



# San Luis Obispo Local Agency Formation Commission Meeting Agenda, August 18, 2022, 9:00am

## MEETING

**AUGUST 18, 2022 – 9 A.M.**  
**ZOOM MEETING, SEE ACCESS**  
**INFORMATION BELOW**

## CONTACT

**ROB FITZROY**  
**EXECUTIVE OFFICER**  
**805-781-5795**  
**FAX 805-788-2072**  
**SLO.LAFCO.CA.GOV**

## COMMISSIONERS

**ED WAAGE, CHAIR, CITY**  
**DEBBIE ARNOLD, VICE CHAIR, COUNTY**  
**LYNN COMPTON, COUNTY**  
**STEVE GREGORY, CITY**  
**MARSHALL OCHYLSKI, SPECIAL DISTRICT**  
**ROBERT ENNS, SPECIAL DISTRICT**  
**HEATHER JENSEN, PUBLIC**  
**DAWN ORTIZ-LEGG, COUNTY ALTERNATE**  
**CHARLES BOURBEAU, CITY ALTERNATE**  
**ED EBY, SPECIAL DISTRICT ALTERNATE**  
**DAVID WATSON, PUBLIC ALTERNATE**

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## MEETING PARTICIPATION

- **To submit written comment**, mention the matter or agenda item number and send via email to [mbing@slo.lafco.ca.gov](mailto:mbing@slo.lafco.ca.gov) or fill out an online submission form on our website at [slo.lafco.ca.gov](http://slo.lafco.ca.gov), or U.S. mail at 1042 Pacific St Suite A, San Luis Obispo CA, 93401. All correspondence is distributed to each Commissioner and will become part of the official record of the Commission meeting.
- **To submit a pre-recorded verbal comment** call (805) 781-5795; state and spell your name, mention the agenda item number you are calling about and leave your comment. Your comments will be distributed to each Commissioner and will become part of the official record of the Commission meeting.
- **To provide live comment**, join the meeting via Zoom (see meeting access information below) and press the "raise a hand" button or if joining by phone only, press \*9 to indicate a desire to make comment. The chair or staff will call you by name or phone number when it is your turn to comment; limited to 3 minutes per item.
  - \* If you are joining by Zoom & phone, still use the Zoom raise hand button as \*9 will **not** work.

### Other Notes:

- In compliance with the Americans with Disabilities Act (ADA), if you need special assistance to participate at this meeting, please contact the Clerk at 805-781-5795. Notification provided a minimum of 48 hours prior to the meeting will enable the Clerk to make reasonable arrangements to ensure accessibility to this meeting. Pursuant to the ADA, the meeting room is accessible to the physically disabled.
- It is required by Government Code Section 84308 that a participant in a LAFCO proceeding who has a financial interest in the decision and who has made a campaign contribution of more than \$250 to any Commissioner within (12) months prior, must disclose the contribution. If you are affected, please notify

Commission Staff before the hearing.

## MEETING ACCESS

LAFCO Commission Meetings can be viewed at:

<https://us06web.zoom.us/j/87452306550?pwd=R1ZyOHpHOS9uc3VzRVc3NHplVmhHQT09>

Webinar ID:	<b>874 5230 6550</b>	Password:	<b>511720</b>
Call-in Number:	<b>1 669 900 6833</b>	Public Comments:	On the agenda cover page

## MEETING AGENDA

### Call to Order/Roll Call

Approval of the Minutes: July 21, 2022 **(Pages 3 - 8)**

### Non-Agenda Public Comment Period

This is the period in which persons may speak on items that are not on the regular agenda. You may provide public comment in one of the three methods mentioned above in the "Meeting Participation" section.

### Consent Agenda

**A-1:** Resolution Regarding Commission Meetings Held by Teleconference as Provided by AB 361 (Recommend Review and Approve) **(Pages 9 - 14)**

### Regular Matters

**B-1:** Fiscal Year 2021-2022 Year End Budget Report (Recommend Review and Approve) **(Pages 15 - 26)**

**B-2:** Office Lease Modification (Recommend Review and Approve) **(Pages 27 - 38)**

**B-3:** 2022 Biennial Update of the Conflict of Interest Code (Recommend Review and Approve) **(Pages 39 - 46)**

### Commissioner Comments

### Legal Counsel Comments

### Executive Officer Comments

### Adjournment



**SAN LUIS OBISPO  
LOCAL AGENCY FORMATION COMMISSION  
JULY 21, 2022, MEETING MINUTES**

**Call to Order**

The San Luis Obispo Local Agency Formation Commission (LAFCO) meeting was called to order at 9:05 a.m. on Thursday, July 21, 2022, by Chairperson Ed Waage in the Board of Supervisors Chambers at the County Government Center in San Luis Obispo, California pursuant to the Governor's Executive Order AB 361.

**Pledge of Allegiance**

**Roll Call**

**Present:** Chairperson Ed Waage, Vice-Chair Debbie Arnold, Commissioners Robert Enns, Heather Jensen, and Marshall Ochylski, and Alternate Commissioners Charles Bourbeau, Dawn Ortiz-Legg, and Ed Eby

**Absent:** Commissioner Lynn Compton, and Steve Gregory, and Alternate Commissioner David Watson

**Staff:** Rob Fitzroy, LAFCO Executive Officer  
Brian Pierik, LAFCO Legal Counsel  
Imelda Marquez, LAFCO Analyst  
Morgan Bing, LAFCO Clerk Analyst

**Approval of the Minutes:** May 19, 2022

**Chairperson Waage** announced the consideration of approval for the May 19, 2022, Regular Meeting Minutes.

**Chairperson Waage** asked for any public comment, announcing it was closed shortly after hearing none.

**Chairperson Waage** asked for Commissioner comments or a motion to approve the minutes.

**Commissioner Enns** motioned to approve the minutes.

**Commissioner Jensen** seconded the motion.

**AYES:** Commissioners Enns, Jensen, Bourbeau, Ochylski, Vice Chair Arnold, and Chairperson Waage

NAYS: None

ABSTAINING: None

NOTE: Commissioner Ortiz-Legg was not present during the approval of the minutes.

The motion was passed.

### **Non-Agenda Public Comments**

**Chairperson Waage** asked for any public comment, announcing it was closed shortly after hearing none.

### **Consent Agenda**

**A-1:** Resolution Regarding Commission Meetings Held by Teleconference as Provided by AB 361 (Recommend Review and Approve)

**Chairperson Waage** opened the item for public comment, announcing it was closed shortly after hearing none.

**Chairperson Waage** asked for a motion to approve the Consent Agenda item.

**Vice Chair Arnold** motioned to approve the items on consent.

**Commissioner Enns** seconded the motion.

AYES: Vice Chair Arnold, Commissioners Enns, Bourbeau, Jensen, Ochylski, and Chairperson Waage

NAYS: None

ABSTAINING: None

NOTE: Commissioner Ortiz-Legg was not present during the Consent Agenda item.

The motion was passed.

### **Informational Matters**

**B-1:** Study Session on the Dana Reserve Specific Plan and Draft Environmental Impact Report (Recommend Review and Approve)

**Mr. Fitzroy** presented the item.

**Mario Iglesias**, the General Manager of Nipomo Community Services District, further elaborated on the item and the studies Nipomo Community Services District has conducted on the project.

**Mr. Fitzroy** continued presenting the item.

**Nick Tompkins**, the project applicant, further elaborated on the item and plans for the project.

**Chairperson Waage** opened the item for Commissioner questions.

**Vice Chair Arnold** asked about anticipated water usage for the project.

**Mr. Tompkins** responded to the questions and provided answers.

**Victor Montgomery** and **Robert Camacho**, from RRM Design Group, provided additional input.

**Commissioner Ortiz-Legg** asked about the transportation impacts in the Environmental Impact Report and commented on the water graph provided.

**Mr. Tompkins** responded to the questions and provided answers.

**Commissioner Bourbeau** inquired about average size of multifamily units.

**Mr. Tompkins** responded to the question and provided answers.

**Commissioner Bourbeau** asked about the reliability of the Santa Maria Valley Basin water supply.

**Mr. Iglesias** responded to the question and provided answers.

**Chairperson Waage** asked about the reliability of the Santa Maria Valley Basin water supply.

**Mr. Iglesias** responded to the questions and provided answers.

**Commissioner Enns** commented on the LAFCO staff report and Draft Environmental Impact Report and complimented the applicant's efforts, followed by questions on the County's Growth Management ordinance.

**Airlin Singewald**, from County of San Luis Obispo Planning and Building Department, provided additional information.

**Commissioner Ortiz-Legg** asked for clarification on the county's growth rate.

**Mr. Singewald** provided clarification.

**Chairperson Waage** opened the floor to public comment.

### **Public Comment**

**Ken Trigueiro**, from People's Self-Help Housing, expressed support for the project and plans for their affordable housing site.

**Joe Martinez**, resident of Nipomo, provided comment and expressed concerns for the project.

**Tim Martin**, resident of Nipomo, voiced concerns for the project, specifically regarding water.

### **Public Comment Closed**

**Chairperson Waage** asked for additional commissioner comments.

**Commissioner Ochylski** asked for clarification on the due date of comments on the Draft Environmental Impact Report.

**Mr. Fitzroy** clarified the due date.

**Commissioner Ortiz-Legg** commented on the importance of community outreach.

**Commissioner Ochylski** asked for Mr. Tompkins' input on Alternative 3 of the Draft Environmental Impact Report.

**Mr. Tompkins** provided comment.

**Chairperson Waage** recommended the Environmental Impact Report contain additional discussion on water supply.

**Chairperson Waage** thanked the project team and announced the item was received and filed.

**B-2:** Shandon San Juan Water District Annexation & Sphere of Influence Application Status, LAFCO No. 4-R-21 (Recommend Receive and File)

**Mr. Fitzroy** presented the item.

**Chairperson Waage** opened the item for commissioner comments.

**Commissioner Enns** inquired about the County's objection to the annexation.

**Mr. Fitzroy** responded to the question and provided input.

**Commissioner Enns** asked about the County GSA's fees.

**Vice-Chair Arnold** and **Commissioner Ortiz-Legg** responded to the question and provided answers.

**Chairperson Waage** asked for public comment, announcing it was closed shortly after hearing none.

**Chairperson Waage** announced the item was received and filed.

**B-3:** Receive Notice of Submittal for Petition of Application for Annexation #13 to County Service Area 18 – LAFCO File No. 2-R-22, and Application for a Sphere of Influence Amendment and Annexation #19 to Cayucos Sanitary District – LAFCO File No. 3-R-22 (Recommend Receive and File)

**Ms. Marquez** presented the item.

**Chairperson Waage** opened the item for commissioner comments, hearing none.

**Chairperson Waage** asked for any public comment, announcing it was closed shortly after hearing none.

**Chairperson Waage** announced the item was received and filed.

**B-4:** CALAFCO Updates (Recommend Receive and File)

**Mr. Fitzroy** presented the item.

**Chairperson Waage** opened the item for commissioner comments, hearing none.

**Chairperson Waage** asked for any public comment, announcing it was closed shortly after hearing none.

**Chairperson Waage** announced the item was received and filed.

### **Closed Session**

**C-1:** Closed Session pursuant to Government Code Section 54956.8:  
Conference with Real Property Negotiators  
Property: 1042 Pacific Street, Suite A, San Luis Obispo, CA 93401  
Agency negotiator: Rob Fitzroy  
Negotiating parties: 1042 Pacific Street, A Partnership  
Under negotiation: Price and terms of payment for lease

**Mr. Pierik** announced the Closed Session item.

At 10:59 a.m., **Chairperson Waage** called the open session back into order.

