SO2    | Fugitive PM10 | Exhaust PM10 | PM10 Total | Fugitive PM2.5 | Exhaust PM2.5 | PM2.5 Total | Bio-CO2 | NBio-CO2  | Total CO2 | CH4    | N2O    | CO2e      |
|---------|--------|--------|--------|--------|---------------|--------------|------------|----------------|---------------|-------------|---------|-----------|-----------|--------|--------|-----------|
| 2020    | 0.9126 | 8.8523 | 8.0314 | 0.0133 | 0.8645        | 0.5224       | 1.3326     | 0.4434         | 0.4806        | 0.8899      | 0.0000  | 1,261,677 | 1,261,677 | 0.3567 | 0.0000 | 1,267,181 |
| Maximum | 0.9126 | 8.8523 | 8.0314 | 0.0133 | 0.8645        | 0.5224       | 1.3326     | 0.4434         | 0.4806        | 0.8899      | 0.0000  | 1,261,677 | 1,261,677 | 0.3567 | 0.0000 | 1,267,181 |

| Percent Reduction | ROG  | NOx  | CO   | SO2  | Fugitive PM10 | Exhaust PM10 | PM10 Total | Fugitive PM2.5 | Exhaust PM2.5 | PM2.5 Total | Bio-CO2 | NBio-CO2 | Total CO2 | CH4  | N2O  | CO2e |
|-------------------|------|------|------|------|---------------|--------------|------------|----------------|---------------|-------------|---------|----------|-----------|------|------|------|
| 0.00              | 0.00 | 0.00 | 0.00 | 0.00 | 0.00          | 0.00         | 0.00       | 0.00           | 0.00          | 0.00        | 0.00    | 0.00     | 0.00      | 0.00 | 0.00 | 0.00 |



CalEEMod Version: CalEEMod.2016.3.2

Page 4 of 25

Date: 8/21/2019 10:03 AM

El Monte Billboard Ordinance Amendment - South Coast AQMD Air District, Summer

**2.2 Overall Operational  
 Unmitigated Operational**

| Category     | ROG                | NOx           | CO                 | SO2           | Fugitive PM10 | Exhaust PM10  | PM10 Total    | Fugitive PM2.5 | Exhaust PM2.5 | PM2.5 Total   | Bio-CO2 | NBio-CO2           | Total CO2          | CH4           | N2O           | CO2e               |
|--------------|--------------------|---------------|--------------------|---------------|---------------|---------------|---------------|----------------|---------------|---------------|---------|--------------------|--------------------|---------------|---------------|--------------------|
| lb/day       |                    |               |                    |               |               |               |               |                |               |               |         |                    |                    |               |               |                    |
| Area         | 2.2400e-003        | 0.0000        | 1.0000e-004        | 0.0000        |               | 0.0000        | 0.0000        |                | 0.0000        | 0.0000        |         | 2.2000e-004        | 2.2000e-004        | 0.0000        |               | 2.3000e-004        |
| Energy       | 0.0000             | 0.0000        | 0.0000             | 0.0000        |               | 0.0000        | 0.0000        |                | 0.0000        | 0.0000        |         | 0.0000             | 0.0000             | 0.0000        |               | 0.0000             |
| Mobile       | 0.0000             | 0.0000        | 0.0000             | 0.0000        | 0.0000        | 0.0000        | 0.0000        | 0.0000         | 0.0000        | 0.0000        |         | 0.0000             | 0.0000             | 0.0000        |               | 0.0000             |
| <b>Total</b> | <b>2.2400e-003</b> | <b>0.0000</b> | <b>1.0000e-004</b> | <b>0.0000</b> | <b>0.0000</b> | <b>0.0000</b> | <b>0.0000</b> | <b>0.0000</b>  | <b>0.0000</b> | <b>0.0000</b> |         | <b>2.2000e-004</b> | <b>2.2000e-004</b> | <b>0.0000</b> | <b>0.0000</b> | <b>2.3000e-004</b> |

**Mitigated Operational**

| Category     | ROG                | NOx           | CO                 | SO2           | Fugitive PM10 | Exhaust PM10  | PM10 Total    | Fugitive PM2.5 | Exhaust PM2.5 | PM2.5 Total   | Bio-CO2 | NBio-CO2           | Total CO2          | CH4           | N2O           | CO2e               |
|--------------|--------------------|---------------|--------------------|---------------|---------------|---------------|---------------|----------------|---------------|---------------|---------|--------------------|--------------------|---------------|---------------|--------------------|
| lb/day       |                    |               |                    |               |               |               |               |                |               |               |         |                    |                    |               |               |                    |
| Area         | 2.2400e-003        | 0.0000        | 1.0000e-004        | 0.0000        |               | 0.0000        | 0.0000        |                | 0.0000        | 0.0000        |         | 2.2000e-004        | 2.2000e-004        | 0.0000        |               | 2.3000e-004        |
| Energy       | 0.0000             | 0.0000        | 0.0000             | 0.0000        |               | 0.0000        | 0.0000        |                | 0.0000        | 0.0000        |         | 0.0000             | 0.0000             | 0.0000        |               | 0.0000             |
| Mobile       | 0.0000             | 0.0000        | 0.0000             | 0.0000        | 0.0000        | 0.0000        | 0.0000        | 0.0000         | 0.0000        | 0.0000        |         | 0.0000             | 0.0000             | 0.0000        |               | 0.0000             |
| <b>Total</b> | <b>2.2400e-003</b> | <b>0.0000</b> | <b>1.0000e-004</b> | <b>0.0000</b> | <b>0.0000</b> | <b>0.0000</b> | <b>0.0000</b> | <b>0.0000</b>  | <b>0.0000</b> | <b>0.0000</b> |         | <b>2.2000e-004</b> | <b>2.2000e-004</b> | <b>0.0000</b> | <b>0.0000</b> | <b>2.3000e-004</b> |



CalEEMod Version: CalEEMod 2016.3.2

Page 5 of 25

Date: 8/21/2019 10:03 AM

El Monte Billboard Ordinance Amendment - South Coast AQMD Air District, Summer

| Percent Reduction | ROG  | NOx  | CO   | SO2  | Fugitive PM10 | Exhaust PM10 | PM10 Total | Fugitive PM2.5 | Exhaust PM2.5 | PM2.5 Total | Bio- CO2 | NBio- CO2 | Total CO2 | CH4  | N2O  | CO2e |
|-------------------|------|------|------|------|---------------|--------------|------------|----------------|---------------|-------------|----------|-----------|-----------|------|------|------|
| 0.00              | 0.00 | 0.00 | 0.00 | 0.00 | 0.00          | 0.00         | 0.00       | 0.00           | 0.00          | 0.00        | 0.00     | 0.00      | 0.00      | 0.00 | 0.00 | 0.00 |

### 3.0 Construction Detail

#### Construction Phase

| Phase Number | Phase Name            | Phase Type            | Start Date | End Date  | Num Days Week | Num Days | Phase Description |
|--------------|-----------------------|-----------------------|------------|-----------|---------------|----------|-------------------|
| 1            | Demolition            | Demolition            | 1/1/2020   | 1/2/2020  | 5             | 2        |                   |
| 2            | Site Preparation      | Site Preparation      | 1/6/2020   | 1/7/2020  | 5             | 2        |                   |
| 3            | Grading               | Grading               | 1/8/2020   | 1/9/2020  | 5             | 2        |                   |
| 4            | Building Construction | Building Construction | 1/13/2020  | 1/14/2020 | 5             | 2        |                   |
| 5            | Paving                | Paving                | 1/15/2020  | 1/16/2020 | 5             | 2        |                   |
| 6            | Architectural Coating | Architectural Coating | 1/20/2020  | 1/21/2020 | 5             | 2        |                   |

Acres of Grading (Site Preparation Phase): 0

Acres of Grading (Grading Phase): 0

Acres of Paving: 0

Residential Indoor: 0; Residential Outdoor: 0; Non-Residential Indoor: 150; Non-Residential Outdoor: 50; Striped Parking Area: 0  
 (Architectural Coating – sqft)

OffRoad Equipment

CalEEMod Version: CalEEMod 2016.3.2

Page 6 of 25

El Monte Billboard Ordinance Amendment - South Coast AQMD Air District, Summer

Date: 8/21/2019 10:03 AM

| Phase Name            | Offroad Equipment Type    | Amount | Usage Hours | Horse Power | Load Factor |
|-----------------------|---------------------------|--------|-------------|-------------|-------------|
| Architectural Coating | Air Compressors           | 1      | 6.00        | 78          | 0.48        |
| Paving                | Cement and Mortar Mixers  | 4      | 6.00        | 9           | 0.56        |
| Demolition            | Concrete/Industrial Saws  | 1      | 8.00        | 81          | 0.73        |
| Grading               | Concrete/Industrial Saws  | 1      | 8.00        | 81          | 0.73        |
| Building Construction | Cranes                    | 1      | 4.00        | 231         | 0.29        |
| Building Construction | Forklifts                 | 2      | 6.00        | 89          | 0.20        |
| Site Preparation      | Graders                   | 1      | 8.00        | 187         | 0.41        |
| Paving                | Pavers                    | 1      | 7.00        | 130         | 0.42        |
| Paving                | Rollers                   | 1      | 7.00        | 80          | 0.38        |
| Demolition            | Rubber Tired Dozers       | 1      | 1.00        | 247         | 0.40        |
| Grading               | Rubber Tired Dozers       | 1      | 1.00        | 247         | 0.40        |
| Building Construction | Tractors/Loaders/Backhoes | 2      | 8.00        | 97          | 0.37        |
| Demolition            | Tractors/Loaders/Backhoes | 2      | 6.00        | 97          | 0.37        |
| Grading               | Tractors/Loaders/Backhoes | 2      | 6.00        | 97          | 0.37        |
| Paving                | Tractors/Loaders/Backhoes | 1      | 7.00        | 97          | 0.37        |
| Site Preparation      | Tractors/Loaders/Backhoes | 1      | 8.00        | 97          | 0.37        |

**Trips and VMT**

| Phase Name            | Offroad Equipment Count | Worker Trip Number | Vendor Trip Number | Hauling Trip Number | Worker Trip Length | Vendor Trip Length | Hauling Trip Length | Worker Vehicle Class | Vendor Vehicle Class | Hauling Vehicle Class |
|-----------------------|-------------------------|--------------------|--------------------|---------------------|--------------------|--------------------|---------------------|----------------------|----------------------|-----------------------|
| Demolition            | 4                       | 10.00              | 0.00               | 0.00                | 14.70              | 6.90               | 20.00               | LD_Mix               | HDT_Mix              | HHDT                  |
| Site Preparation      | 2                       | 5.00               | 0.00               | 0.00                | 14.70              | 6.90               | 20.00               | LD_Mix               | HDT_Mix              | HHDT                  |
| Grading               | 4                       | 10.00              | 0.00               | 0.00                | 14.70              | 6.90               | 20.00               | LD_Mix               | HDT_Mix              | HHDT                  |
| Building Construction | 5                       | 0.00               | 0.00               | 0.00                | 14.70              | 6.90               | 20.00               | LD_Mix               | HDT_Mix              | HHDT                  |
| Paving                | 7                       | 18.00              | 0.00               | 0.00                | 14.70              | 6.90               | 20.00               | LD_Mix               | HDT_Mix              | HHDT                  |
| Architectural Coating | 1                       | 0.00               | 0.00               | 0.00                | 14.70              | 6.90               | 20.00               | LD_Mix               | HDT_Mix              | HHDT                  |

CalEEMod Version: CalEEMod 2016.3.2  
 Page 7 of 25  
 Date: 8/21/2019 10:03 AM  
 El Monte Billboard Ordinance Amendment - South Coast AQMD Air District, Summer

### 3.1 Mitigation Measures Construction

### 3.2 Demolition - 2020 Unmitigated Construction On-Site

| Category | ROG    | NOx    | CO     | SO2    | Fugitive PM10 | Exhaust PM10 | PM10 Total | Fugitive PM2.5 | Exhaust PM2.5 | PM2.5 Total | Bk- CO2 | NBk- CO2  | Total CO2 | CH4    | N2O | CO2e      |
|----------|--------|--------|--------|--------|---------------|--------------|------------|----------------|---------------|-------------|---------|-----------|-----------|--------|-----|-----------|
| ib/day   |        |        |        |        |               |              |            |                |               |             |         |           |           |        |     |           |
| Off-Road | 0.8674 | 7.8729 | 7.6226 | 0.0120 |               | 0.4672       | 0.4672     |                | 0.4457        | 0.4457      |         | 1,147,235 | 1,147,235 | 0.2169 |     | 1,152,657 |
|          |        |        |        |        |               |              |            |                |               |             |         | 2         | 2         |        |     | 8         |
| Total    | 0.8674 | 7.8729 | 7.6226 | 0.0120 |               | 0.4672       | 0.4672     |                | 0.4457        | 0.4457      |         | 1,147,235 | 1,147,235 | 0.2169 |     | 1,152,657 |
|          |        |        |        |        |               |              |            |                |               |             |         | 2         | 2         |        |     | 8         |

CalEEMod Version: CalEEMod 2016.3.2 Date: 8/21/2019 10:03 AM  
 Page 8 of 25  
 El Monte Billboard Ordinance Amendment - South Coast AQMD Air District, Summer

**3.2 Demolition - 2020**  
**Unmitigated Construction Off-Site**

| Category     | ROG           | NOx           | CO            | SO2                | Fugitive PM10 | Exhaust PM10       | PM10 Total    | Fugitive PM2.5 | Exhaust PM2.5      | PM2.5 Total   | Bio-CO2 | NBio-CO2        | Total CO2       | CH4                | N2O | CO2e            |
|--------------|---------------|---------------|---------------|--------------------|---------------|--------------------|---------------|----------------|--------------------|---------------|---------|-----------------|-----------------|--------------------|-----|-----------------|
| Hauling      | 0.0000        | 0.0000        | 0.0000        | 0.0000             | 0.0000        | 0.0000             | 0.0000        | 0.0000         | 0.0000             | 0.0000        |         | 0.0000          | 0.0000          | 0.0000             |     | 0.0000          |
| Vendor       | 0.0000        | 0.0000        | 0.0000        | 0.0000             | 0.0000        | 0.0000             | 0.0000        | 0.0000         | 0.0000             | 0.0000        |         | 0.0000          | 0.0000          | 0.0000             |     | 0.0000          |
| Worker       | 0.0452        | 0.0304        | 0.4088        | 1.1500e-003        | 0.1118        | 8.5000e-004        | 0.1126        | 0.0296         | 7.8000e-004        | 0.0304        |         | 114.4418        | 114.4418        | 3.2900e-003        |     | 114.5240        |
| <b>Total</b> | <b>0.0452</b> | <b>0.0304</b> | <b>0.4088</b> | <b>1.1500e-003</b> | <b>0.1118</b> | <b>8.5000e-004</b> | <b>0.1126</b> | <b>0.0296</b>  | <b>7.8000e-004</b> | <b>0.0304</b> |         | <b>114.4418</b> | <b>114.4418</b> | <b>3.2900e-003</b> |     | <b>114.5240</b> |

**Mitigated Construction On-Site**

| Category     | ROG           | NOx           | CO            | SO2           | Fugitive PM10 | Exhaust PM10  | PM10 Total    | Fugitive PM2.5 | Exhaust PM2.5 | PM2.5 Total   | Bio-CO2       | NBio-CO2         | Total CO2        | CH4           | N2O | CO2e             |
|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|---------------|---------------|---------------|------------------|------------------|---------------|-----|------------------|
| Off-Road     | 0.8674        | 7.8729        | 7.6226        | 0.0120        |               | 0.4672        | 0.4672        |                | 0.4457        | 0.4457        | 0.0000        | 1,147,235        | 1,147,235        | 0.2189        |     | 1,152,657        |
| <b>Total</b> | <b>0.8674</b> | <b>7.8729</b> | <b>7.6226</b> | <b>0.0120</b> |               | <b>0.4672</b> | <b>0.4672</b> |                | <b>0.4457</b> | <b>0.4457</b> | <b>0.0000</b> | <b>1,147,235</b> | <b>1,147,235</b> | <b>0.2189</b> |     | <b>1,152,657</b> |

CalEEMod Version: CalEEMod 2016.3.2 Page 9 of 25 Date: 8/21/2019 10:03 AM  
 El Monte Billboard Ordinance Amendment - South Coast AQMD Air District, Summer

**3.2 Demolition - 2020**  
Mitigated Construction Off-Site

| Category     | ROG           | NOx           | CO            | SO2                | Fugitive PM10 | Exhaust PM10       | PM10 Total    | Fugitive PM2.5 | Exhaust PM2.5      | PM2.5 Total   | Bic- CO2 | NBio- CO2       | Total CO2       | CH4                | N2O | CO2e            |
|--------------|---------------|---------------|---------------|--------------------|---------------|--------------------|---------------|----------------|--------------------|---------------|----------|-----------------|-----------------|--------------------|-----|-----------------|
| Hauling      | 0.0000        | 0.0000        | 0.0000        | 0.0000             | 0.0000        | 0.0000             | 0.0000        | 0.0000         | 0.0000             | 0.0000        |          | 0.0000          | 0.0000          | 0.0000             |     | 0.0000          |
| Vendor       | 0.0000        | 0.0000        | 0.0000        | 0.0000             | 0.0000        | 0.0000             | 0.0000        | 0.0000         | 0.0000             | 0.0000        |          | 0.0000          | 0.0000          | 0.0000             |     | 0.0000          |
| Worker       | 0.0452        | 0.0304        | 0.4088        | 1.1500e-003        | 0.1118        | 8.5000e-004        | 0.1126        | 0.0296         | 7.8000e-004        | 0.0304        |          | 114.4418        | 114.4418        | 3.2900e-003        |     | 114.5240        |
| <b>Total</b> | <b>0.0452</b> | <b>0.0304</b> | <b>0.4088</b> | <b>1.1500e-003</b> | <b>0.1118</b> | <b>8.5000e-004</b> | <b>0.1126</b> | <b>0.0296</b>  | <b>7.8000e-004</b> | <b>0.0304</b> |          | <b>114.4418</b> | <b>114.4418</b> | <b>3.2900e-003</b> |     | <b>114.5240</b> |

**3.3 Site Preparation - 2020**  
Unmitigated Construction On-Site

| Category      | ROG           | NOx           | CO            | SO2                | Fugitive PM10 | Exhaust PM10  | PM10 Total    | Fugitive PM2.5 | Exhaust PM2.5 | PM2.5 Total   | Bic- CO2 | NBio- CO2       | Total CO2       | CH4           | N2O | CO2e            |
|---------------|---------------|---------------|---------------|--------------------|---------------|---------------|---------------|----------------|---------------|---------------|----------|-----------------|-----------------|---------------|-----|-----------------|
| Fugitive Dust |               |               |               |                    | 0.0000        | 0.0000        | 0.0000        | 0.0000         | 0.0000        | 0.0000        |          |                 | 0.0000          |               |     | 0.0000          |
| Off-Road      | 0.8853        | 8.4307        | 4.0942        | 9.7400e-003        |               | 0.3353        | 0.3353        |                | 0.3085        | 0.3085        |          | 943.4872        | 943.4872        | 0.3051        |     | 951.1166        |
| <b>Total</b>  | <b>0.8853</b> | <b>8.4307</b> | <b>4.0942</b> | <b>9.7400e-003</b> | <b>0.0000</b> | <b>0.3353</b> | <b>0.3353</b> | <b>0.0000</b>  | <b>0.3085</b> | <b>0.3085</b> |          | <b>943.4872</b> | <b>943.4872</b> | <b>0.3051</b> |     | <b>951.1166</b> |



CalEEMod Version: CalEEMod.2016.3.2

Page 10 of 25

Date: 8/21/2019 10:03 AM

El Monte Billboard Ordinance Amendment - South Coast AQMD Air District, Summer

**3.3 Site Preparation - 2020**  
**Unmitigated Construction Off-Site**

| Category     | ROG           | NOx           | CO            | SO2                | Fugitive PM10 | Exhaust PM10       | PM10 Total    | Fugitive PM2.5 | Exhaust PM2.5      | PM2.5 Total   | Ble- CO2 | NBio- CO2      | Total CO2      | CH4                | N2O | CO2e           |
|--------------|---------------|---------------|---------------|--------------------|---------------|--------------------|---------------|----------------|--------------------|---------------|----------|----------------|----------------|--------------------|-----|----------------|
| lb/day       |               |               |               |                    |               |                    |               |                |                    |               |          |                |                |                    |     |                |
| Hauling      | 0.0000        | 0.0000        | 0.0000        | 0.0000             | 0.0000        | 0.0000             | 0.0000        | 0.0000         | 0.0000             | 0.0000        |          | 0.0000         | 0.0000         | 0.0000             |     | 0.0000         |
| Vendor       | 0.0000        | 0.0000        | 0.0000        | 0.0000             | 0.0000        | 0.0000             | 0.0000        | 0.0000         | 0.0000             | 0.0000        |          | 0.0000         | 0.0000         | 0.0000             |     | 0.0000         |
| Worker       | 0.0226        | 0.0152        | 0.2044        | 5.7000e-004        | 0.0559        | 4.2000e-004        | 0.0563        | 0.0148         | 3.9000e-004        | 0.0152        |          | 57.2209        | 57.2209        | 1.6500e-003        |     | 57.2620        |
| <b>Total</b> | <b>0.0226</b> | <b>0.0152</b> | <b>0.2044</b> | <b>5.7000e-004</b> | <b>0.0559</b> | <b>4.2000e-004</b> | <b>0.0563</b> | <b>0.0148</b>  | <b>3.9000e-004</b> | <b>0.0152</b> |          | <b>57.2209</b> | <b>57.2209</b> | <b>1.6500e-003</b> |     | <b>57.2620</b> |

**Mitigated Construction On-Site**

| Category      | ROG           | NOx           | CO            | SO2                | Fugitive PM10 | Exhaust PM10  | PM10 Total    | Fugitive PM2.5 | Exhaust PM2.5 | PM2.5 Total   | Ble- CO2      | NBio- CO2       | Total CO2       | CH4           | N2O | CO2e            |
|---------------|---------------|---------------|---------------|--------------------|---------------|---------------|---------------|----------------|---------------|---------------|---------------|-----------------|-----------------|---------------|-----|-----------------|
| lb/day        |               |               |               |                    |               |               |               |                |               |               |               |                 |                 |               |     |                 |
| Fugitive Dust |               |               |               |                    | 0.0000        | 0.0000        | 0.0000        | 0.0000         | 0.0000        | 0.0000        |               |                 | 0.0000          |               |     | 0.0000          |
| Off-Road      | 0.6653        | 8.4307        | 4.0842        | 9.7400e-003        |               | 0.3353        | 0.3353        |                | 0.3085        | 0.3085        | 0.0000        | 943.4872        | 943.4872        | 0.3051        |     | 951.1158        |
| <b>Total</b>  | <b>0.6653</b> | <b>8.4307</b> | <b>4.0842</b> | <b>9.7400e-003</b> | <b>0.0000</b> | <b>0.3353</b> | <b>0.3353</b> | <b>0.0000</b>  | <b>0.3085</b> | <b>0.3085</b> | <b>0.0000</b> | <b>943.4872</b> | <b>943.4872</b> | <b>0.3051</b> |     | <b>951.1158</b> |

CalEEMod Version: CalEEMod 2016.3.2 Page 11 of 25 Date: 8/21/2019 10:03 AM  
 El Monte Billboard Ordinance Amendment - South Coast AQMD Air District, Summer

**3.3 Site Preparation - 2020**  
**Mitigated Construction Off-Site**

| Category     | ROG           | NOx           | CO            | SO2                | Fugitive PM10 | Exhaust PM10       | PM10 Total    | Fugitive PM2.5 | Exhaust PM2.5      | PM2.5 Total   | Bic- CO2 | NBio- CO2      | Total CO2      | CH4                | N2O | CO2e           |
|--------------|---------------|---------------|---------------|--------------------|---------------|--------------------|---------------|----------------|--------------------|---------------|----------|----------------|----------------|--------------------|-----|----------------|
| Hauling      | 0.0000        | 0.0000        | 0.0000        | 0.0000             | 0.0000        | 0.0000             | 0.0000        | 0.0000         | 0.0000             | 0.0000        |          | 0.0000         | 0.0000         | 0.0000             |     | 0.0000         |
| Vendor       | 0.0000        | 0.0000        | 0.0000        | 0.0000             | 0.0000        | 0.0000             | 0.0000        | 0.0000         | 0.0000             | 0.0000        |          | 0.0000         | 0.0000         | 0.0000             |     | 0.0000         |
| Worker       | 0.0226        | 0.0152        | 0.2044        | 5.7000e-004        | 0.0559        | 4.2000e-004        | 0.0563        | 0.0148         | 3.9000e-004        | 0.0152        |          | 57.2209        | 57.2209        | 1.6500e-003        |     | 57.2620        |
| <b>Total</b> | <b>0.0226</b> | <b>0.0152</b> | <b>0.2044</b> | <b>5.7000e-004</b> | <b>0.0559</b> | <b>4.2000e-004</b> | <b>0.0563</b> | <b>0.0148</b>  | <b>3.9000e-004</b> | <b>0.0152</b> |          | <b>57.2209</b> | <b>57.2209</b> | <b>1.6500e-003</b> |     | <b>57.2620</b> |

**3.4 Grading - 2020**  
**Unmitigated Construction On-Site**

| Category      | ROG           | NOx           | CO            | SO2           | Fugitive PM10 | Exhaust PM10  | PM10 Total    | Fugitive PM2.5 | Exhaust PM2.5 | PM2.5 Total   | Bic- CO2 | NBio- CO2          | Total CO2          | CH4           | N2O | CO2e               |
|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|---------------|---------------|----------|--------------------|--------------------|---------------|-----|--------------------|
| Fugitive Dust |               |               |               |               | 0.7528        | 0.0000        | 0.7528        | 0.4138         | 0.0000        | 0.4138        |          |                    | 0.0000             |               |     | 0.0000             |
| Off-Road      | 0.8674        | 7.8729        | 7.8226        | 0.0120        |               | 0.4672        | 0.4672        |                | 0.4457        | 0.4457        |          | 1,147,235.2        | 1,147,235.2        | 0.2169        |     | 1,152,657.8        |
| <b>Total</b>  | <b>0.8674</b> | <b>7.8729</b> | <b>7.8226</b> | <b>0.0120</b> | <b>0.7528</b> | <b>0.4672</b> | <b>1.2200</b> | <b>0.4138</b>  | <b>0.4457</b> | <b>0.8595</b> |          | <b>1,147,235.2</b> | <b>1,147,235.2</b> | <b>0.2169</b> |     | <b>1,152,657.8</b> |

CalEEMod Version: CalEEMod.2016.3.2

Page 12 of 25

Date: 8/21/2019 10:03 AM

El Monte Billboard Ordinance Amendment - South Coast AQMD Air District, Summer

### 3.4 Grading - 2020

#### Unmitigated Construction Off-Site

| Category | ROG    | NOx    | CO     | SO2         | Fugitive PM10 | Exhaust PM10 | PM10 Total | Fugitive PM2.5 | Exhaust PM2.5 | PM2.5 Total | Bio- CO2 | NBio- CO2 | Total CO2 | CH4         | N2O | CO2e     |
|----------|--------|--------|--------|-------------|---------------|--------------|------------|----------------|---------------|-------------|----------|-----------|-----------|-------------|-----|----------|
| lb/day   |        |        |        |             |               |              |            |                |               |             |          |           |           |             |     |          |
| Hauling  | 0.0000 | 0.0000 | 0.0000 | 0.0000      | 0.0000        | 0.0000       | 0.0000     | 0.0000         | 0.0000        | 0.0000      | 0.0000   | 0.0000    | 0.0000    | 0.0000      |     | 0.0000   |
| Vendor   | 0.0000 | 0.0000 | 0.0000 | 0.0000      | 0.0000        | 0.0000       | 0.0000     | 0.0000         | 0.0000        | 0.0000      | 0.0000   | 0.0000    | 0.0000    | 0.0000      |     | 0.0000   |
| Worker   | 0.0452 | 0.0304 | 0.4088 | 1.1500e-003 | 0.1118        | 8.5000e-004  | 0.1126     | 0.0296         | 7.8000e-004   | 0.0304      |          | 114.4418  | 114.4418  | 3.2900e-003 |     | 114.5240 |
| Total    | 0.0452 | 0.0304 | 0.4088 | 1.1500e-003 | 0.1118        | 8.5000e-004  | 0.1126     | 0.0296         | 7.8000e-004   | 0.0304      |          | 114.4418  | 114.4418  | 3.2900e-003 |     | 114.5240 |

#### Mitigated Construction On-Site

| Category      | ROG    | NOx    | CO     | SO2    | Fugitive PM10 | Exhaust PM10 | PM10 Total | Fugitive PM2.5 | Exhaust PM2.5 | PM2.5 Total | Bio- CO2 | NBio- CO2  | Total CO2  | CH4    | N2O | CO2e       |
|---------------|--------|--------|--------|--------|---------------|--------------|------------|----------------|---------------|-------------|----------|------------|------------|--------|-----|------------|
| lb/day        |        |        |        |        |               |              |            |                |               |             |          |            |            |        |     |            |
| Fugitive Dust |        |        |        |        | 0.7528        | 0.0000       | 0.7528     | 0.4138         | 0.0000        | 0.4138      |          |            | 0.0000     |        |     | 0.0000     |
| Off-Road      | 0.8674 | 7.8729 | 7.6226 | 0.0120 |               | 0.4672       | 0.4672     |                | 0.4457        | 0.4457      | 0.0000   | 1.147.2352 | 1.147.2352 | 0.2159 |     | 1,152.6578 |
| Total         | 0.8674 | 7.8729 | 7.6226 | 0.0120 | 0.7528        | 0.4672       | 1.2200     | 0.4138         | 0.4457        | 0.8595      | 0.0000   | 1.147.2352 | 1.147.2352 | 0.2159 |     | 1,152.6578 |



CalEEMod Version: CalEEMod 2016.3.2 Date: 8/21/2019 10:03 AM  
 Page 13 of 25  
 El Monte Billboard Ordinance Amendment - South Coast AQMD Air District, Summer

**3.4 Grading - 2020**  
Mitigated Construction Off-Site

| Category     | ROG           | NOx           | CO            | SO2                | Fugitive PM10 | Exhaust PM10       | PM10 Total    | Fugitive PM2.5 | Exhaust PM2.5      | PM2.5 Total   | Bic- CO2 | NBio- CO2       | Total CO2       | CH4                | N2O | CO2e            |
|--------------|---------------|---------------|---------------|--------------------|---------------|--------------------|---------------|----------------|--------------------|---------------|----------|-----------------|-----------------|--------------------|-----|-----------------|
| lb/day       |               |               |               |                    |               |                    |               |                |                    |               |          |                 |                 |                    |     |                 |
| Hauling      | 0.0000        | 0.0000        | 0.0000        | 0.0000             | 0.0000        | 0.0000             | 0.0000        | 0.0000         | 0.0000             | 0.0000        |          | 0.0000          | 0.0000          | 0.0000             |     | 0.0000          |
| Vendor       | 0.0000        | 0.0000        | 0.0000        | 0.0000             | 0.0000        | 0.0000             | 0.0000        | 0.0000         | 0.0000             | 0.0000        |          | 0.0000          | 0.0000          | 0.0000             |     | 0.0000          |
| Worker       | 0.0452        | 0.0304        | 0.4088        | 1.1500e-003        | 0.1118        | 8.5000e-004        | 0.1126        | 0.0296         | 7.8000e-004        | 0.0304        |          | 114.4418        | 114.4418        | 3.2900e-003        |     | 114.5240        |
| <b>Total</b> | <b>0.0452</b> | <b>0.0304</b> | <b>0.4088</b> | <b>1.1500e-003</b> | <b>0.1118</b> | <b>8.5000e-004</b> | <b>0.1126</b> | <b>0.0296</b>  | <b>7.8000e-004</b> | <b>0.0304</b> |          | <b>114.4418</b> | <b>114.4418</b> | <b>3.2900e-003</b> |     | <b>114.5240</b> |

**3.5 Building Construction - 2020**  
Unmitigated Construction On-Site

| Category     | ROG           | NOx           | CO            | SO2           | Fugitive PM10 | Exhaust PM10  | PM10 Total    | Fugitive PM2.5 | Exhaust PM2.5 | PM2.5 Total   | Bic- CO2 | NBio- CO2        | Total CO2        | CH4           | N2O | CO2e             |
|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|---------------|---------------|----------|------------------|------------------|---------------|-----|------------------|
| lb/day       |               |               |               |               |               |               |               |                |               |               |          |                  |                  |               |     |                  |
| Off-Road     | 0.8617        | 8.8523        | 7.3875        | 0.0114        |               | 0.5224        | 0.5224        |                | 0.4806        | 0.4806        |          | 1,102.978        | 1,102.978        | 0.3567        |     | 1,111.896        |
| <b>Total</b> | <b>0.8617</b> | <b>8.8523</b> | <b>7.3875</b> | <b>0.0114</b> |               | <b>0.5224</b> | <b>0.5224</b> |                | <b>0.4806</b> | <b>0.4806</b> |          | <b>1,102.978</b> | <b>1,102.978</b> | <b>0.3567</b> |     | <b>1,111.896</b> |

CalEEMod Version: CalEEMod 2016.3.2 Date: 8/21/2019 10:03 AM  
 Page 14 of 25  
 El Monte Billboard Ordinance Amendment - South Coast AQMD Air District, Summer

**3.5 Building Construction - 2020**  
**Unmitigated Construction Off-Site**

| Category     | ROG           | NOx           | CO            | SO2           | Fugitive PM10 | Exhaust PM10  | PM10 Total    | Fugitive PM2.5 | Exhaust PM2.5 | PM2.5 Total   | Bic- CO2 | NBio- CO2     | Total CO2     | CH4           | N2O | CO2e          |
|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|---------------|---------------|----------|---------------|---------------|---------------|-----|---------------|
| Hauling      | 0.0000        | 0.0000        | 0.0000        | 0.0000        | 0.0000        | 0.0000        | 0.0000        | 0.0000         | 0.0000        | 0.0000        |          | 0.0000        | 0.0000        | 0.0000        |     | 0.0000        |
| Vendor       | 0.0000        | 0.0000        | 0.0000        | 0.0000        | 0.0000        | 0.0000        | 0.0000        | 0.0000         | 0.0000        | 0.0000        |          | 0.0000        | 0.0000        | 0.0000        |     | 0.0000        |
| Worker       | 0.0000        | 0.0000        | 0.0000        | 0.0000        | 0.0000        | 0.0000        | 0.0000        | 0.0000         | 0.0000        | 0.0000        |          | 0.0000        | 0.0000        | 0.0000        |     | 0.0000        |
| <b>Total</b> | <b>0.0000</b> | <b>0.0000</b> | <b>0.0000</b> | <b>0.0000</b> | <b>0.0000</b> | <b>0.0000</b> | <b>0.0000</b> | <b>0.0000</b>  | <b>0.0000</b> | <b>0.0000</b> |          | <b>0.0000</b> | <b>0.0000</b> | <b>0.0000</b> |     | <b>0.0000</b> |

**Mitigated Construction On-Site**

| Category     | ROG           | NOx           | CO            | SO2           | Fugitive PM10 | Exhaust PM10  | PM10 Total    | Fugitive PM2.5 | Exhaust PM2.5 | PM2.5 Total   | Bic- CO2      | NBio- CO2        | Total CO2        | CH4           | N2O | CO2e             |
|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|---------------|---------------|---------------|------------------|------------------|---------------|-----|------------------|
| Off-Road     | 0.8617        | 8.8523        | 7.3875        | 0.0114        |               | 0.5224        | 0.5224        |                | 0.4806        | 0.4806        | 0.0000        | 1,102.978        | 1,102.978        | 0.3567        |     | 1,111.896        |
| <b>Total</b> | <b>0.8617</b> | <b>8.8523</b> | <b>7.3875</b> | <b>0.0114</b> |               | <b>0.5224</b> | <b>0.5224</b> |                | <b>0.4806</b> | <b>0.4806</b> | <b>0.0000</b> | <b>1,102.978</b> | <b>1,102.978</b> | <b>0.3567</b> |     | <b>1,111.896</b> |

CalEEMod Version: CalEEMod.2016.3.2 Date: 8/21/2019 10:03 AM  
 Page 15 of 25  
 El Monte Billboard Ordinance Amendment - South Coast AQMD Air District, Summer

**3.5 Building Construction - 2020**  
Mitigated Construction Off-Site

| Category     | ROG           | NOx           | CO            | SO2           | Fugitive PM10 | Exhaust PM10  | PM10 Total    | Fugitive PM2.5 | Exhaust PM2.5 | PM2.5 Total   | Ble- CO2 | Nble- CO2     | Total CO2     | CH4           | N2O | CO2e          |
|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|---------------|---------------|----------|---------------|---------------|---------------|-----|---------------|
| lb/day       |               |               |               |               |               |               |               |                |               |               |          |               |               |               |     |               |
| Hauling      | 0.0000        | 0.0000        | 0.0000        | 0.0000        | 0.0000        | 0.0000        | 0.0000        | 0.0000         | 0.0000        | 0.0000        |          | 0.0000        | 0.0000        | 0.0000        |     | 0.0000        |
| Vendor       | 0.0000        | 0.0000        | 0.0000        | 0.0000        | 0.0000        | 0.0000        | 0.0000        | 0.0000         | 0.0000        | 0.0000        |          | 0.0000        | 0.0000        | 0.0000        |     | 0.0000        |
| Worker       | 0.0000        | 0.0000        | 0.0000        | 0.0000        | 0.0000        | 0.0000        | 0.0000        | 0.0000         | 0.0000        | 0.0000        |          | 0.0000        | 0.0000        | 0.0000        |     | 0.0000        |
| <b>Total</b> | <b>0.0000</b> | <b>0.0000</b> | <b>0.0000</b> | <b>0.0000</b> | <b>0.0000</b> | <b>0.0000</b> | <b>0.0000</b> | <b>0.0000</b>  | <b>0.0000</b> | <b>0.0000</b> |          | <b>0.0000</b> | <b>0.0000</b> | <b>0.0000</b> |     | <b>0.0000</b> |

**3.6 Paving - 2020**  
Unmitigated Construction On-Site

| Category     | ROG           | NOx           | CO            | SO2           | Fugitive PM10 | Exhaust PM10  | PM10 Total    | Fugitive PM2.5 | Exhaust PM2.5 | PM2.5 Total   | Ble- CO2 | Nble- CO2              | Total CO2              | CH4           | N2O | CO2e                   |
|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|---------------|---------------|----------|------------------------|------------------------|---------------|-----|------------------------|
| lb/day       |               |               |               |               |               |               |               |                |               |               |          |                        |                        |               |     |                        |
| Off-Road     | 0.7716        | 7.2266        | 7.1128        | 0.0113        |               | 0.3950        | 0.3950        |                | 0.3669        | 0.3669        |          | 1,035.392<br>6         | 1,035.392<br>6         | 0.3016        |     | 1,042.932<br>3         |
| Paving       | 0.0000        |               |               |               |               | 0.0000        | 0.0000        |                | 0.0000        | 0.0000        |          |                        | 0.0000                 |               |     | 0.0000                 |
| <b>Total</b> | <b>0.7716</b> | <b>7.2266</b> | <b>7.1128</b> | <b>0.0113</b> |               | <b>0.3950</b> | <b>0.3950</b> |                | <b>0.3669</b> | <b>0.3669</b> |          | <b>1,035.392<br/>6</b> | <b>1,035.392<br/>6</b> | <b>0.3016</b> |     | <b>1,042.932<br/>3</b> |

CalEEMod Version: CalEEMod.2016.3.2 Date: 8/21/2019 10:03 AM  
 Page 16 of 25  
 El Monte Billboard Ordinance Amendment - South Coast AQMD Air District, Summer

