CITY of BRISBANE

City Council Meeting Agenda

Thursday, September 23, 2021 at 7:45 PM ● Virtual Meeting

This meeting is compliant with the Governors Executive Order N-08-21 issued on June 11, 2021 allowing for deviation of teleconference rules required by the Brown Act. The purpose of this is to provide the safest environment for staff, Councilmembers and the public while allowing for public participation. The public may address the council using exclusively remote public comment options.

The Council may take action on any item listed in the agenda.

PUBLIC MEETING VIDEOS

Members of the public may view the City Council Meeting by logging into the Zoom Webinar listed below. City Council Meetings can also be viewed live and/or on-demand via the City's YouTube Channel, www.youtube.com/brisbaneca, or on Comcast Channel 27. Archived videos can be replayed on the City's website, http://brisbaneca.org/meetings .

TO ADDRESS THE COUNCIL

The City Council Meeting will be an exclusively virtual meeting. The City Council agenda materials may be viewed online at www.brisbaneca.org at least 24 hours prior to a Special Meeting, and at least 72 hours prior to a Regular Meeting.

Remote Public Comments:
Meeting participants are encouraged to submit public comments in writing in advance of the meeting. Aside from commenting while in the Zoom webinar the following email and text line will be also monitored during the meeting and public comments received will be noted for the record during Oral Communications 1 and 2 or during an Item.

Email: ipadilla@brisbaneca.org
Text: 628-219-2922
Join Zoom Webinar: zoom.us (please use the latest version: zoom.us/download)
brisbaneca.org/cc-zoom

Webinar ID: 991 9362 8666
Passcode: 123456
Call In Number: 1 (669) 900 9128

SPECIAL ASSISTANCE

If you need special assistance to participate in this meeting, please contact the City Clerk at (415) 508-2113. Notification in advance of the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

1. 7:45 P.M. CALL TO ORDER – PLEDGE OF ALLEGIANCE

2. ROLL CALL

3. ADOPTION OF AGENDA

4. AWARDS AND PRESENTATIONS

A. Water Update from Bay Area Water Supply and Conservation Agency (BAWSCA) Board Appointee

B. Presentation from Len Materman, Chief Executive Officer, San Mateo County, Flood and Sea Level Rise Resiliency District.

C. Proclamation Recognizing National Preparedness Month

D. Proclamation Recognizing National Fire Prevention Week

E. Proclamation Recognizing National Hispanic Heritage Month

5. ORAL COMMUNICATIONS NO. 1

6. CONSENT CALENDAR

F. Approve Minutes of City Council Meeting of April 15, 2021

G. Approve Minutes of City Council Meeting of May 6, 2021

H. Approve Minutes of City Council Closed Session Meeting of May 6, 2021

I. Accept Investment Report as of June 2021

J. Accept Investment Report as of July 2021

K. Approve Resolution No. 2021-65 Confirming and Ratifying the Proclamations Declaring the Continued Existence of a Local Emergency in the City of Brisbane in Response to the COVID-19 Pandemic

L. Adopt a Resolution to Continue Conducting City Council and Commission Meetings Remotely Due to Health and Safety Concerns for the Public

7. NEW BUSINESS

M. Consider Approval of 25 Park Place Lease Agreement

N. Consider Introduction of Ordinance 663 adding Chapter 8.25 " Mandatory Organic Waste Disposal Reduction" to the Brisbane Municipal Code

O. Consider Introduction of Ordinance 664 adding Chapter 3.13 "Recovered Organic Waste and Recycled-Content Paper Procurement Policy" to the Brisbane Municipal Code

P. Consider Creation of a Brisbane Equity and Diversity Committee and Brisbane 101: A Brisbane Civic Engagement Session

Q. Consider Approval of Letter of Support for the Brisbane Lunch Truck regarding a Beer and Wine License with the Department of Alcoholic Beverage Control

10. STAFF REPORTS

R. City Manager's Report on upcoming activities

11. MAYOR/COUNCIL MATTERS

S. Countywide Assignments and Subcommittee Reports

T. City Council Meeting Schedule

U. Written Communications

12. ORAL COMMUNICATIONS NO. 2

13. ADJOURNMENT

File Attachments for Item:

F. Approve Minutes of City Council Meeting of April 15, 2021

BRISBANE CITY COUNCIL

ACTION MINUTES

BRISBANE CITY COUNCIL MEETING AGENDA

THURSDAY, APRIL 15, 2021

VIRTUAL MEETING

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Mayor Pro Tem Lentz called the meeting to order at 7:45 P.M. and led the Pledge of Allegiance. Mayor Cunningham joined the meeting at a later time due to technical difficulties.

ROLL CALL

Councilmembers present: Councilmembers Davis, Lentz, Mackin, O'Connell and Mayor Cunningham who joined later in the meeting due to technical difficulties
Councilmembers absent: None

Staff Present: City Manager Holstine, City Clerk Padilla, City Attorney McMorrow, Assistant City Manager Schillinger, Finance Director Yuen, Community Development Director Swiecki, City Engineer Breault, Public Works Deputy Director Kinser, Assistant Engineer Yuen, Administrative Management Analyst Ibarra, Parks and Recreation Director Leek, Deputy Fire Chief Biermann and Police Chief Macias

REPORT OUT OF CLOSED SESSION

Interim City Attorney McMorrow reported that Council gave staff direction regarding Closed Session Item E and denied Closed Session Item D regarding Liability Claim.

ADOPTION OF AGENDA

City Clerk Padilla reported that staff would like to pull Consent Calendar C to discuss amendments to the minutes.
CM O'Connell made a motion, seconded by CM Mackin to adopt the agenda as amended. Motion was carried unanimously by all present.

Ayes: CM Davis, Lentz, Mackin, and O'Connell
Noes: None
Absent: Mayor Cunningham was not able to join the meeting in time for this vote.
Abstain: None

AWARDS AND PRESENTATIONS

A. Legislative Update by Senator Becker

Newly elected Senator Becker of California's 13th senatorial district, introduced himself to the councilmembers and provided a legislative update. After council questions about High Speed Rail and how we can improve lives of families, the Council thanked Senator Becker.

B. Reimagine SamTrans Presentation

Jonathan Steketee and Jessica Epstein of SamTrans presented on Reimagine SamTrans. Reimagine SamTrans is a comprehensive operational analysis SamTrans is using to develop the best transportation system to meet the public transit and mobility needs of San Mateo County. SamTrans is asking for public input through May 31, 2021.

After some council questions, council expressed the need to keep the 292 route through San Francisco.
Michele Salmon added that changing modes of transportation on your way to work is not feasible.

ORAL COMMUNICATIONS NO. 1

Michele Salmon asked where the enforcement is with the Baylands soils processing dust.

CONSENT CALENDAR

E. Adopt Ordinance No. 660, Waiving Second Reading, for Disposable Food Ware

F. Adopt Ordinance 659, Waiving Second Reading, to Permit Streamlining for Electric Vehicle Charging Stations

CM O'Connell made a motion, seconded by CM Davis to approve Consent Calendar Items E-F . Motion was carried unanimously by all present.

Ayes: CM Davis, Lentz, Mackin, and O'Connell and Mayor Cunningham
Noes: None
Absent: None.
Abstain: None

D. Approve Dog Park Resurfacing Award of Contract to ForeverLawn, in the amount of $69,968.40

After some council questions with staff, Barbara Ebel made a request to consider a vendor who has recycling project.

CM O'Connell made a motion, seconded by CM Davis to approve Consent Calendar Items D . Motion was carried unanimously by all present.

Ayes: CM Davis, Lentz, Mackin, O'Connell and Mayor Cunningham
Noes: None
Absent: None.
Abstain: None

C. Approve Minutes of City Council Meeting of March 18, 2021

After some clarifying questions with City Clerk about wanting to reinstate Consent Calendar Item C for discussion, CM Lentz made a motion seconded by CM Davis to reinstate Consent Calendar Item C for discussion.

Ayes: CM Davis, Lentz, Mackin, and Mayor Cunningham
Noes: None
Absent: None
Abstain: CM O'Connell

City Clerk Padilla reported that she will amend the March 18, 2021 draft minutes to edit Kim Follien's public comment regarding the Crocker Park Trail. The Clerk will edit the comment to say: Kim Follien commented that kids would not benefit from an outdoor classroom. Lipman already has an outdoor classroom, so another outdoor classroom is not needed. Children do not really care to be lectured to in a class during their free time and would prefer active recreation on the trail.

CM Lentz a motion, seconded by CM Davis to approve Consent Calendar Item C . Motion was carried unanimously by all present.

Ayes: CM Davis, Lentz, Mackin, O'Connell and Mayor Cunningham
Noes: None
Absent: None
Abstain: None

OLD BUSINESS

G. Consider Approval of Environmental Technical Studies for Crocker Trail Resurfacing

(It is being recommended to approve a supplemental appropriation in the amount of $65,000 from the General Fund for required technical studies for Crocker Trail Resurfacing.)

Assistant Engineer Yuen reported that to ensure that technical studies can be completed in accordance with National Environmental Policy Act (NEPA) requirements for the Crocker Trail Commuter Connectivity Upgrades Project, it is being recommended to the Council to approve a supplemental appropriation in the amount of $65,000 from the General Fund for required technical studies for the Crocker Trail resurfacing.

After some Council questions, Michele Salmon asked whether there is indication that there is are archaeological artifacts.

CM O'Connell made a motion, seconded by CM Davis to approve a supplemental appropriation in the amount of $65,000 from the General Fund for required technical studies for Crocker Trail Resurfacing. Motion was carried unanimously by all present.

Ayes: CM Davis, Lentz, Mackin, O'Connell and Mayor Cunningham
Noes: None
Absent: None
Abstain: None

NEW BUSINESS

H. Consider Adoption of Urgency Ordinance No. 661 Concerning the Removal of Invasive Species, Waste Material and Combustible Vegetation and Requiring Fire Breaks on Unimproved Properties

Fire Chief Biermann reported that it is being recommended to adopt an ordinance of the City of Brisbane amending section 15.44.120 of the Brisbane Municipal Code concerning the removal of invasive species, waste materials and combustible vegetation, requiring fire breaks and other fire prevention measures on unimproved properties, and declaring the urgency thereof, to take effect immediately upon its adoption

After some council questions and discussion, Michele Salmon shared her concern about the financial burden on residents and impact on wildlife. She proposed the idea of a loan program or a way for property owners to donate their land to the City for open space.

CM Davis made a motion, seconded by CM O'Connell to adopt Urgency Ordinance No. 661 concerning the removal of invasive species, waste material and combustible vegetation and Requiring Fire Breaks on Unimproved Properties. Motion was carried unanimously by all present.

Ayes: CM Davis, Lentz, Mackin, O'Connell and Mayor Cunningham
Noes: None
Absent: None.
Abstain: None

STAFF REPORTS

I. City Manager's Report on upcoming activities

City Manager reported on the activities and latest news for the month of April.

MAYOR/COUNCIL MATTERS

J. Countywide Assignments and Subcommittee Reports

Councilmembers reported on their Countywide assignments and subcommittees from April 2 through April 15, 2021.

K. City Council Meeting Schedule

The next scheduled City Council Meeting in on May 6th.

L. Written Communications

Council did not receive any written communications from April 2 and April 15, 2021.

ORAL COMMUNICATIONS NO. 2

There are no members of the public wishing to speak.

ADJOURNMENT

The City Council Meeting of April 15, 2021 was adjourned at 10:28 p.m.

_____
Ingrid Padilla
City Clerk

File Attachments for Item:

G. Approve Minutes of City Council Meeting of May 6, 2021

BRISBANE CITY COUNCIL

ACTION MINUTES

BRISBANE CITY COUNCIL MEETING AGENDA

THURSDAY, MAY 6, 2021

VIRTUAL MEETING

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Mayor Cunningham called the meeting to order at 7:58 P.M. and led the Pledge of Allegiance.

ROLL CALL

Councilmembers present: Councilmembers Davis, Lentz, Mackin, O'Connell and Mayor Cunningham

Councilmembers absent: None

Staff Present: City Manager Holstine, City Clerk Padilla, City Attorney McMorrow, Assistant City Manager Schillinger, Finance Director Yuen, Community Development Director Swiecki, City Engineer Breault, Administrative Management Analyst Ibarra, Fire Chief Myers, Deputy Fire Chief Biermann and Police Chief Macias

ADOPTION OF AGENDA

Mayor Cunningham stated that staff has asked to amend the agenda to add a New Business item on grounds that it is a matter that arose after the agenda was posted and action on the item is needed before the City Council meets again in regular session. The New Business Item is:

Consider Approval of Resolution Nos. 2021-32, 2021-33, And 2021-34 of the City Council of The City of Brisbane For Funding From the Forest Health Grant Program As Provided Through California Climate Investments This will need a 4/5 vote to add to the agenda.

CM Davis made a motion, seconded by CM O'Connell, to add new business item Consider Approval of Resolutions No. 2021. Motion was carried unanimously by all present.

Ayes: CM Davis, Lentz, Mackin, O'Connell and Mayor Cunningham

Noes: None
Absent: None
Abstain: None

CM Mackin made a motion, seconded by CM Lentz, to adopt the agenda as amended. Motion was carried unanimously by all present.
Ayes: CM Davis, Lentz, Mackin, O'Connell and Mayor Cunningham
Noes: None
Absent: None
Abstain: None

AWARDS AND PRESENTATIONS

Mayor Cunningham recognized other important holidays for the month of May, including the following: Ramadan, Happy Cultural Diversity Day, and Memorial Day, and Asian Pacific Islander History Month

A. May as Mental Health Month Proclamation

Mayor Cunningham presented the Proclamation recognizing May as Mental Health Month. Chris Rasmussen, Commissioner for the San Mateo County Mental Health & Substance Abuse Recovery Commission, received the Proclamation and thanked the Council for their support.

B. May as Wildfire Preparedness Month

Mayor Cunningham presented the Proclamation recognizing May as Wildfire Preparedness Month. Chief Bierman received the proclamation and urged everyone to be more informed about Wildfire preparedness.

ORAL COMMUNICATIONS NO. 1

No members of the public wished to speak.

CONSENT CALENDAR

C. Accept Investment Report as of March 2021

D. Adopt Resolution No. 2021-31 Declaring the Continued Existence of a Local Emergency in the City of Brisbane in Response to the COVID-19 Pandemic

E. Adopt Resolution 2021-29 Authorizing the Examination of Sales and Use Tax Records

F. Adopt Resolution No. 2021-30 Authorizing the Filing of an Application for Funding Assigned to MTC, Committing Any Necessary Matching Funds, and Stating Assurance to Complete the Bayshore Blvd/Van Waters and Rodgers Rd Bus Stop Improvements Project

CM Davis made a motion, seconded by CM Mackin, to approve Consent Calendar Items C-F. Motion was carried unanimously by all present.
Ayes: CM Davis, Lentz, Mackin, O'Connell and Mayor Cunningham
Noes: None
Absent: None
Abstain: None

OLD BUSINESS

G. Receive Mid-Year Budget Report and Consider Adoption of Resolution 2021-32 Amending the Annual Budget for Fiscal Year 2020-21 And Making Appropriations for the Amount Budgeted

Assistant City Manager Schillinger and Finance Manager Yuen presented the Mid-Year Budget Report. It was reported that staff is anticipating approximately $2,710,000 in additional revenues for the year and $456,000 in additional expenditures. There were a few areas where revenues exceeded expectations; Property Tax, Sales Tax, Business License Tax and Building and Plan Check Fees. The major change in expenditures was the cost for replying to the State's High Speed Rail Environmental Report. Also, the City will set aside $300,000 for Capital Projects and will pay for the level of services requested by the Council.

After Council questions and discussion, Prem Lall asked a question about the specialized consultant for the High Speed Rail. CM Lentz made a motion, seconded by CM Davis, to adopt Resolution 2021-32 amending the annual budget for Fiscal Year 2020-21 and making appropriations for the amount budgeted . Motion was carried unanimously by all present.
Ayes: CM Davis, Lentz, Mackin, O'Connell and Mayor Cunningham
Noes: None
Absent: None
Abstain: None

NEW BUSINESS

H. Consider Initiating a Request for Proposal to Develop a Citywide Affordable Housing Strategic Plan

Community Development Director Swiecki reported that it is being recommended that the City Council authorize the City Manager to prepare and release a Request for Proposals (RFP) to qualified consultants to prepare an affordable housing strategic plan and authorize the City Council Housing Subcommittee to make a recommendation for consultant selection to the full City Council. He added, that if authorized by the City Council, staff will work with the Council Housing Subcommittee to finalize the RFP. The Subcommittee would be involved in the consultant selection process and ultimately make a recommendation to the full City Council.

After Council questions and discussion, Mayor Cunningham made a motion, seconded by CM Lentz, to initiate a request for proposal to develop a citywide affordable housing strategic plan. Motion was carried unanimously by all present.
Ayes: CM Davis, Lentz, Mackin, O'Connell and Mayor Cunningham
Noes: None
Absent: None
Abstain: None

P. Consider Approval of Resolution Nos. 2021-32, 2021-33, And 2021-34 of the City Council of The City of Brisbane For Funding From the Forest Health Grant Program As Provided Through California Climate Investments

Deputy Fire Chief Biermann reported that the State had approved $530 million dollars to be awarded through the California Climate Investments (CCI) Fire Prevention Grant Program and others. CAL FIRE provides funding for local projects and activities that address the risk of wildfire and reduce wildfire potential. He added that the grant funded activities include hazardous fuel reduction, fire prevention planning, and fire prevention education with an emphasis on improving public health and safety while reducing greenhouse gas emissions. The application before Council is for 3 separate grants; modifying roadway egress and ingress vegetation; public education and community outreach; and removal of hazardous vegetation in areas within the community.

After some council questions and discussion, Prem Lall why this item is not on the agenda. Staff explained it was added as item P to the agenda on grounds that it is a matter that arose after the agenda was posted and action on the item was needed before the City Council meets again in regular session.

CM O'Connell made a motion, seconded by CM Lentz , to approve Resolution Nos. 2021-32, 2021-33, and 2021-34 for funding from the Forest Health Grant Program as provided through California Climate. Motion was carried unanimously by all present.
Ayes: CM Davis, Lentz, Mackin, O'Connell and Mayor Cunningham
Noes: None
Absent: None
Abstain: None

WORKSHOP
I. An Overview of Utility-Scale Battery Storage- Technical and Regulatory Issues and Potential Community benefits

Integral Group's Andrea Traber and Sam Brooks provided an overview of Utility Scale Battery Storage to

the Council.
After some Council questions, it was noted that written correspondence was received from Dana Dillworth regarding this item. Prem Lall asked whether this will prevent black outs?
Mayor Cunningham thanked Ms. Traber and Mr. Brooks for their presentation.

STAFF REPORTS

J. City Manager's Report on upcoming activities

City Manager reported on upcoming activities and latest news for the month.

MAYOR/COUNCIL MATTERS

K. Consider Authorizing Submission of Letter of Support for SB 612 - Ratepayer Equity (Supporting the bill ensures fair and equal access to the benefits of legacy contracts resources for all customers and ensures that Investor-Owned Utility portfolios are managed to maximize value and reduce unnecessary costs for all customers.)

After a brief report from CM Mackin, CM Lentz made a motion, seconded by CM Davis, to approve Authorizing Submission of Letter of Support for SB 612 - Ratepayer Equity. Motion was carried unanimously by all present.
Ayes: CM Davis, Lentz, Mackin, O'Connell and Mayor Cunningham
Noes: None
Absent: None
Abstain: None

L. Review Council Assignments and City Council Subcommittees

i. Council Ad-hoc Subcommittee on Gun Safety

After a brief report from City Manager Holstine, CM Davis made a motion, seconded by CM O'Connell, to create the Council Ad-hoc Subcommittee on Gun Safety with CM Lentz and CM Mackin as members of the subcommittee. Motion was carried unanimously by all present.
Ayes: CM Davis, Lentz, Mackin, O'Connell and Mayor Cunningha.
Noes: None
Absent: None
Abstain: None

ii. Assign Councilmember to the HEART of San Mateo County's Membership Agency Committee (MAC)

(The purpose of the MAC is to provide cities which do not have a seat on the HEART Board an opportunity to comment on HEART's financial and program activities)

After a brief report from City Manager Holstine, CM O'Connell made a motion, seconded by Mayor Cunningham to add the HEART of San Mateo County's Membership Agency Committee (MAC) to the county assignments list with CM Lentz (representative) and CM Mackin (alternate) as members of the MAC.

Ayes: CM Davis, Lentz, Mackin, O'Connell and Mayor Cunningham
Noes: None
Absent: None
Abstain: None

M. Countywide Assignments and Subcommittee Reports

Council reported on their activities within their Countywide Assignments and Subcommittee reports from April 15th to May 6, 2021.

N. City Council Meeting Schedule

The next City Council Meeting is scheduled for May 20th.

O. Written Communications

The following written correspondence was received by the City Council from April 15 to May 6, 2021:
Clara A. Johnson (4/20/21) BPD and AB 1196
Lyle Covino (4/21/21) Resignation from Seat on Park and Recreation Commission
Isabella Sanchez (4/28/21) Sign Letter so your City can Go Solar!
Dana Dillworth (5/4/21) Comments on Midway Village
Dana Dillworth (5/6/21) Negotiations for Sierra Point area 007-160-040
Dana Dillworth (5/6/21) Workshop I
Dana Dillworth (5/6/21) Closed Session

ORAL COMMUNICATIONS NO. 2

No members of the public wished to make public comment.

ADJOURNMENT

The meeting was adjourned at 10:44 p.m.

_____
Ingrid Padilla
City Clerk

File Attachments for Item:

H. Approve Minutes of City Council Closed Session Meeting of May 6, 2021

BRISBANE CITY COUNCIL

ACTION MINUTES

BRISBANE CITY COUNCIL CLOSED SESSION MEETING AGENDA

THURSDAY, MAY 6, 2021

VIRTUAL MEETING

A. Approval of the Closed Session Agenda

B. Public Comment. Members of the public may address the Councilmembers on any item on the closed session agenda

C. Adjournment into Closed Session

D. Conference with Legal Counsel--Anticipated Litigation

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code, section 54956.9
Number of Cases: 3

E. CONFERENCE WITH REAL PROPERTY NEGOTIATOR UNDER GOVERNMENT CODE SECTION 54956.8

Property: Assessor's Parcel Number 007-160-040 (vacant property in the Sierra Point area)
City Negotiator: Clay Holstine, City Manager
Negotiating Party: Grand Sierra, a subsidiary of Universal Paragon Corporation
Under negotiation: Price and terms of payment

F. CONFERENCE WITH REAL PROPERTY NEGOTIATOR UNDER GOVERNMENT CODE SECTION 54956.8

Property: 25 Park Place, Brisbane, CA
City Negotiator: Clay Holstine, City Manager
Negotiating Party: Elena Court
Under negotiation: Price and terms of payment

Mayor Cunningham called the City Council Closed Session Meeting at 6:34 p.m. Mayor Cunningham noted that the Council received correspondence regarding Item E from Dana Dillworth and adjourned the meeting into Closed Session.

REPORT OUT OF CLOSED SESSION

City Attorney McMorrow reported that no action was taken but staff was given direction regarding Items D, E, and F.

ADJOURNMENT

The meeting was adjourned at 7:51 p.m.

_____
Ingrid Padilla, City Clerk

File Attachments for Item:

I. Accept Investment Report as of June 2021

CITY OF BRISBANE
CASH BALANCES & INVESTMENTS
SOURCE OF FUNDING
June 30, 2021

NAME OF DEPOSITORY	INVESTMENT TYPE	DATE OF INVESTMENT	FACE VALUE OF INVESTMENT	CARRY VALUE OF INVESTMENT	MARKET VALUE OF INVESTMENT	COUPON INTEREST RATE %	MATURITY DATE	RATING/ COLLATERAL
WELLS FARGO	Checking A/C		$ 9,015,166	$ 9,015,166	$ 9,015,166	0.000		
STATE FUND (LAIF)	Deposit on call	continuous	$ 14,041,031	$ 14,041,031	$ 14,041,031	0.220	on call	no rating
Other Investments								
	Capital One National Association	11/23/2016	$ 250,000	$ 250,000	$ 251,905	2.000	11/23/2021	
	Wells Fargo	11/30/2016	$ 250,000	$ 250,000	$ 251,986	2.000	11/30/2021	
	Sallie Mae Bank	5/9/2019	$ 245,000	$ 245,000	$ 249,994	2.550	05/09/2022	
	Morgan Stanley	6/6/2019	$ 245,000	$ 245,000	$ 250,389	2.550	06/06/2022	
	Comenity Capital Bank	4/28/2019	$ 248,000	$ 248,000	$ 258,739	2.650	04/28/2023	
	Morgan Stanley	5/2/2019	$ 245,000	$ 245,000	$ 255,632	2.650	05/02/2023	
	Goldman Sachs	5/1/2019	$ 246,000	$ 246,000	$ 261,619	2.750	05/01/2024	
BNY Mellon	Treasury Obligations	continuous	$ 7,904,731	$ 7,904,731	$ 7,904,731	0.010	on call	110% collateral
Sub-total			$ 9,633,731	$ 9,633,731	$ 9,684,994			
U.S. Bank	2014 BGPGA Bond (330)	Improvements	Fed Treas Obl		10031			
		Reserve Fund	Fed Treas Obl	$ 1	10032			
		Revenue Fund	Fed Treas Obl	$ -	10034			
		Expense Fund	Fed Treas Obl	$ -	10035			
		Principal	Fed Treas Obl	$ 1	10036			
		Interest Fund	Fed Treas Obl	$ 0	10037			
U.S. Bank	2015 Utility Capital (545)	Improvements	Fed Treas Obl	$ 0	10031			
		Reserve	Fed Treas Obl	$ 0	10032			
		Expense Fund	Fed Treas Obl	$ 0	10035			
PARS	OPEB Trust	Trust Cash	Investments	$ 4,039,073	13050			
PARS	Retirement Trust	Trust Cash	Investments	$ 1,414,176	13050			
Sub-total	Cash with Fiscal Agents			**$ 5,453,251**				
	Total other investments		$ 9,633,731	**$ 15,086,982**	$ 9,684,994			
TOTAL INVESTMENTS & CASH BALANCES			$ 32,689,929	$ 38,143,180	$ 32,741,192			

Outstanding Loans to Department Heads

	Date of loan	Amount	Amount Remaining	Interest Rate
Stuart Schillinger	**4/1/2002**	**318,750**	**$ 318,750**	**Based on Sales Price**
Clay Holstine (1)	**7/8/2008**	**300,000**	**$ -**	**Paid off 12/28/2016**
Clay Holstine (2)	**9/10/2008**	**200,000**	**$ 200,000**	**Secured by other funds**
Randy Breault	**10/22/2001**	**320,000**	**$ 28,820**	**2.47%**

FFCB - Federal Farm Credit Bank
FHLB - Federal Home Loan Bank
FHLM - Federal Home Loan Mortage Corporation
FNMA -Federal National Mortgage Association

Two year Treasury	0.25%	
Weighted Interest	0.23%	
Weighted maturity	0.08	Years

TREASURER'S CERTIFICATE

These are all the securities in which the city funds, including all trust funds and oversight agencies funds, are invested and that (excluding approved deferred compensation plans) all these investments are in securities as permitted by adopted city policy.

It is also certified that enough liquid resources (including maturities and anticipated revenues) are available to meet the next six months' cash flow.

Carolina Yuen

CITY TREASURER

File Attachments for Item:

J. Accept Investment Report as of July 2021

CITY OF BRISBANE
CASH BALANCES & INVESTMENTS
SOURCE OF FUNDING
July 31, 2021

NAME OF DEPOSITORY	INVESTMENT TYPE	DATE OF INVESTMENT	FACE VALUE OF INVESTMENT	CARRY VALUE OF INVESTMENT	MARKET VALUE OF INVESTMENT	COUPON INTEREST RATE %	MATURITY DATE	RATING/ COLLATERAL
WELLS FARGO	Checking A/C		$ 7,364,240	$ 7,364,240	$ 7,364,240	0.000		
STATE FUND (LAIF)	Deposit on call	continuous	$ 14,052,495	$ 14,052,495	$ 14,052,495	0.220	on call	no rating
Other Investments								
	Capital One National Association	11/23/2016	$ 250,000	$ 250,000	$ 251,522	2.000	11/23/2021	
	Wells Fargo	11/30/2016	$ 250,000	$ 250,000	$ 251,597	2.000	11/30/2021	
	Sallie Mae Bank	5/9/2019	$ 245,000	$ 245,000	$ 249,539	2.550	05/09/2022	
	Morgan Stanley	6/6/2019	$ 245,000	$ 245,000	$ 249,956	2.550	06/06/2022	
	Comenity Capital Bank	4/28/2019	$ 248,000	$ 248,000	$ 258,485	2.650	04/28/2023	
	Morgan Stanley	5/2/2019	$ 245,000	$ 245,000	$ 255,403	2.650	05/02/2023	
	Goldman Sachs	5/1/2019	$ 246,000	$ 246,000	$ 261,913	2.750	05/01/2024	
BNY Mellon	Treasury Obligations	continuous	$ 7,905,747	$ 7,905,747	$ 7,905,747	0.010	on call	110% collateral
Sub-total			$ 9,634,747	$ 9,634,747	$ 9,684,162			
U.S. Bank	2014 BGPGA Bond (330)	Improvements	Fed Treas Obl		10031			
		Reserve Fund	Fed Treas Obl	$ 1	10032			
		Revenue Fund	Fed Treas Obl	$ -	10034			
		Expense Fund	Fed Treas Obl	$ -	10035			
		Principal	Fed Treas Obl	$ 1	10036			
		Interest Fund	Fed Treas Obl	$ 0	10037			
U.S. Bank	2015 Utility Capital (545)	Improvements	Fed Treas Obl	$ 0	10031			
		Reserve	Fed Treas Obl	$ 0	10032			
		Expense Fund	Fed Treas Obl	$ 0	10035			
PARS	OPEB Trust	Trust Cash	Investments	$ 4,056,479	13050			
PARS	Retirement Trust	Trust Cash	Investments	$ 1,420,270	13050			
Sub-total	Cash with Fiscal Agents			**$ 5,476,751**				
	Total other investments		$ 9,634,747	**$ 15,111,498**	$ 9,684,162			
TOTAL INVESTMENTS & CASH BALANCES			$ 31,051,483	$ 36,528,233	$ 31,100,898			

Outstanding Loans to Department Heads

	Date of loan	Amount	Amount Remaining	Interest Rate
Stuart Schillinger	**4/1/2002**	**318,750**	**$ 318,750**	**Based on Sales Price**
Clay Holstine (1)	**7/8/2008**	**300,000**	**$ -**	**Paid off 12/28/2016**
Clay Holstine (2)	**9/10/2008**	**200,000**	**$ 200,000**	**Secured by other funds**
Randy Breault	**10/22/2001**	**320,000**	**$ 26,710**	**2.47%**

FFCB - Federal Farm Credit Bank
FHLB - Federal Home Loan Bank
FHLM - Federal Home Loan Mortage Corporation
FNMA -Federal National Mortgage Association

Two year Treasury	0.19%	
Weighted Interest	0.24%	
Weighted maturity	0.08	Years

TREASURER'S CERTIFICATE

These are all the securities in which the city funds, including all trust funds and oversight agencies funds, are invested and that (excluding approved deferred compensation plans) all these investments are in securities as permitted by adopted city policy.

It is also certified that enough liquid resources (including maturities and anticipated revenues) are available to meet the next six months' cash flow.

Carolina Yuen

CITY TREASURER

File Attachments for Item:

K. Approve Resolution No. 2021-65 Confirming and Ratifying the Proclamations Declaring the Continued Existence of a Local Emergency in the City of Brisbane in Response to the COVID-19 Pandemic

CITY COUNCIL AGENDA REPORT

Meeting Date: 9/23/2021

From: Clay Holstine, City Manager

Subject: Resolution Confirming and Ratifying the Proclamations Declaring the Continued Existence of a Local Emergency in the City of Brisbane in Response to the COVID-19 Pandemic

Community Goal Results:

Safe Community

Recommendation:

Adopt the attached resolution.

Background

The COVID-19 Coronavirus has been declared a pandemic by the World Health Organization and has prompted various government agencies to take action in response. In March 2020, the Governor declared a Statewide Emergency, the County Board of Supervisors declared a County wide State of Emergency and the City Manager, as Emergency Services Director, proclaimed a local emergency on March 16, 2020. On March 19, 2020, the City Council ratified and confirmed the Director of Emergency Service's proclamation of a local emergency which allowed staff to expeditiously respond to the emergency circumstances caused by the pandemic.

Since that time, the City Council has extended the local emergency numerous times as State law requires that such local emergencies be reviewed every 60 days. The last extension was July 15, 2021. Notwithstanding that many of the restrictions that were imposed since March 2020 have been lifted, some, such as mask wearing in places like City Hall, remain in place. Also, issues concerning mandating vaccines remain in flux. In addition, the Governor has not rescinded the Statewide Emergency. In light of that staff continues to recommend that the local emergency, for now, remain in place.

Discussion

Government Code Section 8630(c) requires that, "the governing body shall review the need for continuing the local emergency at least once every 60 days until the governing body terminates the local emergency." Because the City Council will not meet in regular session until September 23, 2021 and the declaration of local emergency would otherwise expire on September 15, the City Manager, in his role as Director of Emergency Services, proclaimed on September 14, 3021

and September 21, 2021, the continued existence of the local emergency as a result of the COVID-19 pandemic.

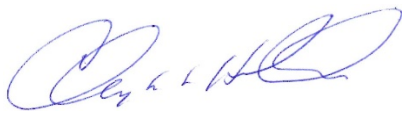
At this time, staff is recommending that the City Council adopt a resolution ratifying the Director of Emergency Services' proclamations continuing the existence of a local emergency in response to the COVID-19 pandemic, and directing staff to continue to respond appropriately to the local emergency.

Financial Impact

There is no direct financial impact from City Council taking this action.

Attachment:

1. Proclamations Declaring the Continued Existence of a Local Emergency
2. Resolution No. 2021-65 Confirming and Ratifying the Proclamations of the Continued Existence of a Local Emergency in the City of Brisbane in Response to the COVID-19 Pandemic



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Clay Holstine, City Manager

Proclamation of Continuation of Local Emergency by Director of Emergency Services

WHEREAS, Section 2.28.060 of the City of Brisbane Municipal Code empowers the Director of Emergency Services to proclaim the existence or threatened existence of a local emergency, or to proclaim the continued existence of a local emergency, when said City is affected or likely to be affected by a public calamity and the City Council is not in session, and;

WHEREAS, the Director of Emergency Services of the City of Brisbane does hereby find;

Conditions of extreme peril to the safety of persons and property have arisen within the City, caused by the COVID-19 pandemic which began on about March 16, 2020; and

These conditions were, and are likely to continue to be, beyond the control of the services, personnel, equipment, and facilities of the City; and

The Brisbane City Council ratified earlier proclamations of Local Emergency by the Director of Emergency Services, declared a Local Emergency, and on several occasions continued the declaration of the Local Emergency, which declaration has not been rescinded; and

Government Code, Section 8630 requires local agencies that have declared local emergencies to review the existence of such emergencies every 60 days to determine whether the local emergency continues to exist; and

The City Council of the City Brisbane most recently extended the local emergency on July 15, 2021; and

The City Council of the City of Brisbane is not scheduled to meet in regular session until September 23, 2021 and cannot immediately be called into session; and

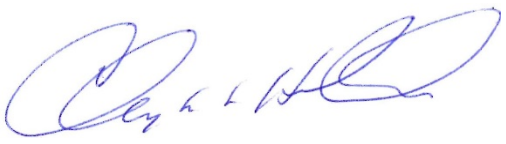
Conditions of extreme peril to the safety of persons and property continue to exist within the City, caused by the COVID-19 pandemic.

NOW, THEREFORE, IT IS HEREBY PROCLAIMED that a local emergency due to the COVID 19 pandemic continues to exist throughout the City; and

IT IS FURTHER PROCLAIMED AND ORDERED that during the existence of the local emergency the powers, functions, and duties of the emergency organization of this City shall be those prescribed by state law, by ordinances, and resolutions of this City, and by the City of Brisbane Emergency Operations Plan, as previously approved by the City Council.

This emergency proclamation shall expire on September 21, 2021 unless a further emergency proclamation is issued by the Director of Emergency Services by that date.

Dated: September 14, 2021



Clayton Holstine, Director of Emergency Services

Proclamation of Continuation of Local Emergency by Director of Emergency Services

WHEREAS, Section 2.28.060 of the City of Brisbane Municipal Code empowers the Director of Emergency Services to proclaim the existence or threatened existence of a local emergency, or to proclaim the continued existence of a local emergency, when said City is affected or likely to be affected by a public calamity and the City Council is not in session, and;

WHEREAS, the Director of Emergency Services of the City of Brisbane does hereby find;

Conditions of extreme peril to the safety of persons and property have arisen within the City, caused by the COVID-19 pandemic which began on about March 16, 2020; and

These conditions were, and are likely to continue to be, beyond the control of the services, personnel, equipment, and facilities of the City; and

The Brisbane City Council ratified earlier proclamations of Local Emergency by the Director of Emergency Services, declared a Local Emergency, and on several occasions continued the declaration of the Local Emergency, which declaration has not been rescinded; and

Government Code, Section 8630 requires local agencies that have declared local emergencies to review the existence of such emergencies every 60 days to determine whether the local emergency continues to exist; and

The City Council of the City Brisbane most recently extended the local emergency on July 15, 2021; and

The City Council of the City of Brisbane is not scheduled to meet in regular session until September 23, 2021 and cannot immediately be called into session; and

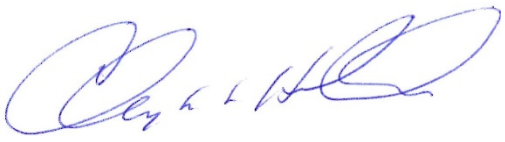
Conditions of extreme peril to the safety of persons and property continue to exist within the City, caused by the COVID-19 pandemic.

NOW, THEREFORE, IT IS HEREBY PROCLAIMED that a local emergency due to the COVID 19 pandemic continues to exist throughout the City; and

IT IS FURTHER PROCLAIMED AND ORDERED that during the existence of the local emergency the powers, functions, and duties of the emergency organization of this City shall be those prescribed by state law, by ordinances, and resolutions of this City, and by the City of Brisbane Emergency Operations Plan, as previously approved by the City Council.

This emergency proclamation shall expire on September 28, 2021 unless a further emergency proclamation is issued by the Director of Emergency Services by that date.

Dated: September 21, 2021



Clayton Holstine, Director of Emergency Services

RESOLUTION NO. 2021-65

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BRISBANE RATIFYING THE PROCLAMATION OF THE DIRECTOR OF EMERGENCY SERVICES TO EXTEND THE LOCAL EMERGENCY AND CONTINUING THE EXISTENCE OF A LOCAL EMERGENCY

WHEREAS, Section 2.28.060 of the Brisbane Municipal Code empowers the City Manager/Director of Emergency Services to proclaim a local emergency if the City Council is not in session and requires the City Council to take action to ratify the proclamation thereafter; and

WHEREAS, conditions of extreme peril to the health, safety and welfare of persons have arisen in the world, the nation, the State, the County of San Mateo and the City of Brisbane due to the following:

A novel coronavirus (named COVID-19 by the World Health Organization) was first detected in December 2019. The Center for Disease Control and Prevention (CDC) has stated that COVID-19 is a serious public health threat, based on current information. Cases of COVID-19 have been diagnosed throughout the world, the United States, the State of California, the County of San Mateo and the City of Brisbane.

The exact modes of transmission of COVID-19, the factors facilitating human to human transmission, the extent of asymptomatic viral shedding, the groups most at risk of serious illness, the attack rate, and the case fatality rate all remain active areas of investigation. There are now approved vaccine or specific anti-viral treatment for COVID-19 but not all persons have chosen to be vaccinated and there is no approved vaccine for children 11 years old or younger.

Due to COVID-19 pandemic, in March 2020 the Governor of the State of California declared a State of Emergency for the State and the City of Brisbane's Director of Emergency Services declared a Local Emergency on March 16, 2020 and the City Council of the City of Brisbane ratified the Proclamation of a Local Emergency on March 19, 2020; and

WHEREAS, the City Council of the City of Brisbane has extended the Local Emergency on several occasions, most recently on July 15, 2021, extending the Local Emergency for an additional 60 day's; and

WHEREAS, the City Manager, acting as the Director of Emergency Services, did proclaim on September 14, 2021, and on September 21, 2021 the continued existence of a Local Emergency because the City Council would not be in regular session until July 15, 2021; and

WHEREAS, for the reasons expressed above, conditions of extreme peril and a serious threat to the public health, safety and welfare have arisen, and continue to exist in the City of Brisbane; and

WHEREAS, the City Council does hereby find that the above described conditions of extreme peril and serious threat to the public health, safety, and welfare did warrant and necessitate the existence of a Local Emergency in the City of Brisbane and those conditions continue at this time.

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF BRISBANE DOES RESOLVE, DECLARE, DETERMINE, AND ORDER THE FOLLOWING:

Section 1. During the existence of the Local Emergency, the powers, functions, and duties of the Director of Emergency Services and the Emergency Organization of the City shall be those prescribed by State law, ordinances and resolutions of the City of Brisbane, and by the City of Brisbane Emergency Operation Plan.

Section 2. The City Council ratifies the proclamations of the Director of Emergency Services to extend the Local Emergency.

Section 3. The Local Emergency shall continue to exist until the City Council proclaims its termination or the Local Emergency is not extended as provided by law.

Section 4. This resolution is effective immediately upon its passage and adoption.

_____

Karen Cunningham, Mayor

PASSED, APPROVED AND ADOPTED by the Brisbane City Council at a regular meeting on September 23, 2021.

I hereby certify that the foregoing resolution was adopted by the City Council at a regular meeting held on September 23, 2021 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____

Ingrid Padilla, City Clerk

Approved as to form:

_____

Thomas McMorrow, Interim City Attorney

File Attachments for Item:

L. Adopt a Resolution to Continue Conducting City Council and Commission Meetings Remotely Due to Health and Safety Concerns for the Public

CITY COUNCIL AGENDA REPORT

Meeting Date: 9/23/2021

From: Clay Holstine, City Manager

Subject: Adoption of a Resolution 2021-66 to Continue Conducting City Council and Commission Meetings Remotely Due to Health and Safety Concerns for the Public

COMMUNITY GOAL RESULTS

Safe Community

Ensuring Public Meetings Remain Open to the Public

RECOMMENDATION

Staff recommends that the City Council adopt a resolution to continue conducting the City Council's meetings and Committee and Commission meetings remotely due to health and safety concerns for the public.

BACKGROUND

COVID-19 (Coronavirus) was declared a global pandemic in March 2020 by the World Health Organization. The President of the United States declared a national emergency in response. The President also called on states and localities to take action to help protect their residents from the spread of the Coronavirus and to help slow that spread. On March 4, 2020, Governor Gavin Newsom proclaimed a state of emergency in response to the pandemic, and on March 10, 2020, the San Mateo County Board of Supervisors ratified and extended the county health officer's March 5, 2020, proclamation declaring a state of emergency in response to the pandemic. On March 19, 2020, the City Council ratified and confirmed the City's Director of Emergency Service's proclamation of a local emergency which allowed staff to expeditiously respond to the emergency circumstances caused by the pandemic.

On March 17, 2020, as part of the state's response to the COVID-19 pandemic, Governor Newsom issued Executive Order N-29-20. The order suspended certain provisions of the Ralph M. Brown Act to allow local legislative bodies to conduct meetings remotely, by telephone, interactive video or similar means. Additionally, governor issued a shelter-in-place order, requiring all non-essential personnel to work from home.

Staff worked to set up Zoom meetings for all City Council, Committee and Commission meetings. The use of Zoom for public meetings allows the City to ensure the public's continued access to government meetings while also ensuring the public's safety. The City Council and Commissions have been utilizing Zoom for the past 18 months to conduct all meetings and no meeting has had to be cancelled due to technical or related difficulties.

On June 11, 2021, Governor Newsom issued Executive Order N-08-21 rescinding Executive Order N-29-20 and requiring that as of October 1, 2021 localities must hold public meetings in full compliance with the Brown Act. In preparation for the return to in-person meetings while keeping people safe, staff acquired audio and visual upgrades for the Council Chambers to conduct hybrid meetings. Hybrid meetings would allow the public to continue participating in public meetings remotely, while councilmembers, committee members, commissioners, and staff meet in person.

Subsequent to the Governor's issuance of Executive Order N-08-21, the Delta variant has emerged, causing a spike in Coronavirus cases throughout the state. In response, the San Mateo County Health Department issued a Health Order requiring masks indoors in public places, regardless of vaccination status, starting August 3, 2021. Despite the order, the Delta variant continued to spread in the county, leading to questions about whether even hybrid meetings should be held. Staff advised that the state legislature was considering legislation, Assembly Bill 361, that would permit meetings subject to the Brown Act to continue to be held remotely. AB 361 was signed into law this week and took effect immediately.

DISCUSSION

AB 361 amends the Brown Act to permit local legislative bodies to continue to meet remotely until January 1, 2024 provided:

- The local legislative body is meeting during a declared state of emergency
- State or local health officials have imposed or recommended measures to promote social distancing
- Legislative bodies declare the need to meet remotely due to present imminent risks to the health or safety of attendees

The City meets these requirements and will continue to hold public meetings remotely to help ensure the safety of the public. Specifically:

- The City is still under a local state of emergency;
- San Mateo County requires that individuals in public spaces wear masks and socially distance; and

- The City can't maintain social distancing requirements for the public, staff, councilmembers, commissioners, and committee members in its meeting spaces

The City cannot ensure social distancing requirements are met inside Council Chambers or the Large Conference Room where the City Council, committees and commissions meet if the meetings are open to the public to attend in person.