**Report on Closed Session:** LAFCO Legal Counsel, Brian Pierik, stated that there was no reportable action.

**Commissioner Comments:** Mr. Fitzroy introduced the new Clerk Analyst, Morgan Bing.

**Legal Counsel Comments:** None

**Executive Officer Comments:** None

**Adjournment:** With no further business before the Commission, the meeting adjourned at 11:02 a.m. until the next meeting of the Commission pursuant to Governor’s Executive Orders, depending upon the progression of the COVID-19 pandemic.

**THESE MINUTES ARE NOT OFFICIAL NOR ARE THEY A PERMANENT PART OF THE RECORD UNTIL THEY ARE APPROVED BY LAFCO COMMISSIONERS AT THE NEXT REGULAR MEETING.**

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Respectfully submitted,  
Morgan Bing, LAFCO Clerk Analyst



# San Luis Obispo Local Agency Formation Commission

**TO: MEMBERS OF THE COMMISSION**

**FROM: BRIAN PIERIK, LEGAL COUNSEL**

**DATE: AUGUST 18, 2022**

**SUBJECT: RESOLUTION REGARDING COMMISSION MEETINGS HELD BY TELECONFERENCE AS PROVIDED BY AB361**

## RECOMMENDATION

It is respectfully recommended that the Commission consider taking the following actions:

**Action 1:** Adopt Resolution of the San Luis Obispo Local Agency Formation Commission Proclaiming the Continuing Need to Meet by Teleconference Pursuant to Government Code Section 54953 (e).

## DISCUSSION

All meetings of the San Luis Obispo Local Agency Formation Commission ("Commission") are open and public as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963).

Before COVID-19, Section 54953(b) of the Brown Act allowed for teleconferencing if the public agency complied with the following requirements:

1. At least a quorum of the members of the legislative body must participate from locations within the boundaries within the jurisdiction of the local agency.
2. An agenda shall be posted at all teleconference locations.
3. Each teleconference location shall be identified in the notice and agenda of the meeting.
4. Each teleconference location shall be accessible to the public.

Due to COVID-19, Governor Newsom temporarily suspended compliance with these requirements and as a result, city officials were allowed to teleconference from locations such as their homes without needing to open up those homes or other

### COMMISSIONERS

Chairperson  
ED WAAGE  
City Member

Vice-Chair  
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Special District Member

ROBERT ENNS  
Special District Member

STEVE GREGORY  
City Member

HEATHER JENSEN  
Public Member

### ALTERNATES

DAWN ORTIZ-LEGG  
County Member

ED EBY  
Special District Member

CHARLES BOURBEAU  
City Member

David Watson  
Public Member

### STAFF

ROB FITZROY  
Executive Officer

IMELDA MARQUEZ  
Analyst

MORGAN BING  
Clerk Analyst

BRIAN A. PIERIK  
Legal Counsel

locations for entry by members of the public. However, Governor Newsom’s temporary suspension of such rules expired on September 30, 2021. AB 361 allows the modified teleconferencing rules to continue, subject to the existence of certain requirements of Government Code Section 54953 (e).

Government Code section 54953(e)(1), which was adopted by AB 361, lists the circumstances under which a local agency may use such modified teleconferencing procedures, as follows:

(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.

March 4, 2020, Governor Newsom declared a State of Emergency as a result of the COVID-19 pandemic. The State of Emergency remains in effect and COVID-19 continues to threaten the health and lives of the public and the Delta and Omicron variants are highly transmissible in indoor settings.

For these reasons, the recommended action is for the Commission to adopt the Resolution of the San Luis Obispo Local Agency Formation Commission Proclaiming The Continuing Need To Meet By Teleconference Pursuant To Government Code Section 54953 (e), Attachment A to this Staff Report.

The attached Resolution will authorize the Commission to hold teleconference meetings within the requirements of AB 361 but does not prohibit the Commission from holding in person meetings in the future.

If the state of emergency ends or if the Commission decides to rescind the Resolution, then meetings of the Commission must comply with the pre-COVID teleconferencing rules of 54953(b) described earlier in this Staff Report.

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**Attachment A:** Resolution of the San Luis Obispo Local Agency Formation Commission Proclaiming The Continuing Need To Meet By Teleconference Pursuant To Government Code Section 54953 (e)

# **Attachment A**

Resolution of the San Luis Obispo Local Agency Formation  
Commission Proclaiming The Continuing Need To Meet By  
Teleconference Pursuant To Government Code Section  
54953 (e)

**IN THE LOCAL AGENCY FORMATION COMMISSION**  
**COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA**

Thursday, August 18, 2022

**RESOLUTION NO. 2022-XX**

**RESOLUTION OF THE SAN LUIS OBISPO LOCAL AGENCY FORMATION COMMISSION  
PROCLAIMING THE CONTINUING NEED TO MEET BY TELECONFERENCE PURSUANT  
TO GOVERNMENT CODE SECTION 54953 (e)**

**WHEREAS**, all meetings of the San Luis Obispo Local Agency Formation Commission are open and public as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963); and

**WHEREAS**, the Brown Act, Government Code Section 54953(e), makes provisions for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code Section 54953(b)(3), subject to the existence of certain conditions; and

**WHEREAS**, on March 4, 2020, Governor Newsom declared a State of Emergency as a result of the COVID-19 pandemic; and

**WHEREAS**, such State of Emergency remains in effect; and

**WHEREAS**, COVID-19 continues to threaten the health and lives of the public; and

**WHEREAS**, the Delta and Omicron variants are highly transmissible in indoor settings; and

**WHEREAS**, breakthrough cases are becoming more common

**WHEREAS**, on July 21, 2022, the Commission adopted a Resolution Proclaiming The Continuing Need To Meet By Teleconference Pursuant To Government Code Section 54953

**NOW, THEREFORE, BE IT RESOLVED AND ORDERED** by the Local Agency Formation Commission of the County of San Luis Obispo, State of California (“Commission”), as follows:

1. Recitals. The Recitals set forth hereinabove are true and correct and are hereby incorporated by this reference.
2. Imminent Risk to Health and Safety. Due to COVID-19, holding meetings of the Commission in person will present imminent risk to the health and safety to attendees.



**APPROVED AS TO FORM AND LEGAL EFFECT:**

\_\_\_\_\_  
Brian Pierik  
LAFCO Legal Counsel

\_\_\_\_\_  
Date

CAM #4863-9908-1729 v1

DRAFT



# San Luis Obispo Local Agency Formation Commission

**TO: MEMBERS OF THE COMMISSION**

**FROM: ROB FITZROY, EXECUTIVE OFFICER**

**DATE: AUGUST 18, 2022**

**SUBJECT: YEAR END BUDGET REPORT**

## COMMISSIONERS

Chairperson  
Ed WAAGE  
City Member

Vice-Chair  
DEBBIE ARNOLD  
County Member

LYNN COMPTON  
County Member

MARSHALL OCHYLSKI  
Special District Member

ROBERT ENNS  
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ROB FITZROY  
Executive Officer

IMELDA MARQUEZ  
Analyst

MORGAN BING  
Clerk Analyst

BRIAN A. PIERIK  
Legal Counsel

## RECOMMENDATION

It is respectfully recommended that the Commission consider taking the following actions:

**Action 1:** Receive and file the Fiscal Year (FY) 21-22 Year End Budget Report and direct the Executive Officer to submit it to the County Auditor/Controller.

## BUDGET OVERVIEW

This is the FY 21-22 Year-End Report for the San Luis Obispo Local Agency Formation Commission (LAFCO). The LAFCO operating budget is comprised of four components: 1) salaries, payroll taxes, and benefits, 2) services and supplies, 3) revenues, and 4) fund balance and reserves. Management of the budget is based on "bottom-line" principles that allow for variation within individual line-item accounts as long as the overall expenditures remain within the approved budgeted.

LAFCO's budget is funded by the County, Cities and Independent Special Districts. Each agency grouping pays one-third of the LAFCO budget. City and District shares are pro-rated based on general revenues reported to the State Controller's Office on an annual basis. LAFCO also receives revenue from application fees and interest earnings.

LAFCO is contracted with the County Auditor for various financial services. Every financial transaction is processed through the County Auditor's financial system. This approach ensures accuracy, transparency and accountability. The County Auditor's Office also provides LAFCO with claims processing, invoicing and financial review services. The Auditor's financial tracking system assists LAFCO in monitoring the budget and compiling budget report data, as well as provide independent review of the budget.

## EXECUTIVE OFFICER COMMENTS

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LAFCO is in a healthy budgetary and operational state. FY 21-22 resulted in budgetary savings primarily due to the vacant Clerk position. Budgeted expenditures were expected to be \$612,679 however actual year-end expenditures were \$543,079, resulting in a year end budgetary savings of \$69,600. Now that LAFCO is fully staffed with an Executive Officer, Analyst and Clerk Analyst, the organization is operating at full capacity and staff will continue to bring positive, effective and efficient changes into FY 22-23. The recently adopted FY 22-23 budget is expected to meet the needs of the organization for the remainder of the fiscal year.

## YEAR END BUDGET REPORT

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Table 1 shows a summary of the year-end budget status for LAFCO. Salaries were 12% under budget due to the vacant Clerk position. Additionally, services and supplies were under budget by 9% in various line-items due decreased expenses in certain areas, for example, conferences/travel/training budgets were not fully used due to cancellations of events due to ongoing impacts related to covid.

Table 1. FY 21-22 Year End Expenditures			
	Budgeted Expenditures	Actual Expenditures	Percent Expended
Salaries	\$476,132	\$418,231	88%
Services / Supplies	\$136,547	\$124,848	91%
<b>Totals</b>	<b>\$612,679</b>	<b>\$543,079</b>	<b>89%</b>

Table 2 shows a summary of revenue for FY 21-22. Due to an increase in application activity, processing fees exceeded projected revenues. All agencies contributed their respective portion of the budget in a timely manner. LAFCO did not need to use \$35,000 from reserves as anticipated because revenue generated exceeded actual expenditures, that is, without the use of the \$35,000 revenue was \$581,521, while expenditures were \$543,079 which resulted in a scenario where it was not necessary to pull from reserves.