### 3.6 Paving - 2020

#### Unmitigated Construction Off-Site

| Category     | ROG           | NOx           | CO            | SO2                | Fugitive PM10 | Exhaust PM10       | PM10 Total    | Fugitive PM2.5 | Exhaust PM2.5      | PM2.5 Total   | Bio- CO2 | NBio- CO2       | Total CO2       | CH4                | N2O | CO2e            |
|--------------|---------------|---------------|---------------|--------------------|---------------|--------------------|---------------|----------------|--------------------|---------------|----------|-----------------|-----------------|--------------------|-----|-----------------|
|              |               |               |               |                    |               |                    |               |                |                    |               |          |                 |                 |                    |     |                 |
| Hauling      | 0.0000        | 0.0000        | 0.0000        | 0.0000             | 0.0000        | 0.0000             | 0.0000        | 0.0000         | 0.0000             | 0.0000        |          | 0.0000          | 0.0000          | 0.0000             |     | 0.0000          |
| Vendor       | 0.0000        | 0.0000        | 0.0000        | 0.0000             | 0.0000        | 0.0000             | 0.0000        | 0.0000         | 0.0000             | 0.0000        |          | 0.0000          | 0.0000          | 0.0000             |     | 0.0000          |
| Worker       | 0.0814        | 0.0547        | 0.7359        | 2.0700e-003        | 0.2012        | 1.5300e-003        | 0.2027        | 0.0534         | 1.4100e-003        | 0.0548        |          | 205.9951        | 205.9951        | 5.9200e-003        |     | 206.1432        |
| <b>Total</b> | <b>0.0814</b> | <b>0.0547</b> | <b>0.7359</b> | <b>2.0700e-003</b> | <b>0.2012</b> | <b>1.5300e-003</b> | <b>0.2027</b> | <b>0.0534</b>  | <b>1.4100e-003</b> | <b>0.0548</b> |          | <b>205.9951</b> | <b>205.9951</b> | <b>5.9200e-003</b> |     | <b>206.1432</b> |

#### Mitigated Construction On-Site

| Category     | ROG           | NOx           | CO            | SO2           | Fugitive PM10 | Exhaust PM10  | PM10 Total    | Fugitive PM2.5 | Exhaust PM2.5 | PM2.5 Total   | Bio- CO2      | NBio- CO2         | Total CO2         | CH4           | N2O | CO2e              |
|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|---------------|---------------|---------------|-------------------|-------------------|---------------|-----|-------------------|
|              |               |               |               |               |               |               |               |                |               |               |               |                   |                   |               |     |                   |
| Off-Road     | 0.7716        | 7.2266        | 7.1128        | 0.0113        |               | 0.3950        | 0.3950        |                | 0.3669        | 0.3669        | 0.0000        | 1,035.3926        | 1,035.3926        | 0.3016        |     | 1,042.9323        |
| Paving       | 0.0000        |               |               |               |               | 0.0000        | 0.0000        |                | 0.0000        | 0.0000        |               |                   | 0.0000            |               |     | 0.0000            |
| <b>Total</b> | <b>0.7716</b> | <b>7.2266</b> | <b>7.1128</b> | <b>0.0113</b> |               | <b>0.3950</b> | <b>0.3950</b> |                | <b>0.3669</b> | <b>0.3669</b> | <b>0.0000</b> | <b>1,035.3926</b> | <b>1,035.3926</b> | <b>0.3016</b> |     | <b>1,042.9323</b> |

CalEEMod Version: CalEEMod 2016.3.2 Page 17 of 25 Date: 8/21/2019 10:03 AM  
 El Monte Billboard Ordinance Amendment - South Coast AQMD Air District, Summer

**3.6 Paving - 2020**  
Mitigated Construction Off-Site

| Category     | ROG           | NOx           | CO            | SO2                | Fugitive PM10 | Exhaust PM10       | PM10 Total    | Fugitive PM2.5 | Exhaust PM2.5      | PM2.5 Total   | Bio- CO2 | NBio- CO2       | Total CO2       | CH4                | N2O | CO2e            |
|--------------|---------------|---------------|---------------|--------------------|---------------|--------------------|---------------|----------------|--------------------|---------------|----------|-----------------|-----------------|--------------------|-----|-----------------|
| lb/day       |               |               |               |                    |               |                    |               |                |                    |               |          |                 |                 |                    |     |                 |
| Hauling      | 0.0000        | 0.0000        | 0.0000        | 0.0000             | 0.0000        | 0.0000             | 0.0000        | 0.0000         | 0.0000             | 0.0000        |          | 0.0000          | 0.0000          | 0.0000             |     | 0.0000          |
| Vendor       | 0.0000        | 0.0000        | 0.0000        | 0.0000             | 0.0000        | 0.0000             | 0.0000        | 0.0000         | 0.0000             | 0.0000        |          | 0.0000          | 0.0000          | 0.0000             |     | 0.0000          |
| Worker       | 0.0814        | 0.0547        | 0.7359        | 2.0700e-003        | 0.2012        | 1.5300e-003        | 0.2027        | 0.0534         | 1.4100e-003        | 0.0548        |          | 205.9951        | 205.9951        | 5.9200e-003        |     | 206.1432        |
| <b>Total</b> | <b>0.0814</b> | <b>0.0547</b> | <b>0.7359</b> | <b>2.0700e-003</b> | <b>0.2012</b> | <b>1.5300e-003</b> | <b>0.2027</b> | <b>0.0534</b>  | <b>1.4100e-003</b> | <b>0.0548</b> |          | <b>205.9951</b> | <b>205.9951</b> | <b>5.9200e-003</b> |     | <b>206.1432</b> |

**3.7 Architectural Coating - 2020**  
Unmitigated Construction On-Site

| Category        | ROG           | NOx           | CO            | SO2                | Fugitive PM10 | Exhaust PM10  | PM10 Total    | Fugitive PM2.5 | Exhaust PM2.5 | PM2.5 Total   | Bio- CO2 | NBio- CO2       | Total CO2       | CH4           | N2O | CO2e            |
|-----------------|---------------|---------------|---------------|--------------------|---------------|---------------|---------------|----------------|---------------|---------------|----------|-----------------|-----------------|---------------|-----|-----------------|
| lb/day          |               |               |               |                    |               |               |               |                |               |               |          |                 |                 |               |     |                 |
| Archit. Coating | 0.4635        |               |               |                    |               | 0.0000        | 0.0000        |                | 0.0000        | 0.0000        |          |                 | 0.0000          |               |     | 0.0000          |
| Off-Road        | 0.2422        | 1.6838        | 1.8314        | 2.9700e-003        |               | 0.1109        | 0.1109        |                | 0.1109        | 0.1109        |          | 281.4481        | 281.4481        | 0.0218        |     | 281.9928        |
| <b>Total</b>    | <b>0.7057</b> | <b>1.6838</b> | <b>1.8314</b> | <b>2.9700e-003</b> |               | <b>0.1109</b> | <b>0.1109</b> |                | <b>0.1109</b> | <b>0.1109</b> |          | <b>281.4481</b> | <b>281.4481</b> | <b>0.0218</b> |     | <b>281.9928</b> |



CalEEMod Version: CalEEMod 2016.3.2 Page 18 of 25 Date: 8/21/2019 10:03 AM  
 El Monte Billboard Ordinance Amendment - South Coast AQMD Air District, Summer

**3.7 Architectural Coating - 2020**  
**Unmitigated Construction Off-Site**

| Category     | ROG           | NOx           | CO            | SO2           | Fugitive PM10 | Exhaust PM10  | PM10 Total    | Fugitive PM2.5 | Exhaust PM2.5 | PM2.5 Total   | Bic- CO2 | NBio- CO2     | Total CO2     | CH4           | N2O | CO2e          |
|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|---------------|---------------|----------|---------------|---------------|---------------|-----|---------------|
| Hauling      | 0.0000        | 0.0000        | 0.0000        | 0.0000        | 0.0000        | 0.0000        | 0.0000        | 0.0000         | 0.0000        | 0.0000        |          | 0.0000        | 0.0000        | 0.0000        |     | 0.0000        |
| Vendor       | 0.0000        | 0.0000        | 0.0000        | 0.0000        | 0.0000        | 0.0000        | 0.0000        | 0.0000         | 0.0000        | 0.0000        |          | 0.0000        | 0.0000        | 0.0000        |     | 0.0000        |
| Worker       | 0.0000        | 0.0000        | 0.0000        | 0.0000        | 0.0000        | 0.0000        | 0.0000        | 0.0000         | 0.0000        | 0.0000        |          | 0.0000        | 0.0000        | 0.0000        |     | 0.0000        |
| <b>Total</b> | <b>0.0000</b> | <b>0.0000</b> | <b>0.0000</b> | <b>0.0000</b> | <b>0.0000</b> | <b>0.0000</b> | <b>0.0000</b> | <b>0.0000</b>  | <b>0.0000</b> | <b>0.0000</b> |          | <b>0.0000</b> | <b>0.0000</b> | <b>0.0000</b> |     | <b>0.0000</b> |

**Mitigated Construction On-Site**

| Category        | ROG           | NOx           | CO            | SO2                | Fugitive PM10 | Exhaust PM10  | PM10 Total    | Fugitive PM2.5 | Exhaust PM2.5 | PM2.5 Total   | Bic- CO2      | NBio- CO2       | Total CO2       | CH4           | N2O | CO2e            |
|-----------------|---------------|---------------|---------------|--------------------|---------------|---------------|---------------|----------------|---------------|---------------|---------------|-----------------|-----------------|---------------|-----|-----------------|
| Archit. Coating | 0.4635        |               |               |                    |               | 0.0000        | 0.0000        |                | 0.0000        | 0.0000        |               |                 | 0.0000          |               |     | 0.0000          |
| Off-Road        | 0.2422        | 1.8838        | 1.8314        | 2.9700e-003        |               | 0.1109        | 0.1109        |                | 0.1109        | 0.1109        | 0.0000        | 281.4481        | 281.4481        | 0.0218        |     | 281.9928        |
| <b>Total</b>    | <b>0.7057</b> | <b>1.8838</b> | <b>1.8314</b> | <b>2.9700e-003</b> |               | <b>0.1109</b> | <b>0.1109</b> |                | <b>0.1109</b> | <b>0.1109</b> | <b>0.0000</b> | <b>281.4481</b> | <b>281.4481</b> | <b>0.0218</b> |     | <b>281.9928</b> |

CalEEMod Version: CalEEMod 2016.3.2  
 Date: 8/21/2019 10:03 AM  
 Page 19 of 25  
 El Monte Billboard Ordinance Amendment - South Coast AQMD Air District, Summer

**3.7 Architectural Coating - 2020**  
**Mitigated Construction Off-Site**

| Category     | ROG           | NOx           | CO            | SO2           | Fugitive PM10 | Exhaust PM10  | PM10 Total    | Fugitive PM2.5 | Exhaust PM2.5 | PM2.5 Total   | Bio- CO2 | NBio- CO2     | Total CO2     | CH4           | N2O | CO2e          |
|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|---------------|---------------|----------|---------------|---------------|---------------|-----|---------------|
|              |               |               |               |               |               |               |               |                |               |               |          |               |               |               |     |               |
| Hauling      | 0.0000        | 0.0000        | 0.0000        | 0.0000        | 0.0000        | 0.0000        | 0.0000        | 0.0000         | 0.0000        | 0.0000        |          | 0.0000        | 0.0000        | 0.0000        |     | 0.0000        |
| Vendor       | 0.0000        | 0.0000        | 0.0000        | 0.0000        | 0.0000        | 0.0000        | 0.0000        | 0.0000         | 0.0000        | 0.0000        |          | 0.0000        | 0.0000        | 0.0000        |     | 0.0000        |
| Worker       | 0.0000        | 0.0000        | 0.0000        | 0.0000        | 0.0000        | 0.0000        | 0.0000        | 0.0000         | 0.0000        | 0.0000        |          | 0.0000        | 0.0000        | 0.0000        |     | 0.0000        |
| <b>Total</b> | <b>0.0000</b> | <b>0.0000</b> | <b>0.0000</b> | <b>0.0000</b> | <b>0.0000</b> | <b>0.0000</b> | <b>0.0000</b> | <b>0.0000</b>  | <b>0.0000</b> | <b>0.0000</b> |          | <b>0.0000</b> | <b>0.0000</b> | <b>0.0000</b> |     | <b>0.0000</b> |

**4.0 Operational Detail - Mobile**

**4.1 Mitigation Measures Mobile**

CalEEMod Version: CalEEMod 2016.3.2 Page 20 of 25 Date: 8/21/2019 10:03 AM  
 El Monte Billboard Ordinance Amendment - South Coast AQMD Air District, Summer

| Category    | ROG    | NOx    | CO     | SO2    | Fugitive PM10 | Exhaust PM10 | PM10 Total | Fugitive PM2.5 | Exhaust PM2.5 | PM2.5 Total | Bio- CO2 | NBio- CO2 | Total CO2 | CH4    | N2O    | CO2e   |
|-------------|--------|--------|--------|--------|---------------|--------------|------------|----------------|---------------|-------------|----------|-----------|-----------|--------|--------|--------|
| Mitigated   | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000        | 0.0000       | 0.0000     | 0.0000         | 0.0000        | 0.0000      | 0.0000   | 0.0000    | 0.0000    | 0.0000 | 0.0000 | 0.0000 |
| Unmitigated | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000        | 0.0000       | 0.0000     | 0.0000         | 0.0000        | 0.0000      | 0.0000   | 0.0000    | 0.0000    | 0.0000 | 0.0000 | 0.0000 |

#### 4.2 Trip Summary Information

|                         | Average Daily Trip Rate |          |        | Unmitigated Annual VMT | Mitigated Annual VMT |
|-------------------------|-------------------------|----------|--------|------------------------|----------------------|
|                         | Weekday                 | Saturday | Sunday |                        |                      |
| Land Use                |                         |          |        |                        |                      |
| User Defined Industrial | 0.00                    | 0.00     | 0.00   |                        |                      |
| Total                   | 0.00                    | 0.00     | 0.00   |                        |                      |

#### 4.3 Trip Type Information

|                         | Miles      |            |             | Trip %     |            |             | Trip Purpose % |          |         |
|-------------------------|------------|------------|-------------|------------|------------|-------------|----------------|----------|---------|
|                         | H-W or C-W | H-S or C-C | H-O or C-NW | H-W or C-W | H-S or C-C | H-O or C-NW | Primary        | Diverted | Pass-by |
| Land Use                |            |            |             |            |            |             |                |          |         |
| User Defined Industrial | 16.60      | 8.40       | 6.90        | 0.00       | 0.00       | 0.00        | 0              | 0        | 0       |

#### 4.4 Fleet Mix

|                         | LDA      | LDT1     | LDT2     | MDV      | LHD1     | LHD2     | MHD      | HHD      | OBUS     | UBUS     | MCY      | SBUS     | MH       |
|-------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Land Use                |          |          |          |          |          |          |          |          |          |          |          |          |          |
| User Defined Industrial | 0.547828 | 0.043645 | 0.199892 | 0.122290 | 0.016774 | 0.005862 | 0.020637 | 0.032653 | 0.002037 | 0.001944 | 0.004777 | 0.000705 | 0.000956 |

#### 5.0 Energy Detail

Historical Energy Use: N



CalEEMod Version: CalEEMod.2016.3.2 Page 21 of 25 Date: 8/21/2019 10:03 AM  
 El Monte Billboard Ordinance Amendment - South Coast AQMD Air District, Summer

### 5.1 Mitigation Measures Energy

Install High Efficiency Lighting

|                         | ROG    | NOx    | CO     | SO2    | Fugitive PM10 | Exhaust PM10 | PM10 Total | Fugitive PM2.5 | Exhaust PM2.5 | PM2.5 Total | Bio- CO2 | NBio- CO2 | Total CO2 | CH4    | N2O    | CO2e   |
|-------------------------|--------|--------|--------|--------|---------------|--------------|------------|----------------|---------------|-------------|----------|-----------|-----------|--------|--------|--------|
| Category                | lb/day |        |        |        |               |              |            |                |               |             | lb/day   |           |           |        |        |        |
| Natural Gas Mitigated   | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000        | 0.0000       | 0.0000     | 0.0000         | 0.0000        | 0.0000      | 0.0000   | 0.0000    | 0.0000    | 0.0000 | 0.0000 | 0.0000 |
| Natural Gas Unmitigated | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000        | 0.0000       | 0.0000     | 0.0000         | 0.0000        | 0.0000      | 0.0000   | 0.0000    | 0.0000    | 0.0000 | 0.0000 | 0.0000 |

### 5.2 Energy by Land Use - Natural Gas

Unmitigated

|                         | Natural Gas Use | ROG    | NOx    | CO     | SO2    | Fugitive PM10 | Exhaust PM10 | PM10 Total | Fugitive PM2.5 | Exhaust PM2.5 | PM2.5 Total | Bio- CO2 | NBio- CO2 | Total CO2 | CH4    | N2O    | CO2e   |
|-------------------------|-----------------|--------|--------|--------|--------|---------------|--------------|------------|----------------|---------------|-------------|----------|-----------|-----------|--------|--------|--------|
| Land Use                | kBTU/yr         | lb/day |        |        |        |               |              |            |                |               |             | lb/day   |           |           |        |        |        |
| User Defined Industrial | 0               | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000        | 0.0000       | 0.0000     | 0.0000         | 0.0000        | 0.0000      | 0.0000   | 0.0000    | 0.0000    | 0.0000 | 0.0000 | 0.0000 |
| Total                   |                 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000        | 0.0000       | 0.0000     | 0.0000         | 0.0000        | 0.0000      | 0.0000   | 0.0000    | 0.0000    | 0.0000 | 0.0000 | 0.0000 |

CalEEMod Version: CalEEMod.2016.3.2 Page 22 of 25 Date: 8/21/2019 10:03 AM  
 El Monte Billboard Ordinance Amendment - South Coast AQMD Air District, Summer

## 5.2 Energy by Land Use - Natural Gas

### Mitigated

| Land Use                | Natural Gas Use<br>kBtu/yr | ROG    | NOx    | CO     | SO2    | Fugitive<br>PM10 | Exhaust<br>PM10 | PM10<br>Total | Fugitive<br>PM2.5 | Exhaust<br>PM2.5 | PM2.5<br>Total | Bio- CO2 | NBio- CO2 | Total CO2 | CH4    | N2O    | CO2e   |
|-------------------------|----------------------------|--------|--------|--------|--------|------------------|-----------------|---------------|-------------------|------------------|----------------|----------|-----------|-----------|--------|--------|--------|
| lb/day                  |                            |        |        |        |        |                  |                 |               |                   |                  |                |          |           |           |        |        |        |
| User Defined Industrial | 0                          | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000           | 0.0000          | 0.0000        | 0.0000            | 0.0000           | 0.0000         | 0.0000   | 0.0000    | 0.0000    | 0.0000 | 0.0000 | 0.0000 |
| Total                   |                            | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000           | 0.0000          | 0.0000        | 0.0000            | 0.0000           | 0.0000         | 0.0000   | 0.0000    | 0.0000    | 0.0000 | 0.0000 | 0.0000 |

## 6.0 Area Detail

### 6.1 Mitigation Measures Area

|             | ROG         | NOx    | CO          | SO2    | Fugitive PM10 | Exhaust PM10 | PM10 Total | Fugitive PM2.5 | Exhaust PM2.5 | PM2.5 Total | Bio- CO2 | NBio- CO2   | Total CO2   | CH4    | N2O | CO2e        |
|-------------|-------------|--------|-------------|--------|---------------|--------------|------------|----------------|---------------|-------------|----------|-------------|-------------|--------|-----|-------------|
| lb/day      |             |        |             |        |               |              |            |                |               |             |          |             |             |        |     |             |
| Category    |             |        |             |        |               |              |            |                |               |             |          |             |             |        |     |             |
| Mitigated   | 2.2400e-003 | 0.0000 | 1.0000e-004 | 0.0000 |               | 0.0000       | 0.0000     |                | 0.0000        | 0.0000      |          | 2.2000e-004 | 2.2000e-004 | 0.0000 |     | 2.3000e-004 |
| Unmitigated | 2.2400e-003 | 0.0000 | 1.0000e-004 | 0.0000 |               | 0.0000       | 0.0000     |                | 0.0000        | 0.0000      |          | 2.2000e-004 | 2.2000e-004 | 0.0000 |     | 2.3000e-004 |

CalEEMod Version: CalEEMod 2016.3.2 Date: 8/21/2019 10:03 AM  
 Page 23 of 25  
 El Monte Billboard Ordinance Amendment - South Coast AQMD Air District, Summer

## 6.2 Area by SubCategory

### Unmitigated

| SubCategory           | ROG         | NOx    | CO          | SO2    | Fugitive PM10 | Exhaust PM10 | PM10 Total | Fugitive PM2.5 | Exhaust PM2.5 | PM2.5 Total | Bio-CO2 | NBio-CO2    | Total CO2   | CH4    | N2O | CO2e        |
|-----------------------|-------------|--------|-------------|--------|---------------|--------------|------------|----------------|---------------|-------------|---------|-------------|-------------|--------|-----|-------------|
|                       |             |        |             |        |               |              |            |                |               |             |         |             |             |        |     |             |
| Architectural Coating | 2.5000e-004 |        |             |        |               |              | 0.0000     |                | 0.0000        | 0.0000      |         |             | 0.0000      |        |     | 0.0000      |
| Consumer Products     | 1.9800e-003 |        |             |        |               |              | 0.0000     |                | 0.0000        | 0.0000      |         |             | 0.0000      |        |     | 0.0000      |
| Landscaping           | 1.0000e-005 | 0.0000 | 1.0000e-004 | 0.0000 |               |              | 0.0000     |                | 0.0000        | 0.0000      |         | 2.2000e-004 | 2.2000e-004 | 0.0000 |     | 2.3000e-004 |
| Total                 | 2.2400e-003 | 0.0000 | 1.0000e-004 | 0.0000 |               |              | 0.0000     |                | 0.0000        | 0.0000      |         | 2.2000e-004 | 2.2000e-004 | 0.0000 |     | 2.3000e-004 |

### Mitigated

| SubCategory           | ROG         | NOx    | CO          | SO2    | Fugitive PM10 | Exhaust PM10 | PM10 Total | Fugitive PM2.5 | Exhaust PM2.5 | PM2.5 Total | Bio-CO2 | NBio-CO2    | Total CO2   | CH4    | N2O | CO2e        |
|-----------------------|-------------|--------|-------------|--------|---------------|--------------|------------|----------------|---------------|-------------|---------|-------------|-------------|--------|-----|-------------|
|                       |             |        |             |        |               |              |            |                |               |             |         |             |             |        |     |             |
| Architectural Coating | 2.5000e-004 |        |             |        |               |              | 0.0000     |                | 0.0000        | 0.0000      |         |             | 0.0000      |        |     | 0.0000      |
| Consumer Products     | 1.9800e-003 |        |             |        |               |              | 0.0000     |                | 0.0000        | 0.0000      |         |             | 0.0000      |        |     | 0.0000      |
| Landscaping           | 1.0000e-005 | 0.0000 | 1.0000e-004 | 0.0000 |               |              | 0.0000     |                | 0.0000        | 0.0000      |         | 2.2000e-004 | 2.2000e-004 | 0.0000 |     | 2.3000e-004 |
| Total                 | 2.2400e-003 | 0.0000 | 1.0000e-004 | 0.0000 |               |              | 0.0000     |                | 0.0000        | 0.0000      |         | 2.2000e-004 | 2.2000e-004 | 0.0000 |     | 2.3000e-004 |

## 7.0 Water Detail

CalEEMod Version: CalEEMod 2016.3.2  
 Page 24 of 25  
 Date: 8/21/2019 10:03 AM  
 El Monte Billboard Ordinance Amendment - South Coast AQMD Air District, Summer

#### 7.1 Mitigation Measures Water

#### 8.0 Waste Detail

#### 8.1 Mitigation Measures Waste

#### 9.0 Operational Offroad

| Equipment Type | Number | Hours/Day | Days/Year | Horse Power | Load Factor | Fuel Type |
|----------------|--------|-----------|-----------|-------------|-------------|-----------|
|----------------|--------|-----------|-----------|-------------|-------------|-----------|

#### 10.0 Stationary Equipment

##### Fire Pumps and Emergency Generators

| Equipment Type | Number | Hours/Day | Hours/Year | Horse Power | Load Factor | Fuel Type |
|----------------|--------|-----------|------------|-------------|-------------|-----------|
|----------------|--------|-----------|------------|-------------|-------------|-----------|

##### Boilers

| Equipment Type | Number | Heat Input/Day | Heat Input/Year | Boiler Rating | Fuel Type |
|----------------|--------|----------------|-----------------|---------------|-----------|
|----------------|--------|----------------|-----------------|---------------|-----------|

##### User Defined Equipment

| Equipment Type | Number |
|----------------|--------|
|----------------|--------|

#### 11.0 Vegetation

## **ATTACHMENT C - Location and Site Plan**



# Board Location Division 9

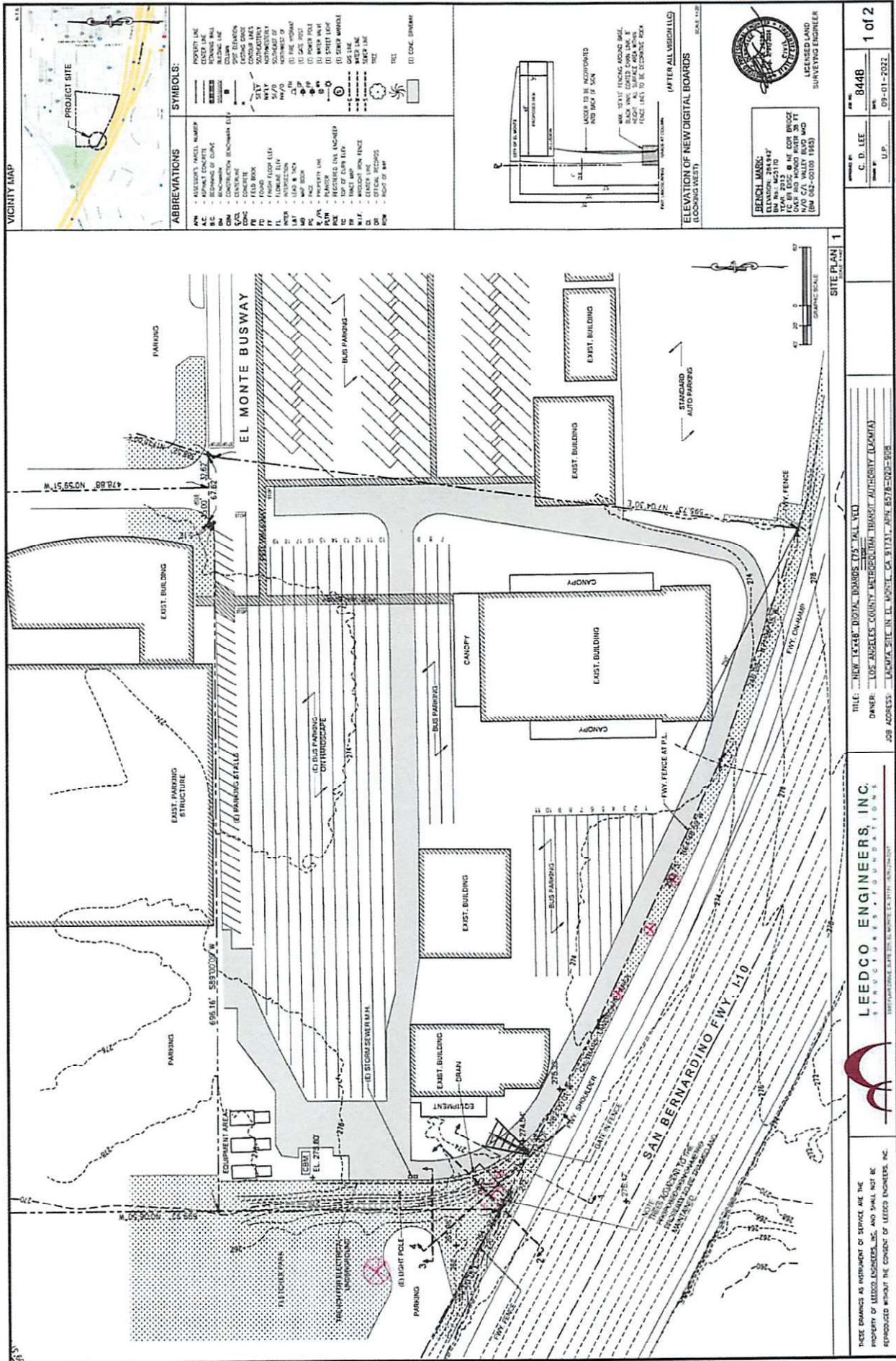
## Legend

- Board Location Division 9
- El Monte Transit Center
- Fletcher Fetch Park
- Metro Division 9

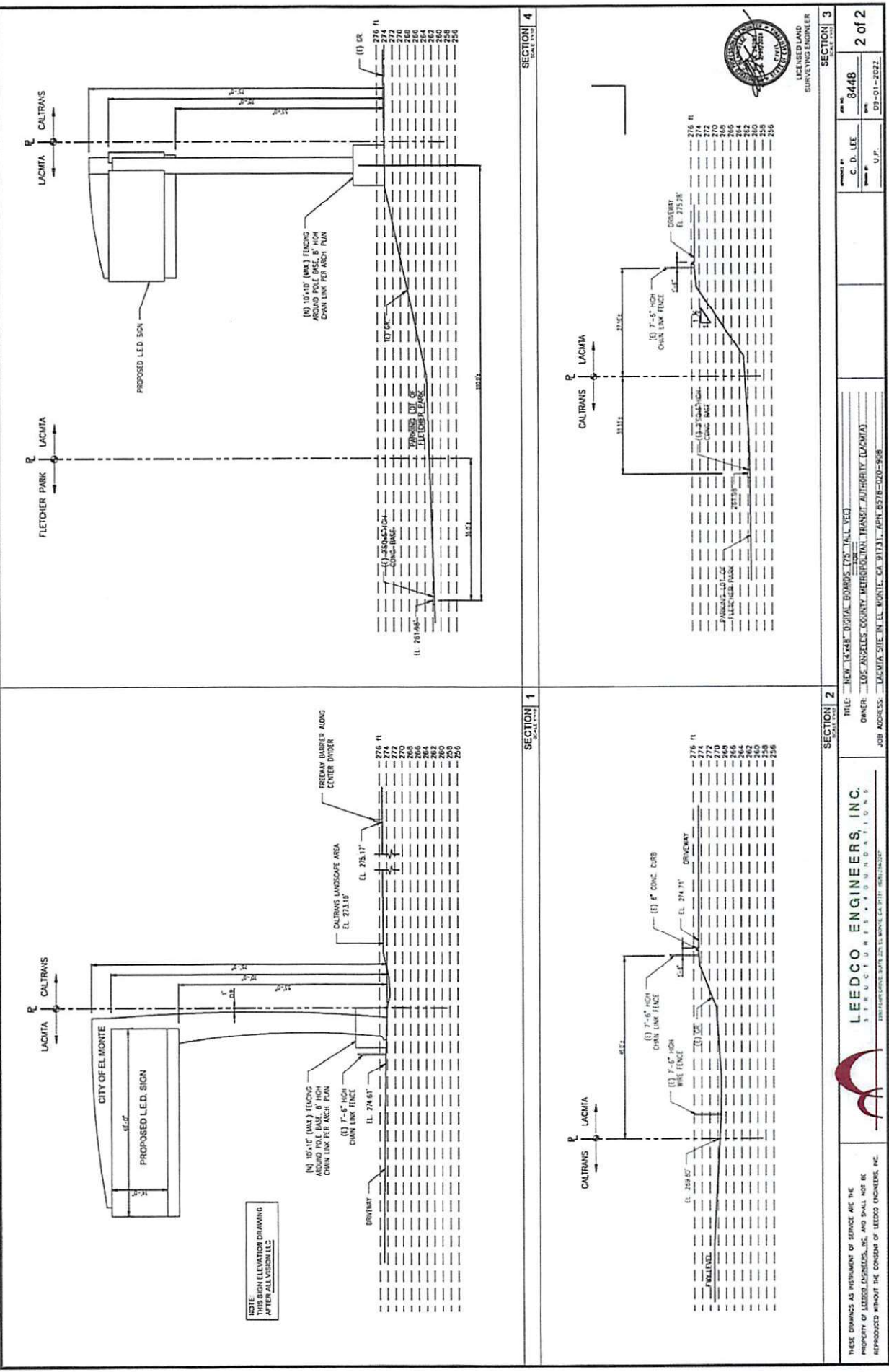


ATTACHMENT B1 AERIAL





ATTACHMENT B2 PLAN VIEW





ORDINANCE NO. 3017

AN ORDINANCE OF THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, APPROVING DEVELOPMENT AGREEMENT NO. 06-22 BETWEEN THE CITY OF EL MONTE AND ALL VISION, LLC, TO CONSTRUCT A DIGITAL BOARD BILLBOARD AT 3449 SANTA ANITA AVENUE IN AREA NO. 3 OF THE CITY'S BILLBOARD OVERLAY ZONE

**WHEREAS**, on July 18, 2017, the El Monte City Council (the "City Council") adopted Ordinance No. 2914, establishing El Monte Municipal Code (EMMC) Chapter 17.88 - Freeway Overlay Zone (the "overlay Zone") and seven (7) overlay areas in which billboards would be allowed; and

**WHEREAS**, on December 17, 2019, the City Council adopted Ordinance No. 2961, adding an additional three (3) overlay areas, for a total of ten (10) areas; and

**WHEREAS**, on July 20, 2022, Kevin Donovan of All Vision, LLC (the "Applicant") submitted an application for Design Review No. 18-22 and Development Agreement No. 06-22, to construct a digital billboard (the "Proposed Project"); and

**WHEREAS**, the digital billboard will be located at 3449 Santa Anita Avenue (Assessor Parcel No. 8581-034-001), El Monte, California (the "Subject Property"), Area No. 3 of the Overlay Zone; and

**WHEREAS**, the requests were made pursuant to the requirements of Chapters 17.122 (Design and Minor Review) and 17.129 (Development Agreements) of the El Monte Municipal Code (EMMC); and

**WHEREAS**, the full Development Agreement is attached to this Ordinance as Exhibit A; and

**WHEREAS**, on October 11, 2022, the El Monte Planning Commission (the "Planning Commission") held a full and fair public hearing and adopted Resolution No. 3644, recommending the City Council approve Design Review No. 18-22 for the billboard's aesthetics and recommending the City Council approve Development Agreement No. 06-22 for the terms and regulations of the billboard; and

**WHEREAS**, on November 1, 2022, the City Council held a full and fair public hearing to consider the First Reading of this Ordinance to approve Development Agreement No. 06-22; and

**WHEREAS**, notices of the Planning Commission and City Council public hearings were placed in a local newspaper and mailed to all property owners in accordance with the EMMC, and all interested persons were given full opportunity to be heard and present evidence.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF EL MONTE, CALIFORNIA DOES HEREBY ORDAIN AS FOLLOWS:**

**SECTION 1 - RECITALS.** The recitals above are true and correct and incorporated herein by reference;

**SECTION 2 - GENERAL PLAN.** The 2011 General Plan land use designation for the Subject Property is "Gateway Specific Plan." The General Plan does not specifically identify digital billboards as a potential revenue source. However, there are other areas of the General Plan that discuss the need for new revenue sources to implement City policies and support programs. Therefore, the proposed digital billboard is consistent with the General Plan.

**SECTION 3 - ZONING.** The Subject Property is located within the SP-1 (Gateway Specific Plan) zone. The surrounding zoning and land uses of the adjacent properties are as follows:

- North: SP-1; El Monte Bus Station and associated parking areas
- East: SP-1; Vacant lot used for vehicle parking
- South: Freeway ROW; 1-10 Freeway
- West: SP-1; Fletcher Park

**SECTION 4 - ENVIRONMENTAL.** In accordance with the criteria and authority contained in the California Environmental Quality Act. (CEQA) of 1970 and the CEQA Guidelines as amended, an Initial Study and Mitigated Negative Declaration (IS/MND) was circulated from April 7, 2017 to May 8, 2017 to establish the Freeway Overlay Zone. On July 18, 2017, the City Council adopted Ordinance No. 2914 approving the Freeway Overlay Zone. A total of four (4) mitigation measures were incorporated in the MND to reduce the impacts of any future billboards to a "Less Than Significant" level. These mitigation measures have been incorporated in Exhibit A, Conditions of Approval, of City Council Resolution No. 10399, approving Design Review No. 18-22. Therefore, no further environmental analysis is required.

**SECTION 5 - DEVELOPMENT AGREEMENT FINDINGS.** Pursuant to EMMC Section 17.129.090, the City Council approves Development Agreement No. 06-22, based upon the following findings:

- A. The Development Agreement will not be detrimental to the public health, safety or welfare or injurious to the City;

*Finding of Fact:*

The Proposed Project. and Development Agreement contain all requisite provisions set forth therein. In addition, the Proposed Project. and Development Agreement will not be detrimental to the health, safety, and general welfare through the enforcement and implementation of Conditions of Approval and mitigation measures. Further, prior to the issuance of City development permits and/or the issuance of a final completion of work, the Building and Safety Division, Engineering/Public Works Division, Planning Division and City Attorney Office's conditions and requirements must be met, which will protect. and preserve the health, safety and general welfare.

- B. The Development Agreement will have a positive effect on the orderly development of Subject Property or the preservation of property of neighboring property values;

*Finding of Fact:*

The Subject Property has a General Plan Land Use Designation of "Gateway Specific Plan". This designation is located on the north side of the 1-10 Freeway and areas surrounding the El Monte Station. The Gateway Specific Plan calls for the area to be developed with an urban mixed-use center with housing centered around the El Monte Station and multi-story buildings along Santa Anita Avenue. However, the Subject Property is also to continue to be used by the Los Angeles County Metropolitan Transit Authority (LACMTA) for bus maintenance and parking. Furthermore, the proposed billboard will only occupy the southeast corner of the Subject. Property. The overwhelming majority of the Subject Property will still allow for bus maintenance and parking. The Proposed Project and Development Agreement will not adversely affect the orderly development of properties in the area or the preservation of land values in the vicinity.

- C. The Development Agreement will provide sufficient benefits to the community to justify entering into the agreement;

*Finding of Fact:*

The Development Agreement will provide extensive community benefits in the form of general fund revenues. These revenues can be allocated to a wide range of City programs and projects. The Applicant will be required to pay a one (1) time processing and developer fees of \$100,000. In addition, the Applicant will subject quarterly contributions to the City for a period of 30 years. The total base amount of to be collected during that period is \$3,050,000. However, if ad revenues exceed base projections, the total amount collected may be even greater. The City will also have access to use the billboard for public service announcements.

D. The Development Agreement is consistent with the purpose, goals and policies of the General Plan and any applicable Specific Plan;

*Finding of Fact:*

The General Plan Land Use Designation for the Subject Property is "Gateway Specific Plan". This designation is located on the north side of the 1-10 Freeway and areas surrounding the El Monte Station. The Gateway Specific Plan calls for the area to be developed with an urban mixed-use center with housing centered around the El Monte Station and multi-story buildings along Santa Anita Avenue. However, the Subject Property is also to continue to be used by the Los Angeles County Metropolitan Transit Authority (LACMTA) for bus maintenance and parking. Furthermore, the proposed billboard will only occupy the southeast corner of the Subject Property. The overwhelming majority of the Subject Property will still allow for bus maintenance and parking.

The General Plan does not specifically identify digital billboards as a potential revenue source. However, there are other areas of the Plan that discuss the need for new revenue sources to implement City policies and support programs. Examples from the Economic Development Element include the following:

- Introduction: Designing a Prosperous Economy and Increase Local Revenues - attracting and expanding economic activity through revitalization efforts, increasing business value, improving sales and generating new revenues;
- Goal ED-1: Policy ED-1.5 - Funding. Explore, develop and use alternative fundingsources to pay for and provide incentives for economic development activities for which the City lacks sufficient resources; and
- Goal ED-3: An improved El Monte Businesses environment that attracts new businesses, investment, new jobs and increased revenues to El Monte.

E. The proposed installation site is compatible with the uses and structures on the site and in the surrounding area;

*Finding of Fact:*

The proposed location for the billboard is adjacent to the 1-10 Freeway right-of-way. The nearest structures are one (1) story structures used for bus maintenance and storage. They do not have any distinct architectural style and are not highly visible form the 1-10 Freeway or Santa Anita Avenue. The proposed billboard will be compatible with the surrounding area.

F. The proposed billboard will not create a traffic or safety problem, including problems associated with onsite **access** circulation or visibility;

*Finding of Fact:*

The proposed location for the billboard is adjacent to the 1-10 Freeway right-of-way. Traveling westbound, the billboard will be located after vehicles entering the freeway from Santa Anita Avenue have already merged with travel lanes. The next exit is more than one-half (½) mile away. In addition, the base of the billboard will be outside the Los Angeles County Metropolitan Transit Authority

(LACMTA) fenced area for bus maintenance and parking. Therefore, the proposed billboard will not create traffic or safety problems.

G. The proposed billboard would not interfere with onsite parking or landscaping required by the Zoning Code;

*Finding of Fact:*

The base of the billboard will be outside the Los Angeles County Metropolitan Transit Authority (LACMTA) fenced area for bus maintenance and parking. Therefore, it will not impact any onsite parking or landscaping on the Subject Property.

**SECTION 6 - DESIGN REVIEW APPROVAL.** This Ordinance shall not be effective until the City Council approves Resolution No. 10399 for Design Review No. 18-22.