AB 361 requires that the City Council review its decision not to hold traditional Brown Act meetings every 30 days and to declare if it remains unsafe to hold in person public meetings or whether the requirements of AB 361 are met and the City must continue to meet remotely in order to ensure the health and safety of the public.

ACTION

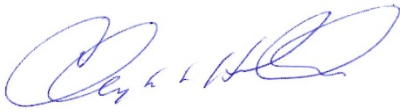
Staff recommends that the City Council declare that the findings required under AB 361 are satisfied and that the council's, committees' and commissions' meetings through October 22, 2021, must be held remotely or in hybrid fashion to protect the health and safety of the public.

FISCAL IMPACT

There is no fiscal impact.

Attachments:

- AB 361
- Resolution 2021-66



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Clay Holstine, City Manager

ENROLLED SEPTEMBER 15, 2021

PASSED IN SENATE SEPTEMBER 10, 2021

PASSED IN ASSEMBLY SEPTEMBER 10, 2021

AMENDED IN SENATE SEPTEMBER 03, 2021

AMENDED IN SENATE AUGUST 30, 2021

AMENDED IN SENATE JULY 06, 2021

AMENDED IN ASSEMBLY MAY 10, 2021

AMENDED IN ASSEMBLY APRIL 06, 2021

CALIFORNIA LEGISLATURE— 2021–2022 REGULAR SESSION

ASSEMBLY BILL

NO. 361

Introduced by Assembly Member Robert Rivas

February 01, 2021

An act to add and repeal Section 89305.6 of the Education Code, and to amend, repeal, and add Section 54953 of, and to add and repeal Section 11133 of, the Government Code, relating to open meetings, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 361, Robert Rivas. Open meetings: state and local agencies: teleconferences.

(1) Existing law, the Ralph M. Brown Act requires, with specified exceptions, that all meetings of a legislative body of a local agency, as those terms are defined, be open and public and that all persons be permitted to attend and participate. The act contains specified provisions regarding the timelines for posting an agenda and providing for the ability of the public to directly address the legislative body on any item of interest to the public. The act generally requires all regular and special meetings of the legislative body be held within the boundaries of the territory over which the local agency exercises jurisdiction, subject to certain exceptions. The act allows for meetings to occur via teleconferencing subject to certain requirements, particularly that the legislative body notice each teleconference location of each member that will be participating in the public meeting, that each teleconference location be accessible to the public, that members of the public be allowed to address the legislative body at each teleconference location, that the legislative body post an agenda at each teleconference location, and that at least a quorum of the legislative body participate from locations within the boundaries of the local agency's jurisdiction. The act provides an exemption to the jurisdictional requirement for health authorities, as defined. The act authorizes the district attorney or any interested person, subject to certain provisions, to commence an action by mandamus or injunction for the purpose of obtaining a judicial determination that specified actions taken by a legislative body are null and void.

Existing law, the California Emergency Services Act, authorizes the Governor, or the Director of Emergency Services when the governor is inaccessible, to proclaim a state of emergency under specified circumstances.

Executive Order No. N-29-20 suspends the Ralph M. Brown Act's requirements for teleconferencing during the COVID-19 pandemic provided that notice and accessibility requirements are met, the public members are allowed to observe and address the legislative body at the meeting, and that a legislative body of a local agency has a procedure for receiving and swiftly resolving requests for reasonable accommodation for individuals with disabilities, as specified.

This bill, until January 1, 2024, would authorize a local agency to use teleconferencing without complying with the teleconferencing requirements imposed by the Ralph M. Brown Act when a legislative body of a local agency holds a meeting during a declared state of emergency, as that term is defined, when state or local health officials have imposed or recommended measures to promote social distancing, during a proclaimed state of emergency held for the purpose of determining, by majority vote, whether meeting in person would present imminent risks to the health or safety of attendees, and during a proclaimed state of emergency when the legislative body has determined that meeting in person would present imminent risks to the health or safety of attendees, as provided.

This bill would require legislative bodies that hold teleconferenced meetings under these abbreviated teleconferencing procedures to give notice of the meeting and post agendas, as described, to allow members of the public to access the meeting and address the legislative body, to give notice of the means by which members of the public may access the meeting and offer public comment, including an opportunity for all persons to attend via a call-in option or an internet-based service option, and to conduct the meeting in a manner that protects the statutory and constitutional rights of the parties and the public appearing before the legislative body. The bill would require the legislative body to take no further action on agenda items when there is a disruption which prevents the public agency from broadcasting the meeting, or in the event of a disruption within the local agency's control which prevents members of the public from offering public comments, until public access is restored. The bill would specify that actions taken during the disruption are subject to challenge proceedings, as specified.

This bill would prohibit the legislative body from requiring public comments to be submitted in advance of the meeting and would specify that the legislative body must provide an opportunity for the public to address the legislative body and offer comment in real time. The bill would prohibit the legislative body from closing the public comment period and the opportunity to register to provide public comment, until the public comment period has elapsed or until a reasonable amount of time has elapsed, as specified. When there is a continuing state of emergency, or when state or local officials have imposed or recommended measures to promote social distancing, the bill would require a legislative body to make specified findings not later than 30 days after the first teleconferenced meeting pursuant to these provisions, and to make those findings every 30 days thereafter, in order to continue to meet under these abbreviated teleconferencing procedures.

Existing law prohibits a legislative body from requiring, as a condition to attend a meeting, a person to register the person's name, or to provide other information, or to fulfill any condition precedent to the person's attendance.

This bill would exclude from that prohibition, a registration requirement imposed by a third-party internet website or other online platform not under the control of the legislative body.

(2) Existing law, the Bagley-Keene Open Meeting Act, requires, with specified exceptions, that all meetings of a state body be open and public and all persons be permitted to attend any meeting of a state body. The act requires at least one member of the state body to be physically present at the location specified in the notice of the meeting.

The Governor's Executive Order No. N-29-20 suspends the requirements of the Bagley-Keene Open Meeting Act for teleconferencing during the COVID-19 pandemic, provided that notice and accessibility requirements are met, the public members are allowed to observe and address the state body at the meeting, and that a state body has a procedure for receiving and swiftly resolving requests for reasonable accommodation for individuals with disabilities, as specified.

This bill, until January 31, 2022, would authorize, subject to specified notice and accessibility requirements, a state body to hold public meetings through teleconferencing and to make public meetings accessible telephonically, or otherwise electronically, to all members of the public

seeking to observe and to address the state body. With respect to a state body holding a public meeting pursuant to these provisions, the bill would suspend certain requirements of existing law, including the requirements that each teleconference location be accessible to the public and that members of the public be able to address the state body at each teleconference location. Under the bill, a state body that holds a meeting through teleconferencing and allows members of the public to observe and address the meeting telephonically or otherwise electronically would satisfy any requirement that the state body allow members of the public to attend the meeting and offer public comment. The bill would require that each state body that holds a meeting through teleconferencing provide notice of the meeting, and post the agenda, as provided. The bill would urge state bodies utilizing these teleconferencing procedures in the bill to use sound discretion and to make reasonable efforts to adhere as closely as reasonably possible to existing law, as provided.

(3) Existing law establishes the various campuses of the California State University under the administration of the Trustees of the California State University, and authorizes the establishment of student body organizations in connection with the operations of California State University campuses.

The Gloria Romero Open Meetings Act of 2000 generally requires a legislative body, as defined, of a student body organization to conduct its business in a meeting that is open and public. The act authorizes the legislative body to use teleconferencing, as defined, for the benefit of the public and the legislative body in connection with any meeting or proceeding authorized by law.

This bill, until January 31, 2022, would authorize, subject to specified notice and accessibility requirements, a legislative body, as defined for purposes of the act, to hold public meetings through teleconferencing and to make public meetings accessible telephonically, or otherwise electronically, to all members of the public seeking to observe and to address the legislative body. With respect to a legislative body holding a public meeting pursuant to these provisions, the bill would suspend certain requirements of existing law, including the requirements that each teleconference location be accessible to the public and that members of the public be able to address the legislative body at each teleconference location. Under the bill, a legislative body that holds a meeting through teleconferencing and allows members of the public to observe and address the meeting telephonically or otherwise electronically would satisfy any requirement that the legislative body allow members of the public to attend the meeting and offer public comment. The bill would require that each legislative body that holds a meeting through teleconferencing provide notice of the meeting, and post the agenda, as provided. The bill would urge legislative bodies utilizing these teleconferencing procedures in the bill to use sound discretion and to make reasonable efforts to adhere as closely as reasonably possible to existing law, as provided.

(4) This bill would declare the Legislature's intent, consistent with the Governor's Executive Order No. N-29-20, to improve and enhance public access to state and local agency meetings during the COVID-19 pandemic and future emergencies by allowing broader access through teleconferencing options.

(5) This bill would incorporate additional changes to Section 54953 of the Government Code proposed by AB 339 to be operative only if this bill and AB 339 are enacted and this bill is enacted last.

(6) The California Constitution requires local agencies, for the purpose of ensuring public access to the meetings of public bodies and the writings of public officials and agencies, to comply with a statutory enactment that amends or enacts laws relating to public records or open meetings and contains findings demonstrating that the enactment furthers the constitutional requirements relating to this purpose.

This bill would make legislative findings to that effect.

(7) Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.

This bill would make legislative findings to that effect.

(8) This bill would declare that it is to take effect immediately as an urgency statute.

DIGEST KEY
Vote: 2/3 Appropriation: no Fiscal Committee: yes Local Program: no

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BILL TEXT
THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1.
Section 89305.6 is added to the Education Code, to read:

89305.6.
(a) Notwithstanding any other provision of this article, and subject to the notice and accessibility requirements in subdivisions (d) and (e), a legislative body may hold public meetings through teleconferencing and make public meetings accessible telephonically, or otherwise electronically, to all members of the public seeking to observe and to address the legislative body.

(b) (1) For a legislative body holding a public meeting through teleconferencing pursuant to this section, all requirements in this article requiring the physical presence of members, the clerk or other personnel of the legislative body, or the public, as a condition of participation in or quorum for a public meeting, are hereby suspended.

(2) For a legislative body holding a public meeting through teleconferencing pursuant to this section, all of the following requirements in this article are suspended:

(A) Each teleconference location from which a member will be participating in a public meeting or proceeding be identified in the notice and agenda of the public meeting or proceeding.

(B) Each teleconference location be accessible to the public.

(C) Members of the public may address the legislative body at each teleconference conference location.

(D) Post agendas at all teleconference locations.

(E) At least one member of the legislative body be physically present at the location specified in the notice of the meeting.

(c) A legislative body that holds a meeting through teleconferencing and allows members of the public to observe and address the meeting telephonically or otherwise electronically, consistent with the notice and accessibility requirements in subdivisions (d) and (e), shall have satisfied any requirement that the legislative body allow members of the public to attend the meeting and offer public comment. A legislative body need not make available any physical location from which members of the public may observe the meeting and offer public comment.

(d) If a legislative body holds a meeting through teleconferencing pursuant to this section and allows members of the public to observe and address the meeting telephonically or otherwise electronically, the legislative body shall also do both of the following:

(1) Implement a procedure for receiving and swiftly resolving requests for reasonable modification or accommodation from individuals with disabilities, consistent with the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12101 et seq.), and resolving any doubt whatsoever in favor of accessibility.

(2) Advertise that procedure each time notice is given of the means by which members of the public may observe the meeting and offer public comment, pursuant to paragraph (2) of subdivision (e).

(e) Except to the extent this section provides otherwise, each legislative body that holds a meeting through teleconferencing pursuant to this section shall do both of the following:

(1) Give advance notice of the time of, and post the agenda for, each public meeting according to the timeframes otherwise prescribed by this article, and using the means otherwise prescribed by this article, as applicable.

(2) In each instance in which notice of the time of the meeting is otherwise given or the agenda for the meeting is otherwise posted, also give notice of the means by which members of the public may observe the meeting and offer public comment. As to any instance in which there is a change in the means of public observation and comment, or any instance prior to the effective date of this section in which the time of the meeting has been noticed or the agenda for the meeting has been posted without also including notice of the means of public observation and comment, a legislative body may satisfy this requirement by advertising the means of public observation and comment using the most rapid means of communication available at the time. Advertising the means of public observation and comment using the most rapid means of communication available at the time shall include, but need not be limited to, posting such means on the legislative body’s internet website.

(f) All legislative bodies utilizing the teleconferencing procedures in this section are urged to use sound discretion and to make reasonable efforts to adhere as closely as reasonably possible to the otherwise applicable provisions of this article, in order to maximize transparency and provide the public access to legislative body meetings.

(g) This section shall remain in effect only until January 31, 2022, and as of that date is repealed.

SEC. 2.

Section 11133 is added to the Government Code, to read:

11133.

(a) Notwithstanding any other provision of this article, and subject to the notice and accessibility requirements in subdivisions (d) and (e), a state body may hold public meetings through teleconferencing and make public meetings accessible telephonically, or otherwise electronically, to all members of the public seeking to observe and to address the state body.

(b) (1) For a state body holding a public meeting through teleconferencing pursuant to this section, all requirements in this article requiring the physical presence of members, the clerk or other personnel of the state body, or the public, as a condition of participation in or quorum for a public meeting, are hereby suspended.

(2) For a state body holding a public meeting through teleconferencing pursuant to this section, all of the following requirements in this article are suspended:

(A) Each teleconference location from which a member will be participating in a public meeting or proceeding be identified in the notice and agenda of the public meeting or proceeding.

(B) Each teleconference location be accessible to the public.

(C) Members of the public may address the state body at each teleconference conference location.

(D) Post agendas at all teleconference locations.

(E) At least one member of the state body be physically present at the location specified in the notice of the meeting.

(c) A state body that holds a meeting through teleconferencing and allows members of the public to observe and address the meeting telephonically or otherwise electronically, consistent with the notice and accessibility requirements in subdivisions (d) and (e), shall have satisfied any requirement that the state body allow members of the public to attend the meeting and offer public comment. A state body need not make available any physical location from which members of the public may observe the meeting and offer public comment.

(d) If a state body holds a meeting through teleconferencing pursuant to this section and allows members of the public to observe and address the meeting telephonically or otherwise electronically, the state body shall also do both of the following:

(1) Implement a procedure for receiving and swiftly resolving requests for reasonable modification or accommodation from individuals with disabilities, consistent with the federal

Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12101 et seq.), and resolving any doubt whatsoever in favor of accessibility.

(2) Advertise that procedure each time notice is given of the means by which members of the public may observe the meeting and offer public comment, pursuant to paragraph (2) of subdivision (e).

(e) Except to the extent this section provides otherwise, each state body that holds a meeting through teleconferencing pursuant to this section shall do both of the following:

(1) Give advance notice of the time of, and post the agenda for, each public meeting according to the timeframes otherwise prescribed by this article, and using the means otherwise prescribed by this article, as applicable.

(2) In each instance in which notice of the time of the meeting is otherwise given or the agenda for the meeting is otherwise posted, also give notice of the means by which members of the public may observe the meeting and offer public comment. As to any instance in which there is a change in the means of public observation and comment, or any instance prior to the effective date of this section in which the time of the meeting has been noticed or the agenda for the meeting has been posted without also including notice of the means of public observation and comment, a state body may satisfy this requirement by advertising the means of public observation and comment using the most rapid means of communication available at the time. Advertising the means of public observation and comment using the most rapid means of communication available at the time shall include, but need not be limited to, posting such means on the state body's internet website.

(f) All state bodies utilizing the teleconferencing procedures in this section are urged to use sound discretion and to make reasonable efforts to adhere as closely as reasonably possible to the otherwise applicable provisions of this article, in order to maximize transparency and provide the public access to state body meetings.

(g) This section shall remain in effect only until January 31, 2022, and as of that date is repealed.

SEC. 3.
Section 54953 of the Government Code is amended to read:

54953.
(a) All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body of a local agency, except as otherwise provided in this chapter.

(b) (1) Notwithstanding any other provision of law, the legislative body of a local agency may use teleconferencing for the benefit of the public and the legislative body of a local agency in connection with any meeting or proceeding authorized by law. The teleconferenced meeting or proceeding shall comply with all otherwise applicable requirements of this chapter and all otherwise applicable provisions of law relating to a specific type of meeting or proceeding.

(2) Teleconferencing, as authorized by this section, may be used for all purposes in connection with any meeting within the subject matter jurisdiction of the legislative body. All votes taken during a teleconferenced meeting shall be by rollcall.

(3) If the legislative body of a local agency elects to use teleconferencing, it shall post agendas at all teleconference locations and conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the legislative body of a local agency. Each teleconference location shall be identified in the notice and agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public. During the teleconference, at least a quorum of the members of the legislative body shall participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as provided in subdivisions (d) and (e). The agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3 at each teleconference location.

(4) For the purposes of this section, "teleconference" means a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both. Nothing in this section shall prohibit a local agency from providing the public with additional teleconference locations.

(c) (1) No legislative body shall take action by secret ballot, whether preliminary or final.

(2) The legislative body of a local agency shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

(3) Prior to taking final action, the legislative body shall orally report a summary of a recommendation for a final action on the salaries, salary schedules, or compensation paid in the form of fringe benefits of a local agency executive, as defined in subdivision (d) of Section 3511.1, during the open meeting in which the final action is to be taken. This paragraph shall not affect the public's right under the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1) to inspect or copy records created or received in the process of developing the recommendation.

(d) (1) Notwithstanding the provisions relating to a quorum in paragraph (3) of subdivision (b), if a health authority conducts a teleconference meeting, members who are outside the jurisdiction of the authority may be counted toward the establishment of a quorum when participating in the teleconference if at least 50 percent of the number of members that would establish a quorum are present within the boundaries of the territory over which the authority exercises jurisdiction, and the health authority provides a teleconference number, and associated access codes, if any, that allows any person to call in to participate in the meeting and the number and access codes are identified in the notice and agenda of the meeting.

(2) Nothing in this subdivision shall be construed as discouraging health authority members from regularly meeting at a common physical site within the jurisdiction of the authority or from using teleconference locations within or near the jurisdiction of the authority. A teleconference meeting for which a quorum is established pursuant to this subdivision shall be subject to all other requirements of this section.

(3) For purposes of this subdivision, a health authority means any entity created pursuant to Sections 14018.7, 14087.31, 14087.35, 14087.36, 14087.38, and 14087.9605 of the Welfare and Institutions Code, any joint powers authority created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 for the purpose of contracting pursuant to Section 14087.3 of the Welfare and Institutions Code, and any advisory committee to a county-sponsored health plan licensed pursuant to Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code if the advisory committee has 12 or more members.

(e) (1) A local agency may use teleconferencing without complying with the requirements of paragraph (3) of subdivision (b) if the legislative body complies with the requirements of paragraph (2) of this subdivision in any of the following circumstances:

(A) The legislative body holds a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing.

(B) The legislative body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(C) The legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote, pursuant to subparagraph (B), that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(2) A legislative body that holds a meeting pursuant to this subdivision shall do all of the following:

(A) The legislative body shall give notice of the meeting and post agendas as otherwise required by this chapter.

(B) The legislative body shall allow members of the public to access the meeting and the agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3. In each instance in which notice of the time of the teleconferenced meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the means by which members of the public may access the meeting and offer public comment. The agenda shall identify and include an opportunity for all persons to attend via a call-in option or an internet-based service option. This subparagraph shall not be construed to require the legislative body to provide a physical location from which the public may attend or comment.

(C) The legislative body shall conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties and the public appearing before the legislative body of a local agency.

(D) In the event of a disruption which prevents the public agency from broadcasting the meeting to members of the public using the call-in option or internet-based service option, or in the event of a disruption within the local agency's control which prevents members of the public from offering public comments using the call-in option or internet-based service option, the body shall take no further action on items appearing on the meeting agenda until public access to the

meeting via the call-in option or internet-based service option is restored. Actions taken on agenda items during a disruption which prevents the public agency from broadcasting the meeting may be challenged pursuant to Section 54960.1.

(E) The legislative body shall not require public comments to be submitted in advance of the meeting and must provide an opportunity for the public to address the legislative body and offer comment in real time. This subparagraph shall not be construed to require the legislative body to provide a physical location from which the public may attend or comment.

(F) Notwithstanding Section 54953.3, an individual desiring to provide public comment through the use of an internet website, or other online platform, not under the control of the local legislative body, that requires registration to log in to a teleconference may be required to register as required by the third-party internet website or online platform to participate.

(G) (i) A legislative body that provides a timed public comment period for each agenda item shall not close the public comment period for the agenda item, or the opportunity to register, pursuant to subparagraph (F), to provide public comment until that timed public comment period has elapsed.

(ii) A legislative body that does not provide a timed public comment period, but takes public comment separately on each agenda item, shall allow a reasonable amount of time per agenda item to allow public members the opportunity to provide public comment, including time for members of the public to register pursuant to subparagraph (F), or otherwise be recognized for the purpose of providing public comment.

(iii) A legislative body that provides a timed general public comment period that does not correspond to a specific agenda item shall not close the public comment period or the opportunity to register, pursuant to subparagraph (F), until the timed general public comment period has elapsed.

(3) If a state of emergency remains active, or state or local officials have imposed or recommended measures to promote social distancing, in order to continue to teleconference without compliance with paragraph (3) of subdivision (b), the legislative body shall, not later than 30 days after teleconferencing for the first time pursuant to subparagraph (A), (B), or (C) of paragraph (1), and every 30 days thereafter, make the following findings by majority vote:

(A) The legislative body has reconsidered the circumstances of the state of emergency.

(B) Any of the following circumstances exist:

(i) The state of emergency continues to directly impact the ability of the members to meet safely in person.

(ii) State or local officials continue to impose or recommend measures to promote social distancing.

(4) For the purposes of this subdivision, “state of emergency” means a state of emergency proclaimed pursuant to Section 8625 of the California Emergency Services Act (Article 1 (commencing with Section 8550) of Chapter 7 of Division 1 of Title 2).

(f) This section shall remain in effect only until January 1, 2024, and as of that date is repealed.

SEC. 3.1.
Section 54953 of the Government Code is amended to read:

54953.
(a) All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body of a local agency in person, except as otherwise provided in this chapter. Local agencies shall conduct meetings subject to this chapter consistent with applicable state and federal civil rights laws, including, but not limited to, any applicable language access and other nondiscrimination obligations.

(b) (1) Notwithstanding any other provision of law, the legislative body of a local agency may use teleconferencing for the benefit of the public and the legislative body of a local agency in connection with any meeting or proceeding authorized by law. The teleconferenced meeting or proceeding shall comply with all otherwise applicable requirements of this chapter and all otherwise applicable provisions of law relating to a specific type of meeting or proceeding.

(2) Teleconferencing, as authorized by this section, may be used for all purposes in connection with any meeting within the subject matter jurisdiction of the legislative body. All votes taken during a teleconferenced meeting shall be by rollcall.

(3) If the legislative body of a local agency elects to use teleconferencing, it shall post agendas at all teleconference locations and conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the legislative body of a local agency. Each teleconference location shall be identified in the notice and agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public. During the teleconference, at least a quorum of the members of the legislative body shall participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as provided in subdivisions (d) and (e). The agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3 at each teleconference location.

(4) For the purposes of this section, “teleconference” means a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both. Nothing in this section shall prohibit a local agency from providing the public with additional teleconference locations.

(c) (1) No legislative body shall take action by secret ballot, whether preliminary or final.

(2) The legislative body of a local agency shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

(3) Prior to taking final action, the legislative body shall orally report a summary of a recommendation for a final action on the salaries, salary schedules, or compensation paid in the form of fringe benefits of a local agency executive, as defined in subdivision (d) of Section 3511.1, during the open meeting in which the final action is to be taken. This paragraph shall not affect the public’s right under the California Public Records Act (Chapter 3.5 (commencing with Section

6250) of Division 7 of Title 1) to inspect or copy records created or received in the process of developing the recommendation.

(d) (1) Notwithstanding the provisions relating to a quorum in paragraph (3) of subdivision (b), if a health authority conducts a teleconference meeting, members who are outside the jurisdiction of the authority may be counted toward the establishment of a quorum when participating in the teleconference if at least 50 percent of the number of members that would establish a quorum are present within the boundaries of the territory over which the authority exercises jurisdiction, and the health authority provides a teleconference number, and associated access codes, if any, that allows any person to call in to participate in the meeting and the number and access codes are identified in the notice and agenda of the meeting.

(2) Nothing in this subdivision shall be construed as discouraging health authority members from regularly meeting at a common physical site within the jurisdiction of the authority or from using teleconference locations within or near the jurisdiction of the authority. A teleconference meeting for which a quorum is established pursuant to this subdivision shall be subject to all other requirements of this section.

(3) For purposes of this subdivision, a health authority means any entity created pursuant to Sections 14018.7, 14087.31, 14087.35, 14087.36, 14087.38, and 14087.9605 of the Welfare and Institutions Code, any joint powers authority created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 for the purpose of contracting pursuant to Section 14087.3 of the Welfare and Institutions Code, and any advisory committee to a county-sponsored health plan licensed pursuant to Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code if the advisory committee has 12 or more members.

(e) (1) A local agency may use teleconferencing without complying with the requirements of paragraph (3) of subdivision (b) if the legislative body complies with the requirements of paragraph (2) of this subdivision in any of the following circumstances:

(A) The legislative body holds a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing.

(B) The legislative body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(C) The legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote, pursuant to subparagraph (B), that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(2) A legislative body that holds a meeting pursuant to this subdivision shall do all of the following:

(A) The legislative body shall give notice of the meeting and post agendas as otherwise required by this chapter.

(B) The legislative body shall allow members of the public to access the meeting and the agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3. In each instance in which notice of the time of the teleconferenced meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the means by which members of the public may access the meeting and offer public comment. The agenda shall identify and include an opportunity for all persons to attend via a call-in option or an internet-based service option. This subparagraph shall not be construed to require the legislative body to provide a physical location from which the public may attend or comment.

(C) The legislative body shall conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties and the public appearing before the legislative body of a local agency.

(D) In the event of a disruption which prevents the public agency from broadcasting the meeting to members of the public using the call-in option or internet-based service option, or in the event of a disruption within the local agency's control which prevents members of the public from offering public comments using the call-in option or internet-based service option, the body shall take no further action on items appearing on the meeting agenda until public access to the meeting via the call-in option or internet-based service option is restored. Actions taken on agenda items during a disruption which prevents the public agency from broadcasting the meeting may be challenged pursuant to Section 54960.1.

(E) The legislative body shall not require public comments to be submitted in advance of the meeting and must provide an opportunity for the public to address the legislative body and offer comment in real time. This subparagraph shall not be construed to require the legislative body to provide a physical location from which the public may attend or comment.

(F) Notwithstanding Section 54953.3, an individual desiring to provide public comment through the use of an internet website, or other online platform, not under the control of the local legislative body, that requires registration to log in to a teleconference may be required to register as required by the third-party internet website or online platform to participate.

(G) (i) A legislative body that provides a timed public comment period for each agenda item shall not close the public comment period for the agenda item, or the opportunity to register, pursuant to subparagraph (F), to provide public comment until that timed public comment period has elapsed.

(ii) A legislative body that does not provide a timed public comment period, but takes public comment separately on each agenda item, shall allow a reasonable amount of time per agenda item to allow public members the opportunity to provide public comment, including time for members of the public to register pursuant to subparagraph (F), or otherwise be recognized for the purpose of providing public comment.

(iii) A legislative body that provides a timed general public comment period that does not correspond to a specific agenda item shall not close the public comment period or the

opportunity to register, pursuant to subparagraph (F), until the timed general public comment period has elapsed.

(3) If a state of emergency remains active, or state or local officials have imposed or recommended measures to promote social distancing, in order to continue to teleconference without compliance with paragraph (3) of subdivision (b), the legislative body shall, not later than 30 days after teleconferencing for the first time pursuant to subparagraph (A), (B), or (C) of paragraph (1), and every 30 days thereafter, make the following findings by majority vote:

(A) The legislative body has reconsidered the circumstances of the state of emergency.

(B) Any of the following circumstances exist:

(i) The state of emergency continues to directly impact the ability of the members to meet safely in person.

(ii) State or local officials continue to impose or recommend measures to promote social distancing.

(4) For the purposes of this subdivision, "state of emergency" means a state of emergency proclaimed pursuant to Section 8625 of the California Emergency Services Act (Article 1 (commencing with Section 8550) of Chapter 7 of Division 1 of Title 2).

(f) This section shall remain in effect only until January 1, 2024, and as of that date is repealed.

SEC. 4.
Section 54953 is added to the Government Code, to read:

54953.
(a) All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body of a local agency, except as otherwise provided in this chapter.

(b) (1) Notwithstanding any other provision of law, the legislative body of a local agency may use teleconferencing for the benefit of the public and the legislative body of a local agency in connection with any meeting or proceeding authorized by law. The teleconferenced meeting or proceeding shall comply with all requirements of this chapter and all otherwise applicable provisions of law relating to a specific type of meeting or proceeding.

(2) Teleconferencing, as authorized by this section, may be used for all purposes in connection with any meeting within the subject matter jurisdiction of the legislative body. All votes taken during a teleconferenced meeting shall be by rollcall.

(3) If the legislative body of a local agency elects to use teleconferencing, it shall post agendas at all teleconference locations and conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the legislative body of a local agency. Each teleconference location shall be identified in the notice and agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public. During the teleconference, at least a quorum of the members of the legislative body shall

participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as provided in subdivision (d). The agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3 at each teleconference location.

(4) For the purposes of this section, “teleconference” means a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both. Nothing in this section shall prohibit a local agency from providing the public with additional teleconference locations

(c) (1) No legislative body shall take action by secret ballot, whether preliminary or final.

(2) The legislative body of a local agency shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

(3) Prior to taking final action, the legislative body shall orally report a summary of a recommendation for a final action on the salaries, salary schedules, or compensation paid in the form of fringe benefits of a local agency executive, as defined in subdivision (d) of Section 3511.1, during the open meeting in which the final action is to be taken. This paragraph shall not affect the public’s right under the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1) to inspect or copy records created or received in the process of developing the recommendation.

(d) (1) Notwithstanding the provisions relating to a quorum in paragraph (3) of subdivision (b), if a health authority conducts a teleconference meeting, members who are outside the jurisdiction of the authority may be counted toward the establishment of a quorum when participating in the teleconference if at least 50 percent of the number of members that would establish a quorum are present within the boundaries of the territory over which the authority exercises jurisdiction, and the health authority provides a teleconference number, and associated access codes, if any, that allows any person to call in to participate in the meeting and the number and access codes are identified in the notice and agenda of the meeting.

(2) Nothing in this subdivision shall be construed as discouraging health authority members from regularly meeting at a common physical site within the jurisdiction of the authority or from using teleconference locations within or near the jurisdiction of the authority. A teleconference meeting for which a quorum is established pursuant to this subdivision shall be subject to all other requirements of this section.

(3) For purposes of this subdivision, a health authority means any entity created pursuant to Sections 14018.7, 14087.31, 14087.35, 14087.36, 14087.38, and 14087.9605 of the Welfare and Institutions Code, any joint powers authority created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 for the purpose of contracting pursuant to Section 14087.3 of the Welfare and Institutions Code, and any advisory committee to a county-sponsored health plan licensed pursuant to Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code if the advisory committee has 12 or more members.

(e) This section shall become operative January 1, 2024.

SEC. 4.1.
Section 54953 is added to the Government Code, to read:

54953.
(a) All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body of a local agency, in person except as otherwise provided in this chapter. Local agencies shall conduct meetings subject to this chapter consistent with applicable state and federal civil rights laws, including, but not limited to, any applicable language access and other nondiscrimination obligations.

(b) (1) Notwithstanding any other provision of law, the legislative body of a local agency may use teleconferencing for the benefit of the public and the legislative body of a local agency in connection with any meeting or proceeding authorized by law. The teleconferenced meeting or proceeding shall comply with all requirements of this chapter and all otherwise applicable provisions of law relating to a specific type of meeting or proceeding.

(2) Teleconferencing, as authorized by this section, may be used for all purposes in connection with any meeting within the subject matter jurisdiction of the legislative body. All votes taken during a teleconferenced meeting shall be by rollcall.

(3) If the legislative body of a local agency elects to use teleconferencing, it shall post agendas at all teleconference locations and conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the legislative body of a local agency. Each teleconference location shall be identified in the notice and agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public. During the teleconference, at least a quorum of the members of the legislative body shall participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as provided in subdivision (d). The agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3 at each teleconference location.

(4) For the purposes of this section, “teleconference” means a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both. Nothing in this section shall prohibit a local agency from providing the public with additional teleconference locations.

(c) (1) No legislative body shall take action by secret ballot, whether preliminary or final.

(2) The legislative body of a local agency shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

(3) Prior to taking final action, the legislative body shall orally report a summary of a recommendation for a final action on the salaries, salary schedules, or compensation paid in the form of fringe benefits of a local agency executive, as defined in subdivision (d) of Section 3511.1, during the open meeting in which the final action is to be taken. This paragraph shall not affect the public’s right under the California Public Records Act (Chapter 3.5 (commencing with Section

6250) of Division 7 of Title 1) to inspect or copy records created or received in the process of developing the recommendation.

(d) (1) Notwithstanding the provisions relating to a quorum in paragraph (3) of subdivision (b), if a health authority conducts a teleconference meeting, members who are outside the jurisdiction of the authority may be counted toward the establishment of a quorum when participating in the teleconference if at least 50 percent of the number of members that would establish a quorum are present within the boundaries of the territory over which the authority exercises jurisdiction, and the health authority provides a teleconference number, and associated access codes, if any, that allows any person to call in to participate in the meeting and the number and access codes are identified in the notice and agenda of the meeting.

(2) Nothing in this subdivision shall be construed as discouraging health authority members from regularly meeting at a common physical site within the jurisdiction of the authority or from using teleconference locations within or near the jurisdiction of the authority. A teleconference meeting for which a quorum is established pursuant to this subdivision shall be subject to all other requirements of this section.

(3) For purposes of this subdivision, a health authority means any entity created pursuant to Sections 14018.7, 14087.31, 14087.35, 14087.36, 14087.38, and 14087.9605 of the Welfare and Institutions Code, any joint powers authority created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 for the purpose of contracting pursuant to Section 14087.3 of the Welfare and Institutions Code, and any advisory committee to a county-sponsored health plan licensed pursuant to Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code if the advisory committee has 12 or more members.

(e) This section shall become operative January 1, 2024.

SEC. 5.

Sections 3.1 and 4.1 of this bill incorporate amendments to Section 54953 of the Government Code proposed by both this bill and Assembly Bill 339. Those sections of this bill shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2022, but this bill becomes operative first, (2) each bill amends Section 54953 of the Government Code, and (3) this bill is enacted after Assembly Bill 339, in which case Section 54953 of the Government Code, as amended by Sections 3 and 4 of this bill, shall remain operative only until the operative date of Assembly Bill 339, at which time Sections 3.1 and 4.1 of this bill shall become operative.

SEC. 6.

It is the intent of the Legislature in enacting this act to improve and enhance public access to state and local agency meetings during the COVID-19 pandemic and future applicable emergencies, by allowing broader access through teleconferencing options consistent with the Governor's Executive Order No. N-29-20 dated March 17, 2020, permitting expanded use of teleconferencing during the COVID-19 pandemic.

SEC. 7.

The Legislature finds and declares that Sections 3 and 4 of this act, which amend, repeal, and add Section 54953 of the Government Code, further, within the meaning of paragraph (7) of

subdivision (b) of Section 3 of Article I of the California Constitution, the purposes of that constitutional section as it relates to the right of public access to the meetings of local public bodies or the writings of local public officials and local agencies. Pursuant to paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the Legislature makes the following findings:

This act is necessary to ensure minimum standards for public participation and notice requirements allowing for greater public participation in teleconference meetings during applicable emergencies.

SEC. 8.

(a) The Legislature finds and declares that during the COVID-19 public health emergency, certain requirements of the Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code) were suspended by Executive Order N-29-20. Audio and video teleconference were widely used to conduct public meetings in lieu of physical location meetings, and public meetings conducted by teleconference during the COVID-19 public health emergency have been productive, have increased public participation by all members of the public regardless of their location in the state and ability to travel to physical meeting locations, have protected the health and safety of civil servants and the public, and have reduced travel costs incurred by members of state bodies and reduced work hours spent traveling to and from meetings.

(b) The Legislature finds and declares that Section 1 of this act, which adds and repeals Section 89305.6 of the Education Code, Section 2 of this act, which adds and repeals Section 11133 of the Government Code, and Sections 3 and 4 of this act, which amend, repeal, and add Section 54953 of the Government Code, all increase and potentially limit the public's right of access to the meetings of public bodies or the writings of public officials and agencies within the meaning of Section 3 of Article I of the California Constitution. Pursuant to that constitutional provision, the Legislature makes the following findings to demonstrate the interest protected by this limitation and the need for protecting that interest:

(1) By removing the requirement that public meetings be conducted at a primary physical location with a quorum of members present, this act protects the health and safety of civil servants and the public and does not preference the experience of members of the public who might be able to attend a meeting in a physical location over members of the public who cannot travel or attend that meeting in a physical location.

(2) By removing the requirement for agendas to be placed at the location of each public official participating in a public meeting remotely, including from the member's private home or hotel room, this act protects the personal, private information of public officials and their families while preserving the public's right to access information concerning the conduct of the people's business.

SEC. 9.

This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the California Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to ensure that state and local agencies can continue holding public meetings while providing essential services like water, power, and fire protection to their constituents during public health, wildfire, or other states of emergencies, it is necessary that this act take effect immediately.

RESOLUTION NO. 2021-66

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BRISBANE DECLARING THE NEED FOR THE CITY COUNCIL, COMMITTEES AND COMMISSIONS TO CONTINUE TO MEET REMOTELY IN ORDER TO ENSURE THE HEALTH ANDSAFETY OF THE PUBLIC

WHEREAS, on March 4, 2020, Governor Newsom declared a State of Emergency to make additional resources available, formalize emergency actions already underway across multiple state agencies and departments, and help the State prepare for a broader spread of COVID-19; and

WHEREAS, on March 19, 2020, the City Council ratified and confirmed the Director of Emergency Service's proclamation of a local emergency which allowed staff to expeditiously respond to the emergency circumstances caused by the pandemic; and

WHEREAS, on March 17, 2020, in response to the COVID-19 pandemic, Governor Newsom issued Executive Order N-29-20 suspending certain provisions of the Ralph M. Brown Act in order to allow local legislative bodies to conduct meetings telephonically or by other means; and

WHEREAS, as a result of Executive Order N-29-20, staff set up Zoom meetings for all City Council, Committee and Commission meetings; and

WHEREAS, on June 11, 2021, Governor Newsom issued Executive Order N-08-21, whichplaced an end date of September 30, 2021, for agencies to meet remotely; and

WHEREAS, since issuing Executive Order N-08-21, the Delta variant has emerged, causing a spike in COVID-19 cases throughout the state; and

WHEREAS, on August 3, 2021, in response to the Delta variant, the San Mateo County Health Department ordered all individuals to wear masks when inside public spaces and maintainsocial distancing; and

WHEREAS, on September 16, 2021, Governor Newsom signed Assembly Bill 361 into law, which took effect immediately, amending the Brown Act to permit local legislative bodies, including the City Council, to meet remotely provided it is meeting during a declared state of emergency, state or local officials have imposed or recommended measures to promote social distancing, and the Council believes there is a need to meet remotely to protect against imminent risks to the health and safety of potential public attendees; and

WHEREAS, because of the rise in cases due to the Delta variant, the state, San Mateo County and the City Council are concerned about and desire to protect the health and safety of individuals who might otherwise attend Council, Committee and Commission

meetings;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BRISBANE RESOLVES AS FOLLOWS:

1. In compliance with AB 361, the City Council has reviewed and makes the following findings:
   a. The state and San Mateo County have each proclaimed a state of emergency due to the Coronavirus pandemic;
   b. San Mateo County has issued a public health order requiring that individuals in public spaces wear masks and socially distance, but the City cannot maintain social distancing for the public, staff, councilmembers, commissioners, and committee members in its meeting spaces; and
   c. The City Council has considered these circumstances and concludes that it, City Committees and City Commissions must meet remotely due to imminent risks to the health and safety of attendees if the Council, Committees or Commissions meet in City facilities.
2. Based on the foregoing, the City Council declares that to protect the safety and health of the public, City Council, Committee and Commission meetings will continue to be conducted remotely for the next 30 days in compliance with AB 361.
3. The City Council will revisit the need to conduct public meetings remotely within 30 days of the adoption of this resolution.

_____
Karen Cunningham, Mayor

PASSED, APPROVED AND ADOPTED by the Brisbane City Council at a regular meeting on September 23, 2021.

I hereby certify that the foregoing resolution was adopted by the City Council at a regular meeting held on September 23, 2021 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Ingrid Padilla, City Clerk

Approved as to form:

_____
Thomas McMorrow, Interim City Attorney

File Attachments for Item:

M. Consider Approval of 25 Park Place Lease Agreement

CITY COUNCIL AGENDA REPORT

Meeting Date: 9/23/2021

From: Clay Holstine, City Manager

Subject: Lease Space at 25 Park Place

Background

The City has the opportunity to lease space across from City Hall on Park Place. Our current space has been in existence since the 1990's and was remodeled and upgraded in 2007/08. Since then we have had a natural expansion of needs. Our current building is at capacity.

We also have an opportunity to have the North County Fire Authority management staff housed in Brisbane. By moving from its current facility on Wembley Drive in Daly City, the Authority will be able to remodel that facility into a training center. This will enhance the operations of the Fire Service.

Longer term, Measure JJ which was passed by the voters in 2018 anticipated the need for additional office space as the City accommodates and provides services for the Baylands development. By securing space now we will be in stronger position to address future needs relative to new development.

It is critical that we act at this time to secure the lease on this building. If we do not act now the building will be leased out to another party for period likely to be 5 to 10 years at a minimum.

This location is ideal as it allows for a Civic Center campus with the two buildings being located across the street from each other. The new building is 10,000 square feet. Tenant improvements, some of which the Authority will pay for will be identified by the Public Works Director who will be overseeing a space study of city facilities and details of occupancy.

We anticipate the lease to be effective as of January 1st, 2022. Timeframe for occupancy and decisions on operations to be moved into the building will be made in calendar year 2022.

_____

Clay Holstine, City Manager

Status of Office Planning & Baylands JJ Cost Recovery

Goals

1. Create adequate office space into the foreseeable future
2. Meet the specific requirements of Measure JJ
3. Host the NCFA Management Team (Daly City will host the NCFA training Facility)

Opportunity

1. 25 Park Place – approximately 10,000 square feet
2. NCFA has funds to make tenant improvements (City will need to fund our tenant improvements)
3. Under the direction of the Public Works Director we have hired a consultant (same firm that designed our library) to do a Facilities Plan so that we can evaluate options as well as have a well thought out plan.

Next Steps

- Lease between City of Brisbane and Orinsi Court Trust for 25 Park Place will be on 9/23 CC agenda. (Copy attached).
- City staff review of Facilities Plan and the development of a plan of implementation for tenant improvements and timing of moving into the new facility. Office improvements may also be needed at the existing City Hall as we repurpose its use.

M.

AIRCRE contracts

STANDARD INDUSTRIAL/COMMERCIAL SINGLE-TENANT LEASE - GROSS
(DO NOT USE THIS FORM FOR MULTI-TENANT BUILDINGS)

1. **Basic Provisions ("Basic Provisions").**

1.1 **Parties.** This Lease ("Lease"), dated for reference purposes only July 1, 2021, is made by and between Orsini Court Trust ("Lessor") and City of Brisbane ("Lessee"), (collectively the "Parties," or individually a "Party").

1.2 **Premises:** That certain real property, including all improvements therein or to be provided by Lessor under the terms of this Lease, commonly known as (street address, city, state, zip): 25 Park Place, Brisbane, California 94005 ("Premises"). The Premises are located in the County of San Mateo, and are generally described as (describe briefly the nature of the property and, if applicable, the "Project," if the property is located within a Project): an approximately 10,000 square foot freestanding office building and associated exterior parking and landscaping area. (See also Paragraph 2)

1.3 **Term:** 10 years and 0 months ("Original Term") commencing upon lease execution, proof of liability insurance naming the Lessor as Additional Insured, payment of monies due upon execution, and current occupant vacating. This is estimated to be January 1, 2022. Lessor will provide Lessee with minimum 30 days written notice when Lessor has estimated date that current occupant will vacate ("Commencement Date") and ending December 31, 2031 ("Expiration Date"). (See also Paragraph 3)

1.4 ~~**Early Possession:** If the Premises are available Lessee may have non-exclusive possession of the Premises commencing _____ ("Early Possession Date"). (See also Paragraphs 3.2 and 3.3)~~

1.5 **Base Rent:** $25,000 per month ("Base Rent"), payable on the First day of each month commencing upon Commencement Date. (See also Paragraph 4)

☑ If this box is checked, there are provisions in this Lease for the Base Rent to be adjusted. See Paragraph 52.

1.6 **Base Rent and Other Monies Paid Upon Execution:**

(a) **Base Rent:** $25,000 for the period 1st month's rent.

(b) **Security Deposit:** $32,619 ("Security Deposit"). (See also Paragraph 5)

(c) **Association Fees:** _____ for the period _____.

(d) **Other:** _____ for _____.

(e) **Total Due Upon Execution of this Lease:** $57,619.

1.7 **Agreed Use:** General office. (See also Paragraph 6)

1.8 **Insuring Party.** Lessor is the "Insuring Party". The annual "Base Premium" is $5,056. (See also Paragraph 8)

1.9 **Real Estate Brokers.** (See also Paragraph 15 and 25)

(a) **Representation:** Each Party acknowledges receiving a Disclosure Regarding Real Estate Agency Relationship, confirms and consents to the following agency relationships in this Lease with the following real estate brokers ("Broker(s)") and/or their agents ("Agent(s)"):

Lessor's Brokerage Firm CBRE, Inc. License No. 00409987 is the broker of (check one): ☐ the Lessor; or ☑ both the Lessee and Lessor (dual agent).

