



## **San Gabriel Valley Council of Governments Capital Projects and Construction Committee**

### **Meeting Agenda**

**Monday, August 27, 2018 12:00PM**

**West Covina Community Center, 2<sup>nd</sup> Floor**

**1444 West Garvey Avenue South, West Covina, CA 91791**

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

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Providing at least 72-hour notice will help ensure availability.

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|-------|---|--------------|-------------|
| I.    | Pledge of Allegiance  |              |             |
| II.   | Roll Call and Introductions   |              |             |
| III.  | Public Comment  |              |             |
| IV.   | Approval of the Capital Projects and Construction Committee Meeting Minutes of July 23, 2018  | Pages 1 – 4  | Action      |
| V.    | Chairman’s Remarks  |              |             |
| VI.   | Member Comments   |              |             |
| VII.  | Chief Engineers Monthly Report  | Pages 5 – 7  | Information |
| VIII. | Project Construction Progress Reports   |              | Information |
| IX.   | Hearing on Amended Resolution of Necessity No. 13-14 for the Fairway Drive Grade Separation Project.<br>Property Address: 19777 East Walnut Drive North, City of Industry. Property Owner: Majestic Realty Co. et al. | Pages 8 – 27 |             |

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|--------|---|-----------------|-----------------|
| X.     | Hearing on Amended Resolution of Necessity No. 13-14 for the Fairway Drive Grade Separation Project.<br>Property Address: 15915-19605 East Walnut Drive North, City of Industry, CA. Property Owner: Majestic Realty Co. et al.             | Pages 28 – 48   | Action          |
| XI.    | Hearing on Amended Resolution of Necessity No. 13-15 for the Fairway Drive Grade Separation Project<br>Property Address: 19445-19485 East Walnut Drive North, City of Industry, CA. Property Owner: Majestic Realty Co. et al               | Pages 49 – 69   |                 |
| XII.   | Hearing on Amended Resolution of Necessity No. 13-16 for the Fairway Drive Grade Separation Project<br>Property Address: 19285-19395 East Walnut Drive North, City of Industry, CA. Property Owner: Majestic Realty Co. et al.              | Pages 70 – 90   |                 |
| XIII.  | Approval of Contract Amendment for Design Support Services for the Durfee Avenue Grade Separation Project with URS Corporation  | Pages 91 – 92   | Action          |
| XIV.   | Approval of an Amendment to a Betterment Agreement with the Cities of Industry and Diamond Bar for Construction of On/Off Ramps at Lemon Avenue to State Route 60 to be done in conjunction with the Fairway Drive Grade Separation Project | Pages 93 – 98   | Action          |
| XV.    | Approval of Selection of CWE for Preliminary Engineering and Final Design Services for the Load Reduction Strategy Projects for the Rio Hondo River and Tributaries   | Pages 99 – 100  |                 |
| XVI.   | Approval to Receive and File Quarterly Financial, Audit, and Investment Reports   | Pages 101 – 119 | Action          |
| XVII.  | Closed Session: The Committee will adjourn to closed session in accordance with Government Code Section 54956.9 to discuss existing litigation: ACE v. Rowland Ranch Properties, LLC, et al., LASC Case No. BC629038                        |                 | Possible Action |
| XVIII. | Adjournment   |                 | Action          |



## **SGVCOG Capital Projects & Construction Committee July 23, 2018 Meeting Minutes**

Chairperson Costanzo called the meeting of the San Gabriel Valley Capital Projects and Construction Committee to order at 12:02PM at the West Covina Community Center 1444 West Garvey Avenue, West Covina, CA.

1. **Pledge of Allegiance** – Chairperson Costanzo lead the pledge of allegiance.

2. **Roll Call:**

In attendance was:

Juli Costanzo, Chair, San Gabriel

Victoria Martinez, Vice Chair, El Monte

Becky Shevlin, Monrovia

Cory Moss, City of Industry

Hilda Solis, LA County Board of Supervisor

Jack Hadjinian, Montebello

Nancy Lyons, Diamond Bar

Sam Pedroza, Claremont

Tim Sandoval, Pomona

### **Staff:**

Mark Christoffels, Chief Engineer

Gregory Murphy, Burke Williams & Sorensen, legal counsel

Deanna Stanley

Amy Hanson

Charles Tsang

Paul Hubler

Phil Balmeo

Rachel Korkos

Ricky Choi

Victoria Butler

Mark Mendoza, Paragon Partners

Cynthia Sternquist, SGVCOG President

### **Guests:**

John Burton, LA County Department of Public Works

Art Corres, LA County Department of Public Works

Josh Nelson, CNC Engineering

Greg Jaquez, MNS

3. **Public Comments** – There were no public comments.

4. **Approval of the Capital Projects and Construction Committee Meeting Minutes of July 23, 2018** – Mr. Christoffels stated that the minutes would be revised to reflect the ACE Contracts Manager Cecilia Cardenas and Pat Somerville, of HNTB were present at the meeting.

A motion was made by member Solis and seconded by member Moss to approve the revised minutes of the Capital Projects and Construction Committee Meeting minutes of June 24, 2018.

M/S/C/Solis/Moss/Unanimous

Abstain: Becky Shevlin

5. **Chairman's Remarks** – Chairman Costanzo welcomes the new Committee members.
6. **Member Comments** – Vice Chair Martinez and member Hadjinian also welcomed the new members.
7. **Chief Engineers Monthly Report** – Mark Christoffels summarized the process of the Committee meeting. He requested the Committee confirm their preference of receipt of material. He reviewed the Committee structure indicating the Chair will remain in place through the end of the calendar year and elections would be held in January. He recounted the Temple Avenue diversion projects opening and showed a press video.
8. **Project Construction Progress Reports** – Charles Tsang, Senior Project Manager of the Fairway Drive Grade Separation Projects and Lemon Avenue on/off ramp projects reviewed the project progress photos. Photos depicted concrete barrier construction. Victoria Butler, Senior Project Manager of the Fullerton Road Grade Separation Project reviewed project photos depicting widening construction on Gale Avenue, to add a third lane north of the 60 freeway. Phil Balmeo, Senior Project Manager of the San Gabriel Trench Grade Separation Project stated that summarized the history of the project. He reminded the Committee that construction began in 2012 by Walsh construction, at a cost of \$172 million and overall project cost of \$293 million. He indicated there were 62 property takes, and the project would provide four grade separations at Ramona Avenue, Mission Drive, Del Mar Avenue and San Gabriel Street along with two railroad bridges. He reminded the Committee that the project was unique to most ACE grade separation projects in that it required lowering tracks due to the proximity to the San Gabriel Mission. He indicated the completion of this project would eliminate all crossings in the City of San Gabriel.
9. **Approval of Plans, Specifications and Estimates for the Durfee Avenue Grade Separation Project** – Mr. Christoffels indicated staff sought approval for the plans, specifications and estimates for the Durfee Avenue Grade Separation project in order to solicit bids for construction. He reminded the Committee that the project has received environmental clearance, all required land has been acquired, and the project has approval of the Public Utilities Commission. He indicated the estimated cost is \$35-\$39 million.

A motion was made by member Solis and seconded by member Martinez to approve the

Plans, Specifications and Estimates for the Durfee Avenue Grade Separation Project in the City of Pico Rivera and authorize staff to solicit bids.

M/S/C/Solis/Martinez/Unanimous

10. **Approval of Project Definition Report and Initiation of Property Acquisition Activities for the Maple Avenue Pedestrian Overhead Structure** – Mr. Christoffels explained that the projects are normally designed to 35% before the project can be refined as far as costs and property requirements. He indicated prior to the project beginning final design the Committee must approve the project definition report which is the overall scope of the project.

Member Solis suggested staff meet with Metrolink to discuss partnering opportunities.

A motion was made by member Hadjinian and seconded by member Sandoval to approve the Project Definition Report and Initiation of Property Acquisition Activities for the Maple Avenue Pedestrian Overhead Structure.

M/S/C/Hadjinian/Sandoval/Unanimous

11. **Approval of the Declaration of Surplus Property located at 204 S. 3<sup>rd</sup> Street, La Puente, CA in connection with the Puente Avenue Grade Separation Project** – Mr. Christoffels reviewed the location of the property at 204 S 3<sup>rd</sup> Street. He reviewed the process for disposal of surplus property and indicated the proceeds from surplus property must go back to project costs. He indicated the property would be offered to public entities for a period of 60 days and if no interest is shown, the property would be made available to the public. The Committee suggested staff approach the adjacent property owner.

A motion was made by member Solis and seconded by member Hadjinian to declare the property located at 204 S 3<sup>rd</sup> Street in the City of La Puente as surplus.

M/S/C/Solis/Hadjinian/Unanimous

12. **Approval to Receive and File Quarterly Project Progress Reports** – Mr. Christoffels reviewed the quarterly progress reports indicating the final design is underway for the At Grade Safety Crossing in Pomona. He reminded the Committee that the project was designed to address the high pedestrian activity near the railroad tracks and that Metrolink is installing additional gates. Mr. Christoffels indicated with this project along with improvements by Metrolink the area may meet requirements for a quiet zone. Mr. Christoffels indicated the Durfee Avenue grade separation project is expected to be out to bid in August with construction to begin in January 2019. He indicated Fairway Drive grade separation project was 30% complete and expected to be complete by August 2021. Fullerton Road grade separation construction is 25% complete and expected completion is December 2020. He indicated Montebello Corridor is in final design and the rail crossing safety work and pedestrian bridge are expected to be constructed in 2019 and the Montebello Blvd. underpass complete in 2020. He indicated Turnbull Canyon Road was in final design but construction remains uncertain due to funding.

Mr. Christoffels reviewed the total cost of projects and indicated the overall program had funding commitments of over \$1.697 billion yet remains short \$7.812 and could be further affected should SB1 be repealed. He indicated that proceeds from property sales will be applied toward project costs.

A motion was made by member Hadjinian and seconded by member Sandoval to approve the Receive and File of the Quarterly Project Progress Reports.

M/S/C/Hadjinian/ Sandoval/Unanimous

**Approval to Receive and File Quarterly Environmental Mitigation Monitoring Reports**


– Mr. Christoffels indicated the Mitigation Monitoring reports are a comprehensive list of the commitments we make for each list to mitigate the issues related to construction and how we are addressing them. He indicated it is an overall reflection on how we are doing within the community.

A motion was made by member Hadjinian and seconded by member Martinez to approve the Receive and File of the Quarterly Environmental Mitigation Monitoring Reports.

M/S/C/Hadjinian/Martinez/Unanimous

Mr. Christoffels reported that the Quarterly Financial reports would be presented at the next scheduled meeting.

13. **Closed Session** – Greg Murphy announced the reason for closed session. The Committee returned and Mr. Murphy reported that the Committee received a briefing and gave staff direction to continue with litigation.
14. **Adjournment** – The meeting was adjourned at 1:12PM. The next meeting will be held on August 27, 2018.

X 

Deanna Stanley  
Clerk



Memo to: Capital Projects and Construction Committee Members & Alternates

From: Mark Christoffels  
Chief Engineer

Date: August 27, 2018

SUBJECT: Chief Engineer's Monthly Report

The following are items of note since the last meeting:

**San Gabriel Trench Dedication** – Committee members are invited to attend a dedication ceremony for the San Gabriel Trench project, the largest project in the ACE program. The ceremony will be held at 10:30 a.m. on Monday, September 10, 2018 in Plaza Park adjacent to the San Gabriel Mission, 428 S. Mission Dr., San Gabriel, CA 91776. Parking will be available in the Mission parking lot. The ceremony will be followed by a celebratory luncheon. Please RSVP your attendance to Paul Hubler at [phubler@sgvcog.org](mailto:p hubler@sgvcog.org) no later than August 31.

**57-60 Project** – The SGVCOG Governing Board voted unanimously this month to assign the State Route 57-60 Confluence Chokepoint Relief Project (right-of-way and construction phases) to the work program of your committee. The confluence is ranked no.1 in California for freight delays and truck accidents and is the no. 5 freight bottleneck in the nation. The \$288.6 million improvement project has been programmed to receive \$22 million in SB 1 funds, and the Board also voted to affirm authorization for me to execute a baseline agreement regarding those funds. Design is underway and, if SB 1 is not repealed in November, construction is scheduled to start in 2021.

**Committee Meeting** – Staff has polled the Committee on preferred meeting dates and times and the consensus is that the existing days (Mondays) at noon are the preferred days and times.

**Contracting** – The SGVCOG has delegated the Chief Engineer the authority to approve new contracts or change orders for previously approved contracts within certain limits, with a requirement that staff formally report such contract action. The following has been approved since the last Committee meeting:

Consultant/Vendor	Reason for Change	Change Amount	Total Contract Value
Interior Demolition, Inc.	Increase contract value for additional demolition services for Durfee Avenue grade separation project	\$7,561	\$1,195,021

Epic Land Solutions	Additional ROW services for Nogales Street grade separation project.	\$9,833	\$3,431,516
Ken Spiker & Associates	Additional claim administration services	\$2,000	\$1,118,272
URS Corporation	Extend task order term from August 31, 2018 to December 31, 2018 for Durfee Ave. grade separation project	\$0.00	\$6,150,617
CivilTec Engineering, Inc.	P.O. 2018-04: Design support during construction of sewer connection for Nogales St. pump station	\$4,926	\$4,926
Jason Johnson	P.O. 2018-05: Additional IT support on an as-needed basis	\$5,000	\$5,000
Power Plus	P.O. 2018-06A: Provide temporary power service to Fullerton grade separation project site	\$1,777	\$1,777

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

- Distributed construction alert notices regarding lane reductions on San Gabriel Boulevard for road rehabilitation for the San Gabriel Trench project;
- Distributed construction alert notices regarding a 57-hour weekend closure of eastbound lanes and ramps on State Route 60 between Fairway Drive and Brea Canyon Road for the Lemon Avenue Interchange project;
- Distributed construction alert notices regarding lane reductions on Turnbull Canyon Road for utility investigations for the Turnbull Canyon Road project;
- Distributed construction alert notices regarding a 55-hour weekend closure of the eastbound Fullerton Road off-ramp on State Route 60 for the Fullerton Road project;
- Distributed construction alert notices regarding an 8-week closure of the Fairway Drive and Walnut Drive North intersection and Fairway Drive on-and off-ramps on State Route 60 for the Fairway Drive project; and
- Conducted ongoing community outreach and support activities for the San Gabriel Trench, Fairway Drive and Fullerton Road grade separation projects.





MEMO TO: Capital Projects and Construction Committee Members and Alternates

FROM: Mark Christoffels  
Chief Engineer

DATE: August 27, 2018

SUBJECT: Amended Resolution of Necessity for Property Acquisition - No.13-11  
Fairway Drive Grade Separation Project  
Property Owner: Majestic Realty Co.et al.  
19777 East Walnut Drive North, City of Industry, CA  
APN: 8760-008-002  
ACE Parcel No.: 204C

**RECOMMENDATION:** Staff recommends the SGVCOG Capital Projects and Construction Committee:

1. Conduct a hearing on Amended Resolution 13-11 (an Amendment to Resolution of Necessity 13-11 of the ACE Construction Authority) finding and determining that the public interest, convenience and necessity require amendment to the acquisition of certain property for public purposes; and
2. Review the evidence presented, including this staff report and public comments and close the hearing; and
3. Adopt the attached Amended Resolution 13-11 authorizing the amendment of eminent domain proceedings, and/or other means, so as to acquire one modified permanent roadway easement 3,481 s.f, one (1) modified permanent retaining wall easement 453 s.f, one (1) modified permanent footing easement 1,584 s.f, and one (1) 12-month temporary construction easement 3,418 s.f, that contains modified boundaries (in lieu of, rather than in addition to, the easements originally identified in Resolution of Necessity 13-11 as 204C-PE-1, 204C-RW, 204C-FTG, and 204C-TCE1), as well as the originally identified, and now unaltered one (1) permanent roadway easement (204C-PE-2) 2,716 s.f, two (2) utility easements (204C-UE1 and 204C-UE-2) 320 and 2,708 s.f, respectively, and two (2) temporary construction easements (204C-TCE-2 and 204C-TCE-3) 7,304 and 15,391 s.f, respectively, for which the ACE Board adopted Resolution of Necessity No. 13-11 from that certain parcel bearing Los Angeles Assessor Parcel Number 8760-008-002. The durations of the TCEs referenced above shall commence no sooner than 30 days after the ACE Construction Authority mails a written Notice of

Commencement of TCE. (Note: This requires an affirmative TWO-THIRDS (2/3) vote of the SGVCOG Capital Projects and Construction Committee).

**BACKGROUND:** The SGVCOG Capital Projects and Construction Committee and the formerly constituted Alameda Corridor East Construction Authority was formed pursuant to the California Joint Powers law (Govt. Code section 6500 et seq.) for purposes of implementing the Alameda Corridor East ("ACE Project"). The ACE Project is a multi-phase project that will improve the safety and efficiency of railroad crossings from Los Angeles, east to San Bernardino County to mitigate some of the impacts created by increased rail traffic from the Ports of Long Beach and Los Angeles.

Included in the ACE Project is a grade separation of Fairway Drive/E. Walnut Drive N. ("Fairway Drive Grade Separation Project") in the City of Industry, County of Los Angeles from the Union Pacific Railroad right-of-way, which will eliminate current and future long delays of traffic at the crossing. The Fairway Drive Grade Separation Project is statutorily exempt from CEQA pursuant to Public Resources Code section 21080.13. In order to accommodate the grade separation at Fairway Drive/E. Walnut Drive N., two (2) permanent roadway easements, one (1) permanent railroad easement, two (2) permanent utility easements, one (1) permanent retaining wall easement, one (1) permanent wall footing easement, and three (3) 12-month temporary construction easements, were originally required from that certain parcel bearing Los Angeles Assessor Parcel Number 8760-008-002.

The property identified in the original ACE Resolution 13-11 was owned by Majestic Realty Co. and Industrial Park EI-A, LLC, and Industrial Park E Sub A. ("The Majestic Owners"). The Larger Parcel is 442,356s.f. in size, and is improved with a single tenant industrial building built in 1978, with a gross square footage of approximately 199,284s.f. The site includes asphalt paved parking areas, exterior lighting, cement paved loading areas, chain link fencing, a rail spur and rail car loading, and miscellaneous landscaping.

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

ACE staff tendered an offer to purchase to the Majestic Owners in the amount of \$759,800 on September 25, 2013 for the originally identified easements. But, with an agreement not having been reached, the Board adopted a Resolution of Necessity for acquisition of the originally identified easements, on October 28, 2013, and Eminent

Domain proceedings were commenced on November 12, 2013, ACE having made all necessary findings and having met all statutory prerequisites thereto. (The property interests in Resolution 13-11 were combined with those in ACE Resolutions 13-14, 13-15 and 13-16 for Eminent Domain filing purposes due to proximity and common ownership of the parcels.)

During construction of the Project, the Majestic Owners requested if it would be possible to revise the permanent easements along Fairway to preserve more of the loading dock and parking at the eastern limit of the Property facing Fairway. ACE engineers were able to modify the design and relocate the retaining wall. Accordingly, with the project redesign the right-of-way requirements were reduced. Therefore, SGVCOG, the Majestic Owners, their successor owners (the Larger Parcel was sold by Majestic Realty Co. in 2017), and the sole tenant on the property, Furniture of America ("FoAC") are entering into a Stipulation (attached hereto as Exhibit 1) whereby they agree that: a request would be made to SGVCOG's governing board at its first available public meeting to consider adoption of an Amended Resolution of Necessity ("Amended RON") that one modified permanent roadway easement, one modified permanent retaining wall easement, one modified permanent footing easement, and one 12-month temporary construction easement that contains modified boundaries (in lieu of, rather than in addition to, the easements originally identified in Resolution of Necessity 13-11 as 204C-PE-1, 204C-RW, 204C-FTG, and 204C-TCE1), as well as the originally identified, and now unaltered permanent roadway easement (204C-PE-2), two utility easements (204C-UE1 and 204C-UE-2), and two temporary construction easements (204C-TCE-2 and 204C-TCE-3) for which the ACE Board adopted Resolution of Necessity No. 13-11 for the above-stated public use.

By way of the stipulation attached hereto as Exhibit 1, Majestic Owners and FoAC waive further notice of the hearing on the proposed Amended RON and stipulate that all requirements necessary for consideration of adoption of the Amended RON have been satisfied, including those matters in Article 2 of the Eminent Domain Law and those matters related to a statutory offer as set forth in Government Code section 7267.2. The Majestic Owners, Successor Owners, and FoAC further stipulate that if SGVCOG's governing board approves the request and adopts an Amended RON for the taking of the revised easements affecting Assessor Parcel No. 8760-008-002 ("Subject Property"), that said modified taking is necessary for the Project, that the public interest and necessity require the Project, and that the Project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury.

The parties agree that if SGVCOG's governing board approves the request and adopts an Amended RON to modify the taking of portions of the property, a First Amended Complaint in Eminent Domain, supported by the Amended RON shall be filed.

After conducting the public hearing, if the SGVCOG Capital Projects and Construction Committee finds that the public necessity so requires, the SGVCOG Capital Projects and Construction Committee should adopt the attached Amended Resolution of Necessity 13-11, authorizing amendment of condemnation proceedings for the purpose of acquiring the modified property which interest are described in Resolution 13-11.

The findings, which need to be made, are as set forth in the Resolution of Necessity. Specifically, the SGVCOG Capital Projects and Construction Committee must find:

1. That the public interest, convenience and necessity require the acquisition of the proposed project. As proposed, the Fairway Drive Grade Separation Project will serve public purposes, as discussed above; and
2. That the Fairway Drive Grade Separation Project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury. As set forth above, the Property is being acquired to improve the safety and efficiency of the rail crossing by constructing a grade separation at Fairway Drive/E. Walnut Drive N. The original 1997 San Gabriel Valley Council of Governments study looked at alternatives to an underpass and different grade separation configurations to identify any overall project cost and real estate impact reductions. Subsequently, as the design of the project began, ACE staff evaluated alternative configurations in greater detail. Additionally, ACE conducted an Engineering Value Analysis workshop that engaged stakeholders and technical experts to analyze and vet the various design scenarios. The no build alternative was examined through the project ranking process described in the 1997 report. Fairway Drive is a primary arterial street, serving multiple residential and commercial areas. The Fairway Drive Grade Separation project constructed as an underpass will eliminate the possibility of train—vehicle collisions at this location and the effect of stopped and moving trains on vehicular traffic capacity; and in order to build such an underpass with the least private injury modified several easements should now be modified; and
3. That the amended property interests sought to be acquired are necessary for the Fairway Drive Grade Separation Project. From the subject property it is necessary to acquire: two (2) permanent roadway easements, one (1) permanent railroad easement, two (2) permanent utility easements, one (1) permanent retaining wall

easement, one (1) permanent wall footing easement, and three (3) 12-month temporary construction easements. Without the acquisition of the various amended permanent easements, and amended temporary construction easements and unaltered easements as included in Exhibit 2 attached hereto, the proposed Fairway Drive Grade Separation Project cannot be completed; and

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

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

**BUDGET IMPACT:** Funds for the acquisition of this property are available from MTA Measure R and Proposition C funds and are included in the Agency’s FY 2019 budget.

## ***ATTACHMENTS***

Exhibit 1- Stipulation re: Scope of Take and Transfer of Possession  
Exhibit 2- Amended Resolution of Necessity No. 13-11 with Exhibits

DUFF MURPHY, State Bar No. 106091  
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Attorneys for Plaintiff

**SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF LOS ANGELES**

ALAMEDA CORRIDOR-EAST  
CONSTRUCTION AUTHORITY,

Plaintiff

vs.

MAJESTIC REALTY CO., a California  
Corporation, as to 50% Interest;  
INDUSTRIAL PARK E SUB B, LLC, a  
Delaware Limited Liability Company, as to an  
Undivided 47.5%; INDUSTRIAL PARK E I-  
B, LLC, a Delaware Limited Liability  
Company, as to an Undivided 2.5%;  
SOUTHERN CALIFORNIA EDISON  
COMPANY; THE CITY OF INDUSTRY, a  
municipal corporation; GENERAL  
TELEPHONE COMPANY OF  
CALIFORNIA; a Corporation, its Successors  
and Assigns; SOUTHERN CALIFORNIA  
EDISON COMPANY, a Corporation, its  
Successors and Assigns; THE PRUDENTIAL  
INSURANCE COMPANY OF AMERICA, a  
New Jersey Corporation; SOUTHERN  
COUNTIES GAS COMPANY; DOE 1  
through DOE100; and ALL PERSONS  
UNKNOWN CLAIMING AN INTEREST IN  
THE PROPERTY TO BE CONDEMNED  
HEREIN,

Defendants.