**SECTION 7 - CONDITIONS OF APPROVAL.** The applicant shall comply with all the conditions of approval outlined in Resolution No. 10399 for Design Review No. 18-22.

PASSED, APPROVED AND ADOPTED by the City Council of the City of El Monte at the regular meeting of this 15th day of November, 2022.

  
 \_\_\_\_\_  
 Jessica Ancona, Mayor  
 City of El Monte

ATTEST:

  
 Catherine A. Eredia, City Clerk  
 City of El Monte

STATE OF CALIFORNIA  
COUNTY OF LOS ANGELES  
CITY OF EL MONTE

SS:

I, Catherine A. Eredia, City Clerk of the City of El Monte, hereby certify that the foregoing Ordinance No. 3017 was introduced for a first reading on the 1<sup>st</sup> day of November, 2022 and approved for a second reading and adopted by said Council at its regular meeting held on the 15th day of November, 2022 by the following vote, to-wit:

AYES: Mayor Ancona, Mayor Pro Tem Puente, Councilmembers Herrera and  
Martinez Muela

NOES: None

ABSTAIN: None

ABSENT: Dr. Morales

(bn;l.

Catherine A. Eredia, City Clerk  
City of El Monte



**We're supporting thriving communities.**  
**Planning & Programming Committee - March 20, 2024**  
**Legistar File #2023-0300**



# Recommendations

- A. AUTHORIZE the Chief Executive Officer, or their designee, to execute a 30-year development agreement (Attachment A) with the City of El Monte (“City”) and AllVision (“AV”) to construct, own, and operate a digital billboard on Metro property adjacent to Division 9 at 3449 Santa Anita Avenue, El Monte (“Project”).
- B. CONSIDER, in accordance with the California Environmental Quality Act (“CEQA”), the environmental effects of the Project as shown in the Mitigated Negative Declaration (“MND”) prepared by the City (Attachment B).
- C. ADOPT, in accordance with CEQA, the four mitigation measures incorporated in the MND to reduce the impacts of the Project to a less than significant level.
- D. FIND, in accordance with CEQA, that the four mitigation measures would avoid or mitigate the effects of the Project to a point where no significant effect on the environment would occur, and there is no substantial evidence that the Project, as mitigated, would have a significant effect on the environment.
- E. AUTHORIZE the Chief Executive Officer to file a Notice of Determination with the Los Angeles County Clerk and the State of California Clearinghouse.

# El Monte Billboard Location (Division 9)





# Key Terms of the Development Agreement

Key Development Terms include

1. The term of the agreement is for 30 years commencing when the billboard is constructed and operational.
2. AV will front all construction costs which will be reimbursed over the first five years of operation.
3. Over the term the percentage of the revenue received from the selected outdoor advertising company will be paid to the City according to the following schedule:

| Year    | City Minimum<br>Guaranteed* | City Share |
|---------|-----------------------------|------------|
| 1 – 10  | \$80,000                    | 10%        |
| 11 – 20 | \$100,000                   | 15%        |
| 21 – 30 | \$125,000                   | 20%        |

4. Metro will retain all revenue over the City's share less AV's operating costs and management fee.
5. The City shall have the right to place public service announcements at no cost not to exceed 5% of the total display time.

# Additional Information

- All advertising content will comply with Metro advertising standards.
- Metro will be able to utilize the billboard for public messaging for every one out of eight segments (8 seconds each)
- Metro will have immediate access for emergency messaging.
- Total revenue for Metro is estimated at \$15 million over the 30-year term.
- Next Steps: Execute the Development Agreement and submit the building and electrical permit application to the City.



Metro

## Board Report

Los Angeles County  
Metropolitan Transportation  
Authority  
One Gateway Plaza  
3rd Floor Board Room  
Los Angeles, CA

File #: 2024-0029, File Type: Resolution

Agenda Number: 14.

### PLANNING AND PROGRAMMING COMMITTEE MARCH 20, 2024

**SUBJECT: 2025 FEDERAL TRANSPORTATION IMPROVEMENT PROGRAM**

**ACTION: APPROVE RECOMMENDATION**

#### **RECOMMENDATION**

ADOPT the resolution for the 2025 Los Angeles County Transportation Improvement Program as shown in Attachment A.

#### **ISSUE**

As the designated County Transportation Commission for Los Angeles County, Metro is required to submit a resolution to the Southern California Association of Governments (SCAG) certifying that Los Angeles County has the resources to fund and is committed to implementing the projects included in the 2025 Federal Transportation Improvement Program (FTIP) covering Federal Fiscal Years (FFY) 2024/25 - 2029/30. Inclusion of projects in the FTIP is required for the allocation of federal funds, state and regional funds (as applicable), as well as for specific federal actions (including federal environmental clearance).

#### **BACKGROUND**

SCAG, as the Metropolitan Planning Organization (MPO) for the six-county region that includes Los Angeles County, is required under federal and state law to develop the FTIP. This is a six-year document that lists projects to be funded with federal, state, and local funds. The FTIP is required to advance the planning and construction of projects included in SCAG's Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS). This is achieved through the systematic programming of funds for the projects included in the RTP/SCS in accordance with federal and state requirements, including scheduling, financing, and the timely implementation of transportation control measures to help reduce air pollution.

#### **DISCUSSION**

Projects from each of SCAG's six counties are included in their respective TIP and then submitted to SCAG for inclusion in the FTIP. To comply with both state and federal requirements, the FTIP is updated every two years in California. SCAG's 2023 FTIP, which programs funds covering FFY

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2022/23 - 2027/28, was approved by the Federal Highway Administration (FHWA) and the Federal Transit Administration (FTA) on December 16, 2022. SCAG is scheduled to adopt the 2025 FTIP in December 2024. A joint air quality conformity determination from the FHWA and the FTA is required for the approval of SCAG's 2025 FTIP, which is also anticipated in December 2024. The 2025 Los Angeles County Transportation Improvement Program (TIP) includes nearly 950 projects valued at approximately \$23 billion for about 100 agencies.

### **DETERMINATION OF SAFETY IMPACT**

Adoption of the resolution will have no direct impact on the safety of Metro customers or employees. The Los Angeles County TIP will allow Metro and other project sponsors to program and receive funding and the timely realization of the projects' anticipated safety benefits.

### **FINANCIAL IMPACT**

Adoption of the resolution will allow Metro to program and secure federal, state, and regional funds for projects in Los Angeles County.

#### **Impact to Budget**

Adoption of the resolution for the 2025 Los Angeles County TIP has no impact on the FY 2024 Budget.

### **EQUITY PLATFORM**

The 2025 FTIP incorporates multiple layers of accountability to ensure that disadvantaged communities are not left behind in transportation improvement projects. Many of Metro's projects in the FTIP are guided by the Equity Platform's four pillars for the planning and implementation of projects in disadvantaged areas of Los Angeles County. In addition, Metro is collaborating with SCAG to further integrate the MPO's Racial Equity Early Action Plan, adopted in July 2020 by its Regional Council, for local agencies' projects into the FTIP.

This means that for the first time in FTIP planning history, SCAG is implementing justice, equity, diversity, and inclusion considerations into the 2025 FTIP by working with County Transportation Commissions, including Metro, to incorporate new equity input. These considerations will assess how and where investments are being made across the region and address equity issues within transportation improvements in Environmental Justice areas, Disadvantaged Communities, Priority Equity Communities, and/or Communities of Concern.

### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

Approval of this item advances achieving all five goals of the Vision 2028 Strategic Plan.

### **ALTERNATIVES CONSIDERED**

The Board could elect not to adopt the resolution shown in Attachment A. Staff do not recommend this alternative. By not adopting the resolution, the Los Angeles County TIP will not be included in

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SCAG's 2025 FTIP. Therefore, Metro and other agencies in Los Angeles County will not be able to program and receive federal, state, and regional funding allocations for their projects. This may jeopardize the timely implementation of projects in Los Angeles County that have funds programmed through FFY 2029/30. It may also result in the loss of funding allocations due to federal and state lapsing and/or project inactivity policies, as well as in the ineligibility for future funding allocations.

### **NEXT STEPS**

With Board approval of the recommendation, staff will submit the resolution to SCAG by the March 29, 2024 deadline.


### **ATTACHMENT**

Attachment A - Resolution for the 2025 Los Angeles County TIP

Prepared by: Michael Richmai, Sr. Manager, Countywide Planning & Development, (213) 922-2558  
Nancy Marroquin, Sr. Director, Countywide Planning & Development, (213) 418-3086

Mark Yamarone, Executive Officer, Countywide Planning & Development, (213) 418-3452  
Laurie Lombardi, Senior Executive Officer, Countywide Planning & Development, (213) 418-3251

Reviewed by: Ray Sosa, Chief Planning Officer, (213) 547-4274

  
Stephanie N. Wiggins  
Chief Executive Officer



**A RESOLUTION OF THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY (LACMTA) WHICH CERTIFIES THAT LOS ANGELES COUNTY HAS THE RESOURCES TO FUND THE PROJECTS IN THE FFY 2024/25 – 2029/30 TRANSPORTATION IMPROVEMENT PROGRAM AND AFFIRMS ITS COMMITMENT TO IMPLEMENT ALL PROJECTS AND PHASES AS APPLICABLE IN THE PROGRAM**

**WHEREAS**, Los Angeles County is located within the metropolitan planning boundaries of the Southern California Association of Governments (SCAG); and

**WHEREAS**, the Infrastructure Investment & Jobs Act (IIJA) requires SCAG to adopt a regional transportation improvement program for the metropolitan planning area; and

**WHEREAS**, the IIJA also requires that the regional transportation improvement program include a financial plan that demonstrates how the transportation improvement program can be implemented, indicates resources from public and private sources that are reasonably expected to be made available to carry out the transportation improvement program, and recommends any additional financing strategies for needed projects and programs; and

**WHEREAS**, LACMTA is the agency responsible for short-range capital and service planning and programming for the Los Angeles County area within SCAG; and

**WHEREAS**, as the responsible agency for short-range transportation planning, LACMTA is responsible for the development of the Los Angeles County Transportation Improvement Program (TIP), including all projects utilizing federal and state highway/road and transit funds; and

**WHEREAS**, LACMTA must determine, on an annual basis, the total amount of funds that could be available for transportation projects within its boundaries; and

**WHEREAS**, LACMTA has adopted the Federal Fiscal Year (FFY) 2024/25 - 2029/30 Los Angeles County TIP with funding for FFY 2024/25 and FFY 2025/26 available and committed, and reasonably expected to be available for FFY 2026/27 through FFY 2027/28.

**NOW, THEREFORE, BE IT RESOLVED** by LACMTA that it affirms its continuing commitment to the projects in the FFY 2024/25 - 2029/30 Los Angeles County TIP; and

**BE IT FURTHER RESOLVED**, that the FFY 2024/25 - 2029/30 Los Angeles County TIP Financial Plan identifies the resources that are available and committed in the first two years and reasonably expected to be made available to carry out the Program in years three and four, and certifies that:

1. Projects in the FY2024/25 - 2029/30 Los Angeles County TIP are consistent with the 2024 State Transportation Improvement Program as approved by the California Transportation Commission in March 2024; and
2. Los Angeles County has the funding capacity from its Surface Transportation Block Grant (STBG) Program and Congestion Mitigation and Air Quality Improvement (CMAQ) Program allocations to fund projects, as applicable, in the FFY 2024/25 - 2029/30 Los Angeles County TIP; and
3. The local match for projects funded with federal STBG Program and CMAQ Program funds is identified in the Los Angeles County TIP; and
4. All the Federal Transit Administration funded projects are programmed within the IIJA guaranteed funding levels.

PASSED, APPROVED, AND ADOPTED this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

CERTIFICATION

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COLLETTE LANGSTON  
LACMTA Board Clerk

DATED:  
(SEAL)



# 2025 Federal Transportation Improvement Program (FTIP) Adoption

Planning and Programming Committee

March 20, 2024

File No. 2024-0029



**Metro**



# Recommendation

ADOPT the resolution for the 2025 Los Angeles County Transportation Improvement Program as shown in Attachment A.

# Background

- SCAG, as the Metropolitan Planning Organization (MPO) for the six-county region that includes Los Angeles County, is required under federal and state law to develop the FTIP
- Every two years, a new FTIP cycle is adopted with 2025 being the latest cycle
- The FTIP is a required six-year document that advances the planning and construction of projects funded with federal, state, and local funds
- The 2025 FTIP covers the period from FY25 to FY30 with nearly 950 projects in Los Angeles County totaling \$23 billion for about 100 agencies
- Adopting the Resolution for the 2025 FTIP would allow agencies in Los Angeles County to program and receive funding allocations for on-time delivery of projects



**Metro**



Metro

## Board Report

Los Angeles County  
Metropolitan Transportation  
Authority  
One Gateway Plaza  
3rd Floor Board Room  
Los Angeles, CA

File #: 2023-0751, File Type: Contract

Agenda Number: 15.

**REVISED**  
**PLANNING AND PROGRAMMING COMMITTEE**  
**MARCH 20, 2024**

**SUBJECT: JOINT DEVELOPMENT BENCH AND EXCLUSIVE NEGOTIATION AGREEMENT**

**ACTION: APPROVE RECOMMENDATION**

**RECOMMENDATION**

CONSIDER:

- A. APPROVING the creation of a bench of qualified developers eligible to respond to Requests for Proposals (RFP) for the joint development of the "10K Sites" to be in effect for three years, with the option to extend for two additional one-year periods for up to five years total (Attachment A);
- B. APPROVING the Summary of Key Terms and Conditions (Attachment B) for 10K Sites' Exclusive Negotiation Agreements (ENAs); and
- C. DELEGATING authority to the Chief Executive Officer, or their designee, to execute the ENAs following a competitive RFP process for the joint development of the 10K Sites.

**DUPONT-WALKER AMENDMENT:** Report back on the ENA template to clearly communicate participation with community-based organizations (CBOs), allowing for community development-based organizations (CDBOs) to work directly with Metro as the prime or sub-prime contractor. This would allow for CBO/CDBO participation, not exclusive of the Joint Development Bench. Include engagement with general contractors and subcontractors for the inclusion of Small Business Enterprise, Disadvantaged Business Enterprise, Disabled Veterans Business Enterprise, and Minority Women Business Enterprise.

**DUTRA AMENDMENT:** Directed the CEO to improve the contract language for RFPs and to work with the cities to help streamline the entitlement process and work with the developers to streamline the capital stack.

**ISSUE**

In April 2023, the Board adopted 27 strategies to accelerate the creation of 10,000 new housing units on 20 Metro-owned sites located throughout Los Angeles County (10K Sites) by 2031. Those

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strategies included accelerating the developer selection process by creating a Developer Bench and standardizing and expediting the negotiations process with the Board-approved ENA Summary of Key Terms and Conditions (ENA Key Terms).

The longest phase of the Joint Development (JD) process has typically been the exclusive negotiations phase, during which the developer initiates developer-led outreach, refines the project design, secures entitlements, negotiates Joint Development Agreement (JDA) and Ground Lease terms with Metro, and identifies financing sources to construct the project. Recent changes in state and local laws and policies designed to accelerate the delivery of affordable housing near transit have significantly shortened the time required to secure project entitlements. These changes have created an opportunity to accelerate the remaining tasks to be completed during the ENA phase to accelerate housing production and minimize challenges and uncertainty for Metro's development partners. Along with the Developer Bench recommendations, staff is seeking Board approval of the ENA Key Terms that would be included in the standard ENA that Metro would enter into with Qualified Developers from the Developer Bench to develop 10K Sites.

## **BACKGROUND**

In response to the countywide housing affordability crisis, in 2021 the Board adopted an updated JD Policy and established a ten-year goal of completing 10,000 housing units, at least 5,000 of which will be income-restricted by 2031. In July 2021, staff obtained a \$1,600,000 grant from the Southern California Association of Governments (SCAG) to complete an in-depth analysis of Metro's JD process and potential development sites. The analysis formed the basis of acceleration strategies designed to overcome existing hurdles to project delivery without sacrificing community input and quality projects. In April 2023, the Board adopted the acceleration strategies along with a list of sites suitable for development and available in the timeframe required to meet the 2031 deadline. The strategies, together with the proposed adoption of the Developer Bench and ENA Key Terms, are anticipated to reduce the timeline for JD projects from an average of 10 years to an average of five years.

## **DISCUSSION**

### *Request for Qualifications - Developer Bench*

Historically, a developer for each joint development site has been procured separately, which lengthened the time needed to produce housing and required extensive staff time. To minimize the time and expenditure of resources required of both Metro staff and developers, JD staff released an RFQ in August 2023 to establish a bench of developers eligible to propose on future 10K Sites, as depicted in Attachment C. The RFQ was structured to reduce barriers to participation in the joint development of the 10K Sites. Applicants were required to submit their experience and credentials but were not required to prepare site-specific visioning or analysis. The Developer Bench will be in effect for three (3) years, with the option to extend for two (2) additional one (1) year periods for up to five (5) years total.

On July 13, 2023, Metro's JD Department hosted a Developers Industry Forum to build interest

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amongst non-profit and for-profit real estate development firms in the RFQ. The forum was held at the historic Union Station Ticketing Concourse and had over 160 attendees. The RFQ was advertised through several professional planning and housing-focused organizations and posted on the JD website. Availability of the RFQ was also announced via email to Developer Industry Forum registrants and attendees, the State of California's Housing and Community Development interested developers list, and the JD developer opportunities interest list, representing over 6,700 email addresses.

Qualified Developers must sustain and abide by the obligations, terms, and conditions incumbent upon Qualified Developers under the RFQ to remain on the Developer Bench. Furthermore, no Qualified Developer is guaranteed to be awarded an ENA to develop a 10K Site, as the awarding of an ENA will be determined pursuant to the subsequent RFP process for developing a 10K Site. Qualified Developers will be required to execute an agreement (Bench Agreement) confirming their understanding of the foregoing, following Board approval of the Developer Bench. Through the RFP process, Qualified Developers will be encouraged to form teams that include local Community Based Organizations and provide opportunities for Metro-certified Small Business Enterprises (SBE), Disadvantaged Business Enterprises (DBE), Disabled Veterans Business Enterprises (DVBE), and Minority and Women Business Enterprises for the delivery of professional or construction services.

#### *Community-Based Development Organizations (CBDOs)*

Metro strongly encouraged community-based development organizations (CBDOs) rooted in the communities in which the 10K Sites are located to respond to the RFQ. Staff conducted targeted outreach to CBDOs to promote the Industry Forum. Harnessing the local expertise of CBDOs will help Metro effectuate meaningful community engagement and develop JD projects that include elements that benefit, enhance, and respond to the needs of surrounding communities. Following input from local community organizations and developers, Metro defined a CBDO as "a nonprofit, tax-exempt, housing developer with a commitment to a geographic community and a stated intention of generating community scale outcomes including building wealth, increasing economic stability, improving health, or advancing equity through its projects and programs or partnerships with other organizations." CBDOs were asked to complete a self-certification form and awarded additional points in the RFQ application evaluation if they met the established CBDO definition. Twenty-five applicants who responded to the RFQ met Metro's definition of a CBDO, all of whom are being recommended to be added to the Developer Bench. Qualified Developers who are not CBDOs will be encouraged to partner with CBDOs at the RFP phase. Teams that include CBDOs will be awarded additional points in the RFP scoring process.

#### *Standardizing and Streamlining Exclusive Negotiation Agreements (ENAs)*

The ENA Key Terms will be critical to successful partnerships between Metro and Qualified Developers. In October 2023, Metro invited all applicants who responded to the RFQ to comment on a template ENA. A draft of the template ENA and comment form were provided. The provision of this opportunity to comment on the draft template ENA did not obligate Metro to incorporate any comments or suggested edits from developers into the template ENA. In December 2023, five applicants submitted approximately 22 comments on the template ENA. Most of the comments were

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general questions related to Metro's JD process. Staff will address these questions in future site-specific RFPs. Staff and County Counsel have revised the template ENA and ENA Key Terms to address relevant comments such as clarification of liquidated damages, the ENA Schedule of Performance deliverables, and the ENA Administration fee. Comments on the draft template ENA were not considered in the RFQ evaluation and will not be considered in the RFP evaluation processes.

Although historically the Board has approved the ENA for each joint development site, there is no requirement for Board approval as an ENA does not convey any property rights or obligate Metro to make any payments. The Board approved the 10K Sites (April 2023), and with this action, it would approve the Developer Bench and the ENA Key Terms. Staff will conduct a competitive process within the Developer Bench and execute an ENA consistent with the Board-approved ENA Key Terms with the selected Qualified Developer. Updates on developer selection, project proposals, and other significant milestones will be reported to the Board and public through a dashboard. Board approval will still be required to enter into a JDA and Ground Lease (as those do convey long-term property rights).

### **DETERMINATION OF SAFETY IMPACT**

The approval of the Developer Bench will not impact the safety of our customers and employees.

### **FINANCIAL IMPACT**

Approval of these recommendations will not impact the existing FY24 budget for Cost Center 2210 (Joint Development), Project#401300 "Joint Dev. 10K Homes". JD staff have requested FY25 funding to support the release of the site-specific RFPs to the Developer Bench. Future ENAs will require developers to pay a \$50,000 to \$150,000 (depending on the complexity of the JD site) ENA administration fee to cover certain Metro project-related expenses. In the unlikely event of a default under an ENA (in 20 years Metro has never defaulted under a joint development ENA), Metro's exposure would be limited by liquidated damages not to exceed \$250,000.

### **EQUITY PLATFORM**

The goal of the Developer Bench is to expedite the JD developer procurement process. This will enable Metro staff and development partners to create more housing as quickly as possible for Los Angeles County residents, particularly low-income households facing systemic inequities that make achieving better health, economic, and educational outcomes harder than higher-income households.

Points were awarded in RFQ application evaluations to applicants who met Metro's CBDO definition and/or demonstrated experience successfully creating opportunities for community-based organizations (CBOs), Metro-certified Small/Disadvantaged Business Enterprises (SBE/DBE), Disabled Veterans Business Enterprises (DVBE), and/or local businesses. In future site-specific RFPs, proposals will be awarded additional points in evaluations if a CBDO is the lead developer or if a non-CBDO has committed to a partnership with a CBDO. The intent is to build relationships with these community organizations, strengthen their capacity, and integrate public benefits into the

developments that provide value to the surrounding community beyond just housing. In future RFPs, Metro will also strongly encourage Qualified Developers to leverage 10K Sites to create opportunities for CBOs, such as leveraging Metro's new CBO Database, Metro-certified SBE/DBE/DVBE firms, and/or local businesses through subleasing or as providers of community, professional, and/or construction services.

## **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

By approving these recommendations to support the acceleration of JD projects, Metro will advance Vision 2028 Strategic Plan Goal #3, "to enhance communities and lives through mobility and access to opportunity," by activating several transit-oriented communities with catalytic development projects that will bring housing, jobs, and services to neighborhoods across the Metro system and Los Angeles County at large.

## **ALTERNATIVES CONSIDERED**

The Board could defer or deny approval of the recommendations. This is not recommended as it would be unlikely Metro could meet the 10,000-unit mandate by 2031, and it would constrain Metro from contributing to urgently-needed solutions to the regional housing shortage.

## **NEXT STEPS**

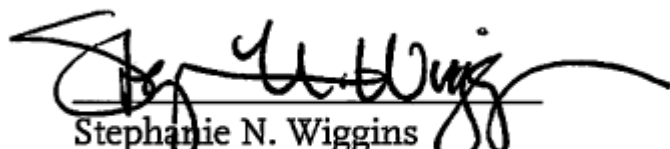
Upon Board approval, staff will execute Bench Agreements with each Qualified Developer. Staff will develop and execute a community outreach plan in which the 10K Sites are situated to gather community input, which will then inform RFP evaluation criteria. Staff will then invite the Developer Bench to respond to site-specific RFPs for 10K Sites. After RFP evaluations are completed and a Qualified Developer is selected, staff will execute an ENA consistent with the Board-approved ENA Key Terms. The Board will be notified of developer selection, project proposals, and other significant project milestones. Once the project entitlements are in place, staff will return to the Board for approval of JDA and Ground Lease terms.

## **ATTACHMENTS**

Attachment A - Procurement Summary  
Attachment B - Summary of Key ENA Terms  
Attachment C - 10K Sites

Prepared by: Nicole Velasquez Avitia, Senior Director - Countywide Planning & Development,  
(213) 314-8060  
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Stephanie N. Wiggins  
Chief Executive Officer



## PROCUREMENT SUMMARY

### JOINT DEVELOPMENT REQUEST FOR QUALIFICATIONS #1 – DEVELOPERS

|    |  |  |
|----|--|--|
| 1. | <b>Contract Number: Joint Development Request for Qualifications – Developers #1</b>   |  |
| 2. | <b>Recommended Vendor:</b> See Section B. below.   |  |
| 3. | <b>Type of Procurement (check one):</b> <input type="checkbox"/> IFB <input type="checkbox"/> RFP <input type="checkbox"/> RFP–A&E<br><input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order <input checked="" type="checkbox"/> Joint Development |  |
| 4. | <b>Procurement Dates:</b>  |  |
|    | <b>A. Issued:</b> August 30, 2023  |  |
|    | <b>B. Advertised/Publicized:</b> August 31, 2023 – October 11, 2023  |  |
|    | <b>C. Pre-Submittal Conference:</b> September 18, 2023   |  |
|    | <b>D. Applications Due:</b> October 11, 2023   |  |
|    | <b>E. Pre-Qualification Completed:</b> N/A   |  |
|    | <b>F. Conflict of Interest Form Submitted to Ethics:</b> October 12, 2023  |  |
|    | <b>G. Protest Period End Date:</b> March 25, 2024  |  |
| 5. | <b>Solicitations Picked up/Downloaded:</b> N/A. The RFQ and application were made available on the Joint Development website. Staff encouraged potential applicants to submit an Interest Form. 194 Interest Forms were received.  | <b>Proposals Received:</b> 89 (5 non-responsive) |
| 6. | <b>Contract Administrator:</b> Nicole V. Avitia  | <b>Telephone Number:</b> 213-314-8060            |
| 7. | <b>Project Manager:</b> Nicole V. Avitia   | <b>Telephone Number:</b> 213-314-8060            |

#### **A. Procurement Background**

This Board Action is to approve adding the qualified developers listed in Section B to the Joint Development (JD) Developer Bench. Board approval of the Developer Bench is subject to resolution of any properly submitted protest.

In order to expedite the completion of JD projects, staff released a Request for Qualifications (RFQ) on August 30, 2023 to identify potential developers based on general qualifications, community development experience, financial capacity and experience, and demonstrated experience as a Community-Based Development Organization (CBDO). In concert with the joint development acceleration strategies adopted by the Metro Board of Directors in April 2023 and with the support of the Chief Executive Officer (CEO), JD staff led this RFQ using specific and well-defined protocols consistent with Metro's Acquisition Policy (AQ-1 and ACQ-2).

If the Board approves creating the Developer Bench, staff will execute a Bench Agreement with the Qualified Developers and issue site-specific Request for Proposals (RFPs) for the joint development of 10K Sites. Only Qualified Developers on the Developer Bench may respond to those site-specific RFPs. The RFPs will require applicants to submit a development plan for each site along with a financial proposal, project team composition, and phasing schedule.

One amendment was issued during the solicitation phase of this RFP:

- Amendment No. 1, issued on October 4, 2023, clarified deadlines, who would be invited to comment on the template Exclusive Negotiations Agreement (ENA), and provided a revised RFQ Application Form with corrected formatting inconsistencies.

A pre-submittal conference for the RFQ was conducted virtually on September 18, 2023 and was attended by 258 people representing 176 firms. Over 130 questions were submitted by potential applicants and on October 4, 2023, staff issued a Frequently Asked Questions document via email to 6,700 recipients including the Joint Development Developer Opportunities and RFQ interest lists.

89 applications were received on October 11, 2023. Five of those applications were submitted after the deadline and/or were incomplete and therefore considered non-responsive. Metro's staff received one written response on October 25, 2023, to challenge Metro's rejection of their application. Through our review, it was determined that the applicant submitted a late and incomplete application that did not meet our initial threshold review. In accordance with Metro's Protest procedures, the rejection of an application or proposal does not qualify as an action that can be protested. Therefore, the correspondence received did not constitute a formal protest. A written response was emailed to the applicant on December 14, 2023 to explain our findings.

## **B. Evaluation of Applications**

A Proposal Evaluation Team (PET) consisting of staff from Metro Joint Development, Development Review, Program Management, Community Relations, and Office of Equity and Race was convened and conducted an evaluation of the 84 applications received.

The proposals were evaluated based on the following evaluation criteria and weights:

- |  |            |
|--|------------|
| • Applicant/Principal's Qualifications, Skills, and Experience | 45 percent |
| • Community Development Experience                             | 30 percent |
| • Financial Capacity/Experience and Compliance                 | 20 percent |
| • Community-Based Development Organization                     | 5 percent  |

The evaluation criteria were appropriate and consistent with criteria developed for other, similar Joint Development procurements. Several factors were considered when developing these weights, giving the greatest importance to experience in housing/mixed-use projects, design, transit integration, experience working with public agencies, and community development expertise.

A PET meeting was held on December 14, 2023. JD staff provided an overview of the RFQ including the evaluation criteria and instructions. Given the volume of applications, staff summarized submittal information into one spreadsheet. This spreadsheet along with the evaluation form was provided to the PET on December 19, 2023. The PET submitted their initial scores on January 8, 2024. The PET met on January 18, 2024 and decided that of the 84 applications evaluated, 80 were determined to “meet expectations.” The intent of this RFQ is to identify firms that meet a critical threshold of expertise and experience in order to expedite the evaluation of proposals to be submitted in the RFQ phase. Thus, for most of the criteria, the PET scored only whether the firm’s response: a) did not meet expectations; b) met expectations; or c) exceeded expectations. Firms that met expectations were deemed to be qualified to respond to a future RFP. The 80 firms within the competitive range are listed below in alphabetical order:

1. A Community of Friends\*
2. Abode Communities\*
3. Affirmed Housing Group LLC
4. Akin Co.
5. Alliant Strategic Development
6. American Family Housing\*
7. Azure Community Development\*
8. Baker Tilly US, LLP — Jeff Oviedo & Associates Inc.
9. BRIDGE Housing Corporation
10. Brilliant Corners\*
11. California Landmark Group
12. Camden Securities Company
13. Century Affordable Development\*
14. Cesar Chavez Foundation\*
15. Cityview
16. Civic Enterprise
17. Clifford Beers Housing (Holos Communities)\*
18. Coalition for Responsible Community Development\*
19. Community Corporation of Santa Monica\*
20. Community Development Partners
21. Community HousingWorks
22. Cowley Real Estate Partners
23. CTY Housing
24. Cypress Equity Investments
25. Decro Corporation\*
26. Decro-RMG\*
27. Develop With Skill
28. DignityMoves\*
29. EAH Housing
30. Eden Housing
31. Ethos Project Holdings LP
32. GHK Properties, LLC

33. Hollywood Community Housing Corporation\*
34. Innovative Housing Opportunities
35. Jamboree\*
36. JPI
37. LA Family Housing\*
38. Laing Companies LLC
39. Lendlease Development Inc.
40. Linc Housing Corp\*
41. Lincoln Property Company
42. Lowe
43. MacFarlane Partners
44. McCormack Baron Salazar
45. Menorah Housing Foundation\*
46. Mercy Housing
47. MSquared
48. National Community Renaissance of California\*
49. New Economics for Women\*
50. Orion Capital
51. PATH Ventures
52. Praxis Development Group
53. Primestor Development
54. Republic Metropolitan
55. Self-Help Ventures Fund
56. SoLa Impact
57. SRM Development
58. SuperLA
59. The Kelsey
60. The Max Collaborative
61. The Michaels Development Company
62. The Olson Company
63. The People Concern\*
64. The Pinyon Group
65. The Related Companies of California
66. The Roberts Group
67. The Urban Coalition
68. The Urban House
69. Thomas Safran & Associates Development
70. Trammell Crow Company
71. Treehouse
72. Ulysses Development Group
73. USA Properties Fund
74. Venice Community Housing\*
75. Wakeland Housing
76. Waterford Property Company
77. Weingart Center Association\*
78. West Hollywood Community Housing Corporation\*

- 79. Women Organizing Resources, Knowledge and Services (WORKS)\*
- 80. WPH Holdings

\* Denotes applicant is a CBDO. As described in the Board Report, applicants who believed they met the established CBDO definition were asked to complete a self-certification form and awarded additional points in RFQ application evaluations if they met the established CBDO definition.

The PET determined that four of the applicants did “not meet expectations” and are not included in staff’s recommendation to be added to the Developer Bench. Some of these firms’ application narratives failed to demonstrate experience incorporating transit-oriented features into developments, developing adjacent to transit infrastructure, public/private partnerships, and/or implementing comprehensive community engagement strategies. Most of these narratives failed to provide adequate details or specific examples required to be considered in the competitive range. The four firms determined to be outside the competitive range are listed below in alphabetical order:

1. [oo-d-a] studio, inc
2. 1010 Development
3. Center for Pacific Urbanism
4. Keyvan Moradian

#### **Qualifications Summary of Firms within the Competitive Range:**

The 80 firms determined to be within the competitive range were chosen based on their experience expeditiously constructing and/or operating housing/mixed-use projects, high-quality project design, transit integration, experience working with public agencies, and/or community development expertise. These firms provided detailed narratives highlighting engagement strategies with significant stakeholder outreach for development projects in Los Angeles County or other diverse communities. Firms also demonstrated financial capacity through experience securing financing for multiple phases of real estate development, including innovative financing strategies.

#### **D. DEOD Summary**

Metro strongly encouraged CBDOs that are rooted in the communities in which the 10K Sites are located to respond to the RFQ and conducted targeted outreach to CBDOs to promote the July 2023 Developers Industry Forum discussed in the Board Report. By harnessing the local expertise of CBDOs, Metro can effectuate meaningful community engagement and develop JD projects that include elements that benefit and enhance the surrounding communities. Applicants who met Metro’s CBDO definition and/or demonstrated experience successfully creating opportunities for community-based organizations (CBOs), Metro-certified Small/Disadvantaged Business Enterprises (SBE/DBE), Disabled Veterans Business Enterprises (DVBE)

firms and/or local businesses were awarded additional points in the RFQ application evaluations. In future site-specific RFPs, proposals will be awarded additional points in evaluations if a CBDO is the lead developer, or if a non-CBDO has committed to a partnership with a CBDO. Metro will also encourage Qualified Developers to create opportunities to include Metro-certified SBE/DBE/DVBE firms and/or local businesses in their projects, through professional or construction services.

## Attachment B

### SUMMARY OF KEY ENA TERMS

Below is a summary of key terms and conditions for a template Exclusive Negotiation Agreement (ENA). Any ENA that deviates from or is inconsistent with this summary will require Board approval for execution. For purposes of this document, “Developer” means the Developer selected from the Developer Bench following the issuance of an RFP for the joint development of a 10K Site. “Project” means the housing project proposed by the Developer; and “Project Site” refers to the 10K Site, provided that on some projects, the Project Site may also include adjacent property owned or controlled by the Developer. Metro and Developer may be referred to individually as “Party” or collectively as “Parties” in this summary.

1. **Term.** The initial term of the ENA is twelve (12) months (Term). The Term may be extended by Metro staff in twelve (12) month increments if Developer is making substantial progress toward completing the transaction, not to exceed a total of sixty (60) months.
2. **Right to Terminate.** The ENA may be terminated early by either Party in limited circumstances, including: (i) the transaction is not reasonably likely to be completed; (ii) the Project is infeasible or cannot be financed; (iii) the Project is not likely to be constructed in a reasonable timeframe; (iv) the non-terminating party is in default under the ENA; or (v) certain title issues are present. Additionally, Metro may terminate without cost or penalty if Metro staff determines that the process followed to enter into the ENA or Developer’s proposed Project does not comply with the Surplus Land Act.
3. **ENA Administration Fee.** Developer must pay a nonrefundable fee to Metro prior to the ENA’s effective date to cover Metro’s costs during the Term and to compensate Metro for exclusively negotiating with the Developer. The nonrefundable fee will be \$50,000 or more, depending on project size and complexity.
4. **Agreement to Negotiate Exclusively in Good Faith; No Metro Commitment to Any Project or Funding.**
  - The Parties will exclusively negotiate in good faith during the Term. The ENA itself does not establish the terms of a future ground lease, joint development agreement (JDA) or any other Project-related agreements (Project Agreements) necessary to convey and develop the Project Site with the Project.
  - The ENA does not commit Metro to approving the Project, approving other proposed improvements to the Project Site or to entering into any of the Project Agreements. Metro retains absolute sole discretion to request modifications to the Project, to impose mitigation measures, to evaluate Project alternatives (including the no project alternative), and to reject the Project as may be necessary to comply with CEQA.
  - The ENA also does not commit Metro to funding, subsidizing, or otherwise financially contributing to the Project. Metro will retain its full discretion as to approval of the Project contemplated by the ENA.

**5. Documents to be Negotiated; Metro Retained Rights.**

- The Parties will negotiate key terms for a JDA and form of ground lease (Term Sheet) for consideration by Metro's Board of Directors (Board). The Term Sheet will include the key terms and conditions that will be incorporated into the Project Agreements. Metro must receive Board authorization to execute the Project Agreements and such authorization will not be requested until all of the following have occurred: (i) the Term Sheet and the form of the JDA are agreed upon by the Parties; (ii) Metro staff has determined that all necessary CEQA-related documents have been prepared; and (iii) Metro staff has secured any required approval or concurrence of the Project (or the execution of the Project Agreements) by all applicable governmental or other funding entities.
- Each Party may decline to enter into any subsequent agreement (including any of the Project Agreements) if the Parties fail to agree upon mutually satisfactory terms. Except as provided in the ENA, neither Party has any duty, obligation, or liability under the ENA if the Parties fail to timely agree upon and execute the Project Agreements.
- If the Parties proceed with the transaction and the Project Agreements, Metro will retain certain rights with respect to the property to be ground leased (subject to limitations) throughout the life of the Project, as may be required by Federal Transit Administration funding. Those rights include, but are not limited to: (i) the right to install, operate and maintain public transit facilities; (ii) the right to install and maintain informational signage; (iii) the right to utilize sidewalks and common areas for pedestrian access and operations related to transit activities; (iv) inspection rights; and (v) all other rights not expressly granted to Developer in the ground lease.

**6. Schedule of Performance.** The ENA's Schedule of Performance contains key milestones for moving the Project forward. The milestones include, but are not limited to, public outreach requirements, title work, submittal of designs, CEQA compliance, entitlement submittal and Project proforma/financing plan submittal. Subject to a Valid Unavoidable Delay (discussed in Section 17 below), time is of the essence with respect to each Party's obligations under the Schedule of Performance. Failure of a Party to meet the milestones set forth in the Schedule of Performance shall constitute a breach under the ENA.

**7. Environmental Review.** Developer is responsible for all costs associated with CEQA compliance. Developer is responsible for preparing and submitting all Project-related CEQA documents (CEQA Documents) to the governmental agency with legal authority to issue entitlements for the Project (Entitling Authority), subject to Metro staff's advance review and approval. Metro will exercise its independent judgment and analysis in connection with any Project-related environmental reviews and will make its own determination as to what is required for Metro to satisfy the requirements of CEQA. Accordingly, Metro may require Developer to complete alternative CEQA studies and/or an alternative method to comply with CEQA than the Entitling Agency. These costs shall also be borne entirely by Developer.

**8. Project Entitlements.** Developer must prepare and submit all Project-related entitlement applications (Entitlement Applications) to the Entitling Authority, subject to Metro staff's advance review and approval. Developer is responsible for all costs associated with the Entitlement Applications. If Developer abandons an Entitlement Application for any reason, Metro may take over such application and Developer will cooperate with Metro to complete the entitlement process started by Developer. If the Project is not built, Developer will cooperate with Metro to remove any Project-related entitlements and/or encumbrances affecting Metro's property.