Lessor's Agent Damon Schor/Karl Hansen License No. 01317778/01351383 is (check one): ☐ the Lessor's Agent (salesperson or broker associate); or ☑ both the Lessee's Agent and the Lessor's Agent (dual agent).

Lessee's Brokerage Firm CBRE, Inc. License No. 00409987 is the broker of (check one): ☐ the Lessee; or ☑ both the Lessee and Lessor (dual agent).

Lessee's Agent Karl Hansen License No. 01351383 is (check one): ☐ the Lessee's Agent (salesperson or broker associate); or ☑ both the Lessee's Agent and the Lessor's Agent (dual agent).

(b) **Payment to Brokers.** Upon execution and delivery of this Lease by both Parties, Lessor shall pay to the Brokers the brokerage fee agreed to in a separate written agreement (or if there is no such agreement, the sum of _____ or _____% of the total Base Rent) for the brokerage services rendered by the Brokers.

1.10 **Guarantor.** The obligations of the Lessee under this Lease are to be guaranteed by _____ ("Guarantor"). (See also Paragraph 37)

1.11 **Attachments.** Attached hereto are the following, all of which constitute a part of this Lease:

☑ an Addendum consisting of Paragraphs 51 through 64;

☐ a plot plan depicting the Premises;

☐ a current set of the Rules and Regulations;

☐ a Work Letter;

☑ other (specify): CBRE Agency Disclosures.

_____ _____

INITIALS INITIALS

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Premises.

2.1 Letting. Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the Premises, for the term, at the rental, and upon all of the terms, covenants and conditions set forth in this Lease. While the approximate square footage of the Premises may have been used in the marketing of the Premises for purposes of comparison, the Base Rent stated herein is NOT tied to square footage and is not subject to adjustment should the actual size be determined to be different. **NOTE: Lessee is advised to verify the actual size prior to executing this Lease.**

2.2 Condition. Lessor shall deliver the Premises to Lessee broom clean and free of debris on the Commencement Date or the Early Possession Date, whichever first occurs ("Start Date"), and, so long as the required service contracts described in Paragraph 7.1(b) below are obtained by Lessee and in effect within thirty days following the Start Date, warrants that the existing electrical, plumbing, fire sprinkler, lighting, heating, ventilating and air conditioning systems ("HVAC"), loading doors, sump pumps, if any, and all other such elements in the Premises, other than those constructed by Lessee, shall be in good operating condition on said date, that the surface and structural elements of the roof, bearing walls and foundation of any buildings on the Premises (the "Building") shall be free of material defects, and that the Unit does not contain hazardous levels of any mold or fungi defined as toxic under applicable state or federal law. If a non-compliance with said warranty exists as of the Start Date, or if one of such systems or elements should malfunction or fail within the appropriate warranty period, Lessor shall, as Lessor's sole obligation with respect to such matter, except as otherwise provided in this Lease, promptly after receipt of written notice from Lessee setting forth with specificity the nature and extent of such non-compliance, malfunction or failure, rectify same at Lessor's expense. The warranty periods shall be as follows: (i) 6 months as to the HVAC systems, and (ii) 30 days as to the remaining systems and other elements of the Building. If Lessee does not give Lessor the required notice within the appropriate warranty period, correction of any such non-compliance, malfunction or failure shall be the obligation of Lessee at Lessee's sole cost and expense, except for the roof, foundations, and bearing walls which are handled as provided in paragraph 7. Lessor also warrants, that unless otherwise specified in writing, Lessor is unaware of (i) any recorded Notices of Default affecting the Premise; (ii) any delinquent amounts due under any loan secured by the Premises; and (iii) any bankruptcy proceeding affecting the Premises.

2.3 Compliance. Lessor warrants that to the best of its knowledge the improvements on the Premises comply with the building codes, applicable laws, covenants or restrictions of record, regulations, and ordinances ("Applicable Requirements") that were in effect at the time that each Improvement, or portion thereof, was constructed. Said warranty does not apply to Applicable Requirements effective after any improvement was made to the Premises, or to the use to which Lessee will put the Premises, modifications which may be required by the Americans with Disabilities Act or any similar laws as a result of Lessee's use (see Paragraph 50), or to any Alterations or Utility Installations (as defined in Paragraph 7.3(a)) made or to be made by Lessee. **NOTE: Lessee is responsible for determining whether or not the Applicable Requirements, and especially the zoning, are appropriate for Lessee's intended use, and acknowledges that past uses of the Premises may no longer be allowed.** If the Premises do not comply with said warranty, Lessor shall, except as otherwise provided, promptly after receipt of written notice from Lessee setting forth with specificity the nature and extent of such non-compliance, rectify the same at Lessor's expense. If Lessee does not give Lessor written notice of a non-compliance with this warranty within 6 months following the Start Date, correction of that non-compliance shall be the obligation of Lessee at Lessee's sole cost and expense. If the Applicable Requirements are hereafter changed so as to require during the term of this Lease the construction of an addition to or an alteration of the Premises and/or Building, the remediation of any Hazardous Substance, or the reinforcement or other physical modification of the Unit, Premises and/or Building ("Capital Expenditure"), Lessor and Lessee shall pay allocate the cost of such work. ~~as follows:~~

~~(a) Subject to Paragraph 2.3(c) below, if such Capital Expenditures are required as a result of the specific and unique use of the Premises by Lessee as compared with uses by tenants in general, Lessee shall be fully responsible for the cost thereof, provided, however, that if such Capital Expenditure is required during the last 2 years of this Lease and the cost thereof exceeds 6 months' Base Rent, Lessee may instead terminate this Lease unless Lessor notifies Lessee, in writing, within 10 days after receipt of Lessee's termination notice that Lessor has elected to pay the difference between the actual cost thereof and an amount equal to 6 months' Base Rent. If Lessee elects termination, Lessee shall immediately cease the use of the Premises which requires such Capital Expenditure and deliver to Lessor written notice specifying a termination date at least 90 days thereafter. Such termination date shall, however, in no event be earlier than the last day that Lessee could legally utilize the Premises without commencing such Capital Expenditure.~~

~~(b) If such Capital Expenditure is not the result of the specific and unique use of the Premises by Lessee (such as, governmentally mandated seismic modifications), then Lessor shall pay for such Capital Expenditure and Lessee shall only be obligated to pay, each month during the remainder of the term of this Lease or any extension thereof, on the date that on which the Base Rent is due, an amount equal to 1/144th of the portion of such costs reasonably attributable to the Premises. Lessee shall pay Interest on the balance but may prepay its obligation at any time. If, however, such Capital Expenditure is required during the last 2 years of this Lease or if Lessor reasonably determines that it is not economically feasible to pay its share thereof, Lessor shall have the option to terminate this Lease upon 90 days prior written notice to Lessee unless Lessee notifies Lessor, in writing, within 10 days after receipt of Lessor's termination notice that Lessee will pay for such Capital Expenditure. If Lessor does not elect to terminate, and fails to tender its share of any such Capital Expenditure, Lessee may advance such funds and deduct same, with Interest, from Rent until Lessor's share of such costs have been fully paid. If Lessee is unable to finance Lessor's share, or if the balance of the Rent due and payable for the remainder of this Lease is not sufficient to fully reimburse Lessee on an offset basis, Lessee shall have the right to terminate this Lease upon 30 days written notice to Lessor.~~

~~(c) Notwithstanding the above, the provisions concerning Capital Expenditures are intended to apply only to non-voluntary, unexpected, and new Applicable Requirements. If the Capital Expenditures are instead triggered by Lessee as a result of an actual or proposed change in use, change in intensity of use, or modification to the Premises then, and in that event, Lessee shall either: (i) immediately cease such changed use or intensity of use and/or take such other steps as may be necessary to eliminate the requirement for such Capital Expenditure, or (ii) complete such Capital Expenditure at its own expense. Lessee shall not, however, have any right to terminate this Lease.~~

2.4 Acknowledgements. Lessee acknowledges that: (a) it has been given an opportunity to inspect and measure the Premises, (b) it has been advised by Lessor and/or Brokers to satisfy itself with respect to the size and condition of the Premises (including but not limited to the electrical, HVAC and fire sprinkler systems, security, environmental aspects, and compliance with Applicable Requirements and the Americans with Disabilities Act), and their suitability for Lessee's intended use, (c) Lessee has made such investigation as it deems necessary with reference to such matters and assumes all responsibility therefor as the same relate to its occupancy of the Premises, (d) it is not relying on any representation as to the size of the Premises made by Brokers or Lessor, (e) the square footage of the Premises was not material to Lessee's decision to lease the Premises and pay the Rent stated herein, and (f) neither Lessor, Lessor's agents, nor Brokers have made any oral or written representations or warranties with respect to said matters other than as set forth in this Lease. In addition, Lessor acknowledges that: (i) Brokers have made no representations, promises or warranties concerning Lessee's ability to honor the Lease or suitability to occupy the Premises, and (ii) it is Lessor's sole responsibility to investigate the financial capability and/or suitability of all proposed tenants.

2.5 Lessee as Prior Owner/Occupant. The warranties made by Lessor in Paragraph 2 shall be of no force or effect if immediately prior to the Start Date Lessee was the owner or occupant of the Premises. In such event, Lessee shall be responsible for any necessary corrective work.

_____ _____

INITIALS INITIALS

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3. Term.

3.1 Term. The Commencement Date, Expiration Date and Original Term of this Lease are as specified in Paragraph 1.3.

3.2 Early Possession. Any provision herein granting Lessee Early Possession of the Premises is subject to and conditioned upon the Premises being available for such possession prior to the Commencement Date. Any grant of Early Possession only conveys a non-exclusive right to occupy the Premises. If Lessee totally or partially occupies the Premises prior to the Commencement Date, the obligation to pay Base Rent shall be abated for the period of such Early Possession. All other terms of this Lease (including but not limited to the obligations to pay Real Property Taxes and insurance premiums and to maintain the Premises) shall be in effect during such period. Any such Early Possession shall not affect the Expiration Date.

3.3 Delay in Possession. Lessor agrees to use commercially reasonable efforts to deliver exclusive possession of the Premises to Lessee by the Commencement Date. If, despite said efforts, Lessor is unable to deliver possession by such date, Lessor shall not be subject to any liability therefor, nor shall such failure affect the validity of this Lease or change the Expiration Date. Lessee shall not, however, be obligated to pay Rent or perform its other obligations until Lessor delivers possession of the Premises and any period of rent abatement that Lessee would otherwise have enjoyed shall run from the date of delivery of possession and continue for a period equal to what Lessee would otherwise have enjoyed under the terms hereof, but minus any days of delay caused by the acts or omissions of Lessee. If possession is not delivered within 60 180 days after the Commencement Date, as the same may be extended under the terms of any Work Letter executed by Parties, Lessee may, at its option, by notice in writing within 10 days after the end of such 60 day period, cancel this Lease, in which event the Parties shall be discharged from all obligations hereunder. If such written notice is not received by Lessor within said 10 day period, Lessee's right to cancel shall terminate. If possession of the Premises is not delivered within 120 days after the Commencement Date, this Lease shall terminate unless other agreements are reached between Lessor and Lessee, in writing.

3.4 Lessee Compliance. Lessor shall not be required to tender possession of the Premises to Lessee until Lessee complies with its obligation to provide evidence of insurance (Paragraph 8.5). Pending delivery of such evidence, Lessee shall be required to perform all of its obligations under this Lease from and after the Start Date, including the payment of Rent, notwithstanding Lessor's election to withhold possession pending receipt of such evidence of insurance. Further, if Lessee is required to perform any other conditions prior to or concurrent with the Start Date, the Start Date shall occur but Lessor may elect to withhold possession until such conditions are satisfied.

4. Rent.

4.1 Rent Defined. All monetary obligations of Lessee to Lessor under the terms of this Lease (except for the Security Deposit) are deemed to be rent ("Rent").

4.2 Payment. Lessee shall cause payment of Rent to be received by Lessor in lawful money of the United States, without offset or deduction (except as specifically permitted in this Lease), on or before the day on which it is due. All monetary amounts shall be rounded to the nearest whole dollar. In the event that any invoice prepared by Lessor is inaccurate such inaccuracy shall not constitute a waiver and Lessee shall be obligated to pay the amount set forth in this Lease. Rent for any period during the term hereof which is for less than one full calendar month shall be prorated based upon the actual number of days of said month. Payment of Rent shall be made to Lessor at its address stated herein or to such other persons or place as Lessor may from time to time designate in writing. Acceptance of a payment which is less than the amount then due shall not be a waiver of Lessor's rights to the balance of such Rent, regardless of Lessor's endorsement of any check so stating. In the event that any check, draft, or other instrument of payment given by Lessee to Lessor is dishonored for any reason, Lessee agrees to pay to Lessor the sum of $25 in addition to any Late Charge and Lessor, at its option, may require all future payments to be made by Lessee to be by cashier's check. Payments will be applied first to accrued late charges and attorney's fees, second to accrued interest, then to Base Rent, Insurance and Real Property Taxes, and any remaining amount to any other outstanding charges or costs.

4.3 Association Fees. In addition to the Base Rent, Lessee shall pay to Lessor each month an amount equal to any owner's association or condominium fees levied or assessed against the Premises. Said monies shall be paid at the same time and in the same manner as the Base Rent.

5. Security Deposit. Lessee shall deposit with Lessor upon execution hereof the Security Deposit as security for Lessee's faithful performance of its obligations under this Lease. If Lessee fails to pay Rent, or otherwise Defaults under this Lease, Lessor may use, apply or retain all or any portion of said Security Deposit for the payment of any amount already due Lessor, for Rents which will be due in the future, and/ or to reimburse or compensate Lessor for any liability, expense, loss or damage which Lessor may suffer or incur by reason thereof. If Lessor uses or applies all or any portion of the Security Deposit, Lessee shall within 10 days after written request therefor deposit monies with Lessor sufficient to restore said Security Deposit to the full amount required by this Lease. If the Base Rent increases during the term of this Lease, Lessee shall, upon written request from Lessor, deposit additional monies with Lessor so that the total amount of the Security Deposit shall at all times bear the same proportion to the increased Base Rent as the initial Security Deposit bore to the initial Base Rent. Should the Agreed Use be amended to accommodate a material change in the business of Lessee or to accommodate a sublessee or assignee, Lessor shall have the right to increase the Security Deposit to the extent necessary, in Lessor's reasonable judgment, to account for any increased wear and tear that the Premises may suffer as a result thereof. If a change in control of Lessee occurs during this Lease and following such change the financial condition of Lessee is, in Lessor's reasonable judgment, significantly reduced, Lessee shall deposit such additional monies with Lessor as shall be sufficient to cause the Security Deposit to be at a commercially reasonable level based on such change in financial condition. Lessor shall not be required to keep the Security Deposit separate from its general accounts. Within 90 days after the expiration or termination of this Lease, Lessor shall return that portion of the Security Deposit not used or applied by Lessor. Lessor shall upon written request provide Lessee with an accounting showing how that portion of the Security Deposit that was not returned was applied. No part of the Security Deposit shall be considered to be held in trust, to bear interest or to be prepayment for any monies to be paid by Lessee under this Lease. THE SECURITY DEPOSIT SHALL NOT BE USED BY LESSEE IN LIEU OF PAYMENT OF THE LAST MONTH'S RENT.

6. Use.

6.1 Use. Lessee shall use and occupy the Premises only for the Agreed Use, or any other legal use which is reasonably comparable thereto, and for no other purpose. Lessee shall not use or permit the use of the Premises in a manner that is unlawful, creates damage, waste or a nuisance, or that disturbs occupants of or causes damage to neighboring premises or properties. Other than guide, signal and seeing eye dogs, Lessee shall not keep or allow in the Premises any pets, animals, birds, fish, or reptiles. Lessor shall not unreasonably withhold or delay its consent to any written request for a modification of the Agreed Use, so long as the same will not impair the structural integrity of the improvements on the Premises or the mechanical or electrical systems therein, and/or is not significantly more burdensome to the Premises. If Lessor elects to withhold consent, Lessor shall within 7 days after such request give written notification of same, which notice shall include an explanation of Lessor's objections to the change in the Agreed Use.

6.2 Hazardous Substances.

(a) Reportable Uses Require Consent. The term "Hazardous Substance" as used in this Lease shall mean any product, substance, or waste whose presence, use, manufacture, disposal, transportation, or release, either by itself or in combination with other materials expected to be on the Premises, is either: (i) potentially injurious to the public health, safety or welfare, the environment or the Premises, (ii) regulated or monitored by any governmental authority, or (iii) a basis for potential liability of Lessor to any governmental agency or third party under any applicable statute or common law theory. Hazardous Substances shall include, but

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be limited to, hydrocarbons, petroleum, gasoline, and/or crude oil or any products, by-products or fractions thereof. Lessee shall not engage in any activity in or on the Premises which constitutes a Reportable Use of Hazardous Substances without the express prior written consent of Lessor and timely compliance (at Lessee's expense) with all Applicable Requirements. "Reportable Use" shall mean (i) the installation or use of any above or below ground storage tank, (ii) the generation, possession, storage, use, transportation, or disposal of a Hazardous Substance that requires a permit from, or with respect to which a report, notice, registration or business plan is required to be filed with, any governmental authority, and/or (iii) the presence at the Premises of a Hazardous Substance with respect to which any Applicable Requirements requires that a notice be given to persons entering or occupying the Premises or neighboring properties. Notwithstanding the foregoing, Lessee may use any ordinary and customary materials reasonably required to be used in the normal course of the Agreed Use, ordinary office supplies (copier toner, liquid paper, glue, etc.) and common household cleaning materials, so long as such use is in compliance with all Applicable Requirements, is not a Reportable Use, and does not expose the Premises or neighboring property to any meaningful risk of contamination or damage or expose Lessor to any liability therefor. In addition, Lessor may condition its consent to any Reportable Use upon receiving such additional assurances as Lessor reasonably deems necessary to protect itself, the public, the Premises and/or the environment against damage, contamination, injury and/or liability, including, but not limited to, the installation (and removal on or before Lease expiration or termination) of protective modifications (such as concrete encasements) and/or increasing the Security Deposit.

(b) **Duty to Inform Lessor.** If Lessee knows, or has reasonable cause to believe, that a Hazardous Substance has come to be located in, on, under or about the Premises, other than as previously consented to by Lessor, Lessee shall immediately give written notice of such fact to Lessor, and provide Lessor with a copy of any report, notice, claim or other documentation which it has concerning the presence of such Hazardous Substance.

(c) **Lessee Remediation.** Lessee shall not cause or permit any Hazardous Substance to be spilled or released in, on, under, or about the Premises (including through the plumbing or sanitary sewer system) and shall promptly, at Lessee's expense, comply with all Applicable Requirements and take all investigatory and/or remedial action reasonably recommended, whether or not formally ordered or required, for the cleanup of any contamination of, and for the maintenance, security and/or monitoring of the Premises or neighboring properties, that was caused or materially contributed to by Lessee, or pertaining to or involving any Hazardous Substance brought onto the Premises during the term of this Lease, by or for Lessee, or any third party.

(d) **Lessee Indemnification.** Lessee shall indemnify, defend and hold Lessor, its agents, employees, lenders and ground lessor, if any, harmless from and against any and all loss of rents and/or damages, liabilities, judgments, claims, expenses, penalties, and attorneys' and consultants' fees arising out of or involving any Hazardous Substance brought onto the Premises by or for Lessee, or any third party (provided, however, that Lessee shall have no liability under this Lease with respect to underground migration of any Hazardous Substance under the Premises from adjacent properties not caused or contributed to by Lessee). Lessee's obligations shall include, but not be limited to, the effects of any contamination or injury to person, property or the environment created or suffered by Lessee, and the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease. No termination, cancellation or release agreement entered into by Lessor and Lessee shall release Lessee from its obligations under this Lease with respect to Hazardous Substances, unless specifically so agreed by Lessor in writing at the time of such agreement.

(e) **Lessor Indemnification.** Except as otherwise provided in paragraph 8.7, Lessor and its successors and assigns shall indemnify, defend, reimburse and hold Lessee, its employees and lenders, harmless from and against any and all environmental damages, including the cost of remediation, which result from Hazardous Substances which existed on the Premises prior to Lessee's occupancy or which are caused by the gross negligence or willful misconduct of Lessor, its agents or employees. Lessor's obligations, as and when required by the Applicable Requirements, shall include, but not be limited to, the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease.

(f) **Investigations and Remediations.** Lessor shall retain the responsibility and pay for any investigations or remediation measures required by governmental entities having jurisdiction with respect to the existence of Hazardous Substances on the Premises prior to Lessee's occupancy, unless such remediation measure is required as a result of Lessee's use (including "Alterations", as defined in paragraph 7.3(a) below) of the Premises, in which event Lessee shall be responsible for such payment. Lessee shall cooperate fully in any such activities at the request of Lessor, including allowing Lessor and Lessor's agents to have reasonable access to the Premises at reasonable times in order to carry out Lessor's investigative and remedial responsibilities.

(g) **Lessor Termination Option.** If a Hazardous Substance Condition (see Paragraph 9.1(e)) occurs during the term of this Lease, unless Lessee is legally responsible therefor (in which case Lessee shall make the investigation and remediation thereof required by the Applicable Requirements and this Lease shall continue in full force and effect, but subject to Lessor's rights under Paragraph 6.2(d) and Paragraph 13), Lessor may, at Lessor's option, either (i) investigate and remediate such Hazardous Substance Condition, if required, as soon as reasonably possible at Lessor's expense, in which event this Lease shall continue in full force and effect, or (ii) if the estimated cost to remediate such condition exceeds 12 times the then monthly Base Rent or $100,000, whichever is greater, give written notice to Lessee, within 30 days after receipt by Lessor of knowledge of the occurrence of such Hazardous Substance Condition, of Lessor's desire to terminate this Lease as of the date 60 days following the date of such notice. In the event Lessor elects to give a termination notice, Lessee may, within 10 days thereafter, give written notice to Lessor of Lessee's commitment to pay the amount by which the cost of the remediation of such Hazardous Substance Condition exceeds an amount equal to 12 times the then monthly Base Rent or $100,000, whichever is greater. Lessee shall provide Lessor with said funds or satisfactory assurance thereof within 30 days following such commitment. In such event, this Lease shall continue in full force and effect, and Lessor shall proceed to make such remediation as soon as reasonably possible after the required funds are available. If Lessee does not give such notice and provide the required funds or assurance thereof within the time provided, this Lease shall terminate as of the date specified in Lessor's notice of termination.

6.3 **Lessee's Compliance with Applicable Requirements.** Except as otherwise provided in this Lease, Lessee shall, at Lessee's sole expense, fully, diligently and in a timely manner, materially comply with all Applicable Requirements, the requirements of any applicable fire insurance underwriter or rating bureau, and the recommendations of Lessor's engineers and/or consultants which relate in any manner to the Premises, without regard to whether said Applicable Requirements are now in effect or become effective after the Start Date. Lessee shall, within 10 days after receipt of Lessor's written request, provide Lessor with copies of all permits and other documents, and other information evidencing Lessee's compliance with any Applicable Requirements specified by Lessor, and shall immediately upon receipt, notify Lessor in writing (with copies of any documents involved) of any threatened or actual claim, notice, citation, warning, complaint or report pertaining to or involving the failure of Lessee or the Premises to comply with any Applicable Requirements. Likewise, Lessee shall immediately give written notice to Lessor of: (i) any water damage to the Premises and any suspected seepage, pooling, dampness or other condition conducive to the production of mold; or (ii) any mustiness or other odors that might indicate the presence of mold in the Premises. In addition, Lessee shall provide Lessor with copies of its business license, certificate of occupancy and/or any similar document within 10 days of the receipt of a written request therefor.

6.4 **Inspection; Compliance.** Lessor and Lessor's "Lender" (as defined in Paragraph 30) and consultants authorized by Lessor shall have the right to enter into Premises at any time in the case of an emergency, and otherwise at reasonable times after reasonable notice, for the purpose of inspecting and/or testing the condition of the Premises and/or for verifying compliance by Lessee with this Lease. The cost of any such inspections shall be paid by Lessor, unless a violation of Applicable Requirements, or a Hazardous Substance Condition (see Paragraph 9.1(e)) is found to exist or be imminent, or the inspection is requested or ordered by a governmental authority. In such case, Lessee shall upon request reimburse Lessor for the cost of such inspection, so long as such inspection is reasonably related to the violation or contamination. In addition, Lessee shall provide copies of all relevant material safety data sheets (MSDS) to Lessor within 10 days of the receipt of a written request therefor. Lessee acknowledges that any failure on its part to allow such inspections or testing will expose Lessor to risks and potentially cause Lessor

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incur costs not contemplated by this Lease, the extent of which will be extremely difficult to ascertain. Accordingly, should the Lessee fail to allow such inspections and/or testing in a timely fashion the Base Rent shall be automatically increased, without any requirement for notice to Lessee, by an amount equal to 10% of the then existing Base Rent or $100, whichever is greater for the remainder to the Lease. The Parties agree that such increase in Base Rent represents fair and reasonable compensation for the additional risk/costs that Lessor will incur by reason of Lessee's failure to allow such inspection and/or testing. Such increase in Base Rent shall in no event constitute a waiver of Lessee's Default or Breach with respect to such failure nor prevent the exercise of any of the other rights and remedies granted hereunder.

7. Maintenance; Repairs; Utility Installations; Trade Fixtures and Alterations.

7.1 Lessee's Obligations.

(a) **In General.** Subject to the provisions of Paragraph 2.2 (Condition), 2.3 (Compliance), 6.3 (Lessee's Compliance with Applicable Requirements), 7.2 (Lessor's Obligations), 9 (Damage or Destruction), and 14 (Condemnation), Lessee shall, at Lessee's sole expense, keep the Premises, Utility Installations (intended for Lessee's exclusive use, no matter where located), and Alterations in good order, condition and repair (whether or not the portion of the Premises requiring repairs, or the means of repairing the same, are reasonably or readily accessible to Lessee, and whether or not the need for such repairs occurs as a result of Lessee's use, any prior use, the elements or the age of such portion of the Premises), including, but not limited to, all equipment or facilities, such as plumbing, HVAC equipment, electrical, lighting facilities, boilers, pressure vessels, fire protection system, fixtures, walls (interior and exterior), ceilings, floors, stairs, windows, doors, plate glass, skylights, landscaping, driveways, parking lots, fences, retaining walls, signs, sidewalks and parkways located in, on, or adjacent to the Premises. Lessee is also responsible for keeping the roof and roof drainage clean and free of debris. Lessor shall keep the surface and structural elements of the roof, foundations, and bearing walls in good repair (see paragraph 7.2). Lessee, in keeping the Premises in good order, condition and repair, shall exercise and perform good maintenance practices, specifically including the procurement and maintenance of the service contracts required by Paragraph 7.1(b) below. Lessee's obligations shall include restorations, replacements or renewals when necessary to keep the Premises and all improvements thereon or a part thereof in good order, condition and state of repair. Lessee shall, during the term of this Lease, keep the exterior appearance of the Building in a first-class condition (including, e.g. graffiti removal) consistent with the exterior appearance of other similar facilities of comparable age and size in the vicinity, including, when necessary, the exterior repainting of the Building.

(b) **Service Contracts.** Lessee shall, at Lessee's sole expense, procure and maintain contracts, with copies to Lessor, in customary form and substance for, and with contractors specializing and experienced in the maintenance of the following equipment and improvements, if any, if and when installed on the Premises: (i) HVAC equipment, (ii) boiler, and pressure vessels, (iii) fire extinguishing systems, including fire alarm and/or smoke detection, (iv) landscaping and irrigation systems, and (v) clarifiers. However, Lessor reserves the right, upon notice to Lessee, to procure and maintain any or all of such service contracts, and Lessee shall reimburse Lessor, upon demand, for the cost thereof.

(c) **Failure to Perform.** If Lessee fails to perform Lessee's obligations under this Paragraph 7.1, Lessor may enter upon the Premises after 10 days' prior written notice to Lessee (except in the case of an emergency, in which case no notice shall be required), perform such obligations on Lessee's behalf, and put the Premises in good order, condition and repair, and Lessee shall promptly pay to Lessor a sum equal to 115% of the cost thereof.

~~(d) **Replacement.** Subject to Lessee's indemnification of Lessor as set forth in Paragraph 8.7 below, and without relieving Lessee of liability resulting from Lessee's failure to exercise and perform good maintenance practices, if an item described in Paragraph 7.1(b) cannot be repaired other than at a cost which is in excess of 50% of the cost of replacing such item, then such item shall be replaced by Lessor, and the cost thereof shall be prorated between the Parties and Lessee shall only be obligated to pay, each month during the remainder of the term of this Lease or any extension thereof, on the date on which Base Rent is due, an amount equal to the product of multiplying the cost of such replacement by a fraction, the numerator of which is one, and the denominator of which is 144 (i.e. 1/144th of the cost per month). Lessee shall pay interest on the unamortized balance but may prepay its obligation at any time.~~

7.2 Lessor's Obligations. Subject to the provisions of Paragraphs 2.2 (Condition), 2.3 (Compliance), 9 (Damage or Destruction) and 14 (Condemnation), it is intended by the Parties hereto that Lessor have no obligation, in any manner whatsoever, to repair and maintain the Premises, or the equipment therein, all of which obligations are intended to be that of the Lessee, except for the surface and structural elements of the roof, foundations and bearing walls, the repair of which shall be the responsibility of Lessor upon receipt of written notice that such a repair is necessary. It is the intention of the Parties that the terms of this Lease govern the respective obligations of the Parties as to maintenance and repair of the Premises.

7.3 Utility Installations; Trade Fixtures; Alterations.

(a) **Definitions.** The term **"Utility Installations"** refers to all floor and window coverings, air and/or vacuum lines, power panels, electrical distribution, security and fire protection systems, communication cabling, lighting fixtures, HVAC equipment, plumbing, and fencing in or on the Premises. The term **"Trade Fixtures"** shall mean Lessee's machinery and equipment that can be removed without doing material damage to the Premises. The term **"Alterations"** shall mean any modification of the improvements, other than Utility Installations or Trade Fixtures, whether by addition or deletion. **"Lessee Owned Alterations and/or Utility Installations"** are defined as Alterations and/or Utility Installations made by Lessee that are not yet owned by Lessor pursuant to Paragraph 7.4(a).

(b) **Consent.** Lessee shall not make any Alterations or Utility Installations to the Premises without Lessor's prior written consent. Lessee may, however, make non-structural Alterations or Utility Installations to the interior of the Premises (excluding the roof) without such consent but upon notice to Lessor, as long as they are not visible from the outside, do not involve puncturing, relocating or removing the roof or any existing walls, will not affect the electrical, plumbing, HVAC, and/or life safety systems, do not trigger the requirement for additional modifications and/or improvements to the Premises resulting from Applicable Requirements, such as compliance with Title 24, and the cumulative cost thereof during this Lease as extended does not exceed a sum equal to 3 month's Base Rent in the aggregate or a sum equal to one month's Base Rent in any one year. Notwithstanding the foregoing, Lessee shall not make or permit any roof penetrations and/or install anything on the roof without the prior written approval of Lessor. Lessor may, as a precondition to granting such approval, require Lessee to utilize a contractor chosen and/or approved by Lessor. Any Alterations or Utility Installations that Lessee shall desire to make and which require the consent of the Lessor shall be presented to Lessor in written form with detailed plans. Consent shall be deemed conditioned upon Lessee's: (i) acquiring all applicable governmental permits, (ii) furnishing Lessor with copies of both the permits and the plans and specifications prior to commencement of the work, and (iii) compliance with all conditions of said permits and other Applicable Requirements in a prompt and expeditious manner. Any Alterations or Utility Installations shall be performed in a workmanlike manner with good and sufficient materials. Lessee shall promptly upon completion furnish Lessor with as-built plans and specifications. For work which costs an amount in excess of one month's Base Rent, Lessor may condition its consent upon Lessee providing a lien and completion bond in an amount equal to 150% of the estimated cost of such Alteration or Utility Installation and/or upon Lessee's posting an additional Security Deposit with Lessor.

(c) **Liens; Bonds.** Lessee shall pay, when due, all claims for labor or materials furnished or alleged to have been furnished to or for Lessee at or for use on the Premises, which claims are or may be secured by any mechanic's or materialmen's lien against the Premises or any interest therein. Lessee shall give Lessor not less than 10 days notice prior to the commencement of any work in, on or about the Premises, and Lessor shall have the right to post notices of non-responsibility. If Lessee shall contest the validity of any such lien, claim or demand, then Lessee shall, at its sole expense defend and protect itself, Lessor and the Premises against the same and shall pay and satisfy any such adverse judgment that may be rendered thereon before the enforcement thereof. If Lessor shall require, Lessee shall furnish a surety bond in an amount equal to 150% of the amount of such contested lien, claim or demand, indemnifying Lessor against liability for the same. If Lessor elects to participate in any such action, Lessee shall pay Lessor's attorneys' fees and costs.

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7.4 **Ownership; Removal; Surrender; and Restoration.**

(a) **Ownership.** Subject to Lessor's right to require removal or elect ownership as hereinafter provided, all Alterations and Utility Installations made by Lessee shall be the property of Lessee, but considered a part of the Premises. Lessor may, at any time, elect in writing to be the owner of all or any specified part of the Lessee Owned Alterations and Utility Installations. Unless otherwise instructed per paragraph 7.4(b) hereof, all Lessee Owned Alterations and Utility Installations shall, at the expiration or termination of this Lease, become the property of Lessor and be surrendered by Lessee with the Premises.

(b) **Removal.** By delivery to Lessee of written notice from Lessor not earlier than 90 and not later than 30 days prior to the end of the term of this Lease, Lessor may require that any or all Lessee Owned Alterations or Utility Installations be removed by the expiration or termination of this Lease. Lessor may require the removal at any time of all or any part of any Lessee Owned Alterations or Utility Installations made without the required consent.

(c) **Surrender; Restoration.** Lessee shall surrender the Premises by the Expiration Date or any earlier termination date, with all of the Improvements, parts and surfaces thereof broom clean and free of debris, and in good operating order, condition and state of repair, ordinary wear and tear excepted. "Ordinary wear and tear" shall not include any damage or deterioration that would have been prevented by good maintenance practice. Notwithstanding the foregoing and the provisions of Paragraph 7.1(a), if the Lessee occupies the Premises for 12 months or less, then Lessee shall surrender the Premises in the same condition as delivered to Lessee on the Start Date with NO allowance for ordinary wear and tear. Lessee shall repair any damage occasioned by the installation, maintenance or removal of Trade Fixtures, Lessee owned Alterations and/or Utility Installations, furnishings, and equipment as well as the removal of any storage tank installed by or for Lessee. Lessee shall also completely remove from the Premises any and all Hazardous Substances brought onto the Premises by or for Lessee, or any third party (except Hazardous Substances which were deposited via underground migration from areas outside of the Premises) to the level specified in Applicable Requirements. Trade Fixtures shall remain the property of Lessee and shall be removed by Lessee. Any personal property of Lessee not removed on or before the Expiration Date or any earlier termination date shall be deemed to have been abandoned by Lessee and may be disposed of or retained by Lessor as Lessor may desire. The failure by Lessee to timely vacate the Premises pursuant to this Paragraph 7.4(c) without the express written consent of Lessor shall constitute a holdover under the provisions of Paragraph 26 below.

8. **Insurance; Indemnity.**

8.1 **Payment of Premium Increases.**

(a) Lessee shall pay to Lessor any insurance cost increase ("Insurance Cost Increase") occurring during the term of this Lease. Insurance Cost Increase is defined as any increase in the actual cost of the insurance required under Paragraph 8.2(b), 8.3(a) and 8.3(b), over and above the Base Premium as hereinafter defined calculated on an annual basis. Insurance Cost Increase shall include but not be limited to increases resulting from the nature of Lessee's occupancy, any act or omission of Lessee, requirements of the holder of mortgage or deed of trust covering the Premises, increased valuation of the Premises and/or a premium rate increase. The parties are encouraged to fill in the Base Premium in Paragraph 1.8 with a reasonable premium for the Required Insurance based on the Agreed Use of the Premises. If the parties fail to insert a dollar amount in Paragraph 1.8, then the Base Premium shall be the lowest annual premium reasonably obtainable for the Required Insurance as of the commencement of the Original Term for the Agreed Use of the Premises. In no event, however, shall Lessee be responsible for any portion of the increase in the premium cost attributable to liability insurance carried by Lessor under Paragraph 8.2(b) in excess of $2,000,000 per occurrence.

(b) Lessee shall pay any such Insurance Cost Increase to Lessor within 30 days after receipt by Lessee of a copy of the premium statement or other reasonable evidence of the amount due. If the insurance policies maintained hereunder cover other property besides the Premises, Lessor shall also deliver to Lessee a statement of the amount of such Insurance Cost Increase attributable only to the Premises showing in reasonable detail the manner in which such amount was computed. Premiums for policy periods commencing prior to, or extending beyond the term of this Lease, shall be prorated to correspond to the term of this Lease.

8.2 **Liability Insurance.**

(a) **Carried by Lessee.** Lessee shall obtain and keep in force a Commercial General Liability policy of insurance protecting Lessee and Lessor as an additional insured against claims for bodily injury, personal injury and property damage based upon or arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto. Such insurance shall be on an occurrence basis providing single limit coverage in an amount not less than $1,000,000 per occurrence with an annual aggregate of not less than $2,000,000. Lessee shall add Lessor as an additional insured by means of an endorsement at least as broad as the Insurance Service Organization's "Additional Insured-Managers or Lessors of Premises" Endorsement. The policy shall not contain any intra-insured exclusions as between insured persons or organizations, but shall include coverage for liability assumed under this Lease as an "insured contract" for the performance of Lessee's indemnity obligations under this Lease. The limits of said insurance shall not, however, limit the liability of Lessee nor relieve Lessee of any obligation hereunder. Lessee shall provide an endorsement on its liability policy(ies) which provides that its insurance shall be primary to and not contributory with any similar insurance carried by Lessor, whose insurance shall be considered excess insurance only.

(b) **Carried by Lessor.** Lessor shall maintain liability insurance as described in Paragraph 8.2(a), in addition to, and not in lieu of, the insurance required to be maintained by Lessee. Lessee shall not be named as an additional insured therein.

8.3 **Property Insurance - Building, Improvements and Rental Value.**

(a) **Building and Improvements.** The Insuring Party shall obtain and keep in force a policy or policies in the name of Lessor, with loss payable to Lessor, any ground-lessor, and to any Lender insuring loss or damage to the Premises. The amount of such insurance shall be equal to the full insurable replacement cost of the Premises, as the same shall exist from time to time, or the amount required by any Lender, but in no event more than the commercially reasonable and available insurable value thereof. Lessee Owned Alterations and Utility Installations, Trade Fixtures, and Lessee's personal property shall be insured by Lessee not by Lessor. If the coverage is available and commercially appropriate, such policy or policies shall insure against all risks of direct physical loss or damage (except the perils of flood and/or earthquake unless required by a Lender or included in the Base Premium), including coverage for debris removal and the enforcement of any Applicable Requirements requiring the upgrading, demolition, reconstruction or replacement of any portion of the Premises as the result of a covered loss. Said policy or policies shall also contain an agreed valuation provision in lieu of any coinsurance clause, waiver of subrogation, and inflation guard protection causing an increase in the annual property insurance coverage amount by a factor of not less than the adjusted U.S. Department of Labor Consumer Price Index for All Urban Consumers for the city nearest to where the Premises are located. If such insurance coverage has a deductible clause, the deductible amount shall not exceed $5,000 per occurrence, and Lessee shall be liable for such deductible amount in the event of an insured loss.

(b) **Rental Value.** The Insuring Party shall obtain and keep in force a policy or policies in the name of Lessor with loss payable to Lessor and any Lender, insuring the loss of the full Rent for one year with an extended period of indemnity for an additional 180 days ("Rental Value Insurance"). Said insurance shall contain an agreed valuation provision in lieu of any coinsurance clause, and the amount of coverage shall be adjusted annually to reflect the projected Rent otherwise payable by Lessee, for the next 12 month period. Lessee shall be liable for any deductible amount in the event of such loss.

(c) **Adjacent Premises.** If the Premises are part of a larger building, or of a group of buildings owned by Lessor which are adjacent to the Premises, the Lessee shall pay for any increase in the premiums for the property insurance of such building or buildings if said increase is caused by Lessee's acts, omissions, use or occupancy of the Premises.

8.4 **Lessee's Property; Business Interruption Insurance; Worker's Compensation Insurance.**

(a) **Property Damage.** Lessee shall obtain and maintain insurance coverage on all of Lessee's personal property, Trade Fixtures, and Lessee Owned

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erations and Utility Installations. Such insurance shall be full replacement cost coverage with a deductible of not to exceed $1,000 per occurrence. The proceeds from any such insurance shall be used by Lessee for the replacement of personal property, Trade Fixtures and Lessee Owned Alterations and Utility Installations.

(b) **Business Interruption.** Lessee shall obtain and maintain loss of income and extra expense insurance in amounts as will reimburse Lessee for direct or indirect loss of earnings attributable to all perils commonly insured against by prudent lessees in the business of Lessee or attributable to prevention of access to the Premises as a result of such perils.

(c) **Worker's Compensation Insurance.** Lessee shall obtain and maintain Worker's Compensation Insurance in such amount as may be required by Applicable Requirements. Such policy shall include a 'Waiver of Subrogation' endorsement. Lessee shall provide Lessor with a copy of such endorsement along with the certificate of insurance or copy of the policy required by paragraph 8.5.

(d) **No Representation of Adequate Coverage.** Lessor makes no representation that the limits or forms of coverage of insurance specified herein are adequate to cover Lessee's property, business operations or obligations under this Lease.

8.5 **Insurance Policies.** Insurance required herein shall be by companies maintaining during the policy term a "General Policyholders Rating" of at least A-, VII, as set forth in the most current issue of "Best's Insurance Guide", or such other rating as may be required by a Lender. Lessee shall not do or permit to be done anything which invalidates the required insurance policies. Lessee shall, prior to the Start Date, deliver to Lessor certified copies of policies of such insurance or certificates with copies of the required endorsements evidencing the existence and amounts of the required insurance. No such policy shall be cancelable or subject to modification except after 30 days prior written notice to Lessor. Lessee shall, at least 10 days prior to the expiration of such policies, furnish Lessor with evidence of renewals or "insurance binders" evidencing renewal thereof, or Lessor may increase his liability insurance coverage and charge the cost thereof to Lessee, which amount shall be payable by Lessee to Lessor upon demand. Such policies shall be for a term of at least one year, or the length of the remaining term of this Lease, whichever is less. If either Party shall fail to procure and maintain the insurance required to be carried by it, the other Party may, but shall not be required to, procure and maintain the same.

8.6 **Waiver of Subrogation.** Without affecting any other rights or remedies, Lessee and Lessor each hereby release and relieve the other, and waive their entire right to recover damages against the other, for loss of or damage to its property arising out of or incident to the perils required to be insured against herein. The effect of such releases and waivers is not limited by the amount of insurance carried or required, or by any deductibles applicable hereto. The Parties agree to have their respective property damage insurance carriers waive any right to subrogation that such companies may have against Lessor or Lessee, as the case may be, so long as the insurance is not invalidated thereby.

8.7 **Indemnity.** Except for Lessor's gross negligence or willful misconduct, Lessee shall indemnify, protect, defend and hold harmless the Premises, Lessor and its agents, Lessor's master or ground lessor, partners and Lenders, from and against any and all claims, loss of rents and/or damages, liens, judgments, penalties, attorneys' and consultants' fees, expenses and/or liabilities arising out of, involving, or in connection with, a Breach of the Lease by Lessee and/or the use and/or occupancy of the Premises and/or Project by Lessee and/or by Lessee's employees, contractors or invitees. If any action or proceeding is brought against Lessor by reason of any of the foregoing matters, Lessee shall upon notice defend the same at Lessee's expense by counsel reasonably satisfactory to Lessor and Lessor shall cooperate with Lessee in such defense. Lessor need not have first paid any such claim in order to be defended or indemnified.

8.8 **Exemption of Lessor and its Agents from Liability.** Notwithstanding the negligence or breach of this Lease by Lessor or its agents, neither Lessor nor its agents shall be liable under any circumstances for: (i) injury or damage to the person or goods, wares, merchandise or other property of Lessee, Lessee's employees, contractors, invitees, customers, or any other person in or about the Premises, whether such damage or injury is caused by or results from fire, steam, electricity, gas, water or rain, indoor air quality, the presence of mold or from the breakage, leakage, obstruction or other defects of pipes, fire sprinklers, wires, appliances, plumbing, HVAC or lighting fixtures, or from any other cause, whether the said injury or damage results from conditions arising upon the Premises or upon other portions of the building of which the Premises are a part, or from other sources or places, (ii) any damages arising from any act or neglect of any other tenant of Lessor or from the failure of Lessor or its agents to enforce the provisions of any other lease in the Project, or (iii) injury to Lessee's business or for any loss of income or profit therefrom. Instead, it is intended that Lessee's sole recourse in the event of such damages or injury be to file a claim on the insurance policy(ies) that Lessee is required to maintain pursuant to the provisions of paragraph 8.

8.9 **Failure to Provide Insurance.** Lessee acknowledges that any failure on its part to obtain or maintain the insurance required herein will expose Lessor to risks and potentially cause Lessor to incur costs not contemplated by this Lease, the extent of which will be extremely difficult to ascertain. Accordingly, for any month or portion thereof that Lessee does not maintain the required insurance and/or does not provide Lessor with the required binders or certificates evidencing the existence of the required insurance, the Base Rent shall be automatically increased, without any requirement for notice to Lessee, by an amount equal to 10% of the then existing Base Rent or $100, whichever is greater. The parties agree that such increase in Base Rent represents fair and reasonable compensation for the additional risk/costs that Lessor will incur by reason of Lessee's failure to maintain the required insurance. Such increase in Base Rent shall in no event constitute a waiver of Lessee's Default or Breach with respect to the failure to maintain such insurance, prevent the exercise of any of the other rights and remedies granted hereunder, nor relieve Lessee of its obligation to maintain the insurance specified in this Lease.

