



# City of Lemon Grove City Council Regular Meeting Agenda

Tuesday, November 1, 2022, 6:00 p.m.

Lemon Grove Community Center  
3146 School Lane, Lemon Grove, CA 91945

***For everyone's protection, all attendees must maintain a safe social distance. Face coverings are optional but strongly recommended during the meeting.***

## **City Council**

Racquel Vasquez, Mayor  
Jerry Jones, Mayor Pro Tem  
Jennifer Mendoza, Councilmember  
Liana LeBaron, Councilmember  
George Gastil, Councilmember

A complete agenda packet is available for review on the [City's website](#)

*The City Council also sits as the Lemon Grove Housing Authority, Lemon Grove Sanitation District Board, Lemon Grove Roadway Lighting District Board, and Lemon Grove Successor Agency*

## **Call to Order**

## **Pledge of Allegiance**

## **Changes to the Agenda**

## **Public Comment**

*Digitally submitted public comments received by the City Clerk at [amalone@lemongrove.ca.gov](mailto:amalone@lemongrove.ca.gov) will not be read out-loud during the meeting. However, they will be provided to the City Council and remain part of the meeting's records. Per the Lemon Grove Municipal Code Section 2.14.150, live comments are allotted a maximum of three (3) minutes.*

## **Consent Calendar**

*(Note: The items listed on the Consent Calendar will be enacted in one motion unless removed from the Consent Calendar by Council, staff, or the public.)*

### 1.A Waive Full Text Reading of All Ordinances on the Agenda

Reference: Kristen Steinke, City Attorney

Recommendation: Waive the full text reading of all ordinances included in this agenda; Ordinances shall be introduced and adopted by title only.

### 1.B City of Lemon Grove Payment Demands

Reference: Joseph Ware, Finance Manager

Recommendation: Ratify Demands

1.C Approval of City Council Meeting Minutes

Reference: Audrey Malone, City Clerk

Recommendation: Approval of City Council Meeting Minutes, meeting of October 18, 2022.

**Public Hearing(s):**

2. Authorize the FY 2023-2024 Community Development Block Grant (CDBG) Program Application

Reference: Izzy Murguia, Public Works Director and Christian Olivas, Management Analyst

Recommendation: That the City Council hold a public hearing, receive public comment, and adopt a resolution authorizing the submittal of an application for the Fiscal Year 2023-2024 Community Development Block Grant Program.

**Report(s) to Council:**

3. Shop Local Digital Gift Card Program

Reference: Lydia Romero, City Manager

Recommendation: Adopt a resolution approving a contract with Hinderliter, de Llamas and Associates, Inc. (HDL); a contract with Yiftee, Inc. for the development of the gift card program, and allocate \$150,000 from American Rescue Plan Act (ARPA) funds for the purpose of implementing a program strategy to support local businesses with a shop local digital gift card program.

**City Council Reports on Meetings Attended at the Expense of the City**

*(GC 53232.3 (d)) (53232.3. (d) states that members of a legislative body shall provide brief reports on meetings attended at the expense of the local agency at the next regular meeting of the legislative body.)*

**City Manager Report**

**Adjournment**

AFFIDAVIT OF NOTIFICATION AND POSTING

STATE OF CALIFORNIA )  
COUNTY OF SAN DIEGO ) SS  
CITY OF LEMON GROVE )

I, Audrey Malone, City Clerk of the City of Lemon Grove, hereby declare under penalty of perjury that a copy of the above Agenda of the Regular Meeting of the City Council of the City of Lemon Grove, California, was delivered and/or notice by email not less than 72 hours, on or before the hour of 6:00 p.m. on October 27, 2022 to the members of the governing agency, and caused the agenda to be posted on the City's website at [www.lemongrove.ca.gov](http://www.lemongrove.ca.gov) and at Lemon Grove City Hall, 3232 Main Street Lemon Grove, CA 91945.

/s/: Audrey Malone  
Audrey Malone, City Clerk

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# City Council Work Plan 2022 - 2023

## Strategic Focus Area: Public Streets and Sidewalks

### Repairs

<b>Street Repairs:</b> Improve streets in poor condition in neighborhoods and near schools and parks	<b>Costs:</b> Staff recommends allocating \$250,000 for streets 25 pci and below	<b>Staff Time:</b> 15-25 hrs – field street analysis; prepare repair plan; prepare bid plans; contract management.	On going
<b>PMP:</b> Implement a Pavement Management Program (PMP) in FY 23	<b>Costs:</b> \$75,000 (carry over from FY 21-22)	<b>Staff Time:</b> 25-30 hrs –prepare bid plans; city council reports and contract management.	Summer/Fall 22

### Traffic Calming

<b>Traffic Calming:</b> Continue traffic control and calming strategies and projects	<b>Costs:</b> Unknown. City was awarded a CalTrans grant to create mobility plan to improve safety especially around schools	<b>Staff Time:</b> 15-25 hrs – grant management, contract preparation, city council reports and contract management.	Summer 22
<b>Vision Zero Plan:</b> Develop Vision Zero Plan for Council review/approval	<b>Costs:</b> Estimate of \$50,000 to \$75,000	<b>Staff Time:</b> 25-30 hrs –prepare bid plans; council reports and contract management.	Summer/Fall 22

## Strategic Focus Area: Revenue, Economic Development, and Budget

### Economic Development

<b>Economic Development Plan:</b> Seek a RFP for an Economic Development Plan	<b>Costs:</b> \$50,000, this is carry over from FY 21-22	<b>Staff Time:</b> 10-15 hrs – prepare bid proposal, contract preparation, city council reports and contract management	On going
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## Budget Expenditures

<b>Equipment, Technology and Resources:</b> Develop a prioritized list of equipment (vehicles, etc.) and technology (computers, programs, etc.) needs for Council review and vote	<b>Costs:</b> Unknown	<b>Staff Time:</b> 15 -20 hrs – prepare report, council presentation	February 23 - Report to be completed for mid-year budget update
<b>Improve Staff Pay and ok Nonmonetary Benefits.</b>	<b>Costs:</b> Varies, depending on City Council's direction	<b>Staff Time:</b> 5 hrs – prepare report, council presentation	On-going

## Strategic Focus Area: Public Safety/Law Enforcement & Homelessness

### Public Safety

<b>Traffic Enforcement:</b> Increase traffic control deputy from half-time to fulltime	<b>Costs:</b> \$233,000. This items will increase the Sheriff's contract in FY 22-23. This item will be built into future budgets, unless directed to remove from City Council.	<b>Staff Time:</b> .5 hrs – notify contracts division of sheriff's department	Summer 22
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## Strategic Focus Area: Community Life

### Communications

<b>Communication Specialist:</b> Increase Communications Specialist from ½ to fulltime	<b>Costs:</b> approximately \$50,000 which includes salary, benefits and retirement costs.	<b>Staff Time:</b> 1 hrs – internal processes in HR and Finance	Summer 22
<b>Council Meetings:</b> A report will be prepared for City Council's consideration that would detail equipment and building costs to provide broadcasting of City Council meetings.	<b>Costs:</b> Will be determined on report to council.	<b>Staff Time:</b> 25-30hrs. The Staff will be dedicated to create the report with several alternatives.	Fall 2022

### Parks/Park Space/Open Space

<b>Rec. Center:</b> Conduct Feasibility study for opening recreation center on Saturdays	<b>Costs:</b> Unknown, until report is completed.	<b>Staff Time:</b> 7 to 10 hrs – research, costs analysis and create report for City Council	Summer 22
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# CITY OF LEMON GROVE

## CITY COUNCIL STAFF REPORT

**Item No.** 1.A  
**Meeting Date:** November 1, 2022  
**Submitted to:** Honorable Mayor and Members of the City Council  
**Department:** City Manager's Office  
**Staff Contact:** Kristen Steinke, City Attorney  
**Item Title:** **Waive the Full Text Reading of all Ordinances**

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**Summary:** Waive the full text reading of all ordinances included in this agenda. Ordinances shall be introduced and adopted by title only.

### **Environmental Review:**

- Not subject to review  Negative Declaration  
 Categorical Exemption, Section |  Mitigated Negative Declaration

**Fiscal Impact:** None.

**Public Notification:** None.



# CITY OF LEMON GROVE

## CITY COUNCIL STAFF REPORT

**Item No.** 1.B  
**Meeting Date:** November 1, 2022  
**Submitted to:** Honorable Mayor and Members of the City Council  
**Department:** City Manager's Office  
**Staff Contact:** Joseph Ware, Finance Manager  
[jware@lemongrove.ca.gov](mailto:jware@lemongrove.ca.gov)  
**Item Title:** **City of Lemon Grove Payment Demands**

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**Recommended Action:** Ratify Demands.

**Environmental Review:**

- Not subject to review  Negative Declaration  
 Categorical Exemption, Section |  Mitigated Negative Declaration

**Fiscal Impact:** None.

**Public Notification:** None.

**City of Lemon Grove Demands Summary**

Approved as Submitted:

Joseph Ware, Finance Manager

For Council Meeting: 11/01/22

ACH/AP Checks 10/11/22-10/21/22 392,541.60

Payroll - 10/18/22 128,741.97

Total Demands 521,283.57

CHECK NO	INVOICE NO	VENDOR NAME	CHECK DATE	Description	INVOICE AMOUNT	CHECK AMOUNT
ACH	Oct4 22	US Treasury	10/11/2022	Federal Taxes 10/4/22	37,843.22	37,843.22
ACH	Stmt 9/28/22	Home Depot Credit Services	10/12/2022	Home Depot Purchases - Sep'22	1,272.46	1,272.46
ACH	Refill 10/12/22	Pitney Bowes Global Financial Services LLC	10/13/2022	Postage Usage 10/12/22	250.00	250.00
ACH	Sep22-CC Sep22-CC	Wells Fargo	10/13/2022	Credit Card Processing-Mo.Svc - Sep'22 Credit Card Transaction Fees- Sep'22	9.95 1,254.09	1,264.04
ACH	188097	Aflac	10/19/2022	AFLAC Insurance 10/19/22	1,561.06	1,561.06
ACH	Sep7- Oct4 22	California Public Empl Retirement System	10/20/2022	Pers Retirement 9/7/22-10/4/22	67,035.09	67,035.09
ACH	Oct18 22	Employment Development Department	10/20/2022	State Taxes 10/18/22	7,763.64	7,763.64
ACH	Oct5-Oct18 22	Calpers Supplemental Income 457 Plan	10/21/2022	457 Plan 10/5/22-10/18/22	6,146.09	6,146.09
16362	5440815	Bearcom Group Inc.	10/12/2022	Portable Radios Monthly Contract 9/22/22-10/21/22	150.00	150.00
16363	Oct2022	Benefit Coordinators Corporation (BCC)	10/12/2022	LTD Insurance - Oct'22 Life Insurance - Oct'22	676.48 575.10	1,251.58
16364	1000339010 1000339040	City of San Diego	10/12/2022	Metro Industrial Wastewater Control Program- FY2022 Metro Industrial Wastewater Control Program/Pretreatmt- FY2022	1,724.00 2,765.00	4,489.00
16365	82149916	Corelogic Solutions, LLC.	10/12/2022	RealQuest Graphics Package - Sep'22	300.00	300.00
16366	23CTOFLGN03	County of San Diego- RCS	10/12/2022	800 MHZ Network - Sep'22	1,767.00	1,767.00
16367	7337 7366	D- Max Engineering Inc	10/12/2022	8187 Mt Vernon St SWQMP Review 6/20/22-6/30/22 6691 Federal CUP-210-0001 SWQMP Review 7/1/22-8/3/22	447.00 760.00	1,207.00
16368	01111004	Discount Specialty Chemical	10/12/2022	Disinfectant Cleaner	289.99	289.99
16369	Reimb 10/3/22	Fellows, Michael	10/12/2022	Reimb: Office Supplies	93.91	93.91
16370	INV1023758 INV1023759 INV1024065	George Hills Company	10/12/2022	Annual Admin Fee - 7/1/22-6/30/23 PINS Annual Software License Fee TPA Claims- Adjusting/Other Services - Sep'22	1,200.00 1,350.00 112.80	2,662.80
16371	8/29/22-9/28/22	Helix Water District	10/12/2022	Water Svc -FH#313300 3232 Main 8/29/22-9/28/22	99.84	99.84
16372	15130	Infrastructure Engineering Corporation	10/12/2022	Prof Svc: FY21-22 Street Rehab Proj 8/1/22-8/31/22	2,294.00	2,294.00
16373	154107 154106	Knott's Pest Control, Inc.	10/12/2022	Monthly Bait Stations- Civic Ctr- Oct'22 Monthly Bait Stations- Sheriff- Oct'22	60.00 60.00	120.00
16374	1253970	Life-Assist, Inc.	10/12/2022	Nitrile Exam Gloves	2,014.93	2,014.93
16375	5438178 5448032 5448033	Mallory Safety and Supply, LLC	10/12/2022	Nitrile Gloves/Hard Hat Nitrile Gloves Nitrile Gloves	548.45 637.77 212.59	1,398.81
16376	IN1772521	Municipal Emergency Services Inc	10/12/2022	SCBA Repair	199.13	199.13
16377	76881554 123-1235922498	Occupational Health Centers of CA	10/12/2022	Annual DMV Medical Exam - 10/3/22 Medical Exam - 9/13/22	110.00 243.15	353.15
16378	PD-51991	Plumbers Depot Inc	10/12/2022	Sewer Camera- Replace Rear Gasket	2,130.01	2,130.01
16379	155949PS	SCA of CA, LLC	10/12/2022	Street Sweeping/Main St - Bulk Item Event 9/17/22	360.00	360.00
16380	3568860625/1022 4154920380/1022	SDG&E	10/12/2022	Electric Usage:St Light 9/1/22-9/30/22 Electric Usage:St Light 9/1/22-9/30/22	1,995.53 2,916.05	4,911.58
16381	CLG-103 CLG-104 CLG-105 CLG-107	Smith Air Conditioning	10/12/2022	Service Call - AC Unit Repair - Comm Ctr Service Call - AC Unit Repair - Fire Stn Service Call - AC Unit Repair - Fire Stn Service Call - AC Unit Repair - Comm Ctr	631.00 115.00 193.00 616.00	1,555.00

CHECK NO	INVOICE NO	VENDOR NAME	CHECK DATE	Description	INVOICE AMOUNT	CHECK AMOUNT
16382	81743	Southwest Signal Service	10/12/2022	Markout Reports - Underground Service Alert - Jul'22	128.15	9,964.33
	81744			Bi-Monthly Traffic Signal Maintenance - Jul'22	971.88	
	81745			Traffic Signal Service Calls - Jul'22	3,765.16	
	81854			Bi-Monthly Traffic Signal Maintenance - Sep'22	971.88	
	81855			Markout Reports - Underground Service Alert - Sep'22	42.72	
	81856			Traffic Signal Service Calls - Sep'22	4,084.54	
16383	8348110100122	Sparkletts	10/12/2022	PW Yard - Water	71.01	71.01
16384	8067766580	Staples Advantage	10/12/2022	Office Supplies & Copy Paper - City Hall	793.74	793.74
16385	081422-LG	Tallal, Inc.	10/12/2022	Outdoor Movie Screen/Movies in the Park/Berry St Pk 8/12/22	545.00	545.00
16386	22-2301062	Underground Service Alert of SC	10/12/2022	State Fee/Regulatory Monthly Costs/Dig Alert 2021	35.10	35.10
16387	920220403	Underground Service Alert/SC	10/12/2022	60 New Ticket Charges - Sep'22	115.00	115.00
16388	81210863	Waxie Sanitary Supply	10/12/2022	Janitorial Supplies - Fire	221.43	2,114.29
	81240139			Janitorial Supplies	1,892.86	
16389	190026	West Coast Arborists, Inc.	10/12/2022	LMD Tree Maintenance - 8/16/22-8/31/22	4,952.80	19,951.84
	190027			TDA Tree Maintenance - 8/16/22-8/31/22	14,999.04	
16390	0001606425-IN	WEX Health, Inc.	10/12/2022	COBRA - Monthly/Sep'22	85.00	85.00
16391	L1072895WJ	American Messaging	10/19/2022	Pager Replacement Program 10/1/22-10/31/22	51.24	51.24
16392	9/13/22-10/12/22	AT&T	10/19/2022	Phone Service 9/13/22-10/12/22	97.24	97.24
16393	5656102959	AutoZone, Inc.	10/19/2022	Coolant/Cleaner - PW Fleet	51.34	276.13
	5656103181			Antifreeze/Coolant - PW Fleet	38.77	
	5656104914			Lock for Tow Hitch - LGPW#22 '03 GMC 2500	24.77	
	5656121684			Duralast Wipers, LED Turn Light, Bulbs - PW Fleet	55.74	
	5656140236			Motor Oil - PW Fleet	24.53	
	5656149858			Diesel Exhaust Fluid/Windshield Wiper - LGPW#32 '14 GapVax	62.57	
	5656149960			Windshield Wiper - LGPW#17 '99 Ford F350	18.41	
16394	L1969	Aztec Landscaping Inc	10/19/2022	Labor - Irrigation Repairs - Various Locations	519.24	2,076.94
	L1969			Irrigation Repairs - Trolley Corridor	1,557.70	
16395	Oct2022	Benefit Coordinators Corporation (BCC)	10/19/2022	Dental Insurance- PPO -Oct'22	4,281.60	4,281.60
16396	65444	Boot World Inc	10/19/2022	Work Boots - PW	250.00	250.00
16397	900640	Cable Pipe & Leak Detection Inc	10/19/2022	Leak Detection - Senior Ctr	320.00	320.00
16398	Caneday	Caneday, Alicia	10/19/2022	Refund/Caneday, Alicia/Returned Replacement Dog Tag	5.00	5.00
16399	5374-Aug	City of Chula Vista	10/19/2022	Animal Control Services- Aug'22	25,104.00	76,153.64
	5374-Aug			Animal Control Vehicle Lease Agrmt - Aug'22	650.00	
	5374-Jul			Animal Control Services- Jul'22	25,104.00	
	5374-Jul			Animal Control Vehicle Lease Agrmt - Jul'22	650.00	
	5374-Sep			Animal Control Vehicle Lease Agrmt - Sep'22	650.00	
	5374-Sep			Animal Control Services- Sep'22	25,104.00	
	ACSERV-Aug			Credit/Impound Fees/Animal Control Services- Aug'22	-300.00	
	ACSERV-Jul			Credit/Impound Fees/Animal Control Services- Jul'22	-850.00	
	ACSERV-Sep			Credit/Impound Fees/Animal Control Services- Sep'22	-350.00	
	ACSERV-Sep			After Hours Calls- Sep'22	391.64	
16400	Sep 22	Colonial Life	10/19/2022	Colonial Optional Insurance Sep-22	256.16	256.16
16401	7459	D- Max Engineering Inc	10/19/2022	1896 Noble St Inspections 9/1/22-9/30/22	842.38	2,772.00
	7460			1993 Dain Dr Inspections 9/1/22-9/30/22	552.88	
	7461			7508-7512 Church St Inspections 9/1/22-9/30/22	368.75	
	7462			7946 Broadway Kelvin Inspections 9/1/22-9/30/22	410.61	
	7463			8016 Broadway Inspections 9/1/22-9/30/22	597.38	
16402	1004229905	Domestic Uniform Rental	10/19/2022	Shop Towels & Safety Mats 10/4/22	53.10	53.10
16403	18074	Eagle Paving Company, Inc	10/19/2022	CUPCCA #2202-03 FY21-22 Street Rehab Project. Various Locations	81,967.59	81,967.59
16404	264175	GB Auto Service, Inc.	10/19/2022	2 Tires & Installation - LGPW#17 '99 Ford F350	489.30	489.30
16405	HS-5607-0022	Home Start, Inc.	10/19/2022	LG Homeless Outreach - Sep'22	1,898.77	1,898.77
16406	72882	Horrocks Engineers Inc	10/19/2022	Prof Eng Svcs: FY19/20 Sewer Rehab Proj thru 9/30/22	863.72	863.72
16407	1774	Janazz, LLC SD	10/19/2022	2 Refurbished Windows10 Work Stations - PW Yard	1,074.98	1,074.98
16408	5438176	Mallory Safety and Supply, LLC	10/19/2022	Hard Hat/Lifeguard Hat	33.95	33.95
16409	13031611	McNamara Pump and Electric Inc	10/19/2022	Duplex Sewage Pump Stn Svc - 6794 Central	7,035.75	7,035.75
16410	10/18/22	MissionSquare	10/19/2022	Deferred Compensation PPE 10/18/22	780.77	780.77



CHECK NO	INVOICE NO	VENDOR NAME	CHECK DATE	Description	INVOICE AMOUNT	CHECK AMOUNT
16411	266100	Ninyo & Moore	10/19/2022	FY21-22 Street Rehab Project/Prof Svcs thru 8/26/22	6,287.50	6,287.50
16412	3010374662	Parkhouse Tire Inc	10/19/2022	E10 4 Tires & Installation/Fleet Service	1,990.73	1,990.73
16413	119	RXR Plumbing, Inc.	10/19/2022	Plumbing Repair - Senior Ctr 9/23/22	3,887.00	3,887.00
16414	Sep22	SDG&E	10/19/2022	Gas & Electric 8/23/22-9/21/22	10,508.49	10,508.49
16415	CLG-6	Smith Air Conditioning	10/19/2022	Service Call - AC Unit Repair - Fire Stn	155.00	155.00
16416	Oct 18 Oct 4	Southern CA Firefighters Benefit Trust	10/19/2022	LG Firefighters Benefit Trust 10/18/22 LG Firefighters Benefit Trust 10/4/22	784.55 830.70	1,615.25
16417	609676	State of California- Department of Justice	10/19/2022	Fingerprint Apps - Sep'22	32.00	32.00
16418	121938888-0008 121938888-0009 129734425-0001 129796994-0001	Sunbelt Rentals Inc.	10/19/2022	Equip Rental - Post Shore - Senior Ctr 8/4/22-8/31/22 Equip Rental - Post Shore - Senior Ctr 9/1/22-9/28/22 Propane Equip Rental - 45' Manlift 8/24/22	127.97 127.97 21.85 529.25	807.04
16419	13891	T-Man Traffic Supply	10/19/2022	Sign Supplies - Streets	712.93	712.93
16420	73405974 73409275 73409276 73411432 73411433 73417710 73420043	Vulcan Materials Company	10/19/2022	Asphalt/SS1 5 Gallon Bucket Asphalt/SS1 5 Gallon Bucket Asphalt Asphalt Asphalt/SS1 5 Gallon Bucket Asphalt/SS1 5 Gallon Bucket Asphalt	273.73 188.72 128.37 119.58 75.43 254.35 276.78	1,316.96
16421	81227401	Waxie Sanitary Supply	10/19/2022	Janitorial Supplies - Fire	32.18	32.18
					392,541.60	392,541.60



# CITY OF LEMON GROVE

## CITY COUNCIL STAFF REPORT

**Item No.** 1.C  
**Meeting Date:** November 1, 2022  
**Submitted to:** Honorable Mayor and Members of the City Council  
**Department:** City Manager's Office  
**Staff Contact:** Audrey Malone, City Clerk  
[amalone@lemongrove.ca.gov](mailto:amalone@lemongrove.ca.gov)  
**Item Title:** **Approval of City Council Meeting Minutes**

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**Recommended Action:** Approval of City Council Meeting Minutes, meeting of October 18, 2022.