Table 2. FY 21-22 Year End Revenue		
	Budgeted Revenue	Actual Revenue
Revenue	\$21,000	\$24,842
Agency Contributions	\$556,679	\$556,679
Use of Reserve Funds	\$35,000	Not Used
<b>Totals</b>	<b>\$612,679</b>	<b>\$581,521</b>

Table 3 shows fund balance reserves. As noted above, it was not necessary to pull \$35,000 from reserves to achieve budget targets. In addition to not being required to use reserves, we also added \$38,442 to the existing reserve fund balance (\$581,521 revenue - \$543,079 expenditures). The new reserve fund balance is \$301,021.

<b>Table 3. FY 21-22 Year End Reserve Fund Balance</b>		
	<b>Beginning FY 21-22</b>	<b>Year End FY 21-22</b>
<b>Existing Reserve Fund</b>	\$262,579	\$262,579
<b>Year End Surplus</b>	-	\$38,442
<b>Year End Reserve Fund</b>	-	<b>\$301,021</b>

### **CREDIT CARD STATEMENTS**

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As per Commission practice with each quarterly budget report, we have included credit card statements for the April, May, and June 2022 as Attachment B. The LAFCO credit card is used to purchase routine office items such as postage, ink, paper, general office supplies, as well as other office equipment when necessary. An overview of credit card usage is as follows.

- April – Zoom subscription, Canva (business cards), USPS postage
- May – Zoom subscription, Job Postings for Clerk Analyst, FedEx mailings, Microsoft 365 subscription, County Clerk Recorder filing fees, Costco (office computer), Poor Richards Press (business cards)
- June – Zoom subscription, Staples (two replacement office chairs), Trophy Hunters (name plates), Costco (food for commission meetings, computer monitor)

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**Attachment A:** Year End Budget Detail

**Attachment B:** Credit Card Statements for April, May, June 2022

# Attachment A

Year End Budget Detail

## Fiscal Year 2021-22 LAFCO Budget Year End Status Report

Period Ending: June 30, 2022

EXPENDITURES SUMMARY	Adopted 21-22	Year End Expenditure	Year End Balance	% Expended
Salaries	289,892	270,953	18,939	93%
Benefits & Payroll Taxes	186,239	147,279	38,960	79%
Services and Supplies	136,547	124,848	11,699	91%
<b>Total Expenses Summary</b>	<b>612,678</b>	<b>543,079</b>	<b>69,599</b>	<b>89%</b>

EXPENDITURES DETAIL	Adopted 21-22	Expenditure YTD	Balance YTD	% Expended
<b>Salaries and Benefits</b>				
Salaries	289,892	270,953	18,939	93%
Benefits & Payroll Taxes	186,239	147,279	38,960	79%
<b>Subtotal Salaries &amp; Benefits</b>	<b>476,131</b>	<b>418,231</b>	<b>57,900</b>	<b>88%</b>

Services and Supplies	Adopted 21-22	Expenditure YTD	Balance YTD	% Expended
Food	600	347	253	58%
Maintenance - Equipment	30	0	30	0%
Maintenance - Software	50	119	-69	238%
CALAFCO/Other Memberships	8,000	6,406	1,594	80%
Office Supplies	2,500	2,702	-202	108%
Commissioner/Professional Serv.	10,000	10,319	-319	103%
Publication/Legal Notices	1,000	441	559	44%
Rent	37,000	36,677	323	99%
Small Equipment	400	454	-54	114%
Large Equipment	1,000	4,350	-3,350	435%
Computer Software	500	505	-5	101%
Employee Mileage	200		200	0%
Commissioner Mileage	1,200	138	1,062	12%
Airfare/Public Transportation	0	0	0	0%
Accommodations/Travel	2,500	321	2,179	13%
Auto Allowance	5,400	5,400	0	100%
Training/Conf Registration	3,500	688	2,812	20%
Utilities	4,200	3,652	548	87%
Car/Vehicle Rentals	500	325	175	65%
Postage	1,000	481	519	48%
Custodian	1,100	1,310	-210	119%
Copying	300	22	278	7%
ITD-SAP/Board Chambers	850	0	850	0%
Phones/Internet	3,000	3,120	-120	104%
County Auditor	8,817	8,596	221	97%
Insurance	16,500	14,376	2,124	87%
Legal Counsel	26,400	24,100	2,300	91%
<b>Subtotal Services &amp; Supplies</b>	<b>136,547</b>	<b>124,848</b>	<b>11,699</b>	<b>91%</b>

<b>Total Expenses</b>	<b>612,678</b>	<b>543,079</b>	<b>69,599</b>	<b>89%</b>
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REVENUE DETAIL	Adopted 21-22	Realized YTD	Balance YTD	% Realized
Interest	4,000	2,822	2,822	71%
Environmental Fees	1,000	4,000	4,000	400%
Sphere of Influence Fee	2,000	4,500	4,500	225%
LAFCO Processing Fees	14,000	13,520	13,520	97%
Use of Fund Balance If needed	35,000	Not Needed	N/A	N/A
Sub-Total w/o Agency Charges	<b>56,000</b>	<b>24,842</b>	<b>24,842</b>	<b>44%</b>
LAFCO Charges to Agencies	556,679	556,679	556,679	100%
<b>Total Revenue</b>	<b>612,679</b>	<b>581,521</b>	<b>581,521</b>	<b>95%</b>

Fund Balance-Reserves	Beginning FY 21-22	Year End Reserves
Existing Fund Balance and Reserves	262,579	262,579
Year End Surplus	0	38,442
<b>Year End Reserves/Fund Balance</b>	<b>262,579</b>	<b>301,021</b>

# **Attachment B**

Credit Card Statements for April, May, June 2022



**UMPQUA BANK**

BL ACCT

LAFCO

Account Number: ####-####-####

Page 1 of 3



**Account Summary**

Billing Cycle		04/29/2022
Days In Billing Cycle		29
Previous Balance		\$679.99
Purchases	+	\$183.50
Cash	+	\$0.00
Balance Transfers	+	\$0.00
Special	+	\$0.00
Credits	-	\$45.00-
Payments	-	\$679.99-
Other Charges	+	\$0.00
Finance Charges	+	\$0.00

**NEW BALANCE \$138.50**

**Credit Summary**

Total Credit Line	\$10,000.00
Available Credit Line	\$9,861.50
Available Cash	\$0.00
Amount Over Credit Line	\$0.00
Amount Past Due	\$0.00
Disputed Amount	\$0.00

**Account Inquiries**

Call us at: (866) 777-9013  
Lost or Stolen Card: (866) 839-3485

Go to [www.umpquabank.com](http://www.umpquabank.com)

Write us at PO BOX 35142 - LB1181, SEATTLE, WA 98124-5142

**Payment Summary**

<b>NEW BALANCE</b>	<b>\$138.50</b>
<b>MINIMUM PAYMENT</b>	<b>\$138.50</b>
<b>PAYMENT DUE DATE</b>	<b>05/25/2022</b>

*NOTE: Grace period to avoid a finance charge on purchases, pay entire new balance by payment due date. Finance charge accrues on cash advances until paid and will be billed on your next statement.*

**Corporate Activity**

				<b>TOTAL CORPORATE ACTIVITY</b>	<b>\$679.99-</b>
<b>Trans Date</b>	<b>Post Date</b>	<b>Reference Number</b>	<b>Transaction Description</b>	<b>Amount</b>	
04/18	04/18	70005602108555108450110	PAYMENT - THANK YOU SPOKANE WA	\$679.99-	

PLEASE DETACH COUPON AND RETURN PAYMENT USING THE ENCLOSED ENVELOPE - ALLOW UP TO 7 DAYS FOR RECEIPT

**Cardholder Account Summary**

IMELDA MARQUEZ #### #### ####	Payments & Other Credits \$45.00-	Purchases & Other Charges \$183.50	Cash Advances \$0.00	Total Activity \$138.50
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**Cardholder Account Detail**

Trans Date	Post Date	Plan Name	Reference Number	Description	Amount
04/02	04/03	PPLN01	24011342092000011813393	ZOOM.US 888-799-9666 WWW.ZOOM.US CA	\$98.50
04/11	04/12	PPLN01	24011342102000003419884	CANVA* I03387-39348835 HTTPSCANVA.CO DE	\$22.50
04/11	04/12	PPLN01	24011342102000003963469	CANVA* I03387-39725692 HTTPSCANVA.CO DE	\$22.50
04/19	04/20		24011342110000006085724	CREDIT VOUCHER CANVA* I03387-39348835 HTTPSCANVA.CO DE	\$22.50-
04/19	04/21		24011342110000019391945	CREDIT VOUCHER CANVA* I03387-39725692 HTTPSCANVA.CO DE	\$22.50-
04/28	04/29	PPLN01	24137462119001530338163	USPS PO 0568770075 SAN LUIS OBIS CA	\$40.00

**Finance Charge Summary / Plan Level Information**

Plan Name	Plan Description	FCM <sup>1</sup>	Average Daily Balance	Periodic Rate *	Corresponding APR	Finance Charges	Effective APR Fees **	Effective APR	Ending Balance
<b>Purchases</b>									
PPLN01 001	PURCHASE	E	\$0.00	0.06024%(D)	21.9900%	\$0.00	\$0.00	0.0000%	\$138.50
<b>Cash</b>									
CPLN01 001	CASH	A	\$0.00	0.06572%(D)	23.9900%	\$0.00	\$0.00	0.0000%	\$0.00

\* Periodic Rate (M)=Monthly (D)=Daily  
 \*\* includes cash advance and foreign currency fees  
<sup>1</sup> FCM = Finance Charge Method  
 Days In Billing Cycle: 29  
 APR = Annual Percentage Rate  
 (V) = Variable Rate If you have a variable rate account the periodic rate and Annual Percentage Rate (APR) may vary.