9. Damage or Destruction.

9.1 Definitions.

(a) **"Premises Partial Damage"** shall mean damage or destruction to the improvements on the Premises, other than Lessee Owned Alterations and Utility Installations, which can reasonably be repaired in 6 months or less from the date of the damage or destruction. Lessor shall notify Lessee in writing within 30 days from the date of the damage or destruction as to whether or not the damage is Partial or Total.

(b) **"Premises Total Destruction"** shall mean damage or destruction to the Premises, other than Lessee Owned Alterations and Utility Installations and Trade Fixtures, which cannot reasonably be repaired in 6 months or less from the date of the damage or destruction. Lessor shall notify Lessee in writing within 30 days from the date of the damage or destruction as to whether or not the damage is Partial or Total.

(c) **"Insured Loss"** shall mean damage or destruction to improvements on the Premises, other than Lessee Owned Alterations and Utility Installations and Trade Fixtures, which was caused by an event required to be covered by the insurance described in Paragraph 8.3(a), irrespective of any deductible amounts or coverage limits involved.

(d) **"Replacement Cost"** shall mean the cost to repair or rebuild the improvements owned by Lessor at the time of the occurrence to their condition existing immediately prior thereto, including demolition, debris removal and upgrading required by the operation of Applicable Requirements, and without deduction for depreciation.

(e) **"Hazardous Substance Condition"** shall mean the occurrence or discovery of a condition involving the presence of, or a contamination by, a Hazardous Substance, in, on, or under the Premises which requires restoration.

9.2 Partial Damage - Insured Loss. If a Premises Partial Damage that is an Insured Loss occurs, then Lessor shall, at Lessor's expense, repair such damage (but not Lessee's Trade Fixtures or Lessee Owned Alterations and Utility Installations) as soon as reasonably possible and this Lease shall continue in full force and effect; provided, however, that Lessee shall, at Lessor's election, make the repair of any damage or destruction the total cost to repair of which is $10,000 or less, and, in such event, Lessor shall make any applicable insurance proceeds available to Lessee on a reasonable basis for that purpose. Notwithstanding the foregoing, if the required

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rance was not in force or the insurance proceeds are not sufficient to effect such repair, the Insuring Party shall promptly contribute the shortage in proceeds (except as to the deductible which is Lessee's responsibility) as and when required to complete said repairs. In the event, however, such shortage was due to the fact that, by reason of the unique nature of the improvements, full replacement cost insurance coverage was not commercially reasonable and available, Lessor shall have no obligation to pay for the shortage in insurance proceeds or to fully restore the unique aspects of the Premises unless Lessee provides Lessor with the funds to cover same, or adequate assurance thereof, within 10 days following receipt of written notice of such shortage and request therefor. If Lessor receives said funds or adequate assurance thereof within said 10 day period, the party responsible for making the repairs shall complete them as soon as reasonably possible and this Lease shall remain in full force and effect. If such funds or assurance are not received, Lessor may nevertheless elect by written notice to Lessee within 10 days thereafter to: (i) make such restoration and repair as is commercially reasonable with Lessor paying any shortage in proceeds, in which case this Lease shall remain in full force and effect, or (ii) have this Lease terminate 30 days thereafter. Lessee shall not be entitled to reimbursement of any funds contributed by Lessee to repair any such damage or destruction. Premises Partial Damage due to flood or earthquake shall be subject to Paragraph 9.3, notwithstanding that there may be some insurance coverage, but the net proceeds of any such insurance shall be made available for the repairs if made by either Party.

9.3 Partial Damage - Uninsured Loss. If a Premises Partial Damage that is not an Insured Loss occurs, unless caused by a negligent or willful act of Lessee (in which event Lessee shall make the repairs at Lessee's expense), Lessor may either: (i) repair such damage as soon as reasonably possible at Lessor's expense, in which event this Lease shall continue in full force and effect, or (ii) terminate this Lease by giving written notice to Lessee within 30 days after receipt by Lessor of knowledge of the occurrence of such damage. Such termination shall be effective 60 days following the date of such notice. In the event Lessor elects to terminate this Lease, Lessee shall have the right within 10 days after receipt of the termination notice to give written notice to Lessor of Lessee's commitment to pay for the repair of such damage without reimbursement from Lessor. Lessee shall provide Lessor with said funds or satisfactory assurance thereof within 30 days after making such commitment. In such event this Lease shall continue in full force and effect, and Lessor shall proceed to make such repairs as soon as reasonably possible after the required funds are available. If Lessee does not make the required commitment, this Lease shall terminate as of the date specified in the termination notice.

9.4 Total Destruction. Notwithstanding any other provision hereof, if a Premises Total Destruction occurs, this Lease shall terminate 60 days following such Destruction. If the damage or destruction was caused by the gross negligence or willful misconduct of Lessee, Lessor shall have the right to recover Lessor's damages from Lessee, except as provided in Paragraph 8.6.

9.5 Damage Near End of Term. If at any time during the last 6 months of this Lease there is damage for which the cost to repair exceeds one month's Base Rent, whether or not an Insured Loss, Lessor may terminate this Lease effective 60 days following the date of occurrence of such damage by giving a written termination notice to Lessee within 30 days after the date of occurrence of such damage. Notwithstanding the foregoing, if Lessee at that time has an exercisable option to extend this Lease or to purchase the Premises, then Lessee may preserve this Lease by, (a) exercising such option and (b) providing Lessor with any shortage in insurance proceeds (or adequate assurance thereof) needed to make the repairs on or before the earlier of (i) the date which is 10 days after Lessee's receipt of Lessor's written notice purporting to terminate this Lease, or (ii) the day prior to the date upon which such option expires. If Lessee duly exercises such option during such period and provides Lessor with funds (or adequate assurance thereof) to cover any shortage in insurance proceeds, Lessor shall, at Lessor's commercially reasonable expense, repair such damage as soon as reasonably possible and this Lease shall continue in full force and effect. If Lessee fails to exercise such option and provide such funds or assurance during such period, then this Lease shall terminate on the date specified in the termination notice and Lessee's option shall be extinguished.

9.6 Abatement of Rent; Lessee's Remedies.

(a) Abatement. In the event of Premises Partial Damage or Premises Total Destruction or a Hazardous Substance Condition for which Lessee is not responsible under this Lease, the Rent payable by Lessee for the period required for the repair, remediation or restoration of such damage shall be abated in proportion to the degree to which Lessee's use of the Premises is impaired, but not to exceed the proceeds received from the Rental Value insurance. All other obligations of Lessee hereunder shall be performed by Lessee, and Lessor shall have no liability for any such damage, destruction, remediation, repair or restoration except as provided herein.

(b) Remedies. If Lessor is obligated to repair or restore the Premises and does not commence, in a substantial and meaningful way, such repair or restoration within 90 days after such obligation shall accrue, Lessee may, at any time prior to the commencement of such repair or restoration, give written notice to Lessor and to any Lenders of which Lessee has actual notice, of Lessee's election to terminate this Lease on a date not less than 60 days following the giving of such notice. If Lessee gives such notice and such repair or restoration is not commenced within 30 days thereafter, this Lease shall terminate as of the date specified in said notice. If the repair or restoration is commenced within such 30 days, this Lease shall continue in full force and effect. "Commence" shall mean either the unconditional authorization of the preparation of the required plans, or the beginning of the actual work on the Premises, whichever first occurs.

9.7 Termination; Advance Payments. Upon termination of this Lease pursuant to Paragraph 6.2(g) or Paragraph 9, an equitable adjustment shall be made concerning advance Base Rent and any other advance payments made by Lessee to Lessor. Lessor shall, in addition, return to Lessee so much of Lessee's Security Deposit as has not been, or is not then required to be, used by Lessor.

10. Real Property Taxes.

10.1 Definition. As used herein, the term "Real Property Taxes" shall include any form of assessment; real estate, general, special, ordinary or extraordinary, or rental levy or tax (other than inheritance, personal income or estate taxes); improvement bond; and/or license fee imposed upon or levied against any legal or equitable interest of Lessor in the Premises or the Project, Lessor's right to other income therefrom, and/or Lessor's business of leasing, by any authority having the direct or indirect power to tax and where the funds are generated with reference to the Building address. Real Property Taxes shall also include any tax, fee, levy, assessment or charge, or any increase therein: (i) imposed by reason of events occurring during the term of this Lease, including but not limited to, a change in the ownership of the Premises, and (ii) levied or assessed on machinery or equipment provided by Lessor to Lessee pursuant to this Lease.

10.2 Payment of Taxes. Lessor shall pay the Real Property Taxes applicable to the Premises provided, however, that Lessee shall pay to Lessor the amount, if any, by which Real Property Taxes applicable to the Premises increase over the fiscal tax year during which the Commencement Date Occurs ("Tax Increase"). Payment of any such Tax Increase shall be made by Lessee to Lessor within 30 days after receipt of Lessor's written statement setting forth the amount due and computation thereof. If any such taxes shall cover any period of time prior to or after the expiration or termination of this Lease, Lessee's share of such taxes shall be prorated to cover only that portion of the tax bill applicable to the period that this Lease is in effect. In the event Lessee incurs a late charge on any Rent payment, Lessor may estimate the current Real Property Taxes, and require that the Tax Increase be paid in advance to Lessor by Lessee monthly in advance with the payment of the Base Rent. Such monthly payment shall be an amount equal to the amount of the estimated installment of the Tax Increase divided by the number of months remaining before the month in which said installment becomes delinquent. When the actual amount of the applicable Tax Increase is known, the amount of such equal monthly advance payments shall be adjusted as required to provide the funds needed to pay the applicable Tax Increase. If the amount collected by Lessor is insufficient to pay the Tax Increase when due, Lessee shall pay Lessor, upon demand, such additional sums as are necessary to pay such obligations. Advance payments may be intermingled with other moneys of Lessor and shall not bear interest. In the event of a Breach by Lessee in the performance of its obligations under this Lease, then any such advance payments may be treated by Lessor as an additional Security Deposit.

10.3 Additional Improvements. Notwithstanding anything to the contrary in this Paragraph 10.2, Lessee shall pay to Lessor upon demand therefor the entirety

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any increase in Real Property Taxes assessed by reason of Alterations or Utility Installations placed upon the Premises by Lessee or at Lessee's request or by reason of any alterations or improvements to the Premises made by Lessor subsequent to the execution of this Lease by the Parties.

10.4 **Joint Assessment.** If the Premises are not separately assessed, Lessee's liability shall be an equitable proportion of the Tax increase for all of the land and improvements included within the tax parcel assessed, such proportion to be conclusively determined by Lessor from the respective valuations assigned in the assessor's work sheets or such other information as may be reasonably available.

10.5 **Personal Property Taxes.** Lessee shall pay, prior to delinquency, all taxes assessed against and levied upon Lessee Owned Alterations, Utility Installations, Trade Fixtures, furnishings, equipment and all personal property of Lessee. When possible, Lessee shall cause its Lessee Owned Alterations and Utility Installations, Trade Fixtures, furnishings, equipment and all other personal property to be assessed and billed separately from the real property of Lessor. If any of Lessee's said property shall be assessed with Lessor's real property, Lessee shall pay Lessor the taxes attributable to Lessee's property within 10 days after receipt of a written statement setting forth the taxes applicable to Lessee's property.

11. Utilities and Services.

11.1 Lessee shall pay for all water, gas, heat, light, power, telephone, trash disposal and other utilities and services supplied to the Premises, together with any taxes thereon. If any such services are not separately metered or billed to Lessee, Lessee shall pay a reasonable proportion, to be determined by Lessor, of all charges jointly metered or billed. There shall be no abatement of rent and Lessor shall not be liable in any respect whatsoever for the inadequacy, stoppage, interruption or discontinuance of any utility or service due to riot, strike, labor dispute, breakdown, accident, repair or other cause beyond Lessor's reasonable control or in cooperation with governmental request or directions.

11.2 Within fifteen days of Lessor's written request, Lessee agrees to deliver to Lessor such information, documents and/or authorization as Lessor needs in order for Lessor to comply with new or existing Applicable Requirements relating to commercial building energy usage, ratings, and/or the reporting thereof.

12. Assignment and Subletting.

12.1 Lessor's Consent Required.

(a) Lessee shall not voluntarily or by operation of law assign, transfer, mortgage or encumber (collectively, "assign or assignment") or sublet all or any part of Lessee's interest in this Lease or in the Premises without Lessor's prior written consent.

(b) Unless Lessee is a corporation and its stock is publicly traded on a national stock exchange, a change in the control of Lessee shall constitute an assignment requiring consent. The transfer, on a cumulative basis, of 25% or more of the voting control of Lessee shall constitute a change in control for this purpose.

(c) The involvement of Lessee or its assets in any transaction, or series of transactions (by way of merger, sale, acquisition, financing, transfer, leveraged buy-out or otherwise), whether or not a formal assignment or hypothecation of this Lease or Lessee's assets occurs, which results or will result in a reduction of the Net Worth of Lessee by an amount greater than 25% of such Net Worth as it was represented at the time of the execution of this Lease or at the time of the most recent assignment to which Lessor has consented, or as it exists immediately prior to said transaction or transactions constituting such reduction, whichever was or is greater, shall be considered an assignment of this Lease to which Lessor may withhold its consent. "**Net Worth of Lessee**" shall mean the net worth of Lessee (excluding any guarantors) established under generally accepted accounting principles.

(d) An assignment or subletting without consent shall, at Lessor's option, be a Default curable after notice per Paragraph 13.1(d), or a noncurable Breach without the necessity of any notice and grace period. If Lessor elects to treat such unapproved assignment or subletting as a noncurable Breach, Lessor may either: (i) terminate this Lease, or (ii) upon 30 days written notice, increase the monthly Base Rent to 110% of the Base Rent then in effect. Further, in the event of such Breach and rental adjustment, (i) the purchase price of any option to purchase the Premises held by Lessee shall be subject to similar adjustment to 110% of the price previously in effect, and (ii) all fixed and non-fixed rental adjustments scheduled during the remainder of the Lease term shall be increased to 110% of the scheduled adjusted rent.

(e) Lessee's remedy for any breach of Paragraph 12.1 by Lessor shall be limited to compensatory damages and/or injunctive relief.

(f) Lessor may reasonably withhold consent to a proposed assignment or subletting if Lessee is in Default at the time consent is requested.

(g) Notwithstanding the foregoing, allowing a de minimis portion of the Premises, ie. 20 square feet or less, to be used by a third party vendor in connection with the installation of a vending machine or payphone shall not constitute a subletting.

12.2 Terms and Conditions Applicable to Assignment and Subletting.

(a) Regardless of Lessor's consent, no assignment or subletting shall: (i) be effective without the express written assumption by such assignee or sublessee of the obligations of Lessee under this Lease, (ii) release Lessee of any obligations hereunder, or (iii) alter the primary liability of Lessee for the payment of Rent or for the performance of any other obligations to be performed by Lessee.

(b) Lessor may accept Rent or performance of Lessee's obligations from any person other than Lessee pending approval or disapproval of an assignment. Neither a delay in the approval or disapproval of such assignment nor the acceptance of Rent or performance shall constitute a waiver or estoppel of Lessor's right to exercise its remedies for Lessee's Default or Breach.

(c) Lessor's consent to any assignment or subletting shall not constitute a consent to any subsequent assignment or subletting.

(d) In the event of any Default or Breach by Lessee, Lessor may proceed directly against Lessee, any Guarantors or anyone else responsible for the performance of Lessee's obligations under this Lease, including any assignee or sublessee, without first exhausting Lessor's remedies against any other person or entity responsible therefor to Lessor, or any security held by Lessor.

(e) Each request for consent to an assignment or subletting shall be in writing, accompanied by information relevant to Lessor's determination as to the financial and operational responsibility and appropriateness of the proposed assignee or sublessee, including but not limited to the intended use and/or required modification of the Premises, if any, together with a fee of $500 as consideration for Lessor's considering and processing said request. Lessee agrees to provide Lessor with such other or additional information and/or documentation as may be reasonably requested. (See also Paragraph 36)

(f) Any assignee of, or sublessee under, this Lease shall, by reason of accepting such assignment, entering into such sublease, or entering into possession of the Premises or any portion thereof, be deemed to have assumed and agreed to conform and comply with each and every term, covenant, condition and obligation herein to be observed or performed by Lessee during the term of said assignment or sublease, other than such obligations as are contrary to or inconsistent with provisions of an assignment or sublease to which Lessor has specifically consented to in writing.

(g) Lessor's consent to any assignment or subletting shall not transfer to the assignee or sublessee any Option granted to the original Lessee by this Lease unless such transfer is specifically consented to by Lessor in writing. (See Paragraph 39.2)

12.3 Additional Terms and Conditions Applicable to Subletting. The following terms and conditions shall apply to any subletting by Lessee of all or any part of the Premises and shall be deemed included in all subleases under this Lease whether or not expressly incorporated therein:

(a) Lessee hereby assigns and transfers to Lessor all of Lessee's interest in all Rent payable on any sublease, and Lessor may collect such Rent and apply same toward Lessee's obligations under this Lease; provided, however, that until a Breach shall occur in the performance of Lessee's obligations, Lessee may collect said Rent. In the event that the amount collected by Lessor exceeds Lessee's then outstanding obligations any such excess shall be refunded to Lessee. Lessor shall

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by reason of the foregoing or any assignment of such sublease, nor by reason of the collection of Rent, be deemed liable to the sublessee for any failure of Lessee to perform and comply with any of Lessee's obligations to such sublessee. Lessee hereby irrevocably authorizes and directs any such sublessee, upon receipt of a written notice from Lessor stating that a Breach exists in the performance of Lessee's obligations under this Lease, to pay to Lessor all Rent due and to become due under the sublease. Sublessee shall rely upon any such notice from Lessor and shall pay all Rents to Lessor without any obligation or right to inquire as to whether such Breach exists, notwithstanding any claim from Lessee to the contrary.

(b) In the event of a Breach by Lessee, Lessor may, at its option, require sublessee to attorn to Lessor, in which event Lessor shall undertake the obligations of the sublessor under such sublease from the time of the exercise of said option to the expiration of such sublease; provided, however, Lessor shall not be liable for any prepaid rents or security deposit paid by such sublessee to such sublessor or for any prior Defaults or Breaches of such sublessor.

(c) Any matter requiring the consent of the sublessor under a sublease shall also require the consent of Lessor.

(d) No sublessee shall further assign or sublet all or any part of the Premises without Lessor's prior written consent.

(e) Lessor shall deliver a copy of any notice of Default or Breach by Lessee to the sublessee, who shall have the right to cure the Default of Lessee within the grace period, if any, specified in such notice. The sublessee shall have a right of reimbursement and offset from and against Lessee for any such Defaults cured by the sublessee.

13. Default; Breach; Remedies.

13.1 Default; Breach. A "**Default**" is defined as a failure by the Lessee to comply with or perform any of the terms, covenants, conditions or Rules and Regulations under this Lease. A "**Breach**" is defined as the occurrence of one or more of the following Defaults, and the failure of Lessee to cure such Default within any applicable grace period:

(a) The abandonment of the Premises; the vacating of the Premises prior to the expiration or termination of this Lease without providing a commercially reasonable level of security, or where the coverage of the property insurance described in Paragraph 8.3 is jeopardized as a result thereof, or without providing reasonable assurances to minimize potential vandalism; or failure to deliver to Lessor exclusive possession of the entire Premises in accordance herewith prior to the expiration or termination of this Lease.

(b) The failure of Lessee to make any payment of Rent or any Security Deposit required to be made by Lessee hereunder, whether to Lessor or to a third party, when due, to provide reasonable evidence of insurance or surety bond, or to fulfill any obligation under this Lease which endangers or threatens life or property, where such failure continues for a period of 3 business days following written notice to Lessee. THE ACCEPTANCE BY LESSOR OF A PARTIAL PAYMENT OF RENT OR SECURITY DEPOSIT SHALL NOT CONSTITUTE A WAIVER OF ANY OF LESSOR'S RIGHTS, INCLUDING LESSOR'S RIGHT TO RECOVER POSSESSION OF THE PREMISES.

(c) The failure of Lessee to allow Lessor and/or its agents access to the Premises or the commission of waste, act or acts constituting public or private nuisance, and/or an illegal activity on the Premises by Lessee, where such actions continue for a period of 3 business days following written notice to Lessee. In the event that Lessee commits waste, a nuisance or an illegal activity a second time then, the Lessor may elect to treat such conduct as a non-curable Breach rather than a Default.

(d) The failure by Lessee to provide (i) reasonable written evidence of compliance with Applicable Requirements, (ii) the service contracts, (iii) the rescission of an unauthorized assignment or subletting, (iv) an Estoppel Certificate or financial statements, (v) a requested subordination, (vi) evidence concerning any guaranty and/or Guarantor, (vii) any document requested under Paragraph 42, (viii) material safety data sheets (MSDS), or (ix) any other documentation or information which Lessor may reasonably require of Lessee under the terms of this Lease, where any such failure continues for a period of 10 days following written notice to Lessee.

(e) A Default by Lessee as to the terms, covenants, conditions or provisions of this Lease, or of the rules adopted under Paragraph 40 hereof, other than those described in subparagraphs 13.1(a), (b), (c) or (d), above, where such Default continues for a period of 30 days after written notice; provided, however, that if the nature of Lessee's Default is such that more than 30 days are reasonably required for its cure, then it shall not be deemed to be a Breach if Lessee commences such cure within said 30 day period and thereafter diligently prosecutes such cure to completion.

(f) The occurrence of any of the following events: (i) the making of any general arrangement or assignment for the benefit of creditors; (ii) becoming a "debtor" as defined in 11 U.S.C. § 101 or any successor statute thereto (unless, in the case of a petition filed against Lessee, the same is dismissed within 60 days); (iii) the appointment of a trustee or receiver to take possession of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where possession is not restored to Lessee within 30 days; or (iv) the attachment, execution or other judicial seizure of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where such seizure is not discharged within 30 days; provided, however, in the event that any provision of this subparagraph is contrary to any applicable law, such provision shall be of no force or effect, and not affect the validity of the remaining provisions.

(g) The discovery that any financial statement of Lessee or of any Guarantor given to Lessor was materially false.

(h) If the performance of Lessee's obligations under this Lease is guaranteed: (i) the death of a Guarantor, (ii) the termination of a Guarantor's liability with respect to this Lease other than in accordance with the terms of such guaranty, (iii) a Guarantor's becoming insolvent or the subject of a bankruptcy filing, (iv) a Guarantor's refusal to honor the guaranty, or (v) a Guarantor's breach of its guaranty obligation on an anticipatory basis, and Lessee's failure, within 60 days following written notice of any such event, to provide written alternative assurance or security, which, when coupled with the then existing resources of Lessee, equals or exceeds the combined financial resources of Lessee and the Guarantors that existed at the time of execution of this Lease.

13.2 Remedies. If Lessee fails to perform any of its affirmative duties or obligations, within 10 days after written notice (or in case of an emergency, without notice), Lessor may, at its option, perform such duty or obligation on Lessee's behalf, including but not limited to the obtaining of reasonably required bonds, insurance policies, or governmental licenses, permits or approvals. Lessee shall pay to Lessor an amount equal to 115% of the costs and expenses incurred by Lessor in such performance upon receipt of an invoice therefor. In the event of a Breach, Lessor may, with or without further notice or demand, and without limiting Lessor in the exercise of any right or remedy which Lessor may have by reason of such Breach:

(a) Terminate Lessee's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Lessee shall immediately surrender possession to Lessor. In such event Lessor shall be entitled to recover from Lessee: (i) the unpaid Rent which had been earned at the time of termination; (ii) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that the Lessee proves could have been reasonably avoided; (iii) the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that the Lessee proves could be reasonably avoided; and (iv) any other amount necessary to compensate Lessor for all the detriment proximately caused by the Lessee's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including but not limited to the cost of recovering possession of the Premises, expenses of reletting, including necessary renovation and alteration of the Premises, reasonable attorneys' fees, and that portion of any leasing commission paid by Lessor in connection with this Lease applicable to the unexpired term of this Lease. The worth at the time of award of the amount referred to in provision (iii) of the immediately preceding sentence shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of the District within which the Premises are located at the time of award plus one percent. Efforts by Lessor to mitigate damages caused by Lessee's Breach of this Lease shall not waive Lessor's right to recover any damages to

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ch Lessor is otherwise entitled. If termination of this Lease is obtained through the provisional remedy of unlawful detainer, Lessor shall have the right to recover in such proceeding any unpaid Rent and damages as are recoverable therein, or Lessor may reserve the right to recover all or any part thereof in a separate suit. If a notice and grace period required under Paragraph 13.1 was not previously given, a notice to pay rent or quit, or to perform or quit given to Lessee under the unlawful detainer statute shall also constitute the notice required by Paragraph 13.1. In such case, the applicable grace period required by Paragraph 13.1 and the unlawful detainer statute shall run concurrently, and the failure of Lessee to cure the Default within the greater of the two such grace periods shall constitute both an unlawful detainer and a Breach of this Lease entitling Lessor to the remedies provided for in this Lease and/or by said statute.

(b) Continue the Lease and Lessee's right to possession and recover the Rent as it becomes due, in which event Lessee may sublet or assign, subject only to reasonable limitations. Acts of maintenance, efforts to relet, and/or the appointment of a receiver to protect the Lessor's interests, shall not constitute a termination of the Lessee's right to possession.

(c) Pursue any other remedy now or hereafter available under the laws or judicial decisions of the state wherein the Premises are located. The expiration or termination of this Lease and/or the termination of Lessee's right to possession shall not relieve Lessee from liability under any indemnity provisions of this Lease as to matters occurring or accruing during the term hereof or by reason of Lessee's occupancy of the Premises.

13.3 Inducement Recapture. Any agreement for free or abated rent or other charges, the cost of tenant improvements for Lessee paid for or performed by Lessor, or for the giving or paying by Lessor to or for Lessee of any cash or other bonus, inducement or consideration for Lessee's entering into this Lease, all of which concessions are hereinafter referred to as "Inducement Provisions," shall be deemed conditioned upon Lessee's full and faithful performance of all of the terms, covenants and conditions of this Lease. Upon Breach of this Lease by Lessee, any such Inducement Provision shall automatically be deemed deleted from this Lease and of no further force or effect, and any rent, other charge, bonus, inducement or consideration theretofore abated, given or paid by Lessor under such an Inducement Provision shall be immediately due and payable by Lessee to Lessor, notwithstanding any subsequent cure of said Breach by Lessee. The acceptance by Lessor of rent or the cure of the Breach which initiated the operation of this paragraph shall not be deemed a waiver by Lessor of the provisions of this paragraph unless specifically so stated in writing by Lessor at the time of such acceptance.

13.4 Late Charges. Lessee hereby acknowledges that late payment by Lessee of Rent will cause Lessor to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed upon Lessor by any Lender. Accordingly, if any Rent shall not be received by Lessor within 5 days after such amount shall be due, then, without any requirement for notice to Lessee, Lessee shall immediately pay to Lessor a one-time late charge equal to 10% of each such overdue amount or $100, whichever is greater. The Parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Lessor will incur by reason of such late payment. Acceptance of such late charge by Lessor shall in no event constitute a waiver of Lessee's Default or Breach with respect to such overdue amount, nor prevent the exercise of any of the other rights and remedies granted hereunder. In the event that a late charge is payable hereunder, whether or not collected, for 3 consecutive installments of Base Rent, then notwithstanding any provision of this Lease to the contrary, Base Rent shall, at Lessor's option, become due and payable quarterly in advance.

13.5 Interest. Any monetary payment due Lessor hereunder, other than late charges, not received by Lessor, when due shall bear interest from the 31st day after it was due. The interest ("Interest") charged shall be computed at the rate of 10% per annum but shall not exceed the maximum rate allowed by law. Interest is payable in addition to the potential late charge provided for in Paragraph 13.4.

13.6 Breach by Lessor.

(a) **Notice of Breach.** Lessor shall not be deemed in breach of this Lease unless Lessor fails within a reasonable time to perform an obligation required to be performed by Lessor. For purposes of this Paragraph, a reasonable time shall in no event be less than 30 days after receipt by Lessor, and any Lender whose name and address shall have been furnished to Lessee in writing for such purpose, of written notice specifying wherein such obligation of Lessor has not been performed; provided, however, that if the nature of Lessor's obligation is such that more than 30 days are reasonably required for its performance, then Lessor shall not be in breach if performance is commenced within such 30 day period and thereafter diligently pursued to completion.

(b) **Performance by Lessee on Behalf of Lessor.** In the event that neither Lessor nor Lender cures said breach within 30 days after receipt of said notice, or if having commenced said cure they do not diligently pursue it to completion, then Lessee may elect to cure said breach at Lessee's expense and offset from Rent the actual and reasonable cost to perform such cure, provided however, that such offset shall not exceed an amount equal to the greater of one month's Base Rent or the Security Deposit, reserving Lessee's right to seek reimbursement from Lessor for any such expense in excess of such offset. Lessee shall document the cost of said cure and supply said documentation to Lessor.

14. Condemnation. If the Premises or any portion thereof are taken under the power of eminent domain or sold under the threat of the exercise of said power (collectively "Condemnation"), this Lease shall terminate as to the part taken as of the date the condemning authority takes title or possession, whichever first occurs. If more than 10% of the Building, or more than 25% of that portion of the Premises not occupied by any building, is taken by Condemnation, Lessee may, at Lessee's option, to be exercised in writing within 10 days after Lessor shall have given Lessee written notice of such taking (or in the absence of such notice, within 10 days after the condemning authority shall have taken possession) terminate this Lease as of the date the condemning authority takes such possession. If Lessee does not terminate this Lease in accordance with the foregoing, this Lease shall remain in full force and effect as to the portion of the Premises remaining, except that the Base Rent shall be reduced in proportion to the reduction in utility of the Premises caused by such Condemnation. Condemnation awards and/or payments shall be the property of Lessor, whether such award shall be made as compensation for diminution in value of the leasehold, the value of the part taken, or for severance damages; provided, however, that Lessee shall be entitled to any compensation paid by the condemnor for Lessee's relocation expenses, loss of business goodwill and/or Trade Fixtures, without regard to whether or not this Lease is terminated pursuant to the provisions of this Paragraph. All Alterations and Utility Installations made to the Premises by Lessee, for purposes of Condemnation only, shall be considered the property of the Lessee and Lessee shall be entitled to any and all compensation which is payable therefor. In the event that this Lease is not terminated by reason of the Condemnation, Lessor shall repair any damage to the Premises caused by such Condemnation.

~~**15. Brokerage Fees.**~~

~~**15.1 Additional Commission.** In addition to the payments owed pursuant to Paragraph 1.9 above, Lessor agrees that: (a) if Lessee exercises any Option, (b) if Lessee or anyone affiliated with Lessee acquires any rights to the Premises or other premises owned by Lessor and located within the same Project, if any, within which the Premises is located, (c) if Lessee remains in possession of the Premises, with the consent of Lessor, after the expiration of this Lease, or (d) if Base Rent is increased, whether by agreement or operation of an escalation clause herein, then, Lessor shall pay Brokers a fee in accordance with the fee schedule of the Brokers in effect at the time the Lease was executed. The provisions of this paragraph are intended to supersede the provisions of any earlier agreement to the contrary.~~

~~**15.2 Assumption of Obligations.** Any buyer or transferee of Lessor's interest in this Lease shall be deemed to have assumed Lessor's obligation hereunder. Brokers shall be third party beneficiaries of the provisions of Paragraphs 1.9, 15, 22 and 31. If Lessor fails to pay to Brokers any amounts due as and for brokerage fees pertaining to this Lease when due, then such amounts shall accrue Interest. In addition, if Lessor fails to pay any amounts to Lessee's Broker when due, Lessee's Broker may send written notice to Lessor and Lessee of such failure and if Lessor fails to pay such amounts within 10 days after said notice, Lessee shall pay said~~

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~~nies to its Broker and offset such amounts against Rent. In addition, Lessee's Broker shall be deemed to be a third party beneficiary of any commission agreement entered into by and/or between Lessor and Lessor's Broker for the limited purpose of collecting any brokerage fee owed.~~

15.~~15.3~~ **Representations and Indemnities of Broker Relationships.** Lessee and Lessor each represent and warrant to the other that it has had no dealings with any person, firm, broker, agent or finder (other than the Brokers and Agents, if any) in connection with this Lease, and that no one other than said named Brokers and Agents is entitled to any commission or finder's fee in connection herewith. Lessee and Lessor do each hereby agree to indemnify, protect, defend and hold the other harmless from and against liability for compensation or charges which may be claimed by any such unnamed broker, finder or other similar party by reason of any dealings or actions of the Indemnifying Party, including any costs, expenses, attorneys' fees reasonably incurred with respect thereto.

16. Estoppel Certificates.

(a) Each Party (as "**Responding Party**") shall within 10 days after written notice from the other Party (the "**Requesting Party**") execute, acknowledge and deliver to the Requesting Party a statement in writing in form similar to the then most current "Estoppel Certificate" form published by AIR CRE, plus such additional information, confirmation and/or statements as may be reasonably requested by the Requesting Party.

(b) If the Responding Party shall fail to execute or deliver the Estoppel Certificate within such 10 day period, the Requesting Party may execute an Estoppel Certificate stating that: (i) the Lease is in full force and effect without modification except as may be represented by the Requesting Party, (ii) there are no uncured defaults in the Requesting Party's performance, and (iii) if Lessor is the Requesting Party, not more than one month's rent has been paid in advance. Prospective purchasers and encumbrancers may rely upon the Requesting Party's Estoppel Certificate, and the Responding Party shall be estopped from denying the truth of the facts contained in said Certificate. In addition, Lessee acknowledges that any failure on its part to provide such an Estoppel Certificate will expose Lessor to risks and potentially cause Lessor to incur costs not contemplated by this Lease, the extent of which will be extremely difficult to ascertain. Accordingly, should the Lessee fail to execute and/or deliver a requested Estoppel Certificate in a timely fashion the monthly Base Rent shall be automatically increased, without any requirement for notice to Lessee, by an amount equal to 10% of the then existing Base Rent or $100, whichever is greater for remainder of the Lease. The Parties agree that such increase in Base Rent represents fair and reasonable compensation for the additional risk/costs that Lessor will incur by reason of Lessee's failure to provide the Estoppel Certificate. Such increase in Base Rent shall in no event constitute a waiver of Lessee's Default or Breach with respect to the failure to provide the Estoppel Certificate nor prevent the exercise of any of the other rights and remedies granted hereunder.

(c) If Lessor desires to finance, refinance, or sell the Premises, or any part thereof, Lessee and all Guarantors shall within 10 days after written notice from Lessor deliver to any potential lender or purchaser designated by Lessor such financial statements as may be reasonably required by such lender or purchaser, including but not limited to Lessee's financial statements for the past 3 years. All such financial statements shall be received by Lessor and such lender or purchaser in confidence and shall be used only for the purposes herein set forth.

17. Definition of Lessor. The term "**Lessor**" as used herein shall mean the owner or owners at the time in question of the fee title to the Premises, or, if this is a sublease, of the Lessee's interest in the prior lease. In the event of a transfer of Lessor's title or interest in the Premises or this Lease, Lessor shall deliver to the transferee or assignee (in cash or by credit) any unused Security Deposit held by Lessor. Upon such transfer or assignment and delivery of the Security Deposit, as aforesaid, the prior Lessor shall be relieved of all liability with respect to the obligations and/or covenants under this Lease thereafter to be performed by the Lessor. Subject to the foregoing, the obligations and/or covenants in this Lease to be performed by the Lessor shall be binding only upon the Lessor as hereinabove defined.

18. Severability. The invalidity of any provision of this Lease, as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof.

19. Days. Unless otherwise specifically indicated to the contrary, the word "**days**" as used in this Lease shall mean and refer to calendar days.

20. Limitation on Liability. The obligations of Lessor under this Lease shall not constitute personal obligations of Lessor, or its partners, members, directors, officers or shareholders, and Lessee shall look to the Premises, and to no other assets of Lessor, for the satisfaction of any liability of Lessor with respect to this Lease, and shall not seek recourse against Lessor's partners, members, directors, officers or shareholders, or any of their personal assets for such satisfaction.

21. Time of Essence. Time is of the essence with respect to the performance of all obligations to be performed or observed by the Parties under this Lease.

22. No Prior or Other Agreements; Broker Disclaimer. This Lease contains all agreements between the Parties with respect to any matter mentioned herein, and no other prior or contemporaneous agreement or understanding shall be effective. Lessor and Lessee each represents and warrants to the Brokers that it has made, and is relying solely upon, its own investigation as to the nature, quality, character and financial responsibility of the other Party to this Lease and as to the use, nature, quality and character of the Premises. Brokers have no responsibility with respect thereto or with respect to any default or breach hereof by either Party.

23. Notices.

23.1 **Notice Requirements.** All notices required or permitted by this Lease or applicable law shall be in writing and may be delivered in person (by hand or by courier) or may be sent by regular, certified or registered mail or U.S. Postal Service Express Mail, with postage prepaid, or by facsimile transmission, or by email, and shall be deemed sufficiently given if served in a manner specified in this Paragraph 23. The addresses noted adjacent to a Party's signature on this Lease shall be that Party's address for delivery or mailing of notices. Either Party may by written notice to the other specify a different address for notice, except that upon Lessee's taking possession of the Premises, the Premises shall constitute Lessee's address for notice. A copy of all notices to Lessor shall be concurrently transmitted to such party or parties at such addresses as Lessor may from time to time hereafter designate in writing.

23.2 **Date of Notice.** Any notice sent by registered or certified mail, return receipt requested, shall be deemed given on the date of delivery shown on the receipt card, or if no delivery date is shown, the postmark thereon. If sent by regular mail the notice shall be deemed given 72 hours after the same is addressed as required herein and mailed with postage prepaid. Notices delivered by United States Express Mail or overnight courier that guarantees next day delivery shall be deemed given 24 hours after delivery of the same to the Postal Service or courier. Notices delivered by hand, or transmitted by facsimile transmission or by email shall be deemed delivered upon actual receipt. If notice is received on a Saturday, Sunday or legal holiday, it shall be deemed received on the next business day.

23.3 **Options.** Notwithstanding the foregoing, in order to exercise any Options (see paragraph 39), the Notice must be sent by Certified Mail (return receipt requested), Express Mail (signature required), courier (signature required) or some other methodology that provides a receipt establishing the date the notice was received by the Lessor.

24. Waivers.

(a) No waiver by Lessor of the Default or Breach of any term, covenant or condition hereof by Lessee, shall be deemed a waiver of any other term, covenant or condition hereof, or of any subsequent Default or Breach by Lessee of the same or of any other term, covenant or condition hereof. Lessor's consent to, or approval of, any act shall not be deemed to render unnecessary the obtaining of Lessor's consent to, or approval of, any subsequent or similar act by Lessee, or be

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strued as the basis of an estoppel to enforce the provision or provisions of this Lease requiring such consent.

(b) The acceptance of Rent by Lessor shall not be a waiver of any Default or Breach by Lessee. Any payment by Lessee may be accepted by Lessor on account of monies or damages due Lessor, notwithstanding any qualifying statements or conditions made by Lessee in connection therewith, which such statements and/or conditions shall be of no force or effect whatsoever unless specifically agreed to in writing by Lessor at or before the time of deposit of such payment.

(c) THE PARTIES AGREE THAT THE TERMS OF THIS LEASE SHALL GOVERN WITH REGARD TO ALL MATTERS RELATED THERETO AND HEREBY WAIVE THE PROVISIONS OF ANY PRESENT OR FUTURE STATUTE TO THE EXTENT THAT SUCH STATUTE IS INCONSISTENT WITH THIS LEASE.

25. Disclosures Regarding The Nature of a Real Estate Agency Relationship.

(a) When entering into a discussion with a real estate agent regarding a real estate transaction, a Lessor or Lessee should from the outset understand what type of agency relationship or representation it has with the agent or agents in the transaction. Lessor and Lessee acknowledge being advised by the Brokers in this transaction, as follows:

(i) *Lessor's Agent*. A Lessor's agent under a listing agreement with the Lessor acts as the agent for the Lessor only. A Lessor's agent or subagent has the following affirmative obligations: *To the Lessor*: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Lessor. *To the Lessee and the Lessor*: (a) Diligent exercise of reasonable skills and care in performance of the agent's duties. (b) A duty of honest and fair dealing and good faith. (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

(ii) *Lessee's Agent*. An agent can agree to act as agent for the Lessee only. In these situations, the agent is not the Lessor's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Lessor. An agent acting only for a Lessee has the following affirmative obligations. *To the Lessee*: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Lessee. *To the Lessee and the Lessor*: (a) Diligent exercise of reasonable skills and care in performance of the agent's duties. (b) A duty of honest and fair dealing and good faith. (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

(iii) *Agent Representing Both Lessor and Lessee*. A real estate agent, either acting directly or through one or more associate licensees, can legally be the agent of both the Lessor and the Lessee in a transaction, but only with the knowledge and consent of both the Lessor and the Lessee. In a dual agency situation, the agent has the following affirmative obligations to both the Lessor and the Lessee: (a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either Lessor or the Lessee. (b) Other duties to the Lessor and the Lessee as stated above in subparagraphs (i) or (ii). In representing both Lessor and Lessee, the agent may not, without the express permission of the respective Party, disclose to the other Party confidential information, including, but not limited to, facts relating to either Lessee's or Lessor's financial position, motivations, bargaining position, or other personal information that may impact rent, including Lessor's willingness to accept a rent less than the listing rent or Lessee's willingness to pay rent greater than the rent offered. The above duties of the agent in a real estate transaction do not relieve a Lessor or Lessee from the responsibility to protect their own interests. Lessor and Lessee should carefully read all agreements to assure that they adequately express their understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional. Both Lessor and Lessee should strongly consider obtaining tax advice from a competent professional because the federal and state tax consequences of a transaction can be complex and subject to change.

(b) Brokers have no responsibility with respect to any default or breach hereof by either Party. The Parties agree that no lawsuit or other legal proceeding involving any breach of duty, error or omission relating to this Lease may be brought against Broker more than one year after the Start Date and that the liability (including court costs and attorneys' fees), of any Broker with respect to any such lawsuit and/or legal proceeding shall not exceed the fee received by such Broker pursuant to this Lease; provided, however, that the foregoing limitation on each Broker's liability shall not be applicable to any gross negligence or willful misconduct of such Broker.

(c) Lessor and Lessee agree to identify to Brokers as "Confidential" any communication or information given Brokers that is considered by such Party to be confidential.

26. No Right To Holdover. Lessee has no right to retain possession of the Premises or any part thereof beyond the expiration or termination of this Lease. At or prior to the expiration or termination of this Lease Lessee shall deliver exclusive possession of the Premises to Lessor. For purposes of this provision and Paragraph 13.1(a), exclusive possession shall mean that Lessee shall have vacated the Premises, removed all of its personal property therefrom and that the Premises have been returned in the condition specified in this Lease. In the event that Lessee does not deliver exclusive possession to Lessor as specified above, then Lessor's damages during any holdover period shall be computed at the amount of the Rent (as defined in Paragraph 4.1) due during the last full month before the expiration or termination of this Lease (disregarding any temporary abatement of Rent that may have been in effect), but with Base Rent being 150% of the Base Rent payable during such last full month. Nothing contained herein shall be construed as consent by Lessor to any holding over by Lessee.

27. Cumulative Remedies. No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

28. Covenants and Conditions; Construction of Agreement. All provisions of this Lease to be observed or performed by Lessee are both covenants and conditions. In construing this Lease, all headings and titles are for the convenience of the Parties only and shall not be considered a part of this Lease. Whenever required by the context, the singular shall include the plural and vice versa. This Lease shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if both Parties had prepared it.

29. Binding Effect; Choice of Law. This Lease shall be binding upon the Parties, their personal representatives, successors and assigns and be governed by the laws of the State in which the Premises are located. Any litigation between the Parties hereto concerning this Lease shall be initiated in the county in which the Premises are located. Signatures to this Lease accomplished by means of electronic signature or similar technology shall be legal and binding.

30. Subordination; Attornment; Non-Disturbance.

30.1 Subordination. This Lease and any Option granted hereby shall be subject and subordinate to any ground lease, mortgage, deed of trust, or other hypothecation or security device (collectively, "Security Device"), now or hereafter placed upon the Premises, to any and all advances made on the security thereof, and to all renewals, modifications, and extensions thereof. Lessee agrees that the holders of any such Security Devices (in this Lease together referred to as "Lender") shall have no liability or obligation to perform any of the obligations of Lessor under this Lease. Any Lender may elect to have this Lease and/or any Option granted hereby superior to the lien of its Security Device by giving written notice thereof to Lessee, whereupon this Lease and such Options shall be deemed prior to such Security Device, notwithstanding the relative dates of the documentation or recordation thereof.

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30.2 **Attornment.** In the event that Lessor transfers title to the Premises, or the Premises are acquired by another upon the foreclosure or termination of a Security Device to which this Lease is subordinated (i) Lessee shall, subject to the non-disturbance provisions of Paragraph 30.3, attorn to such new owner, and upon request, enter into a new lease, containing all of the terms and provisions of this Lease, with such new owner for the remainder of the term hereof, or, at the election of the new owner, this Lease will automatically become a new lease between Lessee and such new owner, and (ii) Lessor shall thereafter be relieved of any further obligations hereunder and such new owner shall assume all of Lessor's obligations, except that such new owner shall not: (a) be liable for any act or omission of any prior lessor or with respect to events occurring prior to acquisition of ownership; (b) be subject to any offsets or defenses which Lessee might have against any prior lessor, (c) be bound by prepayment of more than one month's rent, or (d) be liable for the return of any security deposit paid to any prior lessor which was not paid or credited to such new owner.