**Environmental Review:**

- Not subject to review                       Negative Declaration  
 Categorical Exemption, Section |                       Mitigated Negative Declaration

**Fiscal Impact:** None.

**Public Notification:** None.

**MINUTES OF THE REGULAR MEETING  
OF THE LEMON GROVE CITY COUNCIL  
Lemon Grove Community Center  
3146 School Lane, Lemon Grove, CA 91945  
TUESDAY, October 18, 2022 at 6 PM**

*The City Council also sits as the Lemon Grove Housing Authority,  
Lemon Grove Sanitation District Board, Lemon Grove Roadway Lighting District Board,  
and Lemon Grove Successor Agency.*

**Call To Order:**

Mayor Vasquez called the Regular City Council Meeting to order at 6:00 pm.

**Present:**

Mayor Racquel Vasquez, Mayor Pro Tem Jerry Jones, Councilmember Jennifer Mendoza, Councilmember Liana LeBaron, and Councilmember George Gastil.

Absent: None.

**Staff Members Present:**

Lydia Romero, City Manager, Kristen Steinke, City Attorney, Steve Swaney, Fire Chief, Patrick McEvoy, San Diego Sheriff's Lieutenant, and Audrey Malone, City Clerk and Izzy Murguia, Public Works Director.

**Pledge of Allegiance:**

Led by Mayor Pro Tem Jones.

**Changes to the Agenda:**

Councilmember LeBaron requested via email to pull Item 1.B City of Lemon Grove Payment Demands, item to be heard after Item 2 on agenda.

**Public Comment:**

Email Submitted:

- Rebecca Rapp
- Barbra Gordon

In-Person:

- John L. Wood
- Deborah Childers
- Sandra L. Goheen
- Lindsey Oliver
- Felina Thom
- Larry Thurman
- Vanessa McDonald

Mayor Vasquez calls a five minute recess at 6:33pm.

Mayor Vasquez reconvenes meeting at 6:35pm.

Public comment portion of the meeting continues.

In-Person:

- Johnny Conde (Not in the Chambers)
- Ricardo Miramontes (Not in the Chambers)

**Consent Calendar:**

- 1.A Waive Full Text Reading of All Ordinances on the Agenda
- 1.B City of Lemon Grove Payment Demands
- 1.C Approval of City Council Meeting Minutes, October 4, 2022.
- 1.D Award an Agreement for Sewer Root Control Services to Duke's Root Control, Inc.
- 1.E Approval of Final Map for Tentative Subdivision Map TM062 located at the Southwest Corner of Palm Street and Camino De Las Palmas
- 1.F Accept Donation From Christopher Williams of a Bumper Pool Table

**Action:** Motion by Mayor Pro Tem Jones, second by Councilmember Gastil to approve the Consent Calendar minus Item 1.B Payment Demands.

**The motion passed by the following vote:**

**Ayes:** Vasquez, Jones, Mendoza, Gastil, LeBaron.  
**Noes:** None.

**Report(s) to Council:**

- 2. Employee Equity Compensation Plan

Report presented by Lydia Romero, City Manager.

Councilmember LeBaron leaves dais at 6:50pm, returning at 6:55pm.

**Public Comment:**

Email Submitted: None.  
In-Person: None.

Council have questions/comments of staff.

**Action:** Motion by Councilmember Gastil, second by Mayor Pro Tem Jones to approve the proposed Employee Equity Compensation Plan.

**The motion passed by the following vote:**

**Ayes:** Vasquez, Jones, Mendoza, and Gastil.  
**Noes:** LeBaron.

**Pulled Item:**

Item 1.B Payment Demands

Mayor calls on Councilmember LeBaron who pulled the item to ask questions of staff.

**Action:** Motion by Mayor Pro Tem Jones, second by Councilmember Mendoza to ratify the payment demands.

**The motion passed by the following vote:**

**Ayes:** Vasquez, Jones, Mendoza, and Gastil.  
**Noes:** LeBaron.

**City Council Reports on Meetings Attended at the Expense of the City**

**Councilmember Mendoza**

- SANDAG Transportation Meeting
- Heartland Fire Open House

- Lemon Grove Clergy Meeting
- SANDAG Board Meeting
- League of CA Cities Meeting

**Councilmember LeBaron**

- Meeting with residents on concerns

**Councilmember Gastil**

- Didn't have a quorum at the SANDAG Regional Planning Committee meeting
- Upcoming meeting: East County Economic Council Meeting
- Upcoming meeting: MTS

**Mayor Pro Tem Jones**

- Adhoc Metro Wastewater Meeting
- Independent Oversight Committee/Finance Meeting
- IROC meeting

**Mayor Vasquez**

- Cal Cities African American Caucus Board Meeting
- Heartland Fire Open House

**City Manager Report**

- October 5-7 attended JPIA Conference

City Attorney Kristen Steinke adjourns meeting into Closed Session at 7:24pm

- a. Conference with Legal Counsel – Existing Litigation (Govt Code section 54956.9(d)(1))  
Shawn Farson and Rosalinda Legge v. City of Lemon Grove (SDSC Case No.: 37-2020-00029569-CU-OR-CTL)**

City Attorney Kristen Steinke reconvenes meeting with nothing to report at 7:50pm.

Mayor Vasquez adjourns the meeting at 7:50pm to the next regularly scheduled City Council meeting to November 1, 2022.

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Audrey Malone, City Clerk



# CITY OF LEMON GROVE

## CITY COUNCIL STAFF REPORT

**Item No.** 2.

**Meeting Date:** November 1, 2022

**Submitted to:** Honorable Mayor and Members of the City Council

**Department:** Public Works Department

**Staff Contact:** Izzy Murguia, Public Works Director  
[imurguia@lemongrove.ca.gov](mailto:imurguia@lemongrove.ca.gov), and  
Christian Olivas, Management Analyst  
[colivas@lemongrove.ca.gov](mailto:colivas@lemongrove.ca.gov)

**Item Title:** **Authorize the FY 2023-2024 Community Development Block Grant (CDBG) Program Application**

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**Recommended Action:** That the City Council hold a public hearing, receive public comment, and adopt a resolution (**Attachment A**) authorizing the submittal of an application for the Fiscal Year 2023-2024 Community Development Block Grant Program.

**Summary:** The purpose of this agenda item is to hold a public hearing and receive City Council authorization to submit an application for the proposed Fiscal Year 2023-2024 Community Development Block Grant (CDBG) Program funded infrastructure project. If successful, funds will be used to rehabilitate multiple streets that are in need, including Nida Place from Palm Street to cul-de-sac, Corona Street from Central Avenue to Roosevelt Avenue, and Davidson Avenue from Buena Vista Avenue to Main Street. The background and discussion sections below provide information regarding the CDBG program and application process as well as staff's recommendation for the allocation of CDBG funds.

**Background:** The CDBG Program was created in 1974 and is administered by the U.S. Department of Housing and Urban Development (HUD). The purpose of the program is to provide funds annually to all entitlement jurisdictions to develop a viable urban community through community development projects and affordable housing activities that benefit low-to moderate-income households and persons with special needs.

The County of San Diego, Housing and Community Development Services (HCDS) department currently serves as a grantee for the San Diego Urban County, a federally designated area, that includes the unincorporated areas of San Diego County and all non-

entitlement cities within the County that choose to participate in the CDBG Program. As a non-entitlement jurisdiction, the City of Lemon Grove must partner with the County of San Diego to receive CDBG funds. According to the County of San Diego, CDBG-funded projects must satisfy one of three national program objectives:

- Provide a benefit to low and moderate income persons,
- Prevent or eliminate slums and blight, or
- Meet needs having a particular urgency.

Eligible activities broadly include:

- Real property acquisition,
- Public facilities and improvements,
- Public services,
- Economic development (job creation), and
- Housing development and rehabilitation.

For over 20 years, the City has participated in the CDBG Program, predominately relying on CDBG funds for street rehabilitation projects in eligible neighborhoods. Most recently, the City Council approved the submittal of an application for CDBG funds for improvements to Buena Vista Avenue from North Avenue to Broadway Avenue (FY 2022-2023), Crane Street from Golden Avenue to the cul-de-sac (FY 2021-2022), and Golden Avenue from School Lane to Kempf Street (FY 2020-2021).