Cardholder Account Detail Continued						
Trans Date	Post Date	Plan Name	Reference Number	Description	Amount	
05/03	05/04	PPLN01	24164072123069084689155	FEDEX OFFIC51500051508 SAN LUIS OBIS CA	\$10.86	
05/03	05/04	PPLN01	24164072123069085314829	FEDEX OFFIC51500051508 SAN LUIS OBIS CA	\$10.86	
05/18	05/19	PPLN01	24204292138000092843624	Microsoft*Microsoft 365 F 425-6816830 WA	\$99.99	
05/20	05/22	PPLN01	24343112140900018173394	SLO CLERK RECORDER 805-7815080 CA	\$50.00	
05/27	05/27	PPLN01	24692162147100254823423	WWW COSTCO COM 800-955-2292 WA	\$1,973.35	

Cardholder Account Summary				
ROBERT FITZROY #### #### ##.	Payments & Other Credits \$0.00	Purchases & Other Charges \$87.96	Cash Advances \$0.00	Total Activity \$87.96

Cardholder Account Detail						
Trans Date	Post Date	Plan Name	Reference Number	Description	Amount	
05/12	05/13	PPLN01	24801972132206917000023	POOR RICHARD'S PRESS 8055436844 CA	\$87.96	

Finance Charge Summary / Plan Level Information									
Plan Name	Plan Description	FCM <sup>1</sup>	Average Daily Balance	Periodic Rate *	Corresponding APR	Finance Charges	Effective APR Fees **	Effective APR	Ending Balance
<b>Purchases</b>									
PPLN01 001	PURCHASE	E	\$0.00	0.06024%(D)	21.9900%	\$0.00	\$0.00	0.0000%	\$2,635.52
<b>Cash</b>									
CPLN01 001	CASH	A	\$0.00	0.06572%(D)	23.9900%	\$0.00	\$0.00	0.0000%	\$0.00
* Periodic Rate (M)=Monthly (D)=Daily							Days In Billing Cycle: 32		
** includes cash advance and foreign currency fees							APR = Annual Percentage Rate		
<sup>1</sup> FCM = Finance Charge Method									
(V) = Variable Rate If you have a variable rate account the periodic rate and Annual Percentage Rate (APR) may vary.									



UMPQUA BANK

BL ACCT ( ) LAFCO
Account Number: ####-####-####
Page 1 of 3



Account Summary

Table with 3 columns: Description, Sign, Amount. Rows include Billing Cycle, Days In Billing Cycle, Previous Balance, Purchases, Cash, Balance Transfers, Special, Credits, Payments, Other Charges, Finance Charges.

NEW BALANCE \$1,352.50

Credit Summary

Table with 2 columns: Description, Amount. Rows include Total Credit Line, Available Credit Line, Available Cash, Amount Over Credit Line, Amount Past Due, Disputed Amount.

Account Inquiries

- Call us at: (866) 777-9013
Lost or Stolen Card: (866) 839-3485
Go to www.umpquabank.com
Write us at PO BOX 35142 - LB1181, SEATTLE, WA 98124-5142

Payment Summary

Table with 2 columns: Description, Amount. Rows include NEW BALANCE, MINIMUM PAYMENT, PAYMENT DUE DATE.

NOTE: Grace period to avoid a finance charge on purchases, pay entire new balance by payment due date. Finance charge accrues on cash advances until paid and will be billed on your next statement.

Corporate Activity

Table with 5 columns: Trans Date, Post Date, Reference Number, Transaction Description, Amount. Includes TOTAL CORPORATE ACTIVITY summary row.

Cardholder Account Summary

Table with 5 columns: Cardholder Name, Payments & Other Credits, Purchases & Other Charges, Cash Advances, Total Activity.

Cardholder Account Detail

Table with 7 columns: Trans Date, Post Date, Plan Name, Reference Number, Description, Amount. Lists individual transactions.

... TO 3 DAYS FOR RECEIPT

BL ACCT  
 LAFCO  
 Account Number: #### #### ####  
 Page 3 of 3

Cardholder Account Detail Continued						
Trans Date	Post Date	Plan Name	Reference Number	Description	Amount	
06/17	06/19		74164072169105000350405	CREDIT VOUCHER STAPLES 00103614 SAN LUIS OBIS CA	\$380.61-	
06/22	06/23	PPLN01	24453882174000010100090	TROPHY HUNTERS SN LUIS OBISP CA	\$25.01	
06/27	06/28	PPLN01	24943002179898000080703	COSTCO WHSE #0741 SAN LUIS OBIS CA	\$72.95	
06/29	06/30	PPLN01	24943002181898002045478	COSTCO WHSE #0741 SAN LUIS OBIS CA	\$87.83	

Cardholder Account Summary					
ROBERT FITZROY #### #### ####		Payments & Other Credits \$0.00	Purchases & Other Charges \$489.98	Cash Advances \$0.00	Total Activity \$489.98

Cardholder Account Detail						
Trans Date	Post Date	Plan Name	Reference Number	Description	Amount	
06/07	06/08	PPLN01	24692162158100192813060	WWW COSTCO COM 800-955-2292 WA	\$444.98	
06/07	06/08	PPLN01	24011342159000001409954	CANVA* I03444-31160050 HTTPSCANVA.CO DE	\$45.00	

Finance Charge Summary / Plan Level Information									
Plan Name	Plan Description	FCM <sup>1</sup>	Average Daily Balance	Periodic Rate *	Corresponding APR	Finance Charges	Effective APR Fees **	Effective APR	Ending Balance
<b>Purchases</b>									
PPLN01 001	PURCHASE	E	\$0.00	0.06024%(D)	21.9900%	\$0.00	\$0.00	0.0000%	\$1,352.50
<b>Cash</b>									
CPLN01 001	CASH	A	\$0.00	0.06572%(D)	23.9900%	\$0.00	\$0.00	0.0000%	\$0.00
* Periodic Rate (M)=Monthly (D)=Daily							Days In Billing Cycle: 30		
** includes cash advance and foreign currency fees							APR = Annual Percentage Rate		
<sup>1</sup> FCM = Finance Charge Method									
(V) = Variable Rate If you have a variable rate account the periodic rate and Annual Percentage Rate (APR) may vary.									



# San Luis Obispo Local Agency Formation Commission

**TO: MEMBERS OF THE COMMISSION**

**FROM: ROB FITZROY, EXECUTIVE OFFICER**

**DATE: AUGUST 18, 2022**

**SUBJECT: OFFICE LEASE MODIFICATION**

## RECOMMENDATION

It is respectfully recommended that the Commission consider taking the following actions:

**Action 1:** Review the proposed lease modifications summary and draft lease agreement (Attachment A and B), and direct Chair of the Commission to sign the lease agreement.

## DISCUSSION

LAFCO began leasing 1042 Pacific St. Suite A on May 31, 2001. The lease was last modified on August 21, 2012, at which time the monthly lease rate was increased to \$3,056.45 (plus approximately \$330 in utilities), with a 5 year lease agreement, after 5 years the agreement defaulted to month to month. It has been approximately 10 years since the lease was modified and the monthly rate has not changed since that time. In June, the property owner engaged staff regarding lease extensions and modifications. Staff coordinated with the property owner on a new lease agreement. Key points of the updated lease agreement are as follows:

- Monthly lease will increase from \$3,056.45 (plus an average of \$330 / month in utilities) to \$3,500 total (payment of utilities no longer required)
- Property owner will assume payment of all utilities (currently LAFCO pays electricity, gas, which average \$330 / month)
- Total office space expenses will increase by \$114 / month from \$3,386 (including utilities) to a flat rate of \$3,500
- 5 year term beginning September 2022, at the end of 5 years there is an option to extend the lease for another 5 years
- Includes 180 day cancellation at any time for LAFCO's benefit
- \$10,000 stipend from property owner to conduct certain needed improvements such as interior painting and/or floor replacement

### COMMISSIONERS

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County Member

ED EBY  
Special District Member

CHARLES BOURBEAU  
City Member

David Watson  
Public Member

### STAFF

ROB FITZROY  
Executive Officer

IMELDA MARQUEZ  
Analyst

MORGAN BING  
Clerk Analyst

BRIAN A. PIERIK  
Legal Counsel

## **ANALYSIS**

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While the rate will increase from \$3,056 to \$3,500, the property owner is assuming payment of all utilities currently paid by LAFCO, which average \$330/month. LAFCO currently expends approximately \$3,386 for office space and utilities. The property owner is proposing a flat rate lease of \$3,500 that includes all utilities or a \$114 increase from current expenditures (\$3,386). This represents an increase of 3%. There is also a 180-day notice to allow termination of the lease at any time by LAFCO should the need arise. As noted above, at the end of year 5 in 2027, there is an option for a lease extension for another 5 years with incremental increases thereafter – no decision is necessary for the 5 year extension in 2027 at this time.

Staff evaluated other options for office space and current market rates for lease space within the area. Current market rates for similar locations and amenities average from \$2.20/ square foot (SF) to \$4.50 / SF. The existing lease rate plus utilities is \$1.93 / SF, and the increase to \$3,500 for years 2022-2027 will be \$2.00 / SF. Overall, the proposed rate increase is competitive when compared to other lease options currently available.

## **RECOMMENDATION**

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It is recommended that LAFCO renews the lease because it locks in a competitive rate for up to 5 years at an office location that has served LAFCO well for over 20 years with the option to cancel at any time with 180 days' notice. In addition, the proposed cost increase will not necessitate a budget augmentation for Fiscal Year 22-23. Total budgeted office lease / utility expenditures for FY 22-23 are \$41,700 and the new lease would be \$42,000, a \$300 difference for the entire year. The \$300 difference can be accommodated in the adopted FY 22-23 budget.

In 5 years when the proposed lease terminates, staff can reevaluate the 'option to extend' based on market conditions at that time and whether it makes sense to enter into such an agreement.

### **Additional Options**

1. The Commission may direct staff to negotiate further with the property owner if any terms are not to the satisfaction of the Commission.
2. The Commission may direct staff to further evaluate other office lease options within the downtown area or property acquisitions.

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**Attachment A:** Lease Agreement

**Attachment B:** Additional Terms

# **Attachment A**

## Lease Agreement



COMMERCIAL LEASE AGREEMENT
(C.A.R. Form CL, Revised 12/15)

Date (For reference only): June 29, 2022

1042 Pacific Street, A Partnership,
Local Agency Formation Commission

(“Landlord”) and
(“Tenant”) agree as follows:

- 1. PROPERTY: Landlord rents to Tenant and Tenant rents from Landlord, the real property and improvements described as: 1042 Pacific Street Suite A, San Luis Obispo, Ca. 93401
2. TERM: The term begins on (date) September 1, 2022
3. BASE RENT: Tenant agrees to pay Base Rent at the rate of (CHECK ONE ONLY):
4. RENT: Definition, Payment, Timing
5. EARLY POSSESSION: Tenant is entitled to possession of the Premises on
6. SECURITY DEPOSIT: Tenant agrees to pay Landlord \$3,000.00 as a security deposit.