30.3 **Non-Disturbance.** With respect to Security Devices entered into by Lessor after the execution of this Lease, Lessee's subordination of this Lease shall be subject to receiving a commercially reasonable non-disturbance agreement (a "Non-Disturbance Agreement") from the Lender which Non-Disturbance Agreement provides that Lessee's possession of the Premises, and this Lease, including any options to extend the term hereof, will not be disturbed so long as Lessee is not in Breach hereof and attorns to the record owner of the Premises. Further, within 60 days after the execution of this Lease, Lessor shall, if requested by Lessee, use its commercially reasonable efforts to obtain a Non-Disturbance Agreement from the holder of any pre-existing Security Device which is secured by the Premises. In the event that Lessor is unable to provide the Non-Disturbance Agreement within said 60 days, then Lessee may, at Lessee's option, directly contact Lender and attempt to negotiate for the execution and delivery of a Non-Disturbance Agreement.

30.4 **Self-Executing.** The agreements contained in this Paragraph 30 shall be effective without the execution of any further documents; provided, however, that, upon written request from Lessor or a Lender in connection with a sale, financing or refinancing of the Premises, Lessee and Lessor shall execute such further writings as may be reasonably required to separately document any subordination, attornment and/or Non-Disturbance Agreement provided for herein.

31. **Attorneys' Fees.** If any Party or Broker brings an action or proceeding involving the Premises whether founded in tort, contract or equity, or to declare rights hereunder, the Prevailing Party (as hereafter defined) in any such proceeding, action, or appeal thereon, shall be entitled to reasonable attorneys' fees. Such fees may be awarded in the same suit or recovered in a separate suit, whether or not such action or proceeding is pursued to decision or judgment. The term, "**Prevailing Party**" shall include, without limitation, a Party or Broker who substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, or the abandonment by the other Party or Broker of its claim or defense. The attorneys' fees award shall not be computed in accordance with any court fee schedule, but shall be such as to fully reimburse all attorneys' fees reasonably incurred. In addition, Lessor shall be entitled to attorneys' fees, costs and expenses incurred in the preparation and service of notices of Default and consultations in connection therewith, whether or not a legal action is subsequently commenced in connection with such Default or resulting Breach ($200 is a reasonable minimum per occurrence for such services and consultation).

32. **Lessor's Access; Showing Premises; Repairs.** Lessor and Lessor's agents shall have the right to enter the Premises at any time, in the case of an emergency, and otherwise at reasonable times after reasonable prior notice for the purpose of showing the same to prospective purchasers, lenders, or tenants, and making such alterations, repairs, improvements or additions to the Premises as Lessor may deem necessary or desirable and the erecting, using and maintaining of utilities, services, pipes and conduits through the Premises and/or other premises as long as there is no material adverse effect on Lessee's use of the Premises. All such activities shall be without abatement of rent or liability to Lessee.

33. **Auctions.** Lessee shall not conduct, nor permit to be conducted, any auction upon the Premises without Lessor's prior written consent. Lessor shall not be obligated to exercise any standard of reasonableness in determining whether to permit an auction.

34. **Signs.** Lessor may place on the Premises ordinary "For Sale" signs at any time and ordinary "For Lease" signs during the last 6 months of the term hereof. Except for ordinary "for sublease" signs, Lessee shall not place any sign upon the Premises without Lessor's prior written consent. All signs must comply with all Applicable Requirements.

35. **Termination; Merger.** Unless specifically stated otherwise in writing by Lessor, the voluntary or other surrender of this Lease by Lessee, the mutual termination or cancellation hereof, or a termination hereof by Lessor for Breach by Lessee, shall automatically terminate any sublease or lesser estate in the Premises; provided, however, that Lessor may elect to continue any one or all existing subtenancies. Lessor's failure within 10 days following any such event to elect to the contrary by written notice to the holder of any such lesser interest, shall constitute Lessor's election to have such event constitute the termination of such interest.

36. **Consents.** All requests for consent shall be in writing. Except as otherwise provided herein, wherever in this Lease the consent of a Party is required to an act by or for the other Party, such consent shall not be unreasonably withheld or delayed. Lessor's actual reasonable costs and expenses (including but not limited to architects', attorneys', engineers' and other consultants' fees) incurred in the consideration of, or response to, a request by Lessee for any Lessor consent, including but not limited to consents to an assignment, a subletting or the presence or use of a Hazardous Substance, shall be paid by Lessee upon receipt of an invoice and supporting documentation therefor. Lessor's consent to any act, assignment or subletting shall not constitute an acknowledgment that no Default or Breach by Lessee of this Lease exists, nor shall such consent be deemed a waiver of any then existing Default or Breach, except as may be otherwise specifically stated in writing by Lessor at the time of such consent. The failure to specify herein any particular condition to Lessor's consent shall not preclude the imposition by Lessor at the time of consent of such further or other conditions as are then reasonable with reference to the particular matter for which consent is being given. In the event that either Party disagrees with any determination made by the other hereunder and reasonably requests the reasons for such determination, the determining party shall furnish its reasons in writing and in reasonable detail within 10 business days following such request.

37. **Guarantor.**

37.1 **Execution.** The Guarantors, if any, shall each execute a guaranty in the form most recently published by AIR CRE.

37.2 **Default.** It shall constitute a Default of the Lessee if any Guarantor fails or refuses, upon request to provide: (a) evidence of the execution of the guaranty, including the authority of the party signing on Guarantor's behalf to obligate Guarantor, and in the case of a corporate Guarantor, a certified copy of a resolution of its board of directors authorizing the making of such guaranty, (b) current financial statements, (c) an Estoppel Certificate, or (d) written confirmation that the guaranty is still in effect.

38. **Quiet Possession.** Subject to payment by Lessee of the Rent and performance of all of the covenants, conditions and provisions on Lessee's part to be observed and performed under this Lease, Lessee shall have quiet possession and quiet enjoyment of the Premises during the term hereof.

39. **Options.** If Lessee is granted any Option, as defined below, then the following provisions shall apply.

39.1 **Definition.** "**Option**" shall mean: (a) the right to extend or reduce the term of or renew this Lease or to extend or reduce the term of or renew any lease that Lessee has on other property of Lessor; (b) the right of first refusal or first offer to lease either the Premises or other property of Lessor; (c) the right to purchase, the right of first offer to purchase or the right of first refusal to purchase the Premises or other property of Lessor.

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39.2 **Options Personal To Original Lessee.** Any Option granted to Lessee in this Lease is personal to the original Lessee, and cannot be assigned or exercised by anyone other than said original Lessee and only while the original Lessee is in full possession of the Premises and, if requested by Lessor, with Lessee certifying that Lessee has no intention of thereafter assigning or subletting.

39.3 **Multiple Options.** In the event that Lessee has any multiple Options to extend or renew this Lease, a later Option cannot be exercised unless the prior Options have been validly exercised.

39.4 **Effect of Default on Options.**

(a) Lessee shall have no right to exercise an Option: (i) during the period commencing with the giving of any notice of Default and continuing until said Default is cured, (ii) during the period of time any Rent is unpaid (without regard to whether notice thereof is given Lessee), (iii) during the time Lessee is in Breach of this Lease, or (iv) in the event that Lessee has been given 3 or more notices of separate Default, whether or not the Defaults are cured, during the 12 month period immediately preceding the exercise of the Option.

(b) The period of time within which an Option may be exercised shall not be extended or enlarged by reason of Lessee's inability to exercise an Option because of the provisions of Paragraph 39.4(a).

(c) An Option shall terminate and be of no further force or effect, notwithstanding Lessee's due and timely exercise of the Option, if, after such exercise and prior to the commencement of the extended term or completion of the purchase, (i) Lessee fails to pay Rent for a period of 30 days after such Rent becomes due (without any necessity of Lessor to give notice thereof), or (ii) if Lessee commits a Breach of this Lease.

40. **Multiple Buildings.** If the Premises are a part of a group of buildings controlled by Lessor, Lessee agrees that it will abide by and conform to all reasonable rules and regulations which Lessor may make from time to time for the management, safety, and care of said properties, including the care and cleanliness of the grounds and including the parking, loading and unloading of vehicles, and to cause its employees, suppliers, shippers, customers, contractors and invitees to so abide and conform. Lessee also agrees to pay its fair share of common expenses incurred in connection with such rules and regulations.

41. **Security Measures.** Lessee hereby acknowledges that the Rent payable to Lessor hereunder does not include the cost of guard service or other security measures, and that Lessor shall have no obligation whatsoever to provide same. Lessee assumes all responsibility for the protection of the Premises, Lessee, its agents and invitees and their property from the acts of third parties.

42. **Reservations.** Lessor reserves to itself the right, from time to time, to grant, without the consent or joinder of Lessee, such easements, rights and dedications that Lessor deems necessary, and to cause the recordation of parcel maps and restrictions, so long as such easements, rights, dedications, maps and restrictions do not unreasonably interfere with the use of the Premises by Lessee. Lessee agrees to sign any documents reasonably requested by Lessor to effectuate any such easement rights, dedication, map or restrictions.

43. **Performance Under Protest.** If at any time a dispute shall arise as to any amount or sum of money to be paid by one Party to the other under the provisions hereof, the Party against whom the obligation to pay the money is asserted shall have the right to make payment "under protest" and such payment shall not be regarded as a voluntary payment and there shall survive the right on the part of said Party to institute suit for recovery of such sum. If it shall be adjudged that there was no legal obligation on the part of said Party to pay such sum or any part thereof, said Party shall be entitled to recover such sum or so much thereof as it was not legally required to pay. A Party who does not initiate suit for the recovery of sums paid "under protest" within 6 months shall be deemed to have waived its right to protest such payment.

44. **Authority; Multiple Parties; Execution.**

(a) If either Party hereto is a corporation, trust, limited liability company, partnership, or similar entity, each individual executing this Lease on behalf of such entity represents and warrants that he or she is duly authorized to execute and deliver this Lease on its behalf. Each Party shall, within 30 days after request, deliver to the other Party satisfactory evidence of such authority.

(b) If this Lease is executed by more than one person or entity as "Lessee", each such person or entity shall be jointly and severally liable hereunder. It is agreed that any one of the named Lessees shall be empowered to execute any amendment to this Lease, or other document ancillary thereto and bind all of the named Lessees, and Lessor may rely on the same as if all of the named Lessees had executed such document.

(c) This Lease may be executed by the Parties in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

45. **Conflict.** Any conflict between the printed provisions of this Lease and the typewritten or handwritten provisions shall be controlled by the typewritten or handwritten provisions.

46. **Offer.** Preparation of this Lease by either Party or their agent and submission of same to the other Party shall not be deemed an offer to lease to the other Party. This Lease is not intended to be binding until executed and delivered by all Parties hereto.

47. **Amendments.** This Lease may be modified only in writing, signed by the Parties in interest at the time of the modification. As long as they do not materially change Lessee's obligations hereunder, Lessee agrees to make such reasonable non-monetary modifications to this Lease as may be reasonably required by a Lender in connection with the obtaining of normal financing or refinancing of the Premises.

48. **Waiver of Jury Trial. THE PARTIES HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING INVOLVING THE PROPERTY OR ARISING OUT OF THIS LEASE.**

49. **Arbitration of Disputes.** An Addendum requiring the Arbitration of all disputes between the Parties and/or Brokers arising out of this Lease ☐ is ☑ is not attached to this Lease.

50. **Accessibility; Americans with Disabilities Act.**

(a) The Premises:

☑ have not undergone an inspection by a Certified Access Specialist (CASp). Note: A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.

_____ _____

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M. ☐ have undergone an inspection by a Certified Access Specialist (CASp) and it was determined that the Premises met all applicable construction-related accessibility standards pursuant to California Civil Code §55.51 et seq. Lessee acknowledges that it received a copy of the inspection report at least 48 hours prior to executing this Lease and agrees to keep such report confidential.

☐ have undergone an inspection by a Certified Access Specialist (CASp) and it was determined that the Premises did not meet all applicable construction-related accessibility standards pursuant to California Civil Code §55.51 et seq. Lessee acknowledges that it received a copy of the inspection report at least 48 hours prior to executing this Lease and agrees to keep such report confidential except as necessary to complete repairs and corrections of violations of construction related accessibility standards.

In the event that the Premises have been issued an inspection report by a CASp the Lessor shall provide a copy of the disability access inspection certificate to Lessee within 7 days of the execution of this Lease.

(b) Since compliance with the Americans with Disabilities Act (ADA) and other state and local accessibility statutes are dependent upon Lessee's specific use of the Premises, Lessor makes no warranty or representation as to whether or not the Premises comply with ADA or any similar legislation. In the event that Lessee's use of the Premises requires modifications or additions to the Premises in order to be in compliance with ADA or other accessibility statutes, Lessee agrees to make any such necessary modifications and/or additions at Lessee's expense.

LESSOR AND LESSEE HAVE CAREFULLY READ AND REVIEWED THIS LEASE AND EACH TERM AND PROVISION CONTAINED HEREIN, AND BY THE EXECUTION OF THIS LEASE SHOW THEIR INFORMED AND VOLUNTARY CONSENT THERETO. THE PARTIES HEREBY AGREE THAT, AT THE TIME THIS LEASE IS EXECUTED, THE TERMS OF THIS LEASE ARE COMMERCIALLY REASONABLE AND EFFECTUATE THE INTENT AND PURPOSE OF LESSOR AND LESSEE WITH RESPECT TO THE PREMISES.

ATTENTION: NO REPRESENTATION OR RECOMMENDATION IS MADE BY AIR CRE OR BY ANY BROKER AS TO THE LEGAL SUFFICIENCY, LEGAL EFFECT, OR TAX CONSEQUENCES OF THIS LEASE OR THE TRANSACTION TO WHICH IT RELATES. THE PARTIES ARE URGED TO:

1. SEEK ADVICE OF COUNSEL AS TO THE LEGAL AND TAX CONSEQUENCES OF THIS LEASE.

2. RETAIN APPROPRIATE CONSULTANTS TO REVIEW AND INVESTIGATE THE CONDITION OF THE PREMISES. SAID INVESTIGATION SHOULD INCLUDE BUT NOT BE LIMITED TO: THE POSSIBLE PRESENCE OF HAZARDOUS SUBSTANCES, THE ZONING OF THE PREMISES, THE STRUCTURAL INTEGRITY, THE CONDITION OF THE ROOF AND OPERATING SYSTEMS, AND THE SUITABILITY OF THE PREMISES FOR LESSEE'S INTENDED USE.

WARNING: IF THE PREMISES ARE LOCATED IN A STATE OTHER THAN CALIFORNIA, CERTAIN PROVISIONS OF THE LEASE MAY NEED TO BE REVISED TO COMPLY WITH THE LAWS OF THE STATE IN WHICH THE PREMISES ARE LOCATED.

The parties hereto have executed this Lease at the place and on the dates specified above their respective signatures.

Executed at: _____	Executed at: _____
On: _____	On: _____
By LESSOR:	**By LESSEE:**
Orsini Court Trust	City of Brisbane
By: _____	By: _____
Name Printed: Elena Court	Name Printed: Clayton Holstine
Title: _____	Title: _____
Phone: _____	Phone: _____
Fax: _____	Fax: _____
Email: _____	Email: _____
By: _____	By: _____
Name Printed: _____	Name Printed: _____
Title: _____	Title: _____
Phone: _____	Phone: _____
Fax: _____	Fax: _____
Email: _____	Email: _____
Address: _____	Address: _____
Federal ID No.: _____	Federal ID No.: _____
BROKER	**BROKER**
CBRE, Inc.	CBRE, Inc.
Attn: Damon Schor/Karl Hansen	Attn: Karl Hansen
Title: _____	Title: _____
Address: 400 Hamilton Ave Palo Alto, CA 94301	Address: 1450 Chapin Ave, Ste 200 Burlingame, CA 94010
Phone: (650) 494-5121 / (415) 706-6734	Phone: (415) 706-6734
_____	_____
INITIALS	**INITIALS**

M.

Fax: _____
Email: damon.schor@cbre.com / karl.hansen@cbre.com
Federal ID No.: _____
Broker DRE License #: 00409987
Agent DRE License #: 01317778/01351383

Fax: _____
Email: karl.hansen@cbre.com
Federal ID No.: _____
Broker DRE License #: 00409987
Agent DRE License #: 01351383

_____ _____
INITIALS INITIALS

M.

ADDENDUM TO LEASE
By and between
ORSINI COURT TRUST as Lessor and
CITY OF BRISBANE as Lessee
Property Address: 25 Park Place, Brisbane, California 94005

This Addendum is incorporated into and made a part of that certain AIR Standard Industrial/Commercial Single-Tenant Lease ("Lease") dated for reference purposes July 1, 2021 as described above. In the event of any conflict between the terms of the Lease and the terms of this Addendum, the terms of this Addendum shall prevail.

51. **RENT:** Rent shall be paid in lawful money of the United States of America payable to Orsini Court Trust at the following address: P.O. Box 928, Brisbane, CA 94005 or at such other place as Lessor may designate in writing, free from all claims, demands or set-offs against Lessor of any kind or character whatsoever (except as otherwise expressly set forth herein). Lessee understands that no monthly rental invoices will be sent to Lessee.

    In accordance with the terms of the Lease, the entire Rent amount must be received (not mailed) by Lessor on or before 5:00pm on the first (1st) day of each month. If the entire Rent amount is not received by Lessor by 5:00 PM on the 5th day of the month, then, without any requirement for notice to Lessee, Lessee shall immediately pay to Lessor a one-time late charge equal to 10% the total monthly Rent.

52. **RENT AND RENT INCREASES:** The gross Base Rental and Base Rental increases shall be as follows:

Commencement Date – December 31, 2022:	$25,000 per month
January 1, 2023 – December 31, 2023:	$25,750 per month
January 1, 2024 – December 31, 2024:	$26,522 per month
January 1, 2025 – December 31, 2025:	$27,318 per month
January 1, 2026 – December 31, 2026:	$28,138 per month
January 1, 2027 – December 31, 2027:	$28,982 per month
January 1, 2028 – December 31, 2028:	$29,851 per month
January 1, 2029 – December 31, 2029:	$30,747 per month
January 1, 2030 – December 31, 2030:	$31,669 per month
January 1, 2031 – December 31, 2031:	$32,619 per month

53. **MANAGEMENT FEE:** Lessee shall reimburse Lessor for Lessee's management fee, within 5 days of receipt of Lessor's notice that a management fee has been incurred and thereafter monthly together with Base Rental when Base Rental is paid. Management Fee shall not exceed 5% of Base Rental.

54. **ROOF PENETRATION:** Lessee shall not make any roof penetration of any kind without Lessor's prior written approval. Any Lessee required roof repairs or roof work shall be performed by Lessor's roofing contractor only, at the Lessee's sole cost and expense. Lessee shall reimburse the full cost of such work to Lessor within 30 days upon written demand. Any unauthorized roof penetration by Lessee shall be a violation of the Lease. Such a violation would be just cause for Lessee's Security Deposit to be used per Paragraph 5.

55. **CONDITION OF PREMISES:** Lessor shall deliver the Premises with the roof, HVAC system, electrical, plumbing and lighting in good working condition in accordance with the terms of the Lease. The Premises have not undergone an inspection by a certified ADA specialist.

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Otherwise, the Premises shall be delivered AS IS. Without limiting the generality of the foregoing, the Premises shall be delivered without any warranty as to its compliance with Applicable Requirements.

56. **PARKING LOT & STORAGE:** Lessee shall have rights to all parking spaces at the Premises at no charge during the term of the lease. Parking spaces and parking lot may not be used for storage. There is to be no washing or work done on vehicles on the property. Lessee is responsible maintaining its parking spaces and for keeping its spaces oil free, and for providing all signage and striping per Applicable Requirements.

57. **SIGNS:** Lessee shall have the right to place monument signage at the property and other signage, subject to applicable legal requirements, approvals and Lessor's consent. Lessee shall be responsible, at its sole expense, for its own sign installation and removal at the end of Lease Term or earlier termination thereof. At Lessee's expense, Lessee shall remove all signage, logos, etc. and repair any damages caused by its installation and removal at the end of Lease Term or earlier termination thereof. Lessee shall receive prior written approval of Lessor prior to installing any signage. Lessee is responsible for obtaining any required permits at its sole expense.

58. **LOCKS & ALARM:** Door locks may not be changed or removed without prior written permission of Lessor. If permission is requested and approved, Lessee shall provide Lessor with 2 keys (copies) to each door lock(s). If Lessee installs an alarm system, Lessee shall provide Lessor with an access code. Lessee shall remove all equipment and restore any damages, at Lessee's expense, upon vacating the Premises.

59. **NO RELIANCE ON SECURITY DEVICES OR MEASURES:** Lessee acknowledges that security devices or measures may fail, or be thwarted by criminals, or by electrical, or by mechanical malfunction. Therefore, Lessee acknowledges that it should not rely on such devices or measures and should protect itself and its property as if these devices or measures did not exist. Lessor is not responsible for any failures of the security devices or measures. Lessee will be fully responsible for any repairs, maintenance and or replacements of such devices.

60. **SMOKING PROHIBITION**: Smoking on the Premises and in the common areas is prohibited under this Lease and by any applicable laws at all times.

61. **ADVERTISING THE PREMISES**: Lessee may not advertise the Premises, or any portion of it without prior written permission by Lessor. All advertisements must be approved by Lessor in writing. Lessee shall not advertise and/or lease the Premises, or any portion of it on any poster, sign, newspaper, billboard, magazine, listing services, second party services or agencies, television, radio, flyer, ar any website.

62. **RODENTS AND INSECT**: Lessor and Lessee have inspected the Premises prior to entering into this lease and know of no rodent or insect infestation. If the presence of rodents or insects are found during tenancy in the Premises, Lessee shall be responsible for the cost of extermination and any damage caused by the infestation. Lessor shall cooperate with all pest control efforts.

63. **ASSIGNMENT AND SUBLETTING:** In the event of an assignment or subletting, Lessor and Lessee shall equally share and divide any premium (after Lessee's deduction for reasonable costs and expenses incurred by Lessee related to such assignment or subletting), whether in the form of (a) a lump sum payment (s) in consideration of the assignment or subletting, and/or (b) the payment of the rent by the Sublessee, in an amount greater than that provided for in this Lease, that result from such assignment or subletting.

M.

64. **RIGHT OF FIRST OFFER TO PURCHASE:** If during the Lease Term the Lessor decides the sell the Premises, the Lessor shall give the Lessee a written notice offering Lessee the first right to purchase the Premises at price and terms under which Lessor is willing to sell ("First Offer"). Lessee shall have 30 days to accept the First Offer or make a counter offer. If Lessee does not accept the First Offer or Landlord does not accept the counter offer, then Lessor shall have the right to sell the Premises to any other purchaser; provided, however, that if Lessor receives a written offer to purchase the Premises that is 10% lower than the First Offer and Lessor intends to accept such offer, Lessor, before accepting such offer, shall offer Lessee the right to purchase the Premises at that same purchase price ("Second Offer"). Lessee shall have 30 days to accept the Second Offer.

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File Attachments for Item:

N. Consider Introduction of Ordinance 663 adding Chapter 8.25 " Mandatory Organic Waste Disposal Reduction" to the Brisbane Municipal Code

CITY COUNCIL AGENDA REPORT

Meeting Date: September 23, 2021

From: Director of Public Works/City Engineer

Subject: Ordinance 663 – Organic Waste Reduction

Community Goal/Result: Ecological Sustainability - Brisbane will be a leader in setting policies and practicing service delivery innovations that promote ecological sustainability

Purpose: To revise the Brisbane Municipal Code (BMC) so that the City is in full compliance with state recycling laws.

Recommendation: Introduce Ordinance No. 663, waiving first reading, adding Chapter 8.25 "Mandatory Organic Waste Disposal Reduction" to the Brisbane Municipal Code.

Background

The language in the following paragraphs is copied verbatim from the July 15, 2021 staff report to City Council on "Preview of SB 1383 Requirements".

SB 1383 (Lara, 2016) is a prescriptive organic waste reduction mandate intended to reduce short-lived climate pollutants (primarily methane) that are produced from the degradation of organics in landfills. While the prescriptive nature of this law provides less leeway in the actions cities may take, it is generally seen as an improvement over AB 939 (California Integrated Waste Management Act, Sher, 1989), which simply mandated that cities reduce their diversion of solid waste to landfills by 50 percent.

There is an exceptionally detailed presentation provided by the California Department of Resources Recycling and Recovery ("CalRecycle") attached to this report for the interested reader. In simplest terms, the efforts required of the city and its solid waste franchisees are as follows:

1. Provide organic collection to ALL residents and businesses
2. Participate in an edible food recovery program
3. Conduct education and outreach
4. Procure recyclable and recovered organic products
5. Monitor compliance and conduct enforcement

The city and South San Francisco Scavenger are already well on the path to accomplishing these items. Scavenger already offers an on-request three-container "source separated" collection service to satisfy item 1, and is ready to expand that to all addresses. Similarly, city and Scavenger staff already cooperate in outreach programs, which will be continued to satisfy item 3. With regards to item 4, Scavenger presently produces enough diesel gallon equivalents of renewable natural gas to satisfy our required procurement, and the city will further comply by meeting the recycled paper procurement requirements, which will be addressed in Ordinance 664. Circling back to item 2, city staff has liaisoned with San Mateo County staff, who have taken the lead in establishing an edible food recovery program.

The final item to be addressed is compliance and enforcement. There are prescriptive items required of the franchisee (e.g., they are required to list their landfill for organics disposal) and of the city (recordkeeping requirements, the authority to cite noncompliant parties, etc.). Implementation of all of these requirements requires modification to the city's municipal code, and some minor revisions to the current franchise agreements.

SB 1383's inspection and enforcement requirements dictate adoption of an ordinance with enforceable mechanisms by 2022, compliance monitoring and education from 2022-2024, and enforcement in 2024. Staff's recent experience with the "education and encouragement" required by AB 341 (Chesbro, 2011 mandatory commercial recycling) and AB 1826 (Chesbro, 2014, mandatory organic recycling) is that voluntary compliance and change of behavior can occur over a shorter period than 2 years. Therefore, staff's recommendation to the Infrastructure, Utilities & Franchise Subcommittee at its 1/26/21 meeting was that the education period be shortened to 1 year, and compliance to be required at the end of that 1st year. That recommendation is retained in the attached ordinance.

Discussion

Ordinance 663 was drafted following a template provided by CalRecycle. The language therein reflects the requirements found in multiple Assembly and Senate bills and acts, and as such, the city has little discretion in deciding whether to adopt these requirements.

Fiscal Impact

There will be no immediate impact to the city or its residents as a result of implementing the above listed items. However, as the requirements of SB 1383 become more intense (e.g., the requirement to complete compliance reviews to confirm items placed in containers are source separated), it seems likely that a result of anticipated negotiations between the city and its franchisees regarding these duties may eventually result in revised rate schedules.

Attachments

1. Ordinance No. 663
2. CalRecycle presentation - SB 1383 – Reducing Short-Lived Climate Pollutants in California

Measure of Success

The City's complete compliance with SB 1383, with the associated end result of a reduction in landfill methane production.

RJ Breault
_____
Randy L. Breault, Public Works Director

Clayton Holstine
_____
Clayton L. Holstine, City Manager

ORDINANCE NO. 663

AN ORDINANCE OF THE CITY OF BRISBANE ADDING CHAPTER 8.25 TO THE MUNICIPAL CODE PERTAINING TO MANDATORY ORGANIC WASTE DISPOSAL REDUCTION

The City Council of the City of Brisbane hereby ordains as follows:

SECTION 1: Chapter 8.25 is hereby added to Title 8 of the Municipal Code:

§8.25.010 - Purpose and Findings

The City finds and declares:

A. State recycling law, Assembly Bill 939 of 1989, the California Integrated Waste Management Act of 1989 (California Public Resources Code Section 40000, et seq., as amended, supplemented, superseded, and replaced from time to time), requires cities and counties to reduce, reuse, and recycle (including composting) Solid Waste generated in their jurisdictions to the maximum extent feasible before any incineration or landfill disposal of waste, to conserve water, energy, and other natural resources, and to protect the environment.

B. State recycling law, Assembly Bill 341 of 2011 (approved by the Governor of the State of California on October 5, 2011, which amended Sections 41730, 41731, 41734, 41735, 41736, 41800, 42926, 44004, and 50001 of, and added Sections 40004, 41734.5, and 41780.01 and Chapter 12.8 (commencing with Section 42649) to Part 3 of Division 30 of, and added and repealed Section 41780.02 of, the Public Resources Code, as amended, supplemented, superseded and replaced from time to time), places requirements on businesses and Multi-Family property owners that generate a specified threshold amount of Solid Waste to arrange for recycling services and requires jurisdictions to implement a Mandatory Commercial Recycling program.

C. State organics recycling law, Assembly Bill 1826 of 2014 (approved by the Governor of the State of California on September 28, 2014, which added Chapter 12.9 (commencing with Section 42649.8) to Part 3 of Division 30 of the Public Resources Code, relating to Solid Waste, as amended, supplemented, superseded, and replaced from time to time), requires businesses and Multi-Family property owners that generate a specified threshold amount of Solid Waste, Recycling, and Organic Waste per week to arrange for recycling services for that waste, requires jurisdictions to implement a recycling program to divert Organic Waste from businesses subject to the law, and requires jurisdictions to implement a Mandatory Commercial Organics Recycling program.

D. SB 1383, the Short-lived Climate Pollutant Reduction Act of 2016, requires CalRecycle to develop regulations to reduce organics in landfills as a source of methane. The regulations place requirements on multiple entities including jurisdictions, residential households, Commercial Businesses and business owners, Commercial Edible Food Generators, haulers, Self-Haulers, Food Recovery Organizations, and Food Recovery Services to support achievement of Statewide Organic Waste disposal reduction targets.

E. SB 1383, the Short-lived Climate Pollutant Reduction Act of 2016, requires jurisdictions to adopt and enforce an ordinance or enforceable mechanism to implement relevant provisions of SB 1383 Regulations. This ordinance will also help reduce food insecurity by requiring Commercial Edible Food Generators to arrange to have the maximum amount of their Edible Food, that would otherwise be disposed, be recovered for human consumption.

F. Requirements in this ordinance are consistent with other adopted goals and policies of the City including the Recycling and Diversion of Debris from Construction and Demolition ordinance, and the Climate Action Plan, particularly its goals of higher diversion rates for the community, 95% diversion of municipal waste, and environmentally preferred product purchasing policy.

§8.25.020 - Definitions

A. “Blue Container” has the same meaning as in 14 CCR Section 18982.2(a)(5) and shall be used for the purpose of storage and collection of Source Separated Recyclable Materials or Source Separated Blue Container Organic Waste.

B. “CalRecycle” means California's Department of Resources Recycling and Recovery, which is the Department designated with responsibility for developing, implementing, and enforcing SB 1383 Regulations on Cities (and others).

C. “California Code of Regulations” or “CCR” means the State of California Code of Regulations. CCR references in this ordinance are preceded with a number that refers to the relevant Title of the CCR (e.g., “14 CCR” refers to Title 14 of CCR).

D. “City” means the City of Brisbane.

E. “City Enforcement Officer” means any city employee or employee of a contracting agency, including the county, or any agent of the city, having the authority to enforce any applicable law. The Designee for Edible Food Recovery is a City Enforcement Officer.

F. “Commercial Business” or “Commercial” means a firm, partnership, proprietorship, joint-stock company, corporation, or association, whether for-profit or nonprofit, strip mall, industrial facility, or a multifamily residential dwelling, or as otherwise defined in 14 CCR Section 18982(a)(6). A Multi-Family Residential Dwelling that consists of fewer than five (5) units is not a Commercial Business for purposes of implementing this ordinance.

G. “Commercial Edible Food Generator” includes a Tier One or a Tier Two Commercial Edible Food Generator as defined in this ordinance or as otherwise defined in 14 CCR Section 18982(a)(73) and (a)(74). For the purposes of this definition, Food Recovery Organizations and Food Recovery Services are not Commercial Edible Food Generators pursuant to 14 CCR Section 18982(a)(7).

H. “Compliance Review” means a review of records by City or its Designee to determine compliance with this ordinance.

I. “Community Composting” means any activity that composts green material, agricultural material, food material, and vegetative food material, alone or in combination, and the total amount of feedstock and Compost on-site at any one time does not exceed 100 cubic yards and 750 square feet, as specified in 14 CCR Section 17855(a)(4); or, as otherwise defined by 14 CCR Section 18982(a)(8).

J. “Compost” has the same meaning as in 14 CCR Section 17896.2(a)(4), which stated, as of the effective date of this ordinance, that “Compost” means the product resulting from the controlled biological decomposition of organic Solid Wastes that are Source Separated from the municipal Solid Waste stream, or which are separated at a centralized facility.

K. “Compostable Plastics” or “Compostable Plastic” means plastic materials that meet the ASTM D6400 standard for compostability, or as otherwise described in 14 CCR Section 18984.1(a)(1)(A) or 18984.2(a)(1)(C).

L. “Container Contamination” or “Contaminated Container” means a container, regardless of color, that contains Prohibited Container Contaminants, or as otherwise defined in 14 CCR Section 18982(a)(55).

M. “C&D” means construction and demolition debris.

N. “Designee” means an entity that a City contracts with or otherwise arranges to carry out any of the City’s responsibilities of this ordinance as authorized in 14 CCR Section 18981.2. A Designee may be a government entity, a hauler, a private entity, or a combination of those entities (e.g., Designee for Edible Food Recovery).

O. “Edible Food” means food intended for human consumption, or as otherwise defined in 14 CCR Section 18982(a)(18). For the purposes of this ordinance or as otherwise defined in 14 CCR Section 18982(a)(18), “Edible Food” is not Solid Waste if it is recovered and not discarded. Nothing in this ordinance or in 14 CCR, Division 7, Chapter 12 requires or authorizes the Recovery of Edible Food that does not meet the food safety requirements of the California Retail Food Code.

P. “Edible Food Recovery” means actions to collect, receive, and/or re-distribute Edible Food for human consumption from Tier One and Tier Two Commercial Edible Food Generators that otherwise would be disposed.

Q. “Enforcement Action" means an action of the City or the City Enforcement Officer to address non-compliance with this ordinance including, but not limited to, issuing administrative citations, fines, penalties, or using other remedies.

R. “Excluded Waste” means hazardous substance, hazardous waste, infectious waste, designated waste, volatile, corrosive, medical waste, infectious, regulated radioactive waste, and toxic substances or material that facility operator(s), which receive materials from the City and its generators, reasonably believe(s) would, as a result of or upon acceptance, transfer, processing, or disposal, be a violation of local, State, or Federal law, regulation, or ordinance, including: land use restrictions or conditions, waste that cannot be disposed of in Class III landfills or accepted at the facility by permit conditions, waste that in City’s, or its Designee’s reasonable opinion would present a significant risk to human health or the environment, cause a nuisance or otherwise create or expose City, or its Designee, to potential liability; but not including de minimis volumes or concentrations of waste of a type and amount normally found in Single-Family or Multi-Family Solid Waste after implementation of programs for the safe collection, processing, recycling, treatment, and disposal of batteries and paint in compliance with Sections 41500 and 41802 of the California Public Resources Code. Excluded Waste does not include used motor oil and filters, cell phones, and household batteries generated by Single Family residential premises.

S. “Food Distributor” means a company that distributes food to entities including, but not limited to, Supermarkets and Grocery Stores, or as otherwise defined in 14 CCR Section 18982(a)(22).

T. “Food Facility” has the same meaning as in Section 113789 of the Health and Safety Code.

U. “Food Recovery” means actions to collect and distribute food for human consumption that otherwise would be disposed, or as otherwise defined in 14 CCR Section 18982(a)(24).

V. “Food Recovery Organization” means an entity that engages in the collection or receipt of Edible Food from Commercial Edible Food Generators and distributes that Edible Food to the public for Food Recovery either directly or through other entities or as otherwise defined in 14 CCR Section 18982(a)(25), including, but not limited to:

1. A food bank as defined in Section 113783 of the Health and Safety Code;

2. A nonprofit charitable organization as defined in Section 113841 of the Health and Safety code; and,

3. A nonprofit charitable temporary food facility as defined in Section 113842 of the Health and Safety Code.

A Food Recovery Organization is not a Commercial Edible Food Generator for the purposes of this ordinance and implementation of 14 CCR, Division 7, Chapter 12 pursuant to 14 CCR Section 18982(a)(7).

If the definition in 14 CCR Section 18982(a)(25) for Food Recovery Organization differs from this definition, the definition in 14 CCR Section 18982(a)(25) shall apply to this ordinance.

W. "Food Recovery Service" means a person or entity that collects and transports Edible Food from a Commercial Edible Food Generator to a Food Recovery Organization or other entities for Food Recovery, or as otherwise defined in 14 CCR Section 18982(a)(26). A Food Recovery Service is not a Commercial Edible Food Generator for the purposes of this ordinance and implementation of 14 CCR, Division 7, Chapter 12 pursuant to 14 CCR Section 18982(a)(7).

X. "Food Scraps" means all food such as, but not limited to, fruits, vegetables, meat, poultry, seafood, shellfish, bones, rice, beans, pasta, bread, cheese, and eggshells. Food Scraps excludes fats, oils, and grease when such materials are Source Separated from other Food Scraps, and are not absorbed into Food Soiled Paper.

Y. "Food Service Provider" means an entity primarily engaged in providing food services to institutional, governmental, Commercial, or industrial locations of others based on contractual arrangements with these types of organizations, or as otherwise defined in 14 CCR Section 18982(a)(27).

Z. "Food-Soiled Paper" is compostable paper material that has come in contact with food or liquid, such as, but not limited to, compostable paper plates, paper coffee cups, napkins, pizza boxes, and other cartons composed of compostable materials.

AA. "Food Waste" means Food Scraps and Food-Soiled Paper.

BB. "Gray Container" has the same meaning as in 14 CCR Section 18982.2(a)(28) and shall be used for the purpose of storage and collection of Gray Container Waste.

CC. "Gray Container Waste" means Solid Waste that is collected in a Gray Container that is part of a three-container Organic Waste collection service that prohibits the placement of Organic Waste in the Gray Container as specified in 14 CCR Sections 18984.1(a) and (b), or as otherwise defined in 14 CCR Section 17402(a)(6.5).

DD. "Green Container" has the same meaning as in 14 CCR Section 18982.2(a)(29) and shall be used for the purpose of storage and collection of Source Separated Green Container Organic Waste.

EE. “Greenhouse gas (GHG)” means carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), sulfur hexafluoride (SF6), hydrofluorocarbons (HFC), perfluorocarbons (PFC), and other fluorinated greenhouse gases as defined in this section.

FF. “Greenhouse gas emission reduction” or “greenhouse gas reduction” means actions designed to achieve a calculated decrease in greenhouse gas emissions over time.

GG. “Grocery Store” means a store primarily engaged in the retail sale of canned food; dry goods; fresh fruits and vegetables; fresh meats, fish, and poultry; and any area that is not separately owned within the store where the food is prepared and served, including a bakery, deli, and meat and seafood departments, or as otherwise defined in 14 CCR Section 18982(a)(30).

EE. “Hauler Route” means the designated itinerary or sequence of stops for each segment of the City’s solid waste collection zones, or as otherwise defined in 14 CCR Section 18982(a)(31.5).

FF. “High Diversion Organic Waste Processing Facility” means a facility that is in compliance with the reporting requirements of 14 CCR Section 18815.5(d) and meets or exceeds an annual average Mixed Waste organic content Recovery rate of 50 percent between January 1, 2022 and December 31, 2024, and 75 percent after January 1, 2025, as calculated pursuant to 14 CCR Section 18815.5(e) for Organic Waste received from the “Mixed waste organic collection stream” as defined in 14 CCR Section 17402(a)(11.5); or, as otherwise defined in 14 CCR Section 18982(a)(33).

GG. “Inspection” means a site visit where City or City Enforcement Officer reviews records, containers, and an entity’s collection, handling, recycling, or landfill disposal of Organic Waste or Edible Food handling to determine if the entity is complying with requirements set forth in this ordinance, or as otherwise defined in 14 CCR Section 18982(a)(35).

For the purposes of Edible Food Recovery, “Inspection” means actions to review contracts and other records related to the recovery of Edible Food, and may occur off-site via email and other forms of electronic communication, as well as the on-site review of an entity’s records and collection, handling, and other procedures for the recovery of Edible Food to determine if the entity is complying with the requirements of this ordinance.

HH. “Large Event” means an event, including, but not limited to, a sporting event or a flea market, that charges an admission price, or is operated by a local agency, and serves an average of more than 2,000 individuals per day of operation of the event, at a location that includes, but is not limited to, a public, nonprofit, or privately owned park, parking lot, golf course, street system, or other open space when being used for an event. If the definition in 14 CCR Section 18982(a)(38) differs

from this definition, the definition in 14 CCR Section 18982(a)(38) shall apply to this ordinance.

II. "Large Venue" means a permanent venue facility that annually seats or serves an average of more than 2,000 individuals within the grounds of the facility per day of operation of the venue facility. For purposes of this ordinance and implementation of 14 CCR, Division 7, Chapter 12, a venue facility includes, but is not limited to, a public, nonprofit, or privately owned or operated stadium, amphitheater, arena, hall, amusement park, conference or civic center, zoo, aquarium, airport, racetrack, horse track, performing arts center, fairground, museum, theater, or other public attraction facility. For purposes of this ordinance and implementation of 14 CCR, Division 7, Chapter 12, a site under common ownership or control that includes more than one Large Venue that is contiguous with other Large Venues in the site, is a single Large Venue. If the definition in 14 CCR Section 18982(a)(39) differs from this definition, the definition in 14 CCR Section 18982(a)(39) shall apply to this ordinance.

JJ. "Local Education Agency" means a school district, charter school, or county office of education that is not subject to the control of city or county regulations related to Solid Waste, or as otherwise defined in 14 CCR Section 18982(a)(40).

KK. "Multi-Family Residential Dwelling" or "Multi-Family" means of, from, or pertaining to residential premises with five (5) or more dwelling units. Multi-Family premises do not include hotels, motels, or other transient occupancy facilities, which are considered Commercial Businesses.

LL. "MWELO" refers to the Model Water Efficient Landscape Ordinance (MWELO), 23 CCR, Division 2, Chapter 2.7and Chapter 15.70 of the Brisbane Municipal Code.

MM. "Non-Compostable Paper" includes but is not limited to paper that is coated in a plastic material that will not breakdown in the composting process, or as otherwise defined in 14 CCR Section 18982(a)(41). This definition includes, but is not limited to, laminated and plastic lined paper items, foil/metallic paper, photo paper, baby and disinfecting wipes, and paper coated in hazardous or toxic fluids/products.

NN. "Non-Local Entity" means the following entities that are not subject to the City's enforcement authority, or as otherwise defined in 14 CCR Section 18982(a)(42):

1. State agencies located within the boundaries of the City, including the California Department of Fish and Wildlife.

2. Federal facilities located within the boundaries of the City, including the U.S. Postal Service Post Office, and the San Bruno Mountain Habitat Conservation Plan.

OO. "Non-Organic Recyclables" means non-putrescible and non-hazardous recyclable wastes including but not limited to bottles, cans, metals, plastics and glass, or as otherwise defined in 14 CCR Section 18982(a)(43).

PP. “Notice of Violation (NOV)” means a notice that a violation has occurred that includes a compliance date to avoid an action to seek penalties, or as otherwise defined in 14 CCR Section 18982(a)(45) or further explained in 14 CCR Section 18995.4.

QQ. “Organic Waste” means Solid Waste containing material originated from living organisms and their metabolic waste products, including but not limited to food, green material, landscape and pruning waste, organic textiles and carpets, lumber, wood, Paper Products, Printing and Writing Paper, manure, biosolids, digestate, and sludges or as otherwise defined in 14 CCR Section 18982(a)(46). Biosolids and digestate are as defined by 14 CCR Section 18982(a).

RR. “Organic Waste Generator” means a person or entity that is responsible for the initial creation of Organic Waste, or as otherwise defined in 14 CCR Section 18982(a)(48).

SS. “Paper Products” include, but are not limited to, paper janitorial supplies, cartons, wrapping, packaging, file folders, hanging files, corrugated boxes, tissue, and toweling, or as otherwise defined in 14 CCR Section 18982(a)(51).

TT. “Printing and Writing Papers” include, but are not limited to, copy, xerographic, watermark, cotton fiber, offset, forms, computer printout paper, white wove envelopes, manila envelopes, book paper, note pads, writing tablets, newsprint, and other uncoated writing papers, posters, index cards, calendars, brochures, reports, magazines, and publications, or as otherwise defined in 14 CCR Section 18982(a)(54).

UU. “Prohibited Container Contaminants” means the following: (i) discarded materials placed in the Blue Container that are not identified as acceptable Source Separated Recyclable Materials for the City’s Blue Container; (ii) discarded materials placed in the Green Container that are not identified as acceptable Source Separated Green Container Organic Waste for the City’s Green Container; (iii) discarded materials placed in the Gray Container that are acceptable Source Separated Recyclable Materials and/or Source Separated Green Container Organic Wastes to be placed in City’s Green Container and/or Blue Container; and, (iv) Excluded Waste placed in any container.

VV. “Recovered Organic Waste Products” means products made from California, landfill-diverted recovered Organic Waste processed in a permitted or otherwise authorized facility, or as otherwise defined in 14 CCR Section 18982(a)(60).

WW. “Recovery” means any activity or process described in 14 CCR Section 18983.1(b), or as otherwise defined in 14 CCR Section 18982(a)(49).

XX. “Recycled-Content Paper” means Paper Products and Printing and Writing Paper that consists of at least 30 percent, by fiber weight, postconsumer fiber, or as otherwise defined in 14 CCR Section 18982(a)(61).

YY. “Regional Agency” means regional agency as defined in Public Resources Code Section 40181.

ZZ. “Regional or County Agency Enforcement Official” means a regional or county agency enforcement official, designated by the City with responsibility for enforcing the ordinance in conjunction or consultation with City Enforcement Officer.