9. **Provision of Development Documents.** In addition to the CEQA Documents and the Entitlement Applications, Developer shall prepare at its sole cost and expense, but subject to Metro staff's independent review and judgment, all plans (including schematic design drawings) and other reports, investigations, studies, and related documents with respect to the Project Site, the Project, and Developer's intended use of the Project Site (collectively, Development Documents). In addition to the foregoing, Developer shall include in its contractors' and consultants' contracts, the right of Developer to assign the Development Documents to Metro.
10. **Ethics.** Developer (and Developer team members, as required by Metro Ethics) must remain in full compliance with: (i) Titles 4 (Procurement) and 5 (Ethics) of the Metro Administrative Code (Admin Code); (ii) all applicable provisions of Government Code sections 1090 and 87100 et seq.; and (iii) regulations governing campaign contributions to Board members imposed by Public Utilities Code section 130051.20, Government Code section 84300 et seq., and the Admin Code. Developer must also submit updated ethics declarations as required by Metro.
11. **Coordination.** Developer shall notify Metro regarding substantive meetings with governmental authorities concerning the Project, and Metro may participate in such meetings, at its discretion. The Parties will coordinate with each other and hold progress meetings to ensure compliance with the ENA.
12. **Community Outreach Plan.** Developer will perform community outreach in accordance with a Metro-approved community outreach plan attached to the ENA.
13. **Inspections.** Developer may conduct such due diligence inspections as the Parties deem necessary during the course of the Term to determine the condition of the Project Site and/or the Project's feasibility. Developer's entry onto the Project Site for such inspections will be in accordance with the terms and conditions of a right of entry agreement executed between the Parties. If the Project Site includes Developer-controlled property, Developer will similarly grant Metro with access to such property to conduct inspections.
14. **Title & Survey Review.** The Parties will conduct survey and title review for the Project Site. Specified title issues may be grounds for the ENA's early termination.
15. **Design Review.**
- The design of the Project shall be at Developer's sole cost and expense.
  - Developer shall prepare and submit to Metro staff the initial set of schematic design drawings for the Project, which represents a Logical Evolution of Developer's conceptual plan. Within this context, "Logical Evolution" means the further development, refinement, or amplification of the conceptual plan that flows logically, naturally, and foreseeably from the conceptual plan, and reflects (among other things) good architectural and engineering design, and complies with the terms of the ENA and all legal requirements. The schematic design drawings must be prepared by a qualified and licensed architect and/or engineer, as applicable.
  - Metro staff shall have the right to review and approve, disapprove, or request changes to the schematic design drawings, Project development schedules, and proposed methods of construction for all Project improvements. During this process, any Metro staff determination regarding possible impacts on Metro's Development Related Concerns (as defined) shall be made in Metro's sole and absolute discretion. Among other things, Metro's Development Related Concerns include: (i) Metro's operations, including its ability to install, inspect, operate, maintain, repair, and replace public transit facilities; (ii) Metro's exercise of rights

retained under the ENA; (iii) public health and safety; and (iv) access to and from Metro's property.

**16. Indemnity & Insurance.**

- Except for claims arising solely from Metro's gross negligence or willful misconduct, Developer will indemnify, defend (with counsel approved by Metro) and hold harmless Metro and the Metro Parties (as defined) from specified Project-related liability, claims, losses, costs, expenses or damages arising from or caused by Developer and the Developer Parties (as defined).
- Developer must obtain for itself, and the Developer Parties, insurance in accordance with Metro's requirements.

**17. Breach & Default.**

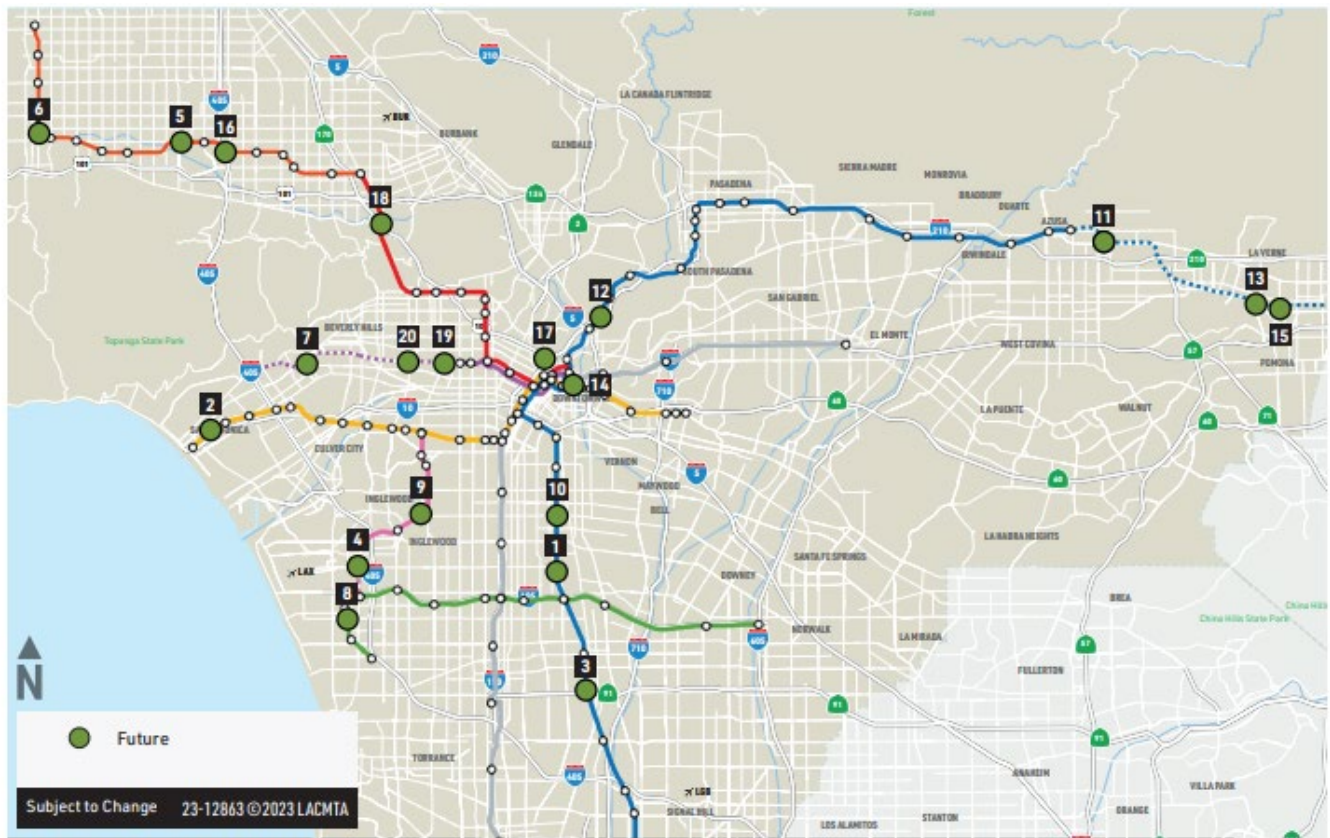
- A Party is in breach under the ENA if it fails to: (i) perform any obligation, or to comply with any covenant, restriction, term or condition in the ENA; or (ii) meet the milestones set forth in the Schedule of Performance.
- Subject to limited exceptions, a breach will become a default if the aggrieved Party provides written notice to the Party committing the breach and the breaching Party thereafter fails to cure within a specified time period. The breaching Party can extend its time to cure if there is a "Valid Unavoidable Delay," which is a delay agreed upon by both Parties as being valid and unavoidable, in accordance with a process provided under the ENA (e.g., this may include a force majeure event). Notwithstanding, the deadline to cure a breach may not be extended due to a Valid Unavoidable Delay by more than sixty (60) days; nor may the Term be extended due to a Valid Unavoidable Delay.

**18. Upon Termination of ENA; Limitation on Metro Damages & Remedies.**

- If the ENA expires or terminates and the Parties have not executed a JDA, then: (i) any rights or interest Developer may have under the ENA shall cease without notice; (ii) any Development Documents will become Metro's personal property; and (iii) Metro may use, develop (alone or with another entity) or dispose of the Project Site as it determines appropriate in its sole discretion.
- If Metro defaults under the ENA (i.e., fails to perform an obligation as described in Section 17), Metro will pay Developer liquidated damages in an amount equal to not to exceed two hundred and fifty thousand (\$250,000.00) (Liquidated Damages Amount). The Liquidated Damages Amount will be Developer's sole and exclusive remedy (inclusive of any attorneys' fees and costs) arising from Metro's default. Upon such a default and Metro's payment of the Liquidated Damages Amount, the ENA will terminate.

**19. Assignment.** Except as otherwise agreed to by Metro staff, Developer may not assign its rights or duties under the ENA to any other person or entity. Notwithstanding, Developer's shareholders, partners, members or other equity holders may transfer, sell, exchange, assign, or divest themselves of any interest they have in Developer so long as a change of Control (as defined) of Developer does not occur.

## 10K SITES



## Future Sites

- |                                  |                             |  |
|----------------------------------|-----------------------------|--|
| 1. 103rd St/Watts Towers Station | 8. El Segundo Station       | 15. Pomona                             |
| 2. 17th St/SMC Station           | 9. Fairview Heights         | 16. Sepulveda Station                  |
| 3. Artesia Station               | 10. Florence Station        | 17. Temple/Beaudry Bus Layover         |
| 4. Aviation/Century Station      | 11. Glendora                | 18. Universal City/Studio City Station |
| 5. Balboa/Victory Station        | 12. Heritage Square Station | 19. Wilshire/Crenshaw Station          |
| 6. Canoga Park Station           | 13. La Verne                | 20. Wilshire/La Brea Station           |
| 7. Century City                  | 14. Pickle Works            |  |

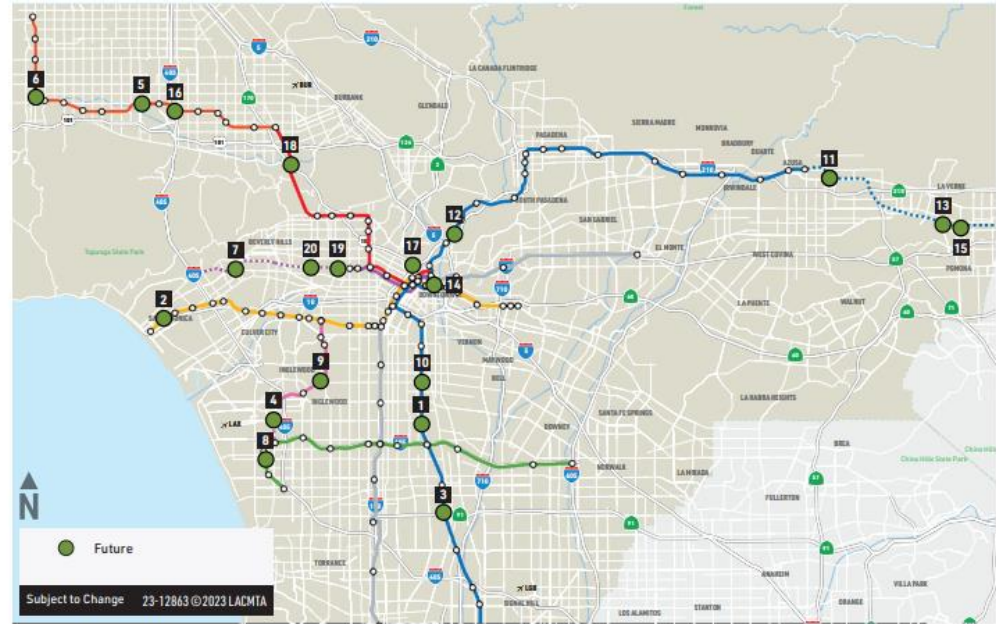


**We're supporting thriving communities.**  
**Planning and Programming Committee**  
**Legistar File #2023-0751**  
**March 20, 2024**



# Recommendations

- A. APPROVE the creation of a bench of qualified developers eligible to respond to Requests for Proposals (RFP) for the joint development of the “10K Sites” to be in effect for three years, with the option to extend for two additional one year periods for up to five years total (Attachment A);
- B. APPROVE the Summary of Key Terms and Conditions (Attachment B) for 10K Sites' Exclusive Negotiation Agreements (ENAs); and
- C. DELEGATE authority to the Chief Executive Officer, or their designee, to execute the ENAs following a competitive RFP process for the joint development of the 10K Sites.



## Future Sites

- |                                  |                             |  |
|----------------------------------|-----------------------------|--|
| 1. 103rd St/Watts Towers Station | 8. El Segundo Station       | 15. Pomona                             |
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| 7. Century City                  | 14. Pickle Works            |  |

# Bench Request for Qualifications (RFQ)



Developer  
Pre-Qualification



Metro Board Review



- RFQ aimed to **reduce barriers** to participation in the joint development of the 10K Sites.
- **Selected developers** will be eligible to compete for any of the “10K Sites” via the streamlined Request for Proposals (RFP) process.
- Bench developers may **partner** with one another and respond to RFPs.

# Developer Bench RFQ

- **July 2023:** Joint Development Industry Forum with over 160 attendees.
- **August 2023:** RFQ advertised to more than 6,700 interested parties.
- **October 2023:** 84 responsive applications received.
- **Proposal Evaluation Team (PET):** Metro Planning, Program Management, Community Relations, and Office of Equity and Race representatives.
- **PET recommends 80** of the 84 applicants to be on the **Developer Bench**.
- 25 applicants who met established definition of a **community-based development organization (CBDO)** were awarded additional points in RFQ evaluations.

# ENA Summary of Key Terms

- Non-binding, limited-term agreement to review proposed design, explore project feasibility, seek project entitlements, conduct community engagement, and negotiate terms.
- Initial 12-month term with extensions in 12-month increments. Not to exceed 60 months.
- \$50,000+ ENA fee
- Limits Metro's liability to liquidated damages of no more than \$250,000.
- Opportunity to comment on Template ENA provided to all Bench RFQ respondents.
- Future ENAs for 10K Sites must be consistent with the provisions and requirements included in Attachment B - Summary of Key ENA Terms.



# Next Steps

- Execute bench agreements with the Qualified Developers.
- Conduct outreach to the 10K communities, which will then inform RFP evaluation criteria for each 10K Site.
- Invite the Developer Bench to respond to site-specific RFPs for 10K Sites beginning mid-to-late 2024.
- Complete RFP evaluations and enter into an ENAs with the selected developers.
- Updates on developer selection, project proposals, and other significant milestones will be reported to the Board and public through a dashboard.
- Return to Board after entitlements are in place for approval of terms for Joint Development Agreements (JDAs) and ground leases.





## Board Report

File #: 2024-0035, File Type: Project

Agenda Number: 16.

### PLANNING AND PROGRAMMING COMMITTEE MARCH 20, 2024

**SUBJECT: CESAR E. CHAVEZ AND FICKETT JOINT DEVELOPMENT**

**ACTION: APPROVE RECOMMENDATIONS**

#### **RECOMMENDATION**

CONSIDER:

- A. AUTHORIZING the Chief Executive Officer, or designee, to execute and enter into a joint development agreement ("JDA"), ground lease ("Ground Lease"), and other related documents with Chavez Fickett, L.P. ("Developer"), an affiliate of Abode Communities, for the construction and operation of a mixed-use, affordable housing project ("Project") on approximately 68,100 square feet (1.56-acres) of Metro-owned property located at the corner of Cesar E. Chavez Avenue and Fickett Street in Boyle Heights ("Site") in accordance with the Summary of Key Terms and Conditions attached hereto as Attachment A;
- B. AUTHORIZING a discount to the appraised fair market rental value for the Site of 67% or \$6,900,000 under the Ground Lease as set forth in the Summary of Key Terms and Conditions for the Ground Lease; and
- C. FINDING that the Project is exempt from the California Environmental Quality Act ("CEQA"), consistent with the environmental studies and reports set forth in Attachment B, pursuant to Sections 21080(b)(9) and 21084 of the California Public Resources Code and Section 15332 (In-Fill Development Projects) of the CEQA Guidelines; and authorizing the Chief Executive Officer to file a Notice of Exemption for the Project consistent with said exemption.

#### **ISSUE**

Since 2018, staff and the Developer have collaborated under a Board-authorized Exclusive Negotiation Agreement and Planning Document ("ENA") to conduct community outreach, refine the Project design, negotiate key terms and conditions for a JDA and Ground Lease, and study relevant CEQA issues. To advance the project into construction, authorization for the JDA and findings relevant to CEQA are required.

#### **BACKGROUND**

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In February 2017, Metro published a comprehensive set of Development Guidelines for the Site which represented the culmination of substantial public input and addressed housing needs, commercial and retail opportunities and identified neighborhood amenities to benefit the Boyle Heights Community. This was followed by the issuance of an RFP for development services to achieve the goals outlined in the Development Guidelines. In January 2018, the Metro Board authorized the execution of an ENA with Abode Communities for the Site. The ENA has allowed staff and the Developer to explore the feasibility of the proposed Project; conduct additional, project-specific community outreach; study relevant CEQA issues; and negotiate the key terms and conditions of the JDA and Ground Lease that will ultimately provide for the Project's construction and operation on the Site.

### The Site and the Project

The Site is comprised of approximately 68,100 square feet of Metro-owned property bounded by Cesar E. Chavez Avenue to the north, Matthews Street to the west, Fickett Street to the east, and a residential neighborhood to the south. The Metro E (formerly Gold) Line Soto Station is located approximately one-quarter mile south of the Site. This property was originally purchased for the extension of the Metro B (Red) Line subway into Boyle Heights, but with the construction of the Metro E Line's Eastside Extension, it is no longer needed for this purpose.

### Community Engagement

The recommended actions follow extensive stakeholder outreach and community engagement by Metro and the Developer. Metro began the outreach process in February 2016. The stakeholder engagement process consisted of various community-focused events, workshops, and a comprehensive community meeting attended by nearly 60 participants. Comments were also taken online and accepted via email and regular mail for those who were not able to attend in person. Later in 2016, Metro formed a Design Review Advisory Committee (DRAC) to provide design oversight and help to move forward the Development Guidelines and the RFP for joint development of the Site.

Following the execution of the ENA in March 2018, the Project entered a new phase of Developer-led community outreach that consisted of a series of six community meetings and concluded with the approval of the preliminary design by the DRAC. In September 2022, the Developer provided a Project update to the Planning and Land Use Committee (PLUM) of the Boyle Heights Neighborhood Council, received input on community needs and concerns, and obtained feedback on proposed design elements. In February 2023, the Developer conducted a virtual meeting with local business owners and related stakeholders to discuss the proposed ground floor retail space and garner ideas on current service gaps in the community and possible tenants that would be interested in the space. In November 2023, residents and other interested parties in proximity to the Site were invited to hear about the status of the Project and provide additional input related to design, residential programming, onsite services, commercial space, and project site amenities.

## **DISCUSSION**

The Project, to be named "Chavez Gardens", contemplates 109 affordable rental apartments, one

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unrestricted property manager's apartment, approximately 3,000 square feet of commercial space, 44 residential parking spaces, and 6 commercial parking spaces. Renderings and a site plan for the Project are identified in Attachment C. The affordable rental apartments are made up of studio, one-, two-, and three-bedroom units with affordability levels ranging from 30% of the County Area Median Income ("AMI") to 50% of AMI. In furtherance of the JD Policy, the unit AMI thresholds reach deep levels of affordability with 100% of the units protected by an income restriction for the full Term of the Ground Lease.

The 3,000 square feet of commercial space will be located at the corner of Cesar E. Chavez Avenue and Fickett Street. The space is envisioned as an amenity for the residents and the greater neighborhood. The current concept is food service with an eatery component; however, the Developer is proactively engaging with local businesses, residents, and community-based organizations to identify opportunities to provide or preserve small businesses or organizations that would meet service or retail needs in the neighborhood.

#### *Summary Analysis of Financial Terms*

Staff engaged a third-party consultant to analyze the project financials and prepare a report describing the financial feasibility of the Project, the proposed discount to the Ground Lease payment, and the overall financial offer to Metro. The summary findings are as follows:

- An appraisal procured by Metro concluded that the Fair Market Value (FMV) of the leased fee interest in the subject property is \$10.35 million.
- The Project design is sound, and the total development costs as shown in the Developer-provided underwriting analysis are reasonable and supportable given the current market and hard cost data. The developer has explored all means to reduce per-unit project costs, including simplifying the use of materials, structural systems, and efficiencies in building design.
- The operating proforma is based on reasonable assumptions about rents, vacancies, and operating expenses.
- The Developer's proposed financing plan assumes accessing all available subsidies and resources, including tax credit equity, Developer equity, assumed grants, and a conventional permanent loan.
- Discounting the Metro land to \$3.45 million, or 33% of FMV, is necessary to ensure Project feasibility.

#### *Ground Lease Rent Discount*

Affordable housing development relies on multiple sources of funding such as tax credits, housing vouchers, bank debt, and investor equity to provide the capital necessary for development. Land costs, particularly when the site is owned by a public agency, may be discounted to reduce total development costs and make the project economically feasible. The discounted land becomes, in effect, one of the sources of development capital. The discount required depends on the overall project feasibility. The land value that makes this project feasible is a one-time ground rent payment of \$3.45 million due and payable at the close of the Ground Lease escrow which represents a 67%

discount on the FMV rent of \$10.35 million.

In 2021, the Board approved an update to the Joint Development Policy, which allows flexibility to discount Ground Lease rent commensurate with the community benefits. However, under the Joint Development Policy in place at the time of the March 2018, ENA, a discount that exceeds 30% of the FMV was deemed an exception that requires Board approval, as is being sought here.

Given the challenging economic environment, limited subsidies available, and the provision of 109 affordable units targeting very low-income residents, staff recommend approving this discount, which is equivalent to contributing approximately \$63,303 per unit to the Project. With a total development cost of \$97.50 million, Metro's land discount of \$6.9 million represents only 7% of total capital sources. And, over the course of the 75-year Lease, Metro's cost to ensure affordability represents only \$884 per unit per year.

### *Other Project Revenues*

The Project will also generate the following additional revenue opportunities:

- A holding rent of 0.25% of the appraised value during the JDA Term (\$1,980 per month) will be credited to the total prepaid ground rent.
- A participation rent of 25% of all gross income received from the 3,000 square feet of ground-floor commercial space. Metro would forego collection of rent if the Developer leases to a Metro-approved organization providing community benefits/services to residents of the building and surrounding community.
- 20% of all net refinancing proceeds and a 20% share of all net sales proceeds less accumulated Ground Lease payments not to exceed the FMV of the land.

### *Summary of Terms*

Key terms of the JDA and Ground Lease include:

- A JDA term of 18 months with an option to extend up to an additional 12 months;
- Metro's right to review and approve the design of the Project as it progresses to completion;
- Cost recovery of Metro's transaction-related and other support costs, including the cost of in-house staff time (except for Joint Development staff) and fees related to consultants and other third parties (except for in-house and outside legal counsel with respect to negotiation and preparation of the JDA and Ground Lease); and,
- Conditions for execution of Ground Lease, including that project financing, governmental approvals, payment and performance bonds, completion guaranty and the Project Labor Agreement are in place.
- Ground Lease term of 75 years;
- Restriction to ensure continued affordability for the full term of the Ground Lease; and,

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- A one-time capitalized rent payment of \$3.45 million upon execution of the Ground Lease.

### Considerations

#### *Federal Transit Administration Review*

The Site was acquired in 1999 using grant funding from the Federal Transit Administration (FTA). While this site is technically an “excess property” pursuant to the FTA definitions, the FTA has reviewed the terms of the JDA and Ground Lease and has no objections to the overall deal structure, including the proposed rental discount for affordable housing.

#### *CEQA Actions*

Staff has reviewed the environmental studies and reports set forth in Attachment B which demonstrate the Project qualifies for a categorical exemption under Sections 21080(b)(9) and 21084 of the California Public Resources Code and Section 15332 (In-Fill Development Projects) of the CEQA Guidelines. As the lead agency decision-making body for the Project, the Board will satisfy its obligations under CEQA by considering the documentation in Attachment B, and finding that the Project meets all criteria of the In-Fill Development exemption and that the Project will not cause a significant impact on the environment.

#### *Surplus Land Act*

It has been determined the Project, as presented, is exempt from the Surplus Land Act (“SLA”), Government Code Section 54220 *et seq.*, pursuant to Section 54234(a)(3) of the SLA, which is described as Exemption Category 1 in the State Department of Housing and Community Development’s (HCD) Guide to Exemptions from the Standard Surplus Land Act Process for Local Agencies (Cities, Counties, Special Districts, Joint Powers Authorities, Successor Agencies, etc. issued in July 2022 (the “Grandfathering Exemption”). Under this Grandfathering Exemption, the SLA as it existed on December 31, 2019 applies if, in relevant part: (1) as of September 30, 2019, the local agency issued a competitive request for proposal for the development of the property that includes at least 100 residential units (at least 25% of which are restricted to lower-income households as referenced in the statute), (2) a disposition and development agreement for the property is entered into not later than December 31, 2024; and (3) the property is disposed of before March 31, 2026.

The determination that this Project qualifies for the Grandfathering Exemption has been made based on the following transaction deal points:

1. The competitive request for proposals to develop the Site was issued prior to the SLA-imposed deadline of September 30, 2019.
2. The Project exceeds the requirement of having 25% of the units being restricted to lower-income households as defined in Section 50079.5 of the Health and Safety Code.
3. Once completed, rental housing in the Project will be subject to an affordability covenant recorded against the land for a term of 75 years, which is longer than the minimum threshold of 55 years set forth in the SLA.
4. The Joint Development Agreement (“JDA”), which serves as the Project’s disposition and development agreement between Metro and the Developer, will be entered into in advance of the December 31, 2024, deadline set forth in Government Code Section 54234(a)(3).

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5. Prior to March 31, 2026, Metro intends to complete the disposition of the Property pursuant to the JDA.

Because the Project fits within the conditions prescribed in the above-referenced section of the SLA, no further action is necessary upon approval and execution of the JDA.

### **DETERMINATION OF SAFETY IMPACT**

Approval of this item will have no impact on safety. Staff will continue to oversee the development and construction of the Project on the Site to ensure that it does not adversely impact Metro property or the continued safety of staff, contractors, and the public. All safety measures and associated requirements to be met by the Developer and its construction contractor will be identified in the JDA and subsequent Ground Lease.

### **FINANCIAL IMPACT**

Adoption of the subject action would not have a detrimental impact on the agency. Though there would be a discount to the FMV of the Ground Lease to make the Project financially feasible, Metro would still realize a substantial cash payment. Funding for Joint Development activities related to this Project is included in the FY24 Budget under Project 401037, Task 01, Cost Center 2210.

#### **Impact to Budget**

Proceeds from the capitalized Ground Lease will be deposited into a Joint Development revenue account as prescribed by the 2021 Joint Development Policy. Funds in this account would be used in furtherance of Transit Oriented Communities activities including future Joint Development projects.

### **EQUITY PLATFORM**

The proposed development at the Chavez/Fickett site is representative of Metro's Joint Development Policy goals to provide as much housing as possible as quickly as possible for those who need it most. The proposed action will allow Metro to work with the Developer to secure financing, conduct additional outreach, and obtain permits for 109 units of affordable housing. This will also include 3,000 square feet of commercial space incentivized by Metro to target services geared to residents of the building and surrounding community, enhanced public infrastructure, jobs and other transit-supportive amenities.

The completed Project will benefit qualified low-income residents in need of housing, as well as qualified households with disabilities who will be awarded one of the ADA-accessible units. The Project is located within an Equity Focus Community and offers housing for individuals earning 30%-50% of LA County AMI, which are appropriate levels of affordability in the local Boyle Heights community. These income-restricted units will benefit Metro's ridership base by offering housing accessible to the majority of the 83% of Metro riders who reported household incomes under \$50,000 in the 2022 Customer Experience Survey. By offering affordable housing adjacent to two high-frequency bus lines and the 1<sup>st</sup>/Soto E line station, the Project is anticipated to increase rates of transit use and enhance access to opportunities for the Chavez Gardens tenants. The Project will

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also benefit adjacent community members who may use the commercial space and surrounding amenities. To encourage a community-focused commercial tenant, Metro will forgo its lease collection to the extent the Developer leases the space to a tenant providing community benefits to local residents and the surrounding community. In this way, the commercial space will be programmed to fit the needs of both the local community and Chavez Gardens tenants by providing a financial incentive to the Developer to lease space to tenants that provide beneficial services to residents of the building and surrounding neighborhood.

Since 2018, the Developer and Metro staff have conducted extensive outreach events to incorporate community input from the Boyle Heights Design Review Advisory Committee, Boyle Heights Neighborhood Council, the business community, and local stakeholders. The Developer continues to actively engage with and be responsive to all stakeholders through a coordinated community outreach process that involves multiple public engagement opportunities. The Developer will continue building on the years of prior community outreach established for the Project in the upcoming JDA period. As in previous JD outreach efforts, engagement will be conducted in English, Spanish, and other languages deemed appropriate to reach a broad audience of stakeholders.

As the Project progresses to construction, staff will work with the Developer and its general contractor to minimize any traffic impacts, dust, and noise associated with the Project's construction. These mitigation measures will be identified in the construction work plans and health and safety plans and reviewed by Metro staff prior to the execution of the Ground Lease documents.

Once completed, the 109 units of affordable housing will be protected by a long-term affordability restriction that is consistent with the term of the 75-year Ground Lease.

### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

Enhance communities and lives through mobility and access to opportunity, Initiative 3.2: Metro will leverage transit investments to catalyze transit-oriented communities and help stabilize neighborhoods where these investments are made.

### **ALTERNATIVES CONSIDERED**

The Board could choose not to authorize the execution of the recommended actions. Staff does not recommend this option because the proposed Project is the product of competitive solicitation and extensive community engagement and is consistent with the goals of Metro's Joint Development Policy. Electing not to proceed would unnecessarily delay the development of the Site and jeopardize the build-out of 110, in-demand housing units, 109 of which are covenanted to extremely low- and very low-income households.

### **NEXT STEPS**

Upon execution of the JDA, the Developer will submit final construction drawings for Metro and City approval, complete its financing package, and execute the Ground Lease, with construction anticipated to start in early 2025. The construction period is expected to last approximately 24 months. Targeted outreach to Boyle Heights residents who may qualify to live in the new housing was



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initiated with the construction of the adjacent La Veranda joint development and will continue through the construction of the Chavez Gardens Project.

Developer-led outreach efforts will continue throughout the term of the JDA to keep the community informed of the Project's progress leading to the execution of the Ground Lease and the eventual start of construction. Methods of outreach will include face-to-face meetings, surveys, and focus group sessions with potential residents, current and prospective business owners, and operators of community-based organizations.

**ATTACHMENTS**

Attachment A - Summary of Key Terms and Conditions

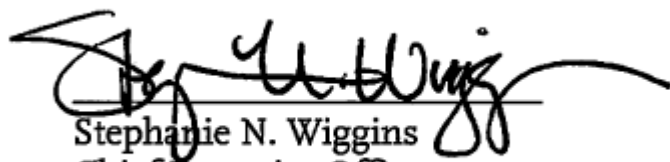
Attachment B - CEQA Studies and Reports

Attachment C - Renderings and Site Plan

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Stephanie N. Wiggins  
Chief Executive Officer

**SUMMARY OF KEY TERMS AND CONDITIONS**  
**OF**  
**JOINT DEVELOPMENT AGREEMENT AND GROUND LEASE**  
**FOR**  
**THE CHAVEZ GARDENS JOINT DEVELOPMENT SITE**  
**(DATED: \_\_\_\_\_, 2024)**

*This non-binding Summary of Key Terms and Conditions (“**Term Sheet**”) outlines the proposed key terms and conditions of a development transaction by and between the Los Angeles County Metropolitan Transportation Authority and Developer (defined below) with respect to certain real property described in this Term Sheet. LACMTA and Developer previously entered into that certain Exclusive Negotiation Agreement and Planning Document dated March 1, 2018, as amended (the “**ENA**”). LACMTA and Developer now intend to negotiate, based on this Term Sheet, a set of legally-binding agreements to carry out the development transaction, which agreements will include (a) a joint development agreement between LACMTA and Developer (a “**JDA**”), (b) a ground lease between LACMTA and Developer or an affiliate of Developer (a “**Ground Lease**”), and (c) such other agreements as are necessary or convenient to carry out the intent of the terms outlined in this Term Sheet.*

**GENERAL DESCRIPTION**

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- 1.1 DEVELOPER:** Chavez Fickett L.P. (“**Developer**”), a California Limited Partnership, which is a development entity controlled by Abode Communities and was created for purposes of owning, developing, and operating the Chavez Gardens Project.
- 1.2 DEVELOPMENT SITE:** The Los Angeles County Metropolitan Transportation Authority (“**LACMTA**”) is the fee owner of approximately 68,069<sup>1</sup> square feet of real property situated in the City of Los Angeles and depicted on Exhibit A (the “**LACMTA Property**”). The LACMTA Property is bifurcated by a public alley running north-south creating two subareas for development. The area east of the alley will be referred to as “Parcel A” and the area west of the alley will be referred to as “Parcel B”. It is the intent of the Developer to treat both Parcel A and Parcel B as one project. The proposed development site (the “**Site**”) comprises the entirety of the LACMTA Property.
- 1.3 PROPOSED PROJECT:** Chavez Gardens, the proposed development project (the “**Project**”) will be constructed on the Site by Developer at

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<sup>1</sup> As calculated from information provided on that certain ALTA/NSPS Land Title and Design Survey of the Site prepared by Psomas, dated June 19, 2018, and included as part of the Conceptual Plans.

Developer's sole cost and expense in accordance with the plans and specifications generally known as the Joint Development Agreement Package (the "**JDA Package**"), dated October 25, 2023, as detailed and referenced in Exhibit B (the "**JDA Package Plans**"), as such JDA Package Plans logically evolves and is modified and revised as set forth herein. The Project is currently anticipated to include, without limitation, one hundred nine (109) affordable rental apartments restricted to households earning no more than 60% of the LA County Area Median Income (the "**Affordable Units**") and one (1) unrestricted property manager's apartment, 3,000 square feet of retail space, 44 residential parking spaces and 6 commercial parking spaces along with a 3,500 sq, ft, community garden. The site plan and renderings for the currently proposed Project are attached in Exhibit C. Although Developer will endeavor to secure financing for Project as described in this Term Sheet, certain aspects of the Project, including affordability levels of the rental apartments, may be modified if required by the funding sources ultimately secured.

**1.4 PHASED DEVELOPMENT:** The Project will be constructed in a single phase.

## **GENERAL CONDITIONS**

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### **2.1 DEDICATIONS:**

LACMTA will consider any dedications and grants of LACMTA real property rights to the City of Los Angeles or other public or quasi-public entities as are reasonably required by the City of Los Angeles or such other public or quasi-public entities and are necessary to support the development, construction, and operation of the Project, subject to acceptable compensation to LACMTA. Developer has informed LACMTA that, as of the date of this Term Sheet: (a) the City of Los Angeles may require that dedications be made for public right-of-way purposes at the northeast and northwest corners of Parcel A; (b) the subject dedications will be either 15 foot by 15 foot corner cuts or 20 foot curved radius corners; and (c) Developer does not know of any other dedications that will be required for purposes of the Project. Subject to LACMTA Board approval, LACMTA does not take exception to the subject dedications provided that LACMTA receives the full amount of Capitalized Rent under the Ground Lease in the manner specified in the Capitalized Rent section of this Term Sheet, which payment shall be deemed acceptable compensation to LACMTA for such dedications. Dedications and grants approved by LACMTA shall be referred to herein as ("**Dedications**").

**2.2 FEDERAL TRANSIT  
ADMINISTRATION, STATE  
AND LOCAL FUNDING  
SOURCE APPROVAL:**

The parcels comprising the Site were acquired by LACMTA using Federal Transit Administration (“FTA”) funds. Therefore, the construction and operation of the Project, and the Ground Lease transaction, Dedications and other development-related matters contemplated in this Term Sheet are subject to: (a) applicable FTA and bond holder approval/concurrence, and (b) LACMTA confirmation that such actions will not violate any bond funding related requirements or restrictions imposed on LACMTA or the LACMTA Property, (collectively, the “**Funding Approvals**”). Prior to any LACMTA Board Action regarding the JDA or Ground Lease, LACMTA shall have received approval of the terms and conditions set forth herein and in the Ground Lease by the appropriate funding agency(ies) that participated in LACMTA’s original acquisition of the Premises.

**2.3 DEVELOPMENT  
ENTITLEMENTS AND OTHER  
LEGAL REQUIREMENTS:**

Intentionally Omitted.

**2.4 AS-IS CONDITION:**

Developer acknowledges and agrees that it shall accept the Site “as is,” solely in reliance upon Developer’s own investigation, inspection and research, and that no representations or warranties of any kind whatsoever, express or implied, have been made by LACMTA. Any information provided or disclosure made by LACMTA to Developer shall not constitute a representation or warranty regarding the condition or title to the Site. Furthermore, Developer shall assume the cost and expense for the removal of any contaminated materials, toxic or hazardous substances, and asbestos on the Site.

**2.5 SITE REMEDIATION:**

Developer shall perform any required remediation or abatement deemed necessary in accordance with environmental and soils studies to be performed, if any.

**KEY JOINT DEVELOPMENT AGREEMENT (“JDA”) TERMS:**

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**3.1 JDA - GENERALLY:**

After (i) the LACMTA Board has approved and Developer has accepted this Term Sheet, (ii) Developer has met all CEQA requirements for the Project (as further described below in the Closing Conditions), and (iii) the LACMTA Board has made the

requisite findings as a responsible agency pursuant to the CEQA requirements for the Project, then LACMTA and Developer will enter into a Joint Development Agreement ("**JDA**") containing terms and conditions that are substantially consistent with those set forth in this Term Sheet, subject to any modifications as directed by the LACMTA Board. The JDA will address matters between Developer and LACMTA regarding the Project and the Site during the JDA Term (defined in Section 3.3).

**3.2 ESCROW:**

Within fifteen (15) days after the JDA Effective Date (as defined in Section 3.3), Developer and LACMTA shall enter into an escrow ("**Escrow**") with Commonwealth Land Title ("**Escrow Holder**") for the Ground Lease transaction contemplated in the JDA.

**3.3 JDA TERM:**

The JDA shall be effective upon execution by LACMTA and Developer (the "**JDA Effective Date**") and will expire on the date that is eighteen (18) months thereafter (the "**JDA Initial Term**" and, as may be extended pursuant to this Section 3.3, the "**JDA Term**"). Notwithstanding the foregoing, provided that Developer is working in good faith to meet the Closing Conditions (as defined below) but is unable to satisfy all of the Closing Conditions due to a delay beyond the control of Developer, then upon receipt of a written request by Developer, LACMTA may, extend the JDA Initial Term for a period of an additional twelve (12) months. During the JDA Term, LACMTA and Developer shall endeavor to close Escrow (the "**Closing**"), subject to satisfaction or waiver of certain conditions precedent to execution of the Ground Lease, as set forth in the JDA (the "**Closing Conditions**"). Notwithstanding the foregoing, LACMTA shall have the right to terminate the JDA for defaults that will be detailed in the JDA, subject to applicable notice and cure periods.

**3.4 JDA CONSIDERATION/  
HOLDING RENT:**

As consideration for the rights granted to Developer during the JDA Term, commencing with the JDA Effective Date and continuing throughout the JDA Term, Developer shall pay to LACMTA, in advance on a monthly basis, in immediately available funds, nonrefundable holding rent in the amount of \$1,980 (the "**Holding Rent**"). The Holding Rent is based on 1/12<sup>th</sup> of the discounted value of 0.25% of \$9,500,000, which is the appraised fair market value of the fee simple value of the Site (as determined in that certain appraisal dated August 23, 2023, performed by Cushman & Wakefield). The Holding Rent shall be nonrefundable but shall be applied at Closing as a credit to the Capitalized Rent

due under the Ground Lease, in the event the Ground Lease is executed by the parties.

**3.5 CONDITIONS TO CLOSING:** The Closing Conditions will require, among other things:

- (a) Developer has provided LACMTA assurances that Developer has the legal capacity to develop the Project through delivery of organizational documents and other proof reasonably requested by LACMTA;
- (b) Developer has delivered to LACMTA evidence and assurances demonstrating that Developer has the financial resources in place to design, construct and operate the Project, including financing, and that such resources are fully committed without reservation to the reasonable satisfaction of LACMTA;
- (c) all necessary CEQA Review for the Project has occurred and all related CEQA approvals, findings, determinations, and certifications have been made by the applicable governmental authorities, and all applicable statutes of limitation have run without a lawsuit having been timely filed (but if so filed, then final adjudication or dismissal with prejudice of such lawsuit has occurred, upholding the approvals, findings, determinations, and certifications);
- (d) Developer has applied for and received all governmental approvals necessary (including all LACMTA and City of Los Angeles approvals and entitlements) for the development, construction, and operation of the Project);
- (e) LACMTA has approved the final (100%) construction plans for the Project and any other design or technical documents necessary for the construction of the Project (the “**Approved Construction Documents**”);
- (f) Developer has received a “ready to issue” letter from the City of Los Angeles for all building permits necessary for the construction of the Project in accordance with the Approved Construction Documents and any changes to the Approved Construction Documents that appear in the “ready to

issue” plans for the Project will be subject to LACMTA review and approval in accordance with LACMTA’s design review rights under the JDA;

- (g) Developer has executed and delivered all Closing Documents to Escrow;
- (h) Developer has provided LACMTA with Payment and Performance Bonds and a Completion Guaranty from Abode Communities guaranteeing and securing completion of the Project, each in a form satisfactory to LACMTA;
- (i) All Funding Approvals have been received;
- (j) LACMTA has approved (with or without conditions) Developer’s construction work plan;
- (k) Developer shall have provided LACMTA evidence satisfactory to LACMTA in its reasonable discretion that, during construction of the initial improvements, Developer will comply with a project labor agreement in compliance with LACMTA policies.