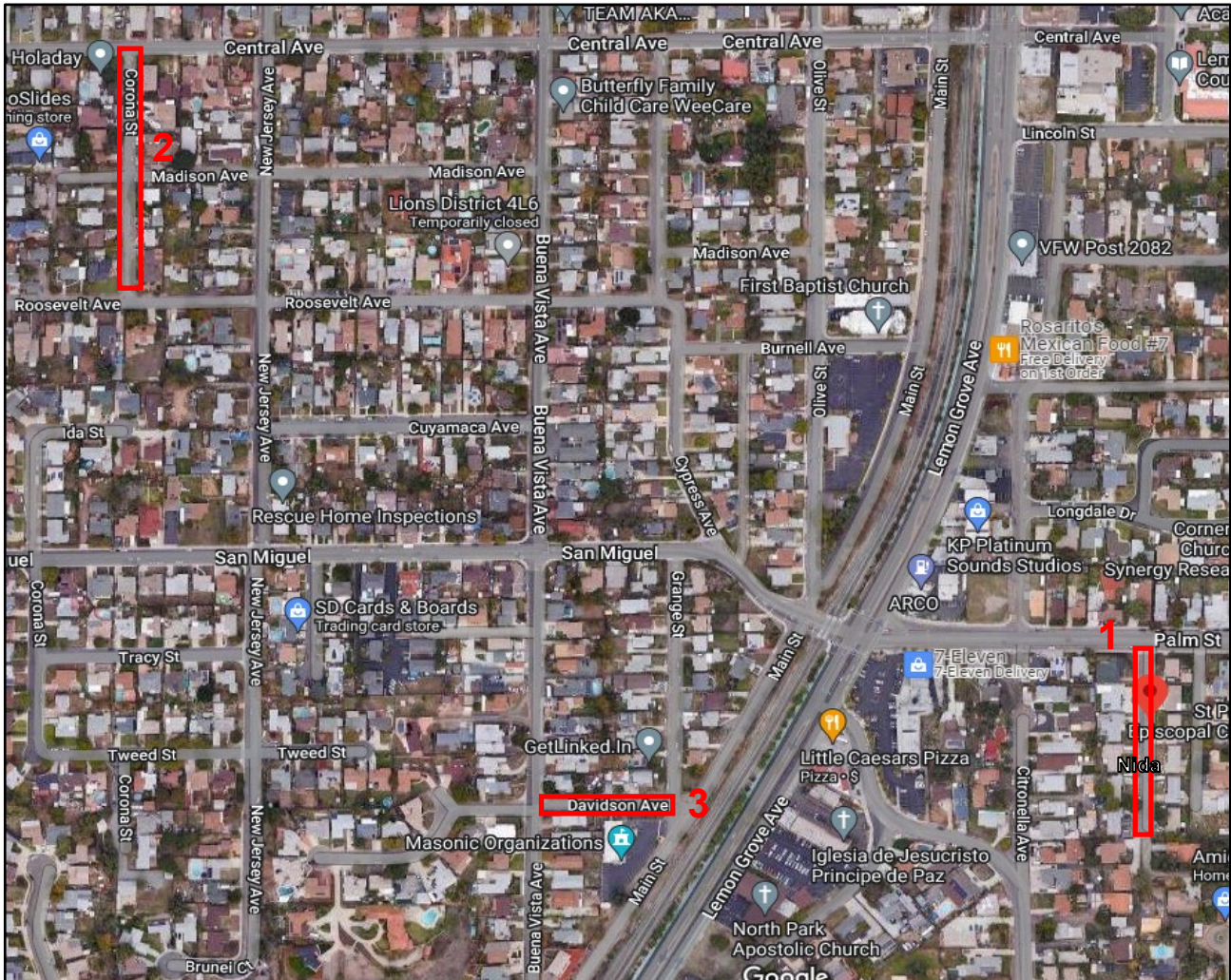
**Discussion:** On September 29, 2022, County staff informed the City that Lemon Grove was eligible to receive \$121,395 in CDBG funding for FY 2023-2024. The County used the same CDBG allocation formula to calculate the City's allocation that considers population, overcrowding, and poverty. To receive this funding, the City must submit a CDBG Program application detailing the proposed use of these funds to HCDS staff for consideration and approval. As part of the application process, the City Council must adopt a resolution authorizing the submittal of the CDBG Program application.

To determine the recommended street rehabilitation project, staff reviewed streets located in eligible census tract and block group areas provided by the County. Staff then compared eligible street segments against the current Pavement Management Program and selected streets and segments with a Pavement Condition Index (PCI) below or equal to 25. This preliminary criterion resulted in 22 street segments to be evaluated as potential projects for the FY 2023-2024 CDBG program. Next, staff examined the 22 street segments based on additional criteria to finalize its recommendation. This criterion includes: budget (project not subsidized by the General Fund or gas tax), connectivity (fixing whole blocks), maximizing number of residences served, maximizing streets/square footage, proximity to city parks/facilities and schools, and location to commercial corridors.



Based on the criteria set forth above, staff recommends Nida Place from Palm Street to cul-de-sac (PCI 15), Corona Street from Central Avenue to Roosevelt Avenue (PCI 11), and Davidson Avenue from Buena Vista Avenue to Main Street (PCI 21) as the street rehabilitation project for the FY 2023-2024 CDBG program application. Exhibit 1, shown below, highlights the multiple street segments that are recommended for improvement.

**Exhibit 1:** 1) Nida Place (Palm to cul-de-sac), 2) Corona (Central to Roosevelt), 3) Davidson (Buena Vista to Main)



The project will consist of milling (grinding) down old asphalt two (2) inches and replacing it with a new asphalt overlay. This treatment method is an ideal alternative to full reconstruction for it is considerably less expensive and delivers similar quality and strength as other asphalt options. The estimated cost for a mill/overlay is \$2.00-\$3.00 per square yard compared to \$6.00-\$8.00 for full reconstruction. The estimated budget for this project includes \$86,503 for construction and \$35,000 for contingencies, inspection, field orders, and mobilization.



If the City Council adopts the resolution, staff will submit an application to HCDS for consideration and approval by Friday, November 4, 2022. Assuming the County approves the application (**Attachment B**), staff will then work with the City’s Contract City Engineer to prepare construction documents, advertise the construction project bid documents (Fall/Winter 2023) and after completing the bid process, return to the City Council with a recommendation to award a construction contract.

**Alternatives Considered:** The City Council may elect to approve an alternative street segment(s) for the FY 2023-2024 CDBG program application. As part of staff’s evaluation, the following street segments noted in the table below were identified as alternatives, which also met certain criteria outlined previously.

**Table 1:** Alternative Streets for Consideration

Street(s)	Total Sq. Ft	Est. Cost	Pavement Condition Index
Drew Lane	32,307	\$80,768	19
West (North Ave to Broadway)	30,756	\$76,890	8
North Ave (Harris to West)			23
Vista Ave (Pacific to Central Ave)	32,706	\$81,765	18
Alford (Broadway to Pacific Ave)			0

The treatment options for the alternative streets for consideration also include a mill/overlay treatment. The associated costs are exclusive of contingencies, field orders, and mobilization costs. While the recommended streets and proposed streets for consideration need rehabilitation, staff recommends Nida Place from Palm Street to cul-de-sac, Corona Street from Central Avenue to Roosevelt Avenue, and Davidson Avenue from Buena Vista Avenue to Main Street as the CDBG street rehabilitation project for the FY 2023-2024 CDBG Program application because it rehabilitates more square footage of asphalt and maximizes the number of streets and residences served.

**Environmental Review:**

- Not subject to review  Negative Declaration  
 Categorical Exemption, Section | |  Mitigated Negative Declaration

**Fiscal Impact:** None.

**Public Notification:** As required by the CDBG program, a legal notice of this public hearing was published in the East County Californian on October 21, 2022.

**Staff Recommendation:** Staff recommends that the City Council hold a public hearing, receive public comment, and adopt a resolution (**Attachment A**) authorizing the submittal of an application for the Fiscal Year 2023-2024 Community Development Block Grant Program.

**Attachments:**

**Attachment A – Resolution**

**Attachment B – CDBG FY 2023-24 Application**

**RESOLUTION NO. 2022 -**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE,  
CALIFORNIA, AUTHORIZING THE SUBMITTAL OF AN APPLICATION FOR  
THE FISCAL YEAR 2023-2024 COMMUNITY DEVELOPMENT BLOCK GRANT  
PROGRAM**

**WHEREAS**, the United States Department of Housing and Urban Development (HUD) administers the Community Development Block Grant (CDBG) Program, which provides Federal funds to assist community development activities in urban areas; and

**WHEREAS**, the County of San Diego (County), as an eligible Urban County, applies and receives CDBG funds that are administered within the County's unincorporated areas and local governments that participate in the San Diego Urban County CDBG Program; and

**WHEREAS**, the City of Lemon Grove is a non-entitlement jurisdiction and must partner with the County of San Diego to receive CDBG funds; and

**WHEREAS**, the City of Lemon Grove placed a notice in a newspaper of general circulation indicating a Public Hearing; and

**WHEREAS**, the City will submit an application to the County for approval to receive Federal CDBG funds to rehabilitate multiple streets, Nida Place from Palm Street to cul-de-sac, the Corona Street segment from Central Avenue to Roosevelt Avenue, and the Davidson Avenue segment from Buena Vista Avenue to Main Street; and

**WHEREAS**, the City understands and agrees that should the CDBG Program be discontinued, the City would be required to reimburse the County's Housing Development Fund for any affected funds.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Lemon Grove, California, hereby:

1. Directs the City Manager, or her designee, to allocate CDBG funding for street rehabilitation purposes;
2. Authorizes the City Manager, or her designee, to submit an application for the CDBG Program for Fiscal Year 2023-2024; and
3. Authorizes the City Manager, or her designee, to manage all program-related documentation.

**PASSED AND ADOPTED** on November 1, 2022, the City Council of the City of Lemon Grove, California, adopted Resolution No. 2022-\_\_\_\_\_, passed by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

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**Racquel Vasquez, Mayor**

**Attest:**

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**Audrey Malone, City Clerk**

**Approved as to Form:**

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**Kristen Steinke, City Attorney**

COUNTY OF SAN DIEGO, HOUSING AND COMMUNITY DEVELOPMENT SERVICES

# Community Development Block Grant Application

**FY 2023 – 2024**

**Proposals Due  
5:00 P.M. Friday, November 4, 2022**



[LIVEWELLSD.ORG](http://LIVEWELLSD.ORG)

[SDHCD.ORG](http://SDHCD.ORG)

*David Estrella*  
Director

3989 Ruffin Rd • San Diego, CA • 92123 • (858) 694-8724 • TDD: (866) 945-2207

## Eligibility Checklist

Please review the below listed eligible requirements and ensure your project meets them before proceeding with the application.

<input type="checkbox"/>	Project serves the unincorporated County or has been approved by a Participating City Council
<input checked="" type="checkbox"/>	<p>Project is an eligible activity: <i>(please select one)</i></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Public Facilities</li> <li><input checked="" type="checkbox"/> Infrastructure</li> <li><input type="checkbox"/> Non-Homeless Special Needs</li> <li><input type="checkbox"/> Planning/Admin</li> <li><input type="checkbox"/> Economic Development</li> <li><input type="checkbox"/> Public Services</li> <li><input type="checkbox"/> Other: _____</li> </ul> <p>Please <a href="#">click here to see the full list</a> of eligible activities.</p>
<input checked="" type="checkbox"/>	<p>Project meets a national objective: <i>(please select one)</i></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Primarily benefit low- and moderate-income households <i>(under 80% AMI)</i></li> <li><input type="checkbox"/> Aid in the elimination of slum or blight conditions</li> <li><input type="checkbox"/> Meet an urgent community need</li> </ul> <p>Please <a href="#">click here to see a detailed explanation</a> of CDBG national objectives.</p>
<input checked="" type="checkbox"/>	<p>Project serves a County of San Diego goal: <i>(please select one)</i></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Increase affordable housing opportunities for low- to moderate-income and special needs residents</li> <li><input type="checkbox"/> Prevent and end homelessness through accessible housing and support services</li> <li><input checked="" type="checkbox"/> Enhance community infrastructure and facilities to provide a suitable and sustainable living environment</li> <li><input type="checkbox"/> Provide housing and support services for those living with HIV/AIDS</li> </ul> <p>Please <a href="#">click here to view the County of San Diego's Consolidated Plan</a> and goals.</p>
<input checked="" type="checkbox"/>	Applicant is a public entity or tax-exempt nonprofit organization
<input checked="" type="checkbox"/>	Applicant has a DUNS number and is registered and in good standing with SAM.Gov
<input checked="" type="checkbox"/>	Applicant has a financial audit or A-133 single audit
<input checked="" type="checkbox"/>	Applicant's governing body has authorized the application for CDBG funds


Authorized Official Signature:

## Technical Assistance

The County will provide technical assistance to any organization planning to submit a proposal. Additionally, the County will provide guidance if your organization is concerned about meeting program or application requirements. To request assistance, contact the CDBG Administrator at (858) 694-8724. For the deaf or hard of hearing, please call (866) 945-2207.