NO. BC 527309

**STIPULATION RE SCOPE OF TAKE AND  
AMENDMENT TO RIGHT OF WAY**

[ACE Parcel No. 204W-TCE1, 204W-TCE2 and,  
204W-TCE3, 204W-UE1 and 204W-UE2, 204S&  
T-RRE, 204S&T-TCE2A and 204S&T-TCE2B,  
204S&T-UE-1 and 204S&T-UE-2, 204S-TCE1,  
204U&V-RRE, 204U&V-TCE-1, 204U&V-  
TCE2, 204U&V-TCE-3, 204U&V-UE, 204C-  
FTG, 204C-PE-1 and 204C-PE-2, 204C-RRE,  
204C-RW, 204C-TCE-1, 204C-TCE-2, 204C-  
TCE-3, 204C-UE1, 204C-UE-2]

[APN 8760-002-014, 8760-008-002, 8760-008-  
003, 8760-008-004, 8760-008-005 and 8760-008-  
006]

[Exempt from filing fees - Government Code  
§6103]

Complaint filed November 12, 2013

Assigned for all purposes to:  
Judge Yvette M. Palazuelos  
Department 28

1 TO ALL PARTIES AND THEIR COUNSEL OF RECORD:

2 Plaintiff the San Gabriel Valley Council of Governments in furtherance of the Alameda  
3 Corridor-East Construction Authority ("SGVCOG") and defendants MAJESTIC REALTY CO., a  
4 California Corporation ("Majestic Realty Co."), and Industrial Park E I-A, LLC, a Delaware  
5 limited liability company, Industrial Park E Sub A, LLC, a Delaware limited liability company,  
6 Industrial Park E I-B, LLC, a Delaware limited liability company, and Industrial Park E Sub B,  
7 LLC, a Delaware limited liability company, Industrial Park E Sub A Exchange, LLC, a Delaware  
8 limited liability company, and Industrial Park E Sub B Exchange, LLC, a Delaware limited  
9 liability company (collectively, the "Principal Entities") and FURNITURE OF AMERICA  
10 CALIFORNIA dba IMPORT DIRECT ("FoAC") stipulate as follows:

11 1. On November 12, 2013, ACE filed its Complaint in Eminent Domain to take  
12 easements over a portion of the Majestic Realty Co and Principal Entities' property identified as  
13 APNs 8760-002-014, 8760-008-002, 8760-008-003, 8760-008-004, 8760-008-005 and 8760-008-  
14 006, generally located at Fairway Drive and E. Walnut Drive North, in the City of Industry for the  
15 Alameda Corridor-East Construction Project ("Project").

16 2. After commencement of this action and during construction of the Project, Majestic  
17 Realty Co. approached Plaintiff's representatives and requested whether the easements along the  
18 Fairway-adjacent edge of APN 8760-008-002 could be shrunk in any way to leave more usable  
19 surface area to access the truck bays on the eastern edge of the building located on that parcel.  
20 SGVCOG revised its construction plans to reduce the size of the right-hand turn lane from  
21 Fairway to Walnut and relocate the retaining wall and footing easement further to the East.  
22 Accordingly, SGVCOG (formerly known as ACE), commissioned revised maps and legal  
23 descriptions for the easements identified in the Complaint in Eminent Domain as 204C-PE1,  
24 204C-RW, 204C-FTG and 204C-TCE1. Therefore, the parties agree that a request will be made to  
25 SGVCOG Capital Projects and Construction Committee (successor to the ACE's governing  
26 board) at its first available public meeting to consider adoption of an Amended Resolution of  
27 Necessity incorporating 1) the revised easements listed above, and 2) leaving unaltered the  
28 easements identified in the original complaint as 204C-PE2, 204C-RRE, 204C-UE1, 204C-UE2



204C-TCE2, and 204C-TCE3, 3) as set forth in the attached plat maps and legal descriptions attached as Exhibit 1.

3. During construction, it was discovered Majestic Realty Co. and the Principal Entities had intentions of reconnecting an existing but disconnected rail spur track located on parcels 8760-008-005 and 8760-008-006 which would require redesign of the Project to accommodate potential future reconnection. Therefore, the parties have agreed that: a) a request will be made to SGVCOG's Capital Projects and Construction Committee at its first available public meeting to consider adoption of an Amended Resolution of Necessity ("Amended RON") that SGVCOG acquire from Assessor Parcel Nos. 8760-008-003 and 8760-008-004 (ACE Parcels 204S&T): one modified permanent utility easement (in lieu of 204S&T-UE1 as adopted in ACE Resolution of Necessity 13-14), and two new 12-month temporary construction easements (204S-TCE1A and 204S-TCE1B) as well one new 6-month temporary construction easement (204S&T-TCE2) in addition to the TCEs originally identified in Resolution of Necessity 13-14, as well as the originally identified, and now unaltered permanent railroad easement (204S&T-RRE), one utility easement (204S&T-UE-2), and three temporary construction easements (204S-TCE1 (for 12 months) and 204S&T-TCE2A and 204S&T-TCE2B (for 6 months each) for which the ACE Board adopted Resolution of Necessity No. 13-14. (The maps and legal descriptions of the proposed easements affecting Assessor Parcel Nos. 8760-008-003 and 8760-008-004 are attached hereto as Exhibit "2"),

b) a request will be made to SGVCOG's Capital Projects and Construction Committee at its first available public meeting to consider adoption of an Amended Resolution of Necessity ("Amended RON") that SGVCOG acquire from Assessor Parcel Nos. 8760-008-005 and 8760-008-006 (ACE Parcels 204U&V): one modified permanent railroad easement, one modified permanent utility easement, (in lieu of, rather than in addition to, the easements originally identified in Resolution of Necessity 13-15 as 204U&V-RRE and 204U&V-UE, respectively), as well as the three originally identified, and now unaltered, 24-month temporary construction easements (204U&V-TCE1, 204U&V-TCE2 and 204V&V-TCE3) for which the ACE Board adopted Resolution of Necessity No. 13-15. (The maps and legal descriptions of the proposed easements affecting Assessor Parcel



Nos. 8760-008-005 and 8760-008-006 are attached hereto as Exhibit “3”),  
c) a request will be made to SGVCOG’s Capital Projects and Construction Committee at its first available public meeting to consider adoption of an Amended Resolution of Necessity (“Amended RON”) that SGVCOG acquire from Assessor Parcel No. 8760-002-014 (ACE Parcel 204W): two new permanent railroad easements (204W-RRE-1A and 204W-RRE-1B), one new 12-month temporary construction easement (204W-TCE1 (dated 2018)), one modified permanent utility easement, (in lieu of, rather than in addition to, the easements originally identified in Resolution of Necessity 13-16 as 204W-UE-1, and 204W-UE-2, respectively), as well as the three originally identified, and now unaltered, and temporary construction easements (204W-TCE1, 204W-TCE2 and 204W-TCE3) for which the ACE Board adopted Resolution of Necessity No. 13-16. (The maps and legal descriptions of the proposed easements affecting Assessor Parcel No. 8760-002-014 are attached hereto as Exhibit “4”),

4. The Majestic Owners, the Principal Entities and FoAC waive notice of the hearing on the proposed Amended RONs and stipulate that all requirements necessary for consideration of adoption of the Amended RONs have been satisfied, including those matters in Article 2 of the Eminent Domain Law and those matters related to a statutory offer as set forth in Government Code section 7267.2. The Majestic Owners, Principal Entities and FoAC further stipulate if SGVCOG’s Capital Projects and Construction Committee approves the request and adopts the Amended RONs for the taking of the revised easement affecting Assessor Parcel Nos. APNs 8760-002-014, 8760-008-002, 8760-008-003, 8760-008-004, 8760-008-005 and 8760-008-006 (“Subject Properties”), that said takings are necessary for the Project, that the public interest and necessity require the Project, and that the Project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury.

5. The parties agree that if SGVCOG’s Capital Projects and Construction Committee approves the request and adopts the Amended RONs to modify the taking of portions of the property, a First Amended Complaint in Eminent Domain, supported by the Amended RONs will be filed.

///

6. The Majestic Owners, Principal Entities and FoAC waive any costs and litigation expenses, including attorneys' fees, related to the proposed Amended Resolutions and FoAC, which may otherwise be recoverable under Code of Civil Procedure section 1250.340 or 1268.610.

7. If SGVCOG's Capital Projects and Construction Committee approves the request and adopts the Amended RONs to take the revised easements, the parties also agree to the following:

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

b. The Majestic Owners, Principal Entities and FoAC will waive any and all objections to SGVCOG's right to take the Subject Property.

c. The date of valuation to be used in this action will be the date that original Complaint was filed.

d. The parties agree that SGVCOG shall be authorized to take possession, of the revised permanent easements immediately as if they were part of the original Complaint in Eminent Domain and therefore subject to the Order for Prejudgment Possession(s) which became effective in this matter on or about March 24, 2014.

8. The parties agree to execute such other documents, and to take such other action, as may be necessary to finalize this Stipulation, perform in accordance with its terms, and request continuance of the trial currently schedule for November 5, 2018.

DATED: \_\_\_\_\_, 2018

ALAMEDA CORRIDOR-EAST CONSTRUCTION  
AUTHORITY

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

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

1 DATED: \_\_\_\_\_, 2018

MAJESTIC REALTY CO., California Corporation

3 By: \_\_\_\_\_

4 Its: \_\_\_\_\_

6 DATED: \_\_\_\_\_, 2018

INDUSTRIAL PARK E I-A, LLC, a Delaware  
Limited Liability Company

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

10 By: \_\_\_\_\_

11 Its: \_\_\_\_\_

12 By: \_\_\_\_\_

13 Its: \_\_\_\_\_

14 DATED: \_\_\_\_\_, 2018

INDUSTRIAL PARK E SUB A, LLC, a Delaware  
limited liability company

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

18 By: \_\_\_\_\_

19 Its: \_\_\_\_\_

21 By: \_\_\_\_\_

22 Its: \_\_\_\_\_

24 Additional signatures on next page

25 ///

26 ///

27 ///

28 ///

1 DATED: \_\_\_\_\_, 2018

INDUSTRIAL PARK E I-B, LLC, a Delaware  
Limited Liability Company

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

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

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

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

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

10 DATED: \_\_\_\_\_, 2018

INDUSTRIAL PARK E SUB B, LLC, a Delaware  
limited liability company

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

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

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

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

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

19 DATED: \_\_\_\_\_, 2018

INDUSTRIAL PARK E SUB A EXCHANGE, LLC,  
a Delaware limited liability company

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

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

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

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

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

28 Additional signatures on next page

DATED: \_\_\_\_\_, 2018

INDUSTRIAL PARK E SUB B EXCHANGE, LLC,  
a Delaware limited liability company

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

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

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

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

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

DATED: \_\_\_\_\_, 2018

FURNITURE OF AMERICA CALIFORNIA dba  
IMPORT DIRECT

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

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

**Approved as to Form:**

DATED: \_\_\_\_\_, 2018

OLIVER, SANDIFER & MURPHY,  
Eminent Domain Counsel

By \_\_\_\_\_

Cynthia C. Marian

Attorneys for Plaintiff

THE SAN GABRIEL VALLEY COUNCIL OF  
GOVERNMENTS in Furtherance of the ALAMEDA  
CORRIDOR-EAST CONSTRUCTION PROJECT,  
previously known as ALAMEDA CORRIDOR-EAST  
CONSTRUCTION AUTHORITY, on behalf of the  
SAN GABRIEL VALLEY COUNCIL OF  
GOVERNMENTS

Additional signatures on next page

1 DATED: \_\_\_\_\_, 2018

PALMIERI, TYLER, WIENER,  
WILHELM & WALDRON LLP

2  
3 By \_\_\_\_\_

4 Michael D'Angelo

5 Attorneys for Defendant

6 MAJESTIC REALTY CO., A CALIFORNIA  
7 CORPORATION, INDUSTRIAL PARK E SUB B,  
8 LLC, a Delaware limited liability company;  
9 INDUSTRIAL PARK E I-B, LLC, a Delaware limited  
10 liability company

11 DATED: \_\_\_\_\_, 2018

SULLIVAN, WORKMAN & DEE, LLP

12 By \_\_\_\_\_

13 Charles D. Cummings

14 Attorneys for Defendant

15 FURNITURE OF AMERICA CALIFORNIA, INC.,  
16 DBA IMPORT DIRECT

**Placeholder**

Plat Maps

&

Legal Descriptions

&

Amended Exhibit C

**AMENDED RESOLUTION NO. 13-11**

**A RESOLUTION OF THE SAN GABRIEL  
VALLEY COUNCIL OF GOVERNMENTS IN  
FURTHERANCE OF THE ALAMEDA  
CORRIDOR-EAST CONSTRUCTION PROJECT  
FINDING AND DETERMINING THAT THE  
PUBLIC INTEREST, CONVENIENCE AND  
NECESSITY REQUIRE AN AMENDMENT TO  
THE ACQUISITION OF CERTAIN PROPERTY  
FOR PUBLIC PURPOSES**

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

**SECTION 1.** The San Gabriel Valley Council of Governments, in furtherance of the Alameda Corridor East Construction Project (hereafter "SGVCOG"), formerly known as the Alameda Corridor East -- Gateway to America Construction Authority on behalf of the San Gabriel Valley Council of Governments (known as "ACE"), after consideration of the staff report, staff presentation, discussion, oral testimony and evidence presented at SGVCOG's Capital Projects and Construction Committee Meeting on Monday, August 27, 2018, at 12 p.m. hereby finds, determines and declares as follows:

- (a) The San Gabriel Valley Council of Governments, in furtherance of the Alameda Corridor East Construction Project is authorized by statute and pursuant to that certain Joint Powers Agreement dated September 17, 1998, as amended, to acquire property by eminent domain within the City of Industry, County of Los Angeles, State of California for the Alameda Corridor-East Project ("ACE Project"); and
- (b) The public interest, convenience and necessity require the proposed Fairway Drive Grade Separation Project in the City of Industry, County of Los Angeles, State of California as part of said Fairway Drive Grade Separation Project, which includes railroad crossing safety and efficiency improvements, and all uses appurtenant thereto intended to partially mitigate the impacts of increased rail traffic from the completed Alameda Corridor on motor vehicle traffic; and
- (c) The interests in real property to be acquired from that certain parcel bearing Los Angeles County Assessor Parcel No. 8760-008-002 are: one modified permanent roadway easement, one modified permanent retaining wall easement, one modified permanent footing easement, and one 12-month temporary construction easement that contains modified boundaries (in lieu of, rather than in addition to, the easements originally identified in Resolution of Necessity 13-11 as 204C-PE-1, 204C-RW, 204C-FTG, and 204C-TCE1), as well as the originally identified, and now unaltered permanent roadway easement (204C-PE-2), two utility easements (204C-UE1 and 204C-UE-2), and two temporary construction easements (204C-



TCE-2 and 204C-TCE-3) for which the ACE Board adopted Resolution of Necessity No. 13-11. Said interests are legally described on Exhibits A-1, A-2, A-3, A-4, A-5, A-6, A-7, A-8, and A-9, attached hereto and incorporated herein by this reference ("Property"). The Property is located within the City of Industry, County of Los Angeles, State of California. Maps showing the general location of the Property are attached hereto, marked Exhibits B-1, B-2, B-3, B-4, B-5, B-6, B-7, B-8, and B-9 and are incorporated herein by reference and made a part hereof. The duration of the TCEs sought to be acquired are set forth in Exhibit C, attached hereto and incorporated herein by this reference;

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

**SECTION 2.** SGVCOG Capital Projects and Construction Committee hereby declares that it is its intention to acquire said Property in accordance with the provision of the laws of the State of California governing condemnation procedures.

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

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

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

SECTION 6. The Clerk of the SGVCOG Capital Projects and Construction Committee shall certify the adoption of this Resolution and certify this record to be a full true, correct copy of the action taken.

PASSED, APPROVED AND ADOPTED this 27th day of August, 2018.

ATTEST:

Deanna Stanley, Clerk

STATE OF CALIFORNIA           )  
COUNTY OF LOS ANGELES    )  
CITY OF WEST COVINA         )

I HEREBY CERTIFY that the foregoing Amended Resolution 13-11 was duly adopted by the San Gabriel Valley Council of Governments, Capital Projects and Construction Committee Meeting at a regular meeting thereof, held on the 27th day of August, 2018, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

---

Deanna Stanley, Clerk

**Placeholder**

Plat Maps

&

Legal Descriptions

&

Amended Exhibit C

MEMO TO: Capital Projects and Construction Committee Members and Alternates

FROM: Mark Christoffels  
Chief Engineer

DATE: August 27, 2018

SUBJECT: Amended Resolution of Necessity for Property Acquisition - No.13-14  
Fairway Drive Grade Separation Project  
Property Owner: Majestic Realty Co.et al.  
19515-19605 East Walnut Drive North, City of Industry, CA  
APN: 8760-008-003 and 8760-008-004  
ACE Parcel No.: 204S&T

**RECOMMENDATION:** Staff recommends the SGVCOG Capital Projects and Construction Committee:

1. Conduct a hearing on Amended Resolution 13-14(an Amendment to Resolution of Necessity 13-14 of the ACE Construction Authority) finding and determining that the public interest, convenience and necessity require amendment to the acquisition of certain property for public purposes; and
2. Review the evidence presented, including this staff report and public comments and close the hearing; and
3. Adopt the attached Amended Resolution 13-14authorizing the amendment of eminent domain proceedings, and/or other means, so as to acquire: one (1) modified permanent utility easement 25,518 s.f (in lieu of, rather than in addition to, the easements originally identified in Resolution of Necessity 13-14 as 204S&T-UE1 and 204S&T-UE2, respectively), two (2) new 12-month temporary construction easements (204S-TCE1A and 204S-TCE 1B) totaling 11,040 s.f, one (1) new 6-month temporary construction easement (204S&T-TCE2) 43,498 s.f, as well as the originally identified, and now unaltered, one (1) permanent railroad easement (204S&T-RRE) 11,927 s.f, one (1) 12-month temporary construction easement (204S-TCE1) 11,426 s.f, and two (2) 6-month temporary construction easements (204S&T-TCE2A and 204S&T-TCE2B) totaling 41,993 s.f for which the ACE Board adopted Resolution of Necessity No. 13-14. Said interests are legally described on Exhibits A-1, A-2, A-3, A-4, A-5, and A-6, attached hereto and incorporated herein by this reference ("Property")from those certain parcels bearing Los Angeles Assessor Parcel Numbers8760-008-003 and 8760-008-

004. The durations of the TCEs referenced above shall commence no sooner than 30 days after the SGVCOG Capital Projects and Construction Committee, formerly known as the ACE Construction Authority mails a written Notice of Commencement of TCE. (Note: This requires an affirmative TWO-THIRDS (2/3) vote of the SGVCOG Capital Projects and Construction Committee).

**BACKGROUND:** The SGVCOG Capital Projects and Construction Committee and the formerly constituted Alameda Corridor East Construction Authority was formed pursuant to the California Joint Powers law (Govt. Code section 6500 et seq.) for purposes of implementing the Alameda Corridor East ("ACE Project"). The ACE Project is a multi-phase project that will improve the safety and efficiency of railroad crossings from Los Angeles, east to San Bernardino County to mitigate some of the impacts created by increased rail traffic from the Ports of Long Beach and Los Angeles.

Included in the ACE Project is a grade separation of Fairway Drive/E. Walnut Drive N. ("Fairway Drive Grade Separation Project") in the City of Industry, County of Los Angeles from the Union Pacific Railroad right-of-way, which will eliminate current and future long delays of traffic at the crossing. The Fairway Drive Grade Separation Project is statutorily exempt from CEQA pursuant to Public Resources Code section 21080.13. In order to accommodate the grade separation at Fairway Drive/E. Walnut Drive N., one (1) permanent railroad easement, two (2) permanent utility easements, and one (1) 12-month temporary construction easement and two (2) 6-month temporary construction easements, were originally required from those certain parcels bearing Los Angeles Assessor Parcel Numbers 8760-008-003 and 8760-008-004.

The property identified in the original ACE Resolution 13-14 was owned by Majestic Realty Co. and Industrial Park E Sub B and Industrial Park E I-B, LLC. ("The Majestic Owners"). The Larger Parcel is 522,450 s.f, and is improved with single-tenant industrial building built in 1979, with a gross square footage of approximately 361,670 s.f. The site includes asphalt paved loading areas, chain link fencing, a rail spur and rail car loading, freeway visible sign and miscellaneous landscaping.

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

ACE staff tendered an offer to purchase to the Majestic Owners in the amount of \$592,800 on September 25, 2013 for the originally identified easements. But, with an

agreement not having been reached, the Board adopted a Resolution of Necessity for acquisition of the originally identified easements, on October 28, 2013, and Eminent Domain proceedings were commenced on November 12, 2013, ACE having made all necessary findings and having met all statutory prerequisites thereto. (The property interests in Resolution 13-14 were combined with those in ACE Resolutions 13-11, 13-15, and 13-16 for Eminent Domain filing purposes due to proximity and common ownership of the parcels.)

During construction of the Project, the Majestic Owners discovered that the Project design assumed a disconnected rail spur on the parcel was abandoned and requested that ACE revise the Project design to allow for future reconnection of the rail spur in question. ACE engineers were able to modify the design and obtain approval from UPRR to accommodate reconnection of the spur track. Accordingly, with the project redesign, modified and additional right-of-way requirements are necessary. Therefore, SGVCOG, the Majestic Owners, their successor owners (the Larger Parcel was sold by Majestic Realty Co. in 2017), and the sole tenant on the property, Furniture of American Corporation ("FoAC") are entering into a Stipulation (attached hereto as Exhibit 1) whereby they agree that: a request would be made to SGVCOG's governing board at its first available public meeting to consider adoption of an Amended Resolution of Necessity ("Amended RON") for: one (1) modified permanent utility easement (in lieu of, rather than in addition to, the easements originally identified in Resolution of Necessity 13-14 as 204S&T-UE1 and 204S&T-UE2, respectively), two (2) new 12-month temporary construction easements (204S-TCE1A and 204S-TCE 1B), one (1) new 6-month temporary construction easement (204S&T-TCE2), as well as the originally identified, and now unaltered, one (1) permanent railroad easement (204S&T-RRE), one (1) 12-month temporary construction easement (204S-TCE1), and two (2) 6-month temporary construction easements (204S&T-TCE2A and 204S&T-TCE2B) for which the ACE Board adopted Resolution of Necessity No. 13-14. Said interests are legally described on Exhibits A-1, A-2, A-3, A-4, A-5, and A-6 attached hereto and incorporated herein by this reference ("Property") from those certain parcels bearing Los Angeles Assessor Parcel Numbers 8760-008-003 and 8760-008-004 for the above-stated public use.

By way of the stipulation attached hereto as Exhibit 1, Majestic Owners, the Successor Owners and FoAC waive further notice of the hearing on the proposed Amended RON and stipulate that all requirements necessary for consideration of adoption of the Amended RON had been satisfied, including those matters in Article 2 of the Eminent Domain Law and those matters related to a statutory offer as set forth in Government Code section 7267.2. The Majestic Owners, the Successor Owners, and FoAC further stipulated that if SGVCOG's governing board approves the request and adopts an Amended RON for the taking of the revised easements affecting Assessor Parcel Nos.



8760-008-003 and 8760-008-004 ("Subject Property"), that said modified taking is necessary for the Project, that the public interest and necessity require the Project, and that the Project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury.

The parties agree that if SGVCOG's governing board approves the request and adopts an Amended RON to modify the taking of portions of the property, a First Amended Complaint in Eminent Domain, supported by the Amended RON shall be filed.

After conducting the public hearing, if the SGVCOG Capital Projects and Construction Committee finds that the public necessity so requires, the SGVCOG Capital Projects and Construction Committee should adopt the attached Amended Resolution of Necessity 13-14, authorizing amendment of condemnation proceedings for the purpose of acquiring the modified property which interest are described in Resolution 13-14.

The findings, which need to be made, are as set forth in the Resolution of Necessity. Specifically, the SGVCOG Capital Projects and Construction Committee must find:

1. That the public interest, convenience and necessity require the acquisition of the proposed project. As proposed, the Fairway Drive Grade Separation Project will serve public purposes, as discussed above; and
2. That the Fairway Drive Grade Separation Project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury. As set forth above, the Property is being acquired to improve the safety and efficiency of the rail crossing by constructing a grade separation at Fairway Drive/E. Walnut Drive N. The original 1997 San Gabriel Valley Council of Governments study looked at alternatives to an underpass and different grade separation configurations to identify any overall project cost and real estate impact reductions. Subsequently, as the design of the project began, ACE staff evaluated alternative configurations in greater detail. Additionally, ACE conducted an Engineering Value Analysis workshop that engaged stakeholders and technical experts to analyze and vet the various design scenarios. The no build alternative was examined through the project ranking process described in the 1997 report. Fairway Drive is a primary arterial street, serving multiple residential and commercial areas. The Fairway Drive Grade Separation project constructed as an underpass will eliminate the possibility of train—vehicle collisions at this location and the effect of stopped and moving trains on vehicular traffic capacity; and in order to build such an underpass with the least private injury, several easements should now be modified and added to complete the Project; and

3. That the amended property interests sought to be acquired are necessary for the Fairway Drive Grade Separation Project. From the subject property it is necessary to acquire: one (1) permanent railroad easement, one (1) permanent utility easement, one (1) 12-month temporary construction easement, two (2) 6-month temporary construction easements, as well as two (2) new 12-month temporary construction easements and one (1) new 6-month temporary construction easement. Without the acquisition of the various amended permanent easements, new temporary construction easements and original temporary construction easements as included in Exhibit 2 attached hereto, the proposed Fairway Drive Grade Separation Project cannot be completed; and
4. That SGVCOG has complied with CEQA. The Fairway Drive Grade Separation Project is statutorily exempt pursuant to Public Resources Code section 21080.13. The Legislature created an absolute exemption for railroad grade separations via Public Resources Code § 21080.13, which provides that CEQA “does not apply to any railroad grade separation project which eliminates an existing grade crossing, or which reconstructs an existing grade separation.” Cal. Pub. Res. Code § 21080.13. The Fairway Drive Grade Separation Project eliminates an existing grade crossing. Based upon § 21080.13, the Fairway Drive Grade Separation Project is therefore exempt from CEQA review. Since the Fairway Drive Grade Separation is exempt from CEQA, no environmental review is necessary, and it may be implemented without any CEQA compliance whatsoever.