### 3.6 DESIGN

#### REVIEW/SEQUENCE:

During the JDA Term and the Construction Period (defined below) under the Ground Lease, LACMTA shall have the right to review and approve the design of the Project, including: any design elements of the Project that affect (a) the operations of LACMTA, (b) LACMTA’s exercise of its Retained Rights (defined below), and (c) public health and safety (collectively, the “**LACMTA Development-Related Concerns**”). LACMTA’s approval of Project plans that **are not** related to LACMTA Development-Related Concerns will be at LACMTA’s reasonable discretion, except to the extent that the design of the Project depicted, described and specified on such plans does not represent a logical evolution of the design depicted, described and specified on plans approved by LACMTA at the preceding level of design development (a “**Logical Evolution**”). Approval of Project’s plans that **are** related to LACMTA Development-Related Concerns or **are not** a Logical Evolution will be at LACMTA’s sole and absolute discretion. LACMTA’s design approval rights as set forth herein are, in part, intended to ensure that the Project meets LACMTA’s Satisfactory Continuing Control Requirement (as defined in the

*Retained Rights* subsection of the *Ground Lease – Other Terms and Conditions* section of this Term Sheet).

Except as otherwise approved in writing by LACMTA, Developer shall not proceed with preparation of the Project's Final Construction Documents until it has received LACMTA's written approval of the Project's Design Development Drawings and Schematic Design Drawings.

### **3.7 JDA/GROUND LEASE**

#### **CLOSING:**

The Closing will occur when Developer and LACMTA have entered into the Ground Lease and other transaction documents necessary to complete the Closing as contemplated in the JDA (the "**Closing Documents**") after the Closing Conditions have been satisfied or waived by the applicable party. The JDA will contemplate a single Closing. At Closing, LACMTA will lease the Premises (defined in Section 4.4) to Developer, subject to the Retained Rights (defined below), in exchange for the payment of the Capitalized Rent and initial Fee to be paid under the Ground Lease. The Closing Documents, including, without limitation, the Ground Lease, will be executed by the parties as is necessary to properly effectuate the Closing.

### **3.8 TRANSFERS, ASSIGNMENT**

#### **AND SUBLETTING:**

Except as otherwise approved in writing by LACMTA in its sole and absolute discretion, Developer shall not transfer or assign its rights or obligations under the JDA or any portion thereof.

### **3.9 FINANCING:**

Developer shall notify LACMTA of any applications for financing that will be submitted and provide adequate time for LACMTA to secure all necessary approvals (no less than 4 months prior).

## **KEY GROUND LEASE TERMS:**

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### **4.1 GROUND LESSEE:**

Chavez Fickett, L.P. ("**Ground Lessee**"), a California Limited Partnership, which is a development entity controlled by Abode Communities and was created for purposes of owning, developing, and operating the Project.

### **4.2 GROUND LEASE –**

#### **GENERALLY:**

At Closing, LACMTA, as ground lessor, and Ground Lessee, as ground lessee, will enter into a ground lease (the "**Ground Lease**"), which will provide for the construction and operation of



the Project on the Premises (defined below). The Ground Lease will contain terms and conditions that are substantially consistent with those set forth in this Term Sheet, subject to any modifications as directed by the LACMTA Board.

#### **4.3 UNSUBORDINATED**

##### **GROUND LEASE:**

Neither LACMTA's interest in the LACMTA Property nor its rights under the Ground Lease (including the FTA's interest as a provider of funds for the Site's initial acquisition) nor LACMTA's Satisfactory Continuing Control Requirement (as defined in the *Retained Rights* subsection of the *Ground Lease – Other Terms and Conditions* section of this Term Sheet) shall be subordinated to any interest that Ground Lessee or its lenders or investors will have in the Premises.

#### **4.4 GROUND LEASE**

##### **PREMISES:**

The premises under the Ground Lease (the "**Premises**") will consist of the Site, less any Dedications.

##### **4.5 GROUND LEASE TERM:**

The Ground Lease shall commence on the date of the Closing in accordance with the terms of the JDA (such date being the "**Commencement Date**"). The term of the Ground Lease will be seventy-five (75) years (the "**Ground Lease Term**"), expiring on the day prior to that anniversary of the Commencement Date, which Ground Lease Term may be adjusted by LACMTA to be longer or shorter than seventy-five (75) years based on lender and investor underwriting requirements, in LACMTA's reasonable discretion.

##### **4.6 LEASE RIDER:**

LACMTA will reasonably cooperate with Ground Lessee to reach an agreement on the form of a separate rider to the Ground Lease (a "**Lease Rider**") reasonably required by the California Tax Credit Allocation Committee ("**CTCAC**") in connection with an award of tax credits or other financing for the Project.

##### **4.7 ESTOPPELS:**

LACMTA will reasonably cooperate with lenders and investors to execute Ground Lease estoppels on LACMTA's standard estoppel form.

### **GROUND LEASE RENT & OTHER COMPENSATION**

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##### **5.1 NET LEASE:**

All rent to be paid under the Ground Lease shall be absolutely net to LACMTA, without offset, deduction or withholding. Ground Lessee shall be responsible for all capital costs and operating

expenses attributable to the development, construction, operation, and maintenance of the Project, including all taxes and assessments levied upon the Project or any interest in the Ground Lease. Ground Lessee is aware that the Premises are also subject to possessory interest taxes, which shall be paid by Ground Lessee.

**5.2 CAPITALIZED RENT:**

Upon execution of the Ground Lease, Ground Lessee shall pay LACMTA a capitalized rent payment (the “**Capitalized Rent**”) of \$3,450,000 for the entire Ground Lease Term, which has been determined to be the residual value of the \$10,350,000 appraised fair market value of the leasehold interest of the Site (for a 75-year lease), as determined by Cushman & Wakefield and set forth in that certain appraisal dated August 23, 2023 (the “**Appraised FMV**”). All Holding Rent received by LACMTA under the JDA shall be applied as a credit to the Capitalized Rent due under the Ground Lease upon execution of the Ground Lease by the parties.

**5.3 PERCENTAGE RENT:**

Ground Lessee shall pay LACMTA percentage rent in an amount equal to twenty-five percent (25%) of all gross rent paid or credited to Ground Lessee for commercial uses of the Project or the Premises (“**Percentage Rent**”). Percentage Rent shall be calculated on a calendar year basis and shall be due to LACMTA from Ground Lessee annually, in arrears, on March 30 of each calendar year following the subject calendar year, with a full accounting of the amount due. Notwithstanding the foregoing, no Percentage Rent shall be due for the portion of the Premises used for Community Facilities (as defined herein), provided that such Community Facilities are operated in a manner that will enhance the quality of life for persons residing within the Project or within a 0.5 mile radius of the Premises. The term “**Community Facilities**” shall mean space in the Project that is subleased for uses that provide, preserve, and leverage social services, education, and other community services determined by LACMTA to be critical community resources.

**5.4 SALE/REFINANCING PROCEEDS:**

Ground Lessee shall pay LACMTA an amount equal to: (a) 20% of all Refinancing Net Proceeds received by Ground Lessee for the refinancing of the Project, where “**Refinancing Net Proceeds**” shall mean the gross principal amount of the refinancing, less (i) the amount of any then-existing debt consummated pursuant to a financing event approved by LACMTA or permitted by the terms of the Ground Lease and secured directly or indirectly by any portion

of the beneficial interest in the Premises, the Project, and/or Ground Lessee's leasehold interest under the Ground Lease, that is paid from the refinancing proceeds and for which any lien is reconveyed or released, (ii) amounts for repairs or capital improvements to the Project to be made within twenty-four (24) months after the closing date of the refinancing, and (iii) the following transaction costs and expenses paid by Ground Lessee to any non-affiliate of Ground Lessee in connection with the consummation of any such refinancing, to the extent such costs are commercially reasonable: escrow fees, title charges, lender fees or charges, recording costs, brokerage commissions and attorneys' fees; and (b) upon the consummation of any sale of the Project to an unaffiliated third party (a "**Sale**"), Ground Lessee shall pay LACMTA, an amount equal to 20% of all Sale Net Proceeds received by Ground Lessee for the Sale of the Project, where "**Sale Net Proceeds**" means with respect to each Sale, the total consideration less (i) the amount of any then-existing debt consummated pursuant to a financing event approved by LACMTA or permitted by the terms of the Ground Lease and secured directly or indirectly by any portion of the beneficial interest in the Premises, the Project, and/or Ground Lessee's leasehold interest under the Ground Lease that is satisfied out of such total consideration, and (ii) the following transaction costs and expenses paid by Ground Lessee to any non-affiliate of Ground Lessee in connection with the consummation of the sale, to the extent such costs are commercially reasonable: escrow fees, title charges, lender fees or charges, recording costs, brokerage commissions, and attorneys' fees. Notwithstanding anything to the contrary contained herein, in no event shall the amount of any Refinancing Net Proceeds and Sale Net Proceeds paid to LACMTA, when added to any Percentage Rent payments previously paid to LACMTA pursuant to the Ground Lease, exceed the Appraised FMV of the Site.

## **GROUND LEASE – OTHER TERMS AND CONDITIONS**

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### **6.1 DESIGN REVIEW:**

Developer shall not make any changes to the Approved Construction Documents without the prior consent of LACMTA. During the Construction Period, LACMTA will have design review rights with respect to any changes to the Approved Construction Documents desired by Ground Lessee as set forth in the *Design Review/Sequence* subsection of the *Key Joint Development Agreement ("JDA") Terms* section of this Term Sheet. Approval of such changes that represent Logical Evolutions of the design and

are not related to LACMTA Development-Related Concerns will be at LACMTA's reasonable discretion. Approval of such changes that are related to LACMTA Development-Related Concerns or are not a Logical Evolution of the design will be at LACMTA's sole and absolute discretion. LACMTA will retain the same design approval rights for any substantive Project changes or improvements later sought by Ground Lessee at any time during the Ground Lease Term. LACMTA's design approval rights as set forth herein are, in part, intended to ensure that the Project meets LACMTA's Satisfactory Continuing Control Requirement (as defined in the Retained Rights subsection of the Ground Lease – Other Terms and Conditions section of this Term Sheet).

## **6.2 CONSTRUCTION COMPLETION:**

The Ground Lease will require commencement of construction within 30 days after the Commencement Date. The Project's construction period ("**Construction Period**") will commence on the Commencement Date and terminate upon the earlier of (1) substantial completion of construction of the Project improvements as described in the Ground Lease, which shall be evidenced by a temporary certificate of occupancy for substantially all of the Project improvements described in the Ground Lease or (2) twenty-four (24) months after the Commencement Date.

## **6.3 MAINTENANCE AND OPERATIONS:**

During the Ground Lease Term, Ground Lessee shall maintain and operate all portions of the Project and the Premises at its sole cost and expense pursuant to maintenance and operations standards that shall be mutually agreed between the parties and set forth in the Ground Lease.

## **6.4 DEMOLITION/DEMOLITION SECURITY:**

If required by LACMTA, Developer shall, at Developer's sole cost and expense, (a) demolish and remove the Project and any improvements then located on the Premises (or such portion thereof as indicated by LACMTA in writing), exclusive of any LACMTA improvements and/or transportation-related amenities and facilities then located on the Premises, (b) return the Premises to LACMTA in its otherwise original condition (the "**Demolition**") at the expiration or earlier termination of the Ground Lease and (c) provide reasonable assurances to LACMTA near the end of the Ground Lease Term that the Demolition shall be completed.

**6.5 FINANCING AND  
ENCUMBRANCES:**

Subject to LACMTA's reasonable approval, Ground Lessee may encumber its leasehold estate with mortgages, deeds of trust or other financing instruments; provided, however, in no event shall LACMTA's Satisfactory Continuing Control Requirement (as defined in the *Retained Rights* subsection of the *Ground Lease – Other Terms and Conditions* section of this Term Sheet), LACMTA's fee title interest or rent payable to LACMTA under the Ground Lease be subordinated or subject to Ground Lessee's financing or other claims or liens (except as set forth below for certain affordable housing and other covenants). Such encumbrances and financings shall be subject to LACMTA's reasonable approval, except with respect to certain "permitted financing events" meeting specific criteria to be set forth in the Ground Lease, which shall not require LACMTA's approval.

**6.6 COVENANTS:**

Ground Lessee may encumber its leasehold estate with affordable housing and other covenants (the "**Affordability Covenants**") reasonably required by Ground Lessee's affordable housing funding sources or the City of Los Angeles as a condition to granting Project approvals, entitlements and building permits, which covenants shall be subject to LACMTA's review and reasonable approval. LACMTA will reasonably consider the encumbrance of its fee title interest with certain restrictive covenants, if required by Ground Lessee's affordable housing funding sources or the City of Los Angeles as a condition to granting Project approvals, entitlements and building permits; provided that Ground Lessee agrees to perform all obligations under said covenants during the Ground Lease Term and to indemnify LACMTA for all claims and losses resulting from Ground Lessee's failure to do the same. During the Term, Ground Lessee shall lease, operate, and maintain the Affordable Units according to the terms of the Affordability Covenants, notwithstanding the expiration of any such Affordability Covenants.

**6.7 FEDERAL CIVIL RIGHTS  
COVENANTS:**

Ground Lessee shall comply with all applicable Federal nondiscrimination requirements, including applicable sections of Title 49 of the Code of Federal Regulations.

**6.8 TRANSFERS, ASSIGNMENT,  
AND SUBLETTING:**

Except for limited permitted exceptions to be set forth in the Ground Lease, Ground Lessee shall not transfer, assign, or sublet

(except for the typical subleasing of the apartments and retail space within the Project) its rights or obligations under the Ground Lease, or beneficial interests in Ground Lessee (each, a **“Transfer”**):

- a. Prior to completion of construction of the Project; and
- b. After completion of construction of the Project, other than in accordance with reasonable transfer criteria to be set forth in the Ground Lease, including, without limitation, criteria regarding (a) applicable FTA approval, (b) the creditworthiness, history and experience of any proposed transferee and its affiliates, and (c) FTA and State requirements, as applicable, concerning debarment, suspension, etc. stemming from FTA and State funding related to acquisition of the LACMTA Property.

#### **6.9 RETAINED RIGHTS:**

LACMTA shall retain from the Ground Lease and the Premises certain rights as shall be further described in detail in the Ground Lease, relating to the following: (1) the right to install, construct, inspect, operate, maintain, repair, expand and replace public transit facilities under and adjacent to the Premises as LACMTA may deem necessary, provided that such installation, construction, inspection, operation, maintenance, repair, expansion and replacement does not interfere with the quiet use and enjoyment of the Project or its construction by Ground Lessee or its subtenants; (2) the right to enter upon and inspect the Premises, with reasonable notice to Ground Lessee, and anytime during normal business hours, for purposes of conducting normal and periodic inspections of the Premises and the Project and to confirm Ground Lessee's compliance with the terms and conditions of the Ground Lease; (3) the right to install, use, repair, maintain, and replace along the perimeter of the Premises abutting the public streets, sidewalks or rights-of-way (including, without limitation, on the exterior of the Project) informational, directional and way-finding signs for the purpose of directing the public to, from and between LACMTA and other public transit options in the area; provided, however, LACMTA shall not install any such signage on the Premises or the Project without Ground Lessee's prior written approval, which shall not be unreasonably withheld, conditioned or delayed; and (4) all rights not explicitly granted to Ground Lessee in the Ground Lease (the **“Retained Rights”**). The Retained Rights shall, among other things, ensure that the Site remains available for the transit purposes originally

authorized by the FTA (“**LACMTA’s Satisfactory Continuing Control Requirement**”).

**6.10 SUPERSEDURE:** This Term Sheet supersedes the parties’ understanding of key terms and conditions relating to the Site, the Project or any joint development agreement or ground lease related thereto which may have existed prior to the date of this Term Sheet.

**6.11 OTHER:** Other customary provisions contained in recent LACMTA ground leases will be included in the Ground Lease, including, without limitation, provisions relating to (a) Ground Lessee’s assumption of risk related to the Project’s proximity to transit operations, (b) insurance, and (c) indemnity.

## **LACMTA TRANSACTION COSTS**

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### **7.1 LACMTA TRANSACTION COSTS:**

Developer and Ground Lessee acknowledge and agree that LACMTA will incur certain actual costs (the “**LACMTA Transaction Costs**”) related to (a) the design, development, planning, and construction of the Project (including costs related to construction methods and logistics), and (b) negotiation of the terms and conditions of the transactions contemplated under the JDA and the Ground Lease. The LACMTA Transaction Costs shall include, without limitation, the actual cost of in-house staff time (including LACMTA overhead and administrative costs) and third party consultation fees (including, but not limited to, fees related to consultants, engineers, architects, and advisors) for financial analyses, design review (including reviewing plans and specifications for the Project), negotiations, appraisals, document preparation, services related to development, planning, engineering, construction safety, construction management, construction support, and construction logistics and inspection, and other reasonable services related to the Project and the transactions contemplated under the JDA and Ground Lease, but shall exclude the cost of LACMTA Joint Development staff, and LACMTA’s in-house and outside legal counsel with respect to negotiation and preparation of the JDA, Ground Lease and related transaction documents.

**7.2 JDA FEE:** Developer shall provide a fee to LACMTA for LACMTA to apply to LACMTA Transaction Costs (whether accruing prior to or after the JDA Effective Date). On the JDA Effective Date, Developer shall pay LACMTA an initial fee in the amount of \$45,000 (the “**JDA**

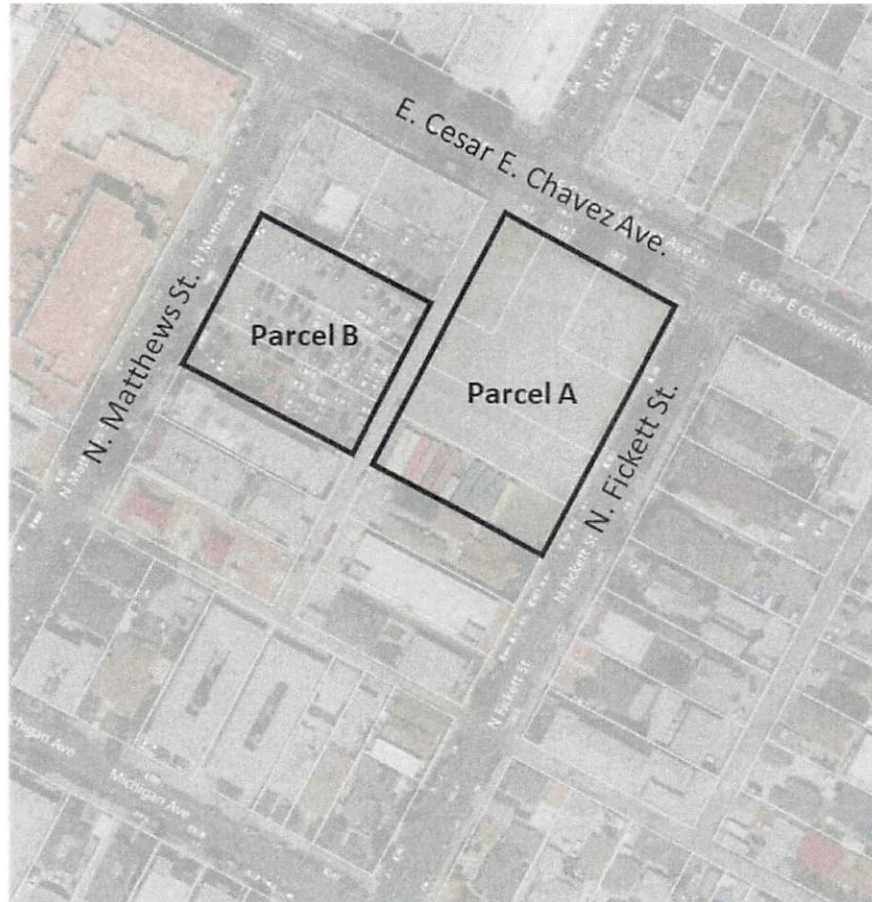
**Initial Fee**"); provided, however, upon any extension of the JDA Term, Developer shall pay LACMTA an additional fee in the amount of \$30,000 ("**JDA Extension Fee**" and together with the Initial Fee, the "**JDA Fee**").

**7.3 GROUND LEASE DEPOSIT:** On the Commencement Date, Developer shall pay LACMTA an initial deposit in the amount of Fifty Thousand Dollars (\$50,000) (the "**Ground Lease Deposit**"), which represents the LACMTA construction management and related inspection costs that LACMTA is anticipated to incur during the Construction Period. During the Ground Lease Term, if the remaining balance of the Ground Lease Deposit falls below the amount of \$10,000, then, upon receiving written notice from LACMTA, Developer or Ground Lessee (as applicable) shall replenish the Ground Lease Deposit to the initial amount of \$50,000. If Developer or Ground Lessee (as applicable) fails to replenish the Ground Lease Deposit as set forth herein, LACMTA may decline to provide the services that are to be covered by the Ground Lease Deposit and/or terminate the Ground Lease. LACMTA will provide documentation of the LACTMA Transaction Costs to Ground Lessee upon Ground Lessee's written request.

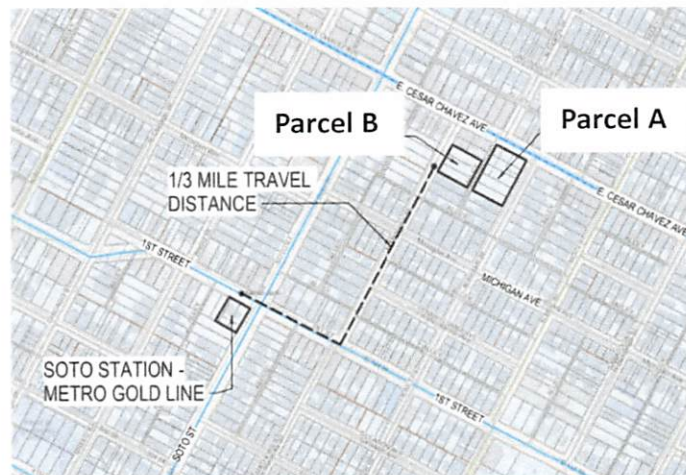


## Exhibit A

### Depiction of the Site



### Transit Vicinity Map



## Exhibit B

### List of Plans and Specifications Comprising the JDA Package

| <u>Sheet No.</u> | <u>Sheet Title</u>                | <u>Initial Date</u> | <u>Latest Revision Date</u> |
|------------------|-----------------------------------|---------------------|-----------------------------|
| G0.00            | COVER SHEET                       | 12/17/2021          | 10/25/2023                  |
| G0.02            | PROJECT INFORMATION               | 12/17/2021          | 2/10/2023                   |
| G0.031           | PROJECT INFORMATION               | 10/25/2023          | 10/25/2023                  |
| G0.121           | PROJECT INFORMATION               | 10/25/2023          | 10/25/2023                  |
| A1.001           | SITE PLAN                         | 01/27/2023          | 10/25/2023                  |
| A1.101           | ENLARGED SITE PLAN - FICKETT      | 01/27/2023          | 10/25/2023                  |
| A2.101           | FIRST FLOOR PLAN - FICKETT        | 01/27/2023          | 10/25/2023                  |
| A2.102           | SECOND FLOOR PLAN - FICKETT       | 01/27/2023          | 10/25/2023                  |
| A2.103           | THIRD FLOOR PLAN - FICKETT        | 01/27/2023          | 10/25/2023                  |
| A2.104           | FOURTH FLOOR PLAN - FICKETT       | 01/27/2023          | 10/25/2023                  |
| A2.105           | ROOF FLOOR PLAN - FICKETT         | 01/27/2023          | 10/25/2023                  |
| A1.201           | ENLARGED SITE PLAN - MATHEWS      | 01/27/2023          | 10/25/2023                  |
| A2.211           | FIRST FLOOR PLAN - MATHEWS        | 01/27/2023          | 10/25/2023                  |
| A2.212           | SECOND FLOOR PLAN - MATHEWS       | 01/27/2023          | 10/25/2023                  |
| A2.213           | THIRD FLOOR PLAN - MATHEWS        | 01/27/2023          | 10/25/2023                  |
| A2.214           | FOURTH FLOOR PLAN - MATHEWS       | 01/27/2023          | 10/25/2023                  |
| A2.215           | ROOF FLOOR PLAN - MATHEWS         | 01/27/2023          | 10/25/2023                  |
| A4.010           | UNIT PLANS – TYPE A1 AND A2       | 01/27/2023          | 10/25/2023                  |
| A4.011           | UNIT PLANS – TYPE B1              | 01/27/2023          | 10/25/2023                  |
| A4.012           | UNIT PLANS – TYPE C1 AND C2       | 01/27/2023          | 10/25/2023                  |
| A4.013           | UNIT PLANS – TYPE D1              | 01/27/2023          | 10/25/2023                  |
| A4.014           | UNIT PLANS – TYPE E1              | 01/27/2023          | 10/25/2023                  |
| A5.201           | EXTERIOR ELEVATIONS - MATHEWS     | 01/27/2023          | 10/25/2023                  |
| A5.202           | EXTERIOR ELEVATIONS - MATHEWS     | 01/27/2023          | 10/25/2023                  |
| A5.105           | AXONOMETRIC – FICKETT             | 10/25/2023          | 10/25/2023                  |
| A5.204           | AXONOMETRIC - MATHEWS             | 10/25/2023          | 10/25/2023                  |
| A5.205           | AXONOMETRIC – CESAR CHAVEZ STREET | 11/2/2023           | 11/2/2023                   |
| A6.201           | BUILDING SECTIONS - MATHEWS       | 01/27/2023          | 10/25/2023                  |
| A5.101           | EXTERIOR ELEVATIONS - FICKETT     | 01/27/2023          | 10/25/2023                  |
| A5.102           | EXTERIOR ELEVATIONS - FICKETT     | 01/27/2023          | 10/25/2023                  |
| A6.101           | BUILDING SECTIONS - FICKETT       | 01/27/2023          | 10/25/2023                  |
| L0.00            | LANDSCAPE NOTES AND SCHEDULES     | 12/17/2021          | 10/23/2023                  |

|         |   |            |            |
|---------|---|------------|------------|
| L1.02-A | LANDSCAPE GROUND FLOOR PLANTING<br>PLAN – MATHEWS | 12/17/2021 | 10/23/2023 |
| L2.01-A | LANDSCAPE SECOND FLOOR PLAN –<br>MATHEWS          | 12/17/2021 | 10/23/2023 |
| L2.02-A | LANDSCAPE SECOND FLOOR PLANTING<br>PLAN – MATHEWS | 12/17/2021 | 10/23/2023 |
| L3.01-A | LANDSCAPE THIRD FLOOR PLAN –<br>MATHEWS           | 12/17/2021 | 10/23/2023 |
| L4.01-A | LANDSCAPE FOURTH FLOOR PLAN –<br>MATHEWS          | 12/17/2021 | 10/23/2023 |
| L1.02-B | LANDSCAPE GROUND FLOOR PLANTING<br>PLAN – FICKETT | 12/17/2021 | 10/23/2023 |
| L2.01-B | LANDSCAPE SECOND FLOOR PLAN –<br>FICKETT          | 12/17/2021 | 10/23/2023 |
| L2.02-B | LANDSCAPE SECOND FLOOR PLANTING<br>PLAN – FICKETT | 12/17/2021 | 10/23/2023 |
| L3.01-B | LANDSCAPE THIRD FLOOR PLAN –<br>FICKETT           | 12/17/2021 | 10/23/2023 |
| L4.01-B | LANDSCAPE FOURTH FLOOR PLAN –<br>FICKETT          | 12/17/2021 | 10/23/2023 |
|         |   |            |            |

## **Exhibit C**

### **Renderings and Site Plan**

Exhibit C  
Renderings and Site Plan



View from Mathews Street facing east





View from corner of Cesar Chavez Avenue and Fickett Street facing southwest



View from Fickett Street facing west

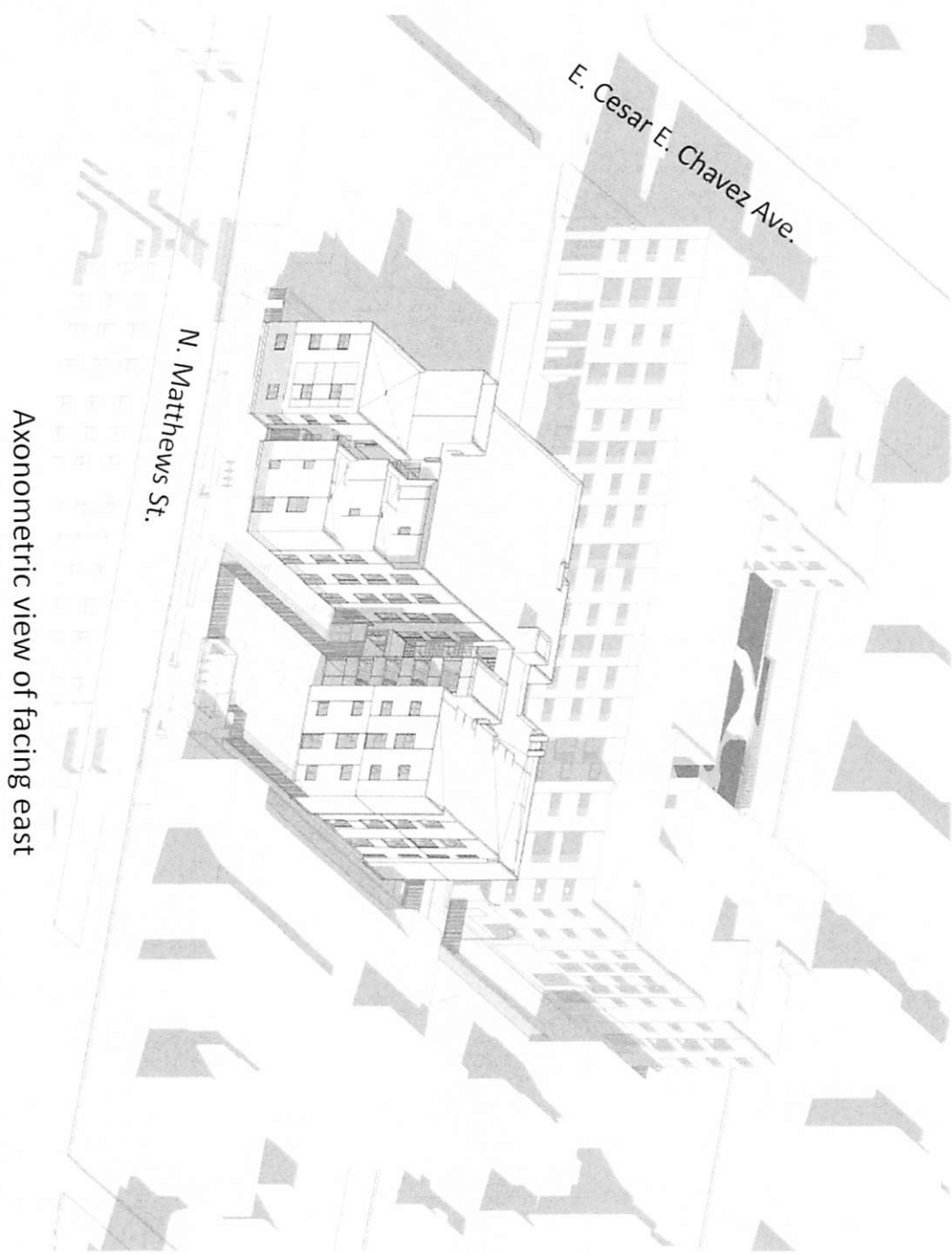




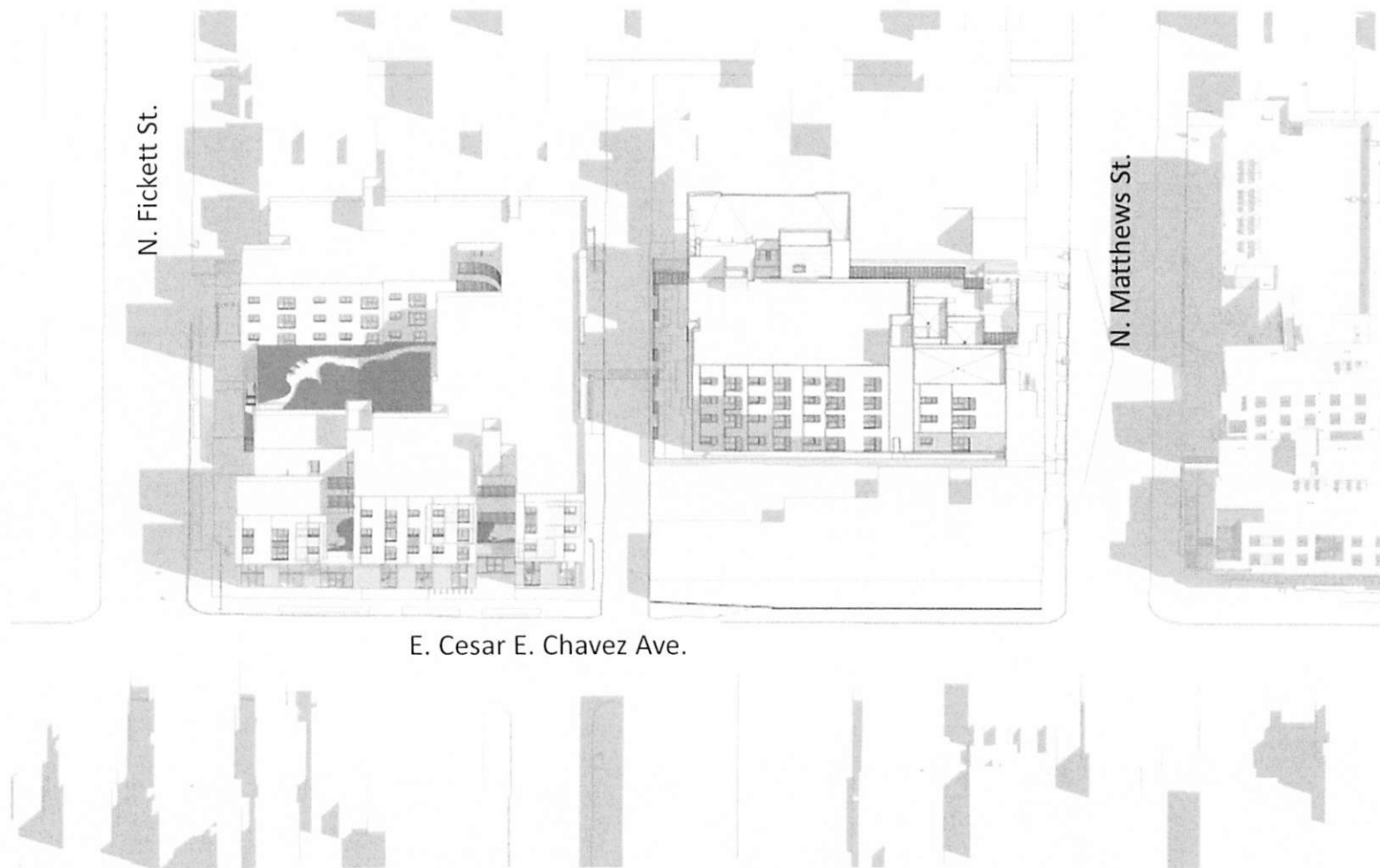




Axonometric view of facing west



Axonometric view of facing east



N. Fickett St.

N. Matthews St.

E. Cesar E. Chavez Ave.

Axonometric View of facing south

**ATTACHMENT B**  
**CEQA Studies and Reports**

**Document Available Online at:**

**[https://libraryarchives.metro.net/DB Attachments/Attachment%20B%20-%20CEQA%20Studies%20and%20Reports.pdf](https://libraryarchives.metro.net/DB_Attachments/Attachment%20B%20-%20CEQA%20Studies%20and%20Reports.pdf)**

Attachment C  
Renderings and Site Plan



View from Mathews Street facing east





View from corner of Cesar Chavez Avenue and Fickett Street facing southwest





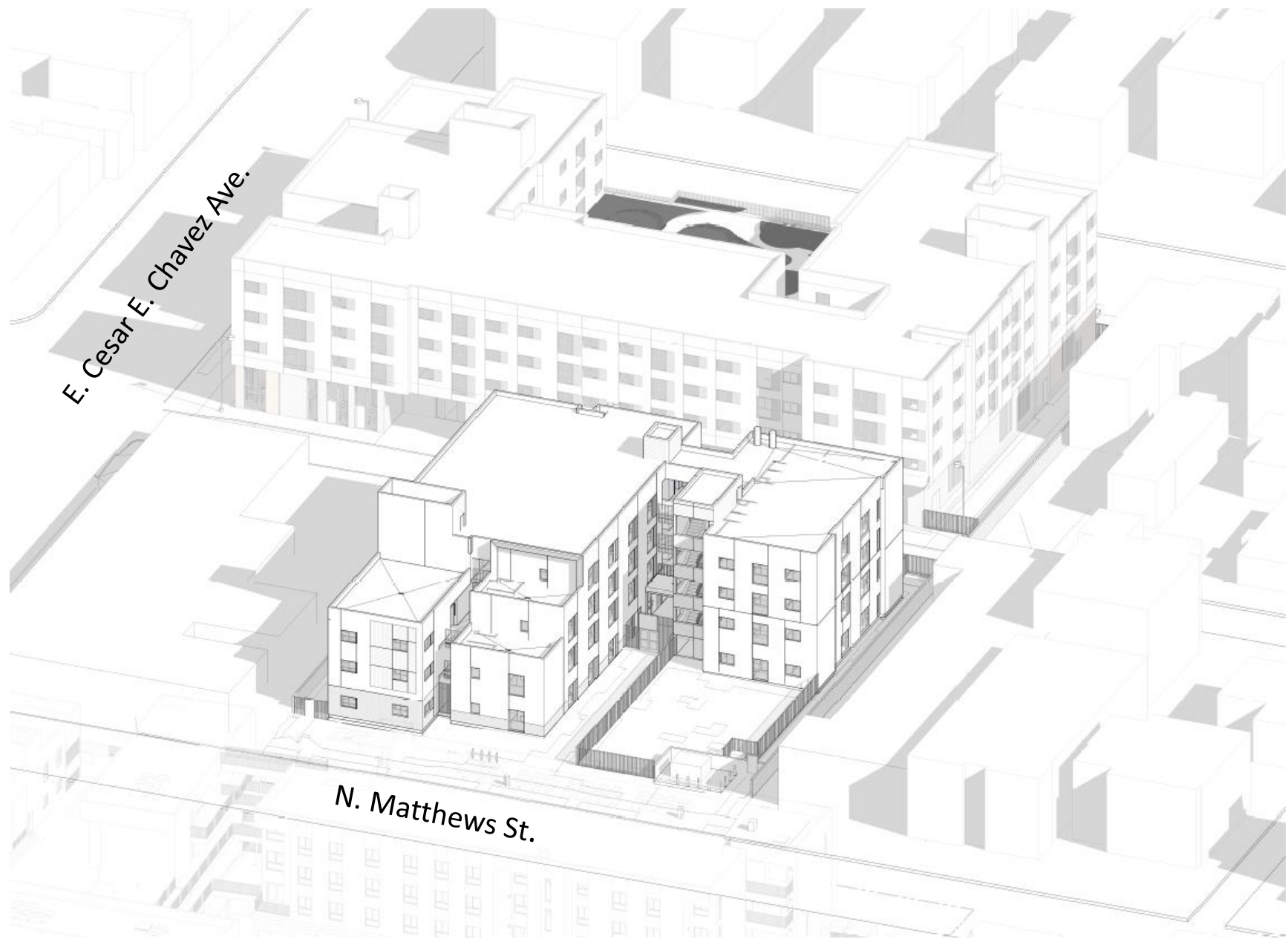
View from Fickett Street facing west







Axonometric view of facing west



Axonometric view of facing east



Axonometric View of facing south





# Next stop: building communities.

## Chavez/Fickett Joint Development

Planning & Programming Committee

March 20, 2024

Legistar File# 2024-0035



# Recommendation

**A. AUTHORIZING** the Chief Executive Officer or her designee to execute and enter into a joint development agreement (“JDA”), ground lease (“Ground Lease”), and other related documents with Chavez Fickett, L.P. (“Developer”), an affiliate of Abode Communities, for the construction and operation of a mixed-use, affordable housing project (“Project”) at the corner of Cesar E. Chavez Avenue and Fickett Street in Boyle Heights;

**B. AUTHORIZING** a discount to the appraised fair market rental value for the Site of 67% or \$6,900,000, under the Ground Lease as set forth in the Summary of Key Terms and Conditions for the Ground Lease;

**C. FINDING** that the Project is exempt from the California Environmental Quality Act (“CEQA”), consistent with the environmental studies and reports set forth in Attachment B, pursuant to Sections 21080(b)(9) and 21084 of the California Public Resources Code and Section 15332 (In-Fill Development Projects) of the CEQA Guidelines; and authorizing the Chief Executive Officer to file a Notice of Exemption for the Project consistent with said exemption.