Please note that Notices of Funding Availability (NOFAs) or Requests for Proposals (RFPs) are used by HCDS to disburse HOME Investment Partnerships Program and CDBG funds (when available) for housing development activities. NOFAs are posted from time to time on HCDS's website at [www.sdhcd.org](http://www.sdhcd.org). RFPs are issued by the County's Department of Purchasing and Contracting (DPC). RFPs are announced through DPC to registrants of the [BuyNet](#) system.

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PART I. Summary Information		
1. Organization/Department: City of Lemon Grove/City Manager's Office		2. Type of Organization: <input type="checkbox"/> Non-Profit <input checked="" type="checkbox"/> Participating City <input type="checkbox"/> County Department <input type="checkbox"/> Other:
3. Project Title: Street Improvement City-Wide (Nida Place, Corona Street, Davidson Avenue)		
4. Name/Title of Authorized Official: Lydia Romero/City Manager		5. Authorized Official's Email: lromero@lemongrove.ca.gov
6. Authorized Official Signature: 		
7. Program Address: 3232 Main Street, Lemon Grove, CA 91945		8. Mailing Address (If different): N/A
9. Project Manager: Christian Olivas	10. Contact Phone: (619) 825-3813	11. Contact Email: colivas@lemongrove.ca.gov
12. Federal DUNS Number: 095899696	13. SAM/CCR Expiration Date: September 19, 2023	14. Does your organization expend \$750,000 or more a year in federal funds? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
PART II. Project Proposal Overview		
1. Community/Population to be served (please be specific): City of Lemon Grove/Low and Moderate-Income Residents		2. What Percent of request will serve unincorporated County? <u>0</u> %
3. Location of Project: Nida Place, Corona Street, Davidson Avenue		4. Census Tracts of Project: Nida: Tract 140.1, Corona: Tract 143, Davidson: Tract 142
5. Type of Activity: (Please check <u>only one</u> )		
<input type="checkbox"/> Public Facilities <input checked="" type="checkbox"/> Infrastructure <input type="checkbox"/> Non-Homeless Special Needs <input type="checkbox"/> Planning/Admin <input type="checkbox"/> Economic Development <input type="checkbox"/> Public Services <input type="checkbox"/> Other: _____		
6. CDBG Funds Requested: \$121,395		7. Total Project Cost: \$ 121,395
8. Specific Use of Requested CDBG Funds: (Please be specific and concise as to what CDBG funds will support.) The requested CDBG funds will rehabilitate multiple streets located in the City of Lemon Grove, including Nida Place (from Palm Street to the cul-de-sac), Corona Street (from Central Avenue and Roosevelt Avenue), and Davidson Avenue (from Buena Vista Avenue to Main Street). The street improvements will rehabilitate 34,601 square feet (sf) of asphalt roadway and restripe the road.		
9. Other Funding Sources: (Please specify source for each)	Other Federal:	\$ N/A
	State/Local:	\$ N/A
	Private Sources:	\$ N/A
	Other:	\$ N/A
	CDBG Funds Previously Allocated to Project:	\$ N/A
10. Which CDBG National Objective does your project meet? (Please see Attachment C for details)		
<input checked="" type="checkbox"/> Primarily benefit low- and moderate-income households (under 80% AMI)		
<input type="checkbox"/> Aid in the elimination of slum or blight conditions		
<input type="checkbox"/> Meet an urgent community need (Note: this is applicable in very limited circumstances.)		
11. Any real property acquired or improved with \$25,000+ CDBG funds must continue to meet a national objective for 5 years after expiration of the contract/MOU. Describe how your agency will comply: N/A		
12. Describe what types of permits, if any, are required for the project: The proposed project will be contracted out, so the contractor that is awarded a contract will need to obtain a City of Lemon Grove Business License and an encroachment permit before the project can begin.		

PART III. Project Narrative	
<p><b>1. Project Title:</b>  <b>Street Improvement City-Wide (Nida Place, Corona Street, Davidson Avenue)</b></p>	
<p><b>2. Project Goal:</b>                      Please select <u>only one</u> of the following that most accurately describes what you intend to accomplish by carrying out this activity.</p>	<p><input type="checkbox"/> Increase affordable housing opportunities for low- to moderate-income and special needs residents</p> <p><input type="checkbox"/> Prevent and end homelessness through accessible housing and support services</p> <p><input checked="" type="checkbox"/> Enhance community infrastructure and facilities to provide a suitable and sustainable living environment</p> <p><input type="checkbox"/> Provide housing and support services for those living with HIV/AIDS</p>
<p><b>3. Project Outcome:</b>                      Please select <u>only one</u> of the following project performance measurement outcomes.</p>	<p><input checked="" type="checkbox"/> <b>Availability/Accessibility</b> – Activities that make services, infrastructure, housing, and shelter accessible. Note that accessibility does not only refer to physical barriers.</p> <p><input type="checkbox"/> <b>Affordability</b> – Activities that provide affordability in a variety of ways. It can include creation or maintenance of affordable housing, infrastructure hookups, or services.</p> <p><input type="checkbox"/> <b>Sustainability</b> – Activities that promote livable or viable communities and neighborhoods by providing services or reviving slums/blighted areas.</p>
<p><b>4. Statement of Problem:</b> Describe the problem or need the proposed activity is intended to address.</p> <p>This project provides resources for rehabilitating a street and public right-of-way for the surrounding residential neighborhood in a low-to-moderate income area.</p>	
<p><b>5. Service Area and Target Population:</b> Describe the characteristics of the population to be served and the geographic area to be benefited. You <u>must include a map</u> showing project location and service area.</p> <p>The proposed street segment serves low-income residents who live on the street and/or use the street to access their homes.</p>	
<p><b>6. Project Description:</b> Describe the proposed project and specifically how CDBG funds will be used.</p> <p>The requested CDBG funds will rehabilitate multiple street segments within the City. Specifically, the Nida Place (from Palm Street to the cul-de-sac), Corona Street (from Central Avenue and Roosevelt Avenue), and Davidson Avenue (from Buena Vista Avenue to Main Street) will be milled and paved.</p>	
<p><b>7. Proposal Beneficiaries:</b> Indicate the <u>unduplicated number of people or households</u> that will directly benefit from your proposal. Include a sample intake form or your methodology for calculation.</p> <p>N/A</p>	



8. Provide further information on property for which the improvements are being proposed. *If applicable.*

N/A

9. Will the proposed project meet Americans with Disabilities Act standards for access to persons with disabilities? *Explain.*

Yes, the proposed construction project will be completed in accordance with Federal 2010 ADA Standards for Accessible Design.

10. **Performance Measures:** *Provide a measure that can be used to gauge the effectiveness or impact of your proposal in meeting the needs of the community. How can it be determined whether your proposal yields the desired outcomes or shows an overall improvement in the lives of persons assisted with HUD funds?*

The City can use its Pavement Management Program (PMP) that is designed to assess the current pavement condition of streets within Lemon Grove, as a performance measure. Based on this assessment, streets are assigned a Pavement Condition Index (PCI), which is a numerical index from 0 to 100 to indicate the condition of a pavement. Through this data-driven process, the City can use the PCI to evaluate the street improvement and determine the effectiveness or impact of meeting the needs of the community with the use of CDBG funds. The street segments of Nida Place, Corona Street, and Davidson Avenue have an average PCI of 15 or Very Poor. Completion of this project will result in a PCI of 100 or Good.

11. **Documentation Process:** *Describe your beneficiary income/qualification documentation standards and procedures. For limited clientele activities, describe procedures for documenting program participation including ethnic/income characteristics of participants.*

Beneficiary income/qualification documentation standards and procedures are not applicable to infrastructure projects. However, as required, the proposed infrastructure project is located within CDBG eligible Census Tract and Block Group areas that are all designated as low-to-moderate income, including Nida Place in Census Tract 140.1 Block Group 4, Corona Street in Census Tract 143, Block Group 1, and Davidson Street in Census Tract 142, Block Group 4.

12. **Describe relationship of project to local community facilities/services addressing a similar problem:**

The City of Lemon Grove has prioritized different zones within the jurisdiction requiring street rehabilitation. The aforementioned areas of Lemon Grove have been designated by staff as high priority requiring rehabilitation and it is also considered a low-to-moderate income neighborhood. CDBG Program support will enable the City to expedite rehabilitating the proposed areas that will improve traffic and pedestrian flow, and ultimately, will improve the quality of life of Lemon Grove residents in those particular areas.

13. **What community organizations are in support of this project?**

Lemon Grove School District (LGSD), Lemon Grove Lion's Club, San Diego County Sheriff's Department, Lemon Grove Substation.

14. **Project Timeline:** *Provide a detailed timeline for implementation of project, assuming availability of CDBG funds July 2023. CDBG requests must be limited to activities that can spend CDBG funds within 12 months of receipt.*

Project Tasks	Expected Date of Completion	Staff
Project Design	8-30-2023	N/A
Advertise Bid Documents	9-14-2023	Management Analyst
Open Bid Documents	10-05-2023	Management Analyst
Contract Award to Contractor	11-21-2023	Management Analyst
Pre-Construction Conference	12-14-2023	City Staff-Management Analyst/Contractor TBD
Project Completion	6-30-2024	City Staff-Management Analyst/Contractor TBD

15. Estimated Expenditure Schedule (FY 2023-24) <i>Assuming funds are available July 1, 2023.</i>	July-September 2023	\$1,100
	October-December 2023	\$
	January-March 2024	\$60,150
	April-June 2024	\$60,145

<b>PART III. Community Organization Supplemental Information</b>	
<i>Please <u>only</u> complete Part III if you are submitting on behalf of a community organization. Participating Cities and County Departments should skip to Part IV.</i>	
<b>1. Agency Purpose and Sources of Funding:</b>	
<b>2. Agency Operation Time:</b> <i>Indicate length of time agency has been in operation and date of incorporation.</i>	
<b>3. Current Services:</b> <i>Describe services currently offered and the number/characteristics of clients served.</i>	
<b>4. Organizational Capacity:</b> <i>Discuss agency's capability to develop, implement and administer project.</i>	
<b>5. Project Progress:</b> <i>Describe how the agency will monitor project progress in and who will be responsible.</i>	
<b>6. Agency Staff:</b> <i>Describe existing staff positions and qualifications.</i>	
<b>7. Project Manager:</b> <i>Indicate who will work as project manager and describe the person's experience.</i>	
<b>8. Financial:</b> <i>Briefly describe agency's fiscal management system, including financial reporting, record keeping, accounting systems, payment procedures, and audit requirements.</i>	

**9. Describe current zoning on the site and any discretionary land use permits/approvals necessary prior to project implementation: (If applicable)**

**10. For collaborative projects, name organizations involved and their roles. Please include letters of intent from all participating agencies.**

**11. Previous Accomplishments:** Agencies that have previously received County of San Diego CDBG funds, please describe accomplishments and note year funded. If the agency has not previously received County of San Diego CDBG funds, please describe accomplishments achieved through other funding sources. All descriptions should include the degree to which the objectives were met.