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

**BUDGET IMPACT:** Funds for the acquisition of this property are available from MTA Measure R and Proposition C funds and are included in the Authority’s FY 2019 budget.

## ***ATTACHMENTS***

Exhibit 1- Stipulation re: Scope of Take and Transfer of Possession  
Exhibit 2- Amended Resolution of Necessity No. 13-14 with Exhibits

DUFF MURPHY, State Bar No. 106091  
CYNTHIA C. MARIAN, State Bar No. 185206  
OLIVER, SANDIFER & MURPHY  
1230 Rosecrans Avenue, Suite 300  
Manhattan Beach, California 90266-2494  
Telephone: (213) 621-2000; (424) 456-3194  
Facsimile: (424) 456-3094

Attorneys for Plaintiff

**SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF LOS ANGELES**

ALAMEDA CORRIDOR-EAST  
CONSTRUCTION AUTHORITY,

Plaintiff

vs.

MAJESTIC REALTY CO., a California  
Corporation, as to 50% Interest;  
INDUSTRIAL PARK E SUB B, LLC, a  
Delaware Limited Liability Company, as to an  
Undivided 47.5%; INDUSTRIAL PARK E I-  
B, LLC, a Delaware Limited Liability  
Company, as to an Undivided 2.5%;  
SOUTHERN CALIFORNIA EDISON  
COMPANY; THE CITY OF INDUSTRY, a  
municipal corporation; GENERAL  
TELEPHONE COMPANY OF  
CALIFORNIA; a Corporation, its Successors  
and Assigns; SOUTHERN CALIFORNIA  
EDISON COMPANY, a Corporation, its  
Successors and Assigns; THE PRUDENTIAL  
INSURANCE COMPANY OF AMERICA, a  
New Jersey Corporation; SOUTHERN  
COUNTIES GAS COMPANY; DOE 1  
through DOE100; and ALL PERSONS  
UNKNOWN CLAIMING AN INTEREST IN  
THE PROPERTY TO BE CONDEMNED  
HEREIN,

Defendants.

NO. BC 527309

**STIPULATION RE SCOPE OF TAKE AND  
AMENDMENT TO RIGHT OF WAY**

[ACE Parcel No. 204W-TCE1, 204W-TCE2 and,  
204W-TCE3, 204W-UE1 and 204W-UE2, 204S&  
T-RRE, 204S&T-TCE2A and 204S&T-TCE2B,  
204S&T-UE-1 and 204S&T-UE-2, 204S-TCE1,  
204U&V-RRE, 204U&V-TCE-1, 204U&V-  
TCE2, 204U&V-TCE-3, 204U&V-UE, 204C-  
FTG, 204C-PE-1 and 204C-PE-2, 204C-RRE,  
204C-RW, 204C-TCE-1, 204C-TCE-2, 204C-  
TCE-3, 204C-UE1, 204C-UE-2]

[APN 8760-002-014, 8760-008-002, 8760-008-  
003, 8760-008-004, 8760-008-005 and 8760-008-  
006]

[Exempt from filing fees - Government Code  
§6103]

Complaint filed November 12, 2013

Assigned for all purposes to:  
Judge Yvette M. Palazuelos  
Department 28

1 TO ALL PARTIES AND THEIR COUNSEL OF RECORD:

2 Plaintiff the San Gabriel Valley Council of Governments in furtherance of the Alameda  
3 Corridor-East Construction Authority ("SGVCOG") and defendants MAJESTIC REALTY CO., a  
4 California Corporation ("Majestic Realty Co."), and Industrial Park E I-A, LLC, a Delaware  
5 limited liability company, Industrial Park E Sub A, LLC, a Delaware limited liability company,  
6 Industrial Park E I-B, LLC, a Delaware limited liability company, and Industrial Park E Sub B,  
7 LLC, a Delaware limited liability company, Industrial Park E Sub A Exchange, LLC, a Delaware  
8 limited liability company, and Industrial Park E Sub B Exchange, LLC, a Delaware limited  
9 liability company (collectively, the "Principal Entities") and FURNITURE OF AMERICA  
10 CALIFORNIA dba IMPORT DIRECT ("FoAC") stipulate as follows:

11 1. On November 12, 2013, ACE filed its Complaint in Eminent Domain to take  
12 easements over a portion of the Majestic Realty Co and Principal Entities' property identified as  
13 APNs 8760-002-014, 8760-008-002, 8760-008-003, 8760-008-004, 8760-008-005 and 8760-008-  
14 006, generally located at Fairway Drive and E. Walnut Drive North, in the City of Industry for the  
15 Alameda Corridor-East Construction Project ("Project").

16 2. After commencement of this action and during construction of the Project, Majestic  
17 Realty Co. approached Plaintiff's representatives and requested whether the easements along the  
18 Fairway-adjacent edge of APN 8760-008-002 could be shrunk in any way to leave more usable  
19 surface area to access the truck bays on the eastern edge of the building located on that parcel.  
20 SGVCOG revised its construction plans to reduce the size of the right-hand turn lane from  
21 Fairway to Walnut and relocate the retaining wall and footing easement further to the East.  
22 Accordingly, SGVCOG (formerly known as ACE), commissioned revised maps and legal  
23 descriptions for the easements identified in the Complaint in Eminent Domain as 204C-PE1,  
24 204C-RW, 204C-FTG and 204C-TCE1. Therefore, the parties agree that a request will be made to  
25 SGVCOG Capital Projects and Construction Committee (successor to the ACE's governing  
26 board) at its first available public meeting to consider adoption of an Amended Resolution of  
27 Necessity incorporating 1) the revised easements listed above, and 2) leaving unaltered the  
28 easements identified in the original complaint as 204C-PE2, 204C-RRE, 204C-UE1, 204C-UE2

204C-TCE2, and 204C-TCE3, 3) as set forth in the attached plat maps and legal descriptions attached as Exhibit 1.

3. During construction, it was discovered Majestic Realty Co. and the Principal Entities had intentions of reconnecting an existing but disconnected rail spur track located on parcels 8760-008-005 and 8760-008-006 which would require redesign of the Project to accommodate potential future reconnection. Therefore, the parties have agreed that: a) a request will be made to SGVCOG's Capital Projects and Construction Committee at its first available public meeting to consider adoption of an Amended Resolution of Necessity ("Amended RON") that SGVCOG acquire from Assessor Parcel Nos. 8760-008-003 and 8760-008-004 (ACE Parcels 204S&T): one modified permanent utility easement (in lieu of 204S&T-UE1 as adopted in ACE Resolution of Necessity 13-14), and two new 12-month temporary construction easements (204S-TCE1A and 204S-TCE1B) as well one new 6-month temporary construction easement (204S&T-TCE2) in addition to the TCEs originally identified in Resolution of Necessity 13-14, as well as the originally identified, and now unaltered permanent railroad easement (204S&T-RRE), one utility easement (204S&T-UE-2), and three temporary construction easements (204S-TCE1 (for 12 months) and 204S&T-TCE2A and 204S&T-TCE2B (for 6 months each) for which the ACE Board adopted Resolution of Necessity No. 13-14. (The maps and legal descriptions of the proposed easements affecting Assessor Parcel Nos. 8760-008-003 and 8760-008-004 are attached hereto as Exhibit "2"),

b) a request will be made to SGVCOG's Capital Projects and Construction Committee at its first available public meeting to consider adoption of an Amended Resolution of Necessity ("Amended RON") that SGVCOG acquire from Assessor Parcel Nos. 8760-008-005 and 8760-008-006 (ACE Parcels 204U&V): one modified permanent railroad easement, one modified permanent utility easement, (in lieu of, rather than in addition to, the easements originally identified in Resolution of Necessity 13-15 as 204U&V-RRE and 204U&V-UE, respectively), as well as the three originally identified, and now unaltered, 24-month temporary construction easements (204U&V-TCE1, 204U&V-TCE2 and 204V&V-TCE3) for which the ACE Board adopted Resolution of Necessity No. 13-15. (The maps and legal descriptions of the proposed easements affecting Assessor Parcel



Nos. 8760-008-005 and 8760-008-006 are attached hereto as Exhibit “3”),  
c) a request will be made to SGVCOG’s Capital Projects and Construction Committee at its first available public meeting to consider adoption of an Amended Resolution of Necessity (“Amended RON”) that SGVCOG acquire from Assessor Parcel No. 8760-002-014 (ACE Parcel 204W): two new permanent railroad easements (204W-RRE-1A and 204W-RRE-1B), one new 12-month temporary construction easement (204W-TCE1 (dated 2018)), one modified permanent utility easement, (in lieu of, rather than in addition to, the easements originally identified in Resolution of Necessity 13-16 as 204W-UE-1, and 204W-UE-2, respectively), as well as the three originally identified, and now unaltered, and temporary construction easements (204W-TCE1, 204W-TCE2 and 204W-TCE3) for which the ACE Board adopted Resolution of Necessity No. 13-16. (The maps and legal descriptions of the proposed easements affecting Assessor Parcel No. 8760-002-014 are attached hereto as Exhibit “4”),

4. The Majestic Owners, the Principal Entities and FoAC waive notice of the hearing on the proposed Amended RONs and stipulate that all requirements necessary for consideration of adoption of the Amended RONs have been satisfied, including those matters in Article 2 of the Eminent Domain Law and those matters related to a statutory offer as set forth in Government Code section 7267.2. The Majestic Owners, Principal Entities and FoAC further stipulate if SGVCOG’s Capital Projects and Construction Committee approves the request and adopts the Amended RONs for the taking of the revised easement affecting Assessor Parcel Nos. APNs 8760-002-014, 8760-008-002, 8760-008-003, 8760-008-004, 8760-008-005 and 8760-008-006 (“Subject Properties”), that said takings are necessary for the Project, that the public interest and necessity require the Project, and that the Project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury.

5. The parties agree that if SGVCOG’s Capital Projects and Construction Committee approves the request and adopts the Amended RONs to modify the taking of portions of the property, a First Amended Complaint in Eminent Domain, supported by the Amended RONs will be filed.

///

6. The Majestic Owners, Principal Entities and FoAC waive any costs and litigation expenses, including attorneys' fees, related to the proposed Amended Resolutions and FoAC, which may otherwise be recoverable under Code of Civil Procedure section 1250.340 or 1268.610.

7. If SGVCOG's Capital Projects and Construction Committee approves the request and adopts the Amended RONs to take the revised easements, the parties also agree to the following:

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

b. The Majestic Owners, Principal Entities and FoAC will waive any and all objections to SGVCOG's right to take the Subject Property.

c. The date of valuation to be used in this action will be the date that original Complaint was filed.

d. The parties agree that SGVCOG shall be authorized to take possession, of the revised permanent easements immediately as if they were part of the original Complaint in Eminent Domain and therefore subject to the Order for Prejudgment Possession(s) which became effective in this matter on or about March 24, 2014.

8. The parties agree to execute such other documents, and to take such other action, as may be necessary to finalize this Stipulation, perform in accordance with its terms, and request continuance of the trial currently schedule for November 5, 2018.

DATED: \_\_\_\_\_, 2018

ALAMEDA CORRIDOR-EAST CONSTRUCTION  
AUTHORITY

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

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

1 DATED: \_\_\_\_\_, 2018 MAJESTIC REALTY CO., California Corporation

2  
3 By: \_\_\_\_\_

4 Its: \_\_\_\_\_

5  
6 DATED: \_\_\_\_\_, 2018 INDUSTRIAL PARK E I-A, LLC, a Delaware  
7 Limited Liability Company

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

10 By: \_\_\_\_\_

11 Its: \_\_\_\_\_

12 By: \_\_\_\_\_

13 Its: \_\_\_\_\_

14 DATED: \_\_\_\_\_, 2018 INDUSTRIAL PARK E SUB A, LLC, a Delaware  
15 limited liability company

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

18 By: \_\_\_\_\_

19 Its: \_\_\_\_\_

20 By: \_\_\_\_\_

21 Its: \_\_\_\_\_

22  
23  
24 Additional signatures on next page

25 ///

26 ///

27 ///

28 ///



1 DATED: \_\_\_\_\_, 2018

INDUSTRIAL PARK E I-B, LLC, a Delaware  
Limited Liability Company

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

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

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

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

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

10 DATED: \_\_\_\_\_, 2018

INDUSTRIAL PARK E SUB B, LLC, a Delaware  
limited liability company

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

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

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

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

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

19 DATED: \_\_\_\_\_, 2018

INDUSTRIAL PARK E SUB A EXCHANGE, LLC,  
a Delaware limited liability company

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

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

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

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

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

28 Additional signatures on next page

DATED: \_\_\_\_\_, 2018

INDUSTRIAL PARK E SUB B EXCHANGE, LLC,  
a Delaware limited liability company

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

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

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

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

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

DATED: \_\_\_\_\_, 2018

FURNITURE OF AMERICA CALIFORNIA dba  
IMPORT DIRECT

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

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

**Approved as to Form:**

DATED: \_\_\_\_\_, 2018

OLIVER, SANDIFER & MURPHY,  
Eminent Domain Counsel

By \_\_\_\_\_

Cynthia C. Marian

Attorneys for Plaintiff

THE SAN GABRIEL VALLEY COUNCIL OF  
GOVERNMENTS in Furtherance of the ALAMEDA  
CORRIDOR-EAST CONSTRUCTION PROJECT,  
previously known as ALAMEDA CORRIDOR-EAST  
CONSTRUCTION AUTHORITY, on behalf of the  
SAN GABRIEL VALLEY COUNCIL OF  
GOVERNMENTS

Additional signatures on next page

1 DATED: \_\_\_\_\_, 2018

PALMIERI, TYLER, WIENER,  
WILHELM & WALDRON LLP

2  
3 By \_\_\_\_\_

4 Michael D'Angelo

5 Attorneys for Defendant

6 MAJESTIC REALTY CO., A CALIFORNIA  
7 CORPORATION, INDUSTRIAL PARK E SUB B,  
8 LLC, a Delaware limited liability company;  
9 INDUSTRIAL PARK E I-B, LLC, a Delaware limited  
10 liability company

11 DATED: \_\_\_\_\_, 2018

SULLIVAN, WORKMAN & DEE, LLP

12 By \_\_\_\_\_

13 Charles D. Cummings

14 Attorneys for Defendant

15 FURNITURE OF AMERICA CALIFORNIA, INC.,  
16 DBA IMPORT DIRECT

**Placeholder**

Plat Maps

&

Legal Descriptions

&

Amended Exhibit C

**AMENDED RESOLUTION NO. 13-14**

**A RESOLUTION OF THE SAN GABRIEL  
VALLEY COUNCIL OF GOVERNMENTS IN  
FURTHERANCE OF THE ALAMEDA  
CORRIDOR-EAST CONSTRUCTION PROJECT  
FINDING AND DETERMINING THAT THE  
PUBLIC INTEREST, CONVENIENCE AND  
NECESSITY REQUIRE AN AMENDMENT TO  
THE ACQUISITION OF CERTAIN PROPERTY  
FOR PUBLIC PURPOSES**

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

**SECTION 1.** The San Gabriel Valley Council of Governments, in furtherance of the Alameda Corridor East Construction Project (hereafter "SGVCOG"), formerly known as the Alameda Corridor East -- Gateway to America Construction Authority on behalf of the San Gabriel Valley Council of Governments (known as "ACE"), after consideration of the staff report, staff presentation, discussion, oral testimony and evidence presented at SGVCOG's Capital Projects and Construction Committee Meeting on Monday, August 27, 2018, at 12 p.m. hereby finds, determines and declares as follows:

- (a) The San Gabriel Valley Council of Governments, in furtherance of the Alameda Corridor East Construction Project is authorized by statute and pursuant to that certain Joint Powers Agreement dated September 17, 1998, as amended, to acquire property by eminent domain within the City of Industry, County of Los Angeles, State of California for the Alameda Corridor-East Project ("ACE Project"); and
- (b) The public interest, convenience and necessity require the proposed Fairway Drive Grade Separation Project in the City of Industry, County of Los Angeles, State of California as part of said Fairway Drive Grade Separation Project, which includes railroad crossing safety and efficiency improvements, and all uses appurtenant thereto intended to partially mitigate the impacts of increased rail traffic from the completed Alameda Corridor on motor vehicle traffic; and
- (c) The interests in real property to be acquired from those certain parcels bearing Los Angeles County Assessor Parcel Nos. 8760-008-003 and 8760-008-004 are: one modified permanent utility easement (in lieu of 204S&T-UE1 as adopted in ACE Resolution of Necessity 13-14), and two new 12-month temporary construction easements (204S-TCE1A and 204S-TCE1B) as well one new 6-month temporary construction easement (204S&T-TCE2) in addition to the TCEs originally identified in Resolution of Necessity 13-14, as well as the originally identified, and now unaltered permanent railroad easement (204S&T-RRE), one utility easement (204S&T-UE-2), and three temporary construction easements (204S-TCE1 (for 12

months) and 204S&T-TCE2A and 204S&T-TCE2B (for 6 months each) for which the ACE Board adopted Resolution of Necessity No. 13-14. Said interests are legally described on Exhibits A-1, A-2, A-3, A-4, A-5, A-6, and A-7 attached hereto and incorporated herein by this reference ("Property"). The Property is located within the City of Industry, County of Los Angeles, State of California. Maps showing the general location of the Property are attached hereto, marked Exhibits B-1, B-2, B-3, B-4, B-5, B-6, and B-7 and are incorporated herein by reference and made a part hereof. The duration of the TCEs sought to be acquired are set forth in Exhibit C, attached hereto and incorporated herein by this reference;

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

SECTION 2. SGVCOG Capital Projects and Construction Committee hereby declares that it is its intention to acquire said Property in accordance with the provision of the laws of the State of California governing condemnation procedures.

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

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

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

SECTION 6. The Clerk of the SGVCOG Capital Projects and Construction Committee shall certify the adoption of this Resolution and certify this record to be a full true, correct copy of the action taken.

PASSED, APPROVED AND ADOPTED this 27th day of August, 2018.

ATTEST:

Deanna Stanley, Clerk

STATE OF CALIFORNIA           )  
COUNTY OF LOS ANGELES    )  
CITY OF WEST COVINA         )



I HEREBY CERTIFY that the foregoing Amended Resolution 13-14 was duly adopted by the San Gabriel Valley Council of Governments, Capital Projects and Construction Committee Meeting at a regular meeting thereof, held on the 27th day of August, 2018, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

---

Deanna Stanley, Clerk

**Placeholder**

Plat Maps

&

Legal Descriptions

&

Amended Exhibit C



MEMO TO: Capital Projects and Construction Committee Members and Alternates

FROM: Mark Christoffels  
Chief Engineer

DATE: August 27, 2018

SUBJECT: Amended Resolution of Necessity for Property Acquisition - No.13-15  
Fairway Drive Grade Separation Project  
Property Owner: Majestic Realty Co.et al.  
19445-19485 East Walnut Drive North, City of Industry, CA  
APN: 8760-008-005 and 8760-008-006  
ACE Parcel No.: 204U&V

**RECOMMENDATION:** Staff recommends the SGVCOG Capital Projects and Construction Committee:

1. Conduct a hearing on Amended Resolution 13-15 (an Amendment to Resolution of Necessity 13-15 of the ACE Construction Authority) finding and determining that the public interest, convenience and necessity require amendment to the acquisition of certain property for public purposes; and
2. Review the evidence presented, including this staff report and public comments and close the hearing; and
3. Adopt the attached Amended Resolution 13-15 authorizing the amendment of eminent domain proceedings, and/or other means, so as to acquire: one (1) modified permanent railroad easement 17,513 s.f, one (1) modified permanent utility easement 25,375 s.f (in lieu of, rather than in addition to, the easements originally identified in Resolution of Necessity 13-15 as 204U&V-RRE and 204U&V-UE, respectively), as well as the three (3) originally identified, and now unaltered, 24-month temporary construction easements (204U&V-TCE1, 204U&V-TCE2 and 204U&V-TCE3) totaling 11,477 s.f for which the ACE Board adopted Resolution of Necessity No. 13-15. Said interests are legally described on Exhibits A-1, A-2, and A-3, attached hereto and incorporated herein by this reference ("Property") from those certain parcels bearing Los Angeles Assessor Parcel Numbers 8760-008-005 and 8760-008-006. The durations of the TCEs referenced above shall commence no sooner than 30 days after the ACE Construction Authority mails a written Notice of Commencement of TCE. (Note: This requires an affirmative TWO-THIRDS (2/3) vote of the SGVCOG Capital Projects and Construction Committee).

**BACKGROUND:** The SGVCOG Capital Projects and Construction Committee and the formerly constituted Alameda Corridor East Construction Authority was formed pursuant to the California Joint Powers law (Govt. Code section 6500 et seq.) for purposes of implementing the Alameda Corridor East ("ACE Project"). The ACE Project is a multi-phase project that will improve the safety and efficiency of railroad crossings from Los Angeles, east to San Bernardino County to mitigate some of the impacts created by increased rail traffic from the Ports of Long Beach and Los Angeles.

Included in the ACE Project is a grade separation of Fairway Drive/E. Walnut Drive N. ("Fairway Drive Grade Separation Project") in the City of Industry, County of Los Angeles from the Union Pacific Railroad right-of-way, which will eliminate current and future long delays of traffic at the crossing. The Fairway Drive Grade Separation Project is statutorily exempt from CEQA pursuant to Public Resources Code section 21080.13. In order to accommodate the grade separation at Fairway Drive/E. Walnut Drive N., one (1) permanent railway easement, one (1) permanent utility easement, and three (3) 24-month temporary construction easements, were originally required from those certain parcels bearing Los Angeles Assessor Parcel Numbers 8760-008-005 and 8760-008-006.

The property identified in the original ACE Resolution 13-15 was owned by Majestic Realty Co. and Industrial Park E Sub B and Industrial Park E I-B, LLC. ("The Majestic Owners"). The Larger Parcel is 609,798 s.f., and is improved with two dual-tenant industrial buildings built in 1979, with a gross square footage of approximately 376,560 s.f. The site includes asphalt paved loading areas, chain link fencing, a rail spur and rail car loading, freeway visible sign and miscellaneous landscaping.

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

ACE staff tendered an offer to purchase to the Majestic Owners in the amount of \$449,650 on September 25, 2013 for the originally identified easements. But, with an agreement not having been reached, the Board adopted a Resolution of Necessity for acquisition of the originally identified easements, on October 28, 2013, and Eminent Domain proceedings were commenced on November 12, 2013, ACE having made all necessary findings and having met all statutory prerequisites thereto. (The property interests in Resolution 13-15 were combined with those in ACE Resolutions 13-11, 13-14, and 13-16

for Eminent Domain filing purposes due to proximity and common ownership of the parcels.)

During construction of the Project, the Majestic Owners discovered that the Project design assumed a disconnected rail spur on the parcel was abandoned, and requested that ACE revise the Project design to allow for future reconnection of the rail spur in question. ACE engineers were able to modify the design and obtain approval from UPRR to accommodate reconnection of the spur track. Accordingly, with the project redesign modified right-of-way requirements are necessary. Therefore, SGVCOG, the Majestic Owners, their successor owners (the Larger Parcel was sold by Majestic Realty Co. in 2017), and the sole tenant on the property, Furniture of American Corporation ("FoAC") are entering into a Stipulation (attached hereto as Exhibit 1) whereby they agree that: a request would be made to SGVCOG's governing board at its first available public meeting to consider adoption of an Amended Resolution of Necessity ("Amended RON") for: one (1) modified permanent railroad easement, one (1) modified permanent utility easement, (in lieu of, rather than in addition to, the easements originally identified in Resolution of Necessity 13-15 as 204U&V-RRE and 204U&V-UE, respectively), as well as the three (3) originally identified, and now unaltered, 24-month temporary construction easements (204U&V-TCE1, 204U&V-TCE2 and 204V&V-TCE3) for which the ACE Board adopted Resolution of Necessity No. 13-15. Said interests are legally described on Exhibits A-1, A-2, and A-3, attached hereto and incorporated herein by this reference ("Property") from those certain parcels bearing Los Angeles Assessor Parcel Numbers 8760-008-005 and 8760-008-006 for the above-stated public use.