Landlord's Initials ( ) ( )

Tenant's Initials ( ) ( )

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CL REVISED 12/15 (PAGE 1 OF 6)



COMMERCIAL LEASE AGREEMENT (CL PAGE 1 OF 6)

Real Property Investments, 11549 Los Osos Valley Road, Suite 104 San Luis Obispo CA 93405
Thomas C. Swem, CCM, Broker Realtor

Phone: 8055444422

Fax:

Produced with Lone Wolf Transactions (zipForm Edition) 717 N Harwood St, Suite 2200, Dallas, TX 75201 www.lwof.com

1042 Pacific

**7. PAYMENTS:**

	<u>TOTAL DUE</u>	<u>PAYMENT RECEIVED</u>	<u>BALANCE DUE</u>	<u>DUE DATE</u>
A. Rent: From <u>09/01/2022</u> To <u>09/30/2022</u> Date Date	\$ <u>3,500.00</u>	\$ _____	\$ <u>3,500.00</u>	<u>09/01/2022</u>
B. Security Deposit	\$ <u>3,000.00</u>	\$ <u>3,000.00</u>	\$ _____	_____
C. Other: _____ Category	\$ _____	\$ _____	\$ _____	_____
D. Other: _____ Category	\$ _____	\$ _____	\$ _____	_____
E. Total: .....	\$ <u>6,500.00</u>	\$ <u>3,000.00</u>	\$ <u>3,500.00</u>	_____

8. **PARKING:** Tenant is entitled to 5 unreserved and 0 reserved vehicle parking spaces. The right to parking  is  is not included in the Base Rent charged pursuant to paragraph 3. If not included in the Base Rent, the parking rental fee shall be an additional \$ \_\_\_\_\_ per month. Parking space(s) are to be used for parking operable motor vehicles, except for trailers, boats, campers, buses or trucks (other than pick-up trucks). Tenant shall park in assigned space(s) only. Parking space(s) are to be kept clean. Vehicles leaking oil, gas or other motor vehicle fluids shall not be parked in parking spaces or on the Premises. Mechanical work or storage of inoperable vehicles is not allowed in parking space(s) or elsewhere on the Premises. No overnight parking is permitted.

9. **ADDITIONAL STORAGE:** Storage is permitted as follows: Storage only within the leased premises. The right to additional storage space  is  is not included in the Base Rent charged pursuant to paragraph 3. If not included in Base Rent, storage space shall be an additional \$ \_\_\_\_\_ per month. Tenant shall store only personal property that Tenant owns, and shall not store property that is claimed by another, or in which another has any right, title, or interest. Tenant shall not store any improperly packaged food or perishable goods, flammable materials, explosives, or other dangerous or hazardous material. Tenant shall pay for, and be responsible for, the clean-up of any contamination caused by Tenant's use of the storage area.

10. **LATE CHARGE; INTEREST; NSF CHECKS:** Tenant acknowledges that either late payment of Rent or issuance of a NSF check may cause Landlord to incur costs and expenses, the exact amount of which are extremely difficult and impractical to determine. These costs may include, but are not limited to, processing, enforcement and accounting expenses, and late charges imposed on Landlord. If any installment of Rent due from Tenant is not received by Landlord within **5 calendar days** after date due, or if a check is returned NSF, Tenant shall pay to Landlord, respectively, **\$250.00** as late charge, plus 10% interest per annum on the delinquent amount and \$25.00 as a NSF fee, any of which shall be deemed additional Rent. Landlord and Tenant agree that these charges represent a fair and reasonable estimate of the costs Landlord may incur by reason of Tenant's late or NSF payment. Any late charge, delinquent interest, or NSF fee due shall be paid with the current installment of Rent. Landlord's acceptance of any late charge or NSF fee shall not constitute a waiver as to any default of Tenant. Landlord's right to collect a Late Charge or NSF fee shall not be deemed an extension of the date Rent is due under paragraph 4, or prevent Landlord from exercising any other rights and remedies under this agreement, and as provided by law.

11. **CONDITION OF PREMISES:** Tenant has examined the Premises and acknowledges that Premise is clean and in operative condition, with the following exceptions: Tenant is accepting the office in "AS IS" condition. Items listed as exceptions shall be dealt with in the following manner: See Addendum #1 for Paragraph 45, TENANT IMPROVEMENTS

12. **ZONING AND LAND USE:** Tenant accepts the Premises subject to all local, state and federal laws, regulations and ordinances ("Laws"). Landlord makes no representation or warranty that Premises are now or in the future will be suitable for Tenant's use. Tenant has made its own investigation regarding all applicable Laws.

13. **TENANT OPERATING EXPENSES:** Tenant agrees to pay for all utilities and services directly billed to Tenant. Landlord agrees, for the initial term of 5 years, to pay for all Electric, Water, Gas, and Trash

14. **PROPERTY OPERATING EXPENSES:**

A. Tenant agrees to pay its proportionate share of Landlord's estimated monthly property operating expenses, including but not limited to, common area maintenance, consolidated utility and service bills, insurance, and real property taxes, based on the ratio of the square footage of the Premises to the total square footage of the rentable space in the entire property. \_\_\_\_\_

OR B.  (If checked) Paragraph 14 does not apply.

15. **USE:** The Premises are for the sole use as Professional office. No other use is permitted without Landlord's prior written consent. If any use by Tenant causes an increase in the premium on Landlord's existing property insurance, Tenant shall pay for the increased cost. Tenant will comply with all Laws affecting its use of the Premises.

16. **RULES/REGULATIONS:** Tenant agrees to comply with all rules and regulations of Landlord (and, if applicable, Owner's Association) that are at any time posted on the Premises or delivered to Tenant. Tenant shall not, and shall ensure that guests and licensees of Tenant do not, disturb, annoy, endanger, or interfere with other tenants of the building or neighbors, or use the Premises for any unlawful purposes, including, but not limited to, using, manufacturing, selling, storing, or transporting illicit drugs or other contraband, or violate any law or ordinance, or committing a waste or nuisance on or about the Premises.

17. **MAINTENANCE:**

A. Tenant OR  (If checked, Landlord) shall professionally maintain the Premises including heating, air conditioning, electrical, plumbing and water systems, if any, and keep glass, windows and doors in operable and safe condition. Unless Landlord is checked, if Tenant fails to maintain the Premises, Landlord may contract for or perform such maintenance, and charge Tenant for Landlord's cost.

B. Landlord OR  (If checked, Tenant) shall maintain the roof, foundation, exterior walls, common areas and \_\_\_\_\_

Landlord's Initials ( ) ( )

Tenant's Initials ( ) ( )



- 18. **ALTERATIONS:** Tenant shall not make any alterations in or about the Premises, including installation of trade fixtures and signs, without Landlord's prior written consent, which shall not be unreasonably withheld. Any alterations to the Premises shall be done according to Law and with required permits. Tenant shall give Landlord advance notice of the commencement date of any planned alteration, so that Landlord, at its option, may post a Notice of Non-Responsibility to prevent potential liens against Landlord's interest in the Premises. Landlord may also require Tenant to provide Landlord with lien releases from any contractor performing work on the Premises.
- 19. **GOVERNMENT IMPOSED ALTERATIONS:** Any alterations required by Law as a result of Tenant's use shall be Tenant's responsibility. Landlord shall be responsible for any other alterations required by Law.
- 20. **ENTRY:** Tenant shall make Premises available to Landlord or Landlord's agent for the purpose of entering to make inspections, necessary or agreed repairs, alterations, or improvements, or to supply necessary or agreed services, or to show Premises to prospective or actual purchasers, tenants, mortgagees, lenders, appraisers, or contractors. Landlord and Tenant agree that 24 hours notice (oral or written) shall be reasonable and sufficient notice. In an emergency, Landlord or Landlord's representative may enter Premises at any time without prior notice.
- 21. **SIGNS:** Tenant authorizes Landlord to place a FOR SALE sign on the Premises at any time, and a FOR LEASE sign on the Premises within the 90 (or  \_\_\_\_\_) day period preceding the termination of the agreement.
- 22. **SUBLETTING/ASSIGNMENT:** Tenant shall not sublet or encumber all or any part of Premises, or assign or transfer this agreement or any interest in it, without the prior written consent of Landlord, which shall not be unreasonably withheld. Unless such consent is obtained, any subletting, assignment, transfer, or encumbrance of the Premises, agreement, or tenancy, by voluntary act of Tenant, operation of law, or otherwise, shall be null and void, and, at the option of Landlord, terminate this agreement. Any proposed sublessee, assignee, or transferee shall submit to Landlord an application and credit information for Landlord's approval, and, if approved, sign a separate written agreement with Landlord and Tenant. Landlord's consent to any one sublease, assignment, or transfer, shall not be construed as consent to any subsequent sublease, assignment, or transfer, and does not release Tenant of Tenant's obligation under this agreement.
- 23. **POSSESSION:** If Landlord is unable to deliver possession of Premises on Commencement Date, such date shall be extended to the date on which possession is made available to Tenant. However, the expiration date shall remain the same as specified in paragraph 2. If Landlord is unable to deliver possession within **60 (or  \_\_\_\_\_) calendar days** after the agreed Commencement Date, Tenant may terminate this agreement by giving written notice to Landlord, and shall be refunded all Rent and security deposit paid.
- 24. **TENANT'S OBLIGATIONS UPON VACATING PREMISES:** Upon termination of agreement, Tenant shall: (i) give Landlord all copies of all keys or opening devices to Premises, including any common areas; (ii) vacate Premises and surrender it to Landlord empty of all persons and personal property; (iii) vacate all parking and storage spaces; (iv) deliver Premises to Landlord in the same condition as referenced in paragraph 11; (v) clean Premises; (vi) give written notice to Landlord of Tenant's forwarding address; and (vii) \_\_\_\_\_

All improvements installed by Tenant, with or without Landlord's consent, become the property of Landlord upon termination. Landlord may nevertheless require Tenant to remove any such improvement that did not exist at the time possession was made available to Tenant.