**12. Project Funding:** Describe how the project will be fully funded. Indicate status of other funds in the proposal budget and expected commitment dates, if applicable. Indicate when other funds will be available and include letters of commitment from other funding sources.

**13. Organizational Financial Capacity:** CDBG is a reimbursement-only program. Indicate specific amount of your organization's reserves and describe adequacy of these funds to pay invoices.

**14. Maintenance Funds:** Describe specific plans for fund maintenance of project beyond period supported by CDBG funds. Refer to Part II, Question 11.

**15. Davis-Bacon Prevailing Wage Requirements:** For public improvement construction projects, Davis-Bacon prevailing wage requirements apply. Please consider this in your budget and indicate source of project cost estimates on which you request for funds is based. Describe your experience with Federal Davis-Bacon or State prevailing wage requirements.

**16. Agency Operating Budget:** Include a summary of the agency's current General Operating Budget.

Part IV. Participating City and County Department Supplemental Information				
<i>Please only complete Part IV if you are submitting on behalf of a participating city or County Department. Community Organizations should skip to Part V.</i>				
1. Date of City Council authorization to submit CDBG application, administer project, and execute project: November 1, 2022				
2. Site Information: <i>Include a description of suitability of site, availability of land, effect on surrounding land use, and conformance with the General Plan.</i>				
N/A				
3. CDBG Funds Requested	Planning	\$	Inspections	\$
	Personnel/Administration	\$	Construction/Installations	\$ 120,295
	Site Acquisition	\$	Consultant Cost	\$
	Total CDBG:		Supplies/Equipment	\$
	\$ 121,395		Permits and Fees	\$
			Engineering/Designs	\$
			Other: Bid Advertisement	\$ 1,100
4. Who will the project be carried out by? <i>City/County staff, Contractors, Non-Profit, etc.</i>				
City staff and Contractors (TBD).				
5. Indicate current project status. If project is phased, describe progress on the current phase and expected completion date of previously funded work.				
Currently, City staff is creating the project concept/action plan and expects for this phase to be completed by July 1, 2023, when funds are expected to be available.				
6. Basis for Staff Recommendation: <i>Please include specific reasons why this project is a priority and note any anticipated problems or delays in implementation.</i>				
The Lemon Grove City Council has designated Nida Place from Palm Street to cul-de-sac, the Corona Street segment from Central Avenue to Roosevelt Avenue, and the Davidson Avenue segment from Buena Vista Avenue to Main Street as high priority requiring rehabilitation and it is also located in a Census Tracts that are considered low-to-moderate income that can be supported by the CDBG Program. There are no problems or delays in implementation that are anticipated. The proposed street segments are in very poor condition (average PCI - 15), necessitating rehabilitation. Waiting will only cause further decay and increase the amount of funding needed for rehabilitation. Therefore, CDBG support will enable the City to expedite rehabilitating the proposed street segments.				
7. Environmental Review Status: <i>Check appropriate boxes if environmental status is known. Include the City's CEQA Exemption Section from the State CEQA Guidelines and, if applicable, the NEPA Exemption Section of the NEPA Regulations.</i>				
Exempt CEQA: CEQA Exemption Section: _____				
Exempt NEPA: NEPA Exemption: _____				
<input checked="" type="checkbox"/>	Exempt CEQA:			
<input type="checkbox"/>	Exempt NEPA:			
<input type="checkbox"/>	Environmental Assessment Needed	Underway	Complete	<input type="checkbox"/>
<input type="checkbox"/>	Environmental Impact Statement	Underway	Complete	<input type="checkbox"/>

County Departments should submit site plans, photos, and service area maps with their applications. Participating Cities should submit site plans, photos, service area maps, intake forms (if applicable), and authorizing resolutions with their applications.

*County Departments and Participating Cities do not need to complete Section V.*

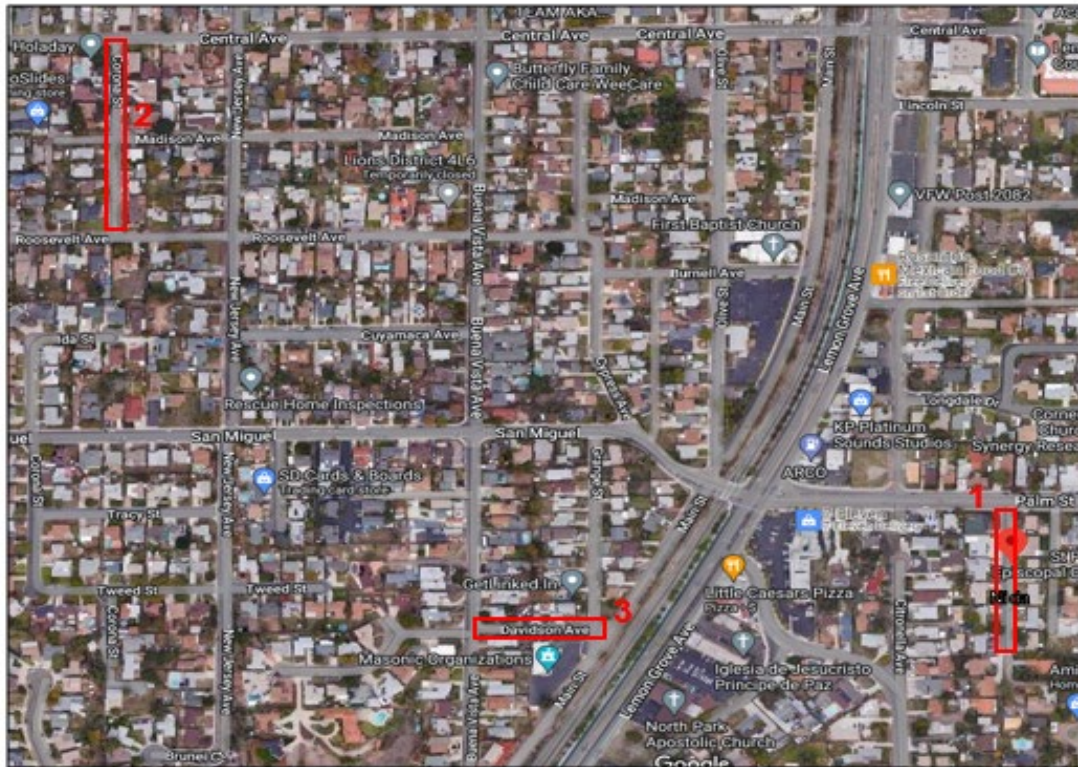


Part V. Community Organization Required Documentation Checklist	
<b>Note: Community Organizations <u>must</u> label their documentation with naming convention listed.</b>	
<b>Documentation:</b>	
<input type="checkbox"/>	<b>"Attachment A: Budget – Project Name"</b> <i>Attached Table I. Project Development Budget Summary Form for capital projects, and supplement this with a detailed line-item budget or Table II. Project Operating Budget Form for service projects, whichever is applicable to the proposed project. Include all other funding sources and indicate: a) if funding is committed; b) if funding has been/will be applied for; and c) when these funds will be available.</i>
<input type="checkbox"/>	<b>"Attachment B: Letters of Commitment – Project Name"</b> <i>Letters of commitment from collaborating agencies, if applicable. Combine all letters into <u>one</u> document.</i>
<input type="checkbox"/>	<b>"Attachment C: Application Authorization – Project Name"</b> <i>Board of Directors/City Council minutes and/or resolution authorizing application for CDBG funds.</i>
<input type="checkbox"/>	<b>"Attachment D: General Operating Budget – Project Name"</b> <i>Current year General Operating Budget.</i>
<input type="checkbox"/>	<b>"Attachment E: Board of Directors – Project Name"</b> <i>Current Board of Directors list, including names and addresses.</i>
<input type="checkbox"/>	<b>"Attachment F: Articles of Incorporation and Bylaws – Project Name"</b> <i>Include all current governing documents.</i>
<input type="checkbox"/>	<b>"Attachment G: Non-Profit Status – Project Name"</b> <i>Proof of <u>existing</u> non-profit/tax/exempt status letters from Federal Internal Revenue Service and State Franchise Tax Board</i>
<input type="checkbox"/>	<b>"Attachment H: Audit – Project Name"</b> <i>Most recent Financial Audit or A-133 Single Audit</i>
<input type="checkbox"/>	<b>"Attachment I: Insurance Policy – Project Name"</b> <i>Current insurance policy Including amounts covered</i>
<input type="checkbox"/>	<b>"Attachment J: License to Operate – Project Name"</b>
<input type="checkbox"/>	<b>"Attachment K: Designation of Authorized Official – Project Name"</b> <i>Submit documentation from the Board of Director's that authorizes the representative of the agency (including name and title) to negotiate for and contractually bind the agency.</i>
<input type="checkbox"/>	<b>"Attachment L: Organizational Chart – Project Name"</b>
<input type="checkbox"/>	<b>"Attachment M: DUNS – Project Name"</b> <i>Proof of existing DUNS number</i>
<input type="checkbox"/>	<b>"Attachment N: CCR Registration – Project Name"</b> <i>Proof of active Central Contractor Registration (SAM/CCR) for organization</i>
<input type="checkbox"/>	<b>"Attachment O: Service Area Map – Project Name"</b> <i>If your project serves all the residents of a given area, please provide a map or maps with the project service area(s) clearly outlined.</i>
<input type="checkbox"/>	<b>"Attachment P: Sample Intake Form – Project Name"</b> <i>If your project serves primarily low-to moderate-income persons or households, provide a sample of the intake/assessment form(s) that are currently being used to document that at least 51% of beneficiaries are low- and moderate-income persons.</i>
<input type="checkbox"/>	<b>"Attachment Q: Contractor Estimates – Project Name"</b> <i>If applicable, 2+ itemized contractor estimates for work to be performed and/or equipment to be purchased.</i>
<input type="checkbox"/>	<b>"Attachment R: Lease – Project Name"</b> <i>Copy of current lease if project site/facility is leased</i>
<input type="checkbox"/>	<b>"Attachment S: Conflict of Interest Form – Project Name"</b> <i>Complete and submit attached conflict of interest form.</i>