By way of the stipulation attached hereto as Exhibit 1, Majestic Owners, the Successor Owners and FoAC waive further notice of the hearing on the proposed Amended RON and stipulate that all requirements necessary for consideration of adoption of the Amended RON had been satisfied, including those matters in Article 2 of the Eminent Domain Law and those matters related to a statutory offer as set forth in Government Code section 7267.2. The Majestic Owners, the Successor Owners, and FoAC further stipulate that if SGVCOG's governing board approves the request and adopts an Amended RON for the taking of the revised easements affecting Assessor Parcel Nos. 8760-008-005 and 8760-008-006 ("Subject Property"), that said modified taking is necessary for the Project, that the public interest and necessity require the Project, and that the Project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury.

The parties agreed that if SGVCOG's governing board approves the request and adopts an Amended RON to modify the taking of portions of the property, a First Amended Complaint in Eminent Domain, supported by the Amended RON shall be filed.

After conducting the public hearing, if the SGVCOG Capital Projects and Construction Committee finds that the public necessity so requires, the SGVCOG Capital Projects and Construction Committee should adopt the attached Amended Resolution of Necessity 13-15, authorizing amendment of condemnation proceedings for the purpose of acquiring the modified property which interest are described in Resolution 13-15.

The findings, which need to be made, are as set forth in the Resolution of Necessity. Specifically, the SGVCOG Capital Projects and Construction Committee must find:

1. That the public interest, convenience and necessity require the acquisition of the proposed project. As proposed, the Fairway Drive Grade Separation Project will serve public purposes, as discussed above; and
2. That the Fairway Drive Grade Separation Project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury. As set forth above, the Property is being acquired to improve the safety and efficiency of the rail crossing by constructing a grade separation at Fairway Drive/E. Walnut Drive N. The original 1997 San Gabriel Valley Council of Governments study looked at alternatives to an underpass and different grade separation configurations to identify any overall project cost and real estate impact reductions. Subsequently, as the design of the project began, ACE staff evaluated alternative configurations in greater detail. Additionally, ACE conducted an Engineering Value Analysis workshop that engaged stakeholders and technical experts to analyze and vet the various design scenarios. The no build alternative was examined through the project ranking process described in the 1997 report. Fairway Drive is a primary arterial street, serving multiple residential and commercial areas. The Fairway Drive Grade Separation project constructed as an underpass will eliminate the possibility of train—vehicle collisions at this location and the effect of stopped and moving trains on vehicular traffic capacity; and in order to build such an underpass with the least private injury several easements should now be modified; and
3. That the amended property interests sought to be acquired are necessary for the Fairway Drive Grade Separation Project. From the subject property it is necessary to acquire: one (1) permanent railroad easement, one (1) permanent utility easement, and three (3) 24-month temporary construction easements. Without the acquisition of the various amended permanent easements, and original temporary construction easements as included in Exhibit 2 attached hereto, the proposed Fairway Drive Grade Separation Project cannot be completed; and

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

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

**BUDGET IMPACT:** Funds for the acquisition of this property are available from MTA Measure R and Proposition C funds and are included in the Agency’s FY 2019 budget.

### ***ATTACHMENTS***

Exhibit 1- Stipulation re: Scope of Take and Transfer of Possession  
Exhibit 2- Amended Resolution of Necessity No. 13-15with Exhibits

DUFF MURPHY, State Bar No. 106091  
CYNTHIA C. MARIAN, State Bar No. 185206  
OLIVER, SANDIFER & MURPHY  
1230 Rosecrans Avenue, Suite 300  
Manhattan Beach, California 90266-2494  
Telephone: (213) 621-2000; (424) 456-3194  
Facsimile: (424) 456-3094

Attorneys for Plaintiff

**SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
**FOR THE COUNTY OF LOS ANGELES**

ALAMEDA CORRIDOR-EAST  
CONSTRUCTION AUTHORITY,

Plaintiff

vs.

MAJESTIC REALTY CO., a California  
Corporation, as to 50% Interest;  
INDUSTRIAL PARK E SUB B, LLC, a  
Delaware Limited Liability Company, as to an  
Undivided 47.5%; INDUSTRIAL PARK E I-  
B, LLC, a Delaware Limited Liability  
Company, as to an Undivided 2.5%;  
SOUTHERN CALIFORNIA EDISON  
COMPANY; THE CITY OF INDUSTRY, a  
municipal corporation; GENERAL  
TELEPHONE COMPANY OF  
CALIFORNIA; a Corporation, its Successors  
and Assigns; SOUTHERN CALIFORNIA  
EDISON COMPANY, a Corporation, its  
Successors and Assigns; THE PRUDENTIAL  
INSURANCE COMPANY OF AMERICA, a  
New Jersey Corporation; SOUTHERN  
COUNTIES GAS COMPANY; DOE 1  
through DOE100; and ALL PERSONS  
UNKNOWN CLAIMING AN INTEREST IN  
THE PROPERTY TO BE CONDEMNED  
HEREIN,

Defendants.

NO. BC 527309

**STIPULATION RE SCOPE OF TAKE AND  
AMENDMENT TO RIGHT OF WAY**

[ACE Parcel No. 204W-TCE1, 204W-TCE2 and,  
204W-TCE3, 204W-UE1 and 204W-UE2, 204S&  
T-RRE, 204S&T-TCE2A and 204S&T-TCE2B,  
204S&T-UE-1 and 204S&T-UE-2, 204S-TCE1,  
204U&V-RRE, 204U&V-TCE-1, 204U&V-  
TCE2, 204U&V-TCE-3, 204U&V-UE, 204C-  
FTG, 204C-PE-1 and 204C-PE-2, 204C-RRE,  
204C-RW, 204C-TCE-1, 204C-TCE-2, 204C-  
TCE-3, 204C-UE1, 204C-UE-2]

[APN 8760-002-014, 8760-008-002, 8760-008-  
003, 8760-008-004, 8760-008-005 and 8760-008-  
006]

[Exempt from filing fees - Government Code  
§6103]

Complaint filed November 12, 2013

Assigned for all purposes to:  
Judge Yvette M. Palazuelos  
Department 28



1 TO ALL PARTIES AND THEIR COUNSEL OF RECORD:

2 Plaintiff the San Gabriel Valley Council of Governments in furtherance of the Alameda  
3 Corridor-East Construction Authority ("SGVCOG") and defendants MAJESTIC REALTY CO., a  
4 California Corporation ("Majestic Realty Co."), and Industrial Park E I-A, LLC, a Delaware  
5 limited liability company, Industrial Park E Sub A, LLC, a Delaware limited liability company,  
6 Industrial Park E I-B, LLC, a Delaware limited liability company, and Industrial Park E Sub B,  
7 LLC, a Delaware limited liability company, Industrial Park E Sub A Exchange, LLC, a Delaware  
8 limited liability company, and Industrial Park E Sub B Exchange, LLC, a Delaware limited  
9 liability company (collectively, the "Principal Entities") and FURNITURE OF AMERICA  
10 CALIFORNIA dba IMPORT DIRECT ("FoAC") stipulate as follows:

11 1. On November 12, 2013, ACE filed its Complaint in Eminent Domain to take  
12 easements over a portion of the Majestic Realty Co and Principal Entities' property identified as  
13 APNs 8760-002-014, 8760-008-002, 8760-008-003, 8760-008-004, 8760-008-005 and 8760-008-  
14 006, generally located at Fairway Drive and E. Walnut Drive North, in the City of Industry for the  
15 Alameda Corridor-East Construction Project ("Project").

16 2. After commencement of this action and during construction of the Project, Majestic  
17 Realty Co. approached Plaintiff's representatives and requested whether the easements along the  
18 Fairway-adjacent edge of APN 8760-008-002 could be shrunk in any way to leave more usable  
19 surface area to access the truck bays on the eastern edge of the building located on that parcel.  
20 SGVCOG revised its construction plans to reduce the size of the right-hand turn lane from  
21 Fairway to Walnut and relocate the retaining wall and footing easement further to the East.  
22 Accordingly, SGVCOG (formerly known as ACE), commissioned revised maps and legal  
23 descriptions for the easements identified in the Complaint in Eminent Domain as 204C-PE1,  
24 204C-RW, 204C-FTG and 204C-TCE1. Therefore, the parties agree that a request will be made to  
25 SGVCOG Capital Projects and Construction Committee (successor to the ACE's governing  
26 board) at its first available public meeting to consider adoption of an Amended Resolution of  
27 Necessity incorporating 1) the revised easements listed above, and 2) leaving unaltered the  
28 easements identified in the original complaint as 204C-PE2, 204C-RRE, 204C-UE1, 204C-UE2

204C-TCE2, and 204C-TCE3, 3) as set forth in the attached plat maps and legal descriptions attached as Exhibit 1.

3. During construction, it was discovered Majestic Realty Co. and the Principal Entities had intentions of reconnecting an existing but disconnected rail spur track located on parcels 8760-008-005 and 8760-008-006 which would require redesign of the Project to accommodate potential future reconnection. Therefore, the parties have agreed that: a) a request will be made to SGVCOG's Capital Projects and Construction Committee at its first available public meeting to consider adoption of an Amended Resolution of Necessity ("Amended RON") that SGVCOG acquire from Assessor Parcel Nos. 8760-008-003 and 8760-008-004 (ACE Parcels 204S&T): one modified permanent utility easement (in lieu of 204S&T-UE1 as adopted in ACE Resolution of Necessity 13-14), and two new 12-month temporary construction easements (204S-TCE1A and 204S-TCE1B) as well one new 6-month temporary construction easement (204S&T-TCE2) in addition to the TCEs originally identified in Resolution of Necessity 13-14, as well as the originally identified, and now unaltered permanent railroad easement (204S&T-RRE), one utility easement (204S&T-UE-2), and three temporary construction easements (204S-TCE1 (for 12 months) and 204S&T-TCE2A and 204S&T-TCE2B (for 6 months each) for which the ACE Board adopted Resolution of Necessity No. 13-14. (The maps and legal descriptions of the proposed easements affecting Assessor Parcel Nos. 8760-008-003 and 8760-008-004 are attached hereto as Exhibit "2"),

b) a request will be made to SGVCOG's Capital Projects and Construction Committee at its first available public meeting to consider adoption of an Amended Resolution of Necessity ("Amended RON") that SGVCOG acquire from Assessor Parcel Nos. 8760-008-005 and 8760-008-006 (ACE Parcels 204U&V): one modified permanent railroad easement, one modified permanent utility easement, (in lieu of, rather than in addition to, the easements originally identified in Resolution of Necessity 13-15 as 204U&V-RRE and 204U&V-UE, respectively), as well as the three originally identified, and now unaltered, 24-month temporary construction easements (204U&V-TCE1, 204U&V-TCE2 and 204V&V-TCE3) for which the ACE Board adopted Resolution of Necessity No. 13-15. (The maps and legal descriptions of the proposed easements affecting Assessor Parcel

Nos. 8760-008-005 and 8760-008-006 are attached hereto as Exhibit “3”),  
c) a request will be made to SGVCOG’s Capital Projects and Construction Committee at its first available public meeting to consider adoption of an Amended Resolution of Necessity (“Amended RON”) that SGVCOG acquire from Assessor Parcel No. 8760-002-014 (ACE Parcel 204W): two new permanent railroad easements (204W-RRE-1A and 204W-RRE-1B), one new 12-month temporary construction easement (204W-TCE1 (dated 2018)), one modified permanent utility easement, (in lieu of, rather than in addition to, the easements originally identified in Resolution of Necessity 13-16 as 204W-UE-1, and 204W-UE-2, respectively), as well as the three originally identified, and now unaltered, and temporary construction easements (204W-TCE1, 204W-TCE2 and 204W-TCE3) for which the ACE Board adopted Resolution of Necessity No. 13-16. (The maps and legal descriptions of the proposed easements affecting Assessor Parcel No. 8760-002-014 are attached hereto as Exhibit “4”),

4. The Majestic Owners, the Principal Entities and FoAC waive notice of the hearing on the proposed Amended RONs and stipulate that all requirements necessary for consideration of adoption of the Amended RONs have been satisfied, including those matters in Article 2 of the Eminent Domain Law and those matters related to a statutory offer as set forth in Government Code section 7267.2. The Majestic Owners, Principal Entities and FoAC further stipulate if SGVCOG’s Capital Projects and Construction Committee approves the request and adopts the Amended RONs for the taking of the revised easement affecting Assessor Parcel Nos. APNs 8760-002-014, 8760-008-002, 8760-008-003, 8760-008-004, 8760-008-005 and 8760-008-006 (“Subject Properties”), that said takings are necessary for the Project, that the public interest and necessity require the Project, and that the Project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury.

5. The parties agree that if SGVCOG’s Capital Projects and Construction Committee approves the request and adopts the Amended RONs to modify the taking of portions of the property, a First Amended Complaint in Eminent Domain, supported by the Amended RONs will be filed.

///

6. The Majestic Owners, Principal Entities and FoAC waive any costs and litigation expenses, including attorneys' fees, related to the proposed Amended Resolutions and FoAC, which may otherwise be recoverable under Code of Civil Procedure section 1250.340 or 1268.610.

7. If SGVCOG's Capital Projects and Construction Committee approves the request and adopts the Amended RONs to take the revised easements, the parties also agree to the following:

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

b. The Majestic Owners, Principal Entities and FoAC will waive any and all objections to SGVCOG's right to take the Subject Property.

c. The date of valuation to be used in this action will be the date that original Complaint was filed.

d. The parties agree that SGVCOG shall be authorized to take possession, of the revised permanent easements immediately as if they were part of the original Complaint in Eminent Domain and therefore subject to the Order for Prejudgment Possession(s) which became effective in this matter on or about March 24, 2014.

8. The parties agree to execute such other documents, and to take such other action, as may be necessary to finalize this Stipulation, perform in accordance with its terms, and request continuance of the trial currently schedule for November 5, 2018.

DATED: \_\_\_\_\_, 2018

ALAMEDA CORRIDOR-EAST CONSTRUCTION  
AUTHORITY

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

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

1 DATED: \_\_\_\_\_, 2018 MAJESTIC REALTY CO., California Corporation

2  
3 By: \_\_\_\_\_

4 Its: \_\_\_\_\_

5  
6 DATED: \_\_\_\_\_, 2018 INDUSTRIAL PARK E I-A, LLC, a Delaware  
7 Limited Liability Company

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

10 By: \_\_\_\_\_

11 Its: \_\_\_\_\_

12 By: \_\_\_\_\_

13 Its: \_\_\_\_\_

14 DATED: \_\_\_\_\_, 2018 INDUSTRIAL PARK E SUB A, LLC, a Delaware  
15 limited liability company

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

18 By: \_\_\_\_\_

19 Its: \_\_\_\_\_

20 By: \_\_\_\_\_

21 Its: \_\_\_\_\_

22  
23  
24 Additional signatures on next page

25 ///

26 ///

27 ///

28 ///



1 DATED: \_\_\_\_\_, 2018

INDUSTRIAL PARK E I-B, LLC, a Delaware  
Limited Liability Company

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

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

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

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

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

10 DATED: \_\_\_\_\_, 2018

INDUSTRIAL PARK E SUB B, LLC, a Delaware  
limited liability company

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

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

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

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

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

19 DATED: \_\_\_\_\_, 2018

INDUSTRIAL PARK E SUB A EXCHANGE, LLC,  
a Delaware limited liability company

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

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

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

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

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

28 Additional signatures on next page

1 DATED: \_\_\_\_\_, 2018

INDUSTRIAL PARK E SUB B EXCHANGE, LLC,  
a Delaware limited liability company

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

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

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

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

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

11 DATED: \_\_\_\_\_, 2018

FURNITURE OF AMERICA CALIFORNIA dba  
IMPORT DIRECT

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

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

17 **Approved as to Form:**

18 DATED: \_\_\_\_\_, 2018

OLIVER, SANDIFER & MURPHY,  
Eminent Domain Counsel

By \_\_\_\_\_

Cynthia C. Marian

Attorneys for Plaintiff

THE SAN GABRIEL VALLEY COUNCIL OF  
GOVERNMENTS in Furtherance of the ALAMEDA  
CORRIDOR-EAST CONSTRUCTION PROJECT,  
previously known as ALAMEDA CORRIDOR-EAST  
CONSTRUCTION AUTHORITY, on behalf of the  
SAN GABRIEL VALLEY COUNCIL OF  
GOVERNMENTS

28 Additional signatures on next page

1 DATED: \_\_\_\_\_, 2018

PALMIERI, TYLER, WIENER,  
WILHELM & WALDRON LLP

2  
3 By \_\_\_\_\_

4 Michael D'Angelo

5 Attorneys for Defendant

6 MAJESTIC REALTY CO., A CALIFORNIA  
7 CORPORATION, INDUSTRIAL PARK E SUB B,  
8 LLC, a Delaware limited liability company;  
9 INDUSTRIAL PARK E I-B, LLC, a Delaware limited  
10 liability company

11 DATED: \_\_\_\_\_, 2018

SULLIVAN, WORKMAN & DEE, LLP

12 By \_\_\_\_\_

13 Charles D. Cummings

14 Attorneys for Defendant

15 FURNITURE OF AMERICA CALIFORNIA, INC.,  
16 DBA IMPORT DIRECT



**Placeholder**

Plat Maps

&

Legal Descriptions

&

Exhibit C from RON 13-15

**AMENDED RESOLUTION NO. 13-15**

**A RESOLUTION OF THE SAN GABRIEL  
VALLEY COUNCIL OF GOVERNMENTS IN  
FURTHERANCE OF THE ALAMEDA  
CORRIDOR-EAST CONSTRUCTION PROJECT  
FINDING AND DETERMINING THAT THE  
PUBLIC INTEREST, CONVENIENCE AND  
NECESSITY REQUIRE AN AMENDMENT TO  
THE ACQUISITION OF CERTAIN PROPERTY  
FOR PUBLIC PURPOSES**

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

SECTION 1. The San Gabriel Valley Council of Governments, in furtherance of the Alameda Corridor East Construction Project (hereafter "SGVCOG"), formerly known as the Alameda Corridor East -- Gateway to America Construction Authority on behalf of the San Gabriel Valley Council of Governments (known as "ACE"), after consideration of the staff report, staff presentation, discussion, oral testimony and evidence presented at SGVCOG's Capital Projects and Construction Committee Meeting on Monday, August 27, 2018, at 12 p.m. hereby finds, determines and declares as follows:

- (a) The San Gabriel Valley Council of Governments, in furtherance of the Alameda Corridor East Construction Project is authorized by statute and pursuant to that certain Joint Powers Agreement dated September 17, 1998, as amended, to acquire property by eminent domain within the City of Industry, County of Los Angeles, State of California for the Alameda Corridor-East Project ("ACE Project"); and
- (b) The public interest, convenience and necessity require the proposed Fairway Drive Grade Separation Project in the City of Industry, County of Los Angeles, State of California as part of said Fairway Drive Grade Separation Project, which includes railroad crossing safety and efficiency improvements, and all uses appurtenant thereto intended to partially mitigate the impacts of increased rail traffic from the completed Alameda Corridor on motor vehicle traffic; and
- (c) The interests in real property to be acquired from that certain parcel bearing Los Angeles County Assessor Parcel Nos. 8760-008-005 and 8760-008-006 are: one modified permanent railroad easement, one modified permanent utility easement, (in lieu of, rather than in addition to, the easements originally identified in Resolution of Necessity 13-15 as 204U&V-RRE and 204U&V-UE, respectively), as well as the three originally identified, and now unaltered, 24-month temporary construction easements (204U&V-TCE1, 204U&V-TCE2 and 204V&V-TCE3) for which the ACE Board adopted Resolution of Necessity No. 13-15. Said interests

are legally described on Exhibits A-1, A-2, and A-3, attached hereto and incorporated herein by this reference ("Property"). The Property is located within the City of Industry, County of Los Angeles, State of California. Maps showing the general location of the Property are attached hereto, marked Exhibits B-1, B-2, and B-3 and are incorporated herein by reference and made a part hereof. The duration of the TCEs sought to be acquired are set forth in Exhibit C, attached hereto and incorporated herein by this reference;

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

SECTION 2. SGVCOG Capital Projects and Construction Committee hereby declares that it is its intention to acquire said Property in accordance with the provision of the laws of the State of California governing condemnation procedures.

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

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

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

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

PASSED, APPROVED AND ADOPTED this 27th day of August, 2018.

ATTEST:

Deanna Stanley, Clerk

STATE OF CALIFORNIA           )  
COUNTY OF LOS ANGELES    )  
CITY OF WEST COVINA         )

I HEREBY CERTIFY that the foregoing Amended Resolution 13-15 was duly adopted by the San Gabriel Valley Council of Governments, Capital Projects and Construction Committee Meeting at a regular meeting thereof, held on the 27th day of August, 2018, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

---

Deanna Stanley, Clerk

**Placeholder**

Plat Maps

&

Legal Descriptions

&

Exhibit C from RON 13-15



MEMO TO: Capital Projects and Construction Committee Members and Alternates

FROM: Mark Christoffels  
Chief Engineer

DATE: August 27, 2018

SUBJECT: Amended Resolution of Necessity for Property Acquisition - No.13-16  
Fairway Drive Grade Separation Project  
Property Owner: Majestic Realty Co.et al.  
19285-19395 East Walnut Drive North, City of Industry, CA  
APN: 8760-002-014  
ACE Parcel No.: 204W

**RECOMMENDATION:** Staff recommends the SGVCOG Capital Projects and Construction Committee:

1. Conduct a hearing on Amended Resolution 13-16 (an Amendment to Resolution of Necessity 13-16 of the ACE Construction Authority) finding and determining that the public interest, convenience and necessity require amendment to the acquisition of certain property for public purposes; and
2. Review the evidence presented, including this staff report and public comments and close the hearing; and
3. Adopt the attached Amended Resolution 13-16 authorizing the amendment of eminent domain proceedings, and/or other means, so as to acquire: two (2) new permanent railroad easements (204W-RRE-1A and 204W-RRE-1B) 1,907 s.f and 3,012 s.f, respectively, one (1) new 24-month temporary construction easement (204W-TCE1 (dated 2018)) 285 s.f, one (1) modified permanent utility easement 7,255 s.f, (in lieu of, rather than in addition to, the easements originally identified in Resolution of Necessity 13-16 as 204W-UE-1, and 204W-UE-2, respectively), as well as the three (3) originally identified, and now unaltered, 12-month temporary construction easements (204W-TCE1, 204W-TCE2 and 204W-TCE3) totaling 6,424 s.f for which the ACE Board adopted Resolution of Necessity No. 13-16. The durations of the TCEs referenced above shall commence no sooner than 30 days after the ACE Construction Authority mails a written Notice of Commencement of TCE. (Note: This requires an affirmative TWO-THIRDS (2/3) vote of the SGVCOG Capital Projects and Construction Committee).



**BACKGROUND:** The SGVCOG Capital Projects and Construction Committee and the formerly constituted Alameda Corridor East Construction Authority was formed pursuant to the California Joint Powers law (Govt. Code section 6500 et seq.) for purposes of implementing the Alameda Corridor East ("ACE Project"). The ACE Project is a multi-phase project that will improve the safety and efficiency of railroad crossings from Los Angeles, east to San Bernardino County to mitigate some of the impacts created by increased rail traffic from the Ports of Long Beach and Los Angeles.

Included in the ACE Project is a grade separation of Fairway Drive/E. Walnut Drive N. ("Fairway Drive Grade Separation Project") in the City of Industry, County of Los Angeles from the Union Pacific Railroad right-of-way, which will eliminate current and future long delays of traffic at the crossing. The Fairway Drive Grade Separation Project is statutorily exempt from CEQA pursuant to Public Resources Code section 21080.13. In order to accommodate the grade separation at Fairway Drive/E. Walnut Drive N., one (1) permanent utility easement and three (3) 24-month temporary construction easements were originally required from that certain parcel bearing Los Angeles Assessor Parcel Number 8760-002-014.

The property identified in the original ACE Resolution 13-16 was owned by Majestic Realty Co. and Industrial Park E Sub B, LLC and Industrial Park E I-B, LLC, et al. ("The Majestic Owners"). The Larger Parcel is 936,634 s.f, and is improved with three industrial buildings built in 1981, with a gross square footage of approximately 453,497 s.f. The site includes asphalt paved parking areas, exterior lighting, cement paved loading areas, chain link fencing, a rail spur and rail car loading, freeway visible sign and miscellaneous landscaping.

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

ACE staff tendered an offer to purchase to the Majestic Owners in the amount of \$36,650 on September 25, 2013 for the originally identified easements. But, with an agreement not having been reached, the Board adopted a Resolution of Necessity for acquisition of the originally identified easements, on October 28, 2013, and Eminent Domain proceedings were commenced on November 12, 2013, ACE having made all necessary findings and having met all statutory prerequisites thereto. (The property interests in Resolution 13-16 were combined with those in ACE Resolutions 13-11, 13-14,

and 13-15 for Eminent Domain filing purposes due to proximity and common ownership of the parcels.)