- 25. **BREACH OF CONTRACT/EARLY TERMINATION:** In event Tenant, prior to expiration of this agreement, breaches any obligation in this agreement, abandons the premises, or gives notice of tenant's intent to terminate this tenancy prior to its expiration, in addition to any obligations established by paragraph 24, Tenant shall also be responsible for lost rent, rental commissions, advertising expenses, and painting costs necessary to ready Premises for re-rental. Landlord may also recover from Tenant: (i) the worth, at the time of award, of the unpaid Rent that had been earned at the time of termination; (ii) the worth, at the time of award, of the amount by which the unpaid Rent that would have been earned after expiration until the time of award exceeds the amount of such rental loss the Tenant proves could have been reasonably avoided; and (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 Tenant proves could be reasonably avoided. Landlord may elect to continue the tenancy in effect for so long as Landlord does not terminate Tenant's right to possession, by either written notice of termination of possession or by reletting the Premises to another who takes possession, and Landlord may enforce all Landlord's rights and remedies under this agreement, including the right to recover the Rent as it becomes due.
- 26. **DAMAGE TO PREMISES:** If, by no fault of Tenant, Premises are totally or partially damaged or destroyed by fire, earthquake, accident or other casualty, Landlord shall have the right to restore the Premises by repair or rebuilding. If Landlord elects to repair or rebuild, and is able to complete such restoration within 90 days from the date of damage, subject to the terms of this paragraph, this agreement shall remain in full force and effect. If Landlord is unable to restore the Premises within this time, or if Landlord elects not to restore, then either Landlord or Tenant may terminate this agreement by giving the other written notice. Rent shall be abated as of the date of damage. The abated amount shall be the current monthly Base Rent prorated on a 30-day basis. If this agreement is not terminated, and the damage is not repaired, then Rent shall be reduced based on the extent to which the damage interferes with Tenant's reasonable use of the Premises. If total or partial destruction or damage occurs as a result of an act of Tenant or Tenant's guests, (i) only Landlord shall have the right, at Landlord's sole discretion, within 30 days after such total or partial destruction or damage to treat the lease as terminated by Tenant, and (ii) Landlord shall have the right to recover damages from Tenant.
- 27. **HAZARDOUS MATERIALS:** Tenant shall not use, store, generate, release or dispose of any hazardous material on the Premises or the property of which the Premises are part. However, Tenant is permitted to make use of such materials that are required to be used in the normal course of Tenant's business provided that Tenant complies with all applicable Laws related to the hazardous materials. Tenant is responsible for the cost of removal and remediation, or any clean-up of any contamination caused by Tenant.
- 28. **CONDEMNATION:** If all or part of the Premises is condemned for public use, either party may terminate this agreement as of the date possession is given to the condemner. All condemnation proceeds, exclusive of those allocated by the condemner to Tenant's relocation costs and trade fixtures, belong to Landlord.
- 29. **INSURANCE:** Tenant's personal property, fixtures, equipment, inventory and vehicles are not insured by Landlord against loss or damage due to fire, theft, vandalism, rain, water, criminal or negligent acts of others, or any other cause. Tenant is to carry Tenant's own property insurance to protect Tenant from any such loss. In addition, Tenant shall carry (i) liability insurance in an amount of not less than **\$1,000,000.00** and (ii) property insurance in an amount sufficient to cover the replacement cost of the property if Tenant is responsible for maintenance under paragraph 17B. Tenant's insurance shall name Landlord and Landlord's agent as additional insured. Tenant, upon Landlord's request, shall provide Landlord with a certificate of insurance establishing Tenant's compliance. Landlord shall maintain liability insurance insuring Landlord, but not Tenant, in an amount of at least **\$1,000,000.00**, plus property insurance in an amount sufficient to cover the replacement cost of the property unless Tenant is responsible for maintenance pursuant to paragraph 17B. Tenant is advised to carry business interruption insurance in an amount at least sufficient to cover Tenant's complete rental obligation to Landlord. Landlord is advised to obtain a policy of rental loss insurance. Both Landlord and Tenant release each other, and waive their respective rights to subrogation against each other, for loss or damage covered by insurance.

Landlord's Initials ( ) ( )

Tenant's Initials ( ) ( )



- 30. **TENANCY STATEMENT (ESTOPPEL CERTIFICATE):** Tenant shall execute and return a tenancy statement (estoppel certificate), delivered to Tenant by Landlord or Landlord's agent, within 3 days after its receipt. The tenancy statement shall acknowledge that this agreement is unmodified and in full force, or in full force as modified, and state the modifications. Failure to comply with this requirement: (i) shall be deemed Tenant's acknowledgment that the tenancy statement is true and correct, and may be relied upon by a prospective lender or purchaser; and (ii) may be treated by Landlord as a material breach of this agreement. Tenant shall also prepare, execute, and deliver to Landlord any financial statement (which will be held in confidence) reasonably requested by a prospective lender or buyer.
- 31. **LANDLORD'S TRANSFER:** Tenant agrees that the transferee of Landlord's interest shall be substituted as Landlord under this agreement. Landlord will be released of any further obligation to Tenant regarding the security deposit, only if the security deposit is returned to Tenant upon such transfer, or if the security deposit is actually transferred to the transferee. For all other obligations under this agreement, Landlord is released of any further liability to Tenant, upon Landlord's transfer.
- 32. **SUBORDINATION:** This agreement shall be subordinate to all existing liens and, at Landlord's option, the lien of any first deed of trust or first mortgage subsequently placed upon the real property of which the Premises are a part, and to any advances made on the security of the Premises, and to all renewals, modifications, consolidations, replacements, and extensions. However, as to the lien of any deed of trust or mortgage entered into after execution of this agreement, Tenant's right to quiet possession of the Premises shall not be disturbed if Tenant is not in default and so long as Tenant pays the Rent and observes and performs all of the provisions of this agreement, unless this agreement is otherwise terminated pursuant to its terms. If any mortgagee, trustee, or ground lessor elects to have this agreement placed in a security position prior to the lien of a mortgage, deed of trust, or ground lease, and gives written notice to Tenant, this agreement shall be deemed prior to that mortgage, deed of trust, or ground lease, or the date of recording.
- 33. **TENANT REPRESENTATIONS; CREDIT:** Tenant warrants that all statements in Tenant's financial documents and rental application are accurate. Tenant authorizes Landlord and Broker(s) to obtain Tenant's credit report at time of application and periodically during tenancy in connection with approval, modification, or enforcement of this agreement. Landlord may cancel this agreement: (i) before occupancy begins, upon disapproval of the credit report(s); or (ii) at any time, upon discovering that information in Tenant's application is false. A negative credit report reflecting on Tenant's record may be submitted to a credit reporting agency, if Tenant fails to pay Rent or comply with any other obligation under this agreement.
- 34. **CONSTRUCTION-RELATED ACCESSIBILITY STANDARDS:** Landlord states that the Premises  has, or  has not been inspected by a Certified Access Specialist. If so, Landlord states that the Premises  has, or  has not been determined to meet all applicable construction-related accessibility standards pursuant to Civil Code Section 55.53.
- 35. **DISPUTE RESOLUTION:**
  - A. **MEDIATION:** Tenant and Landlord agree to mediate any dispute or claim arising between them out of this agreement, or any resulting transaction, before resorting to arbitration or court action, subject to paragraph 35B(2) below. Paragraphs 35B(2) and (3) apply whether or not the arbitration provision is initialed. Mediation fees, if any, shall be divided equally among the parties involved. If for any dispute or claim to which this paragraph applies, any party commences an action without first attempting to resolve the matter through mediation, or refuses to mediate after a request has been made, then that party shall not be entitled to recover attorney fees, even if they would otherwise be available to that party in any such action. THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION PROVISION IS INITIALED.
  - B. **ARBITRATION OF DISPUTES:** (1) Tenant and Landlord agree that any dispute or claim in Law or equity arising between them out of this agreement or any resulting transaction, which is not settled through mediation, shall be decided by neutral, binding arbitration, including and subject to paragraphs 35B(2) and (3) below. The arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of real estate transactional law experience, unless the parties mutually agree to a different arbitrator, who shall render an award in accordance with substantive California Law. In all other respects, the arbitration shall be conducted in accordance with Part III, Title 9 of the California Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered in any court having jurisdiction. The parties shall have the right to discovery in accordance with Code of Civil Procedure §1283.05.
  - (2) **EXCLUSIONS FROM MEDIATION AND ARBITRATION:** The following matters are excluded from Mediation and Arbitration hereunder: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage, or installment land sale contract as defined in Civil Code §2985; (ii) an unlawful detainer action; (iii) the filing or enforcement of a mechanic's lien; (iv) any matter that is within the jurisdiction of a probate, small claims, or bankruptcy court; and (v) an action for bodily injury or wrongful death, or for latent or patent defects to which Code of Civil Procedure §337.1 or §337.15 applies. The filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies, shall not constitute a violation of the mediation and arbitration provisions.
  - (3) **BROKERS:** Tenant and Landlord agree to mediate and arbitrate disputes or claims involving either or both Brokers, provided either or both Brokers shall have agreed to such mediation or arbitration, prior to, or within a reasonable time after the dispute or claim is presented to Brokers. Any election by either or both Brokers to participate in mediation or arbitration shall not result in Brokers being deemed parties to the agreement.

**"NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY."**

**"WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION TO NEUTRAL ARBITRATION."**

Landlord's Initials \_\_\_\_\_ / \_\_\_\_\_ Tenant's Initials \_\_\_\_\_ / \_\_\_\_\_

Landlord's Initials ( ) ( )

Tenant's Initials ( ) ( )

CL REVISED 12/15 (PAGE 4 OF 6)

COMMERCIAL LEASE AGREEMENT (CL PAGE 4 OF 6)



Premises: **1042 Pacific Street Suite A, San Luis Obispo, Ca. 93401**

Date **June 29, 2022**

36. **JOINT AND INDIVIDUAL OBLIGATIONS:** If there is more than one Tenant, each one shall be individually and completely responsible for the performance of all obligations of Tenant under this agreement, jointly with every other Tenant, and individually, whether or not in possession.

37. **NOTICE:** Notices may be served by mail, facsimile, or courier at the following address or location, or at any other location subsequently designated:

Landlord: **1042 Pacific Street, A Partnership**  
**P.O. Box 15260 SLO, CA 93406**  
**(805) 704-4485**

Tenant: **Local Agency Formation Commission**  
**1042 Pacific Street, Suite A, San Luis Obispo, CA 93401**

Notice is deemed effective upon the earliest of the following: (i) personal receipt by either party or their agent; (ii) written acknowledgement of notice; or (iii) 5 days after mailing notice to such location by first class mail, postage pre-paid.

38. **WAIVER:** The waiver of any breach shall not be construed as a continuing waiver of the same breach or a waiver of any subsequent breach.  
39. **INDEMNIFICATION:** Tenant shall indemnify, defend and hold Landlord harmless from all claims, disputes, litigation, judgments and attorney fees arising out of Tenant's use of the Premises.