**SUBMIT**

### PROPOSED PROJECT MAP

- 1) Nida Place (Palm to cul-de-sac), 2) Corona (Central to Roosevelt), 3) Davidson (Buena Vista to Main)



**PROPOSED PROJECT PICTURES**

**Picture 1: Nida Place from Palm Street to cul-de-sac (entry view)**



**Picture 2: Nida Place from Palm Street to cul-de-sac (mid-street view)**





**Picture 3: Nida Place from Palm Street to cul-de-sac (street-end view)**



**Picture 4: Corona Street from Central Avenue to Roosevelt Avenue (entry view)**





**Picture 5: Corona Street from Central Avenue to Roosevelt Avenue (mid-street view)**



**Picture 6: Corona Street from Central Avenue to Roosevelt Avenue (street-end view)**



**Picture 7: Davidson Avenue between Buena Vista Avenue to Main Street (street-entry view)**



**Picture 8: Davidson Street between Buena Vista Avenue to Main Street (mid-street view)**



**Picture 9: Davidson Avenue between Buena Vista Avenue to Main Street (end-street view)**







# CITY OF LEMON GROVE

## CITY COUNCIL STAFF REPORT

**Item No.**                    **3.**  
**Meeting Date:**            November 1, 2022  
**Submitted to:**            Honorable Mayor and Members of the City Council  
**Department:**            City Manager's Office  
**Staff Contact:**            Lydia Romero, City Manager; [lromero@lemongrove.ca.gov](mailto:lromero@lemongrove.ca.gov)  
**Item Title:**                **Shop Local Digital Gift Card Program**

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**Recommended Action:** Adopt a resolution (**Attachment A**) approving a contract with Hinderliter, de Llamas and Associates, Inc. (HDL); a contract with Yiftee, Inc. for the development of the gift card program, and allocate \$150,000 from American Rescue Plan Act (ARPA) funds for the purpose of implementing a strategy to support local businesses with a shop local digital gift card program.

**Background:** The COVID-19 pandemic has had numerous negative impacts on communities, and one of the hardest hit sectors has been small businesses. Many such businesses have experienced significant financial strains due to the shutdowns, labor shortages, and supply chain inflation costs. Small businesses make up over 99% of businesses in the nation and account for 60 million jobs. Due to the pandemic, over 200,000 of those businesses closed their doors permanently in 2020 and that number continues to rise two years later. In Lemon Grove, small businesses account for a super majority of businesses in town.

**Discussion:** Small businesses in Lemon Grove continue to struggle two years after the pandemic began and are now dealing with rising inflation. Our businesses depend on local foot traffic to be successful, and the pandemic has been especially hard on our community due to its economically, disadvantaged status. It may take years for the small business sector to recover, as it did from the 2008-09 recession. The Digital Gift Card Program is an innovative way to stimulate local consumer spending, thereby supporting locally owned small and independently owned businesses in Lemon Grove. When dollars are spent locally, most are reinvested in the local community in the form of jobs and taxes. The JHDL/Yiftee digital gift card program is being used by the cities of South Gate, San Leandro, Murrieta, Oakley, Hercules, Hawthorne, Canyon Lake Angles Camp, Pinole just to name a few. The Yiftee Community Digital Gift Card Program is a cost-effective way to stimulate the local economy and assist small businesses in recovery. It also provides additional savings to residents who shop locally. As an example, the proposed digital gift

card program would have the resident buy a gift card valued at \$25, and the program would provide another \$25 gift card for a combined \$50 in gift card dollars to be spent locally. In other words, it is a buy one and get one free for residents.

To initiate the program, the City would enter into Yiftee's Community Card Customer Agreement (Exhibit A). There is no set-up or monthly costs. The costs paid to Yiftee are:

1. The value of the bonus card provided,
2. The \$1 plus 5% eDelivery fee (purchaser fee) plus a \$1 gift fee per card, and
3. The Participating Merchant fees charged by MasterCard.

To assist with the branding costs associated with the development of the "Shop Local Lemon Grove" campaign, marketing of the digital gift card (in English and Spanish), and related signage and posters for participating businesses, we are proposing an agreement with HdL Companies through their EconSolutions division. HdL has partnered and brought this program to several of their clients over the last year. HdL would work with staff and the East County Chamber of Commerce to help ensure a successful program. HdL Companies' costs for their services would be in a not to exceed contract of \$12,500. HdL Companies has been a critical partner with the City of Lemon Grove providing information on sales tax and property tax for numerous years.

Staff has spoken to the East County Chamber of Commerce CEO and presented this program and to seek their assistance in supporting the program and help with the marketing efforts to the Lemon Grove business community. The discussion was positive and felt it would help drive business to Lemon Grove's small business community.

The goal of having the program operational in time for the holiday shopping season to help promote a shop local campaign and small business Saturday. The digital gift card can only be used at participating Lemon Grove Businesses that are independently owned, not corporate owned nor multi-franchisee owned. The City can limit the type of business categories that can participate. Most cities have limited the type of participating businesses to:

1. Retail<sup>1</sup>,
2. Restaurant/Café, and
3. Personal Services such as:
  - a. Hair Stylists,
  - b. Barbers,
  - c. Estheticians,
  - d. Nail salons,
  - e. Dry cleaners,
  - f. Pet groomers, and
  - g. Fitness/specialty studios, including martial arts, yoga, dance, and music.

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<sup>1</sup> City can limit retail offering to not include Cannabis, smoke shops or liquor stores

The business must also operate in a physical storefront location, have a current City business license, and have no current code enforcement actions pending against them. The values for the Digital Gift Cards will include \$25, \$50, and \$100 amounts.

**Environmental Review:**

- Not subject to review  Negative Declaration  
 Categorical Exemption, Section |  Mitigated Negative Declaration

**Fiscal Impact:** There will be no expenditure of General Fund dollars. The funds for the program will come from ARPA funds received by the City, these funds can be used to support small businesses located within Lemon Grove.

**Public Notification:** None

**Staff Recommendation:** Adopt a resolution (**Attachment A**) approving Shop Local Digital Gift Card Program including all the components to implement the program.

**Attachment:**  
**Attachment A – Resolution**

**RESOLUTION NO. 2022-**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE, CALIFORNIA ADOPTING APPROVING A SHOP LOCAL DIGITAL GIFT CARD PROGRAM WITH COMPONENTS AND IMPLEMENTATION MEASURES TO SUPPORT LOCAL MERCHANTS IN LEMON GROVE**

**WHEREAS**, the COVID-19 pandemic has resulted in numerous detrimental impacts on a global scale and include national, regional, and local impacts; and

**WHEREAS**, the Lemon Grove business community have experienced these impacts; and

**WHEREAS**, the Lemon Grove City Council seeks ways to assist the Lemon Grove small business community in their recovery from the impact of the pandemic; and

**WHEREAS**, to support this pilot program the City Council is appropriating \$150,000 in ARPA funds to pay for:

1. The \$1 plus 5% eDelivery fee (purchaser fee) plus a \$1 bonus gift fee per card,
2. A bonus gift card to incentivize the use of the program and provide a benefit to all community members,
3. Branding costs associated with the development of the "Shop Local Lemon Grove" campaign, and
4. Marketing costs for advertisement and promotion of the program and related point-of sale signage and posters for participating businesses; and

**WHEREAS**, working with Yiftee, Inc., and HdL Companies who have significant experience in starting up such shop local programs using digital gift cards that have proven extremely successful for participating businesses and residents will be a cost-effective way to stimulate the local economy and assist small businesses in recovery from the COVID-19 pandemic.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Lemon Grove, California, hereby approves as follows:

SECTION 1. The City Council does hereby declare that the recitals set forth above are true and correct and are incorporated herein by reference,

SECTION 2. The City Council hereby appropriates \$150,000 in American Rescue Plan Act funds for purposes of carrying out a pilot digital gift card program to support local small businesses in Lemon Grove,

SECTION 3. The City Council does hereby authorize the City Manager to sign a Professional Services Agreement with Yiftee, Inc., attached hereto as Exhibit "A," to provide the community with a digital gift card program,

SECTION 4. The City Council does hereby authorize the City Manager to sign a contract with HdL Companies to assist in marketing, advertising, and other support services to implement the digital gift card pilot program, and

SECTION 5. Furthermore, the City Council does hereby authorize the City Manager to enter into an agreement with the East County Chamber of Commerce to assist in marketing, outreach and other support services to implement the digital gift card pilot program.

***PASSED AND ADOPTED*** on November 1, 2022, the City Council of the City of Lemon Grove, California, adopted Resolution No. 2022-\_\_\_\_\_, passed by the following vote:

***AYES:***

***NOES:***

***ABSENT:***

***ABSTAIN:***

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***Racquel Vasquez, Mayor***

***Attest:***

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***Audrey Malone, City Clerk***

***Approved as to Form:***

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***Kristen Steinke, City Attorney***



## Community Card Customer Agreement

THIS AGREEMENT (the "Agreement") is made effective as of \_\_\_\_\_, 2022 (the "Effective Date") by and between Yiftee Inc., a Delaware corporation, with an address at 325 Sharon Park Drive #215, Menlo Park, CA 94025 ("Yiftee") and \_\_\_\_\_ with an address at \_\_\_\_\_ ("Customer"). The parties agree as follows:

### 1. Definitions.

1.1 "Merchant" means a merchant, prospect or other contact that may be using or desire to use Yiftee Services to redeem eGifts.

1.2 "Participant" means a Merchant who has opted to participate in a Community Card by running an Activation Card and agreeing to the Merchant Agreement.

1.3 "Yiftee Services" means Yiftee's gift-giving platform. It is the technology foundation for Community Cards.

1.4 "Purchaser" means a person or entity that purchases or redeems eGifts.

1.5 "eGift" means a digital virtual gift voucher used as payment for goods or services at a Participant.

1.6 "Offer" or "Offers" mean specific benefits that Participants provide to consumers who use their Community Cards in their store, as determined by the Participants and posted on their eGift Card web page.

### 2. Merchant Enrollment.

#### 2.1 Merchant Enrollment Obligations

(a) Customer will collect a set of Merchants who have elected to participate in the Yiftee Services. Merchants must all be located in the same state in the USA, due to varying gift card laws by state. Each Merchant must agree to the Yiftee Community Card Merchant Agreement located on the Yiftee.com website. Merchants who have not agreed to the Merchant Agreement will not be able to utilize the Yiftee Services to redeem eGifts. Customer will upload into the Yiftee Services or provide the names of the Merchants who intend to participate to Yiftee. Upon the agreed upon launch date, the billing for the Yiftee Services will begin ("Commencement Date"). This billing will include the agreed-upon cost for each Participant or group thereof as defined in Appendix A.

(b) Yiftee will provide to Customer or directly to Merchants, upon receipt of the set of Merchant names in 2.1a, a set of unique Activation Cards to be run by each Merchant. Customer will inform Merchants of their individual Activation Card and provide instructions on its use. Additionally, Customer will inform Merchants that running the Activation Card implies consent to the Merchant Agreement located on the Yiftee.com website.