During construction of the Project, the Majestic Owners discovered that the Project design assumed a disconnected rail spur on the parcel was abandoned, and requested that ACE revise the Project design to allow for future reconnection of the rail spur in question. ACE engineers were able to modify the design and obtain approval from UPRR to accommodate reconnection of the spur track. Accordingly, with the project redesign, the right-of-way requirements were modified. Therefore, SGVCOG, the Majestic Owners, and their successor owners (the Larger Parcel was sold by Majestic Realty Co. in 2017), are entering into a Stipulation (attached hereto as Exhibit 1) whereby they agree that: a request would be made to SGVCOG's governing board at its first available public meeting to consider adoption of an Amended Resolution of Necessity ("Amended RON") for: two (2) new permanent railroad easements (204W-RRE-1A and 204W-RRE-1B), one (1) new 12-month temporary construction easement (204W-TCE1 (dated 2018)), one (1) modified permanent utility easement, (in lieu of, rather than in addition to, the easements originally identified in Resolution of Necessity 13-16 as 204W-UE-1, and 204W-UE-2, respectively), as well as the three (3) originally identified, and now unaltered, and 24-month temporary construction easements (204W-TCE1, 204W-TCE2 and 204W-TCE3) for which the ACE Board adopted Resolution of Necessity No. 13-16. Said interests are legally described on Exhibits A-1, A-2, A-3 and, A-4 attached hereto and incorporated herein by this reference ("Property") from those certain parcels bearing Los Angeles Assessor Parcel Number 8760-002-014 for the above-stated public use.

By way of the stipulation attached hereto as Exhibit 1, Majestic Owners, and the Successor Owners waive further notice of the hearing on the proposed Amended RON and stipulate that all requirements necessary for consideration of adoption of the Amended RON had been satisfied, including those matters in Article 2 of the Eminent Domain Law and those matters related to a statutory offer as set forth in Government Code section 7267.2. The Majestic Owners and the Successor Owners further stipulate that if SGVCOG's governing board approves the request and adopts an Amended RON for the taking of the revised easements affecting Assessor Parcel No. 8760-002-014 ("Subject Property"), that said modified taking is necessary for the Project, that the public interest and necessity require the Project, and that the Project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury.

The parties agree that if SGVCOG's governing board approves the request and adopts an Amended RON to modify the taking of portions of the property, a First Amended Complaint in Eminent Domain, supported by the Amended RON shall be filed.

After conducting the public hearing, if the SGVCOG Capital Projects and Construction Committee finds that the public necessity so requires, the SGVCOG Capital Projects and Construction Committee should adopt the attached Amended Resolution of Necessity 13-16, authorizing amendment of condemnation proceedings for the purpose of acquiring the modified property which interest are described in Resolution 13-16.

The findings, which need to be made, are as set forth in the Resolution of Necessity. Specifically, the SGVCOG Capital Projects and Construction Committee must find:

1. That the public interest, convenience and necessity require the acquisition of the proposed project. As proposed, the Fairway Drive Grade Separation Project will serve public purposes, as discussed above; and
2. That the Fairway Drive Grade Separation Project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury. As set forth above, the Property is being acquired to improve the safety and efficiency of the rail crossing by constructing a grade separation at Fairway Drive/E. Walnut Drive N. The original 1997 San Gabriel Valley Council of Governments study looked at alternatives to an underpass and different grade separation configurations to identify any overall project cost and real estate impact reductions. Subsequently, as the design of the project began, ACE staff evaluated alternative configurations in greater detail. Additionally, ACE conducted an Engineering Value Analysis workshop that engaged stakeholders and technical experts to analyze and vet the various design scenarios. The no build alternative was examined through the project ranking process described in the 1997 report. Fairway Drive is a primary arterial street, serving multiple residential and commercial areas. The Fairway Drive Grade Separation project constructed as an underpass will eliminate the possibility of train—vehicle collisions at this location and the effect of stopped and moving trains on vehicular traffic capacity; and in order to build such an underpass with the least private injury several easements should now be modified and added to complete the Project; and
3. That the amended property interests sought to be acquired are necessary for the Fairway Drive Grade Separation Project. From the subject property it is necessary to acquire: two (2) permanent railroad easements, one (1) new 12-month temporary construction easement, one (1) permanent utility easement, as well as the three (3) originally identified temporary construction easements. Without the acquisition of the various new and amended permanent easements, and new temporary construction easement and unaltered easements included in Exhibit 2

attached hereto, the proposed Fairway Drive Grade Separation Project cannot be completed; and

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

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

**BUDGET IMPACT:** Funds for the acquisition of this property are available from MTA Measure R and Proposition C funds and are included in the Agency’s FY 2019 budget.

### ***ATTACHMENTS***

Exhibit 1- Stipulation re: Scope of Take and Transfer of Possession  
Exhibit 2- Amended Resolution of Necessity No. 13-16 with Exhibits

DUFF MURPHY, State Bar No. 106091  
CYNTHIA C. MARIAN, State Bar No. 185206  
OLIVER, SANDIFER & MURPHY  
1230 Rosecrans Avenue, Suite 300  
Manhattan Beach, California 90266-2494  
Telephone: (213) 621-2000; (424) 456-3194  
Facsimile: (424) 456-3094

Attorneys for Plaintiff

**SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
**FOR THE COUNTY OF LOS ANGELES**

ALAMEDA CORRIDOR-EAST  
CONSTRUCTION AUTHORITY,

Plaintiff

vs.

MAJESTIC REALTY CO., a California  
Corporation, as to 50% Interest;  
INDUSTRIAL PARK E SUB B, LLC, a  
Delaware Limited Liability Company, as to an  
Undivided 47.5%; INDUSTRIAL PARK E I-  
B, LLC, a Delaware Limited Liability  
Company, as to an Undivided 2.5%;  
SOUTHERN CALIFORNIA EDISON  
COMPANY; THE CITY OF INDUSTRY, a  
municipal corporation; GENERAL  
TELEPHONE COMPANY OF  
CALIFORNIA; a Corporation, its Successors  
and Assigns; SOUTHERN CALIFORNIA  
EDISON COMPANY, a Corporation, its  
Successors and Assigns; THE PRUDENTIAL  
INSURANCE COMPANY OF AMERICA, a  
New Jersey Corporation; SOUTHERN  
COUNTIES GAS COMPANY; DOE 1  
through DOE100; and ALL PERSONS  
UNKNOWN CLAIMING AN INTEREST IN  
THE PROPERTY TO BE CONDEMNED  
HEREIN,

Defendants.

NO. BC 527309

**STIPULATION RE SCOPE OF TAKE AND  
AMENDMENT TO RIGHT OF WAY**

[ACE Parcel No. 204W-TCE1, 204W-TCE2 and,  
204W-TCE3, 204W-UE1 and 204W-UE2, 204S&  
T-RRE, 204S&T-TCE2A and 204S&T-TCE2B,  
204S&T-UE-1 and 204S&T-UE-2, 204S-TCE1,  
204U&V-RRE, 204U&V-TCE-1, 204U&V-  
TCE2, 204U&V-TCE-3, 204U&V-UE, 204C-  
FTG, 204C-PE-1 and 204C-PE-2, 204C-RRE,  
204C-RW, 204C-TCE-1, 204C-TCE-2, 204C-  
TCE-3, 204C-UE1, 204C-UE-2]

[APN 8760-002-014, 8760-008-002, 8760-008-  
003, 8760-008-004, 8760-008-005 and 8760-008-  
006]

[Exempt from filing fees - Government Code  
§6103]

Complaint filed November 12, 2013

Assigned for all purposes to:  
Judge Yvette M. Palazuelos  
Department 28

1 TO ALL PARTIES AND THEIR COUNSEL OF RECORD:

2 Plaintiff the San Gabriel Valley Council of Governments in furtherance of the Alameda  
3 Corridor-East Construction Authority ("SGVCOG") and defendants MAJESTIC REALTY CO., a  
4 California Corporation ("Majestic Realty Co."), and Industrial Park E I-A, LLC, a Delaware  
5 limited liability company, Industrial Park E Sub A, LLC, a Delaware limited liability company,  
6 Industrial Park E I-B, LLC, a Delaware limited liability company, and Industrial Park E Sub B,  
7 LLC, a Delaware limited liability company, Industrial Park E Sub A Exchange, LLC, a Delaware  
8 limited liability company, and Industrial Park E Sub B Exchange, LLC, a Delaware limited  
9 liability company (collectively, the "Principal Entities") and FURNITURE OF AMERICA  
10 CALIFORNIA dba IMPORT DIRECT ("FoAC") stipulate as follows:

11 1. On November 12, 2013, ACE filed its Complaint in Eminent Domain to take  
12 easements over a portion of the Majestic Realty Co and Principal Entities' property identified as  
13 APNs 8760-002-014, 8760-008-002, 8760-008-003, 8760-008-004, 8760-008-005 and 8760-008-  
14 006, generally located at Fairway Drive and E. Walnut Drive North, in the City of Industry for the  
15 Alameda Corridor-East Construction Project ("Project").

16 2. After commencement of this action and during construction of the Project, Majestic  
17 Realty Co. approached Plaintiff's representatives and requested whether the easements along the  
18 Fairway-adjacent edge of APN 8760-008-002 could be shrunk in any way to leave more usable  
19 surface area to access the truck bays on the eastern edge of the building located on that parcel.  
20 SGVCOG revised its construction plans to reduce the size of the right-hand turn lane from  
21 Fairway to Walnut and relocate the retaining wall and footing easement further to the East.  
22 Accordingly, SGVCOG (formerly known as ACE), commissioned revised maps and legal  
23 descriptions for the easements identified in the Complaint in Eminent Domain as 204C-PE1,  
24 204C-RW, 204C-FTG and 204C-TCE1. Therefore, the parties agree that a request will be made to  
25 SGVCOG Capital Projects and Construction Committee (successor to the ACE's governing  
26 board) at its first available public meeting to consider adoption of an Amended Resolution of  
27 Necessity incorporating 1) the revised easements listed above, and 2) leaving unaltered the  
28 easements identified in the original complaint as 204C-PE2, 204C-RRE, 204C-UE1, 204C-UE2

204C-TCE2, and 204C-TCE3, 3) as set forth in the attached plat maps and legal descriptions attached as Exhibit 1.

3. During construction, it was discovered Majestic Realty Co. and the Principal Entities had intentions of reconnecting an existing but disconnected rail spur track located on parcels 8760-008-005 and 8760-008-006 which would require redesign of the Project to accommodate potential future reconnection. Therefore, the parties have agreed that: a) a request will be made to SGVCOG's Capital Projects and Construction Committee at its first available public meeting to consider adoption of an Amended Resolution of Necessity ("Amended RON") that SGVCOG acquire from Assessor Parcel Nos. 8760-008-003 and 8760-008-004 (ACE Parcels 204S&T): one modified permanent utility easement (in lieu of 204S&T-UE1 as adopted in ACE Resolution of Necessity 13-14), and two new 12-month temporary construction easements (204S-TCE1A and 204S-TCE1B) as well one new 6-month temporary construction easement (204S&T-TCE2) in addition to the TCEs originally identified in Resolution of Necessity 13-14, as well as the originally identified, and now unaltered permanent railroad easement (204S&T-RRE), one utility easement (204S&T-UE-2), and three temporary construction easements (204S-TCE1 (for 12 months) and 204S&T-TCE2A and 204S&T-TCE2B (for 6 months each) for which the ACE Board adopted Resolution of Necessity No. 13-14. (The maps and legal descriptions of the proposed easements affecting Assessor Parcel Nos. 8760-008-003 and 8760-008-004 are attached hereto as Exhibit "2"),

b) a request will be made to SGVCOG's Capital Projects and Construction Committee at its first available public meeting to consider adoption of an Amended Resolution of Necessity ("Amended RON") that SGVCOG acquire from Assessor Parcel Nos. 8760-008-005 and 8760-008-006 (ACE Parcels 204U&V): one modified permanent railroad easement, one modified permanent utility easement, (in lieu of, rather than in addition to, the easements originally identified in Resolution of Necessity 13-15 as 204U&V-RRE and 204U&V-UE, respectively), as well as the three originally identified, and now unaltered, 24-month temporary construction easements (204U&V-TCE1, 204U&V-TCE2 and 204V&V-TCE3) for which the ACE Board adopted Resolution of Necessity No. 13-15. (The maps and legal descriptions of the proposed easements affecting Assessor Parcel



Nos. 8760-008-005 and 8760-008-006 are attached hereto as Exhibit “3”),  
c) a request will be made to SGVCOG’s Capital Projects and Construction Committee at its first available public meeting to consider adoption of an Amended Resolution of Necessity (“Amended RON”) that SGVCOG acquire from Assessor Parcel No. 8760-002-014 (ACE Parcel 204W): two new permanent railroad easements (204W-RRE-1A and 204W-RRE-1B), one new 12-month temporary construction easement (204W-TCE1 (dated 2018)), one modified permanent utility easement, (in lieu of, rather than in addition to, the easements originally identified in Resolution of Necessity 13-16 as 204W-UE-1, and 204W-UE-2, respectively), as well as the three originally identified, and now unaltered, and temporary construction easements (204W-TCE1, 204W-TCE2 and 204W-TCE3) for which the ACE Board adopted Resolution of Necessity No. 13-16. (The maps and legal descriptions of the proposed easements affecting Assessor Parcel No. 8760-002-014 are attached hereto as Exhibit “4”),

4. The Majestic Owners, the Principal Entities and FoAC waive notice of the hearing on the proposed Amended RONs and stipulate that all requirements necessary for consideration of adoption of the Amended RONs have been satisfied, including those matters in Article 2 of the Eminent Domain Law and those matters related to a statutory offer as set forth in Government Code section 7267.2. The Majestic Owners, Principal Entities and FoAC further stipulate if SGVCOG’s Capital Projects and Construction Committee approves the request and adopts the Amended RONs for the taking of the revised easement affecting Assessor Parcel Nos. APNs 8760-002-014, 8760-008-002, 8760-008-003, 8760-008-004, 8760-008-005 and 8760-008-006 (“Subject Properties”), that said takings are necessary for the Project, that the public interest and necessity require the Project, and that the Project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury.

5. The parties agree that if SGVCOG’s Capital Projects and Construction Committee approves the request and adopts the Amended RONs to modify the taking of portions of the property, a First Amended Complaint in Eminent Domain, supported by the Amended RONs will be filed.

///



6. The Majestic Owners, Principal Entities and FoAC waive any costs and litigation expenses, including attorneys' fees, related to the proposed Amended Resolutions and FoAC, which may otherwise be recoverable under Code of Civil Procedure section 1250.340 or 1268.610.

7. If SGVCOG's Capital Projects and Construction Committee approves the request and adopts the Amended RONs to take the revised easements, the parties also agree to the following:

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

b. The Majestic Owners, Principal Entities and FoAC will waive any and all objections to SGVCOG's right to take the Subject Property.

c. The date of valuation to be used in this action will be the date that original Complaint was filed.

d. The parties agree that SGVCOG shall be authorized to take possession, of the revised permanent easements immediately as if they were part of the original Complaint in Eminent Domain and therefore subject to the Order for Prejudgment Possession(s) which became effective in this matter on or about March 24, 2014.

8. The parties agree to execute such other documents, and to take such other action, as may be necessary to finalize this Stipulation, perform in accordance with its terms, and request continuance of the trial currently schedule for November 5, 2018.

DATED: \_\_\_\_\_, 2018

ALAMEDA CORRIDOR-EAST CONSTRUCTION  
AUTHORITY

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

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

1 DATED: \_\_\_\_\_, 2018 MAJESTIC REALTY CO., California Corporation

2  
3 By: \_\_\_\_\_

4 Its: \_\_\_\_\_

5  
6 DATED: \_\_\_\_\_, 2018 INDUSTRIAL PARK E I-A, LLC, a Delaware  
7 Limited Liability Company

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

10 By: \_\_\_\_\_

11 Its: \_\_\_\_\_

12 By: \_\_\_\_\_

13 Its: \_\_\_\_\_

14 DATED: \_\_\_\_\_, 2018 INDUSTRIAL PARK E SUB A, LLC, a Delaware  
15 limited liability company

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

18 By: \_\_\_\_\_

19 Its: \_\_\_\_\_

20 By: \_\_\_\_\_

21 Its: \_\_\_\_\_

22  
23  
24 Additional signatures on next page

25 ///

26 ///

27 ///

28 ///

1 DATED: \_\_\_\_\_, 2018

INDUSTRIAL PARK E I-B, LLC, a Delaware  
Limited Liability Company

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

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

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

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

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

10 DATED: \_\_\_\_\_, 2018

INDUSTRIAL PARK E SUB B, LLC, a Delaware  
limited liability company

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

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

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

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

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

19 DATED: \_\_\_\_\_, 2018

INDUSTRIAL PARK E SUB A EXCHANGE, LLC,  
a Delaware limited liability company

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

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

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

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

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

28 Additional signatures on next page

DATED: \_\_\_\_\_, 2018

INDUSTRIAL PARK E SUB B EXCHANGE, LLC,  
a Delaware limited liability company

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

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

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

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

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

DATED: \_\_\_\_\_, 2018

FURNITURE OF AMERICA CALIFORNIA dba  
IMPORT DIRECT

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

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

**Approved as to Form:**

DATED: \_\_\_\_\_, 2018

OLIVER, SANDIFER & MURPHY,  
Eminent Domain Counsel

By \_\_\_\_\_

Cynthia C. Marian

Attorneys for Plaintiff

THE SAN GABRIEL VALLEY COUNCIL OF  
GOVERNMENTS in Furtherance of the ALAMEDA  
CORRIDOR-EAST CONSTRUCTION PROJECT,  
previously known as ALAMEDA CORRIDOR-EAST  
CONSTRUCTION AUTHORITY, on behalf of the  
SAN GABRIEL VALLEY COUNCIL OF  
GOVERNMENTS

Additional signatures on next page

1 DATED: \_\_\_\_\_, 2018

PALMIERI, TYLER, WIENER,  
WILHELM & WALDRON LLP

2  
3 By \_\_\_\_\_

4 Michael D'Angelo

5 Attorneys for Defendant

6 MAJESTIC REALTY CO., A CALIFORNIA  
7 CORPORATION, INDUSTRIAL PARK E SUB B,  
8 LLC, a Delaware limited liability company;  
9 INDUSTRIAL PARK E I-B, LLC, a Delaware limited  
10 liability company

11 DATED: \_\_\_\_\_, 2018

SULLIVAN, WORKMAN & DEE, LLP

12 By \_\_\_\_\_

13 Charles D. Cummings

14 Attorneys for Defendant

15 FURNITURE OF AMERICA CALIFORNIA, INC.,  
16 DBA IMPORT DIRECT

**Placeholder**

Plat Maps

&

Legal Descriptions

&

Amended Exhibit C

**AMENDED RESOLUTION NO. 13-16**

**A RESOLUTION OF THE SAN GABRIEL  
VALLEY COUNCIL OF GOVERNMENTS IN  
FURTHERANCE OF THE ALAMEDA  
CORRIDOR-EAST CONSTRUCTION PROJECT  
FINDING AND DETERMINING THAT THE  
PUBLIC INTEREST, CONVENIENCE AND  
NECESSITY REQUIRE AN AMENDMENT TO  
THE ACQUISITION OF CERTAIN PROPERTY  
FOR PUBLIC PURPOSES**

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

SECTION 1. The San Gabriel Valley Council of Governments, in furtherance of the Alameda Corridor East Construction Project (hereafter "SGVCOG"), formerly known as the Alameda Corridor East -- Gateway to America Construction Authority on behalf of the San Gabriel Valley Council of Governments (known as "ACE"), after consideration of the staff report, staff presentation, discussion, oral testimony and evidence presented at SGVCOG's Capital Projects and Construction Committee Meeting on Monday, August 27, 2018, at 12 p.m. hereby finds, determines and declares as follows:

- (a) The San Gabriel Valley Council of Governments, in furtherance of the Alameda Corridor East Construction Project is authorized by statute and pursuant to that certain Joint Powers Agreement dated September 17, 1998, as amended, to acquire property by eminent domain within the City of Industry, County of Los Angeles, State of California for the Alameda Corridor-East Project ("ACE Project"); and
- (b) The public interest, convenience and necessity require the proposed Fairway Drive Grade Separation Project in the City of Industry, County of Los Angeles, State of California as part of said Fairway Drive Grade Separation Project, which includes railroad crossing safety and efficiency improvements, and all uses appurtenant thereto intended to partially mitigate the impacts of increased rail traffic from the completed Alameda Corridor on motor vehicle traffic; and
- (c) The interests in real property to be acquired from that certain parcel bearing Los Angeles County Assessor Parcel Nos. 8760-002-014 are: two new permanent railroad easements (204W-RRE-1A and 204W-RRE-1B), one new 12-month temporary construction easement (204W-TCE1 (dated 2018)), one modified permanent utility easement, (in lieu of, rather than in addition to, the easements originally identified in Resolution of Necessity 13-16 as 204W-UE-1, and 204W-UE-2, respectively), as well as the three originally identified, and now unaltered, and temporary construction easements (204W-TCE1, 204W-TCE2 and 204W-

TCE3) for which the ACE Board adopted Resolution of Necessity No. 13-16. Said interests are legally described on Exhibits A-1, A-2, A-3, and A-4 attached hereto and incorporated herein by this reference ("Property"). The Property is located within the City of Industry, County of Los Angeles, State of California. Maps showing the general location of the Property are attached hereto, marked Exhibits B-1, B-2, B-3, and B-4 and are incorporated herein by reference and made a part hereof. The duration of the TCEs sought to be acquired are set forth in Exhibit C, attached hereto and incorporated herein by this reference;

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

SECTION 2. SGVCOG Capital Projects and Construction Committee hereby declares that it is its intention to acquire said Property in accordance with the provision of the laws of the State of California governing condemnation procedures.

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

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

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



SECTION 6. The Clerk of the SGVCOG Capital Projects and Construction Committee shall certify the adoption of this Resolution and certify this record to be a full true, correct copy of the action taken.

PASSED, APPROVED AND ADOPTED this 27th day of August, 2018.

ATTEST:

Deanna Stanley, Clerk

STATE OF CALIFORNIA           )  
COUNTY OF LOS ANGELES    )  
CITY OF WEST COVINA         )

I HEREBY CERTIFY that the foregoing Amended Resolution 13-16 was duly adopted by the San Gabriel Valley Council of Governments, Capital Projects and Construction Committee Meeting at a regular meeting thereof, held on the 27th day of August 2018 by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

---

Deanna Stanley, Clerk

**Placeholder**

Plat Maps

&

Legal Descriptions

&

Amended Exhibit C

MEMO TO: Capital Projects and Construction Committee Members & Alternates

FROM: Mark Christoffels  
Chief Engineer

DATE: August 27, 2018

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

**RECOMMENDATION:** Staff recommends that the Committee authorize the Chief Engineer to amend the contract with URS Corporation for a not-to-exceed amount of \$1,061,536 for design support services, for a new contract value of \$7,212,153.

**BACKGROUND:** At the September 24, 2012 meeting, the ACE Board approved the award of the design contract for the Durfee Avenue grade separation project to URS. URS is in the process of completing all design work based on comments received from all stakeholders and revisions required to resolve utility conflicts and staff anticipates releasing the Durfee Avenue construction bid package by September 2018.

URS is the designer of record for the Durfee Avenue project and needs to be available to provide support to SGVCOG during the bidding and construction phases. Design support is required to respond to bidders' questions, assist in any addenda to the bid documents, attend construction meetings as needed, perform field reviews, respond to contractor requests for information, review contractor submittals for conformance, review any non-conformance issues and provide final as-built drawings. All these services will extend through the life of the construction project, approximately 36 months.

The design support component of this amendment to provide these services for the Durfee project is approximately 17% of the design cost for this project. The average post design construction support services for ACE completed projects is 18% so this anticipated cost is within range of ACE's past history for these types of services. In addition, this contract amendment will specify that payment will only be made for actual costs for services specifically requested by the agency.

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

Phase	Executed Amount
1: Preliminary Engineering	\$1,463,436
2: Final Design	\$4,687,181 <sup>1</sup>
3: Design Support [THIS REQUEST]	\$1,061,536
TOTAL	\$7,212,153

<sup>1</sup> Final Design total includes \$5,087 for Pico Water District Betterment.

This authorization would also allow a 10% contingency allowance in accordance with normal agency procedures. Any contract amount changes from the above figure due to contract change orders that exceed the Chief Engineer's authorization will be brought back to the Committee for further consideration and approval.

**BUDGET IMPACT:** Funds for this contract are available from Federal and Metro grants.



MEMO TO: Capital Projects and Construction Committee Members & Alternates

FROM: Mark Christoffels  
Chief Engineer

DATE: August 27, 2018

SUBJECT: Approval of an Amendment to a Betterment Agreement with the Cities of Industry and Diamond Bar for Construction of On/Off Ramps at Lemon Avenue to State Route 60 to be done in Conjunction with the Fairway Drive Grade Separation Project

**RECOMMENDATION:** Staff recommends that the Committee authorize the Chief Engineer to execute an amended Betterment Agreement with the Cities of Industry and Diamond Bar for requested improvements to be done in conjunction with the Fairway Drive grade separation project.

**BACKGROUND:** To help mitigate traffic detour impacts resulting from the construction of the Fairway Drive grade separation project by ACE, the Cities of Industry and Diamond Bar requested the San Gabriel Valley Council of Governments through the ACE Construction Authority construct new ramps at Lemon Avenue and State Route 60 in conjunction with our ongoing Fairway Drive grade separation construction. These requested improvements including construction management were estimated at \$19 million and would be paid for by the City of Industry and the City of Diamond Bar.