AAA. “Remote Monitoring” means the use of the internet of things (IoT) and/or wireless electronic devices to visualize the contents of Blue Containers, Green Containers, and Gray Containers for purposes of identifying the quantity of materials in containers (level of fill) and/or presence of Prohibited Container Contaminants.

BBB. “Renewable Gas” means gas derived from Organic Waste that has been diverted from a California landfill and processed at an in-vessel digestion facility that is permitted or otherwise authorized by 14 CCR to recycle Organic Waste, or as otherwise defined in 14 CCR Section 18982(a)(62).

CCC. “Restaurant” means an establishment primarily engaged in the retail sale of food and drinks for on-premises or immediate consumption, or as otherwise defined in 14 CCR Section 18982(a)(64).

DDD. “Route Review” means a visual Inspection of containers along a hauler route for the purpose of determining Container Contamination, and may include mechanical Inspection methods such as the use of cameras, or as otherwise defined in 14 CCR Section 18982(a)(65).

EEE. “SB 1383” means Senate Bill 1383 of 2016 approved by the Governor on September 19, 2016, which added Sections 39730.5, 39730.6, 39730.7, and 39730.8 to the Health and Safety Code, and added Chapter 13.1 (commencing with Section 42652) to Part 3 of Division 30 of the Public Resources Code, establishing methane emissions reduction targets in a Statewide effort to reduce emissions of short-lived climate pollutants as amended, supplemented, superseded, and replaced from time to time.

FFF. “SB 1383 Regulations” or “SB 1383 Regulatory” means or refers to, for the purposes of this ordinance, the Short-Lived Climate Pollutants: Organic Waste Reduction regulations developed by CalRecycle and adopted in 2020 that created 14 CCR, Division 7, Chapter 12 and amended portions of regulations of 14 CCR and 27 CCR.

GGG. “Self-Hauler” means a person, who hauls Solid Waste, Organic Waste or recyclable material he or she has generated to another person. Self-hauler also includes a person who back-hauls waste, or as otherwise defined in 14 CCR Section 18982(a)(66). Back-haul means generating and transporting Organic Waste to a destination owned and operated by the generator using the generator’s own employees and equipment, or as otherwise defined in 14 CCR Section 18982(a)(66)(A).

For the purposes of Edible Food Recovery, "Self-Hauler" means a Commercial Edible Food Generator which holds a contract with and hauls Edible Food to a Food Recovery Organization or other site for redistribution according to the requirements of this ordinance.

HHH. "Single-Family" means of, from, or pertaining to any residential premises with fewer than five (5) units.

III. "Solid Waste" has the same meaning as defined in State Public Resources Code Section 40191, which defines Solid Waste as all putrescible and nonputrescible solid, semisolid, and liquid wastes, including garbage, trash, refuse, paper, rubbish, ashes, industrial wastes, demolition and construction wastes, abandoned vehicles and parts thereof, discarded home and industrial appliances, dewatered, treated, or chemically fixed sewage sludge which is not hazardous waste, manure, vegetable or animal solid and semi-solid wastes, and other discarded solid and semisolid wastes, with the exception that Solid Waste does not include any of the following wastes:

1. Hazardous waste, as defined in the State Public Resources Code Section 40141.

2. Radioactive waste regulated pursuant to the State Radiation Control Law (Chapter 8 (commencing with Section 114960) of Part 9 of Division 104 of the State Health and Safety Code).

3. Medical waste regulated pursuant to the State Medical Waste Management Act (Part 14 (commencing with Section 117600) of Division 104 of the State Health and Safety Code). Untreated medical waste shall not be disposed of in a Solid Waste landfill, as defined in State Public Resources Code Section 40195.1. Medical waste that has been treated and deemed to be Solid Waste shall be regulated pursuant to Division 30 of the State Public Resources Code.

JJJ. "Solid Waste Franchisee" means an entity that has entered into an agreement with City for collection of recyclable materials, organic materials, and solid waste materials in one or more solid waste collection zones in the City of Brisbane.

KKK. "Source Separated" means materials, including commingled recyclable materials, that have been separated or kept separate from the Solid Waste stream, at the point of generation, for the purpose of additional sorting or processing those materials for recycling or reuse in order to return them to the economic mainstream in the form of raw material for new, reused, or reconstituted products, which meet the quality standards necessary to be used in the marketplace, or as otherwise defined in 14 CCR Section 17402.5(b)(4). For the purposes of this ordinance, Source Separated shall include separation of materials by the generator, property owner, property owner's employee, property manager, or property manager's employee into different containers for the purpose of collection such that Source

Separated materials are separated from Gray Container Waste or other Solid Waste for the purposes of collection and processing.

LLL. "Source Separated Blue Container Organic Waste" means Source Separated Organic Wastes that can be placed in a Blue Container that is limited to the collection of those Organic Wastes and Non-Organic Recyclables as defined in Section 18982(a)(43), or as otherwise defined by Section 17402(a)(18.7).

MMM. "Source Separated Green Container Organic Waste" means Source Separated Organic Waste that can be placed in a Green Container that is specifically intended for the separate collection of Organic Waste by the generator, excluding Source Separated Blue Container Organic Waste, carpets, Non-Compostable Paper, and textiles.

NNN. "Source Separated Recyclable Materials" means Source Separated Non-Organic Recyclables and Source Separated Blue Container Organic Waste.

OOO. "State" means the State of California.

PPP. "Supermarket" means a full-line, self-service retail store with gross annual sales of two million dollars ($2,000,000), or more, and which sells a line of dry grocery, canned goods, or nonfood items and some perishable items, or as otherwise defined in 14 CCR Section 18982(a)(71).

QQQ. "Tier One Commercial Edible Food Generator" means a Commercial Edible Food Generator that is one of the following:

1. Supermarket.

2. Grocery Store with a total facility size equal to or greater than 10,000 square feet.

3. Food Service Provider.

4. Food Distributor.

5. Wholesale Food Vendor.

If the definition in 14 CCR Section 18982(a)(73) of Tier One Commercial Edible Food Generator differs from this definition, the definition in 14 CCR Section 18982(a)(73) shall apply to this ordinance.

QQQ. "Tier Two Commercial Edible Food Generator" means a Commercial Edible Food Generator that is one of the following:

1. Restaurant with 250 or more seats, or a total facility size equal to or greater than 5,000 square feet.

2. Hotel with an on-site Food Facility and 200 or more rooms.

3. Health facility with an on-site Food Facility and 100 or more beds.

4. Large Venue.

5. Large Event.

6. A State agency with a cafeteria with 250 or more seats or total cafeteria facility size equal to or greater than 5,000 square feet.

7. A Local Education Agency facility with an on-site Food Facility.

If the definition in 14 CCR Section 18982(a)(74) of Tier Two Commercial Edible Food Generator differs from this definition, the definition in 14 CCR Section 18982(a)(74) shall apply to this ordinance.

RRR. "Trash Container Management Policy" means a written policy approved by City pursuant to an agreement with a Solid Waste Franchisee, which policy is intended to specify the requirements for franchisee to work cooperatively with City to mitigate overloaded and contaminated containers.

SSS. "Uncontainerized Green Waste and Yard Waste Collection Service" or "Uncontainerized Service" means a collection service that collects green waste and yard waste that is placed in a pile or bagged for collection on the street in front of a generator's house or place of business for collection and transport to a facility that recovers Source Separated Organic Waste, or as otherwise defined in 14 CCR Section 189852(a)(75).

TTT. "Wholesale Food Vendor" means a business or establishment engaged in the merchant wholesale distribution of food, where food (including fruits and vegetables) is received, shipped, stored, prepared for distribution to a retailer, warehouse, distributor, or other destination, or as otherwise defined in 14 CCR Section 189852(a)(76).

§8.25.030 – Requirements for Single-Family Generators

Single-Family Organic Waste Generators shall comply with the following requirements

A. Shall subscribe to City's Organic Waste collection services for all Organic Waste generated as described in subsection B below. City and its Designee shall have the right to review the number and size of a generator's containers to evaluate adequacy of capacity provided for each type of collection service for proper separation of materials and containment of materials; and, Single-Family generators shall adjust its service level for its collection services as requested by the City or its Designee. Generators may additionally manage their Organic Waste by preventing or reducing their Organic Waste, managing Organic Waste on site,

and/or using a Community Composting site pursuant to 14 CCR Section 18984.9(c).

B. Shall participate in the City's Organic Waste collection service(s) by placing designated materials in designated containers as described below, and shall not place Prohibited Container Contaminants in collection containers.

1. Three-container collection service (Blue Container, Green Container, and Gray Container).

a. Generator shall place Source Separated Green Container Organic Waste, including Food Waste, in the Green Container; Source Separated Recyclable Materials in the Blue Container; and Gray Container Waste in the Gray Container. Generators shall not place materials designated for the Gray Container into the Green Container or Blue Container.

§8.25.040 – Requirements for Commercial Businesses

Generators that are Commercial Businesses, including Multi-Family Residential Dwellings, shall:

A. Subscribe to City's three-container collection services and comply with requirements of those services as described in subsection B below, except Commercial Businesses that meet the Self-Hauler requirements in §8.25.090 of this ordinance. City and its Designee shall have the right to review the number and size of a generator's containers and frequency of collection to evaluate adequacy of capacity provided for each type of collection service for proper separation of materials and containment of materials; and, Commercial Businesses shall adjust their service level for their collection services as requested by the City or its Designee.

B. Except Commercial Businesses that meet the Self-Hauler requirements in §8.25.090 of this ordinance, participate in the City's Organic Waste collection service(s) by placing designated materials in designated containers as described below.

1. Three-container collection service (Blue Container, Green Container, and Gray Container).

a. Generator shall place Source Separated Green Container Organic Waste, including Food Waste, in the Green Container; Source Separated Recyclable Materials in the Blue Container; and Gray Container Waste in the Gray Container. Generator shall not place materials designated for the Gray Container into the Green Container or Blue Container.

b. Generators that voluntarily elect to participate in cardboard and paper only collection service options shall source separate those waste items as required by City or its Designee.

C. Supply and allow access to adequate number, size and location of collection containers with sufficient labels or colors (conforming with subsection D.1 and D.2 below) for employees, contractors, tenants, and customers, consistent with City's Blue Container, Green Container, and Gray Container collection service or, if self-hauling, per the Commercial Businesses' instructions to support its compliance with its self-haul program, in accordance with §8.25.090.

D. Excluding Multi-Family Residential Dwellings, provide containers for the collection of Source Separated Green Container Organic Waste and Source Separated Blue Container Recyclable Materials in all indoor and outdoor areas where disposal containers are provided for customers, for materials generated by that business. Such containers do not need to be provided in restrooms. If a Commercial Business does not generate any of the materials that would be collected in one type of container, then the business does not have to provide that particular container in all areas where disposal containers are provided for customers. Pursuant to 14 CCR Section 18984.9(b), the containers provided by the business shall have either:

   1. A body or lid that conforms with the container colors provided through the collection service provided by City, with either lids conforming to the color requirements or bodies conforming to the color requirements or both lids and bodies conforming to color requirements. A Commercial Business is not required to replace functional containers, including containers purchased prior to January 1, 2022, that do not comply with the requirements of the subsection prior to the end of the useful life of those containers, or prior to January 1, 2036, whichever comes first.

   2. Container labels that include language or graphic images, or both, indicating the primary material accepted and the primary materials prohibited in that container, or containers with imprinted text or graphic images that indicate the primary materials accepted and primary materials prohibited in the container. Pursuant 14 CCR Section 18984.8, the container labeling requirements are required on new containers commencing January 1, 2022.

E. Multi-Family Residential Dwellings are not required to comply with container placement requirements or labeling requirement in subsection D above pursuant to 14 CCR Section 18984.9(b).

F. To the extent practical through education, training, Inspection, and/or other measures, excluding Multi-Family Residential Dwellings, prohibit employees from placing materials in a container not designated for those materials per the City's Blue Container, Green Container, and Gray Container collection service or, if self-hauling, per the Commercial Businesses' instructions to support its compliance with its self-haul program, in accordance with §8.25.090.

G. Excluding Multi-Family Residential Dwellings, inspect no less than twice annually Blue Containers, Green Containers, and Gray Containers for contamination and

inform employees if containers are contaminated and of the requirements to keep contaminants out of those containers pursuant to 14 CCR Section 18984.9(b)(3).

H. Annually provide information to employees, contractors, tenants, and customers about Organic Waste Recovery requirements and about proper sorting of Source Separated Green Container Organic Waste and Source Separated Blue Container Recyclable Materials.

I. Provide education information before or within fourteen (14) days of occupation of the premises to new tenants that describes requirements to keep Source Separated Green Container Organic Waste and Source Separated Blue Container Recyclable Materials separate from Gray Container Waste (when applicable) and the location of containers and the rules governing their use at each property.

J. Provide or arrange access for City or its Designee to their properties during all Inspections conducted in accordance with §8.25.110 of this ordinance to confirm compliance with the requirements of this ordinance.

K. At Commercial Business's option and subject to any approval required from the City, implement a Remote Monitoring program for Inspection of the contents of its Blue Containers, Green Containers, and Gray Containers for the purpose of monitoring the contents of containers to determine appropriate levels of service and to identify Prohibited Container Contaminants. Generators may install Remote Monitoring devices on or in the Blue Containers, Green Containers, and Gray Containers subject to written notification to or approval by the City or its Designee.

L. If a Commercial Business wants to self-haul, meet the Self-Hauler requirements in §8.25.090 of this ordinance.

M. Nothing in this Section prohibits a generator from preventing or reducing waste generation, managing Organic Waste on site, or using a Community Composting site pursuant to 14 CCR Section 18984.9(c).

N. Commercial Businesses that are Tier One or Tier Two Commercial Edible Food Generators shall comply with Food Recovery requirements, pursuant to §8.25.060.

§8.25.050 – Waivers for Generators

A. De Minimis Waiver. City may waive a Commercial Business' obligation (including Multi-Family Residential Dwellings) to comply with some or all of the Organic Waste requirements of this ordinance if the Commercial Business provides documentation that the business generates below a certain amount of Organic Waste material as described in paragraph 2 below. Commercial Businesses requesting a de minimis waiver shall:

1. Submit an application specifying the services from which the Commercial Business is requesting a waiver and provide documentation as noted in paragraph 2 below.

2. Provide documentation that either:

   a. The Commercial Business' total Solid Waste collection service is two cubic yards or more per week and Organic Waste subject to collection in a Blue Container or Green Container comprises less than 20 gallons per week per applicable container of the business' total waste; or,

   b. The Commercial Business' total Solid Waste collection service is less than two cubic yards per week and Organic Waste subject to collection in a Blue Container or Green Container comprises less than 10 gallons per week per applicable container of the business' total waste.

3. Notify City if circumstances change such that Commercial Business' Organic Waste exceeds threshold required for waiver, in which case waiver will be rescinded.

4. Provide written verification of eligibility for de minimis waiver every 5 years, if City has approved a de minimis waiver.

B. Physical Space Waiver. City may waive a Commercial Business' or property owner's obligations (including Multi-Family Residential Dwellings) to comply with some or all of the recyclable materials and/or Organic Waste collection service requirements if the City has evidence from its own staff, a hauler, licensed architect, or licensed engineer demonstrating that the premises lacks adequate space for the collection containers required for compliance with the Organic Waste collection requirements of §8.25.040. Commercial Businesses requesting a de minimis waiver shall:

   1. Submit an application form specifying the type(s) of collection services for which it is requesting a compliance waiver.

   2. Provide documentation that the premises lacks adequate space for Blue Containers and/or Green Containers including documentation from its hauler, licensed architect, or licensed engineer.

   3. Provide written verification to City every five years that it is still eligible for physical space waiver, if City has approved application for a physical space waiver.

C. Collection Frequency Waiver**.** City, at its discretion and in accordance with 14 CCR Section 18984.11(a)(3), may allow the owner or tenant of any residence, premises, business establishment or industry that subscribes to the City's three-container Organic Waste collection service to arrange for the collection of the

owner's or tenant's Blue Container, Gray Container, or both once every fourteen days, rather than once per week.

§8.25.060 – Requirements for Commercial Edible Food Generators

A. Tier One Commercial Edible Food Generators must comply with the requirements of this Section 8.25.060 commencing January 1, 2022, and Tier Two Commercial Edible Food Generators must comply with the requirements of this Section 8.25.060 commencing January 1, 2024, pursuant to 14 CCR Section 18991.3.

B. Large Venue or Large Event operators not providing food services, but allowing for food to be provided by others, shall require Food Facilities operating at the Large Venue or Large Event to comply with the requirements of this Section 8.25.060, commencing January 1, 2024.

C. Commercial Edible Food Generators shall comply with the following requirements:

1. Arrange to recover the maximum amount of Edible Food that would otherwise be disposed.

2. Use the CalRecycle Model Food Recovery Agreement or the contractual elements contained in the Requirements for Food Recovery Organizations and Food Recovery Services section of this ordinance to contract with, or otherwise enter into a written agreement with Food Recovery Organizations or Food Recovery Services for:

   a. The collection of Edible Food for Edible Food Recovery from the Tier One or Tier Two Commercial Edible Food Generator's premises; or,

   b. The acceptance of Edible Food that the Tier One or Tier Two Commercial Edible Food Generator self-hauls to the Food Recovery Organization.

3. Contract with, or enter into a written agreement with Food Recovery Organizations or Food Recovery Services for: (i) the collection of Edible Food for Food Recovery; or, (ii) acceptance of the Edible Food that the Commercial Edible Food Generator self-hauls to the Food Recovery Organization for Food Recovery.

4. Shall not intentionally spoil Edible Food that is capable of being recovered by a Food Recovery Organization or a Food Recovery Service.

5. Allow City's Enforcement Officer or Designee to access the premises and review records pursuant to 14 CCR Section 18991.4, and to review records related to Edible Food Recovery and/or to provide them electronically if requested by the City or the Designee for Edible Food Recovery.

6. Keep records that include the following information, or as otherwise specified in 14 CCR Section 18991.4:

a. A list of each Food Recovery Service or organization that collects or receives its Edible Food pursuant to a contract or written agreement established under 14 CCR Section 18991.3(b).

b. A copy of all contracts or written agreements established under 14 CCR Section 18991.3(b).

c. A record of the following information for each of those Food Recovery Services or Food Recovery Organizations:

(i) The name, address and contact information of the Food Recovery Service or Food Recovery Organization.

(ii) The types of food that will be collected by or self-hauled to the Food Recovery Service or Food Recovery Organization.

(iii) The established frequency that food will be collected or self-hauled.

(iv) The quantity of food, measured in pounds recovered per month, collected or self-hauled to a Food Recovery Service or Food Recovery Organization for Food Recovery.

7. No later than June 30th of each year commencing no later than July 1, 2022 for Tier One Commercial Edible Food Generators and July 1, 2024 for Tier Two Commercial Edible Food Generators, they shall provide an annual Edible Food Recovery report to the Designee for Edible Food Recovery that includes, but is not limited to, the following information: a list of all contracts with Food Recovery Organizations and Food Recovery Services, the amount and type of Edible Food donated to Food Recovery Organizations and Food Recovery Services, the schedule of Edible Food pickup by Food Recovery Organizations and Food Recovery Services, a list of all types of Edible Food categories they generate, such as “baked goods,” that are not accepted by the Food Recovery Organizations and Food Recovery Services with whom they contract, the contact information for the manager and all staff responsible for Edible Food Recovery, and certification that all staff responsible for Edible Food Recovery have obtained a food handler card through an American National Standards Institute (ANSI) accredited training provider that meets ASTM International E2659-09 Standard Practice for Certificate Programs, such as ServSafe. With the exception of the food safety and handling training certification, Tier One and Tier Two Commercial Edible Food Generators may coordinate with their Edible Food Recovery contractors to supply this information. The Designee for Edible Food Recovery will assist in the preparation of these reports by providing guidance and a template located on the County of San Mateo Office of Sustainability website.

8. Mandate their Edible Food Recovery staff learn and follow the donation guidelines and attend trainings conducted by Food Recovery Organizations or Food Recovery Services with which they contract regarding best practices and

requirements for the timely identification, selection, preparation, and storage of Edible Food to ensure the maximum amount of Edible Food is recovered and to avoid supplying food for collection that is moldy, has been improperly stored, or is otherwise unfit for human consumption.

9. Tier One and Tier Two Commercial Edible Food Generators who self-haul Edible Food shall require those transporting Edible Food for recovery to obtain a food handler card through an American National Standards Institute (ANSI) accredited training provider that meets ASTM International E2659-09 Standard Practice for Certificate Programs, such as ServSafe and follow the best practices and standards for proper temperature control, methods, and procedures for the safe handling and transport of food.

D. Nothing in this ordinance shall be construed to limit or conflict with the protections provided by the California Good Samaritan Food Donation Act of 2017, the Federal Good Samaritan Act, or share table and school food donation guidance pursuant to Senate Bill 557 of 2017 (approved by the Governor of the State of California on September 25, 2017, which added Article 13 [commencing with Section 49580] to Chapter 9 of Part 27 of Division 4 of Title 2 of the Education Code, and to amend Section 114079 of the Health and Safety Code, relating to food safety, as amended, supplemented, superseded and replaced from time to time).

§8.25.070 – Requirements for Food Recovery Organizations and Services

A. Food Recovery Services collecting or receiving Edible Food directly from Commercial Edible Food Generators, via a contract or written agreement established under 14 CCR Section 18991.3(b), shall maintain the following records, or as otherwise specified by 14 CCR Section 18991.5(a)(1):

1. The name, address, and contact information for each Commercial Edible Food Generator from which the service collects Edible Food.

2. The quantity in pounds of Edible Food collected from each Commercial Edible Food Generator per month.

3. The quantity in pounds of Edible Food transported to each Food Recovery Organization per month.

4. The name, address, and contact information for each Food Recovery Organization that the Food Recovery Service transports Edible Food to for Food Recovery.

B. Food Recovery Organizations collecting or receiving Edible Food directly from Commercial Edible Food Generators, via a contract or written agreement established under 14 CCR Section 18991.3(b), shall maintain the following records, or as otherwise specified by 14 CCR Section 18991.5(a)(2):

1. The name, address, and contact information for each Commercial Edible Food Generator from which the organization receives Edible Food.

2. The quantity in pounds of Edible Food received from each Commercial Edible Food Generator per month, Food Recovery Service, or other Food Recovery Organization per month.

3. The name, address, and contact information for each Food Recovery Service that the organization receives Edible Food from for Food Recovery.

C. Food Recovery Organizations and Food Recovery Services operating in the City shall inform Tier One and Tier Two Commercial Edible Food Generators from which they collect or receive Edible Food about California and Federal Good Samaritan Food Donation Act protection in written communications, such as in their contract or agreement established as required by this ordinance.

D. Commencing no later than July 1, 2022, Food Recovery Organizations and Food Recovery Services operating in the City and collecting or receiving Edible Food from Tier One and Tier Two Commercial Edible Food Generators or any other source shall report to the Designee for Edible Food Recovery the following: a detailed Edible Food activity report of the information collected as required under this Ordinance, including weight in pounds by type and source of Edible Food, the schedule/frequency of pickups/drop-offs of Edible Food from/to each Edible Food source or redistribution site, brief analysis of any necessary process improvements or additional infrastructure needed to support Edible Food Recovery efforts, such as training, staffing, refrigeration, vehicles, etc., and an up to date list of Tier One and Tier Two Commercial Edible Food Generators with whom they have contracts or agreements established as required under this Ordinance. The Designee for Edible Food Recovery will assist in the preparation of these reports by providing guidance and a template located on the County of San Mateo Office of Sustainability website. This Edible Food activity report shall be submitted quarterly, or at the discretion of the Designee for Edible Food Recovery, less frequently, and shall cover the activity that occurred since the period of the last submission.

E. Food Recovery Organizations and Food Recovery Services operating in the City shall contact the Designee for Edible Food Recovery to discuss the requirements of this ordinance before establishing new contracts or agreements with Tier One or Tier Two Commercial Edible Food Generators and in order to maintain existing contracts or agreements for the recovery of Edible Food with Tier One and Tier Two Commercial Edible Food Generators.

F. In order to provide the required records to the State, the City, or the Designee for Edible Food Recovery, and Tier One or Tier Two Commercial Edible Food Generators, contracts between Food Recovery Organizations and Food Recovery Services operating in the City and Tier One and Tier Two Commercial Edible Food Generators shall either:

1. Use the Model Food Recovery Agreement developed by the State of California's Department of Resources Recycling and Recovery (CalRecycle,) and include a clause requiring the Food Recovery Organization or Food Recovery Service to report to the Tier One and Tier Two Commercial Edible Food Generators with whom they have contracts the annual amount of Edible Food recovered and to inform them of the tax benefits available to those who donate Edible Food to non-profits,

2. Or include in their contracts the following elements:

    a. List/description of allowable foods the Food Recovery Organization/Food Recovery Service will receive.

    b. List/description of foods not accepted by the Food Recovery Organization/Food Recovery Service.

    c. Conditions for refusal of food.

    d. Food safety requirements, training, and protocols.

    e. Transportation and storage requirements and training.

    f. A protocol for informing the Tier One or Tier Two Commercial Edible Food Generators of a missed or delayed pickup.

    g. Notice that donation dumping is prohibited.

    h. Provisions to collect sufficient information to meet the record-keeping requirements of this ordinance.

    i. Fees/financial contributions/acknowledgement of terms for the pickup and redistribution of Edible Food.

    j. Terms and conditions consistent with the CalRecycle Model Food Recovery Agreement.

    k. Information supplying the Tier One or Tier Two Commercial Edible Food Generators with the annual amount of Edible Food recovered and informing them of the tax benefits that may be available to those who donate Edible Food to non-profits.

    l. Contact name, address, phone number, and email for both responsible parties, including the current on-site staff responsible for Edible Food Recovery.

    m. Food Recovery Organizations accepting self-hauling of Edible Food from Tier One and Tier Two Commercial Edible Food Generators must provide a schedule, including days of the week and acceptable times for drop-offs,

and information about any limitation on the amount of food accepted, and/or the packaging requirements or other conditions of transport, such as, but not limited to, maintaining proper temperature control, and other requirements for the safe handling and transport of food, the self-hauler must follow for the Edible Food to be accepted.

G. Food Recovery Organizations and Food Recovery Services operating in the City shall demonstrate that all persons, including volunteers and contracted workers using their own vehicle, involved in the handling or transport of Edible Food, have obtained a food handler card through an American National Standards Institute (ANSI) accredited training provider that meets ASTM International E2659-09 Standard Practice for Certificate Programs, such as ServSafe.

H. Food Recovery Organizations and Food Recovery Services operating in the City shall use the appropriate temperature control equipment and methods and maintain the required temperatures for the safe handling of Edible Food recovered from Tier One and Tier Two Commercial Edible Food Generators for the duration of the transportation of the Edible Food for redistribution, including Edible Food transported by private vehicles.

I. In order to ensure recovered Edible Food is eaten and to prevent donation dumping, Food Recovery Organizations and Food Recovery Services operating in the City shall provide documentation that all redistribution sites which are not themselves Food Recovery Organizations to which they deliver Edible Food have a feeding or redistribution program in place to distribute, within a reasonable time, all the Edible Food they receive. Such documentation may include a website address which explains the program or pamphlets/brochures prepared by the redistribution site.

J. Food Recovery Organizations and Food Recovery Services operating in the City unable to demonstrate a positive reduction in GHG emissions for their Edible Food Recovery operational model cannot contract with Tier One and Tier Two Commercial Edible Food Generators in the City for the purpose of recovering Edible Food as defined in this ordinance. Food Recovery Organizations and Food Recovery Services contracting to recover Edible Food from a Tier One and Tier Two Commercial Edible Food Generator for redistribution shall consult with the City's Designee for Edible Food Recovery to document that their overall operational model will achieve a greenhouse gas emissions reduction. Such review may analyze route review, miles traveled for pick-up and redistribution, amount of food rescued, and the likelihood of consumption after redistribution.

K. Food Recovery Organizations and Food Recovery Services operating in the City shall visually inspect all Edible Food recovered or received from a Tier One and Tier Two Commercial Edible Food Generator. If significant spoilage is found, or if the food is otherwise found to be unfit for redistribution for human consumption, Food Recovery Organizations and Food Recovery Services shall immediately

notify the Designee for Edible Food Recovery using the process found on the County of San Mateo Office of Sustainability's website. The notice shall include:

1. The type and amount, in pounds, of spoiled food or food unfit for redistribution for human consumption, or provide a photographic record of the food, or both.

2. The date and time such food was identified.

3. The name, address and contact information for the Tier One or Tier Two Commercial Edible Food Generator which provided the food.

4. The date and time the food was picked up or received.

5. A brief explanation of why the food was rejected or refused.

L. Contracts between Tier One or Tier Two Commercial Edible Food Generators and Food Recovery Organizations or Food Recovery Services shall not include any language prohibiting Tier One or Tier Two Commercial Edible Food Generators from contracting or holding agreements with multiple Food Recovery Organizations or Food Recovery Services listed on the County of San Mateo Office of Sustainability website.

M. Food Recovery Organizations and Food Recovery Services operating in the City shall conduct trainings and develop educational material such as donation guidelines and handouts to provide instruction and direction to Tier One and Tier Two Commercial Edible Food Generators with whom they contract regarding best practices and requirements for the timely identification, selection, preparation, and storage of Edible Food to ensure the maximum amount of Edible Food is recovered and to avoid the collection of food that is moldy, has been improperly stored, or is otherwise unfit for human consumption.

N. In order to support Edible Food Recovery capacity planning assessments or other such studies, Food Recovery Services and Food Recovery Organizations operating in the City shall provide information and consultation to the City and its Designee for Edible Food Recovery upon request, regarding existing, or proposed new or expanded, Edible Food Recovery capacity that could be accessed by the City and its Tier One and Tier Two Commercial Edible Food Generators. A Food Recovery Service or Food Recovery Organization contacted by the City or its Designee for Edible Food Recovery shall respond to such requests for information within 60 days.

O. Food Recovery Organizations and Food Recovery Services operating in the City shall allow City's Enforcement Officer and their Designee for Edible Food Recovery to access the premises and inspect procedures and review records related to Edible Food Recovery and/or provide them electronically if requested by the City or the Designee for Edible Food Recovery.

§8.25.080 – Requirements for Haulers and Facility Operators

A. Requirements for Haulers

1. Exclusive franchised haulers providing residential, Commercial, or industrial Organic Waste collection services to generators within the City's boundaries shall meet the following requirements and standards as a condition of approval of a contract, agreement, or other authorization with the City to collect Organic Waste:

   a. Through written notice to the City annually on or before January 2, 2022, identify the facilities to which they will transport Organic Waste including facilities for Source Separated Recyclable Materials and Source Separated Green Container Organic Waste.

   b. Transport Source Separated Recyclable Materials, Source Separated Green Container Organic Waste, and Mixed Waste to a facility, operation, activity, or property that recovers Organic Waste as defined in 14 CCR, Division 7, Chapter 12, Article 2.

   c. Obtain approval from the City to haul Organic Waste, unless it is transporting Source Separated Organic Waste to a Community Composting site or lawfully transporting C&D in a manner that complies with 14 CCR Section 18989.1, and City's C&D ordinance.

2. Exclusive franchised haulers authorized to collect Organic Waste shall comply with education, equipment, signage, container labeling, container color, contamination monitoring, reporting as required by CalRecycle, and other requirements contained within its franchise agreement, permit, license, or other agreement entered into with City.

B. Requirements for Facility Operators and Community Composting Operations

1. Owners of facilities, operations, and activities that recover Organic Waste, including, but not limited to, Compost facilities, in-vessel digestion facilities, and publicly-owned treatment works shall, upon City request, provide information regarding available and potential new or expanded capacity at their facilities, operations, and activities, including information about throughput and permitted capacity necessary for planning purposes. Entities contacted by the City shall respond within 60 days.

2. Community Composting operators, upon City request, shall provide information to the City to support Organic Waste capacity planning, including, but not limited to, an estimate of the amount of Organic Waste anticipated to be handled at the Community Composting operation. Entities contacted by the City shall respond within 60 days.

§8.25.090 – Self Hauler Requirements

A. Self-Haulers shall source separate all recyclable materials and Organic Waste (materials that City otherwise requires generators to separate for collection in the City's organics and recycling collection program) generated on-site from Solid Waste in a manner consistent with 14 CCR Sections 18984.1 and 18984.2, or shall haul Organic Waste to a High Diversion Organic Waste Processing Facility as specified in 14 CCR Section 18984.3.

B. Self-Haulers shall haul their Source Separated Recyclable Materials to a facility that recovers those materials; and haul their Source Separated Green Container Organic Waste to a Solid Waste facility, operation, activity, or property that processes or recovers Source Separated Organic Waste. Alternatively, Self-Haulers may haul Organic Waste to a High Diversion Organic Waste Processing Facility.

C. Self-Haulers that are Commercial Businesses (including Multi-Family Residential Dwellings) shall keep a record of the amount of Organic Waste delivered to each Solid Waste facility, operation, activity, or property that processes or recovers Organic Waste; this record shall be subject to Inspection by the City and its Designee. The records shall include the following information:

    1. Delivery receipts and weight tickets from the entity accepting the Waste.

    2. The amount of material in cubic yards or tons transported by the generator to each entity.

    3. If the material is transported to an entity that does not have scales on-site, or employs scales incapable of weighing the Self-Hauler's vehicle in a manner that allows it to determine the weight of materials received, the Self-Hauler is not required to record the weight of material but shall keep a record of the entities that received the Organic Waste.

D. Self-Haulers that are Commercial Businesses (including Multi-Family Self-Haulers) shall provide information collected in subsection C above to City if requested.

E. A residential Organic Waste Generator that self-hauls Organic Waste is not required to record or report information in this section.

§8.25.100 – Procurement Requirements for City Departments, Direct Service Providers, and Vendors

A. City departments, and direct service providers to the City, as applicable, shall comply with the City's Recovered Organic Waste and Recycled-Content Paper Procurement Policy in Chapter 3.13 of the Brisbane Municipal Code.

B. All vendors providing Paper Products and Printing and Writing Paper shall:

1. If fitness and quality are equal, provide Recycled-Content Paper Products and Recycled-Content Printing and Writing Paper that consists of at least 30 percent, by fiber weight, postconsumer fiber instead of non-recycled products whenever recycled Paper Products and Printing and Writing Paper are available at the same or lesser total cost than non-recycled items or at a total cost for non-recycled items of no more than the premium specified in Section 3.12.070.G of the Brisbane Municipal Code.

2. Provide Paper Products and Printing and Writing Paper that meet Federal Trade Commission recyclability standard as defined in 16 Code of Federal Regulations (CFR) Section 260.12.

3. Certify in writing, under penalty of perjury, the minimum percentage of postconsumer material in the Paper Products and Printing and Writing Paper offered or sold to the Jurisdiction. This certification requirement may be waived if the percentage of postconsumer material in the Paper Products, Printing and Writing Paper, or both can be verified by a product label, catalog, invoice, or a manufacturer or vendor internet website.

4. Certify in writing, on invoices or receipts provided, that the Paper Products and Printing and Writing Paper offered or sold to the Jurisdiction is eligible to be labeled with an unqualified recyclable label as defined in 16 Code of Federal Regulations (CFR) Section 260.12 (2013).

5. Provide records to the City's Recovered Organic Waste Product procurement recordkeeping Designee, in accordance with the City's Recycled-Content Paper procurement policy(ies) of all Paper Products and Printing and Writing Paper purchases within thirty (30) days of the purchase (both recycled-content and non-recycled content, if any is purchased) made by any division or department or employee of the City. Records shall include a copy (electronic or paper) of the invoice or other documentation of purchase, written certifications as required in paragraphs 3 and 4 above for recycled-content purchases, purchaser name, quantity purchased, date purchased, and recycled content (including products that contain none), and if non-recycled content Paper Products or Printing and Writing Papers are provided, include a description of why Recycled-Content Paper Products or Printing and Writing Papers were not provided.

§8.25.110 – Inspections and Investigations by City

A. City and its Designees are authorized to conduct Inspections and investigations, at random or otherwise, of any collection container, collection vehicle loads, or transfer, processing, or disposal facility for materials collected from generators, or Source Separated materials to confirm compliance with this ordinance by Organic Waste Generators, Commercial Businesses (including Multi-Family Residential Dwellings), property owners, Commercial Edible Food Generators, haulers, Self-Haulers, Food Recovery Services, and Food Recovery Organizations, subject to

applicable laws. This Section does not allow City to enter the interior of a private residential property for Inspection. For the purposes of inspecting Commercial Business containers for compliance with §8.25.030.B of this ordinance, City may conduct container Inspections for Prohibited Container Contaminants using Remote Monitoring when said monitoring is approved, and Commercial Businesses shall accommodate and cooperate with the Remote Monitoring pursuant to §8.25.030.K of this ordinance.

B. Regulated entity shall provide or arrange for access during all Inspections (with the exception of residential property interiors) and shall cooperate with City or its Designee during such Inspections and investigations. Such Inspections and investigations may include confirmation of proper placement of materials in containers, Edible Food Recovery activities, records, or any other requirement of this ordinance described herein. Failure to provide or arrange for: (i) access to an entity's premises; (ii) review of Remote Monitoring equipment output; or (ii) access to records for any Inspection or investigation is a violation of this ordinance and may result in penalties described.

C. Any records obtained by City during its Inspections, Remote Monitoring, and other reviews shall be subject to the requirements and applicable disclosure exemptions of the Public Records Act as set forth in Government Code Section 6250 et seq.

D. City representatives and its Designee are authorized to conduct any Inspections, Remote Monitoring, or other investigations as reasonably necessary to further the goals of this ordinance, subject to applicable laws.

E. City shall receive written complaints from persons regarding an entity that may be potentially non-compliant with SB 1383 Regulations, including receipt of anonymous complaints.

§8.25.120 – Enforcement

A. Violation of any provision of this ordinance shall constitute grounds for issuance of a Notice of Violation and/or assessment of a fine by a City Enforcement Officer or representative. Enforcement Actions under this ordinance are issuance of an administrative citation and assessment of a fine. The City's procedures on imposition of administrative fines as specified in Chapter 1.16 of the Brisbane Municipal Code are hereby incorporated in their entirety, as modified from time to time, and shall govern the imposition, enforcement, collection, and review of administrative citations issued to enforce this ordinance and any rule or regulation adopted pursuant to this ordinance, except as otherwise indicated in this ordinance.

B. Violation of any provision of this ordinance shall also be a public nuisance and other remedies allowed by law to cure the violation may be used, including administrative compliance orders as specified in Chapter 1.18 of the

Brisbane Municipal Code, civil actions as provided in Chapter 8.36 of the Brisbane Municipal Code or as otherwise provided by law to abate a public nuisance, or prosecution as misdemeanor or infraction as specified in Chapter 1.14 of the Brisbane Municipal Code. City may choose to delay court action until such time as a sufficiently large number of violations exist such that court action is a reasonable use of City staff and resources.

C. Responsible Entity for Enforcement

1. Enforcement pursuant to this ordinance may be undertaken by the City Enforcement Officer.

   a. City Enforcement Officers will interpret this ordinance; determine the applicability of waivers, if violation(s) have occurred; implement Enforcement Actions; and, determine if compliance standards are met.

   b. City Enforcement Officers may issue Notices of Violation(s).

D. Process for Enforcement

1. City Enforcement Officers will monitor compliance with the ordinance randomly and through Compliance Reviews, Route Reviews, investigation of complaints, and an Inspection program (that may include Remote Monitoring). This section establishes City's right to conduct Inspections and investigations.

2. City may issue an official notification to notify regulated entities of its obligations under the ordinance.

3. For incidences of Prohibited Container Contaminants found in containers, a City Enforcement Officer will issue a Notice of Violation to any generator found to have Prohibited Container Contaminants in a container. Such notice will be provided via a cart tag or other communication immediately upon identification of the Prohibited Container Contaminants. If Prohibited Container Contaminants are observed in a generator's containers on multiple occasions, a City Enforcement Officer may assess contamination processing fees on the generator. The issuance of Notices of Violations, assessment of contamination processing fees, and referral to City for imposition of administrative citations and fines shall be conducted per an approved Trash Container Management Policy between City and Solid Waste Franchisee(s), as such policy(ies) are amended, supplemented, superseded and replaced from time to time.

   For the purposes of Edible Food Recovery, incidences of Prohibited Container Contaminants found in containers, the Jurisdiction or its Designee for Edible Food Recovery will issue a Notice of Violation to any Tier One or Tier Two Commercial Edible Food Generator found to have Prohibited Container Contaminants, such as Edible Food, in a container, or to any Food Recovery Organization or Food Recovery Service found to have Prohibited Container Contaminants, such as Edible Food recovered from a Tier One or Tier Two

Edible Food Generator, in a container, which has not been documented by a notice of significant spoilage as required in this Ordinance. Such notice will be provided by email communication immediately upon identification of the Prohibited Container Contaminants or within 3 days after determining that a violation has occurred. If the Jurisdiction or its Designee for Edible Food Recovery observes Prohibited Container Contaminants, such as Edible Food, in a Tier One or Tier Two Commercial Edible Food Generator, or Food Recovery Organization, or Food Recovery Service container on more than two (2) consecutive occasion(s), the City or its Designee for Edible Food Recovery may assess contamination processing fees or contamination penalties on the Tier One or Tier Two Commercial Edible Food Generator, Food Recovery Organization, or Food Recovery Service.

4. With the exception of violations of generator contamination of container contents addressed under paragraph 3 above, a City Enforcement Officer may issue a Notice of Violation requiring compliance within 60 days of issuance of the notice.

   For the purposes of Edible Food Recovery, the Designee for Edible Food Recovery may issue a Notice of Violation requiring compliance within 7 days of issuance of the Notice.

5. Absent compliance by the respondent within the deadline set forth in the Notice of Violation, a City Enforcement Officer shall commence an action to impose penalties, via an administrative citation and fine, pursuant to Chapter 1.16 of the Brisbane Municipal Code.

   For the purposes of Edible Food Recovery, the Designee for Edible Food Recovery shall commence an action to impose penalties, via an administrative citation and fine, pursuant to the Edible Food Recovery Penalties provisions contained in this ordinance.

   Notices shall be sent to “owner” at the official address of the owner maintained by the tax collector for the City or if no such address is available, to the owner at the address of the dwelling or Commercial property or to the party responsible for paying for the collection services, depending upon available information

E. Penalty Amounts for Types of Violations

Consistent with Chapter 1.16 of the Brisbane Municipal Code, as amended, supplemented, superseded and replaced from time to time, the penalty levels for administrative citation fines are as follows:

1. For a first violation, the amount of the base penalty shall be $100 per violation.

2. For a second violation, the amount of the base penalty shall be $200 per violation.

3. For a third or subsequent violation, the amount of the base penalty shall be $500 per violation.

F. Compliance Deadline Extension Considerations

The City may extend the compliance deadlines set forth in a Notice of Violation issued in accordance with this Section if it finds that there are extenuating circumstances beyond the control of the respondent that make compliance within the deadlines impracticable, including the following:

1. Acts of God such as earthquakes, wildfires, flooding, and other emergencies or natural disasters;

2. Delays in obtaining discretionary permits or other government agency approvals; or,

3. Deficiencies in Organic Waste recycling infrastructure or Edible Food Recovery capacity and the City is under a corrective action plan with CalRecycle pursuant to 14 CCR Section 18996.2 due to those deficiencies.

G. Appeals Process

Persons receiving an administrative citation may contest the citation as specified in §1.16.070 of the Brisbane Municipal Code.

H. Education Period for Non-Compliance

Beginning January 1, 2022 and through December 31, 2022, a City Enforcement Officer or Designee will conduct Inspections, Remote Monitoring, Route Reviews or waste evaluations, and Compliance Reviews, depending upon the type of regulated entity, to determine compliance, and if a City Enforcement Officer determines that Organic Waste Generator, Self-Hauler, hauler, Tier One Commercial Edible Food Generator, Food Recovery Organization, Food Recovery Service, or other entity is not in compliance, it shall provide educational materials to the entity describing its obligations under this ordinance and a notice that compliance is required by January 1, 2022, and that violations may be subject to administrative civil penalties starting on January 1, 2023.

I. Civil Penalties for Non-Compliance

Beginning January 1, 2023, if a City Enforcement Officer determines that an Organic Waste Generator, Self-Hauler, hauler, Tier One or Tier Two Commercial Edible Food Generator, Food Recovery Organization, Food Recovery Service, or other entity is not in compliance with this ordinance, it shall document the noncompliance or violation, issue a Notice of Violation, and take Enforcement Action pursuant to this Section, as needed.

J. Enforcement Table

A non-exhaustive description of violations of this chapter are found in the following table.