40. **OTHER TERMS AND CONDITIONS/SUPPLEMENTS:**
- 1) Option to Extend: If Tenant has not violated any provision of this lease beyond any notice and cure period, Tenant shall have One (1), Five (5) year option to extend this lease. To exercise said options, Tenant must give Landlord written notice no less than 120 days prior to expiration of each term.**
  - 2) Option Rent: Rent for the option term shall \$3,695.00 per month for year One of the Option Term, and increase 5% per year thereafter.**
  - 3) Tenant Improvements: See Addendum # 1 for the terms.**
  - 4) Bathroom Security: Tenant has been advised that the common bathrooms at the property shall remain locked at all times.**
  - 5) Existing Fixtures: All existing built-in cabinets, at the option of the Landlord, shall remain at the end of the lease term.**
  - 6) Tenant is responsible for interior fixtures as well as replacement of all light bulbs, ballasts and fixtures.**
  - 7) SMOKING/CONSUMPTION: Tobacco, Cannabis, Vaping or other products or drugs are all prohibited, in, on, or about the premises.**
  - 8) TRASH: Tenant agrees to only use the provided trash enclosures for materials used or consumed on the premises.**
  - 9) SQUARE FOOTAGE: The size of the leased office is approximately and is not guaranteed or related to the rent. If exact measurements are required, the Tenant is advised to have a contractor or other professional measure the space prior to contract execution.**

The following ATTACHED supplements/exhibits are incorporated in this agreement:  Option Agreement (C.A.R. Form OA)

41. **ATTORNEY FEES:** In any action or proceeding arising out of this agreement, the prevailing party between Landlord and Tenant shall be entitled to reasonable attorney fees and costs from the non-prevailing Landlord or Tenant, except as provided in paragraph 35A.
42. **ENTIRE CONTRACT:** Time is of the essence. All prior agreements between Landlord and Tenant are incorporated in this agreement, which constitutes the entire contract. It is intended as a final expression of the parties' agreement, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. The parties further intend that this agreement constitutes the complete and exclusive statement of its terms, and that no extrinsic evidence whatsoever may be introduced in any judicial or other proceeding, if any, involving this agreement. Any provision of this agreement that is held to be invalid shall not affect the validity or enforceability of any other provision in this agreement. This agreement shall be binding upon, and inure to the benefit of, the heirs, assignees and successors to the parties.
43. **BROKERAGE:** Landlord and Tenant shall each pay to Broker(s) the fee agreed to, if any, in a separate written agreement. Neither Tenant nor Landlord has utilized the services of, or for any other reason owes compensation to, a licensed real estate broker (individual or corporate), agent, finder, or other entity, other than as named in this agreement, in connection with any act relating to the Premises, including, but not limited to, inquiries, introductions, consultations, and negotiations leading to this agreement. Tenant and Landlord each agree to indemnify, defend and hold harmless the other, and the Brokers specified herein, and their agents, from and against any costs, expenses, or liability for compensation claimed inconsistent with the warranty and representation in this paragraph 43.
44. **AGENCY CONFIRMATION:** The following agency relationships are hereby confirmed for this transaction:  
 Listing Agent: **Real Property Investments** (Print Firm Name) is the agent of (check one):  
 the Landlord exclusively; or  both the Tenant and Landlord.  
 Selling Agent: **Real Property Investments** (Print Firm Name) (if not same as Listing Agent) is the agent of (check one):  
 the Tenant exclusively; or  the Landlord exclusively; or  both the Tenant and Landlord.  
 Real Estate Brokers are not parties to the agreement between Tenant and Landlord.

Landlord's Initials ( ) ( )

Tenant's Initials ( ) ( )



Landlord and Tenant acknowledge and agree that Brokers: (i) do not guarantee the condition of the Premises; (ii) cannot verify representations made by others; (iii) will not verify zoning and land use restrictions; (iv) cannot provide legal or tax advice; (v) will not provide other advice or information that exceeds the knowledge, education or experience required to obtain a real estate license. Furthermore, if Brokers are not also acting as Landlord in this agreement, Brokers: (vi) do not decide what rental rate a Tenant should pay or Landlord should accept; and (vii) do not decide upon the length or other terms of tenancy. Landlord and Tenant agree that they will seek legal, tax, insurance, and other desired assistance from appropriate professionals.

Tenant \_\_\_\_\_ Date \_\_\_\_\_

**Local Agency Formation Commission Chairman Ed Waage**

(Print name)

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Tenant \_\_\_\_\_ Date \_\_\_\_\_

(Print name)

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

**GUARANTEE:** In consideration of the execution of this Agreement by and between Landlord and Tenant and for valuable consideration, receipt of which is hereby acknowledged, the undersigned ("Guarantor") does hereby: (i) guarantee unconditionally to Landlord and Landlord's agents, successors and assigns, the prompt payment of Rent or other sums that become due pursuant to this Agreement, including any and all court costs and attorney fees included in enforcing the Agreement; (ii) consent to any changes, modifications or alterations of any term in this Agreement agreed to by Landlord and Tenant; and (iii) waive any right to require Landlord and/or Landlord's agents to proceed against Tenant for any default occurring under this Agreement before seeking to enforce this Guarantee.

Guarantor (Print Name) \_\_\_\_\_

Guarantor \_\_\_\_\_ Date \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Telephone \_\_\_\_\_ Fax \_\_\_\_\_ E-mail \_\_\_\_\_

**Landlord agrees to rent the Premises on the above terms and conditions.**

Landlord \_\_\_\_\_ Date \_\_\_\_\_

(owner or agent with authority to enter into this agreement) **1042 Pacific, A Partnership**

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Landlord \_\_\_\_\_ Date \_\_\_\_\_

(owner or agent with authority to enter into this agreement)

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Agency relationships are confirmed as above. Real estate brokers who are not also Landlord in this agreement are not a party to the agreement between Landlord and Tenant.

Real Estate Broker (Leasing Firm) **Real Property Investments** DRE Lic. # **00571580**

By (Agent) \_\_\_\_\_ DRE Lic. # **00571580** Date \_\_\_\_\_

**Thomas C. Swem, CCIM, Broker Realto**

Address **11549 Los Osos Valley Road, Suite 104** City **San Luis Obispo** State **CA** Zip **93405**

Telephone **(805)544-4422** Fax \_\_\_\_\_ E-mail **tswemccim@gmail.com**

Real Estate Broker (Listing Firm) **Real Property Investments** DRE Lic. # **00571580**

By (Agent) \_\_\_\_\_ DRE Lic. # **00571580** Date \_\_\_\_\_

**Thomas C. Swem, CCIM, Broker Realtor® Emeritus**

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Telephone \_\_\_\_\_ Fax \_\_\_\_\_ E-mail \_\_\_\_\_

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COMMERCIAL LEASE CONSTRUCTION ACCESSIBILITY ADDENDUM (C.A.R. Form CLCA, 11/16)

This is an addendum to the Commercial Lease Agreement (lease) dated 1042 Pacific, A Partnership is referred to as "Landlord" and Local Agency Formation Commission Chairman Ed Waage is referred to as "Tenant". Paragraph 34 of the lease is deleted in its entirety and replaced by the following;

Paragraph 34. CONSTRUCTION-RELATED ACCESSIBILITY STANDARDS:

- A. Landlord states that the Premises have, or have not been inspected by a Certified Access Specialist (CASp).
B. If the Premises have been inspected by a CASp, (1) Landlord states that the Premises have, or have not been determined to meet all applicable construction-related accessibility standards pursuant to Civil Code Section 55.53. Landlord shall provide Tenant a copy of the report prepared by the CASp (and, if applicable a copy of the disability access inspection certificate) as specified below. (2) (i) Tenant has received a copy of the report at least 48 hours before executing this lease. Tenant has no right to rescind the lease based upon information contained in the report. OR (ii) Tenant has received a copy of the report prior to, but no more than, 48 hours before, executing this lease. Based upon information contained in the report, Tenant has 72 hours after execution of this lease to rescind it. OR (iii) Tenant has not received a copy of the report prepared by the CASp prior to execution of this lease. Landlord shall provide a copy of the report prepared by the CASp (and, if applicable a copy of the disability access inspection certificate) within 7 days after execution of this lease. Tenant shall have up to 3 days thereafter to rescind the lease based upon information in the report.
C. If the Premises have not been inspected by a CASp or a certificate was not issued by the CASp who conducted the inspection, "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."
D. Notwithstanding anything to the contrary in paragraph 17, 18, 19 or elsewhere in the lease, any repairs or modifications necessary to correct violations of construction related accessibility standards to the Premises are the responsibility of Tenant, Landlord, Other

Tenant (Signature) Date
Tenant (Print name) Local Agency Formation Commission Chairman Ed Waage
Tenant (Signature) Date
Tenant (Print name)
Landlord (Signature) Date
Landlord (Print name) 1042 Pacific, A Partnership
Landlord (Signature) Date
Landlord (Print name)

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Reviewed by



CLCA REVISED 11/16 (PAGE 1 OF 1)

COMMERCIAL LEASE CONSTRUCTION ACCESSIBILITY ADDENDUM (CLCA PAGE 1 OF 1)

# **Attachment B**

## Additional Terms



ADDENDUM No. One  
(C.A.R. Form ADM, Revised 12/21)

The following terms and conditions are hereby incorporated in and made a part of the Purchase Agreement, OR  Residential Lease or Month-to-Month Rental Agreement,  Transfer Disclosure Statement (Note: An amendment to the TDS may give the Buyer a right to rescind),  Other **Commercial Lease Agreement**, dated June 29, 2022, on property known as 1042 Pacific Street, Suite A San Luis Obispo, CA 93401-3621 ("Property/Premises"), in which Local Agency Formation Commission Chairman Ed Waage is referred to as ("Buyer/Tenant") and 1042 Pacific, A Partnership is referred to as ("Seller/Landlord"). Buyer/Tenant and Seller/Landlord are referred to as the "Parties."

**45) TENANT IMPROVEMENTS:**

**A) Subject to the Landlord's approval of colors and product, Landlord agrees to pay to Tenant a "Tenant Improvement Allowance" up to Ten Thousand Dollars (\$10,000.00) for Tenant to use ONLY for the replacement of existing Floor Coverings and Interior Paint. Payment to Tenant from Landlord shall be upon Landlord's receipt of invoices from Landlord approved Licensed Contractors or Vendors. Tenant shall only have the work done after giving Landlord a 10 day notice that the work will be started so that the Landlord may post the Notice of Non-Responsibility. This Tenant Improvement Allowance shall only be available from September 1, 2022 through December 15, 2022.**

**B) Tenant, at Tenant's expense, shall have the ability to do other interior improvements subject to the Landlord's prior review and written approval. Said improvements can be changing out existing widows and adding or removing walls. Landlord reserves the right to require any of these improvements to be changed back to original upon lease termination.**

**46) DEPOSIT: The deposit noted in this lease agreement is the same as the amount initially given in 2001 and remains with the landlord on the Tenant's account. No further deposit is required.**

**47) EARLY TERMINATION: Notwithstanding any provision of this Lease to the contrary, the Tenant may terminate the Lease upon 180 days written notice to the Landlord and the Tenant will have no obligations under the Lease at the end of that 180 day period including, but not limited to, payment of rent.**

The foregoing terms and conditions are hereby agreed to, and the undersigned acknowledge receipt of a copy of this Addendum.