On July 25, 2016, the ACE Board approved a Betterment Agreement with these two cities for the requested work. Since the approval of this agreement, the two cities have made changes to the requested work and have also modified their respective contributions to the project, specifically that the grant funding obtained for this work has now been assigned by City of Diamond Bar to the City of Industry. These changes will not impact the current construction activity nor the SGVCOG's ability to get reimbursed for incurred costs. To date, both City Councils have approved the amended agreement, and are now seeking the Committee's concurrence. The work requested under this agreement was initiated in 2016 and will be completed next month.

**BUDGET IMPACT:** There will be no budget impact to the SGVCOG, as all expenses related to the City's requested improvements will be paid for by the City of Industry and the City of Diamond Bar through various grants allocated to them for this work.

Attachment

**FIRST AMENDMENT TO BETTERMENT AGREEMENT FOR  
INSTALLATION OF NEW RAMPS AT LEMON AVENUE AND  
STATE ROUTE 60 BY AND BETWEEN THE CITY OF DIAMOND  
BAR, THE CITY OF INDUSTRY AND THE ALAMEDA CORRIDOR-  
EAST CONSTRUCTION AUTHORITY OF THE SAN GABRIEL  
VALLEY COUNCIL OF GOVERNMENTS**

This First Amendment to Betterment Agreement ("First Amendment") is effective this \_\_\_\_\_ day of \_\_\_\_\_, 2018, by and between the CITY OF INDUSTRY, a municipal corporation ("INDUSTRY"), the CITY OF DIAMOND BAR, a municipal corporation ("DIAMOND BAR"), and the SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS a California Joint Powers Authority ("SGVCOG"), in furtherance of the Alameda Corridor-East Construction Project. INDUSTRY, DIAMOND BAR and SGVCOG may each individually be referred to herein as "PARTY" and collectively as "PARTIES".

**RECITALS**

WHEREAS, INDUSTRY, DIAMOND BAR and the Alameda Corridor-East Construction Authority of the San Gabriel Valley Council of Governments ("ACE") entered into that certain Betterment Agreement dated August 22, 2016 ("Betterment Agreement"), wherein ACE agreed, in conjunction with ACE's construction of the Fairway Drive Grade Separation Project, to construct and provide construction management for the BETTERMENT, which as set forth in the Betterment Agreement, consists of new on and off ramps at Lemon Avenue and State Route 60; and

WHEREAS, the Betterment Agreement sets forth the relative obligations of INDUSTRY, DIAMOND BAR and ACE, including the work to be performed by ACE, in constructing the BETTERMENT and the cost obligations of INDUSTRY and DIAMOND BAR for such work; and

WHEREAS, due to the existence of a funding shortfall at the time, the Betterment Agreement divided the construction work into a Phase 1 and Phase 2, with Phase 2 to be constructed if funds were subsequently made available; and

WHEREAS, on December 19, 2017, SGVCOG formally adopted a Fourth Amended and Restated Joint Powers Agreement and Ninth Amended and Restated Bylaws which eliminated ACE as a separate administrative entity of the SGVCOG and fully integrated ACE into the operations of the SGVCOG; and

WHEREAS, pursuant to Section 27 of the Fourth Amended and Restated Joint Powers Agreement, SGVCOG assumed all responsibilities of ACE and pursuant to Article IV, Section D of the Ninth Amended and Restated Bylaws SGVCOG created a Capital Projects and Construction Committee to oversee the remainder of the Alameda Corridor-East Construction Project; and

WHEREAS, SGVCOG therefore assumed by operation of law all duties and responsibilities of ACE under the Betterment Agreement; and

WHEREAS, INDUSTRY and DIAMOND BAR entered into a First Amendment to the



Memorandum of Understanding for the Lemon Avenue Partial Diamond Interchange Project ("MOU Amendment"), wherein, in pertinent part, DIAMOND BAR transferred BETTERMENT sponsorship and funds to INDUSTRY, and INDUSTRY agreed to process, review and pay invoices from the State of California ("Caltrans") and ACE for work related to BETTERMENT right of way acquisition, construction and construction management; and

WHEREAS, the PARTIES desire to amend the Betterment Agreement to reflect that funds have been identified to construct Phase 2 and to reflect the modification to the obligations of INDUSTRY and DIAMOND BAR as set out in the MOU Amendment, to the extent they pertain to the Betterment Agreement.

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein, the PARTIES hereby agree as follows:

1. Defined Terms/Exhibits. Unless otherwise defined, all capitalized terms used herein shall have the meanings set forth for such terms in the Betterment Agreement and any referenced exhibit herein shall refer to the exhibit attached to the Betterment Agreement.
2. All references to "ACE" as an organization or entity in the Betterment Agreement shall be deemed to be references to "SGVCOG" for purposes of this First Amendment and any future amendments.

3. SECTION I, subsection 7 of the Betterment Agreement, is deleted in its entirety and replaced with the following:

"7. To invoice INDUSTRY in adequate detail describing the work completed for the actual costs associated with construction of the BETTERMENT as shown in Exhibit A."

4. SECTION II, subsection 4 of the Betterment Agreement, is deleted in its entirety and replaced with the following:

"INDUSTRY shall pay to SGVCOG One Hundred Percent (100%) of the BETTERMENT environmental documentation, construction, construction management and administration costs up to a not to exceed amount of \$20,416,000 as shown in Exhibit A. This not to exceed amount may be adjusted to account for changes in the scope of work due to change orders during the BETTERMENT construction if prior to such change in scope of work the PARTIES mutually agree in writing to the change in scope of work and the cost thereof. SGVCOG costs shall be calculated based on the Caltrans-approved indirect cost rate applied to direct expenses. INDUSTRY will make all necessary efforts to pay properly documented SGVCOG invoices within 30 days of receipt of such invoices."

5. SECTION III, subsection 2 of the Betterment Agreement, is deleted in its entirety and replaced with the following:

"SGVCOG shall construct both Phase 1 and Phase 2 of the BETTERMENT and invoice INDUSTRY for eligible costs related thereto in accordance with Section I, subsection 7."

6. SECTION III, subsection 13 of the Betterment Agreement, is amended to modify the

addresses as follows:

"To INDUSTRY: City of Industry  
15625 E. Stafford Street  
City of Industry, CA 91744  
Attention: City Manager


"To DIAMOND BAR: City of Diamond Bar  
21810 Copley Drive  
Diamond Bar, CA 91765  
Attention: Daniel Fox, City Manager"

7. Integration. This First Amendment integrates all of the terms and conditions mentioned herein, and supersedes all negotiations with respect hereto. This First Amendment amends, as set forth herein, the Betterment Agreement and except as specifically amended hereby, the Betterment Agreement shall remain in full force and effect. To the extent that there is any conflict or inconsistency between the terms and provisions of this First Amendment and the terms and provisions of the Betterment Agreement, the terms and provisions of this First Amendment shall control.
6. This First Amendment may be executed and delivered in any number of counterparts, each of which, when executed and delivered shall be deemed an original and all of which together shall constitute the same First Amendment. Electronic signatures are permitted.


*[Signatures on the following page]*

IN WITNESS WHEREOF, the Parties hereto have caused this First Amendment to be executed by their respective officers as of the date first written above.

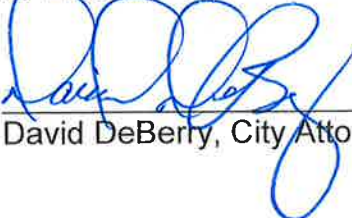
**CITY OF DIAMOND BAR**

  
\_\_\_\_\_  
Ruth M. Low, Mayor

ATTEST:

  
\_\_\_\_\_  
Tommye Cribbins, City Clerk


APPROVED AS TO FORM:

  
\_\_\_\_\_  
David DeBerry, City Attorney

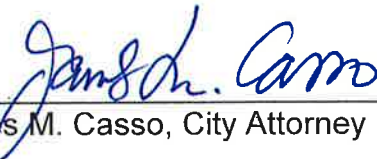
**CITY OF INDUSTRY**

  
\_\_\_\_\_  
Mark D. Radecki, Mayor

ATTEST:

  
\_\_\_\_\_  
Diane M. Schlichting, City Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_  
James M. Casso, City Attorney

**SGVCOG**

\_\_\_\_\_  
Chief Engineer

ATTEST:

\_\_\_\_\_  
Secretary

APPROVED AS TO FORM:

\_\_\_\_\_  
ACE General Counsel

**Exhibit A**  
**Revised with the First Amendment**

The INDUSTRY and DIAMOND BAR requested improvements (BETTERMENT) consist of the construction of new on and off ramps from State Route 60 to Lemon Avenue as put forth in Caltrans Permit No. 716.AOP.1261 and all the plans and specifications associated with said permit.

The estimated cost for construction of these improvements including all required construction oversight is:

Phase 1: Construction of the westbound on ramp and eastbound off ramp including all required signalization, striping and signage - \$14,250,000.

Phase 2: Construction of the eastbound on ramp including all required signalization, striping and signage and associated improvements and ramp removals at Brea Canyon Road - \$4,750,000.

All amounts to be billed and paid will be based on actual costs. SGVCOG shall not exceed the costs shown above without the written consent of INDUSTRY and DIAMOND BAR.

Additional estimated costs associated with the project include:

Due to Caltrans:  
Remaining Utility Costs - \$1,300,000  
Caltrans AAA Oversight Engineering - \$376,000

Due to SGVCOG:  
Current Construction Claims - \$916,000  
Allowance for Contingency - \$500,000

Estimated total project cost is \$22,092,000.

**SR 60 Freeway Interchange at Lemon Ave. Available Funding**

Local Funds provided by Metro's Exchange program (Transferred to Industry by Diamond Bar)	\$ 7,242,435
Metro Call for Projects (Transferred to Industry by Diamond Bar)	\$ 2,103,393
Early Allocation of Measure M granted to Industry	\$ 5,300,000
Industry Successor Agency Bond Proceeds	\$ 7,258,526
Metro Admin fee for exchange covered by SGVCOG	\$ 223,992
<b>Total Available Funding</b>	<b>\$ 22,128,346</b>

MEMO TO: Capital Projects & Construction Committee Members and Alternates

FROM: Mark Christoffels  
Chief Engineer

DATE: August 27, 2018

SUBJECT: Approval of Selection of CWE for Preliminary Engineering and Final Design Services for the Load Reduction Strategy Projects for the Rio Hondo River and Tributaries

**RECOMMENDATION:** Staff recommends that the Committee authorize the Chief Engineer to negotiate a design and engineering services contract with California Watershed Engineering Corporation (CWE) for the Load Reduction Strategy (LRS) projects for the Rio Hondo River and Tributaries.

**BACKGROUND:** At the March 2018 SGVCOG Governing Board meeting, the Board authorized staff to solicit proposals for design and engineering services for the LRS projects and assign the project management to the Capital Projects & Construction Committee.

The Los Angeles Regional Water Quality Control Board (LARWQB) adopted the National Pollutant Discharge Elimination System Municipal Separate Storm Sewer (MS4) Permit Order No. R4-2012-0175, which became effective on December 28, 2012. The MS4 Permit identifies the permittees that are responsible for compliance with the MS4 Permit requirements pertaining to the Los Angeles River Bacteria Total Maximum Daily Load (LAR Bacteria TMDL) Resolution No. R10-007. The LAR Bacteria TMDL requires the responsible permittees to protect recreational uses in the Los Angeles River watershed by meeting targets and waste load allocations for the indicator bacterium *E. coli* during wet weather and dry weather seasons.

To implement the series of projects approved by the LARWQB, the cities of Alhambra, Monterey Park, Pasadena, Rosemead, San Gabriel, San Marino, South Pasadena, Temple City and Unincorporated Los Angeles County, as participating agencies and permittees have requested to enter into an agreement with the SGVCOG to oversee the project.

Consistent with our procurement process, a Request-for-Qualifications (RFQ) was issued on June 6, 2018 and a pre-proposal conference was held on June 13<sup>th</sup>. The availability of the RFQ were posted on our websites and our online bidding system. SGVCOG received two Statements of Qualifications (SOQ) on July 2<sup>nd</sup>.

Responsive SOQs were received from the following firms:

- California Watershed Engineering Corporation (CWE)
- Wheeler & Gray Consulting Engineers

A Technical Evaluation Committee (TEC) was formed consisting of SGVCOG staff and representatives from cities of Alhambra, Pasadena and Los Angeles County Public Works all with relevant technical qualifications. The TEC reviewed the written proposals and elected to interview the highest ranked firm, CWE.

The interview was held on August 1<sup>st</sup>. Based on the TEC's evaluation of CWE's proposal and interview, the TEC unanimously recommended CWE as the selected consultant for the project. CWE is certified as a Small and Disadvantaged Business Enterprise firm.

Notice of staff's recommendation was posted on our websites and were sent to all firms who expressed interest on the project through our online bidding system on August 2<sup>nd</sup>. The protest period concluded on August 9<sup>th</sup> and no protests were received.

Upon approval by the Committee of the recommended firm and authorization to negotiate a contract, staff will initiate negotiations and in-house staff will be requested to perform all required post-award audits. It is anticipated we will request a contract award at your September 2018 meeting.

**BUDGET IMPACT:** Funding for this contract will be provided from the participating agencies identified in this report under a separate agreement previously approved by the SGVCOG Governing Board. These agencies are currently in the process of executing this agreement.



Memo to: Capital Projects and Construction Committee Members & Alternates

From: Mark Christoffels  
Chief Engineer

Date: August 27, 2018

SUBJECT: Receive and File Quarterly Financial, Audit, and Investment Reports

**RECOMMENDATION:** Receive and file a report on the ACE Project Quarterly Financial, Audit, and Investment Reports for the period from April 1, 2018 through June 30, 2018

**BACKGROUND:** The ACE Project is required to produce quarterly financial reports to update revenues, project budgets, expenditure forecasts, grant reimbursements, audits, investments, and project schedules. In the past, these reports were presented to the ACE Finance Committee, which was eliminated in the restructuring of the ACE Project under the San Gabriel Valley Council of Governments. Staff will continue to bring the details of these reports to the Capital Projects and Construction Committee.

Attached are exhibits that provide required reporting information and below is a summary of any changes from the prior quarter.

**Exhibit I – ACE Revenue by Source**

This exhibit details all funding authorized, allocated to projects, and remaining unallocated (surplus) since the inception of the ACE Project. During this review period, there were no additional allocations, and the current un-programmed fund balance is \$11.5 million. Current project estimates indicate up to \$7.8 million may be needed to complete current projects in or going into construction, as well as an additional \$50 million to fully fund our last project, Turnbull Canyon Road Grade Separation. Grant funding in addition to the current \$11.5 million fund balance will be needed to close this funding gap. The SGVCOG has received from the California Transportation Commission TCEP grants under SB1 totaling \$78 million. These revenues will not be shown until the results of the upcoming November election have been reported and we know the status of these grant funds.

**Exhibit II – ACE Project Funding by Source**

The funding allocation for the entire ACE Project is distributed among projects in this Exhibit based on the available revenues identified in Exhibit I. Funding allocations are adjusted either up or down quarterly to reflect updated project cost estimates as the project design is further developed, right of way acquisition costs become known as appraisals are made and purchase agreements executed, and finally when construction bids are received. In addition, funding sources may need to be changed due to modification on ACE's grant funding agreements with Caltrans and the MTA. Project allocation changes are shown on the summary sheet at the end of Exhibit II.

### **Exhibit III – ACE Project Allocations vs. Estimate at Completion**

This Exhibit tracks project allocations as compared to the estimated cost to complete for each project, along with other data. The current report shows that if the current ACE projects were to be completed based on what we know today, there would be an approximate \$13.8 million deficit between allocations and expenditures. This deficit will need to be funded with the current \$11.5 million fund balance as well as additional grant funding which staff is pursuing both at the federal and state level. As the projects are bid out, or those in design are further developed, the cost estimates will be refined and the needed allocations adjusted based on ACE's available balance of grant funds.

### **Exhibit IV – Expenditure Forecasts**

This is a cash flow forecast for active projects. The spreadsheets show full-anticipated project costs regardless of whether the project is currently in design, right of way, or a construction phase. This allows staff to keep track of the overall program status and determine what remaining funds are available for future projects. The reasons for any changes shown in the Estimated at Completion (EAC) column are noted with footnotes at the bottom of the spreadsheet. The only adjustment this quarter was a \$5.6 million increase for Fairway Drive based on a property revenue accounting correction.

### **Exhibit V – ACE Expenditures vs. Reimbursements**

This exhibit captures the reimbursement status for all active or completed projects as of June 30, 2018. Since the ACE Project must borrow funds to make current payments to its vendors, consultants, and contractors, and then seek reimbursement from its granting agencies, minimizing the time for reimbursements is a key component to avoid incurring significant interest costs on SGVCOG borrowed funds. SGVCOG's policy is to try to bill and receive reimbursements within 30 days. As noted in this exhibit, as of June 30, 2018, the ACE project was current on all of its requested grant reimbursements except for \$9.8 million in receivables that were over 30 days. These are due to invoices not yet processed by Caltrans. Staff has requested upper management at Caltrans make a review to determine why our payments are being delayed.

### **Exhibit VI – Project Schedules**

This exhibit reflects current estimated schedules for different phases of active projects.

### **Exhibit VII – Treasury/Banking Investments**

This exhibit has two components – a statement of net assets as of June 30, 2018 and an accounting of all banking and investments. The exhibit shows that if the ACE Project were to conclude all operations as of this date, it would have assets over liabilities of \$7,185,280 after paying off its current liabilities including the CalPERS liabilities. In an agreement with CalPERS, the SGVCOG is currently paying down its unfunded and termination liabilities through additional payments made each month. CalPERS current published unfunded and termination liability numbers (shown on Exhibit VII) do not yet reflect all payments so our actual liability is much less than currently stated. In addition



this exhibit shows that all of the ACE Project's banking and investments remain in compliance with the SGVCOG investment policy.

The ACE Project's revenue is primarily based on grant funding which is allocated on a reimbursement basis. In order to meet its financial obligations under the contracts issued, the ACE Project must obtain working capital through borrowing and cash on hand. ACE Project staff have been working hard to keep receivables (essentially grant reimbursements) at less than 30 days. A benefit of reducing aging receivables is that ACE's cost of borrowing is substantially reduced because we are able to maintain a healthy balance in short-term investments. For the months of April, May, and June 2018, the cost of borrowing was \$283,254 and the interest income on short-term investments was \$124,355 for a net interest expense of during this quarter of \$158,899 on a \$45m loan. The lower than normal interest earnings was due to market conditions as well as outstanding payments from Caltrans that have significantly reduced our cash investment opportunities.

#### **Exhibit VIII – ACE Contract Audits**

The ACE Project conducts audits on the agency's professional services contracts to verify that billable rates are being billed correctly. When discrepancies are discovered, ACE will withhold disputed amounts from future progress or final retention payments on these contracts. The attached summarize the activities by the ACE Project audit team during the 4<sup>th</sup> quarter of fiscal year 2018. During this period the ACE Project \$14,908 in charges from our consultants were found to be unsupported by their documentation. The attached also shows 4 audits were completed during this period and that there are 19 additional audits currently pending.



**ACE Construction Authority**  
FY2018 4<sup>th</sup> Quarter  
Preliminary Financial Reports

As of June 30, 2018

**EXHIBIT I - ACE REVENUE BY SOURCE**  
**As of June 30, 2018**

Grant		Authorized	Adjustments	Note	Net Authorized	Allocated To Projects	Surplus	Allocated Inc/(Decr)
<b>Federal</b>								
TEA - 21	Sect 0491	4,655,048	(402,000)	a	4,253,048	4,253,048	-	
TEA - 21	Sect 1017	2,205,000	(141,317)	b	2,063,683	2,063,683	-	
TEA - 21	Sect 1138	17,250,000	-		17,250,000	17,250,000	-	
TEA - 21	Sect 1533	100,000,000	-		100,000,000	100,000,000	-	
TEA - 21	Sect 198	9,562,500	(572,760)	b	8,989,740	8,989,740	-	
Hiway Fund FY 01		1,500,000	(3,300)	b	1,496,700	1,496,700	-	
NCPD FY 2000		1,240,000	-		1,240,000	1,240,000	-	
NCPD FY 2001		2,400,000	(2,565)	b	2,397,435	2,397,435	-	
NCPD FY 2002		4,000,000	(116,000)	b	3,884,000	3,884,000	-	
NCPD FY 2003		1,495,000	(10,000)	b	1,485,000	1,485,000	-	
NCPD FY 2004		2,000,000	(119,163)	b	1,880,837	1,880,837	-	
STP FY 2006		4,200,000	(42,000)	b	4,158,000	4,158,000	-	
STP FY 2009		570,000	-		570,000	570,000	-	
STP FY 2010		500,000	(85)	b	499,915	499,915	-	
AAA FY 2010		1,349,000	(230)	b	1,348,770	1,348,770	-	
SAFETEA-LU FY 05	Sect 1701	2,528,000	(255,185)	c	2,272,815	2,272,815	-	
SAFETEA-LU FY 06	Sect 1701	2,528,000	(254,883)	c	2,273,117	2,273,117	-	
SAFETEA-LU FY 07	Sect 1701	2,528,000	(252,029)	c	2,275,971	2,275,971	-	
SAFETEA-LU FY 08	Sect 1701	2,528,000	(252,029)	c	2,275,971	2,275,971	-	
SAFETEA-LU FY 09	Sect 1701	2,528,000	(251,136)	c	2,276,864	2,276,864	-	
SAFETEA-LU FY 05	Sect 1934	3,000,000	(280,077)	c	2,719,923	2,719,923	-	
SAFETEA-LU FY 06	Sect 1934	6,000,000	(560,154)	c	5,439,846	5,439,846	-	
SAFETEA-LU FY 07	Sect 1934	7,500,000	(700,192)	c	6,799,808	6,799,808	-	
SAFETEA-LU FY 08	Sect 1934	7,500,000	(700,192)	c	6,799,808	6,799,808	-	
SAFETEA-LU FY 09	Sect 1934	6,000,000	(564,181)	c	5,435,819	5,435,819	-	
SAFETEA-LU FY 05	Sect 1301	3,125,000	(247,763)	c	2,877,237	2,877,237	-	
SAFETEA-LU FY 06	Sect 1301	6,250,000	(495,526)	c	5,754,474	5,754,474	-	
SAFETEA-LU FY 07	Sect 1301	7,812,500	(619,407)	c	7,193,093	7,193,093	-	
SAFETEA-LU FY 08	Sect 1301	7,812,500	(619,407)	c	7,193,093	7,193,093	-	
SAFETEA-LU FY 09	Sect 1301	6,250,000	(951,578)	c	5,298,422	5,298,422	-	
FRA		2,544,100	-		2,544,100	2,544,100	-	
PUC (Section 130)		10,000,000	-		10,000,000	10,000,000	-	
ISTEA (Nogales-LA)		6,936,147	-		6,936,147	6,936,147	-	
CMAQ (Nogales-LA)		6,347,000	-		6,347,000	6,347,000	-	
	<b>Subtotal</b>	<b>252,643,795</b>	<b>(8,413,159)</b>		<b>244,230,636</b>	<b>244,230,636</b>	<b>-</b>	
<b>State</b>								
ITIP		39,000,000	(18,426)	d	38,981,574	38,981,574	-	
PUC (Section 190)		10,000,000	-		10,000,000	10,000,000	-	
TCRP		150,000,000	(19,700,000)	e	130,300,000	130,300,000	-	
Prop 1B-HRCSA (Nogales-LA/Fullerton/Durfee)		46,612,000	-		46,612,000	46,612,000	-	
TCIF (SGT/Baldwin/Fairway/Puente/Durfee)		422,196,000	-		422,196,000	422,196,000	-	
	<b>Subtotal</b>	<b>667,808,000</b>	<b>(19,718,426)</b>		<b>648,089,574</b>	<b>648,089,574</b>	<b>-</b>	
<b>Local</b>								
MTA 1 (FY 98-02)	C 25%	37,500,000	(23,360,000)	f	14,140,000	14,140,000	-	
MTA 2 (FY 03-05)	C 10%	1,857,000	-		1,857,000	1,857,000	-	
MTA 2 (FY 03-05)	C 25%	13,178,000	-		13,178,000	13,178,000	-	
MTA 2 (FY 03-05)	AB 3090	9,308,000	-		9,308,000	9,308,000	-	
MTA 2 (FY 03-05)	STIP-RIP	5,496,000	-		5,496,000	5,496,000	-	
MTA 3 (FY 06-09)	C 25%	85,000,000	-		85,000,000	85,000,000	-	
MTA 4 (FY 09-15)	C 25%-Remaining	28,566,800	-		28,566,800	28,566,800	-	
MTA 5 (FY 09-15)	C 25%-Supplemental	112,324,000	-		112,324,000	112,324,000	-	
MTA 6 (Nogales-LA)	C 25%	28,849,000	-		28,849,000	28,849,000	-	
MTA 7 (Phase II)	Measure R	400,000,000	-	g	400,000,000	400,000,000	-	
	<b>Subtotal</b>	<b>722,078,800</b>	<b>(23,360,000)</b>		<b>698,718,800</b>	<b>698,718,800</b>	<b>-</b>	
<b>Other Sources</b>								
Railroad (UPRR/Metrolink)		40,551,669	(4,183,500)	h	36,368,169	24,858,433	11,509,736	
Cities/LA County (Nogales-LA)		9,915,303	-		9,915,303	9,915,303	-	
Betterments (Cities/Metrolink)		54,527,807	-		54,527,807	54,527,807	-	
MWD (Brea Canyon)		2,207,402	-		2,207,402	2,207,402	-	
Property Sale		7,186,277	(4,184,700)	i	3,001,577	3,001,577	-	
	<b>Subtotal</b>	<b>114,388,458</b>	<b>(8,368,200)</b>		<b>106,020,258</b>	<b>94,510,522</b>	<b>11,509,736</b>	
<b>TOTAL GRANTS</b>		<b>1,756,919,053</b>	<b>(59,859,785)</b>		<b>1,697,059,268</b>	<b>1,685,549,532</b>	<b>11,509,736</b>	
<b>Other Income</b>								
Property Rental Income		139,316	-		139,316	-	139,316	
Recovered Costs		142,288	-	j	142,288	-	142,288	
	<b>Subtotal</b>	<b>281,604</b>	<b>-</b>		<b>281,604</b>	<b>-</b>	<b>281,604</b>	
<b>TOTAL ACE Construction</b>		<b>1,757,200,657</b>	<b>(59,859,785)</b>		<b>1,697,340,872</b>	<b>1,685,549,532</b>	<b>11,791,340</b>	<b>-</b>

**Notes:**

- a) Transferred by LA County to ACE for the Nogales-LA project.
- b) Federal budgetary reduction.
- c) Based on Caltrans updated OA, appropriations reduced by 10% instead of 15%.
- d) \$18K for Ramona lapsed in June 2008 prior to project closeout.
- e) \$19.7 million programmed to other entities (yet to be allocated by State).
- f) Allocated to City of LA.
- g) Of the \$400M Measure R funds, \$135M has executed MOU.
- h) Based on individual projects, UPRR paid 1/2 before and 1/2 after construction phase.  
Due to phasing of construction, only \$27.753M has been received. \$4.184M adjustment is for Temple project.
- i) Sale of Nogales(Ah) property used to reduce expenditures billed to Caltrans.
- j) Costs recovered after a project had been closed.