# Chavez/Fickett Project Overview

**Developer:** Abode Communities

**Project Size:** 1.56 acres

**Units:**

- > 110 total units
- > 109 affordable, 30-50% AMI
- > 1 manager's unit

**Commercial:** 3,000 sq ft

**Parking:**

- > 44 residential
- > 6 commercial

**Amenities:**

- > Community Garden
- > Ground Floor Commercial



*View from corner of Cesar Chavez Avenue and Fickett Street facing southwest*

# Outreach

- 2016**
  - Community forums to inform Development Guidelines
  - Online emails and regular mail updates
  - Design Review Advisory Committee (DRAC) formed to review schematic design
  - Development Guidelines adopted by the Board (Jan. 2017)
- 2018**
  - Four developer-led workshops
  - Two DRAC meetings
- 2022**
  - Schematic Design approved by the DRAC
  - BHNC coordination culminating with a presentation and project update
- 2023**
  - Virtual meeting targeting nearby business owners and related stakeholders
  - In-person community engagement meeting to discuss design, residential programming, on-site services, and potential ground-floor commercial options



# Key Terms of the JDA and Ground Lease

## Key JDA Terms

- > Metro's receipt of monthly holding rent, credited to the capitalized rent due under the ground lease
- > Recovery of certain Metro support/3<sup>rd</sup> party costs via developer fee
- > Continued Metro design review/approval rights through CDs
- > Sets the conditions for execution of the Ground Lease

## Key Ground Lease Terms

- > 75 Year term
- > Metro's receipt of \$3.45 million one-time capitalized rent payment, representing a \$6.9 million (or 67%) discount from FMV
- > Participation rent of 25% gross income received - commercial space
- > Affordability Restrictions effective through the Ground Lease term

# Next Steps

## Upon Board approval:

- > Continue neighborhood outreach and seek community input on the commercial uses
- > Secure financing and permitting approvals
- > Refine project design and satisfy conditions under the JDA
- > Execute the Ground Lease
- > Start Construction



## Board Report

File #: 2024-0070, File Type: Agreement

Agenda Number: 17.

### PLANNING AND PROGRAMMING COMMITTEE MARCH 20, 2024

**SUBJECT: APPROVAL OF CMAQ/STBG/CRP PROJECT PRIORITIZATION AND FUNDING RECOMMENDATIONS**

**ACTION: APPROVE RECOMMENDATION**

#### **RECOMMENDATION**

AUTHORIZE the Chief Executive Officer (CEO) or their designee to submit to SCAG the project prioritization and funding recommendations for Los Angeles County for CMAQ/STBG/CRP funding (Attachment A).

#### **ISSUE**

In early January 2024, the Southern California Association of Governments (SCAG) released a call for nominations inviting agencies within Los Angeles County to submit applications for Congestion Mitigation and Air Quality Improvement Program (CMAQ) and Surface Transportation Block Grant Program (STBG) and Carbon Reduction Program (CRP) funding apportionments available for the SCAG region for federal fiscal year (FFY) 2023 through FFY 2026. Metro staff has reviewed and prioritized applications for Los Angeles County and is seeking Board approval of the project rankings. SCAG will make the final project funding awards at their June 2024 Regional Council (RC) Meeting.

#### **DISCUSSION**

In April 2021, the Federal Highway Administration (FHWA) and Federal Transit Association (FTA) issued a corrective action to Caltrans on the administration of the Surface Transportation Block Grant (STBG) and Congestions Mitigation and Air Quality (CMAQ) Improvement Programs. The findings require Caltrans to ensure that sub-recipients of STBG and CMAQ funds throughout the state are administering these programs in compliance with federal program guidance and regulations. Subsequently, in August 2022, FHWA and FTA jointly issued a corrective action to SCAG, requiring a review of Caltrans' CMAQ and STBG administrative policies and the development of a process that ensures compliance with federal program guidelines and regulations for the administration of the STBG and CMAQ programs.

The program guidelines adopted by SCAG to comply with the federal Corrective Action require that any new project or new project phase funded with CMAQ and/or STBG funds are subject to a competitive project selection process. SCAG's adopted STBG/CMAQ Compliance Action Plan

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outlines the regional approach for addressing corrective action. The specific issues the SCAG compliance plan addresses are:

- Replacing the current federal transportation funding suballocations by population or mode to cities and counties with a performance-based approach.
- Modifying the eligibility screening conducted for compliance with Federal program guidance and regulations.
- Modifying the project selection process so federally funded transportation projects are selected by SCAG as the designated Metropolitan Planning Organization (MPO).

The Carbon Reduction Program (CRP) is a new program established by the Infrastructure Investment and Jobs Act (IIJA). The CRP provides funding for transportation projects that reduce carbon dioxide emissions from on-road transportation sources. SCAG has recently adopted CRP program guidelines for the competitive selection of CRP-funded projects like those used to program CMAQ and STBG funds.

As part of the regional call for nominations, all County Transportation Commissions (CTCs) in the SCAG region, which includes Metro will assist in the process by providing initial project screening using the SCAG-developed ranking criteria. Following Metro's submittal of the ranked projects for Los Angeles County, SCAG staff will evaluate all nominations against program criteria and recommend a list of projects and funding amounts for final SCAG Regional Council approval of the selected projects.

As part of the Corrective Action guidelines, SCAG developed performance-based funding nomination targets for each county in the SCAG region. For the CMAQ, STBG, and CRP funds available through this call process Los Angeles County's target is approximately \$150 million. This funding target will only guide the nomination submittals from each county, it is not a guaranteed funding level, nor does it set a nomination ceiling.

#### Project Solicitation Process and Schedule

SCAG released the project application for funding on January 8, 2024. Metro staff then notified all cities and eligible agencies of the release of the application and the condensed schedule to submit applications. To meet the March 29, 2024 deadline for CTCs to submit their prioritized projects to SCAG Metro set an application deadline of February 16, 2024, to provide time for staff to review and rank the submitted projects.

Staff also reached out to the Council of Governments (COGs) and subregions to notify them of the grant opportunity. Office hours were set for Tuesday and Thursday morning where agencies could schedule time to answer questions about project eligibility and the application process.

#### Project Ranking Criteria

Following the SCAG program guidelines, which allow each county to determine the review process

and participants and given the two-week turnaround from application submittal to rank the applications, Metro Countywide Planning staff familiar with these federal fund sources and the Federal Transportation Improvement Program (FTIP) process evaluated each project.

The SCAG guidelines require each county to apply the following four criteria to rank each project into one of three categories; Highly Recommended, Recommended, and Contingency.:

1. Eligibility: Screen implementing agencies and projects for eligibility with federal and regional requirements. Projects must be eligible for STBG, CMAQ, and/or CRP funds.
  2. Alignment: Evaluate projects for alignment with relevant federal and regional plans and policies. Prioritize projects that implement SCAG's adopted RTP/SCS, including future adopted Plan policies and strategies;
    - Advance Connect SoCal Performance Measures, including Federal Transportation Performance Management Goals for safety, asset management, environmental sustainability, and system performance;
    - Demonstrate direct and/or indirect benefits that positively impact Priority Equity Communities.
  3. Community/Stakeholder Engagement: Prioritize project nomination applications with demonstrated community support from Priority Equity Communities. Community support may be determined through a variety of means, including (but not limited to):
    - Responses to public outreach, including comments received at public meetings or hearings, feedback from community workshops, survey responses, etc.; and/or
    - Endorsement by a Community-Based Organization (CBO) representing Priority Equity Communities.
  4. Deliverability and Readiness: Evaluate potential implementing agencies and projects for deliverability issues. CTCs should consider if potential implementing agencies have sufficient capacity and technical expertise to meet deadlines. CTCs should encourage projects with demonstrated readiness within the programming period.
- Attachment A is a summary of the projects submitted and their rankings. Metro's rankings of Los Angeles County projects are considered to be an "Initial Screening" for SCAG staff who will review each project application using similar criteria and ultimately determine project funding for all projects submitted in the six-county SCAG region.

As this will be a regular biennial funding opportunity in the future, staff will include the participation of representatives from Councils of Government (COGs) in the project review and ranking process.

### Discussion of Projects

A total of 29 applications from 13 agencies, including Metro, seeking approximately \$214 million were submitted in Los Angeles County. Metro is also eligible to apply for these funds. The Metro projects identified for funding were existing projects with Board approval and were eligible to spend CMAQ, STBG or CRP and met all the ranking criteria.

### **DETERMINATION OF SAFETY IMPACT**

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Approval of this item will have no direct impact on the safety of Metro customers or employees. However, as some of the projects eligible for these funds include safety enhancements, avoiding potential risks to maintaining the grant funding helps to ensure the timely realization of the projects' anticipated safety benefits.

### **FINANCIAL IMPACT**

Adoption of the recommendations would allow Metro to take action to potentially secure up to approximately \$214 million for Metro and subregional projects. Although SCAG has targeted \$150 million, this funding target will only guide the nomination submittals from each county, it is not a guaranteed funding level, nor does it set a nomination ceiling.

#### **Impact to Budget**

Projects approved by the SCAG Regional Council for funding will be programmed in the FTIP consistent with adopted FTIP Guidelines

### **EQUITY PLATFORM**

CMAQ, STBG, and CRP funds are intended to provide a flexible funding source to State and local governments for transportation projects and programs to reduce congestion and improve air quality for areas that do not meet the National Ambient Air Quality Standards. The Board action will help secure funding from a program that is intended to advance transit and other multimodal plans, programs, and infrastructure improvements within and for lower-resourced communities, areas of concentrated poverty, historically disadvantaged communities, and/or areas with lost or reduced service. SCAG has embedded justice, equity, diversity, and inclusion considerations into the CMAQ/STBG/CRP Call for Nominations process by requiring project applicants to demonstrate direct and/or indirect benefits that positively impact Priority Equity Communities.

Nearly all Metro Equity Focus Communities (EFCs) overlap with one or more of the indicators included in SCAG's mapping tool used to identify Priority Equity Communities (PECs). SCAG's Priority Equity Communities (PECs) are census tracts in the six-county region that have a greater concentration of populations that have been historically marginalized and are susceptible to inequitable outcomes based on several socioeconomic factors. Census tracts identified as PECs are similar to Metro's EFCs in that they are determined using a combination of the following socioeconomic factors: both low-income households and people of color; and people of vulnerable ages, with disabilities, limited English proficiency, limited vehicle, and transit access, single-parent households and burdened housing costs.

All four Metro projects submitted will serve EFCs as they are either fully or partially located within EFCs and create connections, services, or programs that target or provide disproportionate benefits to EFC residents. Each project sponsor was required to describe how it would advance equity by benefiting disadvantaged and historically underserved communities, discuss existing and planned partnerships and stakeholder engagement in project development and throughout the project lifecycle, and identify location criteria satisfied by the project. Metro staff recommendations are anticipated to advance equitable outcomes in Los Angeles County based on the regional criteria

elements of each project.

### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

Approval of these recommendations will support the following Strategic Plan Goals:

Goal 3: Enhance communities and lives through mobility and access to opportunity by securing funding that will conduct planning, create and enhance programs, and build infrastructure that accelerates infill development that facilitates housing supply, choice, and affordability, affirmatively further fair housing, and reduce VMT.

Goal 4: Transform LA County through regional collaboration and national leadership by facilitating partnerships to deliver transportation projects with significant geographic or regionwide benefits.

### **ALTERNATIVES CONSIDERED**

The Board may choose not to approve the recommended actions. Staff does not recommend this alternative because without an executed agreement Metro will be unable to comply with federal program guidelines and regulations as SCAG as the Metropolitan Planning Organization (MPO) is prioritizing and selecting CMAQ/STBG, and CRP-funded projects.

### **NEXT STEPS**

Upon Board approval of these recommendations, Metro staff will transmit to SCAG the project prioritization and funding recommendations by the March 29, 2024 deadline.

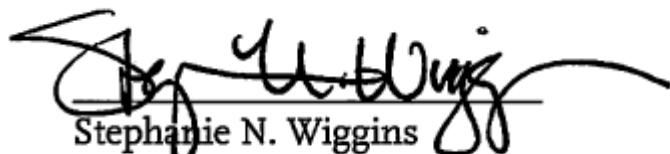
### **ATTACHMENTS**

Attachment A - Summary of Projects for CMAQ/STBG/CRP Funding for Los Angeles County

Prepared by: Michael Richmai, Sr. Manager, Countywide Planning & Development, (213) 922-2558  
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Reviewed by: Ray Sosa, Chief Planning Officer, (213) 547-4274





Stephanie N. Wiggins  
Chief Executive Officer

## Attachment A

### STBG/CMAQ/CRP PROJECT NOMINATION LIST FOR LOS ANGELES COUNTY\*

| Subregion          | Agency           | Project Title   | Project Type | Funds Requested | Fund Type | Ranking            | PROJECT RANKING CRITERIA |           |            |           |
|--------------------|------------------|---|--------------|-----------------|-----------|--------------------|--------------------------|-----------|------------|-----------|
|                    |                  |   |              |                 |           |                    | Eligibility              | Alignment | Engagement | Readiness |
| Westside           | Culver City      | Metro Bike Share Westside Connectivity Project  | ATP          | \$ 1,018,614    | CRP       | HIGHLY RECOMMENDED | High                     | High      | High       | High      |
| Westside           | Culver City      | Jefferson Enhanced Transit Service  | TRANSIT      | \$ 9,530,321    | CMAQ      | HIGHLY RECOMMENDED | High                     | High      | High       | High      |
| Westside           | Culver City      | MOVE Culver City Sepulveda and Jefferson Corridors  | TRANSIT      | \$ 1,674,248    | CRP       | HIGHLY RECOMMENDED | High                     | High      | High       | High      |
| Arroyo Verdugo     | Glendale         | City of Glendale Electrification of Beeline Bus Fleet and Maintenance Facility  | TRANSIT      | \$ 7,680,000    | CMAQ      | HIGHLY RECOMMENDED | High                     | High      | High       | High      |
| Gateway Cities     | Hawaiian Gardens | Citywide Street Restriping, Speed Feedback and Traffic Calming Project  | HIGHWAY      | \$ 1,500,000    | STBG      | HIGHLY RECOMMENDED | High                     | High      | High       | High      |
| Gateway Cities     | Huntington Park  | Concrete Paving of Arterial Street Intersections  | HIGHWAY      | \$ 5,000,000    | STBG      | HIGHLY RECOMMENDED | High                     | High      | High       | High      |
| Central            | L.A. City        | Mission Mile Sepulveda Visioning for a Safe and Active Community  | ATP          | \$ 15,000,000   | STBG      | HIGHLY RECOMMENDED | High                     | High      | High       | High      |
| Central            | L.A. City        | Exposition II West Bikeways-Northvale Gap Closure (Expo Northvale Gap Closure)  | ATP          | \$ 13,279,500   | CMAQ      | HIGHLY RECOMMENDED | High                     | High      | High       | High      |
| Central            | L.A. City        | Mid-City Low Stress Bicycle Enhancement Corridors   | ATP          | \$ 1,810,419    | CMAQ      | HIGHLY RECOMMENDED | High                     | High      | High       | High      |
| Central            | L.A. City        | Liechty Middle and Neighborhood Elementary Schools Safety Improvement   | ATP          | \$ 2,200,000    | STBG      | HIGHLY RECOMMENDED | High                     | High      | High       | High      |
| Non-LA County      | L.A. County      | South Whittier Community Bikeway Access Improvements Project  | ATP          | \$ 17,060,021   | STBG      | HIGHLY RECOMMENDED | High                     | High      | High       | High      |
| Non-LA County      | L.A. County      | Sunshine Shuttle Zero Emission Vehicles   | TRANSIT      | \$ 3,762,525    | CMAQ      | HIGHLY RECOMMENDED | High                     | High      | High       | High      |
| Non-LA County      | L.A. County      | The Link Willowbrook and King Medical Center Shuttles Zero Emission Vehicles  | TRANSIT      | \$ 1,327,950    | CMAQ      | HIGHLY RECOMMENDED | High                     | High      | High       | High      |
| Gateway Cities     | Long Beach       | Studebaker Corridor Complete Street Project   | ATP          | \$ 5,000,000    | STBG      | HIGHLY RECOMMENDED | High                     | High      | High       | High      |
| Metro              | Metro            | Metro Bus Division 18 Charging Infrastructure Project   | TRANSIT      | \$ 24,000,000   | CRP       | HIGHLY RECOMMENDED | High                     | High      | High       | High      |
| Metro              | Metro            | EB SR-91 Atlantic to Cherry Improvements  | HIGHWAY      | \$ 24,300,000   | STBG      | HIGHLY RECOMMENDED | High                     | High      | High       | High      |
| Metro              | Metro            | World Cup Celebrate Streets: open street events and transformational quick-build leave-behinds to celebrate the World Cup 2026 in summer 2026 | ATP          | \$ 10,000,000   | CRP       | HIGHLY RECOMMENDED | High                     | High      | High       | High      |
| Arroyo Verdugo     | Pasadena         | 17 Fuel Cell Electric Buses for the Pasadena Transit System Legacy Project  | TRANSIT      | \$ 2,500,000    | CRP       | HIGHLY RECOMMENDED | High                     | High      | High       | High      |
| Gateway Cities     | Pico Rivera      | Regional Trail Entrances and City Entry Points-Safety Improvements Project  | ATP          | \$ 2,434,664    | STBG      | HIGHLY RECOMMENDED | High                     | High      | High       | High      |
| San Gabriel Valley | SGV COG          | La Verne A Line Transit Oriented Development Pedestrian Bridge  | ATP          | \$ 16,000,000   | STBG      | HIGHLY RECOMMENDED | High                     | High      | High       | High      |
| San Gabriel Valley | SGV COG          | City of Pomona Transit Improvement Program  | TRANSIT      | \$ 8,144,500    | CRP       | HIGHLY RECOMMENDED | High                     | High      | High       | High      |
| South Bay          | Torrance         | City of Torrance - Traffic Signal Safety Upgrades   | HIGHWAY      | \$ 1,667,595    | STBG      | HIGHLY RECOMMENDED | High                     | High      | High       | High      |
| Central            | L.A. City        | SR-710 Valley Bl Multi Modal Transportation Improvements  | HIGHWAY      | \$ 10,000,000   | STBG      | RECOMMENDED        | High                     | High      | Medium     | Medium    |
| Central            | L.A. City        | Western Our Way: Walk and Wheel Improvement Project   | ATP          | \$ 6,639,750    | STBG      | RECOMMENDED        | High                     | High      | Medium     | Medium    |
| Metro              | Metro            | Universal Basic Mobility (UBM) / Mobility Wallet Pilot Phase 2  | ATP          | \$ 10,000,000   | CMAQ      | RECOMMENDED        | High                     | High      | Medium     | Medium    |
| Gateway Cities     | Bell Gardens     | Bell Gardens Pedestrian Bridge Over I-710 and Los Angeles River   | ATP          | \$ 2,323,913    | STBG      | CONTINGENCY        | High                     | High      | Low        | Low       |
| Westside           | Culver City      | Culver City Hydrogen Bus Pilot Project  | TRANSIT      | \$ 4,239,879    | STBG      | CONTINGENCY        | High                     | High      | Low        | Low       |
| Non-LA County      | L.A. County      | San Jose Creek Regional Access  | ATP          | \$ 1,602,300    | STBG      | CONTINGENCY        | High                     | High      | Low        | Low       |
| Non-LA County      | L.A. County      | San Gabriel River Bike Path Rehabilitation Project  | ATP          | \$ 3,947,376    | STBG      | CONTINGENCY        | High                     | High      | Medium     | Low       |
| TOTAL REQUESTED    |                  |   |              | \$ 213,643,575  |           |                    |                          |           |            |           |

\* Agencies are shown in alphabetical order by ranking group.



# Approval of CMAQ/STBG/CRP Project Prioritization And Funding Recommendations

Planning and Programming Committee

March 20, 2024

File No. 2024-0070



**Metro**



## Recommendation

Authorize the CEO or their designee to submit to SCAG the project prioritization and funding recommendations for Los Angeles County for CMAQ/STBG/CRP funding.

# Background

- SCAG, as the Metropolitan Planning Organization (MPO) for the six-county region that includes Los Angeles County, is required under a change in federal funding guidelines to program CMAQ/STBG/CRP funds
- SCAG released the project application for funding on January 8. Metro staff then notified all cities and eligible agencies of the release of the application and the condensed schedule for submitting applications
- To meet SCAG's March 29, deadline to submit prioritized projects Metro set an application deadline of February 16
- Given the two-week turnaround for Metro to rank the completed applications, Metro Countywide Planning staff familiar with these federal fund sources and the Federal Transportation Improvement Program (FTIP) process evaluated each project



29 Projects from 13 Agencies seeking approximately \$214 million were received

**Metro**

# Background

- The SCAG guidelines require each county to apply the following four criteria to rank each project into one of three categories; Highly Recommended, Recommended, and Contingency
- Projects were ranked on four criteria:
  - Eligibility
  - Alignment with Metro and SCAG Plans
  - Community Engagement
  - Deliverability and Readiness
- Metro will provide SCAG ranking of projects and SCAG will decide on fund allocations in June 2024
- Staff will develop and present to the Board a comprehensive plan to evaluate and rank future applications, including the participation of representatives from Councils of Government (COGs)



Metro

## Board Report

Los Angeles County  
Metropolitan Transportation  
Authority  
One Gateway Plaza  
3rd Floor Board Room  
Los Angeles, CA

**File #:** 2023-0768, **File Type:** Contract

**Agenda Number:** 18.

### PLANNING AND PROGRAMMING COMMITTEE

**MARCH 20, 2024**

### CONSTRUCTION COMMITTEE

**MARCH 21, 2024**

**SUBJECT: METRO BUSINESS INTERRUPTION FUND (BIF)**

**ACTION: APPROVE RECOMMENDATION**

#### **RECOMMENDATION**

CONSIDER:

- A. AUTHORIZING the Chief Executive Officer to award a firm fixed price Contract No. PS109347 -2000 to Pacific Coast Regional Small Business Development Corporation (PCR) to serve as the fund administrator for Metro's Business Interruption Fund (BIF) in the amount of \$5,168,773 for the three-year base term, with two, one-year options in the amounts of \$1,699,722 and \$1,761,758 respectively, for a total amount of \$8,630,253, subject to the resolution of any properly submitted protest(s), if any; and
- B. RECEIVING AND FILING the status update on Motion 17 which directed Metro staff to provide a program update that considers, but is not limited to, resources necessary to maintain a permanent Business Interruption Fund and culturally competent outreach and inclusive technical assistance to adequately support affected businesses.

#### **ISSUE**

As Metro continues to build the future of transportation in LA County, the Business Interruption Fund (BIF) continues to be an important and successful program for the adjacent impacted businesses. The BIF Fund Administrator serves a pivotal role in the delivery of Metro's Business Interruption Fund.

The current contract for the BIF Fund Administrator expires April 30, 2024. The authorization of this professional services contract supports the ongoing administration of the BIF.

The recommendation also provides a status update as directed by Motion 17, by Directors Horvath, Dupont-Walker, Solis, Barger, Krekorian, and Dutra that directed the Chief Executive Officer (CEO) to establish a permanent Business Interruption Fund and provide a program update that considers but is not limited to, the following: A. Resources necessary to maintain a permanent Business



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Interruption Fund; and B. Culturally competent outreach and inclusive technical assistance to adequately support affected businesses (Attachment A).

## **BACKGROUND**

In October 2014, Metro's Board of Directors (Board) approved Motion 57 by Directors Molina, Dupont-Walker, Ridley-Thomas and Garcetti (Attachment B) that authorized the CEO to establish a pilot program for a special Business Interruption Fund (BIF) for small businesses including micro businesses located along the Crenshaw Line, the Little Tokyo area along the Regional Connector and Section 1 of the Purple Line Extension. Since the adoption of Motion 57 and the start of the BIF, Metro's Board authorized the expansion of the program with small businesses including micro businesses directly impacted by unprecedented full street closures with duration greater than six continuous months, such as the 2nd/Broadway segment of Regional Connector (December 2015), Sections 2 (December 2016) and 3 (February 2019) of the Purple Line Extension, and most recently along the upcoming East San Fernando Valley Light Rail Project (April 2023). Due to the success of the pilot, Metro's Board of Directors approved Motion 17 by Directors Horvath, Dupont-Walker, Solis, Barger, Krekorian, and Dutra on May 18, 2023, that directed the Chief Executive Officer (CEO) to establish a permanent Business Interruption Fund in May 2023. (Attachment A).

Program wide, as of February 29, 2024, Metro has provided financial assistance to 458 small businesses directly impacted by transit rail construction through the awarding of 1,597 grants for over \$40 million (Attachment C). Small businesses can receive multiple grants should they continue to meet program eligibility requirements and have ongoing construction impacts.

The successes of the program are demonstrated in the Measures of Effectiveness (MOEs), of which:

- 95% of businesses have remained in operation six months post grant award;
- 88% one-year post grant award; and
- 75% two-years post grant award.

Additionally, at the conclusion of construction and opening of the Crenshaw/LAX project (now the "K" Line), program data indicates that out of a total of 240 businesses that received BIF grants, 75% or 181 of those businesses remain in business. A total of 465 jobs were retained. Similarly, at the conclusion of construction and opening of the Regional Connector project, program data indicates that out of a total of 33 businesses that received BIF grants in the Little Tokyo area of the project, 60 % or 20 of those businesses remain in business. A total of 154 jobs were retained. These statistics further prove Metro's mission in helping small businesses survive construction disruption through the BIF program has been successful. BIF eligibility ended on both projects as of December 31, 2023.

Recognizing the opportunities that are created for small businesses when transit rail projects are completed and communities are connected, the BIF helps businesses sustain operations during construction disruption by first providing BIF financial assistance to cover delinquent fixed operating expenses, including utilities, insurance, rent or mortgage and payroll. This support helps to keep businesses within the communities they operate as transit infrastructure is constructed.

## **DISCUSSION**

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The BIF Fund Administrator is responsible for the day-to-day administration of the BIF, including conducting outreach to small businesses and micro businesses, processing applications, and determining business eligibility, approving, and awarding grant funds, and more. By contracting with an organization that has a Community Development Financial Institution (CDFI) designation and is a Small Business Development Center (SBDC) participant, Metro continues to ensure that the BIF is fiscally prudent with public funds and culturally competent in meeting the needs of the small business communities throughout Los Angeles County.

Established in 1977, Pacific Coast Regional Small Business Development Corporation (PCR) has been the contracted Fund Administrator since the program's launch in February 2015. Over the last nine years, PCR has demonstrated its proficiency in serving as the BIF Fund Administrator through the successful award of over \$39.5 million in grants to small businesses as well as a track record of zero findings during the annual program audit process. PCR continues to fulfill the contracted Fund Administrator role with prudence, efficiency, integrity, and care.

Also included on the PCR team is New Economics for Women (NEW), a community-based organization founded in 1985 with the mission of building economic mobility, particularly for Latinas and their families. PCR has proposed to utilize NEW's Women's Business Assistance Center located on Van Nuys Blvd. to provide local outreach including door to door canvassing, cold calls, warm calls, assist the business community in applying to BIF, disbursement of collateral materials and assistance with event hosting. PCR will be able to leverage the strong relationships and community ties that NEW has already established in ensuring a direct line of engagement into the community, language translation competency, and a high level of communication and comprehension about the BIF program that will aid PCR in a successful outreach, application submission and grant funding for the BIF program.

Working in tandem with the BIF program as another Metro construction mitigation program is the Business Solution Center (BSC). The BSC complements the BIF program by providing free, hands-on business assistance and support services to small businesses including micro-businesses impacted by Metro's construction projects. Starting in Q4 FY24, the BSC begins its phased, regional expansion to ESFV. Staff is preparing to establish a Memorandum of Understanding (MOU) with a regional operator organization which will partner with local Community- Based Organizations (CBOs) in the ESFV area to offer business assistance services to those business owners impacted by Metro's construction activities. This effort will include an emphasis on culturally competent outreach and content particularly as it relates to small business concerns, language translations and other socio-economic and environmental factors as outlined in Metro's Partnering Strategy. The regional operator will manage and ensure consistency of service delivery, data collection and high-level reporting to Metro.

### **Response to Motion 17**

Staff has analyzed the resources necessary to maintain the permanent Business Interruption Fund as addressed in Directive A. of Motion 17 and concluded that an assessment study is necessary to provide the data to determine a framework for BIF eligibility on Metro projects. Once the framework is established, staff can then identify the resources necessary to sustain the permanent BIF.

## A. BIF Assessment Study

The BIF Assessment Study will yield the following deliverables.

| BIF Assessment Study   |   |
|--|---|
| Task 1.0 Project & Business Corridors Assessment   | Task 2.0 BIF Program Expansion Framework  |
| <p>Analysis of the business corridors in proximity to the Measure M rail and bus rapid transit projects:</p> <ul style="list-style-type: none"> <li>• number of potentially impacted small businesses,</li> <li>• business classifications,</li> <li>• business revenues,</li> <li>• socio-economic composition including assessing disadvantaged and Equity Focus Communities (EFC),</li> <li>• Parcel maps for the following alignments: Southeast Gateway Line, G Line Improvements Project, and NoHo to Pasadena Bus Rapid Transit Project.</li> </ul> | <p>Qualitative and quantitative research of future Measure M projects and the respective adjacent business corridors which will support the establishment of criteria as the basis of a policy to support project eligibility for the BIF program expansion. This research includes but is not limited to:</p> <ul style="list-style-type: none"> <li>• type of project</li> <li>• project cost</li> <li>• project schedule</li> <li>• recommendations for policy/procedure updates.</li> </ul> |
| <b>Schedule: May 2024 – October 2024</b>   |   |

### Task 1.0 Project & Business Corridors Assessment

An analysis of the business corridors in proximity to the Measure M rail and bus rapid transit projects will be completed. Using BIF eligibility criteria, the scope of the study will assess the number of potentially impacted small businesses, business classifications, and business revenues, as well as assess the socio-economic composition of the business corridors, including assessing disadvantaged and Equity Focus Communities (EFCs). The study will also allow for an analysis of not only the business corridor but also the nuances of the project, taking into consideration the proposed alignment and developing parcel maps of businesses located on the identified program alignments, the anticipated construction schedule, and construction delivery method.

This type of assessment was performed for all the BIF program business corridors located along the Crenshaw/LAX Transit Project, the Little Tokyo area of the Regional Connector, Sections 1, 2 and 3 of the Purple Line Extension, and the East San Fernando Valley Line and is considered a best practice.

The information gleaned from the assessment study will help inform the development of the BIF Program Expansion Framework.

### Task 2.0 BIF Program Expansion Framework

The Assessment Study will advance both qualitative and quantitative research, which will support the establishment of criteria as the basis of a policy to support project eligibility for the BIF program

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expansion. This research includes but is not limited to the type of transit project, project cost, project schedule, and other important factors as identified including the need and recommendations for policy and procedure updates for BIF expansion.

This future policy will guide the process for determining which projects qualify for and benefit from implementation of the BIF program. Confirmation of this policy framework is necessary to support future forecasting of resource needs for the program. Staff are targeting completion of the study in Q2 of FY25. Staff plans to provide a BIF update, with the assessment study findings and corresponding recommendations for the policy framework, at the February 2025 Metro Board meeting.

Staff has assessed culturally competent outreach and inclusive technical assistance necessary to maintain a permanent Business Interruption Fund and adequately support affected businesses as addressed in Directive B. of Motion 17.

**B. Culturally Competent Outreach and Inclusive Technical assistance as demonstrated by the BIF Expansion to the East San Fernando Valley (ESFV) Light Rail Transit Project**

The BIF activities and best practices utilized along the ESFV Project represent the culturally competent outreach methods needed to maintain the permanent BIF.

Below is a summary of actions taken to advance the permanent BIF. These actions provide a clear benefit for project delivery through the development of partnerships and cohesion with Metro's other construction mitigation programs in advance of project construction activities commencing.

Once the BIF Fund Administrator is onboarded, BIF outreach will commence along the ESFV corridor. Outreach activities include one-on-one meetings with small business owners, BIF information and application workshops, and participation in community events to raise awareness of the BIF. Outreach activities will be multilingual - English and Spanish - to ensure culturally competent and inclusive engagement. This effort will advance the assessment of the ESFV corridor, which is also needed to support confirmation of the future resources that will be necessary to maintain the permanent BIF.

Additionally, Metro staff have engaged in a variety of activities that support the establishment of the BIF on the ESFV LRT Project and ensure cultural competency and inclusive technical assistance. These activities include the following:

- Partnership with Program Management & Community Relations
  - For the last year, Metro BIF program staff have begun coordinating with Program Management and Community Relations project team members. Creating these partnerships early, more than a year in advance of heavy construction, will enable more efficient advancement of the program upon contract award.
- Participation on the ESFV LRT Cultural Competency Plan Working Group
  - Metro BIF program staff are active members of the Cultural Competency Plan Working Group. The Cultural Competency Plan is a "living" document developed by the contractor to ensure respectful and sensitive engagement that recognizes the unique

attributes and environmental culture of the community affected by construction activities. The mindset embodied within the Cultural Competency Plan aligns with the needs of the BIF program as well. Staff have provided feedback on the Plan's proposed activities related to the BIF's forthcoming presence along the corridor as well as provided suggestions for how the contractor can work with the small business community in partnership with BIF.

- Engagement with the ESFV community stakeholders
  - For the last year, Metro BIF program staff participated in and presented at the quarterly Construction Update Community Meetings, CLC meetings and recurring special stakeholder briefings, such as presentations to community-based organizations (CBOs), to enable the Metro BIF program staff to gain a greater understanding of the community and its needs. This engagement helps to increase awareness and build critical partnerships for the BIF program.
  - Metro BIF staff participate in the ESFV bi-monthly Community Relations meetings with the staff of Council Districts 2, 6 and 7. These meetings have included specific presentations about the BIF program, as well as program updates. These meetings provide another opportunity to engage with city leaders, to gain support and increase awareness about the BIF program.

Inclusive technical assistance to maintain the permanent BIF is developed through engagement and partnership activities such as those performed on the ESFV project. Through the BIF's participation in working groups such as the ESFV Cultural Competency Plan Working Group as well as the BIF's active engagement with community stakeholders, staff are provided with an understanding of the needs of the business community, the partnerships available, existing efforts that support the small business community and more. Additionally, as mentioned earlier, the BIF works in tandem with Metro's BSC which provides direct support to small businesses at no cost.

Lastly, the BIF fund administrator is a designated Small Business Development Center (SBDC) providing technical support at no cost to small businesses. Supported by the Small Business Administration (SBA), SBDCs are part of a regional and national network of service providers in the Small Business Development Center infrastructure comprised of 63 networks nationwide and 7 centers located within Los Angeles County.

### **DETERMINATION OF SAFETY IMPACT**

Approval of this item will not impact the safety of Metro's customers or employees.

### **FINANCIAL IMPACT**

The funding of \$1,672,375 for the award of the Business Interruption Fund Administrative Services contract is included in the FY24 Budget in cost center 0691, Professional Services, under project 471101 - BIF/BSC.

Since this is a multiyear contract, the cost center manager and BIF Director will be accountable for budgeting the cost in future years.

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**Impact to Budget**

Board approval of this recommendation has no immediate impact on the FY24 budget. The funding for the administrative costs is Measures R and M Administration fund. The BIF transit projects are funded by Proposition C 25% and/or appropriate sources identified by the Office of Management & Budget (OMB). These funds are not eligible for bus and rail operations.

**EQUITY PLATFORM**

For the last nine years, Metro's BIF has provided financial assistance to small businesses impacted by the construction disruption activities of the Crenshaw/LAX Transit Project, the Purple Line Extension Sections 1, 2 and 3, and the Little Tokyo area and the 2nd/Broadway segment of the Regional Connector. These construction areas traverse through EFCs in South Los Angeles, Little Tokyo, and parts of the Westside of the City of LA. The BIF has supported businesses within the vibrant, culturally relevant communities of Crenshaw, Inglewood, and Little Tokyo (a National Historic Landmark). BIF program outreach performed by Metro and the BIF Fund Administrator continues to be inclusive for small business owners from diverse backgrounds, as exemplified by BIF marketing materials provided in multiple languages. As a result, more than 300 small business owners from Black or African American, Hispanic or Latino, and Asian backgrounds, out of a total of 457 businesses, have received direct financial assistance. Through the BIF, Metro continues to support the ability of small businesses to mitigate the challenges of construction disruption.

Due to the lack of availability of small businesses, Metro's Diversity and Economic Opportunity Department (DEOD) did not recommend a Small Business Enterprise (SBE)/Disabled Veteran Business Enterprise (DVBE) participation goal for this procurement.

**IMPLEMENTATION OF STRATEGIC PLAN GOALS**

Approval of this item aligns with Metro strategic goal 3 - enhance communities and lives through mobility and access to opportunity. The BIF is considered a long-term investment aligned with this strategic goal. Through the BIF, Metro is not only supporting communities as we build for the future but also, Metro is supporting the small business economies that result in a generation of sales tax revenue from which Metro benefits.

**ALTERNATIVES CONSIDERED**

Should Metro's Board of Directors choose not to approve the contract award, an alternative includes utilizing Metro staff to perform the fund administration services for BIF.

This alternative is not recommended, because Metro does not have the expertise to serve in the capacity of a fund administrator nor sufficient staff to perform these duties. In particular, Metro is not a Community Development Financial Institution (CDFI) nor a Small Business Development Center (SBDC). A CDFI designated agency provides the necessary skillsets and financial acuity to execute the grant process.

**NEXT STEPS**

Upon Board approval, staff will execute Contract No. PS109347-2000 with Pacific Coast Regional Small Business Development Corporation. Additionally, staff will advance the assessment study.

**ATTACHMENTS**

Attachment A - Motion 17

Attachment B - Motion 57

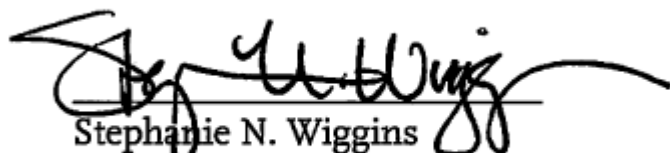
Attachment C - BIF Metrics & Measures of Effectiveness, ending February 29, 2024

Attachment D - Procurement Summary

Attachment E - DEOD Summary

Prepared by: Angela Winston, Director, Business Interruption Fund & Business Solution Center, DEOD, (213) 922-7669  
Jessica Spearman, Principal Transportation Planner, DEOD (213) 418-3266  
Tashai Smith, Executive Officer, DEOD (213) 922-2128  
Carolina Coppolo, Deputy Chief Vendor/Contract Management Officer (Interim) (213) 922-4471

Reviewed by: Sharon Gookin, Deputy Chief Executive Officer, (213) 418-3101



Stephanie N. Wiggins  
Chief Executive Officer





Metro

## Board Report

Los Angeles County  
Metropolitan Transportation  
Authority  
One Gateway Plaza  
3rd Floor Board Room  
Los Angeles, CA

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**File #:** 2023-0351, **File Type:** Motion / Motion Response

**Agenda Number:** 17.

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**CONSTRUCTION COMMITTEE  
MAY 18, 2023**

**Motion by:**

**DIRECTORS HORVATH, DUPONT-WALKER, SOLIS, BARGER, KREKORIAN, AND DUTRA**

**Creation of a Permanent Business Interruption Fund Motion**

Since the passage of Measure M in 2016, Los Angeles Metro has embarked on the nation's largest transportation construction program including nearly \$30 billion being invested in bus and rail operations; more than \$22 billion for local street improvements; and \$2.5 billion to keeping infrastructure in a state of good repair, with billions more from previous voter-approved transit investment measures. While transit rail construction and maintenance can create growth potential for small businesses located along transit corridors, construction can also create challenges that carry a financial impact for these businesses.

In 2014, the Metro Board of Directors authorized the agency to designate up to \$10 million annually to be used for the implementation of a Pilot Business Interruption Fund in support of small businesses impacted by rail construction between 2014 and 2022. Overall, Metro's Business Interruption Fund awarded more than \$37 million to more than 440 businesses located along the Crenshaw/LAX Transit Project, the Little Tokyo area and the 2nd/Broadway segment along the Regional Connector, as well as Sections 1, 2 and 3 of the Purple Line Extension that have been impacted by transit rail construction.