Table 1. List of Violations

Requirement	Description of Violation
Commercial Business and Commercial Business Owner Responsibility Requirement §8.25.040	Commercial Business fails to provide or arrange for Organic Waste collection services consistent with City requirements and as outlined in this ordinance, for employees, contractors, tenants, and customers, including supplying and allowing access to adequate numbers, size, and location of containers and sufficient signage and container color.
Organic Waste Generator Requirement §8.25.030, 040	Organic Waste Generator fails to comply with requirements adopted pursuant to this ordinance for the collection and Recovery of Organic Waste.
Hauler Requirement §8.25.080	A hauler providing residential, Commercial or industrial Organic Waste collection service fails to transport Organic Waste to a facility, operation, activity, or property that recovers Organic Waste, as prescribed by this ordinance.
Hauler Requirement §8.25.080	A hauler providing residential, Commercial, or industrial Organic Waste collection service fails to obtain applicable approval issued by the City to haul Organic Waste as prescribed by this ordinance.
Hauler Requirement §8.25.080	A hauler fails to keep a record of the applicable documentation of its approval by the City, as prescribed by this ordinance.
Self-Hauler Requirement §8.25.090	A generator who is a Self-Hauler fails to comply with the requirements of 14 CCR Section 18988.3(b).
Commercial Edible Food Generator Requirement §8.25.060	Tier One Commercial Edible Food Generator fails to arrange to recover the maximum amount of its Edible Food that would otherwise be disposed by establishing a contract or written agreement with a Food Recovery Organization or Food Recovery Service and comply with this Section commencing Jan. 1, 2022.
Commercial Edible Food Generator Requirement §8.25.060	Tier Two Commercial Edible Food Generator fails to arrange to recover the maximum amount of its Edible Food that would otherwise be disposed by establishing a contract or written agreement with a Food Recovery Organization or Food Recovery Service and comply with this Section commencing Jan. 1, 2024.
Commercial Edible Food Generator Requirement §8.25.060	Tier One or Tier Two Commercial Edible Food Generator intentionally spoils Edible Food that is capable of being

	recovered by a Food Recovery Organization or Food Recovery Service.
Organic Waste Generator, Commercial Business Owner, Commercial Edible Food Generator, Food Recovery Organization or Food Recovery Service §8.25.040, 060	Failure to provide or arrange for access to an entity's premises for any Inspection or investigation.
Recordkeeping Requirements for Commercial Edible Food Generator §8.25.060	Tier One or Tier Two Commercial Edible Food Generator fails to keep records, as prescribed by §8.25.060.
Recordkeeping Requirements for Food Recovery Services and Food Recovery Organizations §8.25.070	A Food Recovery Organization or Food Recovery Service that has established a contract or written agreement to collect or receive Edible Food directly from a Commercial Edible Food Generator pursuant to 14 CCR Section 18991.3(b) fails to keep records, as prescribed by §8.25.070.

SECTION 2: If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held by a court of competent jurisdiction to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council of the City of Brisbane hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that one or more sections, subsections, sentences, clauses or phrases may be held invalid or unconstitutional.

SECTION 3: This Ordinance shall be in full force and effect thirty days after its passage and adoption.

* * * *

The above and foregoing Ordinance was regularly introduced and after the waiting time required by law, was thereafter passed and adopted at a regular meeting of the City Council of the City of Brisbane held on the _____ day of _____, 2021, by the following vote:

AYES:
NOES:
ABSENT:

ABSTAIN:

_____
Karen Cunningham, Mayor

ATTEST:

_____
Ingrid Padilla, City Clerk

APPROVED AS TO FORM:

_____
Thomas R. McMorrow, City Attorney

Presentation Introduction

- SB 1383 (Lara, Chapter 395, Statutes of 2016) is the most significant waste reduction mandate to be adopted in California in the last 30 years.
- SB 1383 requires the state to reduce organic waste [food waste, green waste, paper products, etc.] disposal by 75% by 2025. In other words, the state must reduce organic waste disposal by more than 20 million tons annually by 2025.
- The law also requires the state to increase edible food recovery by 20 percent by 2025.
- This has significant policy and legal implications for the state and local governments.
  1. SB 1383 establishes a statewide target and not a jurisdiction organic waste recycling target.
  2. Given that it is a statewide target and there are not jurisdiction targets, the regulation requires a more prescriptive approach (this is different than AB 939).
     A. CalRecycle must adopt regulations that impose requirements necessary to achieve the statewide targets.
     B. This makes the regulation more similar to other environmental quality regulations where regulated entities, i.e., jurisdictions, are required to implement specific actions, rather than achieve unique targets.
        a. For example AB 32 established GHG reduction targets for the state, and the implementing Cap-and-Trade regulations require businesses to take specific actions.
           i. The individual businesses are not required to achieve a specific target.
           ii. They are required to take actions prescribed by the date.

Overview of Presentation

- Background and Context of SB 1383: Why California passed this law
- SB 1383 Requirements: A big picture look at the law's requirements and objectives
- Jurisdiction Responsibilities: What SB 1383 requires of local governments
  - Provide organic waste collection to all residents and businesses
  - Establish an edible food recovery program that recovers edible food from the waste stream

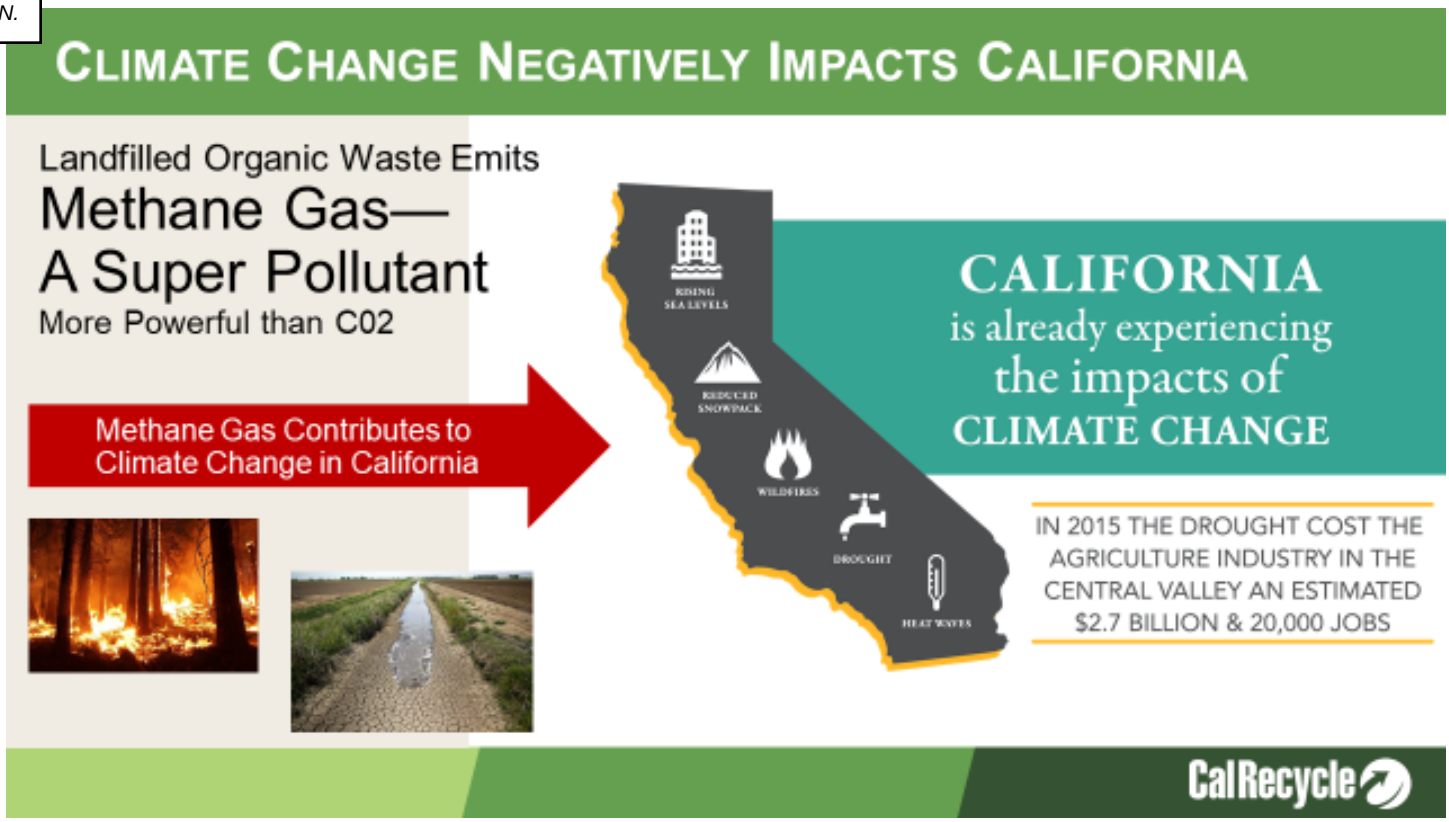
- Conduct outreach and education to all affected parties, including generators, haulers, facilities, edible food recovery organizations, and city/county departments
- Capacity Planning: Evaluating your jurisdiction's readiness to implement SB 1383
- Procure recycled organic waste products like compost, mulch, and renewable natural gas (RNG)
- Inspect and enforce compliance with SB 1383
- Maintain accurate and timely records of SB 1383 compliance

- CalRecycle Oversight Responsibilities
- SB 1383 Key Implementation Dates
- SB 1383 Key Jurisdiction Dates

Additional Resources

- CalRecycle's Short-Lived Climate Pollutants (SLCP): Organic Waste Methane Emissions Reductions webpage has more information: https://www.calrecycle.ca.gov/Climate/SLCP/
- CalRecycle's SB 1383 Rulemaking webpage as more information about the status of 1383 regulations: https://www.calrecycle.ca.gov/laws/rulemaking/slcp

- When we are talking about organic waste for the purposes of SB 1383 we are talking about green waste, wood waste, food waste, but also fibers, such as paper and cardboard.
- Organic waste comprises two-thirds of our waste stream.
- Food waste alone is the largest waste stream in California.
    - According to CalRecycle's last waste characterization study in 2014, food waste comprised 18 percent of what we disposed.
- SB 1383 also requires California to recover 20 percent of currently disposed edible food.
    - We currently don't know how much of the food waste stream is edible.
    - CalRecycle is conducting a new waste characterization study in 2018/19 that is taking a closer look at our food waste stream.
    - The results of this study will help determine how much edible food waste is landfilled on average throughout the state.
- Here's what we do know:
    - 1 in 5 children go hungry every night in California – redirecting perfectly edible food that is currently being disposed to feed those in need can help alleviate this.
    - For every 2 ½ tons of food rescued, that's the equivalent of taking 1 car off the road for a year. (https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator)

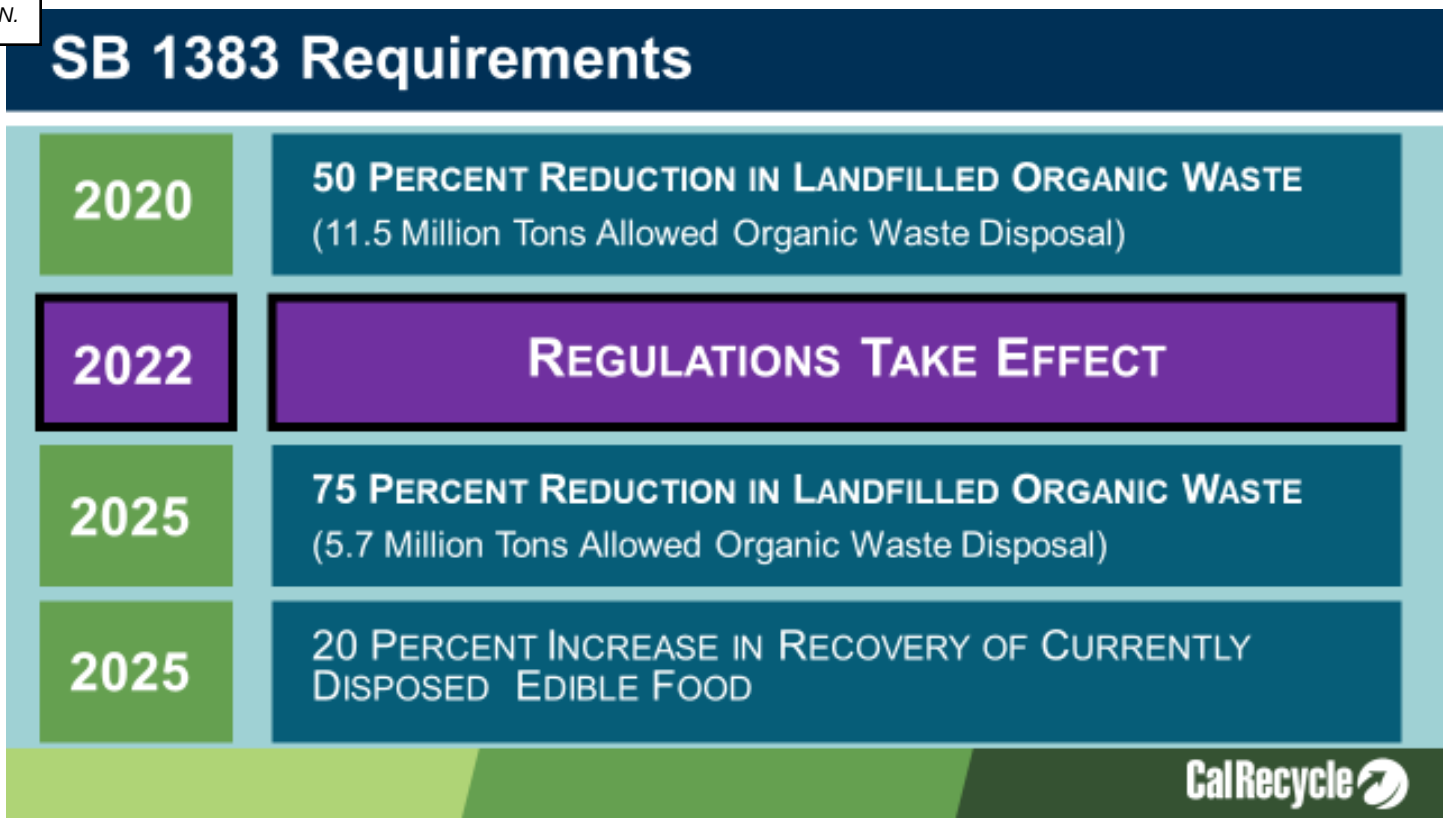


- Landfilling organic waste leads to the anaerobic breakdown of that material, which creates methane.
- Landfills are responsible for 21% of the state's methane emissions. ***Landfills are the third largest producer of methane.***
- Methane is 72 times more potent than Carbon Dioxide (C02) over a 20-year horizon.
- Climate change may seem like a distant problem, but there are other more localized environmental impacts associated with landfill disposal of organic waste that **have immediate negative impacts on our community now**.
    - Landfilling organic waste is a significant source of local air quality pollutants (NOX and PM2.5).
    - These pollutants have an immediate negative impact on the air our community and it can cause respiratory issues and hospitalizations.
    - Diverting organic waste to recycling can significantly reduce these local air quality emissions and the associated negative impacts.

We are starting to see the effects of climate change in cities and counties throughout California.

- Longer droughts and warmer temperatures are drying our forest and contributing to the ever increasing number of wildfires in CA (which also impact air quality).
- Cyclical droughts
- Bigger storms
- Coastal erosion due to rising sea levels

- We should not underestimate the cost of these climate change impacts.
    - The state and communities are spending billions fighting wildfires, removing debris and rebuilding homes.
    - That means we are paying for the effects of climate change today.
    - The financial and public health impacts are here and **we need to take action to mitigate climate change now**
- That is why the state enacted SB 1383, which is designed to reduce the global warming gasses like methane, which are the most potent and are "short-lived"
- Reducing this gas now, through actions like organic waste recycling will significantly reduce emissions, and will reduce the impacts of climate change in our life time.



Overview of SB 1383:

- SB 1383 establishes aggressive organic waste reduction targets.
- SB 1383 also builds upon Mandatory Commercial Organics Recycling law. Our jurisdiction has been implementing this law since 2016.
- SB 1383 requires Californians to reduce organic waste disposal by 50% by 2020 and 75% by 2025.
    - These targets use the 2014 Waste Characterization Study measurements when 23 million tons of organic waste were disposed.
    - These disposal reductions will reduce at least 4 million metric tons of greenhouse gas emissions annually by 2030.
- Additionally as a part of the disposal reduction targets the Legislature directed CalRecycle to increase edible food recovery by 20 percent by 2025.
    - The food recovery goal is unique.

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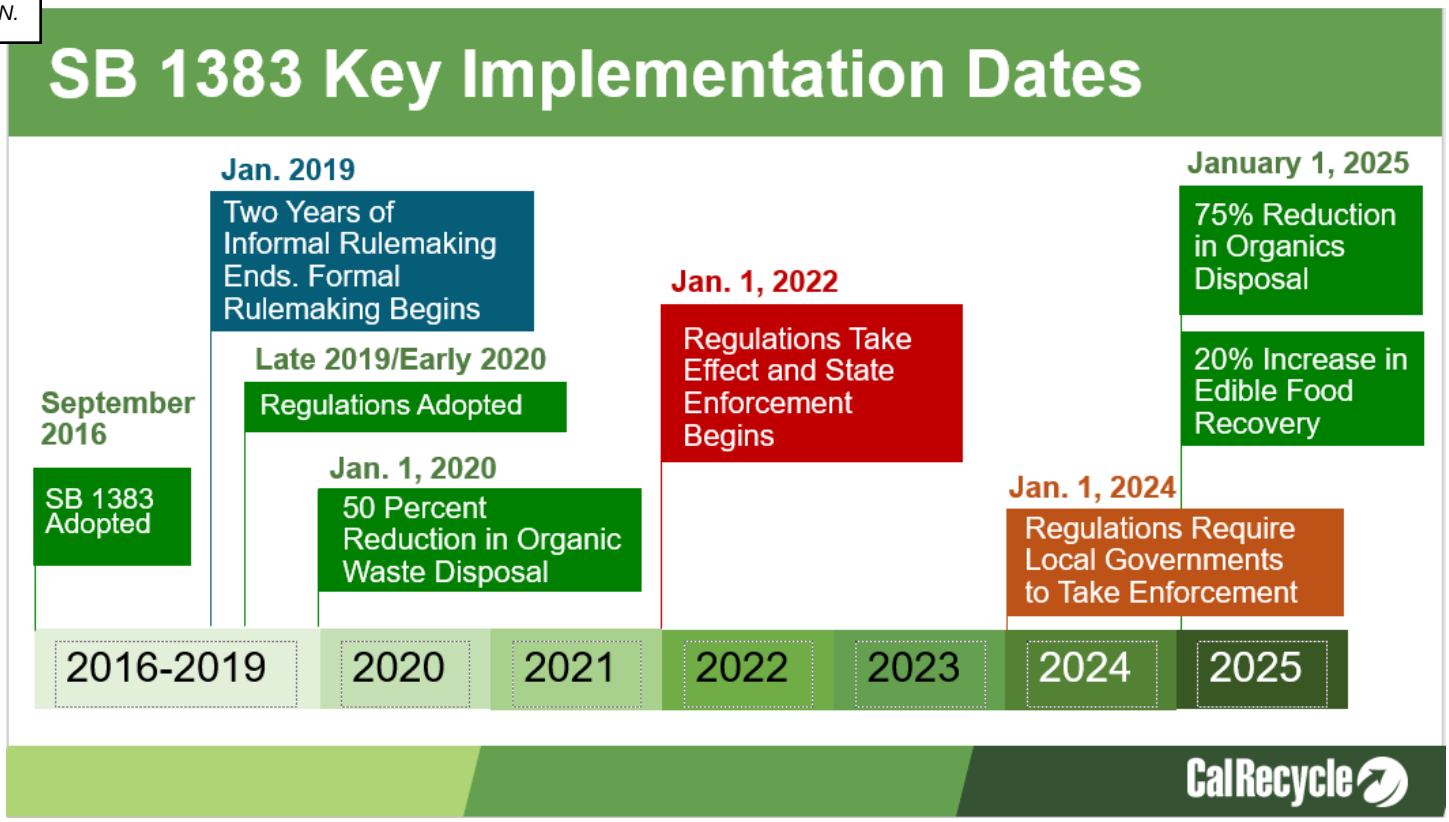


Highlighted here on the slide are the key dates for SB 1383 implementation and milestones.

1. This law, the targets, and the requirements for CalRecycle to adopt regulations were adopted in September 2016
2. CalRecycle conducted two years of informal hearings with local governments and stakeholders to develop regulatory concepts.

Formal Rulemaking

1. CalRecycle started the formal regulation rulemaking January 18, 2019, this is expected to conclude by the end of 2019.

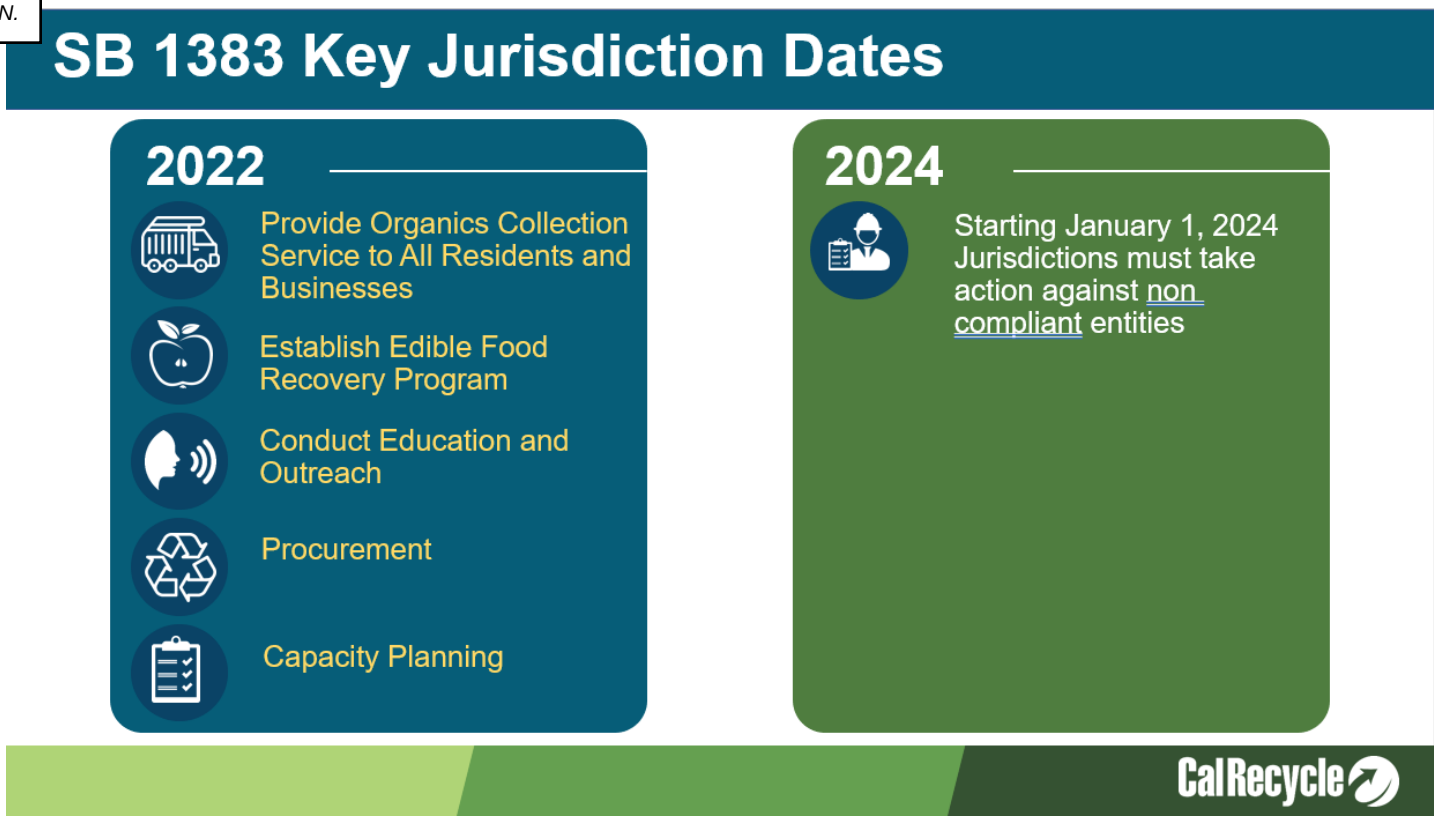
Regulations Take Effect

1. The regulations will become enforceable in 2022.
    a. **Jurisdictions must have their programs in place on January 1, 2022.**

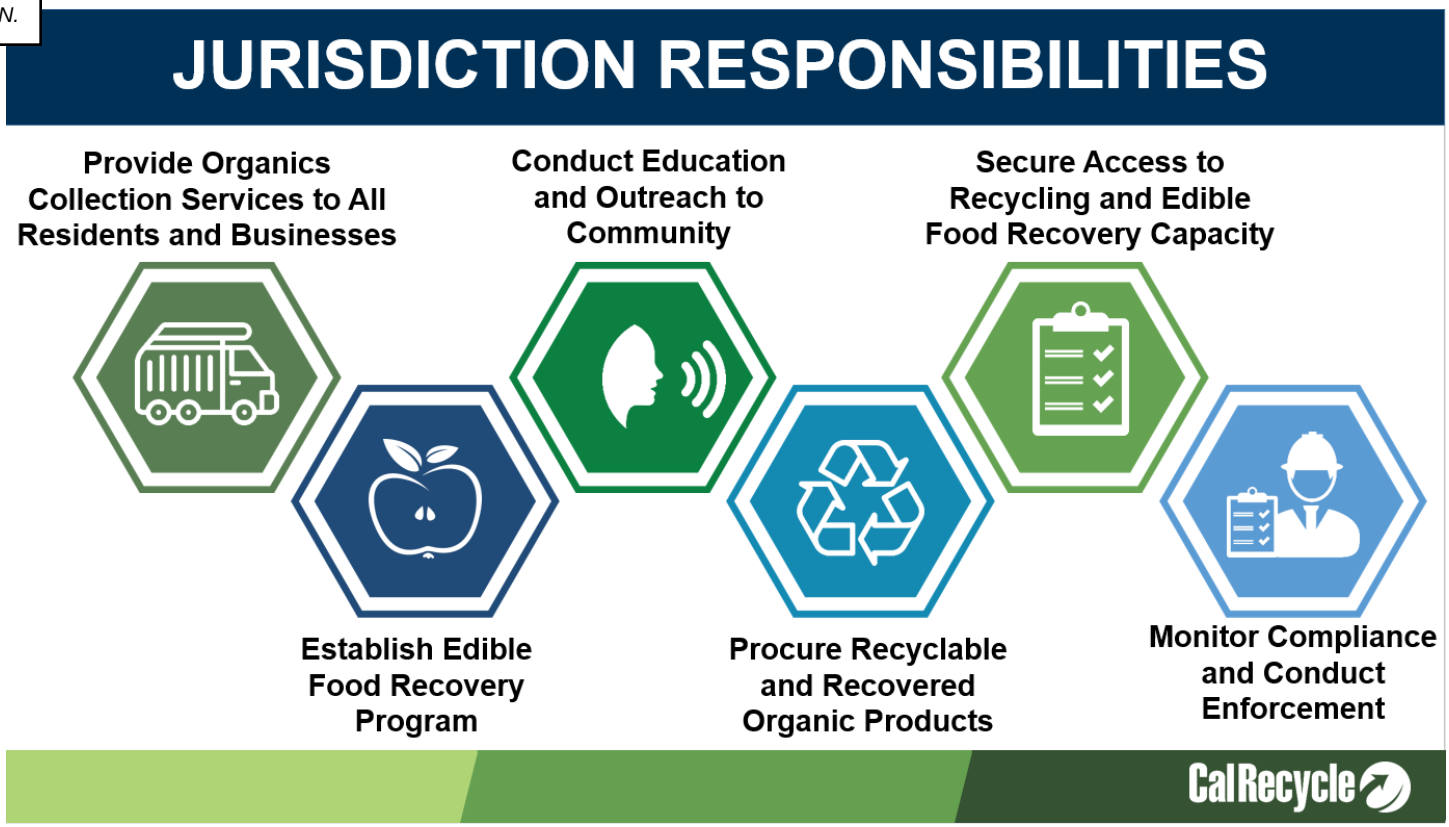
Jurisdictions Must Initiate Enforcement

1. **In 2024 Jurisdictions will be required to take enforcement against noncompliant entities.**
2. Finally, in 2025 the state must achieve the 75 percent reduction and 20 food recovery targets.
3. To meet the deadline of January 1, 2022, **CalRecycle expects that jurisdictions will be planning and making programmatic and budgetary decisions regarding the requirements in advance of the deadline**.
4. CalRecycle can begin enforcement actions on jurisdictions and other entities starting on Jan. 1, 2022.
5. **The enforcement process on jurisdictions is different than under AB 939:**
    a. Like many solid waste and recycling regulations, a regulated entity (such as a city or county) can be issued a violation and be subject to enforcement for failure to comply with any individual aspect of the regulation. This is different from the unique AB 939 enforcement structure where a jurisdiction's overall efforts to achieve specific target are reviewed in arrears
    b. Like most regulatory enforcement programs, the enforcing agency (CalRecycle) will have discretion to determine the level of penalty necessary to remedy any given violation. E.g. A reporting violation may be considered less severe than a failure to provide collection services to all generators.
    c. CalRecycle will consider certain mitigating factors which are specifically enumerated in the regulation. This is not the same as good faith effort but includes similar considerations. The specific nuances regarding requirements for state and local enforcement will be discussed in the later slides.

- **These timelines mean that we need to start planning now.**

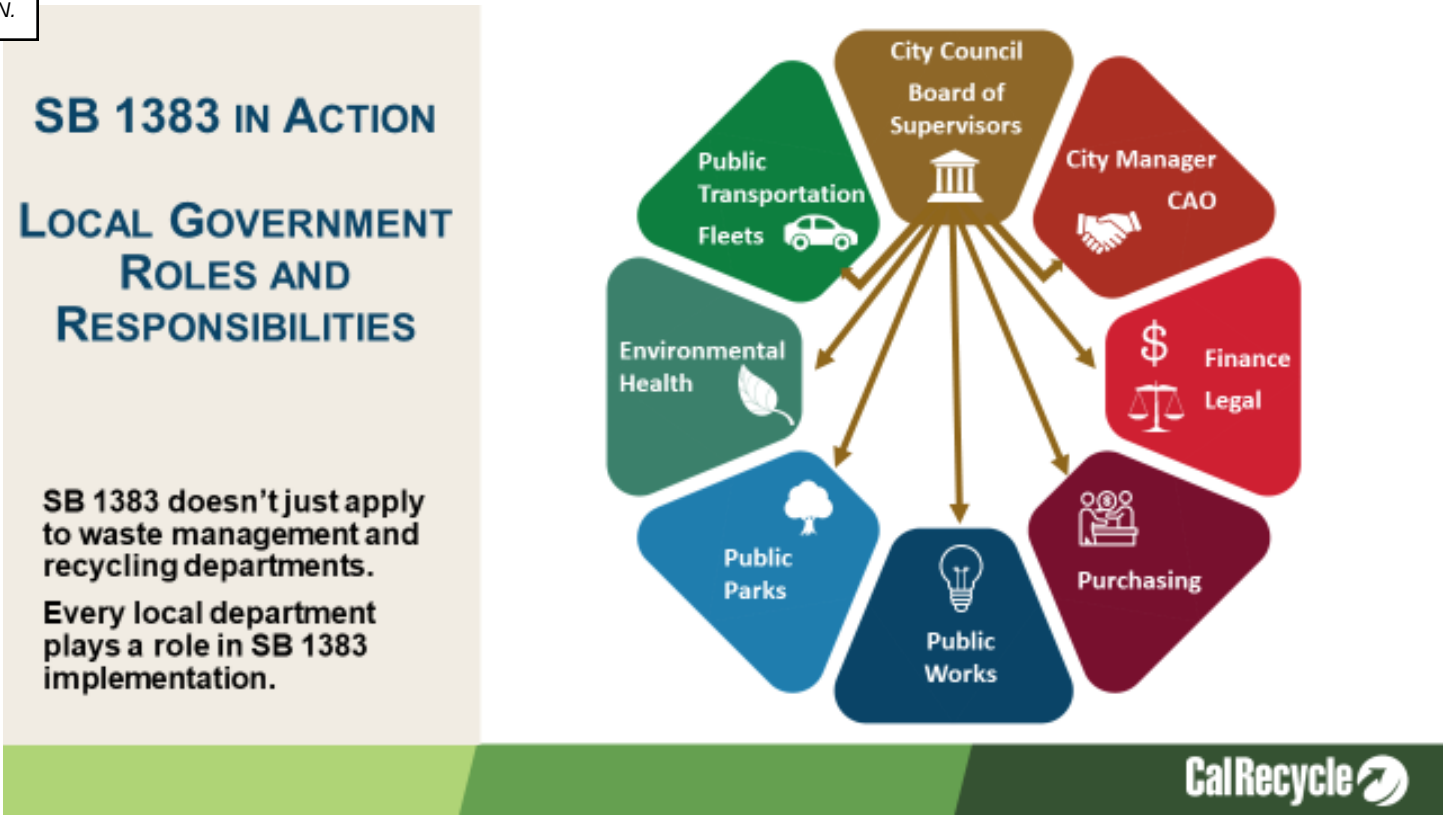


1. To meet the deadline of January 1, 2022, **CalRecycle expects that jurisdictions will be planning and making programmatic and budgetary decisions regarding the requirements in advance of the deadline**.
    a. CalRecycle can begin enforcement actions on jurisdictions and other entities starting on Jan. 1, 2022.
2. This slide outlines the major programmatic activities for jurisdictions and the following slides will cover more details.
3. In 2024 Jurisdictions will be required to take enforcement against noncompliant entities.
    a. There are additional details in the draft regulations regarding the enforcement requirements
4. CalRecycle has some funding through competitive grant programs, as well as a loan program, for establishing the infrastructure for recycling organic waste and recovering edible food. However, for the programmatic activities, such as enforcement, inspections, education, collection we will need to plan for budgetary changes to address these.
    a. In early 2020 CalRecycle will have a number of tools that we can begin utilizing, such as a model enforcement ordinance, franchise agreement models, and education materials. Using the 2018 and 2020 Statewide Waste Characterization Studies, jurisdictions will have data needed to conduct some of the capacity planning requirements.
    b. Although the regulations are not finalized the major components are not expected to change.
    c. We need to **start planning now** to have the programmatic and budgetary changes in place by January 1, 2022.



Jurisdictions will be required to adequately resource these programs:

1. **Provide organic waste collection services to all residents and businesses.**
    A. This means for all organic waste, including green waste, wood waste, food waste, manure, fibers, etc.
    B. Containers have prescribed colors (any shade of grey or black for trash, green for organic waste and blue containers for traditional recyclables)
    C. There are container labeling and contamination monitoring requirements
    D. We need to assess our current collection programs and determine what may need to be, expanded, or changed
2. **Establish edible food recovery program for all Tier 1 and 2 commercial edible food generators**
    A. This means ensuring that there are edible food recovery organizations that have enough capacity
    B. This may entail providing funding to ensure there is adequate capacity and collection services
3. **Conduct education and outreach to all generators**
    A. This will require education to be provided to all generators, and when applicable education may need to be provided in Spanish and other languages.
4. **Our jurisdiction will be required to procure certain levels of compost, renewable gas used for transportation fuels, electricity, heating applications, or pipeline injection, or electricity from biomass conversion produced from organic waste.**
5. **Plan and secure access for recycling and edible food recovery capacity.**
6. **We will be required to monitor compliance and conduct enforcement**
    A. **Monitoring and education must begin in 2022**
    B. **Enforcement actions must start Jan 1, 2024**
7. **We will need to adopt an ordinance, or similarly enforceable mechanism that is consistent with these regulatory requirements prior to 2022.**
8. **Planning in 2019 will be critical to meet the deadline.**



1. Jurisdictions should start planning now to get ready for SB 1383 implementation.
2. This **law extends beyond directing waste management and recycling operations and staff.**
    a. **Each department will need to understand how SB 1383 impacts their work.**
    b. **Recordkeeping and reporting requirements extend to all of these departments**, and jurisdiction leaders will play a vital role in ensuring compliance with SB 1383.

- **City Councils and Boards of Supervisors** will need to pass local enforcement ordinances to require all residents and businesses to subscribe to these services.
- **City Managers and Chief Administrative Officers** will be involved in capacity planning, directing procurement of recycled organic products like compost and renewable natural gas, and establishing edible food recovery programs.
- **Finance and Legal staff** will be involved in local enforcement ordinances, new collection fees, and ensuring programs are adequately resourced.
- **Purchasing staff** will be central to procuring recycled organic products, including paper.
    - Procure does not necessarily mean purchase, but this department is likely aware of current compost, mulch, RNG, and paper product purchases for the jurisdiction.
- **Public Works staff** are involved with hauler agreements, local waste management processing facilities, and organic waste recycling facilities (like compost and anaerobic digestion facilities). They may also be involved in civil engineering activities where compost may be utilized (as in erosion control along city streets and embankments).
- **Public Parks staff** may be involved with assessing the need for local compost application to parks and city landscaped areas.
- **Environmental Health staff** may be tasked with enforcement duties, including inspecting commercial food generators for compliance with edible food recovery requirements.
- **Public Transportation and Fleet departments** could be involved in procuring renewable natural gas for city and county owned vehicles.

- The most basic element of the regulation is that jurisdictions are **required to provide an organic waste collection service to each of their residents and businesses**.
- The regulations also **require all residents and businesses to use an organic waste recycling service that meets the regulatory requirements**.
- Jurisdictions must have enforceable requirements on its haulers that collect organic waste in the jurisdiction, and also for commercial and residential generators and self-haulers.
- There is a lot of detail regarding the types of allowable collection programs (several pages of regulatory text dedicated just to this). These are the high level requirements.
    - **Each resident and business**, must subscribe to an organic waste collection service that either "source-separates" the waste (e.g. separate bins), or transports all unsegregated waste to a facility that recovers 75 percent of the organic content collected from the system.
    - The regulations allow for a menu of collection options.
        - A one-can system – you'll be responsible for ensuring that all contents are transported to a facility that recovers 75% of organic content
        - A two-can system – at least one of the containers (whichever includes organic waste and garbage) must be transported to a facility that recovers 75% of organic content
        - A three-can system – organic waste is required to be source separated (paper in blue, food and yard in green). No recovery rate
        - The three-can option also allows additional separation at the hauler/generators discretion… For example some jurisdictions provided separate containers for yard (green) and food (brown) waste so they can be managed separately
- The same rules will apply to entities not subject to local control, and CalRecycle will oversee State Agencies, UCs, CSUs, Community Colleges, K-12 schools and other entities not subject to local oversight.

N.

SB 1383 requires that we strengthen our existing infrastructure for edible food recovery and food distribution.

Jurisdictions – are responsible to implement Edible Food Recovery Programs in their communities. Even in communities where existing infrastructure already exists, there are new recordkeeping and inspection tasks that will need to be implemented.

- **Assess Capacity of Existing Food Recovery**
- **Establish Food Recovery Program (And Expand Existing Infrastructure if necessary)**
- **Inspect Commercial Generators for Compliance**
- **Education and Outreach**

Jurisdictions should get a **head start on 1383 implementation by assessing the infrastructure that currently exists within your community**. Jurisdictions need to assess the following:

- How many commercial generators do you have? How much edible food could they donate?
- How many food recovery organizations exist, and what is their capacity to receive this available food?
- What gaps do we have in our current infrastructure and what do we need to do to close them?
- How can we fund the expansion of edible food recovery organizations? (Grants, partnerships, sponsorships, etc.)
- What partnerships currently exist and what new partnerships need to be established?
    - ➢ CalRecycle will be developing some tools to assist jurisdictions with this assessment.

Jurisdictions must conduct education and outreach to:

1. **All businesses and residents** regarding collection service requirements, contamination standards, self-haul requirements, and overall compliance with 1383
2. **Commercial edible food generators** regarding edible food donation requirements, and available edible food recovery organizations

Educational material must be linguistically accessible to our non-English speaking residents.

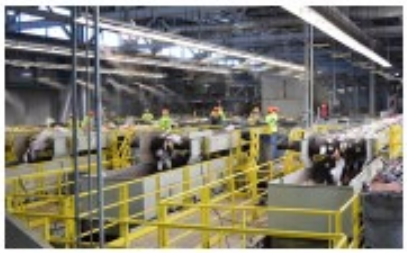
N.

- Each jurisdiction will have a minimum procurement target that is linked to its population. CalRecycle will notify jurisdictions of their target Prior to January 1, 2022
    - The jurisdiction can decide what mix of compost, mulch, biomass derived electricity, or renewable gas they want to use to meet their target.
    - CalRecycle will provide a calculator with the conversion factors for compost/renewable gas/electricity from biomass conversion made from organic waste for a jurisdiction to use to calculate progress towards meeting their target.
- **Procurement doesn't necessarily mean purchase**.
    - A jurisdiction that produces its own compost, mulch, renewable gas, or electricity from biomass conversion can use that toward the procurement target. Same goes for the jurisdiction's direct service providers (for example, its haulers).
        - A jurisdiction can use compost or mulch for erosion control, soil amendment, soil cover, parks/open spaces, giveaways.
        - A jurisdiction can use renewable gas to fuel their fleets, or a jurisdiction's waste hauler could use renewable gas to fuel their trucks. Renewable gas can be used for transportation fuels, electricity, or heating applications.
- SB 1383 also **requires that jurisdictions procure recycled-content paper when it is available at the same price or less then virgin material.**
- Finally procured paper products must meet FTC recyclability guidelines (essentially products we purchase must be recyclable).

Jurisdictions will have to adopt and ordinance or other enforceable requirement that requires compliance with CalGreen and Water Efficient Landscape Ordinance requirements (California Code of Regulations Title 24, Part 11):

- Providing readily accessible areas for recycling containers in commercial and multi-family units
- Recycling organic waste commingled with C&D debris, to meet CalGreen 65% requirement for C&D recycling in both residential and non-residential projects
- Require new construction and landscaping projects to meet Water Efficient Landscape requirements for compost and mulch application.

ORGANIC WASTE RECYCLING INFRASTRUCTURE



SB 1383 Requires 50-100
New or Expanded
Organic Waste Recycling Facilities

CalRecycle

In California today we have about 180 compost facilities with 34 of them accepting food waste.

- We have 14 AD facilities accepting solid waste.
- There is also a significant number of Waste Water Treatment Plants that could be leveraged to use for co-digestion of food waste.
- It will take a significant number of new facilities to recycle an additional 20-25 million tons of organic waste annually. CalRecycle estimates we will need 50-100 new or expanded facilities (depending on the size of each new facility this number could fluctuate).

SB 1383 IN ACTION

CAPACITY PLANNING

Evaluating Current Infrastructure and Planning New Compost and AD Facilities and Edible Food Recovery

CalRecycle

Key Points:

1. **Each jurisdiction must plan for adequate capacity for recycling organic waste and for edible food recovery**
    A. For edible food recovery capacity each jurisdiction must plan to recover 20 percent of the edible food for human consumption, must identify Tier 1 and 2 commercial edible food generators, and funding for edible food recovery infrastructure
2. Each county will lead this effort by coordinating with the cities in the county to estimate existing, new and/or expanded capacity.
3. Counties and cities must demonstrate that they have access to recycling capacity through existing contracts, franchise agreements, or other documented arrangements.
4. There are requirements for each jurisdiction to consult with specified entities to determine organic waste recycling capacity, such as the Local Enforcement Agency, Local Task Force, owners/operators of facilities, community composting operations, and from citizens, such as disadvantaged communities, i.e., to discuss the benefits and impacts associated with expansions/new facilities.
5. For edible food recovery the county and city must contact edible food recovery organizations that serve the jurisdiction to determine how much existing, new and/or planned capacity if available.
6. If capacity cannot be guaranteed, then each jurisdiction within the county that lacks capacity must submit an implementation schedule to CalRecycle that includes specified timelines and milestones, including funding for the necessary recycling or edible food recovery facilities.
7. The County must collect data from the cities on a specified schedule and report to CalRecycle. Cities are required to provide the required data to the County within 120 days.
    A. **Start year for planning and reporting is 2022 – that report must cover 2022-2025.**
    B. Subsequent reports will be due every 5 years, and will plan for a 10-year horizon

- **By January 1, 2022**, Jurisdictions are required to have:
    - An enforcement mechanism or ordinance in place, yet they are not required to enforce until 2024.
- **Between Jan 2022 and Dec 2023**, jurisdictions need to:
    - Identify businesses in violation and provide educational material to those generators
        - **The focus during the first 2 years is on educating generators.**
        - **The goal is to make sure every generator has an opportunity to comply before mandatory jurisdiction enforcement comes into effect in 2024.**
        - **The regulations allow 2 years for education and compliance**.
- **After January 2024**, jurisdictions shall take progressive enforcement against organic waste generators that are not in compliance.
    - The progressive approach allows for notification to the generator and provides ample time for the generator to comply before penalties are required to be issued by the jurisdiction.
    - CalRecycle sets a maximum timeframe that a jurisdiction has to issue a Notice of Violation and issue penalties to a generator.
    - The jurisdiction has the flexibility to develop its own enforcement process within these parameters.
        - When a Jurisdiction determines a violation occurred the jurisdiction is required to, at a minimum:

- Issue a Notice of Violation within 60 days of determining a violation.
- If the generator still has not complied within 150 days from the issuance of the Notice of Violation, then the jurisdiction is responsible to issue penalties
    - The 150 days, between the Notice and Violation and the penalty phase, allows the jurisdiction to use other methods to achieve compliance prior to being required to issue penalties. Therefore, only the most recalcitrant violators will need to be fined.
    - The regulations allow a generator to be out of compliance for a total 210 days, before penalties must be issued.
- The regulations set a minimum penalty amount of at least $50 for the first offense within one year and can go up to $500 a day for multiple offenses occurring within one year.

- **An early robust education program will minimize the amount of future enforcement action needed**

- If a Jurisdiction is using a 3- or 2-bin organic waste collection service they are required to do:
  - **Annual compliance review of commercial businesses just as we should be doing now with AB 1826 Mandatory Commercial Recycling**
    - Commercial businesses that generate 2 CY or more per week of solid waste (trash, recycling, organics),
      - Note: commercial businesses include multi-family dwellings of five units or more
    - This can be a desk audit to review reports from our haulers to verify that service is provided or that they are complying through self-hauling or backhauling
  - **2- or 3-Collection Service**:
    - **Route reviews:** We are supposed to conduct route reviews of commercial businesses and residential areas. The route reviews check for:
      - Verifying subscription (validating the desk review)
        - This entails seeing that the business has the appropriate external containers.
        - If a business does not use the hauler's service, then verifying the business is self-hauling would be necessary. As noted earlier this is same type of action that AB 1826 already requires

- Note: This random inspection of routes does not require going inside a business to verify that the business has appropriate containers/labels inside of the business.