EXHIBIT II - ACE PROJECTS FUNDING BY SOURCE

As of June 30, 2018

(\$ 000's)

Project	Task	Fed #	All																	
			TEA-21	NCPD/STP	SAFETEA	ITIP	ISTEA/CMQ	FRA/PUC	TCRP	Prop 1B	MTA 1	MTA 2	MTA 3	MTA 4	MTA 5	MTA 6	MTA 7	Railroad	Prop Sale	Cities/Better
212 At-Grade Crossing	Design	n/a	4,463	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	ROW	n/a	1,075	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Constr	n/a	17,378	-	-	-	-	-	-	-	-	-	-	-	-	-	17,378	-	-	-
			22,916	-	-	-	-	-	-	-	-	-	-	-	1,175	-	21,741	-	-	-
102 Baldwin	Design	(017)	5,390	3,013	-	753	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	ROW	(028)	37,237	-	21,008	-	-	-	-	-	-	495	696	432	-	-	-	-	-	-
	Constr	(017)	27,738	-	-	-	-	-	27,738	-	-	9,382	2,500	4,347	-	-	-	-	-	-
			70,365	3,013	21,008	753	-	-	27,738	-	-	9,877	3,196	4,779	-	-	-	-	-	-
208 Durfee	Design	(039)	9,740	-	6,984	-	-	-	-	-	-	-	-	-	2,756	-	-	-	-	-
	ROW	n/a	27,365	1,349	3,556	-	-	-	-	-	-	-	-	10,847	-	-	8,719	-	2,894	-
	Constr	n/a	54,038	-	6,697	-	-	-	5,326	-	-	-	-	-	-	-	40,997	-	1,017	-
			91,142	-	1,349	17,237	-	-	5,326	-	-	-	-	13,603	-	-	49,716	-	3,911	-
204 Fairway-LA	Design	(036)	8,231	-	-	-	-	-	-	-	-	-	60	8,171	-	-	-	-	-	-
	ROW	n/a	31,603	n/a	-	-	-	-	-	-	-	-	-	657	-	-	30,946	-	-	-
	Constr	n/a	99,523	-	-	-	-	-	71,000	-	-	-	-	-	-	-	18,607	-	-	-
	Lemon	n/a	19,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,916	-
			158,357	-	-	-	-	-	71,000	-	-	-	60	8,828	-	-	49,553	-	19,000	-
																			28,916	-
207 Fullerton	Design	n/a	10,698	-	-	-	-	-	-	-	-	-	-	-	1,970	-	8,728	-	-	-
	ROW	n/a	27,061	-	n/a	-	-	-	-	-	-	-	-	17,739	9,322	-	17,739	-	-	-
	Constr	n/a	114,625	-	-	-	-	-	53,366	-	-	-	-	8,001	-	-	40,912	4,508	-	7,838
			152,383	-	-	-	-	-	53,366	-	-	-	-	27,709	-	-	58,962	4,508	-	7,838
205 Hamilton	Design	n/a	1,767	-	-	-	-	-	-	-	-	-	-	-	1,242	-	525	-	-	-
	ROW	n/a	22	-	-	-	-	-	-	-	-	-	-	22	-	-	-	-	-	-
	Constr	n/a	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			1,789	-	-	-	-	-	-	-	-	-	-	1,264	-	-	525	-	-	-
209 Montebello	Design	n/a	13,530	-	-	-	-	-	-	-	-	-	-	-	5,530	-	8,000	-	-	-
	ROW	n/a	29,660	n/a	-	-	-	-	-	-	-	-	-	911	-	-	28,749	-	-	-
	Constr	n/a	103,213	-	-	-	-	-	-	-	-	-	-	-	-	-	103,213	-	-	-
			146,403	-	-	-	-	-	-	-	-	-	-	6,441	-	-	139,961	-	-	-
250 Nogales-LA	Design	(032)	4,706	932	-	-	-	-	-	-	-	-	-	-	1,766	-	-	-	-	2,008
	ROW	(035)	51,624	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,407
	Constr	(032)	64,759	3,321	570	9,535	-	-	25,600	-	-	-	-	-	6,877	27,083	-	2,883	1,329	1,946
			121,088	4,253	570	9,535	-	-	25,600	-	-	-	-	-	6,877	28,849	-	2,883	3,275	8,419
202 Puente	Design	(034)	9,413	-	(0)	-	-	-	-	-	-	-	84	9,329	-	-	-	-	-	-
	ROW	n/a	30,768	-	-	-	-	-	-	-	-	-	-	9,683	-	-	21,085	-	-	-
	Constr	(040)	57,196	-	-	-	-	-	48,000	-	-	-	-	984	-	-	8,212	-	-	-
			97,377	-	-	(0)	-	-	48,000	-	-	-	84	19,996	-	-	29,297	-	-	-
201 SG Trench	Design	(030)	33,458	120	1,881	11,913	-	-	-	3	27	3,006	1,365	-	-	-	15,144	-	-	-
	ROW	n/a	33,273	-	500	-	-	-	-	-	-	-	-	-	3,732	-	26,856	-	-	2,185
	Constr	(037)(038)	246,026	-	-	-	-	-	237,778	-	-	-	-	-	5,323	-	-	-	-	2,925
			312,758	120	2,381	11,913	-	-	237,778	3	27	3,006	1,365	9,055	-	-	42,000	-	-	5,110
109 Temple	Design	(009)	7,267	4,680	-	-	-	-	-	1,168	151	978	288	-	-	-	-	-	2	-
	ROW	(009)	12,941	7,768	-	-	-	-	-	969	1,370	2,260	-	-	-	-	-	574	-	-
	Constr	(009)	75,425	32,932	3,884	-	-	-	1,387	33	7,589	13,505	3,950	5,764	-	-	-	6,382	-	-
			95,633	45,380	3,884	-	-	-	1,387	-	2,169	9,110	16,743	4,238	5,764	-	-	6,958	-	-
210 Turnbull Cyn	Design	n/a	10,000	-	-	-	-	-	-	-	-	-	-	-	1,755	-	8,245	-	-	-
	ROW	n/a	106	-	-	-	-	-	-	-	-	-	-	106	-	-	-	-	-	-
	Constr	n/a	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			10,106	-	-	-	-	-	-	-	-	-	-	1,861	-	-	8,245	-	-	-

**EXHIBIT II - ACE PROJECTS FUNDING BY SOURCE**  
As of June 30, 2018

(\$ 000's)

AM																				
Project	Task	Fed #	TEA-21	NCPD/STP	SAFETEA	ITIP	ISTEA/CMQ	FRA/PUC	TCRP	Prop 1B	MTA 1	MTA 2	MTA 3	MTA 4	MTA 5	MTA 6	MTA 7	Railroad	Prop Sale	Cities/Better
101 Ramona	Design	(002)	4,355	3,560	-	-	-	-	-	-	795	-	-	-	-	-	-	-	-	-
	ROW	(002)	8,156	2,400	-	-	-	-	-	-	215	5,494	48	-	-	-	-	-	-	-
	Constr	(002)	40,580	16,684	4,158	5,533	-	-	-	-	-	8,083	2,324	1,680	-	-	-	1,000	-	1,119
	Ramona Total		53,091	22,644	4,158	5,533	-	-	-	-	1,010	13,577	2,372	1,680	-	-	-	1,000	-	1,119
105 Nogales-AH	Design	(005)	4,034	2,560	-	1,473	-	-	-	-	-	1	-	-	-	-	-	-	-	-
	ROW	(005)	17,231	12,970	2,397	3,407	-	-	-	-	700	1,940	-	-	-	-	-	-	-	(4,185)
	Constr	(005)	28,534	1,841	-	21,580	-	-	4,406	-	382	225	-	-	-	-	-	-	-	100
	Nogales-AH Total		49,798	17,372	2,397	26,460	-	-	4,406	-	1,082	2,166	-	-	-	-	-	-	-	100
106 Sunset	Design	(020)	4,739	-	-	-	-	-	4,400	-	-	-	339	-	-	-	-	-	-	-
	ROW	(026)	3,326	100	-	1,673	-	-	100	-	326	-	565	-	888	-	-	-	-	-
Sunset Total	Constr	TCRP	85,797	-	-	-	-	-	47,720	-	-	-	14,607	16,691	345	-	-	-	-	6,434
			93,862	100	-	1,673	-	-	52,220	-	-	-	15,511	16,691	1,232	-	-	-	-	6,434
110 East End	Design	(003)	4,295	1,952	1,240	-	952	-	-	-	-	97	54	-	-	-	-	-	-	-
	ROW	(003)	4,478	3,131	-	1,347	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Design	(010)	3,620	2,896	-	600	-	-	-	-	122	2	-	-	-	-	-	-	-	-
	ROW	(010)	9,431	5,718	-	2,255	-	-	-	-	-	286	919	253	-	-	-	-	-	-
EE/Reservoir Total	Constr	TCRP	57,176	-	-	407	-	-	46,780	-	-	433	9,557	-	-	-	-	-	-	-
			79,000	13,697	1,240	-	5,561	-	46,780	-	122	818	10,590	253	-	-	-	-	-	-
111 Brea Canyon	Design	(019)	4,556	1,191	-	410	-	-	2,500	-	-	-	455	-	-	-	-	-	-	-
	ROW	(027)	12,881	-	1,485	5,521	-	-	2,000	-	-	-	3,875	-	-	-	-	-	-	-
	Constr	TCRP	56,466	-	-	-	-	5,000	21,007	-	-	-	21,745	-	-	-	-	-	-	8,715
	Brea Canyon Total		73,903	1,191	1,485	5,521	410	-	5,000	25,507	-	-	-	26,075	-	-	-	-	-	8,715
309 JS - Phase 3	Design	(001)	8,057	6,072	-	265	-	-	-	-	1,541	-	179	-	-	-	-	-	-	-
	ROW	(001)	3,582	2,866	-	-	-	-	-	-	612	239	(134)	-	-	-	-	-	-	-
JS - Phase 3 Sub-Total	Constr	(001)	11,639	8,938	-	265	-	-	-	-	2,153	239	45	-	-	-	-	-	-	-
			242	240	-	-	-	-	-	-	2	-	-	-	-	-	-	-	-	-
312 JS - Mission	Design	(006)	158	160	-	-	-	-	-	-	-	(2)	-	-	-	-	-	-	-	-
	ROW	(006)	2,270	1,578	-	-	-	-	-	-	515	96	81	-	-	-	-	-	-	-
JS - Mission Sub-Total	Constr	(015)	2,670	1,978	-	-	-	-	-	-	517	94	81	-	-	-	-	-	-	-
			4,832	3,863	-	-	-	-	-	-	888	38	43	-	-	-	-	-	-	-
315 JS - Quad Gates	Constr	(016)	2,936	2,164	-	-	-	-	-	-	374	167	231	-	-	-	-	-	-	-
320 IRRIS - Train	Constr	(007)	3,553	2,845	-	-	-	-	-	-	96	615	(2)	-	-	-	-	-	-	-
321 JS - Phase 1	Constr	(008)	4,991	3,992	-	-	-	-	-	-	-	1,000	(1)	-	-	-	-	-	-	-
322 JS - Phase 2	Constr	(014)	3,520	2,502	-	-	-	-	-	-	-	727	290	-	-	-	-	-	-	-
325 IRRIS - Traffic	Constr	(021)	34,141	26,282	-	-	265	-	-	-	4,028	2,880	686	-	-	-	-	-	-	-
JS/Safety/IRIS Total			1,664,113	134,053	17,464	66,886	38,982	13,283	22,544	130,300	468,808	8,414	28,578	84,800	27,567	108,585	28,849	400,000	15,349	3,002
Total Projects			21,436	-	-	-	-	-	-	-	5,726	1,261	200	1,000	3,739	-	-	-	9,510	-
Start-up/Misc	MTA	n/a	1,685,550	134,053	17,464	66,886	38,982	13,283	22,544	130,300	468,808	14,140	29,839	85,000	28,567	112,324	28,849	400,000	24,858	3,002
Total ACE			11,510	(0)	0	(0)	0	(0)	(0)	-	-	-	0	-	-	-	-	11,510	0	0
Net Authorized			282	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Allocated to Projects			11,792	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus / (Shortfall)																				
Other Income																				
Total Surplus / (Shortfall)																				
MTA 1 : MOU P0004367 MTA 2 : MOU 8002 MTA 3-5 : AMENDMENTS TO MOU MTA 6 : MOU P000F1159 (Nogales-LA) MTA 7 : MOU 8002R (Measure R-Phase II)																				

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MTA 1 : MOU P0004367  
MTA 2 : MOU 8002  
MTA 3-5 : AMENDMENTS TO MOU  
MTA 6 : MOU P000F1159 (Nogales-LA)  
MTA 7 : MOU 8002R (Measure R-Phase II)



# Exhibit III

## ACE Projects Allocation vs. Actual Summary

As of June 30, 2018

(\$ 000's)

	Project	Cost Estimate (1997)	Cost Estimate (2006)	(Exhibit II) Total Allocated to Projects	ITD Expenditures (Exhibit V)	Estimate at *** Completion Exhibit IV	Variance (Allocated vs. Estimate at Completion)	Status
	Start-up/Misc			\$ 21,436	\$ 19,904			
ACE Projects								
1	At-Grade Crossing Safety Improvements	N/A	N/A	\$ 22,916	\$ 2,091	\$ 22,916	\$ -	Active
2	Durfee Road	N/A	N/A	91,143	27,383	91,143	-	Active
3	Fairway Drive (LA)	N/A	N/A	158,357	95,155	178,916	(20,559)	Active
4	Fullerton Road	N/A	N/A	152,383	57,555	152,384	(1)	Active
5	Montebello Corridor	N/A	N/A	146,403	6,389	160,045	(13,642)	Active
6	Nogales South (LA)	24,307	N/A	121,088	117,587	120,772	316	Active
7	Puente Avenue	N/A	N/A	97,377	81,051	97,377	-	Active
8	San Gabriel Trench	198,205	N/A	312,758	271,733	293,671	19,087	Active
9	Temple Avenue	35,985	80,272	95,633	94,681	94,825	808	Active
10	Turnbull Canyon Road	N/A	N/A	10,106	1,105	10,000	106	Preliminary
11	Baldwin Avenue	23,994	64,765	70,365	70,365	70,365	-	Closed
12	Brea Canyon	26,571	64,401	73,903	73,459	73,903	-	Closed
13	Crossing Safety/IRRS	61,000	35,200	34,141	34,343	34,141	-	Closed
14	East End/Reservoir	56,571	69,180	79,000	78,960	79,000	-	Closed
15	Hamilton Blvd.	N/A	N/A	1,789	1,789	1,789	-	Closed
16	Nogales North (Alh)	39,636	54,599	49,798	49,797	49,798	-	Closed
17	Ramona Blvd.	14,489	47,102	53,091	53,091	53,091	-	Closed
18	Sunset Avenue	22,259	70,502	93,862	93,794	93,862	-	Closed
	Subtotal	\$ 503,017	\$ 486,021	1,685,550	\$ 1,230,231	\$ 1,677,998	\$ (13,885)	

\*\* Excludes Start-up/Misc of \$21,436M to agree with Exhibit-IV EAC.

# Exhibit IV Expenditure Forecast (Active Projects)

As of June 30, 2018  
(\$ millions)

ITD 2017	Budget		Estimate <sup>A</sup>		Forecast			EAC <sup>C</sup>			
		2018		2018	2019	2020	2021	2022 <sup>B</sup>	Q3 FY18	Change	Q4 FY18
Active Projects											
At-Grade Crossing Safety	1.5	1.8	0.8		1.4	9.9	9.0	0.3	22.9		22.9
Durfee Road	23.5	16.3	4.4		14.0	26.4	21.5	1.3	91.1		91.1
Fairway Drive (LA)	77.4	45.8	28.3		28.8	21.4	20.0	8.6	178.9	5.6 <sup>D</sup>	184.5
Fullerton Road	50.7	25.8	11.8		33.9	30.2	25.8		152.4		152.4
Montebello Corridor	4.6	5.8	2.7		23.3	29.9	30.3	69.2	160.0		160.0
Nogales (LA)	117.0	1.7	0.8		3.0				120.8		120.8
Puente Ave	70.1	21.1	14.1		13.2				97.4		97.4
San Gabriel Trench	256.3	22.9	18.6		18.8				293.7		293.7
Temple	94.0	0.9	0.7		0.1				94.8		94.8
Turnbull Canyon Rd	0.7	1.8	1.0		4.0	4.3			10.0		10.0
Completed Projects											
Baldwin	70.4								70.4		70.4
Brea Cyn	73.4								73.9		73.9
Crossing Safety/IRRIS	34.2								34.2		34.2
East End/Reservoir	79.0								79.0		79.0
Hamilton Blvd.	1.8								1.8		1.8
Nogales (Alh)	49.6								49.8		49.8
Ramona	53.1								53.1		53.1
Sunset	93.8								93.8		93.8
Total	1,151.1	143.9	83.2		140.5	122.1	106.6	79.4	1,678.0	5.6	1,683.6

Note: Project forecasts include indirect cost.

<sup>A</sup> 2018 estimate includes mid-year adjustments

<sup>B</sup> Includes costs beyond FY 2022

<sup>C</sup> EAC includes 2018 estimate

<sup>D</sup> Change in revenue accounting

# Exhibit V

## ACE Expenditures vs. Reimbursements

As of June 30, 2018

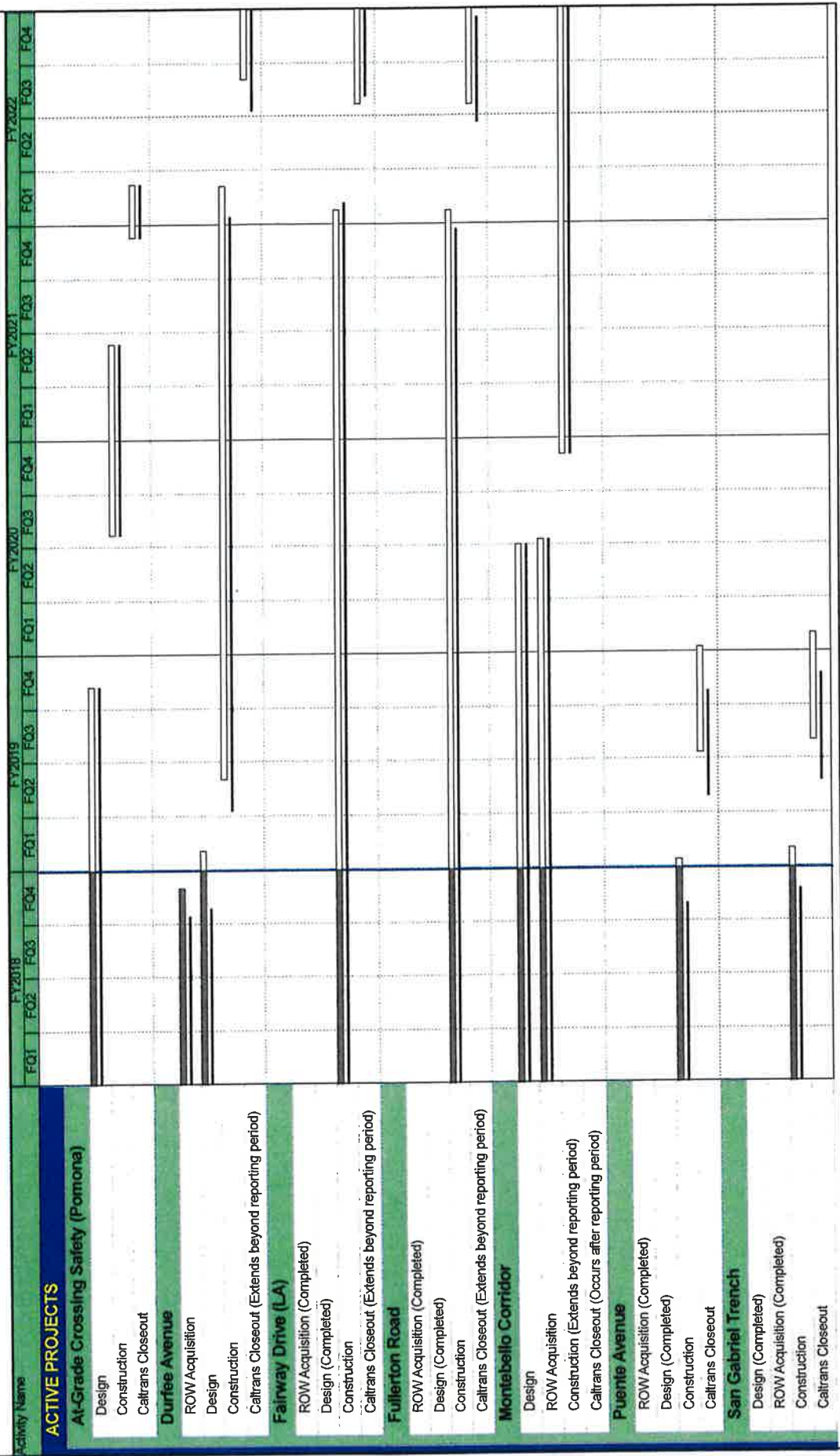
Reimbursement Status (\$ 000)									
Projects	ITD Expenditures	Received	Current /		Aged Receivable	To Be Billed	MTA Retention		
			30 Days or less	\$					
At Grade Crossing	\$ 2,328	\$ 2,187	\$ -	\$ -	-	139	\$ -	3	
Durfee	28,196	27,704	-	-	-	431	-	61	
Fairway Drive	87,421	79,776	-	-	1,743	5,775	-	128	
Fairway-Lemon Bettemment	18,409	13,852	5,149	-	-	(591)	-	-	
Fullerton	61,566	58,336	-	-	423	2,438	-	368	
Montebello	7,238	6,125	-	-	-	1,104	-	10	
Maple Ave.	2	-	-	-	-	2	-	-	
Nogales (LA)	117,980	111,472	-	-	1,732	4,317	-	460	
Puente Ave.	85,331	80,271	-	-	2,405	2,588	-	67	
SG Trench	279,035	271,648	3,382	-	3,592	400	-	13	
Temple	94,682	94,456	-	-	-	7	-	219	
Turnbull Cyn.	1,434	988	-	-	-	408	-	38	
Baldwin	70,365	70,363	-	-	-	-	-	2	
Brea Canyon	73,459	73,459	-	-	-	-	-	-	
Crossing Safety / IRRIS	34,343	34,343	-	-	-	-	-	-	
EE/Reservoir	78,960	78,960	-	-	-	-	-	-	
Hamilton	1,789	1,789	-	-	-	-	-	-	
Nogales (AH)	49,797	49,797	-	-	-	-	-	-	
Ramona	53,091	53,091	-	-	-	-	-	-	
Sunset	93,794	93,794	-	-	-	-	-	-	
Sub-total Projects	1,239,220	1,202,408	8,531	9,896	17,017	1,367			
Project Administration	19,979	19,854	-	-	-	125	-	-	
Total ACE	1,259,199	1,222,262	8,531	9,896	17,142	1,367			
Non-Grade Separation	3	-	-	-	-	3	-	-	
Rio Hondo	1,259,202	1,222,262	8,531	9,896	17,145	1,367			