In February 2023, Directors Krekorian, Horvath, Najarian, Barger, Bass and Dupont-Walker introduced a motion seeking a comprehensive assessment of the Pilot Business Interruption Fund program, and a report back with recommendations on how the Pilot Business Interruption Fund could be applied to address local business impacts created by the construction of the East San Fernando Valley Light Rail Transit Line Project. In April 2023, the Board approved an expansion of the Business Interruption Fund to the East San Fernando Valley Light Rail Transit Project, including some program modifications based on lessons learned. The Pilot Business Interruption Fund will provide critical financial support to small businesses along the Van Nuys corridor to cover the cost of construction impacts and help pay utilities, insurance, rent or mortgage, and payroll among other expenses.

However, Metro has additional multi-year transit rail projects in the pipeline or under construction of a value of \$1 billion or greater that cause construction activity resulting in negative financial impacts to nearby small businesses that would benefit from the funding from this program.

**SUBJECT: CREATION OF A PERMANENT BUSINESS INTERRUPTION FUND MOTION**

**RECOMMENDATION**

APPROVE Motion by Directors Horvath, Dupont-Walker, Solis, Barger, Krekorian, and Dutra that the Metro Board direct the Chief Executive Officer to establish a permanent Business Interruption Fund and provide a program update in November 2023 that considers, but is not limited to, the following:

- A. Resources necessary to maintain a permanent Business Interruption Fund; and
- B. Culturally competent outreach and inclusive technical assistance to adequately support affected businesses.

## **Amendment to Item 57**

### **Motion by Directors Molina, Dupont-Walker, Ridley-Thomas and Garcetti**

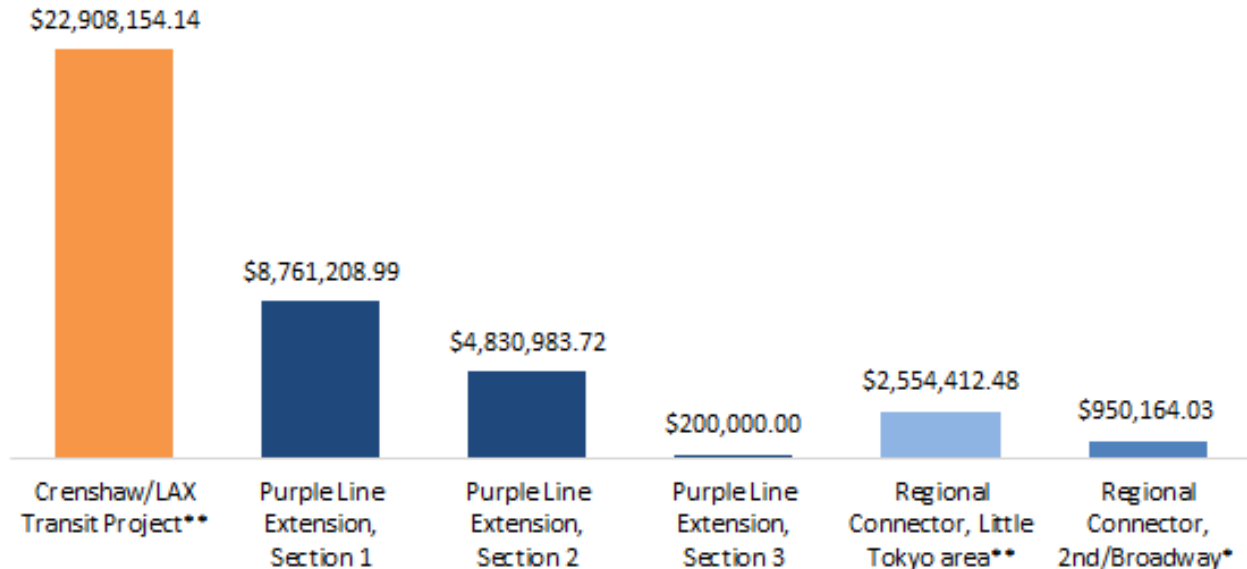
#### **Business Interruption Fund**

September 18, 2014

**WE, THEREFORE, MOVE that the Board direct the Chief Executive Officer to:**

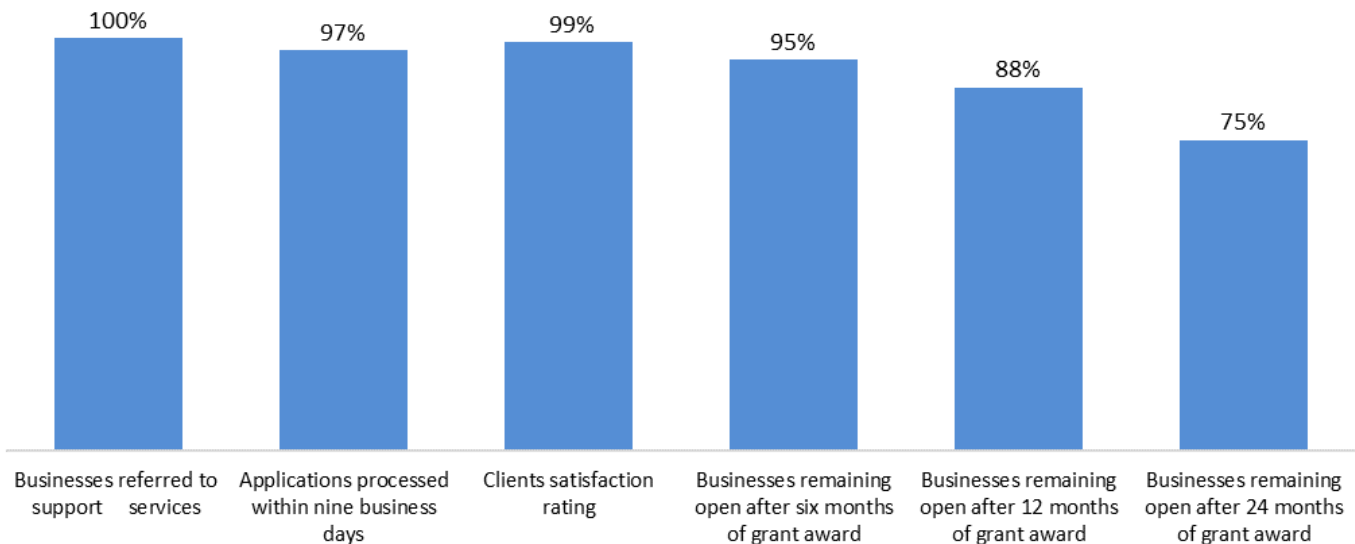
1. Establish a pilot program for a special **Business Interruption Fund** for mom and pop businesses located along the Crenshaw Line, within the Little Tokyo area along the Regional Connector, **and Phase I of the Purple Line Extension** immediately.
2. Define mom and pop businesses as those **meeting the following criteria:**
  - a. Having 25 employees or fewer;
  - b. **A minimal operational history of two years;**
  - c. **Being in good standing with local, state and federal tax requirements; and**
  - d. **Able to produce financial records (i.e. gross receipts, business license information, pay roll taxes and other pertinent financial information) demonstrating the loss of business revenue directly related to the period of construction disruption.**
3. Conduct a baseline survey of all businesses within the project areas.

4. Identify and designate \$10,000,000 of Metro funds annually to be used for the implementation of the Business Interruption Fund. Funds shall be distributed through the project's administration and/or respective Business Solution Center.
5. Each business should be eligible for a maximum of \$50,000 annually, not to exceed 60 percent of their annual business revenue loss.
6. Participation in the program would release MTA and the general contractor from further liability claims for business loss unrelated to specific incidents of damage and would be voluntary.
7. Direct the Chief Executive Officer to work with Los Angeles County and local cities to seek all appropriate legislation that would temporarily reduce or waive taxes and fees imposed on impacted businesses during transit-related construction activities and work with the Los Angeles County Assessor's Office to immediately initiate outreach activities to businesses impacted by transit-related construction activities in order to inform them of the Assessor's Office Proposition 8/Decline-in-Value Review process.
8. Report back to Construction Committee monthly, beginning in October, with an implementation plan and report back to the Board of Directors in September 2015 with an evaluation of the program including utilization levels and recommendations for program modification.

**Metro®****Business Interruption Fund (BIF) Metrics****Value of Grants Awarded, As of February 29, 2024****TOTAL \$40,204,923.36****Value of BIF Grants Awarded**

\*Eligibility ended 6/30/17.

\*\*Eligibility ended 12/31/2023.

**BIF Measures of Effectiveness, As of February 29, 2024**

## PROCUREMENT SUMMARY

**METRO PILOT BUSINESS INTERRUPTION FUND (BIF)  
ADMINISTRATIVE SERVICES/PS109347-2000**

|    |   |  |
|----|---|--|
| 1. | <b>Contract Number:</b> PS109347-2000   |  |
| 2. | <b>Recommended Vendor:</b> Pacific Coast Regional Small Business Development Corporation (PCR)  |  |
| 3. | <b>Type of Procurement (check one):</b> <input type="checkbox"/> IFB <input checked="" type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E<br><input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order |  |
| 4. | <b>Procurement Dates:</b>   |  |
|    | <b>A. Issued:</b> August 28, 2023   |  |
|    | <b>B. Advertised/Publicized:</b> August 29-31, 2023; September 2, 2023  |  |
|    | <b>C. Pre-Proposal Conference:</b> September 6, 2023  |  |
|    | <b>D. Proposals Due:</b> September 26, 2023   |  |
|    | <b>E. Pre-Qualification Completed:</b> November 28, 2023  |  |
|    | <b>F. Ethics Declaration Forms submitted to Ethics:</b> September 27, 2023  |  |
|    | <b>G. Protest Period End Date:</b> March 26, 2024   |  |
| 5. | <b>Solicitations Picked up/Downloaded:</b><br><br>10  | <b>Bids/Proposals Received:</b><br><br>1 |
| 6. | <b>Contract Administrator:</b><br>Armine Menemshyan   | <b>Telephone Number:</b><br>213-922-4851 |
| 7. | <b>Project Manager:</b><br>Jessica Spearman   | <b>Telephone Number:</b><br>213-418-3266 |

**A. Procurement Background**

This Board Action is to approve Contract No. PS109347-2000 issued in support of Metro Pilot Business Interruption Fund (BIF) Administrative Services. Board approval of contract awards is subject to resolution of any properly submitted protest(s), if any.

The Request for Proposals (RFP) was originally issued under the Small Business Enterprise Set-Aside Program. Metro received one proposal which was deemed non-responsive as it was not from a Metro-certified small business. Therefore, the RFP was reissued as an open solicitation.

RFP No. PS109347-2 was issued in accordance with Metro's Acquisition Policy and the contract type is a firm fixed price. The Diversity & Economic Opportunity Department did not recommend an SBE/DVBE participation goal for this procurement due to a lack of subcontracting opportunities.

No amendments were issued during the solicitation phase of this RFP.

A total of 10 firms downloaded the RFP and were included in the planholder's list. A virtual pre-proposal meeting was held on September 6, 2023, and was attended by 3 participants representing 2 firms. There were 2 questions asked and responses were released prior to the proposal due date.

One proposal was received by the due date of September 26, 2023 from Pacific Coast Regional Small Business Development Corporation (PCR).

Since only one proposal was received, staff conducted a market survey of the Planholders to determine why no other proposals were submitted. Responses were received from three firms and included not meeting the minimum requirements of the RFP and the scope of services not being within their area of expertise.

The market survey revealed that the decisions not to propose were based on individual business considerations. Therefore, the solicitation can be awarded as a competitive award.

## **B. Evaluation of Proposal**

A Proposal Evaluation Team (PET) consisting of staff from Metro's Community Relations and Diversity and Economic Opportunity departments was convened and conducted a comprehensive technical evaluation of the proposal received.

The proposal was evaluated based on the following evaluation criteria:

Evaluation of Minimum Requirements: This is a pass/fail criteria. To be responsive to the RFP minimum requirements, the proposer must meet the following:

1. Be a certified Community Development Financial Institution (CDFI).
2. The prime contractor or subcontractor has to be an accredited Small Business Development Center (SBDC).

The proposer met the minimum requirements and was evaluated based on the following weighted evaluation criteria:

- |  |            |
|--|------------|
| • Professional Experience                      | 30 percent |
| • Workplan Approach and Methodology            | 30 percent |
| • Personnel Qualifications and Management Plan | 20 percent |
| • Cost/Price                                   | 20 percent |

The evaluation criteria are appropriate and consistent with criteria developed for other, similar types of procurements. Several factors were considered when developing these weights, giving the greatest importance to professional experience and workplan approach and methodology.

During the period of October 25, 2023 to November 7, 2023, the PET independently evaluated and scored the technical proposal and determined that PCR met the requirements of the RFP and is technically qualified to perform the services as outlined in the scope of services.



A summary of the PET scores is provided below:

| 1 | Firm   | Average Score | Factor Weight  | Weighted Average Score | Rank     |
|---|--|---------------|----------------|------------------------|----------|
| 2 | <b>Pacific Coast Regional Small Business Development Corporation</b> |               |                |                        |          |
| 3 | Professional Experience  | 99.16         | 30.00%         | 29.75                  |          |
| 4 | Workplan Approach and Methodology                                    | 88.90         | 30.00%         | 26.67                  |          |
| 5 | Personnel Qualifications and Management Plan                         | 92.50         | 20.00%         | 18.50                  |          |
| 6 | Cost/Price   | 100.00        | 20.00%         | 20.00                  |          |
| 7 | <b>Total</b>   |               | <b>100.00%</b> | <b>94.92</b>           | <b>1</b> |

### C. Cost Analysis

The recommended price has been determined to be fair and reasonable based upon an independent cost estimate (ICE), technical analysis, cost analysis, fact finding, and negotiations. Staff successfully negotiated cost savings of \$1,233,435.

|    | Proposer Name   | Proposal Amount | Metro ICE   | Negotiated Amount |
|----|---|-----------------|-------------|-------------------|
| 1. | Pacific Coast Regional Business Finance Corporation (PCR) | \$9,863,688     | \$7,118,825 | \$8,630,253       |

The negotiated amount includes staff proposed by PCR to support the BIF expansion to the East San Fernando Valley (ESFV) Light Rail Transit Project that was not included in the ICE at the time it was developed, as less was known about the scale of the project. The ESFV Light Rail Transit Project, the largest BIF project to date, is the first BIF project with an alignment entirely at-grade, has the greatest number of businesses located along the rail corridor, and is the first Metro project with the implementation of Metro's new Cultural Competency Outreach Plan. The negotiated amount also includes Community Based Organization (CBO) participation requested by Metro during negotiations to provide economic development services along the ESFV corridor. CBO participation was not factored into Metro's ICE when it was developed.

### D. Background on Recommended Contractor

Pacific Coast Regional Business Finance Corporation (PCR) founded in 1977 is a private, non-profit 501© 3 corporation helping entrepreneurs take their places as vital contributors to the Los Angeles County economy. As a Small Business

Development Corporation for over 46 years, a Community Development Financial Institution (CDFI) and a Small Business Development Center (SBDC), PCR has the history, track record, infrastructure, and expertise in administering small business assistance programs, both financial and educational services, to the Southern California small business community.

In addition, PCR has successfully administered the Metro Pilot BIF for the past 9 years and has performed satisfactorily.

**DEOD SUMMARY**

**METRO BUSINESS INTERRUPTION FUND (BIF)  
ADMINISTRATIVE SERVICES/PS109347-2000**

**A. Small Business Participation**

The Diversity and Economic Opportunity Department (DEOD) did not recommend a Small Business Enterprise (SBE)/Disabled Veteran Business Enterprise (DVBE) participation goal for this procurement due to the lack of availability of small businesses. Pacific Coast Regional Small Business Development Corporation (PCR) is partnering with a Community Based Organization and it is expected that PCR will perform the remaining work with its own workforce.

**B. Living Wage and Service Contract Worker Retention Policy Applicability**

The Living Wage and Service Contract Worker Retention Policy is not applicable to this contract.

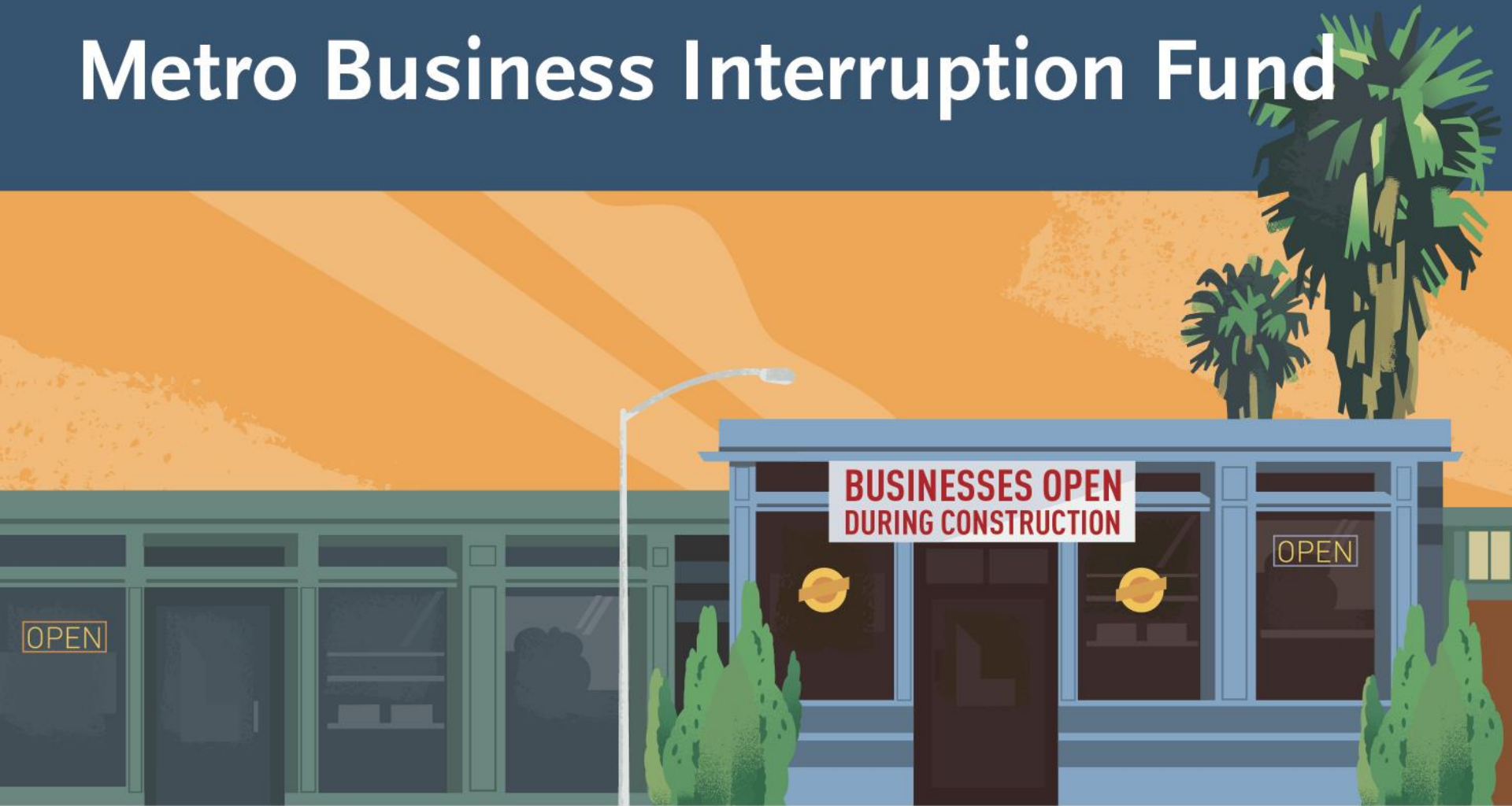
**C. Prevailing Wage Applicability**

Prevailing wage is not applicable to this contract.

**D. Project Labor Agreement/Construction Careers Policy**

Project Labor Agreement/Construction Careers Policy is not applicable to this Contract. Project Labor Agreement/Construction Careers Policy is applicable only to construction contracts that have a construction contract value in excess of \$2.5 million.

# Metro Business Interruption Fund



Planning and Programming Committee  
March 20, 2024  
Construction Committee  
March 21, 2024

# Approve Recommendation

- A. Award a firm fixed price Contract No. PS109347-2000 to Pacific Coast Regional Small Business Development Corporation (PCR) to serve as the fund administrator for Metro's Business Interruption Fund (BIF) in the amount of \$5,168,773 for the three-year base term, with two, one-year options in the amounts of \$1,699,722 and \$1,761,758 respectively, for a total amount of \$8,630,253.
- B. Receive & File the status update on Motion 17.

# BIF Fund Administration Contract

- As Metro continues constructing the future of mobility through our transportation projects, this contract ensures that small business communities impacted by construction remain supported through Metro's Business Interruption Fund (BIF):
  - Launching on the East San Fernando Valley Light Rail Transit Project; and
  - Continuing support for Purple Line Extension, Sections 1, 2 and 3
- Metro's permanent BIF Program is an investment in sustaining small business communities so they can realize the economic benefits of transit rail infrastructure.

# BIF Fund Administrator

- The BIF Fund Administrator, PCR, is responsible for the day-to-day administration of the BIF, including:
  - conducting outreach to small businesses and micro businesses,
  - processing applications, and
  - determining business eligibility, approving, and awarding grant funds, and more.
- Included on the PCR team is New Economics for Women (NEW), an East San Fernando Valley community-based organization.
- PCR will be able to leverage the strong relationships and community ties that NEW has already established in ensuring a direct line of:
  - engagement with the community, and
  - language translation competency.



# Motion 17 Update

**Directive A:** Resources necessary to maintain the permanent BIF.

- BIF Assessment Study to determine framework & resources
  - Analysis of the business corridors in proximity to the Measure M rail and bus rapid transit projects.

**Directive B.** Culturally Competent Outreach and Inclusive Technical Assistance as demonstrated by the BIF Expansion to the East San Fernando Valley (ESFV) Light Rail Transit Project.

- Partnership with Metro Program Management & Community Relations
- ESFV LRT Cultural Competency Plan Working Group Participation
- Community stakeholder engagement and program presentations
- BIF Fund Administrator is a Small Business Development Center (SBDC)
- Metro's Business Solution Center (BSC)

# Next Steps

- Upon Board approval, execute Contract No. PS109347-2000 with Pacific Coast Regional Small Business Development Corporation.
- Launch the BIF on the East San Fernando Valley Light Rail Transit Project and continue support on Purple Line Extension, Sections 1, 2 and 3.
- Advance the assessment study for future expansion of the permanent BIF.

Thank you!



Metro

Los Angeles County  
Metropolitan Transportation  
Authority  
One Gateway Plaza  
3rd Floor Board Room  
Los Angeles, CA

## Board Report

File #: 2024-0109, File Type: Program

Agenda Number: 19.

**PLANNING AND PROGRAMMING COMMITTEE**

**MARCH 20, 2024**

**EXECUTIVE MANAGEMENT COMMITTEE**

**MARCH 21, 2024**

**SUBJECT: DISPARITY STUDY**

**ACTION: APPROVE RECOMMENDATION**

### **RECOMMENDATION**

CONSIDER:

- A. RECEIVING AND FILING the Final 2023 Disparity Study Report; and
- B. AUTHORIZING the Chief Executive Officer (CEO) to develop a three-year pilot Micro Small Business Program and certification designation.

### **ISSUE**

In accordance with guidance from the U.S. Department of Transportation, recipients that use race and gender conscious measures (DBE contract goals) as part of their DBE program must conduct a disparity study to determine if disparity and/or discrimination exists within their contracting market area. Metro commissioned BBC Research & Consulting (BBC) to conduct its 2023 Disparity Study to determine if there is evidence of discrimination or disparities in Metro's contracting market area. Information from the disparity study supports the remedial use of DBE race- and gender- conscious contract goals to promote and ensure equal opportunities for businesses that may face systemic barriers in competing for contracts. BBC analyzed \$8.8 billion of worth of contracts and procurements Metro awarded during the study period to measure the participation and availability of People of Color (POC) and woman-owned businesses for Metro work to assess whether any disparities exist between those measures.

Based on qualitative data obtained during the study, the recommendation to establish a Business Technical Development Program (BTDP) enables Metro to seek a consultant team, with expertise within the transportation industry. The BTDP will include business consultants and industry partners to provide technical assistance and supportive services to POC- and woman-owned small and disadvantaged businesses. Such services can contribute to the growth and business efficiency of firms competing for prime and subcontracts and performing on Metro's major capital projects.

## **BACKGROUND**

Disparity studies help organizations understand changes in their marketplaces, refine program measures, and ensure up-to-date information on the participation and availability of POC- and woman-owned businesses for their work, including identifying which groups are substantially underutilized on their contracts and procurements. The 2023 study analyzed Metro's contracting data between January 1, 2016 and December 31, 2021.

While there is no court-mandated expectation of the time between studies, the standard is typically every five to seven years and a comprehensive disparity study lasts about 12 months. The study period includes the most recent full year contracting data available at study kick-off. The 2023 study was kicked off at the close of 2022, rendering 2021 the latest year of complete contract data. Hence, ensuring this continuity while also using the most recent data available resulted in a study period of 6 years. As demonstrated in the table below, Metro has been consistent in conducting disparity studies to support the DBE program with the majority of the study periods being five years.

| Final report Issued | Contracting History Period          | Duration of Study |
|---------------------|-------------------------------------|-------------------|
| 2010                | January 1, 2003 - December 31, 2007 | -5 years          |
| 2012*               | January 1, 2008 - December 31, 2010 | -3 years          |
| 2017                | January 1, 2011 - December 31, 2015 | -5 years          |
| 2023                | January 1, 2016 - December 31, 2021 | -6 years          |

\*Metro determined an update was needed to the 2010 study based on the findings.

## **DISCUSSION**

BBC analyzed \$8.8 billion worth of contracts and procurements Metro awarded during the study period. A custom census availability analysis was conducted to estimate the availability of POC- and woman-owned businesses for Metro work.

BBC also calculated the participation of POC- and woman-owned businesses in relevant contracts and procurements Metro awarded during the study period. BBC used Metro data to help determine the Study's geographical market area in which Metro spends the substantial majority of its contract and procurement dollars. For this study, Metro awarded approximately 78% of relevant contract and procurement dollars to businesses located in Los Angeles County, representing a 4% increase over the 2017 study results. Key results from those analyses are summarized below.

### **Availability & Utilization**

The following chart compares the data for POC- and woman-owned business availability and utilization between 2017 and 2023 Study findings.

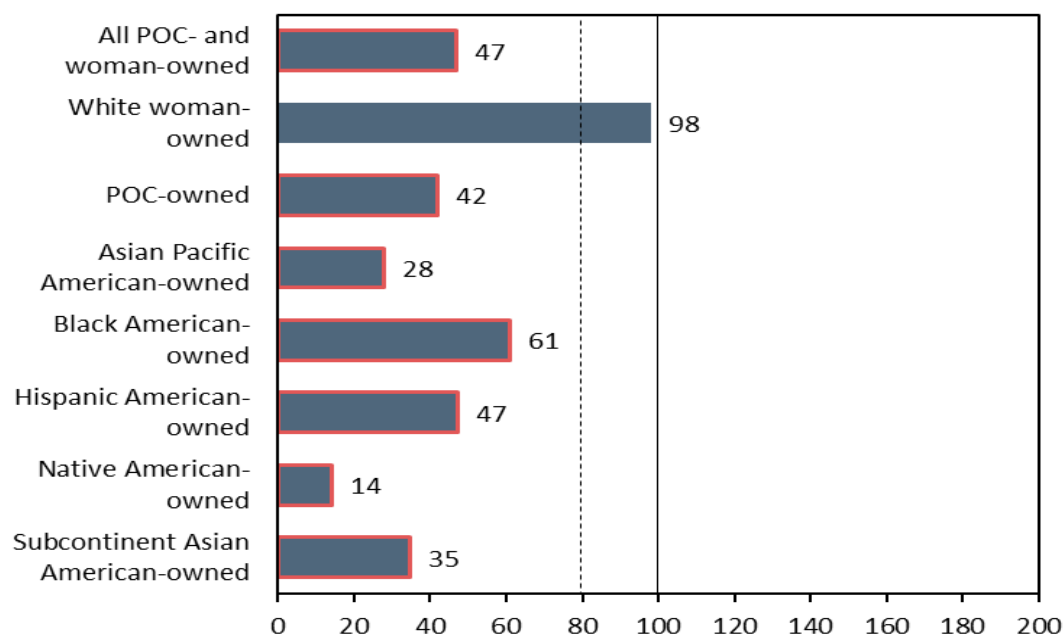
| POC-/Woman-Owned Business Results    | 2017  | 2023  |
|--------------------------------------|-------|-------|
| Composition of Availability Database | 47.0% | 53.3% |
| Overall Dollar Weighted Availability | 31.3% | 46.8% |
| Overall Dollar Weighted Utilization  | 23.2% | 22.0% |
| Availability of Potential DBEs       | 27.0% | 31.3% |

By comparison, the Study found that overall availability increased by 15.5% from 2017 to 46.8% in 2023. This represents the availability of all POC- and woman-owned firms, including firms that might not qualify for DBE certification due to personal net worth and revenue requirements. The study also found that overall utilization decreased slightly by 1.2% from 2017 to 2023. The 31.3% availability of potential DBEs demonstrates a 4.3% increase over 2017 and represents firms that could potentially be certified as DBEs. It is important to note that the 2017 study period analyzed \$3 billion in contracting, \$5.8 billion less than the 2023 Study.

#### Disparity Analysis

The 2023 study found all individual groups of POC-owned businesses exhibited substantial disparities for Metro work. A disparity index of 100 indicates parity or the participation is in line with the availability. A disparity index of less than 80 indicates a substantial disparity between participation and availability. Courts interpret a substantial disparity for a particular racial/ethnic or gender group as an inference of discrimination against that group in the marketplace. It often serves as evidence that Metro may need to continue using race- or gender-conscious measures (DBE contract goals) to address barriers for that group. The chart below shows the disparity index by group.

**Overall Disparity Analysis Chart**



#### Marketplace Conditions

The Disparity Study includes extensive quantitative analyses that determined POCs, women, and POC and woman-owned businesses face barriers in Metro's contracting and procurement in construction, professional services, goods, and other services, and transit service industries in Los Angeles County. Existing and primary research indicated that POC and women face barriers related to acquiring human capital, accruing financial capital, owning businesses, and operating successful businesses. In many cases, there is evidence that those barriers exist even after accounting for various personal and business factors.

The Study found further evidence that many disparities are due-at least, in part-to race or gender-based discrimination. Barriers in the marketplace likely have important effects on the ability of POCs and women to start businesses in relevant industries-construction, professional services, goods and other services, and transit services-and to operate those businesses successfully. Any difficulties those individuals face in starting and operating businesses may reduce their availability for government work and the degree to which they can successfully compete for such projects.

#### COVID-19 Pandemic

Economic and social vulnerabilities preceding the onset of the COVID-19 pandemic exacerbated the adverse impacts of the pandemic on POC and woman-owned businesses. Public health measures to reduce the spread of the COVID-19 virus, along with direct health impacts, led to an economic crisis that reached its peak in March and April of 2020. In California, POC and woman-owned small businesses, with the exception of Asian-American owned businesses, experienced higher rates of business closure and slower recoveries than white-American owned small businesses. More than 25 percent of small businesses in Los Angeles County closed during 2020, including approximately 7,500 businesses that closed permanently. Definitive data as to how many small businesses no longer certified as a result of COVID-19 impacts was not collected by Metro DEOD. However, between March 2020 - December 2021, twenty-seven small businesses requested removal from the programs for various reasons (i.e. company went out of business, financial hardship, graduated from the programs, change in ownership, and retirement).

#### Qualitative Information

The BBC Study team collected testimony and qualitative information. BBC conducted two focus groups and gathered comments from 507 business owners/representatives, managers, trade association representatives, and other key stakeholders in the Los Angeles metropolitan area. Additionally, BBC completed 42 in-depth interviews with business owners/representatives and received 27 written comments during qualitative data collection for the study that were included in the anecdotal appendix and analyzed in developing the considerations chapter. Many small businesses discussed the difficulties they experienced with cash flow due to delayed payment from the prime contractor to its subcontractors, at any tier-level. Several respondents reported that the quantitative and qualitative results of the study were representative of their experiences in the marketplace. Several questions were general clarification questions regarding how a disparity study is conducted. Comments received were incorporated in the final report.

Key concerns raised from the collection of anecdotal evidence included:

- Challenges responding to public sector bid requests and requests for proposals.
- Difficulties managing the administrative aspects of running a business.
- Prompt payment by agencies and prime contractors.
- Access to bonding, insurance, and financing; and
- Closed networks within the business community.



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Study Recommendations

Study participants in the qualitative data collection expressed appreciation for all of Metro's efforts to help small businesses and indicated that Metro excels when compared with other agencies in the region, state, and country. Based on a review of Metro policies and qualitative evidence, the study identified the key recommendations listed below for how Metro can increase opportunities and further eliminate barriers in the DBE program

Staff will continue to evaluate and collaborate with Vendor Contract Management (VCM), Metro Departments, and Project Managers to assess the feasibility of implementing initiatives that align to Metro's contracting process.

1. Bench contracts: Consider implementing a rotation system for bench contract task orders to ensure that each business on a bench gets work. Metro could also consider more closely monitoring the participation of small and disadvantaged businesses in bench contracts to ensure that they receive a proportionate amount of the work. Lastly, Metro could consider developing benches comprised exclusively of small and disadvantaged businesses.

Metro Response: Metro is currently implementing, on a small percentage of contracts, a rotational bench system and already has benches established that are comprised exclusively of small and disadvantaged businesses. To provide opportunity for each firm on the bench to get work, staff will continue to work with Metro Departments and VCM to encourage more use of these types of benches, as appropriate. Staff will also review anecdotal to identify further process improvements.

2. Technical assistance support: Metro should provide more detailed information or training on how to bid with the agency. The agency should increase the visibility of appropriate contact points for project issues and consider hiring liaisons for small businesses in particular. Assigning small business liaisons to projects or expanding the responsibilities of existing staff to resolve small businesses' project issues would help them perform Metro work more successfully.

Metro Response: While the DBE Program has experienced a measure of success in providing opportunities for disadvantaged businesses, there is an urgent need to address the substantial disparity identified in the study and to increase utilization. DEOD will establish a Business Technical Development Program (BTDP) to provide technical assistance to small and disadvantaged businesses during the performance of their subcontract. The BTDP will provide targeted and comprehensive business development assistance to foster technical competence, sound business structure, and sustainability to compete and perform on larger projects and lead to continued growth for the firm.

The proposed areas of technical assistance for the BTDP, include, but are not limited to:

- One-on-One technical assistance
- Matchmaking
- Estimating and Scheduling
- Alternative Delivery Project Requirements
- Form 60's Preparation
- Project Management
- Dispute Resolution
- Change Order Process (Prime/Subcontractor)
- Request for Change Process
- Proposal/Bid Preparation

- Human Resources Management
- Overhead Rates
- Construction Management
- Financial Audit/Review
- Accounting - Accountant services, cash flow review, income statement review

3. Microbusiness Program: The Small Business Administration (SBA) size thresholds for small businesses allow gross receipts of up to \$47 million for certain industries. Anecdotal evidence suggests that, due to the large range of small business size standards, smaller SBEs are often unable to compete with larger SBEs. Metro could consider adding an additional certification classification for microbusinesses with smaller revenue requirements. Metro could then consider including preferences and benefits exclusive to these microbusinesses, including proposal points, bid reductions, or setting aside certain opportunities exclusively for microbusiness competition.

Metro Response: Staff recommends policy authorization to develop a three-year pilot Micro Small Business Program and certification designation and will collaborate with VCM on program contracting thresholds.

4. New businesses: Consider using bid and contract language to encourage prime contractors to partner with subcontractors and suppliers they have never worked with. Metro could award evaluation points or price preferences based on the quality of those efforts. Increasing the number of new subcontractors involved in Metro's bid process could help many small businesses-including DBEs-and grow the pool of small businesses involved in Metro work.

Metro Response: DEOD will work with VCM to develop solicitation language that encourages primes to partner with SBE/DBE subcontractors they have never worked with to increase new business engagement.

5. Unbundling contracts: Consider expanding the current efforts to unbundle relatively large prime contracts-and even subcontracts-into several smaller, focused contracts. Such initiatives would likely increase contracting opportunities for all small businesses, including many POC and woman-owned businesses.

Metro Response: DEOD already encourages unbundling as a component part of the Set Aside Program. As a result, staff will continue to work with Metro Departments and Project Manager during the procurement planning process to evaluate the potential benefits of unbundling large contracts.

6. Inflation: Consider adjusting contract prices to account for inflation on projects that span a certain number of years to allow for equitable adjustment considerations for DBEs.

Metro Response: DEOD and VCM will explore the feasibility of implementing this recommendation.

- 
7. Pre-Qualification requirements: Consider only applying Pre-Qualification requirements to larger contracts to reduce the administrative burden on small and disadvantaged businesses competing for work. Metro could also consider extending the validity of prequalification reviews or eliminating validation requirements for already prequalified businesses and offer additional technical assistance to help small and disadvantaged businesses navigate the prequalification process.

Metro Response: DEOD will work with VCM to implement process improvements to the Pre-Qualification requirements that will reduce the administrative burden on small and disadvantaged businesses competing for Metro work.

### Public Participation

The draft 2023 study report was released on January 12, 2024, for a 30-day public comment period that closed February 12, 2024. The draft Study report was posted on the Metro Vendor Portal with the opportunity to review a PowerPoint presentation summarizing the results. Public comments were accepted by US mail, electronically through the disparity study website, and directly by email, as well as orally or in writing. Metro conducted two public hearings, one in-person at Metro Headquarters on January 29, 2024, with eight participants, and one held virtually on February 5, 2024, with 43 participants. During the public hearings, businesses reported challenges breaking into existing business networks and the importance of networking. Some participants also encouraged Metro to continue to improve access to contracting opportunities. No written comments were received during the public comment period. However, during the in-person and virtual public hearings, a total of seven verbal comments were received (Attachment B).

A presentation on the study's findings was also presented to the Transportation Business Advisory Council (TBAC) at their meeting on March 7, 2024. Questions from TBAC participants regarding study results were addressed and comments received echoed concerns raised during the public hearings and in the collection of the anecdotal data, related to the cost of audited overhead rates for small businesses and the reduction paperwork required during the procurement process.

### FINANCIAL IMPACT

There is no financial impact to approving the recommendations.

### EQUITY PLATFORM

The purpose of the study is to assess, quantify, and evaluate whether POC- and woman-owned businesses (DBEs) face any barriers in Metro contracting by studying the prevalence, significance, and scope of discrimination in the market area that specifically historically underutilized, POC and/or woman-owned businesses are experiencing and identify strategies to eliminate barriers and increase equity in Metro contracting. The study's results and considerations will be utilized by Metro to identify strategies to increase equity and eliminate barriers in Metro contracting. While Metro has made a significant commitment to offer innovative programs for POC and women, more is still needed to level the playing field for increased equity in Metro contracting. Metro will continue to be a regional leader in advancing a multi-pronged approach to eliminate racial and gender disparities in Metro contracting

further.

..Implementation\_of\_Strategic\_Plan\_Goals

## **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

This report supports strategic plan Goal 5.5, “Expanding opportunities for businesses and external organizations to work with Metro.”

## **NEXT STEPS**

- Upon Board approval, initiate development, and implementation process for the three-year pilot Micro Small Business Program.
- Staff will use the study data to develop the upcoming triennial Overall DBE Goal for Federal Fiscal Years (FFY) 2025 - 2027. This will require the following activity in accordance with 49 Code of Federal Regulation Part 26.45:
  - Staff is currently obtaining anticipated contracts to be awarded over the FFY2025-2027 from Grants and Project Managers to determine availability, if not similar to the mix of contracts analyzed in the study.
  - Complete draft of the overall DBE Goal and Goal Methodology report, with base figure and required step 2 adjustment analysis.
  - Post Metro's draft Overall DBE Goal and Methodology Report Metro website for a 30-day public comment period.
  - Return to the Board in June 2024 with the recommended triennial overall DBE goal for consideration and approval.
  - Submit FFY 2025- 2027 Overall DBE Goal Methodology to FTA by the August 1, 2024, deadline.
- New initiatives developed and implemented as a result of the study will be included in the 48 x '28 Plan, for tracking and reporting purposes.