- **Monitoring for contamination on**
    - Randomly selected containers, and ensuring all collection routes are reviewed annually and that contamination is being monitored in the collection containers and education is provided if there is an issue

OR

    - A jurisdiction has the option of conducting waste composition studies every six months to identify if there are prohibited container contaminants. If there is more than 25 percent prohibited container contaminants, then additional education must be provided
- The Route Reviews can be done by our hauler(s)

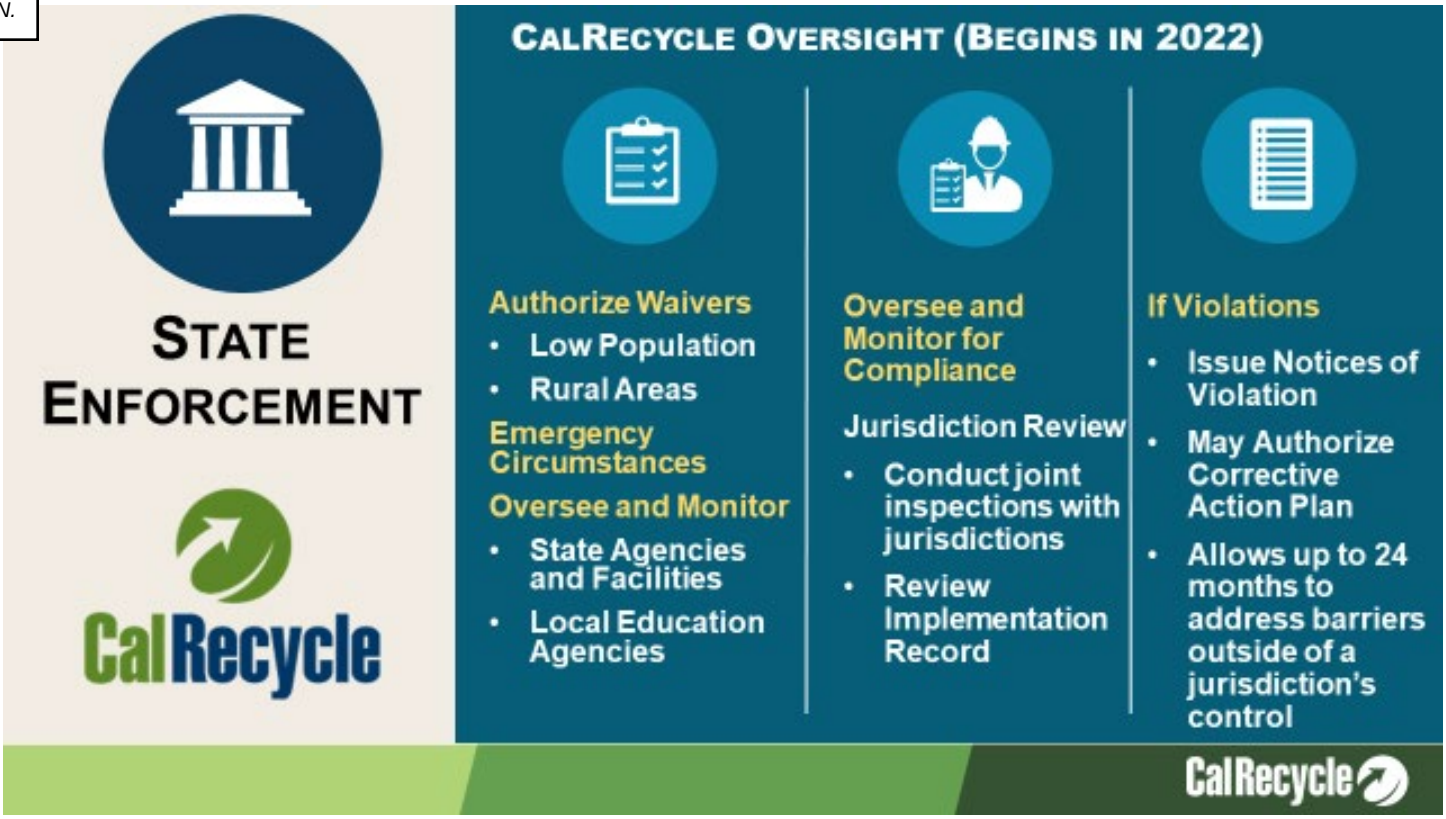
- **Single Unsegregated Collection Service**: Same as the 2- or 3-bin service except:
    - We will need to verify with our hauler(s) that the contents are transported to a high diversion organic waste processing facility and that the facility is meeting the requirements of the organic content recovery rate
        - Note: The department will be identifying in the future what facilities are high diversion organic waste processing facilities as the facilities will be reporting to CalRecycle.
    - There are no route reviews required

Edible Food Recovery Program

- These types of inspections will be new for our jurisdiction.
- We will need to plan resources to conduct these inspections.
    - We might consider partnering with Health Inspectors that are already visiting food generators.
- Inspections on Tier One edible food generators in 2022 and Tier Two in 2024
    - Verify they have arrangements with a food recovery organization
    - Verify that the food generators are not intentionally spoiling food that can be recovered

•Our jurisdiction will have to maintain all information in an Implementation Record.
- Many sections require a minimum level of recordkeeping such as “ordinances, contracts, and franchise agreements”.
- This graphic is a snapshot of items to be kept in the Implementation Record.
- CalRecycle staff may review the implementation record as part of an audit of our program.

- The Implementation Record needs to be stored in one central location
  - It can be kept as a physical or electronic record
  - It needs to be accessible to CalRecycle staff within ten business days
  - It needs to be retained for five years



Enforcement – CalRecycle will authorize low population and rural area waivers. In the case of entities such as public universities, which may be exempt from local solid waste oversight**,** CalRecycle will be directly responsible for ensuring compliance. This will be monitored through CalRecycle's existing state agency monitoring process.

CalRecycle will be evaluating a Jurisdiction's Compliance.

For example:

- Verifying that all organic waste generators have service
- Jurisdictions are providing education
- Issuing Notices of Violation within the correct timeline

SB 1383 is a Statewide target and not a jurisdiction organic waste diversion target. Unlike with AB 939 where there was a specified target for each jurisdiction, SB 1383 prohibits a jurisdiction target. Due to this structure:

- The regulations require a more prescriptive approach, and establishes state minimum standards.
- Jurisdictions will have to demonstrate compliance with each of the prescriptive standards **rather than the determination of a Good Faith Effort**, which uses a suite of indicators to determine if a jurisdiction is actively trying to implement programs and achieve targets

Under the SB 1383 regulations if CalRecycle determines a jurisdiction is violating one or more of the requirements,

- A jurisdiction will be noticed and will have 90 days to correct.
- Most violations should be able to be corrected in this timeframe. For cases where the jurisdiction may need a little additional time, the timeframe can be expanded to 180 days
- **For violations that are due to barriers outside the jurisdictions control and which may take more time to correct, the** regulations allow for the jurisdiction to be placed on a Corrective Action Plan (CAP), allowing up to 24 months to comply. In these cases, it must be apparent that the jurisdiction has

taken substantial effort to comply but cannot due to extenuating circumstances (such as a lack of capacity, disaster).

- An initial corrective action plan issued due to inadequate capacity of organic waste recovery facilities may be extended for a period of up to 12 months if the jurisdiction meets the requirements and timelines of its CAP and has demonstrated substantial effort to CalRecycle.

The Corrective Action Plan [or CAP] is modeled off of the Notice and Order Process that is used for noncompliance at solid waste facilities, where a number of steps or milestones must be taken by the solid waste facility operator prior to being able to fully comply.

Regarding eligibility for a CAP failure of a governing body to adopt and ordinance, or adequately fund/resource a program IS NOT *considered substantial effort or an Extenuating Circumstan*ce and will not allow a violation to be subject to a Corrective Action Plan.

N.

Jurisdictions are encouraged to participate in the 1383 regulatory process.

File Attachments for Item:

O. Consider Introduction of Ordinance 664 adding Chapter 3.13 “Recovered Organic Waste and Recycled-Content Paper Procurement Policy” to the Brisbane Municipal Code

CITY COUNCIL AGENDA REPORT

Meeting Date: September 23, 2021

From: Director of Public Works/City Engineer

Subject: Ordinance 664 – Recovered Organic Waste Procurement

Community Goal/Result

Ecological Sustainability - Brisbane will be a leader in setting policies and practicing service delivery innovations that promote ecological sustainability

Purpose

To revise the Brisbane Municipal Code (BMC) so that the City is in full compliance with state recycling laws.

Recommendation

Introduce Ordinance No. 664, waiving first reading, adding Chapter 3.13 "Recovered Organic Waste and Recycled-Content Paper Procurement Policy" to the Brisbane Municipal Code.

Background

The language in the next two paragraphs and the numbered list is copied verbatim from the July 15, 2021 staff report to City Council on "Preview of SB 1383 Requirements".

SB 1383 (Lara, 2016) is a prescriptive organic waste reduction mandate intended to reduce short-lived climate pollutants (primarily methane) that are produced from the degradation of organics in landfills. While the prescriptive nature of this law provides less leeway in the actions cities may take, it is generally seen as an improvement over AB 939 (California Integrated Waste Management Act, Sher, 1989), which simply mandated that cities reduce their diversion of solid waste to landfills by 50 percent.

There is an exceptionally detailed presentation provided by the California Department of Resources Recycling and Recovery ("CalRecycle") attached to this report for the interested reader. In simplest terms, the efforts required of the city and its solid waste franchisees are as follows:

1. Provide organic collection to ALL residents and businesses
2. Participate in an edible food recovery program
3. Conduct education and outreach
4. Procure recyclable and recovered organic products
5. Monitor compliance and conduct enforcement

Items 1-3 and 5 above will be met through the adoption of Ordinance 663, which is also on the Council's agenda for this date.

The specific requirements of item 4 include the procurement of recovered organic waste (e.g., specified mulch products, renewable gas, and electricity procured from biomass conversion) and the purchase of recycled content paper products.

CalRecycle will establish targets for procurement (or giveaway) of recovered organic waste products for each city and county. Brisbane is anticipated to meet all of its target through the credit we receive for South San Francisco Scavenger Company's bioconversion of the city's "green barrel" (food scraps, solid paper and yard waste) solid waste collection into renewable compressed natural gas (RNG).

Discussion

Ordinance 664 was drafted following a template provided by CalRecycle. The language therein reflects the requirements found in multiple Assembly and Senate bills and acts, and as such, the city has little discretion in deciding whether to adopt these requirements.

Fiscal Impact

There is no anticipated impact to the city or its residents as a result of implementing this ordinance. As noted, the city already benefits from the conversion of green barrel waste to RNG. Additionally, the city's Climate Action Plan includes the practice of purchasing recycled content paper products, and BMC §3.12.070 G includes the same cost premium preference for sustainable purchases that is referenced in ordinance 664.

Attachments

1. Ordinance No. 664

Measure of Success

The City's complete compliance with SB 1383, with the associated end result of a reduction in landfill methane production.

RJ Breault

Randy L. Breault, Public Works Director

Clayton Holstine

Clayton L. Holstine, City Manager

ORDINANCE NO. 664

AN ORDINANCE OF THE CITY OF BRISBANE ADDING CHAPTER 3.13 TO THE MUNICIPAL CODE PERTAINING TO RECOVERED ORGANIC WASTE AND RECYCLED-CONTENT PAPER PROCUREMENT POLICY

The City Council of the City of Brisbane hereby ordains as follows:

SECTION 1: Chapter 3.13 is hereby added to Title 3 of the Municipal Code:

§3.13.010 - Purpose and Findings

A. It is the policy of the City, applicable to all departments and divisions, to incorporate environmental considerations including recycled-content and recovered Organic Waste product use into purchasing practices and procurement. This Recovered Organic Waste Product Procurement Policy (Policy) will help the City to:

   1. Protect and conserve natural resources, water, and energy;

   2. Minimize the City's contribution to climate change, pollution, and solid waste disposal; and,

   3. Comply with State requirements as contained in 14 CCR Division 7, Chapter 12, Article 12 (SB 1383 procurement regulations) to procure a specified amount of Recovered Organic Waste Products to support Organic Waste disposal reduction targets and markets for products made from recycled and recovered Organic Waste materials, and to purchase Recycled-Content Paper Products and Recycled-Content Printing and Writing Paper.

B. The procedures for the purchase of Recovered Organic Waste Products and Recycled-Content Paper Products shall comply fully with the requirements specified in Chapter 3.12 of the Brisbane Municipal Code.

§3.13.020 – Definitions

A. "Annual Recovered Organic Waste Product Procurement Target" means the amount of Organic Waste in the form of a Recovered Organic Waste Product that the City is required to procure annually under 14 CCR Section 18993.1. This target shall be calculated by multiplying the per capita procurement target, which shall be 0.08 tons of Organic Waste per California resident per year, times the City's residential population using the most recent annual data reported by the California Department of Finance. Annually, CalRecycle will provide notice to each City of its Annual

Recovered Organic Waste Product Procurement Target by posting such information on CalRecyle's website and providing written notice directly to the City.

B. "City" means the City of Brisbane.

C. "City Enforcement Officer" means any city employee or employee of a contracting agency, including the county, or any agent of the city, having the authority to enforce any applicable law.

D. "Compost" means the product resulting from the controlled biological decomposition of organic solid wastes that are source separated from the municipal solid waste stream or which are separated at a centralized facility or as otherwise defined in 14 CCR Section 17896.2(a)(4).

Compost eligible for meeting the Annual Recovered Organic Waste Product Procurement Target must be produced at a compostable material handling operation or facility permitted or authorized under 14 CCR Chapter 3.1 of Division 7 or produced at a large volume in-vessel digestion facility that composts on-site as defined and permitted under 14 CCR Chapter 3.2 of Division 7. Compost shall meet the State's composting operations regulatory requirements.

E. "Direct Service Provider" means a person, company, agency, district, or other entity that provides a service or services to City pursuant to a contract or other written agreement or as otherwise defined in 14 CCR Section 18982(a)(17).

F. "Electricity Procured from Biomass Conversion" means electricity generated from biomass facilities that convert recovered Organic Waste, such as wood and prunings from the municipal stream, into electricity. Electricity procured from a biomass conversion facility may only count toward the City's Annual Recovered Organic Waste Product Procurement Target if the facility receives feedstock directly from certain permitted or authorized compostable material handling operations or facilities, transfer/processing operations or facilities, or landfills, as described in 14 CCR Section 18993.1(i).

G. "Organic Waste" means solid wastes containing material originated from living organisms and their metabolic waste products including, but not limited to, food, yard trimmings, organic textiles and carpets, lumber, wood, Paper Products, Printing And Writing Paper, manure, biosolids, digestate, and sludges, or as otherwise defined in 14 CCR Section 18982(a)(46). Biosolids and digestate are as defined in 14 CCR Section 18982(a)(4) and 14 CCR Section 18982(a)(16.5), respectively.

H. "Paper Products" include, but are not limited to, paper janitorial supplies, cartons, wrapping, packaging, file folders, hanging files, corrugated boxes, tissue, and toweling; or as otherwise defined in 14 CCR Section 18982(a)(51).

I. "Printing and Writing Papers" include, but are not limited to, copy, xerographic, watermark, cotton fiber, offset, forms, computer printout paper, white wove envelopes, manila envelopes, book paper, note pads, writing tablets, newsprint, and other

uncoated writing papers, posters, index cards, calendars, brochures, reports, magazines, and publications; or as otherwise defined in 14 CCR Section 18982(a)(54).

J. “Procurement of Recovered Organic Waste Products” shall mean purchase or acquisition (e.g., free delivery or free distribution from a hauler or other entity via a written agreement or contract), and end use by the City or others. The City’s Annual Recovered Organic Waste Product Procurement Target can be fulfilled directly by the City or by Direct Service Providers through written contracts or agreements for Procurement of Recovered Organic Waste Products at the City’s behest.

K. “Publicly-Owned Treatment Works” or “POTW” has the same meaning as in Section 403.3(r) of Title 40 of the Code of Federal Regulations.

L. “Recovered Organic Waste Products” means products made from California, landfill-diverted recovered Organic Waste processed at a permitted or otherwise authorized operation or facility, or as otherwise defined in 14 CCR Section 18982(a)(60). Products that can be used to meet the Annual Recovered Organic Waste Product Procurement Target shall include Compost, SB 1383 Eligible Mulch, Renewable Gas from an in-vessel digestion facility, and Electricity Procured from Biomass Conversion as described herein and provided that such products meet requirements of 14 CCR, Division 7, Chapter 12, Article 12.

M. “Recordkeeping Designee” means the public employee appointed by the City Manager or their designee to track procurement and maintain records of Recovered Organic Waste Product procurement efforts both by the City and others, if applicable, as required by 14 CCR, Division 7, Chapter 12, Articles 12 and 13.

N. "Recyclability" means that the Paper Products and Printing and Writing Paper offered or sold to the City are eligible to be labeled with an unqualified recyclable label as defined in 16 Code of Federal Regulations Section 260.12 (2013).

O. “Recycled-Content Paper Products and Recycled-Content Printing and Writing Paper” means such products that consist of at least thirty percent (30%), by fiber weight, postconsumer fiber, consistent with the requirements of Sections 22150 to 22154 and Sections 12200 and 12209 of the Public Contract Code, and as amended.

P. “Renewable Gas” means gas derived from Organic Waste that has been diverted from a landfill and processed at an in-vessel digestion facility that is permitted or otherwise authorized by 14 CCR to recover Organic Waste, or as otherwise defined in 14 CCR Section 18982(a)(62).

Q. “SB 1383” means Senate Bill 1383 of 2016 approved by the Governor on September 19, 2016, which added Sections 39730.5, 39730.6, 39730.7, and 39730.8 to the Health and Safety Code, and added Chapter 13.1 (commencing with Section 42652) to Part 3 of Division 30 of the Public Resources Code, establishing methane emissions reduction targets in a statewide effort to reduce emissions of short-lived climate pollutants, as amended, supplemented, superseded, and replaced from time to time.

R. “SB 1383 Regulations” or “SB 1383 Regulatory” means or refers to, for the purposes of this policy, the Short-Lived Climate Pollutants (SLCP): Organic Waste Reductions regulations developed by CalRecycle and adopted in 2020 that created Chapter 12 of 14 CCR, Division 7 and amended portions of regulations of 14 CCR and 27 CCR.

S. “SB 1383 Eligible Mulch” means mulch eligible to meet the Annual Recovered Organic Waste Product Procurement Target, pursuant to 14 CCR Chapter 12 of Division 7. This SB 1383 Eligible Mulch shall meet the following conditions for the duration of the applicable procurement compliance year, as specified by 14 CCR Section 18993.1(f)(4):

1. Produced at one of the following facilities:

   a. A compostable material handling operation or facility as defined in 14 CCR Section 17852(a)(12), that is permitted or authorized under 14 CCR Division 7, other than a chipping and grinding operation or facility as defined in 14 CCR Section 17852(a)(10);

   b. A transfer/processing facility or transfer/processing operation as defined in 14 CCR Sections 17402(a)(30) and (31), respectively, that is permitted or authorized under 14 CCR Division 7; or,

   c. A solid waste landfill as defined in Public Resources Code Section 40195.1 that is permitted under 27 CCR Division 2.

2. Meet or exceed the physical contamination, maximum metal concentration, and pathogen density standards for land application specified in 14 CCR Sections 17852(a)(24.5)(A)1 through 3.

3. The City and/or its Recordkeeping Designee may only count mulch as a Recovered Organic Waste Product to meet its Annual Recovered Organic Waste Procurement Target if said mulch meets the standards specified in paragraphs 1 and 2 above.

T. “State” means the State of California.

§3.13.030 – Recovered Organic Waste Product Procurement

A. Procurement Target

1. City will annually procure for use or giveaway a quantity of Recovered Organic Waste Products that meets or exceeds its Annual Recovered Organic Waste Product Procurement Target through the implementation of §3.13.030 - §3.13.050 of this ordinance.

2. To be eligible to meet the Annual Recovered Organic Waste Product Procurement Target, products that may be procured include the following (provided that each

product meets the criteria included in their respective definition in §3.13.020 of this ordinance):

a. SB 1383 eligible Compost (as defined in §3.13.020.D of this ordinance).

b. SB 1383 Eligible Mulch (as defined in §3.13.020.S of this ordinance).

c. Renewable Gas (in the form of transportation fuel, electricity, or heat) (as defined in §3.13.020.P of this ordinance).

d. Electricity Procured from Biomass Conversion (as defined in §3.13.020.F of this ordinance).

B. Requirements for City Departments

1. Compost and SB 1383 Eligible Mulch procurement. Divisions and departments responsible for landscaping, maintenance, renovation, or construction shall:

a. Use eligible Compost and SB 1383 Eligible Mulch produced from recovered Organic Waste for landscaping, maintenance, renovation, or construction, as practicable, whenever available, and capable of meeting quality standards and criteria specified. SB 1383 Eligible Mulch used for land application must meet or exceed the physical contamination, maximum metal concentration and pathogen density standards specified in 14 CCR Section 17852(a)(24.5)(A)(1) through (3).

b. When City uses eligible Compost and SB 1383 Eligible Mulch and the applications are subject to the City's Water Efficient Landscaping Ordinance (WELO), pursuant to Chapter 15.70 of the Brisbane Municipal Code, comply with one of the following, whichever is more stringent, (i) the City's WELO, Chapter 15.70 of the Brisbane Municipal Code, if more stringent than the State's Model Water Efficient Landscape Ordinance (MWELO), or (ii) Sections 492.6 (a)(3)(B), (C), (D), and (G) of the State's Model Water Efficient Landscape Ordinance, Title 23, Division 2, Chapter 2.7 of the CCR, as amended September 15, 2015, which requires the submittal of a landscape design plan with a "Soil Preparation, Mulch, and Amendments Section" to include the following:

(i) For landscape installations, Compost at a rate of a minimum of 4 cubic yards per 1,000 square feet of permeable area shall be incorporated to a depth of six (6) inches into the soil. Soils with greater than six percent (6%) organic matter in the top six (6) inches of soil are exempt from adding Compost and tilling.

(ii) Apply a minimum three- (3-) inch layer of mulch on all exposed soil surfaces of planting areas except in turf areas, creeping or rooting groundcovers, or direct seeding applications where mulch is contraindicated. To provide

habitat for beneficial insects and other wildlife, leave up to five percent (5%) of the landscape area without mulch. Designated insect habitat must be included in the landscape design plan as such.

(iii) Procure organic mulch materials made from recycled or post-consumer materials rather than inorganic materials or virgin forest products unless the recycled post-consumer organic products are not locally available. Organic mulches are not required where prohibited by local Fuel Modification Plan Guidelines or other applicable local ordinances.

(iv) For all mulch that is land applied, procure SB 1383 Eligible Mulch that meets or exceeds the physical contamination, maximum metal concentration, and pathogen density standards for land applications specified in 14 CCR Section 17852(a)(24.5)(A)(1) through (3).

c. Keep records, including invoices or proof of Recovered Organic Waste Product procurement (either through purchase or acquisition), and submit records to the Recordkeeping Designee on a schedule to be determined by Recordkeeping Designee. Records shall include:

(i) General procurement records, including:

(a) General description of how and where the product was used and applied, if applicable;

(b) Source of product, including name, physical location, and contact information for each entity, operation, or facility from whom the Recovered Organic Waste Products were procured;

(c) Type of product;

(d) Quantity of each product; and,

(e) Invoice or other record demonstrating purchase or procurement.

(ii) For eligible Compost and SB 1383 Eligible Mulch provided to residents through giveaway events or other types of distribution methods, keep records of the Compost and SB 1383 Eligible Mulch provided to residents. Records shall be maintained and submitted to the Recordkeeping Designee in accordance with the requirements specified in §3.13.030.B.1.c of this ordinance.

(iii) For procurement of SB 1383 Eligible Mulch, maintain an updated copy of the ordinance or enforceable mechanism(s) requiring that the mulch procured by the City or Direct Service Provider meets the land application standards specified in 14 CCR Section 18993.1, as it may be amended from time to time.

d. When Procurement of Recovered Organic Waste Products occurs through a Direct Service Provider, enter into a written contract or agreement or execute a purchase order with enforceable provisions that includes: (i) definitions and specifications for SB 1383 Eligible Mulch, eligible Compost, Renewable Gas, and/or Electricity Procured from Biomass Conversion; and, (ii) an enforcement mechanism (e.g., termination, liquidated damages) in the event the Direct Service Provider is not compliant with the requirements.

2. Renewable Gas procurement (used for fuel for transportation, electricity, or heating applications). For Renewable Gas procurement, City shall:

   a. Procure Renewable Gas made from recovered Organic Waste for transportation fuel, electricity, and heating applications to the degree that it is appropriate and available for the City and to help meet the Annual Recovered Organic Waste Product Procurement Target, which requires compliance with criteria specified in 14 CCR Section 18993.1.

   b. Keep records in the same manner indicated in §3.13.030.B.1.c of this ordinance for the amount of Renewable Gas procured and used by the City, including the general procurement record information specified in §3.13.030.B.1.c.(i) of this ordinance, and submit records to the Recordkeeping Designee on a schedule to be determined by Recordkeeping Designee, which shall be no less than annually. City shall additionally obtain the documentation and submit records specified in §3.13.030.B.2.c of this ordinance below, if applicable.

   c. If the City procures Renewable Gas from a POTW;

      (i) Annually verify that the Renewable Gas from the POTW complies with the requirements specified in 14 CCR Section 18993.1(h), including, but not limited to the exclusion in 14 CCR Section 17896.6(a)(1) and the items listed in §3.13.030.B.2.c of this ordinance.

      (ii) Annually receive a record from the POTW documenting the tons of Organic Waste received by the POTW from: (i) a compostable material handling operation or facility as defined in 14 CCR Section 17852(a)(12), other than a chipping and grinding operation or facility as defined in 14 CCR Section 17852(a)(10), that is permitted or authorized under 14 CCR Division 7; (ii) transfer/processing facility or transfer/processing operation as defined in 14 CCR Sections 17402(a)(30) and (31), respectively, that is permitted or authorized under 14 CCR Division 7; or (iii) a solid waste landfill as defined in Public Resources Code Section 40195.1 that is permitted under 27 CCR Division 2.

      (iii) Annually receive documentation from the POTW of the percentage of biosolids that the POTW produced and transported to activities that constitute landfill disposal in order to demonstrate that the POTW

transported less than twenty-five percent (25%) of the biosolids it produced to activities that constitute landfill disposal. For the purposes of this Policy, landfill disposal is defined pursuant to 14 CCR Section 18983.1(a) and includes final disposition at a landfill; use of material as alternative daily cover or alternative intermediate cover at a landfill, and other dispositions not listed in 14 CCR Section 18983.1(b). Alternative daily cover or alternative intermediate cover are defined in 27 CCR Sections 20690 and 20700, respectively.

(iv) Annually receive documentation that the POTW receives vehicle-transported solid waste that is an anaerobically digestible material for the purpose of anaerobic co-digestion with POTW treatment plant wastewater to demonstrate that the POTW meets the requirement of 14 CCR Section 18993.1(h)(2).

(v) City shall submit these records to the Recordkeeping Designee on a schedule to be determined by Recordkeeping Designee, which shall be no less than annually after receipt of notification from the POTW.

3. Electricity Procured from Biomass Conversion. For Electricity Procured from Biomass Conversion, City shall:

a. Procure electricity from a biomass conversion facility that receives feedstock from a composting facility, transfer/processing facility, a solid waste landfill, and/or receives feedstock from the generator or employees on behalf of the generator of the Organic Waste and to the degree that it is available and practicable for the City and to help meet the Annual Recovered Organic Waste Product Procurement Target, which requires compliance with criteria specified in 14 CCR Section 18993.1.

b. Maintain records and conduct the following recordkeeping activities:

(i) Keep records in the same manner indicated in §3.13.030.B.1.c of this ordinance of this Policy for the amount of Electricity Procured from Biomass Conversion facilities, including the general procurement record information specified in §3.13.030.B.1.c.(i) of this ordinance.

(ii) Receive written notification by an authorized representative of the biomass conversion facility certifying that biomass feedstock was received from a permitted solid waste facility identified in 14 CCR Section 18993.1(i).

(iii) Provide these records to the Recordkeeping Designee.

C. Requirements for Direct Service Providers

1. Direct Service Providers of landscaping maintenance, renovation, and construction shall:

a. Use eligible Compost and SB 1383 Eligible Mulch, as practicable, produced from recovered Organic Waste for all landscaping renovations, construction, or maintenance performed for the City, whenever available, and capable of meeting quality standards and criteria specified. SB 1383 Eligible Mulch used for land application shall comply with 14 CCR, Division 7, Chapter 12, Article 12 and must meet or exceed the physical contamination, maximum metal concentration and pathogen density standards specified in 14 CCR Section 17852(a)(24.5)(A)(1) through (3).

b. If Direct Service Provider is subject to the City's WELO pursuant to Chapter 15.70 of the Brisbane Municipal Code, comply with one of the following, whichever is more stringent: (i) the locally-adopted WELO that is more stringent than the State's MWELO, or (ii) Sections 492.6 (a)(3)(B), (C), (D), and (G) of the State's MWELO, Title 23, Division 2, Chapter 2.7 of the CCR, as amended September 15, 2015, which requires the submittal of a landscape design plan with a "Soil Preparation, Mulch, and Amendments Section" to include the following:

   (i) For landscape installations, Compost at a rate of a minimum of 4 cubic yards per 1,000 square feet of permeable area shall be incorporated to a depth of six (6) inches into the soil. Soils with greater than six percent (6%) organic matter in the top six (6) inches of soil are exempt from adding Compost and tilling.

   (ii) Apply a minimum three- (3-) inch layer of mulch on all exposed soil surfaces of planting areas except in turf areas, creeping or rooting groundcovers, or direct seeding applications where mulch is contraindicated. To provide habitat for beneficial insects and other wildlife, leave up to five percent (5%) of the landscape area without mulch. Designated insect habitat must be included in the landscape design plan as such.

   (iii) Procure organic mulch materials made from recycled or post-consumer materials rather than inorganic materials or virgin forest products unless the recycled post-consumer organic products are not locally available. Organic mulches are not required where prohibited by local Fuel Modification Plan Guidelines or other applicable local ordinances.

   (iv) For all mulch that is land applied, procure SB 1383 Eligible Mulch that meets or exceeds the physical contamination, maximum metal concentration, and pathogen density standards for land applications specified in 14 CCR Section 17852(a)(24.5)(A)(1) through (3).

c. Keep and provide records of Procurement of Recovered Organic Waste Products (either through purchase or acquisition) to Recordkeeping Designee, on a schedule to be determined by Recordkeeping Designee. Information to be provided shall include:

(i) General description of how and where the product was used and if applicable, applied;

(ii) Source of product, including name, physical location, and contact information for each entity, operation, or facility from whom the Recovered Organic Waste Products were procured;

(iii) Type of product;

(iv) Quantity of each product; and,

(v) Invoice or other record demonstrating purchase or procurement.

2. Renewable Gas procurement by Direct Service Providers

a. Subject to force majeure events that are beyond their control (such as the interruption of third-party supplies or facility shutdowns that are not their fault), Direct Service Providers transporting solid waste, organic materials, and/or recyclable materials shall procure at least seventy-five percent (75%) of their fuel as Renewable Gas and will be required to do so in all RFPs and RFQs released by the City for such services unless they are already required to do so by permit, license, written agreement, or written contract with the City.

b. Departments releasing RFPs and RFQs for contractors that procure fuel in the course of their services to the City shall include a ten percent (10%) price preference to contractors that propose to use the amount or percentage of Renewable Gas specified in the RFP or RFQ to be eligible for said price preference. Such use, if it occurs, shall be documented in a written contract or agreement.

c. If Renewable Gas made from recovered Organic Waste is used by Direct Service Providers, Direct Service Providers shall submit information listed below on a schedule to be determined by Jurisdiction, but not less than annually to the Recordkeeping Designee.

(i) Dates Provided

(ii) Source of product including name, physical location and contact information for each entity, operation or facility from whom the Recovered Organic Waste Products were procured;

(iii) Type of product;

(iv) Quantity provided; and,

(v) Invoice or other record or documentation demonstrating purchase, procurement, or transfer of material to giveaway location.

d. Renewable Gas used by Direct Service Providers under §3.13.030.C.2.a & b of this ordinance shall comply with criteria specified in 14 CCR Section 18993.1.

§3.13.040 – Recycled-Content Paper Procurement

A. Requirements for City Departments

1. If fitness and quality of Recycled-Content Paper Products and Recycled-Content Printing and Writing Paper are equal to that of non-recycled items, all departments and divisions of City shall purchase Recycled-Content Paper Products and Recycled-Content Printing and Writing Paper that consists of at least thirty percent (30%), by fiber weight, postconsumer fiber, whenever the total cost is the same or a lesser total cost than non-recycled items or whenever the total cost is no more than ten to twenty percent (10-20%) of the total cost for the non-recycled items, consistent with the requirements of the City's Procurement Standards, BMC §3.12.070.G.3 and Public Contract Code, Sections 22150 through 22154 and Sections 12200 and 12209, as amended.

2. All Paper Products and Printing and Writing Paper shall be eligible to be labeled with an unqualified recyclable label as defined in Title 16 Code of Federal Regulations Section 260.12 (2013).

3. Provide records to the Recordkeeping Designee of all Paper Products and Printing and Writing Paper purchases on a schedule to be determined by Recordkeeping Designee (both recycled-content and non-recycled content, if any is purchased) made by a division or department or employee of the City. Records shall include a copy of the invoice or other documentation of purchase, written certifications as required in §3.13.040.B.1.c & d of this ordinance for recycled-content purchases, vendor name, purchaser name, quantity purchased, date purchased, and recycled content (including products that contain none), and if non-Recycled-Content Paper Products and/or non-Recycled-Content Printing and Writing Paper are provided, include a description of why Recycled-Content Paper Products and/or Recycled-Content Printing and Writing Paper were not provided.

B. Requirements for Vendors

1. All vendors that provide Paper Products (including janitorial Paper Products) and Printing and Writing Paper to City shall:

   a. Provide Recycled-Content Paper Products and Recycled-Content Printing and Writing Paper that consists of at least thirty percent (30%), by fiber weight, postconsumer fiber, if fitness and quality are equal to that of non-recycled item, and available at equal or lesser price or available at no more than ten to twenty percent (10-20%) of the total cost for non-recycled Paper Products, consistent with the requirements of the City's Procurement Standards, BMC §3.12.070.G.3.

b. Only provide Paper Products and Printing and Writing Papers that meet Federal Trade Commission Recyclability standard as defined in Title 16 Code of Federal Regulations Section 260.12 (2013).

c. Certify in writing, under penalty of perjury, the minimum percentage of postconsumer material in the Paper Products and Printing and Writing Paper offered or sold to the City. This certification requirement may be waived if the percentage of postconsumer material in the Paper Products, Printing and Writing Paper, or both can be verified by a product label, catalog, invoice, or a manufacturer or vendor internet website.

d. Certify in writing, under penalty of perjury, that the Paper Products and Printing and Writing Paper offered or sold to the City is eligible to be labeled with an unqualified recyclable label as defined in Title 16 Code of Federal Regulations Section 260.12 (2013).

e. Provide records to the Recordkeeping Designee of all Paper Products and Printing and Writing Paper purchased from the vendor on a schedule to be determined by Recordkeeping Designee (both recycled-content and non-recycled content, if any is purchased) made by a division or department or employee of the City. Records shall include a copy of the invoice or other documentation of purchase, written certifications as required in §3.13.040.B.1.c & d of this ordinance for recycled-content purchases, purchaser name, quantity purchased, date purchased, and recycled content (including products that contain none), and if non-Recycled-Content Paper Products and/or non-Recycled-Content Printing and Writing Paper are provided, include a description of why Recycled-Content Paper Products and/or Recycled-Content Printing and Writing Paper were not provided.

2. All vendors providing printing services to the City via a printing contract or written agreement, shall use Printing and Writing Paper that consists of at least thirty percent (30%), by fiber weight, postconsumer fiber, or as amended by Public Contract Code Section 12209.

§3.13.050 – Recordkeeping Responsibilities

A. The Department of Public Works, Sustainability Division, will be the responsible department and will select an employee to act as the Recordkeeping Designee that will be responsible for obtaining records pertaining to Procurement of Recovered Organic Waste Products and Recycled-Content Paper Products and Recycled-Content Printing and Writing Paper.

B. The Recordkeeping Designee will do the following to track Procurement of Recovered Organic Waste Products, Recycled-Content Paper Products, and Recycled-Content Printing and Writing Paper:

1. Collect and collate copies of invoices or receipts (paper or electronic) or other proof of purchase that describe the procurement of Printing and Writing Paper and Paper

Products, including the volume and type of all paper purchases; and, copies of certifications and other required verifications from all departments and/or divisions procuring Paper Products and Printing and Writing Paper (whether or not they contain recycled content) and/or from the vendors providing Printing and Writing Paper and Paper Products. These records must be kept as part of City's documentation of its compliance with 14 CCR Section 18993.3.

2. Collect and collate copies of invoices or receipts or documentation evidencing procurement from all departments and divisions procuring Recovered Organic Waste Products and invoices or similar records from vendors/contractors/others procuring Recovered Organic Waste Products on behalf of the City to develop evidence of City meeting its Annual Recovered Organic Waste Product Procurement Target. These records must be kept as part of the City's documentation of its compliance with 14 CCR Section 18993.1.

3. Collect, collate, and maintain documentation submitted by the City, Direct Service Providers, and/or vendors, including the information reported to the Recordkeeping Designee in accordance with §3.13.030.B.1.c, §3.13.030.B.2.b., §3.13.030.B.3.b, §3.13.030.C.1.c, §3.13.030.C.2.c, §3.13.040.A.3, and §3.13.040.B.1.e of this ordinance

4. Compile an annual report on the City's direct procurement, and vendor/other procurement on behalf of the City, of Recovered Organic Waste Products, Recycled-Content Paper Products, and Recycled-Content Printing and Writing Paper, consistent with the recordkeeping requirements contained in 14 CCR Section 18993.2 for the Annual Recovered Organic Waste Product Procurement Target and 14 CCR Section 18993.4 for Recycled-Content Paper Products and Recycled-Content Printing and Writing Paper procurement. This report shall be made available to the City's responsible entity for compiling the annual report to be submitted to CalRecycle (which will include a description of compliance on many other SB 1383 regulatory requirements) pursuant to 14 CCR Division 7, Chapter 12, Article 13. The procurement report shall also be shared with the Brisbane City Council annually as evidence of implementing this Policy.

§3.13.060 – Effective Date of Policy

This Policy shall go into effect January 1, 2022.

SECTION 2: If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held by a court of competent City to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council of the City of Brisbane hereby declares that it would have passed this Ordinance and each section,

subsection, sentence, clause and phrase thereof, irrespective of the fact that one or more sections, subsections, sentences, clauses or phrases may be held invalid or unconstitutional.

SECTION 3: This Ordinance shall be in full force and effect January 1, 2022.

* * * *

The above and foregoing Ordinance was regularly introduced and after the waiting time required by law, was thereafter passed and adopted at a regular meeting of the City Council of the City of Brisbane held on the _____ day of _____, 2021, by the following vote:

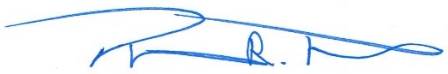
AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Karen Cunningham, Mayor

ATTEST:

_____
Ingrid Padilla, City Clerk

APPROVED AS TO FORM:



_____
Thomas R. McMorrow, City Attorney

File Attachments for Item:

P. Consider Creation of a Brisbane Equity and Diversity Committee and Brisbane 101: A Brisbane Civic Engagement Session

CITY COUNCIL AGENDA REPORT

Meeting Date: 9/23/2021

From: Staff EPIC (Equity Plus Inclusion Committee)

Subject: Creation of a Brisbane Equity and Diversity Committee

Community Goal/Result

Community Building

Purpose

Increase participation in the community from underrepresented groups.

Recommendation

Approve the creation of a City Equity and Diversity Committee, creation of a Brisbane 101 Community learning event, and direct staff to hold a city-wide listening program around the areas of diversity, equity, and inclusion.

Background

On March 1, 2021, the City Council's Liaison to EPIC met and requested a report back on what other communities around the State and the country were doing related to citywide diversity committees. The liaisons' met with staff on August 2, 2021 to discuss the findings and work on making recommendations regarding a City Equity and Diversity Committee.

Discussion

Proposed City Equity and Diversity Committee

Staff reviewed twelve different citywide equity and inclusion committees. These were from: Elk Grove, Turlock, El Segundo (California), Wenatchee, Federal Way, Shoreline, Renton (Washington), Happy Valley, Wilsonville (Oregon), Scottsdale (Arizona), Northborough (Massachusetts), and Dover (New Hampshire). The majority of these were created within the past 2-3 years. All of them had some common components that staff believes would be beneficial here, assuming the City Council supports creating a similar committee in Brisbane. The Committee reviewed the information with staff and is making the following recommendations for the creation of an Equity and Diversity Committee.

Purpose of the Committee – the committee would define what Diversity and Inclusion means for the City. It would also be an ambassador for the City to various aspects of the community, and it would provide insight and feedback to the City Council on issues related to diversity and

inclusion. This is similar to the beginning of the Open Space and Ecology Committee when it defined the needs of the City as it related to Open Space in the Brisbane Acres and then took on the role of providing the City feedback on issues related to Open Space and Sustainability.

Name of Committee – IDEA (Inclusion, Diversity, Equity, and Accountability) – The Subcommittee wanted to make sure the new committee dealt with the full range of issues facing underrepresented individuals.

Membership of the Committee – 7-11 members. The subcommittee wanted to ensure there were enough people on the committee that it could have a full range of representation but it was not so large that all of the members would not be able to fully contribute. (Committees that are too large often rely on a few people to provide input.) Members would be selected by Council appointment. The subcommittee did not want to define eligibility for the committee beyond residents and people who worked in Brisbane. The subcommittee thought it was important that people who work in town could be represented on this committee which could broaden the perspectives on this new committee. The subcommittee recommends the following question be added to the application for this committee "what diverse perspective will you bring to this committee?" This will allow applicants to self-define their own identity and allow the Council a broad ability to ensure diverse opinions and backgrounds are represented on the committee.

Meeting Dates & Times – The subcommittee thinks the new committee should meet monthly, similar to our existing committees, but that the committee members should be able to determine the day and time of their meetings. This may allow for people who are not normally able to serve on committees due to time constraints to find a better day and time than if the date was preset.

<u>Proposed Leadership Academy</u>
EPIC also discussed the possibility of creating a Leadership Academy for the residents of Brisbane to help enlarge the pool of people willing to apply for Commissions and Committees.

<u>Proposed Learning Event</u>
The subcommittee reviewed the idea of creating a learning event with the goal of reaching out to underrepresented members of our community to assist them in learning about the community and how the City and committees function. The subcommittee thought by doing this it might encourage a more diverse applicant pool to all of the City's committees and commissions. The subcommittee asked staff to develop a program that would achieve this purpose.

Staff recommends the following program to achieve this.

A half-day session on Saturday November 6th called Brisbane 101. The session would be planned at Mission Blue so if needed it could be held outside or inside. Participants would

apply by Octobers 22nd and it would be open to residents only. There would be a maximum of 20 participants to ensure robust discussion and allow people to get to know each other. The program would focus on the City Council's adopted goals: Fiscally Prudent, Safe Community, Community Building, Ecological Sustainability, and Economic Development. The topics covered in each session would be reflective of issues the City is working on in those areas and the committees and commissions which have a role to play. The sessions would last from 30 to 40 minutes each. The program would begin with a welcome from the Mayor, an icebreaker exercise so the participants can learn a little about each other, and an overview of the City by the City Manager.

In order to try and reach out to non-traditional participants in city events staff recommends broadening our outreach methods. This would include working with existing non-profits like the Mothers of Brisbane, asking the school district to send information to the parents in town, tabling at the Farmers' Market, contacting individuals who have participated in city events or have indicated on the citywide survey they would be interested in participating in events like this, and putting flyers in businesses that are frequented in town. Staff is also recommending that the flyers should be translated into various languages.

Staff anticipates this to start at 9:45 for sign-ins and coffee, and pastries and end around 2:30. Lunch would be provided.

Proposed Listening Event

The subcommittee proposes having a City-wide listening event to begin the conversation around the issues of diversity, equity, inclusion, and accountability. The subcommittee recommends a City-wide event in hopes that the full diversity of our community is represented. The subcommittee suggests that an outside facilitator be used to conduct this meeting. This would be similar to the Home for All meetings held previously. The subcommittee would recommend the City use someone like the Chief Equity Officer of San Mateo County as the facilitator to reduce the cost of the event.

Fiscal Impact

The cost of the November 6th session is not anticipated to be too great since there would be a limited number of people participating. The cost of the new committee would depend on what issues they would like to discuss and how much staff time is needed.

Measure of Success

The City becomes a more inclusive community for groups that have had lower representation than in the past.

File Attachments for Item:

Q. Consider Approval of Letter of Support for the Brisbane Lunch Truck regarding a Beer and Wine License with the Department of Alcoholic Beverage Control

CITY COUNCIL AGENDA REPORT

Meeting Date: 9/23/2021

From: Clay Holstine, City Manager

Subject: Letter of Support for Brisbane Lunch Truck for Beer & Wine License

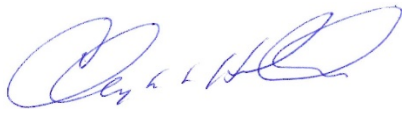
Background

The City has been leasing space at the Park N' Ride site at Bayshore and Old County to Brisbane Lunch Truck. The owners have approached the City regarding seeking a license to sale beer and wine.

City staff has reviewed and provided comments to BLT. There were two issues raised by staff. Restricting sales to on-site consumption only and potential for need for additional insurance. BLT owners are aware of these conditions and are in agreement.

The decision on an application is under the jurisdiction of the State of California, Alcoholic and Beverage Control (ABC). The letter from the City would be in support of the application.

If the City Council authorizes a letter, staff will work with the applicant and draft a letter for the Mayor's signature.



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Clay Holstine, City Manager