# Exhibit VI

## Project Schedules

As of 06/30/18



# Exhibit VI

## Project Schedules

As of 06/30/18

Activity Name	FY2018				FY2019				FY2020				FY2021				FY2022			
	F01	F02	F03	F04	F01	F02	F03	F04	F01	F02	F03	F04	F01	F02	F03	F04	F01	F02	F03	F04
<b>Turnbull Canyon</b>																				
Design																				
ROW Acquisition																				
Construction (Extends beyond reporting period)																				
Caltrans Closeout (Occurs after reporting period)																				
<b>COMPLETED AND CLOSED</b>																				
<b>No Projnum</b>																				
Nogales Street (Alh)																				
Ramona Blvd																				
Brea Canyon Blvd																				
Crossing Safety/IRIS																				
East End/Reservoir																				
Sunset Avenue																				
Temple Ave																				
Hamilton Blvd																				
Baldwin Ave																				
Nogales Street (LA)																				

 Previous Report
  Remaining Work
  Actual Work
  Critical Remaining Work

# Exhibit VII

## Treasury / Banking Investments

As of June 30, 2018

	Preliminary 06.30.2018	Change	03.31.2018
<b>Cash on hand</b>			
Operating Account	\$ 2,860,919	\$ (114,664)	\$ 2,975,584
Money Market Account (2)	3,834,836	(6,305,334)	10,140,171
Money Market (UPRR Contributions)	7,722,010	6,734	7,715,275
<b>Total cash on hand</b>	<b>14,417,765</b>	<b>(6,413,264)</b>	<b>20,831,030</b>
<b>Investments</b>			
LAIF	1,612,328	5,977	1,606,352
CBT - Fixed Income at cost	26,448,540	1,794	26,446,746
<b>Total investments</b>	<b>28,060,868</b>	<b>7,770</b>	<b>28,053,098</b>
<b>Current - 30 days or less</b>	<b>8,531,161</b>	<b>3,734,855</b>	<b>4,796,307</b>
<b>Aged Receivable</b>	<b>9,895,649</b>	<b>3,386,374</b>	<b>6,509,275</b>
<b>To Be Billed</b>	<b>17,145,160</b>	<b>4,401,684</b>	<b>12,743,477</b>
<b>MTA Retention</b>	<b>1,367,157</b>	<b>100,841</b>	<b>1,266,316</b>
<b>Total Exhibit V</b>	<b>36,939,128</b>	<b>11,623,754</b>	<b>25,315,374</b>
Other receivables, prepaids and deferred costs	4,741,197	938,650	3,802,547
<b>Total Cash, Cash Equivalents &amp; Receivables</b>	<b>84,158,958</b>	<b>6,156,910</b>	<b>78,002,048</b>
<b>Liabilities</b>			
Payables & other Accruals	5,446,325	4,244,744	1,201,581
Unearned revenues	20,180,316 (a.)	1,494,746	18,685,570
MTA Working Capital Loan	45,000,000	-	45,000,000
<b>Total liabilities</b>	<b>70,626,642</b>	<b>5,739,490</b>	<b>64,887,151</b>
<b>Fund balance</b>	<b>13,532,316</b>	<b>417,419</b>	<b>13,114,897</b>
Resources net of actual liabilities			
Less estimated:			
CalPERS - Hypothetical termination liability	6,347,036 (b.)	-	6,347,036
<b>Resources net of estimated liabilities</b>	<b>\$ 7,185,280 (c.)</b>	<b>\$ 417,419</b>	<b>\$ 6,767,861</b>

a.) Represents surplus property appraised value, net proceeds from sale of ROW surplus properties, advanced UPRR funding, disallowed retention, and Betterment funds billed in advance to City of Industry for Fairway Drive and Fullerton projects.

b.) Updated based on CalPERS's annual valuation report as of June 30, 2016.

c.) Increase represents final UPRR contribution received for Puente Ave project, offset by Temple 4th track current fiscal year expenditures applied to UPRR contribution received in prior year, and unrealized decrease in market value of fixed cost portfolio securities.



# Exhibit VII

## Treasury / Banking Investments

As of June 30, 2018

Deposit/ Investment Amount 06.30.18	% of Invest- ments	Bank Deposits	Maximum Maturity	Maximum Percent of Portfolio	Maximum Investment in One Issuer
		Ace deposits are held by Citizens Business Bank (CBB) under a deposit agreement in amounts not to exceed \$50 million. Under the agreement, CBB maintains collateral deposits of at least 110% of the value of all ACE deposits at Bank of New York Mellon in eligible securities. The CBB deposits accounts are:			
\$ 2,860,919		Checking Account			
11,556,846		Money Market Accounts (3) *			
14,417,765		Total Deposits			
		Permitted Investments **			
11,998,787	42.76%	Government Securities (3.74 - 5.00 years)	5 years	50%	15%<=
7,508,157	26.76%	Corporate Bonds (4.21 - 4.99 years)	5 years	30%	10%<=
1,284,398	4.58%	Gov't Mortgages (4.13 - 4.80 years)	5 years	15%	None stated
1,357,405	4.84%	Municipals (1.42 - 5.03 years)	None stated	None stated	None stated
3,532,980	12.59%	CDs (2.95 - 5.01 years)	5 years	30%	10%<=
766,813	2.73%	Cash and Cash Equivalents	None stated	None stated	None stated
26,448,540	94.25%	Subtotal Investments - Book value *			
1,612,328	5.75%	State's Local Agency Investment Fund	None stated	None stated	None stated
28,060,868	100.00%	Total Investments			
\$ 42,478,634		Total			



# Fixed Income Investments Portfolio

## June30, 2018

Cusip	Name	Coupon	Yield to Maturity	Purchase Date	Maturity Date	Current Price	Par Value	Market Value	Current Book Value
3130A8EN9	Federal Home Loan Bank	1.64	2.291	6/14/2016	6/14/2021	96.938	100.000	96.938	100.000
3130A8NT6	Federal Home Loan Bank	1.48	2.265	7/28/2016	7/13/2021	96.337	200.000	192.674	200.000
3130A9GSA	Federal Home Loan Bank	1.70	2.463	10/12/2016	10/12/2021	96.430	600.000	578.580	600.000
3130AA2S6	Federal Home Loan Bank	1.80	2.533	11/30/2016	11/26/2021	96.585	300.000	289.755	299.727
3130AEF28	Federal Home Loan Bank	3.00	3.097	4/17/2018	4/17/2023	99.553	200.000	199.106	200.000
3130EFZ91	Federal Farm Credit Bank	1.62	2.286	4/12/2016	4/12/2021	96.868	500.000	484.340	499.545
3134G9A08	Freddie Mac	1.68	2.689	8/25/2016	8/25/2021	95.308	400.000	381.232	400.000
3134G9SL7	Freddie Mac	1.60	2.332	9/30/2016	9/30/2021	95.551	700.000	675.927	700.000
3134GAEE0	Freddie Mac	1.60	2.305	8/25/2016	8/25/2021	96.575	1,000.000	965.750	999.480
3134GAHK3	Freddie Mac	1.60	2.471	9/30/2016	9/30/2021	95.927	800.000	767.416	799.480
3134GARB2	Freddie Mac	1.60	2.595	9/30/2016	9/30/2021	95.362	300.000	285.086	300.000
3134GAZR6	Freddie Mac	2.05	2.648	12/30/2016	10/27/2021	97.216	200.000	194.432	200.000
3134GBUJ9	Freddie Mac	2.15	2.847	12/30/2016	12/30/2021	97.436	500.000	483.860	500.000
3134GBJ02	Freddie Mac	2.20	2.740	6/29/2017	6/29/2022	96.772	500.000	488.676	500.000
3134GBJF3	Freddie Mac	2.50	2.917	11/29/2017	12/29/2022	96.070	400.000	392.280	400.000
3134GSEQ4	Freddie Mac	3.00	3.062	4/23/2018	3/15/2023	99.719	300.000	299.157	299.175
3134GBF56	Freddie Mac	2.00	2.800	5/31/2018	9/21/2022	96.773	170.000	164.514	164.050
3134GSKR5	Freddie Mac	3.13	3.134	5/31/2018	5/16/2023	99.957	800.000	799.656	799.680
3134GSPD1	Freddie Mac	3.32	3.317	6/14/2018	6/14/2023	100.015	100.000	100.015	100.000
3135G0N66	Fannie Mae	1.40	2.274	8/25/2016	8/25/2021	95.891	400.000	383.564	400.000
3136G1C98	Fannie Mae	1.42	1.894	5/11/2016	2/5/2020	98.295	150.000	147.443	150.899
3136G35G6	Fannie Mae	1.55	2.354	9/23/2016	9/23/2021	96.227	1,000.000	962.270	999.720
3136G37G4	Fannie Mae	1.50	2.438	9/30/2016	9/30/2021	96.074	900.000	864.666	899.487
3136G4GF4	Fannie Mae	1.55	2.313	10/31/2016	10/28/2021	96.419	200.000	192.838	200.000
3136G3KZ3	Fannie Mae	1.50	2.308	10/28/2016	10/28/2021	96.201	300.000	288.603	300.000
3136G4EV1	Fannie Mae	1.63	2.589	10/28/2016	10/28/2021	95.502	250.000	238.755	249.898
3136G3C78	Fannie Mae	1.55	2.397	7/28/2016	7/28/2021	96.030	200.000	192.060	200.000
880591EL2	Tenn Valley Authority DTD	3.88	3.150	9/19/2016	2/15/2021	102.963	500.000	514.815	537.647
42.76%	Government Securities (3.74 - 5.00 years)					11,376.000	11,376.000	11,525.407	11,598.787
06740KHJ9	Baylors Bank/Delaware	1.60	1.516	7/18/2014	7/23/2018	99.937	100.000	99.937	100.000
87164YML5	Synchro Bank DTD	1.55	2.393	6/29/2016	6/29/2021	96.049	250.000	240.122	249.463
05580AF47	BMW Bank North America	1.20	1.859	9/13/2016	8/16/2019	98.117	250.000	245.292	250.000
02006LM42	Ally Bank Medium	1.30	1.938	9/15/2016	9/15/2021	98.149	250.000	245.371	250.000
1404200F0	Capital One Bank USA	2.10	2.358	7/7/2015	10/16/2019	99.156	161.625	161.625	163.347
02597DVK0	American Exp Centurion	2.20	2.404	7/1/2015	11/29/2019	99.152	170.000	168.558	170.470
05580ACZ5	BMW Bk North, America DTD	2.20	2.507	10/8/2015	9/30/2020	98.570	250.000	246.425	249.950
140420FZ1	Capital One Bank	1.65	2.490	9/14/2015	9/14/2021	96.071	250.000	240.177	250.000
140420Y53	Capital One Bank Medium	1.30	2.362	5/4/2015	5/4/2021	96.424	250.000	241.060	250.356
94976JAW6	Wells Fargo Bank	1.30	1.940	9/14/2015	9/16/2019	98.141	250.000	245.354	250.000
619765GX5	Morton Community Bank	1.60	2.319	12/16/2015	6/16/2020	97.594	200.000	195.188	200.000
14042RAR2	Capital One N/A Medium	2.20	2.505	10/8/2015	10/7/2020	98.575	200.000	197.149	199.230
254672W20	Discover Bank DTD	1.85	2.498	12/14/2016	12/14/2021	97.548	200.000	195.096	200.000
9497485W3	Wells Fargo Bank CD	1.75	2.465	6/17/2016	6/17/2021	96.652	250.000	241.632	251.440
949763AZ9	Wells Fargo Bank	1.65	2.494	9/14/2016	9/14/2021	96.052	250.000	240.130	250.000
36157QTF4	GE Capital Retail Bank	2.00	2.041	11/22/2013	11/23/2018	99.805	250.000	243.513	248.725
12.59%	CDs (2.95 - 5.01 years)					3,452.628	3,452.628	3,452.628	3,532.960
437076B87	Home Depot	2.25	2.256	11/7/2013	9/10/2018	99.974	1,000.000	999.740	1,002.195
40428HPJ5	HSBC USA INC	2.63	2.623	12/4/2013	9/24/2018	100.010	1,000.000	1,000.100	1,002.929
713448BN7	PepsiCo Inc	4.50	3.851	1/29/2015	1/15/2020	102.908	100.000	102.908	105.104
911312AMB	United Parcel Service DTD	3.13	3.008	6/10/2016	1/15/2021	100.498	185.000	185.921	193.443
440452AE0	Hormel Foods Corp	4.13	3.444	1/31/2017	4/15/2021	102.646	500.000	513.230	525.813
14912L6U0	Caterpillar Financial Serv Corp	1.70	2.521	9/9/2016	8/9/2021	95.776	1,746.000	1,672.249	1,738.545
02665WBG5	American Honda Finance	1.70	2.502	9/15/2016	9/9/2021	95.806	1,341.284	1,341.284	1,392.034
06406RAA5	Bank of NY Mellon Corp	2.60	3.114	10/18/2017	2/7/2022	97.943	1,011.000	990.204	1,022.303
166764AT7	Chevron	2.60	3.173	7/26/2017	3/3/2022	97.564	370.000	360.987	373.320
244199BE4	Deere & Co	2.60	3.165	7/26/2017	5/6/2022	97.468	150.000	146.202	152.472
26.76%	Corporate Bonds (4.21 - 4.99 years)					7,452.000	7,452.000	7,312.825	7,508.157
31381NM83	Federal Nat'l Mfg Assn#FN465783	3.84	3.816	12/10/2015	9/1/2020	100.102	151.316	151.470	151.104
31407RTU8	Fannie Mae Pool #638563	5.00	4.545	4/29/2016	10/1/2020	101.806	45.449	47.288	49.323
3137AB927	Freddie Mac	4.33	3.608	9/7/2016	10/25/2020	102.762	155.458	159.751	171.733
3137A8PF7	Freddie Mac	4.19	3.495	9/7/2016	12/25/2020	102.739	321.608	330.416	355.226
3137ABFH9	Freddie Mac	3.99	3.406	9/7/2016	6/25/2021	102.560	496.000	508.696	547.013
4.58%	Gov't Mortgages (4.13 - 4.80 years)					1,170.831	1,170.831	1,197.620	1,284.398
010831BM6	Alameda County JPA	5.00	4.556	11/21/2013	12/1/2018	101.527	440.000	446.719	447.968
758148GY0	Reed Calif Union School District	4.00	2.948	11/18/2013	8/1/2018	100.220	250.000	250.550	253.656
91412GS71	Univ of California	1.61	2.168	12/13/2017	5/15/2019	99.224	310.000	307.594	309.084
13066YT22	California State Dept of Water Resources PV	2.00	2.994	1/22/2018	5/1/2022	96.041	150.000	144.062	146.550
13063DFZ6	California State Dept of Water Resources PV	2.80	2.755	4/25/2018	4/1/2020	99.709	100.000	99.709	100.143
13063DGA0	California State Dept of Water Resources PV	2.60	2.885	4/25/2018	4/1/2021	99.762	100.000	99.762	100.000
4.84%	Municipals (1.42 - 5.03 years)					1,350.000	1,350.000	1,348.396	1,357.405
31607A208	Fidelity Prime Mon Mar-lns	1.00		10/7/2015		100.000	766.813	766.813	766.813
2.73%	Cash and Cash Equivalents						26,252.644	25,703.689	26,448.540
	TOTAL (Dollars)								

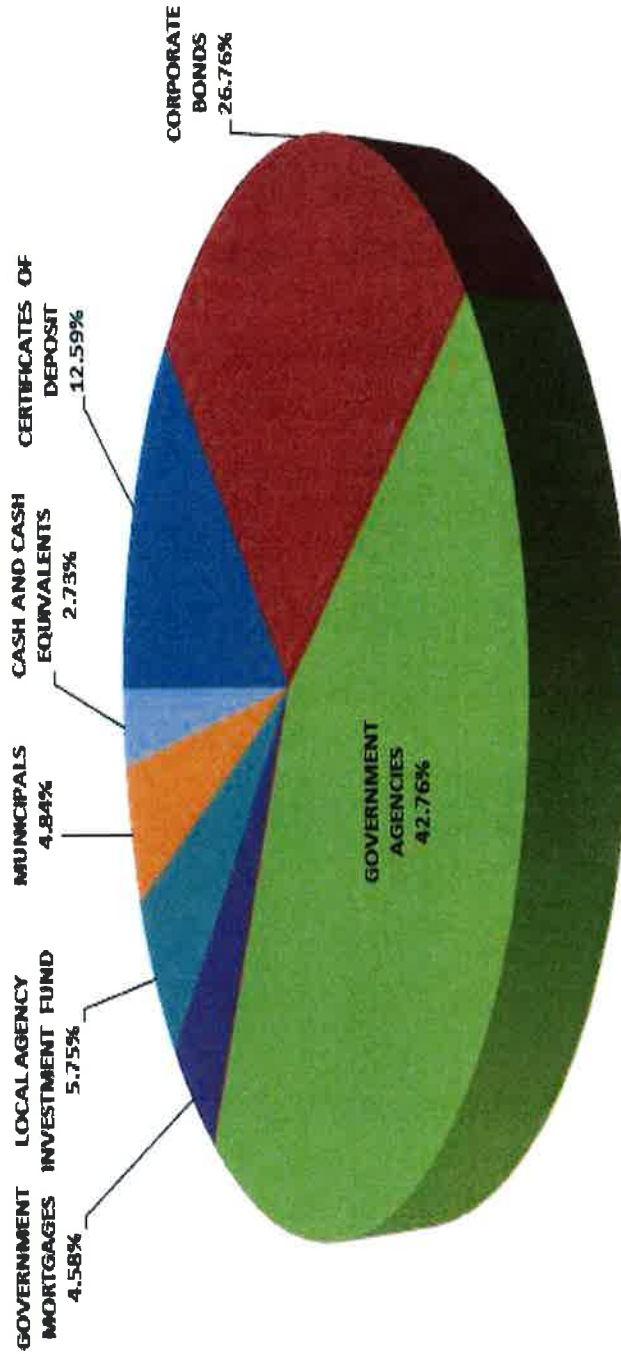
# Fixed Income Investments at 06-30-2018 - Summary



Alameda Corridor - East Construction Authority  
Office of ACE Construction Authority Finance Director/Treasurer

## ASSET ALLOCATION

Assets (Dollars)	Current Par Value	Current Book Value	Market Value	Mkt/Book
CERTIFICATES OF DEPOSIT	3,533,000	3,532,980	3,452,629	97.73%
CORPORATE BONDS	7,462,000	7,508,157	7,312,825	97.40%
GOVERNMENT AGENCIES	11,970,000	11,998,787	11,625,407	96.89%
GOVERNMENT MORTGAGES	1,170,831	1,284,398	1,197,620	93.24%
LOCAL AGENCY INVESTMENT FUND	1,612,328	1,612,328	1,612,328	100.00%
MUNICIPALS	1,350,000	1,357,405	1,348,396	99.34%
CASH AND CASH EQUIVALENTS	766,813	766,813	766,813	100.00%
<b>Totals (Dollars)</b>	<b>27,864,972</b>	<b>28,060,868</b>	<b>27,316,017</b>	<b>97.35%</b>



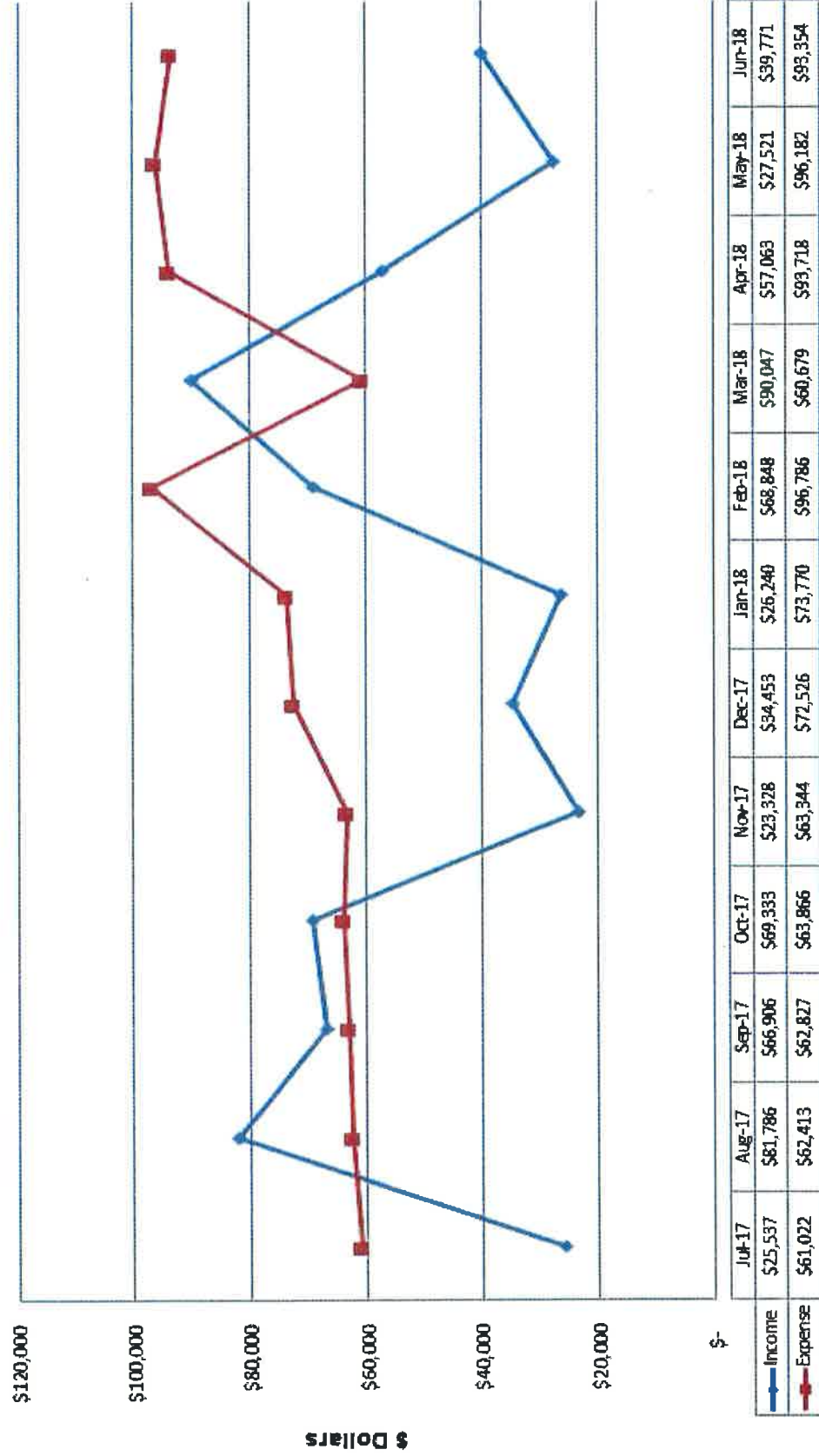
## Fixed Income Composition by Book Value

**Par Value:** Or face value is the amount of money redeemed to the bondholder once the bonds matures  
**Book Value :** Is the par value or face value plus any unamortized premiums or less any unamortized discounts.  
**Market Value:** Is the current price at which the bond is trading  
**Mkt/Book:** Measures the market value over the book value of a bond.



# ACE Construction Authority

## Cost of Borrowing



# Contract Audit Status Report (4/1/18 to 6/30/18)

Contract Audits Completed This Quarter

Contractor	Project	Audit Period	Value	Questioned Costs
HNTB Corporation	Turnbull Canyon	Post-award	\$1,818,209	\$0
Jacobs Engineering	San Gabriel Trench	1/1/16-12/31/16	\$3,991,688	\$0
Moffatt & Nichol	Puente	12/27/15-12/30/17	\$555,190	\$0
Paragon Partners	Various	7/1/15-6/30/16	\$553,039	\$14,908
Total				\$14,908



# Contract Audit Status Report (Through 6/30/18)

Auditor	Completed Audits Quarter/Total	Amount Recovered This Qtr	Amount Recovered Total	Audits To Be Done
MTA (5/01-6/06)	0 / 130	\$0	\$427,520	0
ACE (4/08-Present)	4 / 193	\$14,908	\$4,455,338	19*
<b>Total</b>	<b>4 / 323</b>	<b>\$14,908</b>	<b>\$4,882,858</b>	<b>19</b>

	Previous Quarter	Add/(Deduct) This Quarter	Less: Completed	To Be Done *
Audits needed to get through 2017 costs	11	0	3	8
For Close-out	5	0	0	5
New contracts subject to audit	5	0	1	4
Internal Audit	2	0	0	2
<b>Total (ACE)</b>	<b>23</b>	<b>0</b>	<b>4</b>	<b>19</b>