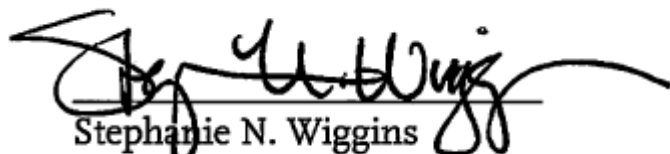
## **ATTACHMENTS**

Attachment A - 2023 Final Disparity Study Executive Summary

Attachment B - Public Comment Period Comments and Responses

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Stephanie N. Wiggins  
Chief Executive Officer

# SECTION ES.

## Executive Summary

BBC Research & Consulting (BBC) conducted a *disparity study* to evaluate whether person of color (POC)- and woman-owned businesses face any barriers in the Los Angeles County Metropolitan Transportation Authority (LACMTA's or Metro's) construction, professional services, and non-professional services and goods contracts and procurements. As part of the disparity study, we examined whether there are any disparities, or differences, between:

- The percentage of contract and procurement dollars Metro awarded to POC- and woman-owned businesses during the *study period*, which was January 1, 2016 to December 31, 2021 (i.e., *utilization*, or *participation*); and
- The percentage of contract and procurement dollars one might expect Metro to award to POC- and woman-owned businesses based on their availability to perform specific types and sizes of Metro contracts and procurements (i.e., *availability*).

Information from the disparity study will help Metro better understand outcomes for POC- and woman-owned businesses in its contracting and procurement and help Metro address any substantial disparities between the participation and availability of POC- and woman-owned businesses in Metro work. Moreover, if Metro determines that it is appropriate to use race- and gender-conscious measures to address substantial disparities (e.g., awarding individual contracts and procurements with the use of POC- and woman-owned business participation goals), then the agency can rely on information from the disparity study to help ensure its use of such measures adheres to the *strict scrutiny* and *intermediate scrutiny* standards of constitutional review, respectively.

### A. Disparity Study Results

BBC analyzed \$8.8 billion of worth of contracts and procurements Metro awarded during the study period to measure the participation and availability of POC- and woman-owned businesses for Metro work to assess whether any disparities exist between those measures. We summarize key results from those analyses below and identify sections of the report that provide more details about the methodology and results of each analysis.

**1. Availability analysis (Chapter 6 and Appendix E of the report).** BBC conducted a *custom census availability analysis* to estimate the availability of POC- and woman-owned businesses for Metro work while accounting for the specific characteristics of relevant businesses that exist in the Los Angeles County marketplace and the specific characteristics of the relevant prime contracts and subcontracts Metro awards. Figure ES-1 presents the availability of each relevant group of POC- and woman-owned businesses for relevant Metro contracts and procurements overall. The availability of those businesses is 46.8 percent. The business groups that exhibit the greatest availability for Metro work are Hispanic American-owned businesses (18.8%), Asian Pacific American-owned businesses (12.2%), and Black American-owned businesses (6.0%).

**Figure ES-1.**  
**Availability estimates for Metro work**

Note:

Numbers rounded to nearest tenth of 1 percent  
and thus may not sum exactly to totals.

Source:

BBC availability analysis.

| Business group                    | Availability  |
|-----------------------------------|---------------|
| White woman-owned                 | 4.3 %         |
| Asian Pacific American-owned      | 12.2 %        |
| Black American-owned              | 6.0 %         |
| Hispanic American-owned           | 18.8 %        |
| Native American-owned             | 0.2 %         |
| Subcontinent Asian American-owned | 5.4 %         |
| Total POC-owned                   | 42.6 %        |
| <b>Total POC- and woman-owned</b> | <b>46.8 %</b> |

**2. Utilization analysis (Chapter 7 of the report).** BBC also calculated the participation of POC- and woman-owned businesses in relevant contracts and procurements Metro awarded during the study period. As shown in Figure ES-2, during the study period, Metro awarded 22.0 percent of its relevant contract and procurement dollars to POC- and woman-owned businesses. The groups that exhibited the greatest levels of participation in that work were Hispanic American-owned businesses (8.9%), white woman-owned businesses (4.2%), and Black American-owned businesses (3.6%).

**Figure ES-2.**  
**Utilization analysis results for Metro work**

Note:

Numbers rounded to nearest tenth of 1 percent  
and thus may not sum exactly to totals.

Source:

BBC utilization analysis.

| Business group                    | Utilization   |
|-----------------------------------|---------------|
| White woman-owned                 | 4.2 %         |
| Asian Pacific American-owned      | 3.4 %         |
| Black American-owned              | 3.6 %         |
| Hispanic American-owned           | 8.9 %         |
| Native American-owned             | 0.0 %         |
| Subcontinent Asian American-owned | 1.9 %         |
| Total POC-owned                   | 17.9 %        |
| <b>Total POC- and woman-owned</b> | <b>22.0 %</b> |

**3. Disparity analysis (Chapter 8 and Appendix F of the report).** The crux of the disparity study was to assess whether any disparities exist between the participation of POC- and woman-owned businesses in Metro work and the availability of those businesses for that work. A disparity index of 100 indicates *parity* between actual participation and availability. That is, the participation of a particular business group is in line with its availability. A disparity index of less than 100 indicates a *disparity* between participation and availability. That is, the group is considered to have been underutilized relative to its availability. Finally, a disparity index of less than 80 indicates a *substantial disparity* between participation and availability. A *substantial disparity* for a particular racial/ethnic or gender group is interpreted by courts as an inference of discrimination against that group in the marketplace and often serves as evidence that the organization of interest could consider using race- or gender-conscious measures to address barriers for that group (for details, see Chapter 2).

**a. Overall.** Figure ES-3 presents disparity indices for POC- and woman-owned businesses for all relevant prime contracts and subcontracts Metro awarded during the study period considered together. As shown in Figure ES-3, POC- and woman-owned businesses considered together exhibited a disparity index of 47 for all relevant contracts and procurements Metro awarded during the study period,



indicating a disparity where Metro awarded POC- and woman-owned businesses \$0.47 for every dollar one might expect the agency to award to those businesses based on their availability for that work. All individual groups of POC-owned businesses exhibited substantial disparities for Metro work: Asian Pacific American-owned businesses (disparity index of 28), Black American-owned businesses (disparity index of 61), Hispanic American-owned businesses (disparity index of 47), Native American-owned businesses (disparity index of 14), and Subcontinent Asian American-owned businesses (disparity index of 35). White woman-owned businesses did not exhibit a substantial disparity for Metro work (disparity index of 98).

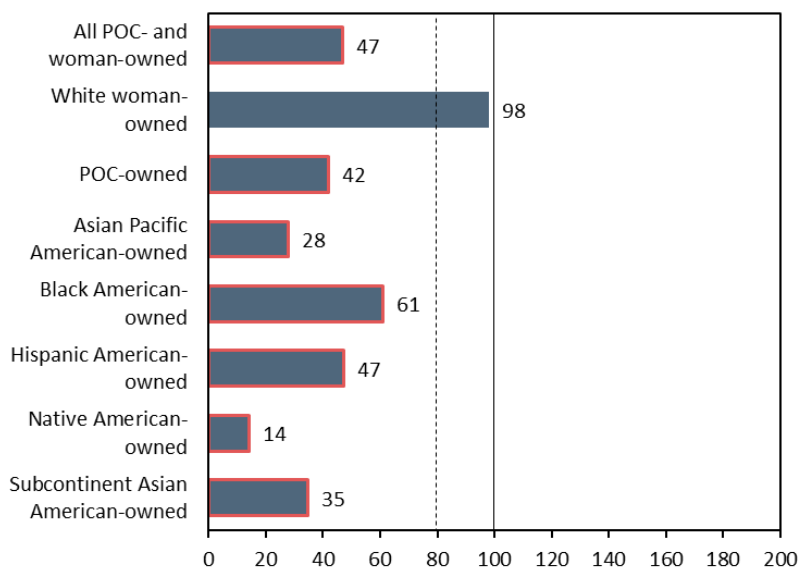
**Figure ES-3.**  
**Overall disparity analysis**  
**results for Metro work**

Note:

Substantial disparities  
highlighted with red borders.

Source:

BBC disparity analysis.



**b. Funding source.** The Federal DBE Program applies specifically to Metro’s United States Department of Transportation (USDOT)-funded projects.<sup>1</sup> As part of the program, the agency uses various race- and gender-neutral measures as well as race- and gender-conscious DBE contract goals to encourage the participation of POC- and woman-owned businesses in the USDOT-funded projects it awards. However, Metro is prohibited from using race- and gender-conscious measures to award non USDOT-funded projects due to Proposition 209. Thus, comparing disparity analysis results separately for USDOT- and non USDOT-funded projects may be indicative of the efficacy of Metro’s implementation of the Federal DBE Program as well as its use of race- and gender-conscious measures to encourage the participation of POC- and woman-owned businesses in its work relative to their availability for it. As shown in Figure ES-4, POC- and woman-owned businesses considered together exhibited substantial disparities for both USDOT-funded work (disparity index of 47) and non USDOT-funded work (disparity index of 47). Disparity analysis results differed by business group and funding source:

- Asian Pacific American-owned businesses (disparity index of 17), Hispanic American-owned businesses (disparity index of 47), Native American-owned businesses (disparity index of 11) and Subcontinent Asian American-owned businesses (disparity index of 46) all exhibited substantial disparities for USDOT-funded projects. Black American-owned businesses also showed a disparity for USDOT-funded work (disparity index of 86), but that disparity was not substantial.

<sup>1</sup> BBC considered a project to be USDOT-funded if it included at least one dollar of USDOT funding.

- White woman-owned businesses (disparity index of 69), Asian Pacific American-owned businesses (disparity index of 52), Black American-owned businesses (disparity index of 42), Hispanic American-owned businesses (disparity index of 48), Native American-owned businesses (disparity index of 17), and Subcontinent Asian American-owned businesses (disparity index of 28) showed substantial disparities on non USDOT-funded work.

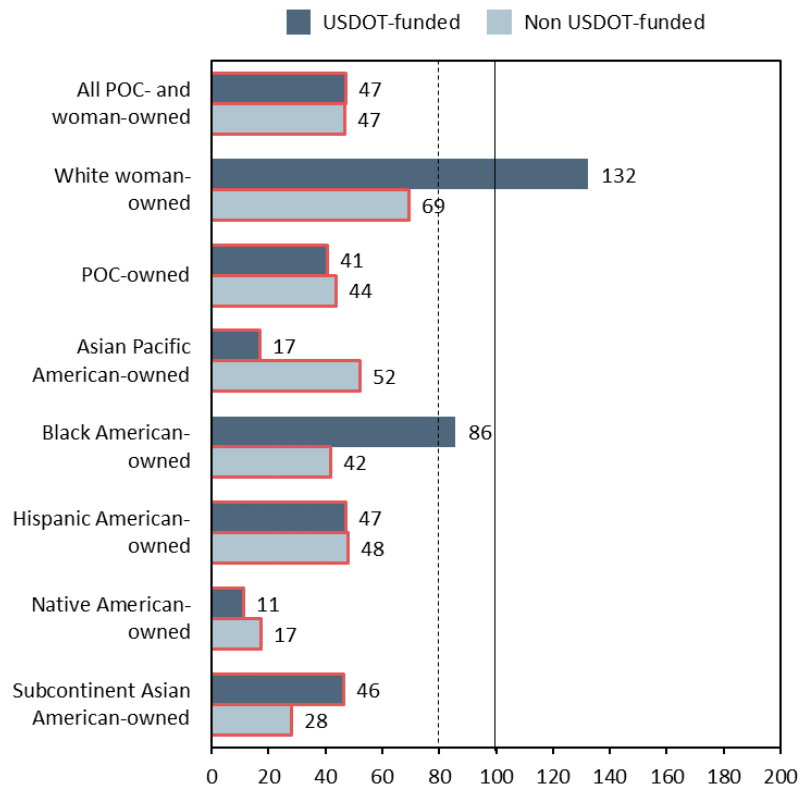
**Figure ES-4.**  
**Disparity analysis results by funding source**

Note:

Numbers rounded to nearest tenth of 1 percent and thus may not sum exactly to totals.

Source:

BBC disparity analysis.



**c. Summary.** Figure ES-5 presents a visualization of the various sets of Metro contracts and procurements for which relevant POC- and woman-owned business groups exhibited substantial disparities, as indicated by black circles. Most POC-owned business groups showed substantial disparities for many of the contract and procurement sets shown in Figure ES-5 with the exception of Black American-owned businesses. Black American-owned businesses showed substantial disparities for all work considered together, as well as for prime contracts, for professional services projects, and for non-USDOT funded work, but did not show substantial disparities for any other projects sets presented in Figure ES-5. Similarly, white woman-owned businesses showed substantial disparities for prime contracts, professional services projects, and non USDOT-funded work, but did not show substantial disparities for any other project sets presented in Figure ES-5. Substantial disparities indicate inferences of discrimination against relevant POC- and woman-owned business groups in the Los Angeles County marketplace and as part of Metro's contracting and procurement.

**Figure ES-5.**  
**Substantial disparities observed for Metro work**

| Contract set              | Business group          |         |             |                        |                |                   |                 |                             |
|---------------------------|-------------------------|---------|-------------|------------------------|----------------|-------------------|-----------------|-----------------------------|
|                           | All POC and white woman | All POC | White woman | Asian Pacific American | Black American | Hispanic American | Native American | Subcontinent Asian American |
| All work                  | ●                       | ●       |             | ●                      | ●              | ●                 | ●               | ●                           |
| Construction              | ●                       | ●       |             | ●                      |                | ●                 | ●               | ●                           |
| Professional services     | ●                       | ●       | ●           |                        | ●              | ●                 |                 | ●                           |
| Non-prof. svcs. and goods | ●                       | ●       |             | ●                      |                | ●                 | ●               | ●                           |
| Prime contracts           | ●                       | ●       | ●           | ●                      | ●              | ●                 | ●               | ●                           |
| Subcontracts              | ●                       | ●       |             | ●                      |                |                   | ●               | ●                           |
| USDOT-funded              | ●                       | ●       |             | ●                      |                | ●                 | ●               | ●                           |
| Non USDOT-funded          | ●                       | ●       | ●           | ●                      | ●              | ●                 | ●               | ●                           |

Notes: ● indicates substantial disparity

Source: BBC disparity analysis.

## B. Marketplace Conditions

BBC conducted extensive quantitative analyses to assess whether POCs, women, and POC- and woman-owned businesses face any barriers in the construction, professional services, goods and other services, and transit services industries in Los Angeles County. The study team also examined the potential effects any such barriers have on the formation and success of businesses as well as their participation in and availability for contracts and procurements Metro awards. We examined local marketplace conditions in four primary areas:

- **Human capital**, to assess whether POCs and women face barriers related to education, employment, and gaining industry experience;
- **Financial capital**, to assess whether POCs and women face barriers related to wages, homeownership, personal wealth, and financing;
- **Business ownership**, to assess whether POCs and women own businesses at rates comparable to that of white men; and
- **Business success**, to assess whether POC- and woman-owned businesses have outcomes similar to those of businesses owned by white men.

For more details, see Chapter 3 and Appendix C of the report.

**1. COVID-19 Pandemic.** Economic and social vulnerabilities preceding the onset of the COVID-19 pandemic exacerbated the adverse impacts of the pandemic on POC- and woman-owned businesses.<sup>i</sup> Public health measures to reduce the spread of the COVID-19 virus along with direct health impacts led to an economic crisis that reached its peak in March and April of 2020.<sup>ii, iii, iv</sup> In California, POC- and woman-owned small businesses, with the exception of Asian American-owned businesses, experienced higher rates of business closure and slower recoveries than white American-owned small businesses.<sup>v</sup> More than 25 percent of small businesses in Los Angeles County closed during 2020, including approximately 7,500 businesses that closed permanently.

Disparities in the rates of request and approval of the Paycheck Protection Program (PPP) and Economic Injury Disaster Loan (EIDL) Program illustrated the limited reach of the government's financial assistance to small businesses. A fraction of small businesses received financial support from the federal government to cover revenue losses and retain employees.<sup>vi</sup> Other small businesses did not receive any assistance, in part due to differences in the resources available to between large and small businesses to navigate bank loan processes and from lack of information for businesses with no employees on how to make assistance requests.<sup>vii</sup> Disparities in access to pandemic-related financial assistance between large and small businesses are particularly impactful to POC- and women-owned businesses, because in the Los Angeles Metro Area, POC- and women-owned businesses are more likely to be small businesses than white American- and men-owned businesses.<sup>viii</sup>

**2. Summary.** BBC's analyses of marketplace conditions in Los Angeles County indicate that POCs and women face various barriers in industries relevant to Metro's contracting and procurement. Existing research and primary research we conducted indicate that disparities exist in acquiring human capital, accruing financial capital, owning businesses, and operating successful businesses. In many cases, there is evidence those disparities exist even after accounting for various personal and business factors. There is also evidence that many disparities are due—at least, in part—to race- or gender-based discrimination. Barriers in the marketplace likely have important effects on the ability of POCs and women to start businesses in relevant industries—construction, professional services, goods and other services, and transit services—and to operate those businesses successfully. Any difficulties those individuals face in starting and operating businesses may reduce their availability for government work and the degree to which they are able to successfully compete for such projects.

## C. Overall DBE Goal

In accordance with 49 Code of Federal Regulations (CFR) Part 26 and United States Department of Transportation (USDOT) requirements, every three years, Metro must establish an overall goal for the participation of DBEs in the USDOT-funded projects it awards. USDOT requires agencies to set their overall DBE goals using a two-step process: establishing a base figure and considering whether a step 2 adjustment to the base figure is warranted. The disparity study provides information regarding both steps of the required goal-setting process for Metro to consider as it sets its next overall DBE goal.

**1. Base figure.** In accordance with USDOT requirements, BBC assessed the availability of potential DBEs—that is, POC- and woman-owned businesses that are currently DBE-certified or appear they could be DBE-certified according to size limits specified in the Federal DBE Program—for the USDOT-funded projects Metro awarded during the study period. That analysis indicated that the availability of potential DBEs for Metro's USDOT-funded work is 31.3 percent, which Metro could consider as its base figure for its next overall DBE goal.

**2. Step 2 adjustment.** After establishing a base figure, Metro must consider additional information to determine whether any adjustment is needed to the base figure to ensure the agency's new overall DBE goal is precise and reflects current conditions in the local marketplace for POCs, women, and POC- and woman-owned businesses. USDOT suggests agencies consider the following information in assessing whether to make step 2 adjustments to their base figures:

- Current capacity of DBEs to perform agency work;
- Information related to employment, self-employment, education, training, and unions;

- Disparities in the ability of DBEs to access financing, bonding, or insurance; and
- Other relevant factors.<sup>2</sup>

BBC assessed information related to each of the above factors, which we summarize below:

- **Current capacity of DBEs to perform agency work.** USDOT’s “Tips for Goal-Setting” suggests that agencies should examine data on past DBE participation in their USDOT-funded projects in recent years. Based on information from Metro’s Uniform Reports, the participation of certified DBEs in the USDOT-funded projects Metro awarded in FFYs 2016 through 2021 was 18.7 percent of total dollars on USDOT-funded projects. That information supports a downward adjustment to Metro’s base figure.
- **Information related to employment, self-employment, education, training, and unions.** BBC’s analyses of barriers in the local marketplace indicate barriers that certain POC groups and women face related to human capital, financial capital, business ownership, and business success. Such barriers may decrease the availability of POC- and woman-owned businesses for the USDOT-funded projects Metro awards. For example, BBC used regression analyses to investigate whether race/ethnicity and gender are related to business ownership in relevant industries among workers in the Los Angeles marketplace, independent of various other personal characteristics, including familial status, education, and age. (Chapter 3 and Appendix C provide details about our regression analyses.) Based on the results of those analyses, Metro might consider an upward adjustment of its base figure for USDOT-funded contracts to account for marketplace barriers.
- **Any disparities in the ability of DBEs to get financing, bonding, or insurance.** BBC’s analysis of access to financing, bonding, and insurance also revealed quantitative and qualitative evidence that POCs, women, and POC- and woman-owned businesses in the region do not have the same access to those business inputs as non-Hispanic white men and businesses owned by non-Hispanic white men. Any barriers to obtaining financing, bonding, or insurance might limit opportunities for POCs and women to successfully form and operate businesses in the RGMA. Any barriers that POC- and woman-owned businesses face in obtaining financing, bonding, or insurance would also place those businesses at a disadvantage in competing for Metro’s USDOT-funded projects. Thus, those results also support an upward adjustment to Metro’s base figure.
- **Other relevant data.** Marketplace analyses also indicate that POC- and woman-owned businesses are less successful than other businesses in the local marketplace in terms of business closures, business receipts, business owner earnings, and other metrics. Barriers in business success among POC- and woman-owned businesses can limit their growth, which may depress their availability for Metro’s USDOT-funded work. Thus, those results also support an upward adjustment to the agency’s base figure.

The agency should consider the above information carefully as part of setting its next triennial DBE goal for Federal Fiscal Years (FFY) 2025-2027, if anticipated future contracts are similar to the contracts reviewed as part of the disparity study. Metro is not required to make a step 2 adjustment, but it must explain its decision to make or not make an adjustment in goal documentation it submits to USDOT.

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<sup>2</sup> 49 CFR Section 26.45.

## D. Guidance

BBC observed substantial disparities between the participation and availability of POC- and woman-owned businesses for the contracts and procurements Metro awarded during the study period. We present guidance on how Metro can use that information and other information from the disparity study to further encourage the participation of those businesses in its work and address the disparities we observed effectively and in a legally defensible manner, including potentially using race- and gender-conscious measures to do so. In considering the guidance we provide, Metro should be mindful of the legal requirements surrounding the use of race- and gender-conscious measures in particular, including state and federal regulations as well as relevant case law. The organization should consult closely with its Department of Justice in developing any new policies or programs related to POC- and woman-owned businesses to ensure they are consistent with the requirements of the strict scrutiny, intermediate scrutiny, and *rational basis* standards of constitutional review, respectively. We present key recommendations below and present additional recommendations and more information relevant to those recommendations in Chapter 10 of the report.

**1. Bench contracts.** Anecdotal evidence suggests businesses that are awarded Metro's bench contracts often receive little to no work from those awards. In addition, once on a bench, businesses must maintain the appropriate level of insurance coverage, regardless of whether they actually perform work on the contract, which can place a financial burden on small and disadvantaged businesses. Metro could consider implementing a rotation system for bench contract task orders to ensure that each business on a bench gets work. The agency could also consider more closely monitoring the participation of small and disadvantaged businesses on bench contracts to ensure that they receive a proportionate amount of the. Lastly, Metro could consider developing benches comprised exclusively of small and disadvantaged businesses. For example, the San Diego Association of Governments (SANDAG) has a bench program that includes pool of certified DBE and SBE subcontractors that prime consultants can access for work on various SANDAG bench contracts.

**2. Technical assistance support.** Multiple interviewees indicated that they consider the public sector bid process to be confusing and time-consuming. To better support businesses bidding with Metro, some interviewees suggested that Metro should provide more detailed information or training on how to bid with the agency. Additional anecdotal evidence indicated that when businesses experience challenges during project performance, finding the appropriate Metro employee to contact can be difficult. The agency should increase the visibility of appropriate points of contact for project issues and consider hiring liaisons for small businesses in particular. Assigning small business liaisons to projects or expanding responsibilities of existing staff to resolve project issues small businesses experience could help them perform Metro work more successfully. For example, the State of Maryland has designated liaisons for its small business program that act as advocates for small businesses working on contracts for the agency.

**3. Microbusiness program.** For certain industries, the SBA size thresholds for small businesses allow gross receipts of up to \$47 million. Anecdotal evidence suggests that, due to the large range of small business size standards, smaller SBEs are unable to compete with larger SBEs. Metro should consider adding an additional certification classification for microbusinesses with smaller revenue requirements. For example, the State of California Department of General Services has a microbusiness program (implemented as a subset of their small business program) for businesses with gross annual receipts of \$5 million or less. In addition, the San Francisco Bay Area Rapid Transit District has a Micro Small



Business Entity certification for businesses whose average gross receipts over the prior three years do not exceed \$10 million (construction) or \$6 million (professional services and procurement), which are thresholds Metro could consider. The organization could then add preferences and benefits exclusive to microbusinesses, including proposal points, bid reductions, or setting aside certain opportunities exclusively for microbusiness competition.

**4. New businesses.** The disparity study indicated that a substantial portion of the contract and procurement dollars Metro awarded to POC- and woman-owned businesses during the study period were largely concentrated with a relatively small number of businesses. Metro could consider using bid and contract language to encourage prime contractors to partner with subcontractors and suppliers with which they have never worked. For example, as part of the bid process, the agency might ask prime contractors to submit information about the efforts they made to identify and team with businesses with which they have not worked, and Metro could award evaluation points or price preferences based on the quality of those efforts. Increasing the number of new subcontractors involved in Metro's bid process could help many small businesses—including DBEs—become aware of and compete for Metro opportunities and grow the pool of small businesses involved in Metro work.

**5. Unbundling contracts.** As part of in-depth interviews and public meetings, several business owners reported that the size of Metro projects is sometimes a barrier to their success. To further encourage the participation of POC- and woman-owned businesses in its work, Metro should consider expanding its current efforts to unbundle relatively large prime contracts—and even subcontracts—into several smaller pieces. Such initiatives might increase contracting opportunities for all small businesses, including many POC- and woman-owned businesses.

**6. Inflation.** Metro has many projects that span multiple years. Anecdotal evidence indicated that businesses that are awarded such contracts or associated subcontracts associated often supply goods or services years after their initial proposals and cost estimates. At times, inflation can make quoted prices too low for a business to provide goods or services years later. Metro could consider adjusting contract prices to account for inflation for projects that span a certain number of years. For instance, the federal government often adds an Economic Price Adjustment clause in its contracts in times of high inflation or strong economic uncertainty to further balance risk and to hedge against fluctuations in labor or material costs.

**7. Prequalification requirements.** Businesses competing for Metro projects worth \$100,000 or more are required to complete prequalification applications, which the agency reviews prior to making awards to ensure that businesses are qualified to provide requested services. Although prequalification reviews remain active for a period of two years, businesses must submit validation forms for each solicitation to which they respond and often must update their applications for each solicitation. Business representatives that reported doing work with Metro discussed the burden associated with prequalification paperwork required for each new bid. Other businesses also expressed that doing the amount of paperwork required to start each project is daunting for new businesses. Metro could consider raising the contract value threshold for which prequalification requirements apply to reduce the administrative burden on small and disadvantaged businesses competing for its work. The agency could also consider extending the length of validity of prequalification reviews or eliminating validation requirements for businesses that have already been prequalified. Lastly, Metro could consider providing

additional technical assistance to help small and disadvantaged businesses navigate the prequalification process.

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<sup>i</sup> Wang, Qingfang, and Wei Kang. 2021. What are the Impacts of COVID-19 on Small Businesses in the U.S.? Early Evidence Based on the Largest 50 MSAS. *Geographical Review* 111 (4): 528-557. doi:10.1080/00167428.2021.1927731.

<sup>ii</sup> Los Angeles County Economic Development Corporation. 2021. *Pathways for Economic Resiliency: Los Angeles County 2021-2026*. Report, Los Angeles. Retrieved, September 8, 2023 ([https://wdacs.lacounty.gov/wp-content/uploads/2021/02/Pathways-for-Economic-Resiliency-Executive-Summary-copy.pdf?utm\\_content=&utm\\_medium=email&utm\\_name=&utm\\_source=govdelivery&utm\\_term=](https://wdacs.lacounty.gov/wp-content/uploads/2021/02/Pathways-for-Economic-Resiliency-Executive-Summary-copy.pdf?utm_content=&utm_medium=email&utm_name=&utm_source=govdelivery&utm_term=)).

<sup>iii</sup> Fairlie, Robert. 2020. *The impact of COVID-19 on small business owners: Evidence from the first three months after widespread social-distancing restrictions*. *Journal of Economics & Management Strategy* 29 (4): 727-740. doi:10.1111/jems.12400

<sup>iv</sup> Together for L.A. 2022. *Small Business Recovery Report and Resource Guide*. Report, Los Angeles. Retrieved, September 8, 2023 (<https://laedc.org/wp-content/uploads/2022/06/Together-for-LA-Small-Business-Recovery-Report-and-Resource-Guide-June-2022-v2.pdf>).

<sup>v</sup> Dani, Lokesh, John S. Earle, and Kyung Min Lee. 2022. *COVID-19 Impact on California's Entrepreneurs*. Report. Retrieved, September 8, 2023 (<https://edcollaborative.com/wp-content/uploads/2021/02/COVID-19-Impact-on-California-Entrepreneurs-v3.pdf>).

<sup>vi</sup> United States Census Bureau. 2022. *Impacts of the COVID-19 Pandemic on Business Operations*. June 15. Retrieved September 8, 2023 (<https://www.census.gov/library/publications/2022/econ/2020-aces-covid-impact.html#:~:text=In%202020%2C%20the%20coronavirus%20pandemic,different%20impact%20on%20their%20payroll>).

<sup>vii</sup> Next Street; CommonFuture. 2020. *Los Angeles County Small Business Ecosystem Assessment*. Report.

<sup>viii</sup> United States Census Bureau. 2019. "Annual Business Survey." Retrieved September 25, 2023 (<https://data.census.gov/table?q=AB1900CSA04&g=310XX00US31080>).



## **Public Comment Period Comments and Responses**

Below are verbal comments received during the disparity study public hearings and were included in the anecdotal appendix and analyzed in developing the considerations chapter in the final report.

### **Topic – Importance of prompt payment**

**Comment –** “Prompt pay works well but for small and micro business the financial burden can be difficult to manage. For example, if a prime has submitted an invoice that is challenged for whatever reason, it can delay payment to business that does not have anything to do with the contested invoice. Agencies that provide support in finance and capacity such as allowing for initial deposits for ramp up, etc., are significantly ahead of the curve in building their supply chain of DBE's.”

**Comment –** “The same problem exists when the Prime (for whatever reason) delays submitting their invoices. Agencies need to push primes to submit timely invoices, and monitor and address issues with that. We waited 6 months for a payment on High-Speed Rail due to a Prime not submitting invoices for 3 months. This happens more than agencies realize.”

**Comment –** “One option some agencies have considered is developing an escrow account to pay SB/DBE firms right after invoice acceptance by the Prime.”

**Metro Response:** The study addressed comments on this topic in the qualitative data collection chapter and the qualitative data collection appendix of the report.

### **Topic – Negative impacts of established rates and the cost of completing an audit to be exempted from those fully loaded rates for small professional services firms.**

**Comment –** “Small businesses that are below \$5M in annual revenues cannot operate with a cap on mark-up - it's not sustainable for us to deliver the value if we lose money on your contracts.”

**Comment –** “Whatever you're doing has to be economically viable. And so that means, you know, a path to prime opportunities. One, because as a sub you know your profitability is going to be severely limited. ... The drift toward task orders has created a lot more limitations on DBE vendors and SBE vendors because that means that you have to carry the bench to be able to do the work. And if you're making decisions based upon the individuals that are presented in the initial SOQs, those individuals you know often are beyond the reach of DBE and SBE vendors because you know, they're typically extremely well compensated and rest within organizations, which can be competitive disadvantage for DBE vendors. [One] model might be the Port Authority of New York and New Jersey, ... they've actually created a separate class of contracts for minority-owned and women-owned vendors. And what they've also done is they've identified the disparity between the disparity, and they focused on specific... racial groups and provided opportunities to address those disparities, but they literally created

two classes of procurements. One is the standard kind of contract. If there's a calling contract, then they created a corollary, a contract for small business, or even for minority-owned business. I know that you can't do to MBE, and instead of California, but that's a potential resource to leverage, but being able to look at procurements and look at procurement activity ... You're [LA Metro's] kind of the 800-pound gorilla regionally and even in the state. So, the culture that you create relative to procurement is very likely to be adopted by other places because they're looking at you as creating a precedent."

**Metro Response:** The study addressed comments on this topic in the qualitative data collection chapter and the qualitative data collection appendix of the report.

**Topic –** What is the goal setting process for disabled veteran-owned businesses.

**Comment –** "Purchasers often become comfortable with large providers, suppliers, contractors, making it impossible for small new entrants to participate. When an agency uses a firm, regularly and primes can pull them into be seen as experience in the agency environment, it eliminates the ability of SBEs to be considered... This also finds its way in when primes list potential small firms as part of their teams, but do not actually utilize them after the award. I'll give you a direct example with Metro. ... You have firms that do third party administration for project labor agreements. They are an extension of your internal administration processes. There are other firms like ours that are specifically experienced and can-do large-scale work as was described in one of the questions earlier. But the two issues that we face is you can't even see a procurement go out because these companies are already embedded into the system and if and when prime is looking for somebody to support on their side, they are typically not encouraged to ensure that it's a DBE or [not]. They are encouraged to use the existing administrative offices that Metro has around these processes or to partner with. ... Does the agency have an appetite for real time compliance review so that they can actually validate performance and adjust as companies are moving through their construction processes, especially if they're meeting or not meeting these inclusion criteria like the measurement of apprenticeship, the utilization of small businesses et cetera, ... is there an appetite for that to happen in real time rather than post-performance?" (Addressed by Taisha Smith during the meeting).

**Metro Response:** This comment was addressed by Metro staff during the meeting. The disparity study focuses on the DBE program.

**Topic –** Legal considerations around substitutions and elimination of work for DBEs and the rights of subcontractors/subconsultants as protected by the Federal DBE Program and California state law.

**Comment –** "Agencies should be aware of which DBEs are still under contract so they can identify any removals. They should also provide education to those firms on their rights."

**Metro Response:** This comment was addressed by Taisha Smith during the meeting.



# 2023 Disparity Study Report

Executive Management Committee  
March 21, 2024

# RECOMMENDATIONS/BACKGROUND

- A. RECEIVE AND FILE the Final 2023 Disparity Study Report; and
- B. AUTHORIZE the Chief Executive Officer (CEO) to develop a three-year pilot Micro Small Business Program and certification designation.

## BACKGROUND:

- Metro commissioned BBC Research & Consulting to conduct 2023 Disparity Study.
- Purpose: To evaluate if current contracting conditions at Metro are creating barriers for POC- and woman-owned businesses (DBEs) and to identify strategies to increase equity and eliminate barriers in Metro contracting.
- Analyzed Metro's contracting data over a six-year period from January 1, 2016 – December 31, 2021.
- Study Engagement:
  - Led 2 focus groups
  - Gathered anecdotal comments from 507 business owners/representatives
  - Completed 42 in-depth interviews with owners/representatives
  - Conducted 2 public meetings, one in-person and one virtual on study findings



**Metro**

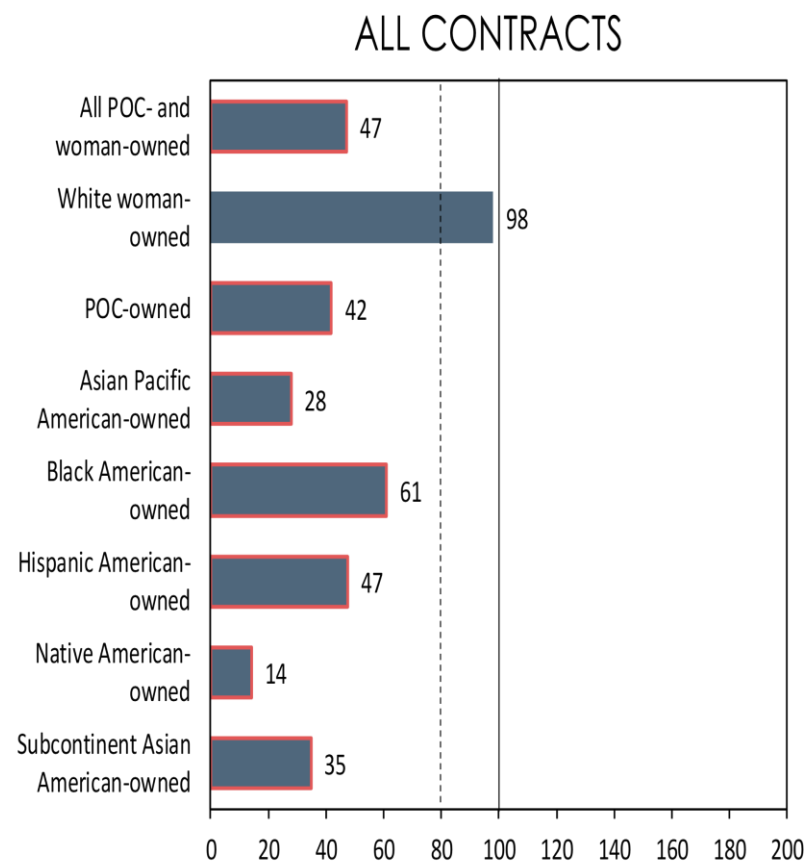
## 2017 – 2023 COMPARISON

- By comparison, the Study found overall availability increased by 15.5% from 2017 to 46.8% in 2023.
- The Study also found overall utilization decreased slightly by 1.2% from 2017 to 2023.
- The 31.3% availability of potential DBEs demonstrates a 4.3% increase over 2017 and represents firms that could potentially be certified as DBEs.

| POC-/Woman-Owned Business Results    | 2017  | 2023  |
|--------------------------------------|-------|-------|
| Composition of Availability Database | 47.0% | 53.3% |
| Overall Dollar Weighted Availability | 31.3% | 46.8% |
| Overall Dollar Weighted Utilization  | 23.2% | 22.0% |
| Availability of Potential DBEs       | 27.0% | 31.3% |

# OVERALL DISPARITY RESULTS

- All individual groups of People of Color (POC) -owned and women-owned businesses exhibited substantial disparities for Metro work.
  - All POC-and woman-owned (47)
  - White woman-owned businesses did not exhibit a substantial disparity for Metro work (98)
  - POC-owned (42)
  - Asian Pacific American-owned businesses (28)
  - Black American-owned businesses (61)
  - Hispanic American-owned businesses (47)
  - Native American-owned businesses (14)
  - Subcontinent Asian American-owned businesses (35)



\*Disparity index of 80 or less = substantial underutilization; Disparity index of 100 = parity



# QUALITATIVE DATA

Key concerns raised from qualitative data collection:

- Challenges responding to public sector bid requests and requests for proposals.
- Difficulties managing the administrative aspects of running a business.
- Prompt payment by agencies and prime contractors.
- Access to bonding, insurance, and financing; and
- Closed networks within the business community.

# STUDY RECOMMENDATIONS

|    | Recommendations  | Metro Response  |
|----|--|---|
| 1. | Rotation system for bench contracts and/or developing benches comprised solely of SBE/DBE firms                            | Metro is currently implementing, on a small percentage of contracts, a rotational bench system and already has benches established that are comprised exclusively of small and disadvantaged businesses. To provide opportunity for each firm on the bench to get work, staff will continue to work with Metro Departments and Vendor Contract Management (VCM) to encourage more use of these types of benches, as appropriate. Staff will also review anecdotal to identify further process improvements. |
| 2. | Provide technical assistance support on how to bid with Metro  | While the DBE Program has experienced a measure of success in providing opportunities for disadvantaged businesses, there is an urgent need to address the substantial disparity identified in the study and to increase utilization. DEOD will establish a Business Technical Development Program (BTDP) to provide technical assistance to SBE/DBE firms during the performance of their subcontract.   |
| 3. | Develop a Microbusiness Program  | Staff recommends policy authorization to develop a three-year pilot Micro Small Business Program and certification designation and will collaborate with VCM on program contracting thresholds.   |
| 4. | Consider changing solicitation language to encourage primes to partner with subcontractors with which they have never work | DEOD will work with VCM to develop solicitation language that encourages primes to partner with SBE/DBE subcontractors they have never worked with to increase new business engagement.   |
| 5. | Unbundling large contracts   | DEOD encourages unbundling as a component part of the Set Aside Program. Staff will continue to work with Metro Departments and Project Manager during the procurement planning process to evaluate the potential benefits of unbundling large contracts.   |
| 6. | Adjust contract value for inflation for projects that span a certain number of years                                       | DEOD and VCM will explore the feasibility of implementing this recommendation.  |
| 7. | Improvements prequalification requirements   | DEOD will work with VCM to implement process improvements to the Pre-Qualification requirements that will reduce the administrative burden on small and disadvantaged businesses competing for Metro work.  |



**Metro**



## NEXT STEPS

- Upon Board approval, initiate development, and implementation process for the three-year pilot Micro Small Business Program.
- Staff will use Study data for the development of upcoming triennial Overall DBE goal for FFY 2025 – 2027:
  - Return to the Board in June 2024 with recommended triennial overall DBE goal for consideration and approval.
  - Submit FFY 2025- 2027 Overall DBE Goal Methodology to FTA by the August 1, 2024, deadline.
- New initiatives developed and implemented as a result of the study will be included in the 48 x '28 Plan for tracking and reporting purposes.