(c) As Merchants run the Activation Cards, they will be included in the set of Merchants enabled to participate in the Yiftee Services, i.e. the Participants. Participant may also post their Offers to be available for eGift Card holders who redeem gifts in their stores.

(d) Yiftee will bill Customer or Merchants as described in Appendix A. Customer can add or remove Participants and fees will be adjusted accordingly, if applicable. There will be no retroactive adjustments allowed by Yiftee (that is, a cancelled Participant's billing obligation will result in that Participant's cost to Customer, as defined in Appendix A, to be eliminated beginning only on the next annual billing cycle). A Participant may be added to the list of Participants at any time ("Enrollment Time"), with billing adjustment for said Participant to begin immediately and to be included in the current month's billing.

(e) Each party shall comply with good, ethical and moral business practices and all applicable laws and regulations in engaging in any activities here under.

(f) Fees and payment terms applicable to the subject matter here under shall be as set forth in Appendix A. Customer is not entitled to compensation other than what is described in Appendix A.

(g) Customer is responsible and liable for any disputes or liability arising out of its relationships with Merchants and Participants, except with respect to any liability of Yiftee under this agreement.

## 2.2 Yiftee Materials.

Yiftee may provide Customer with certain materials for use in conjunction with promoting the Yiftee Services here under ("Yiftee Materials"). No rights or licenses, express or implied, are granted in those Yiftee Materials or otherwise, except as expressly and unambiguously set forth in this Agreement.

## 2.3 Limited Licenses.

Subject to the terms and conditions of this Agreement, Yiftee hereby grants to Customer, a non-exclusive, non-transferable, non-assignable, non-sublicensable right and license to access and use the Yiftee Services and Yiftee Materials solely for the purposes of Customer's performance of this Agreement.

## 2.4 Trademark License.

Subject to the terms and conditions of this Agreement, Yiftee hereby grants Customer and Customer hereby grants Yiftee a non-exclusive, non-transferable, non-assignable, non-sublicensable, royalty-free license to use Yiftee's or Customer's name, trade names, trademarks, service marks, and logos (collectively, a party's "Marks") solely in connection with Customer's and Yiftee's promotion and marketing of the Yiftee Services, subject to written usage guidelines, if any, made mutually available.

**3. Ownership.** As between the parties, Yiftee owns all right, title and interest in and to the Yiftee Services, Yiftee's Marks and the Yiftee Materials. Customer owns all right, title and interest in and to Customer's Marks.

**4. Warranties Disclaimer.** YIFTEE AND ITS LICENSORS MAKE NO WARRANTIES TO CUSTOMER, EXPRESS OR IMPLIED, AND SPECIFICALLY DISCLAIM ALL IMPLIED WARRANTIES OF MERCHANTABILITY, NONINFRINGEMENT, AND FITNESS FOR A PARTICULAR PURPOSE, AND ALL WARRANTIES ARISING OUT OF USAGE OR TRADE, COURSE OF DEALING AND COURSE OF PERFORMANCE.

**5. Liability Limitation.** EXCEPT FOR LIABILITY ARISING UNDER SECTION 7, NEITHER PARTY (NOR ITS LICENSORS) WILL BE LIABLE OR OBLIGATED WITH RESPECT TO ANY SUBJECT MATTER OF THIS AGREEMENT OR UNDER ANY CONTRACT, TORT, STRICT LIABILITY OR OTHER LEGAL OR EQUITABLE THEORY, WHETHER OR NOT ADVISED OF THE POSSIBILITY OF SUCH DAMAGES WHATSOEVER, FOR ANY SPECIAL, INDIRECT, INCIDENTAL, EXEMPLARY, PUNITIVE, RELIANCE OR CONSEQUENTIAL DAMAGES, INCLUDING LOSS OF PROFITS, REVENUE, DATA OR USE AND IN NO EVENT SHALL EITHER PARTY'S

LIABILITY EXCEED THE GREATER OF \$500 OR THE AMOUNTS PAID AND/OR PAYABLE BY YIFTEE TO CUSTOMER (AND/OR BY CUSTOMER TO YIFTEE, IF PAYMENTS ARE PAYABLE BY CUSTOMER TO YIFTEE IN ACCORDANCE WITH PROPOSAL) HEREUNDER IN THE TWELVE (12) MONTH PERIOD PRECEDING THE APPLICABLE CLAIM.

## **6. Term and Termination.**

6.1 Term. This Agreement shall be effective as of the Effective Date and shall continue in full force on an annual period from the Effective Date, and thereafter shall automatically renew annually, unless and until either party terminates this Agreement pursuant to Section 6.2.

6.2 Termination.

(a) Either party may, at its option, terminate this Agreement upon thirty (30) days written notice to the other party for any reason or for no reason whatsoever.

(b) Either party may terminate this Agreement if the other party materially breaches a term of this Agreement and fails to cure such breach within fifteen (15) days after receipt of written notice of such breach from the non-breaching party.

(c) Participants are obligated to honor all outstanding eGifts issued by Yiftee for the entire duration of those eGift's validity periods. Termination does not relieve Participants from honoring conditions outlined in the Merchant Agreement.

6.3 Effect of Termination. Upon any termination: (a) Customer shall immediately cease all promotion of the Yiftee Services and shall immediately return to Yiftee, or at the option of Yiftee, destroy, all Confidential Information (as defined below) of Yiftee disclosed to Customer, Yiftee Materials, and any Yiftee Services, hardware and software provided to Customer here under, (b) Yiftee shall immediately return to Customer, or at the option of Customer, destroy, all Confidential Information of Customer disclosed to Yiftee here under, and (c) all licenses granted under this Agreement shall immediately cease. The following Sections shall survive termination and remain in effect 1, 3, 4, 5, 6.3, 7 and 8. Any termination of this Agreement shall be without prejudice to any other rights or remedies available under this Agreement or at law.

**7. Confidentiality.** Because of this Agreement, the parties may have access to information that is confidential to the disclosing party ("Confidential Information"). Confidential Information shall include, without limitation, Purchaser lists and information relating to the parties' products and pricing and all information designated as confidential by the disclosing party at the time of disclosure. A party's Confidential Information shall not include any information which (i) becomes generally publicly available through no wrongful act or omission of the receiving party; (ii) is lawfully acquired by the receiving party from a third party without any breach of a confidentiality obligation; or (iii) is independently developed without use of or reference to the disclosing party's Confidential Information. Each party agrees to maintain the confidentiality of the other party's Confidential Information using the same degree of care that it uses with regard to its confidential information of like nature, but in no event less than reasonable care, and to protect as a trade secret any portion of the other party's Confidential Information by preventing any unauthorized copying, use, distribution, installation or transfer of possession of such information. If required by law, the receiving party may disclose Confidential Information of the disclosing party, but will give adequate prior notice of such disclosure to the disclosing party to permit the disclosing party to intervene and to request protective orders or other confidential treatment therefor. The parties acknowledge that money damages will not be an adequate

remedy if this Section 7 is breached and, therefore, either party may, in addition to any other legal or equitable remedies, seek an injunction or other equitable relief against such breach or threatened breach without the necessity of posting any bond or surety.

**8. Non-solicitation**

During the term of this Agreement, neither party will (on behalf of itself or any other person or entity) solicit any Purchaser or Merchant of the other party to restrict, limit, or terminate such Purchaser's or Merchant's participation in the other party's products and services.

**9. Miscellaneous**

9.1 Choice of Law. This contract shall be governed by and construed in accordance with the laws of the State of California, without regard to the provisions of the conflict of laws thereof. The parties will resolve any disputes in the state or federal courts located in Santa Clara County, California, to whose exclusive jurisdiction and venue they irrevocably submit. Notwithstanding anything to the contrary, either party may pursue injunctive or other equitable relief in any court of competent jurisdiction.

9.2 Notices. Any notice or other communication required or permitted in this Agreement shall be in writing and shall be deemed to have been duly given on the day of service if served personally or by facsimile transmission with confirmation, or three (3) days after mailing if mailed by First Class mail, registered or certified, postage prepaid, and addressed to the respective parties at the addresses set forth above, or at such other addresses as may be specified by either party pursuant to the terms and provisions of this section.

9.3 Assignment. Customer may not assign or otherwise transfer, without the prior written consent of Yiftee, its rights, duties or obligations under this Agreement to any person or entity, in whole or in part. Yiftee may freely assign or otherwise transfer this Agreement in connection with the sale of all or substantially all of its business or assets. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

9.4 Severability. Any provision of this Agreement that is determined to be unenforceable or unlawful shall not affect the remainder of the Agreement and shall be severable therefrom, and the unenforceable or unlawful provision shall be limited or eliminated to the minimum extent necessary to that this Agreement shall otherwise remain in full force and effect and enforceable.

9.5 Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes any and all prior agreements between them, whether written or oral, with respect to the subject matter hereof, and may not be amended, modified or provision hereof waived, except in a writing signed by the parties hereto. No waiver by either party, whether express or implied, of any provision of this Agreement, or of any breach thereof, shall constitute a continuing waiver of such provision or a breach or waiver of any other provision of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

Customer (Print):

YIFTEE, INC.

By:

By:

Name, Title:

Name, Title: Donna Novitsky, Yiftee CEO

## Community Card Customer Agreement

### APPENDIX A

#### Pricing

Customer and Participants are not required to pay Yiftee a subscription fee or a revenue share. Yiftee does not take a percentage of the cards that are redeemed in the Participants' stores.

#### Charges:

Purchasers pay the face value of the card plus a \$1+5% of the eGift Card value eDelivery fee at the time of purchase. Bulk purchases of one thousand dollars (\$1000) or more, and enterprise accounts may qualify for a reduced eDelivery fee by depositing funds into their Yiftee eGifting accounts by check or ACH and disabling credit cards.

Participants pay Mastercard processing fees for a card-not-present (CNP) transaction upon redemption. Yiftee does not control these fees, they are set by the Merchant Acquirer who is their credit card processor.

Subject to applicable laws, Yiftee will implement a monthly maintenance fee on eGift Cards that have been inactive (i.e. no spending on the Card) for periods of greater than 12 months. This will be made clear to cardholders on the face of the eGift Card when implemented, as is required by law.

Yiftee eGift Cards do not generally expire. Subject to applicable laws, in some cases eGift Cards given by corporations or merchants as promotions, rewards and awards may have expiration dates. In the case of eGift Cards expiring, Yiftee retains 10% of the original eGift Card value not to exceed the remaining unspent funds and refunds the balance to the purchaser's Yiftee eGift Card account. eDelivery fees are not refunded.

Participants may choose, at their discretion, to post Offers to encourage Purchasers to use their Community Cards in their stores.

Participants may choose, at their discretion, to offer rebates as fund raisers to local groups such as schools, churches and other non-profits. Such programs are an incentive for the local groups to sell Community Cards to their members, and for the Purchasers to use them in specific stores who are offering rebates. Yiftee will work with the Participants and Purchasers to execute such programs.

No tipping is allowed on Yiftee eGift Cards.