Buyer/Tenant \_\_\_\_\_ Date \_\_\_\_\_  
**Local Agency Formation Commission Chairman Ed Waage**

Buyer/Tenant \_\_\_\_\_ Date \_\_\_\_\_

Seller/Landlord \_\_\_\_\_ Date \_\_\_\_\_  
**1042 Pacific, A Partnership**

Seller/Landlord \_\_\_\_\_ Date \_\_\_\_\_

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ADDENDUM (ADM PAGE 1 OF 1)



# San Luis Obispo Local Agency Formation Commission

**TO: MEMBERS OF THE COMMISSION**

**FROM: ROB FITZROY, EXECUTIVE OFFICER**

**DATE: AUGUST 18, 2022**

**SUBJECT: 2022 BIENNIAL UPDATE OF THE CONFLICT OF INTEREST CODE**

## **RECOMMENDATION**

---

It is respectfully recommended that the Commission consider taking the following actions:

**Action 1:** Adopt the resolution to amend the conflict of interest code, as contained in Attachment A.

## **DISCUSSION**

---

The Local Agency Formation Commission (LAFCO) is required to maintain a conflict-of-interest (COI) code under the California Political Reform Act, which includes all the designated positions that are required to file a "Form 700" with the County Clerk of the Board - the local code administrator. Every elected official and public employee who makes or influences governmental decisions is required to submit a Statement of Economic Interests, known as "Form 700".

The Political Reform Act requires every local government agency to review its COI code biennially. LAFCO's COI code was last updated through the 2020 biennial review; changes were approved by the Commission on September 17, 2020, and January 21, 2021. As part of the 2022 biennial review, an amendment is proposed to re-name a recently augmented position, previously known as the Commission Clerk, to Clerk Analyst. Attachment A contains LAFCO's proposed revised COI code shown in red. No further changes are necessary at this time.

An agency/department's COI code is not effective until it has been reviewed by County Counsel and approved by the County Board of Supervisors. LAFCO Counsel will work with the County Clerk of the Board and the County Counsel in finalizing the proposed changes.

---

**Attachment A:** Resolution adopting Updated Conflict of Interest Code

### COMMISSIONERS

Chairperson  
ED WAAGE  
City Member

Vice-Chair  
DEBBIE ARNOLD  
County Member

LYNN COMPTON  
County Member

MARSHALL OCHYLSKI  
Special District Member

ROBERT ENNS  
Special District Member

STEVE GREGORY  
City Member

HEATHER JENSEN  
Public Member

### ALTERNATES

DAWN ORTIZ-LEGG  
County Member

ED EBY  
Special District Member

CHARLES BOURBEAU  
City Member

David Watson  
Public Member

### STAFF

ROB FITZROY  
Executive Officer

IMELDA MARQUEZ  
Analyst

MORGAN BING  
Clerk Analyst

BRIAN A. PIERIK  
Legal Counsel

# Attachment A

Resolution adopting Updated Conflict of Interest Code

**IN THE LOCAL AGENCY FORMATION COMMISSION**

**COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA**

Thursday, August 18, 2022

**RESOLUTION NO. 2022-XX**

**2022 BIENNIAL UPDATE OF THE SAN LUIS OBISPO LOCAL AGENCY FORMATION  
COMMISSION'S CONFLICT OF INTEREST CODE**

**WHEREAS**, Government Code section 87300 requires each local public agency to adopt and promulgate a conflict of interest code pursuant to the Political Reform Act (Gov. Code, § 81000 et seq.); and

**WHEREAS**, the Board of Supervisors is designated as the "code reviewing body" for all local agencies, except cities, whose boundaries are located wholly within the county; and

**WHEREAS**, pursuant Government Code section 87306.5, the Clerk of the Board of Supervisors of the County of San Luis Obispo, as the local code administrator, directed those local agencies that have adopted a conflict of interest code to review their codes to determine whether any changes to their codes are necessary due to changed circumstances; and

**WHEREAS**, Government Code section 87306 requires local agencies to submit to the code reviewing body a biennial report identifying changes in its code that are necessitated by changed circumstances, such as the addition of new positions, or the deletion of positions that have become obsolete; and

**WHEREAS**, minor changes need to be made to LAFCO's Conflict of Interest Code; and

**WHEREAS**, the Commission has duly considered the proposed amendments to the Conflict of Interest Code;

**NOW THEREFORE, BE IT RESOLVED AND ORDERED** by the Local Agency Formation Commission that:

1. The Amended Conflict of Interest Code attached hereto as Exhibit 1 supersedes the Conflict of Interest Code last amended on September 17, 2020, and January 21, 2021.
2. The list of designated LAFCO positions and applicable disclosure categories attached as Appendix A & B is hereby adopted as the appendix of designated positions and disclosure categories to accompany section 18730.
3. Designated employees and officers shall file statements of economic interest (FPPC Form 700) with the Clerk of the Board of Supervisors who will make the statements available for public inspection and copying.
4. This conflict of interest code shall not take effect until the San Luis Obispo County Board of Supervisors approves it in its capacity as code reviewing body under the Political Reform Act. The Commission Clerk is hereby authorized and directed to submit a

certified copy of this resolution with appendices to the Board of Supervisors and request approval of the Conflict of Interest Code.

5. After approval by the San Luis Obispo County Board of Supervisors, the attached Exhibit 1 together with Appendices A & B shall constitute the Conflict of Interest Code of the San Luis Obispo Local Agency Formation Commission.

Upon a motion by \_\_\_\_\_, seconded by Commissioner \_\_\_\_\_, and on the following roll call vote:

AYES:

NAYS:

ABSENT:

ABSTAINING:

The foregoing resolution is hereby adopted.

\_\_\_\_\_  
Ed Waage, Chair  
Local Agency Formation Commission

\_\_\_\_\_  
Date

**ATTEST:**

\_\_\_\_\_  
Rob Fitzroy  
LAFCO Executive Officer

\_\_\_\_\_  
Date

**APPROVED AS TO FORM AND LEGAL EFFECT:**

\_\_\_\_\_  
Brian Pierik  
LAFCO Legal Counsel

\_\_\_\_\_  
Date

## Exhibit 1

### SAN LUIS OBISPO

#### LOCAL AGENCY FORMATION COMMISSION

#### CONFLICT OF INTEREST CODE AND FINANCIAL DISCLOSURE REQUIREMENTS

A. Incorporation by Reference of FPPC Model Code

The Political Reform Act, codified at Government Code §81000 et. seq., requires each state and local government agency to adopt and promulgate a conflict of interest code. The Fair Political Practices Commission (FPPC) has adopted a regulation, 2 California Code of Regulations §18730, which contains the terms of a standard conflict of interest code. ("Model Code".) This Model Code may be adopted by local agencies and incorporated by reference as the agency's conflict of interest code, together with appendices setting forth the designated positions and relevant disclosure categories applicable to each position. The Model Code may be amended from time to time by the FPPC after public notice and hearings to conform to amendments in the Political Reform Act.

The terms of 2 California Code of Regulations §18730 and any amendments to it, duly adopted by the FPPC, are hereby incorporated by reference.

Pursuant to section 2 of the Model Code, Appendix B attached hereto sets forth LAFCO's Designated Position List. Those persons holding positions listed in Appendix B must file statements of economic interest (Form 700) with the Executive Officer of the Commission setting forth financial interests in the disclosure categories identified therein and more fully defined in Appendix A, attached hereto.

B. Disqualification and Disclosure

The provisions of Article 2.5 of Chapter 4 of Title 9 of the Government Code are applicable to LAFCO. LAFCO officers must not accept, solicit, or direct a contribution of more than two hundred fifty dollars (\$250) from any party, or his or her agent, or from any participant, or his or her agent, while a proceeding involving a license, permit, or other entitlement for use is pending before LAFCO and for three months following the date a final decision is rendered in the proceeding if the officer knows or has reason to know that the participant has a financial interest, as that term is used in Government Code section 87100 (of the Political Reform Act). This prohibition applies regardless of whether the officer accepts, solicits, or directs the contribution for himself or herself, or on behalf of any other officer, or on behalf of any candidate for office or on behalf of any committee. (Gov. Code, § 84308, subd. (b).)

Prior to rendering any decision in a proceeding involving a license, permit or other entitlement for use pending before the Commission, each commissioner or alternate commissioner, as the case may be, who received a contribution within the preceding 12 months in an amount of more than two hundred fifty dollars (\$250) from a party or from any participant to a LAFCO proceeding shall disclose that fact on the record of the proceeding.

LAFCO members are disqualified and are not able to participate in any proceeding involving an "entitlement for use" (within the meaning of § 84308, subd. (a)(5)) if, within the 12 months preceding the LAFCO decision, the Commissioner received \$250 or more in campaign contributions from the applicant, an agent of the applicant or any financially interested person who actively supports or opposes the LAFCO decision on the matter.<sup>1</sup>

<sup>1</sup>This requirement is based on Government Code section 87100, which provides: Prior to rendering any decision in a proceeding involving a license, permit or other entitlement for use pending before an agency, each officer of the agency who received a contribution within the preceding 12 months in an amount of more than two hundred fifty dollars (\$250) from a party or from any participant shall disclose that fact on the record of the proceeding. No officer of an agency shall make, participate in making, or in any way attempt to use his or her official position to influence the decision in a proceeding involving a license, permit, or other entitlement for use pending before the agency if the officer has willfully or knowingly received a contribution in an amount of more than two hundred fifty dollars (\$250) within the preceding 12 months from a party or his or her agent, or from any participant, or his or her agent if the officer knows or has reason to know that the participant has a financial interest in the decision, as that term is described with respect to public officials in Article 1 (commencing with Section 87100) of Chapter 7.

## APPENDIX A

### Disclosure Categories

- 1) All sources of income, including gifts;
- 2) Interests in real property located in whole or in part within, or not more than one-half mile outside, the boundaries of San Luis Obispo County (does not include the principal place of residence); and
- 3) Investments and business positions in business entities located in or doing business in San Luis Obispo County and engaged in:
  - a. The acquisition, sale, lease, or development of real property;
  - b. Providing of insurance brokerage or consulting services; or
  - c. Providing services of the type which have, in the past two years or which with reasonable foreseeability, may be used in the next one-year period by the filer's division within the office.

## Appendix B

### Designations Position List

<u>Designated Position</u>	<u>Disclosure Category Numbers</u>
LAFCO Executive Officer	1, 2, 3
LAFCO Deputy Executive Officer	1, 2, 3
LAFCO Legal Counsel	1, 2, 3
LAFCO <del>Commission</del> -Clerk <u>Analyst</u>	1, <u>2</u> , 3a, 3c
LAFCO Commissioners & Alternate Commissioners <sup>i</sup>	1, 2, 3
LAFCO Analyst	1, 2, 3a, 3c
Consultants <sup>ii</sup>	1, 2, 3

<sup>i</sup> Board of Supervisors who are designated as governing board members of LAFCO report pursuant to Government Code section 87200. Alternate Commissioners for the Board of Supervisors members on the LAFCO governing board report pursuant to this code.

<sup>ii</sup> The disclosure by consultants is subject to the following limitation: The LAFCO Executive Officer may determine in writing that a particular consultant, including a consultant filling a position designated above is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements in this section. Such written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements, if any. The Executive Officer's determination is a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code.