



**CITY OF NORCO
SUCCESSOR AGENCY TO THE NORCO COMMUNITY REDEVELOPMENT AGENCY/
CITY COUNCIL REGULAR MEETING AGENDA**

**Wednesday, March 16, 2016
City Council Chambers, 2820 Clark Avenue, Norco, CA 92860**

**Kevin Bash, Mayor/Chair
Greg Newton, Mayor Pro Tem/Vice Chair
Robin Grundmeyer, Council Member/Board Member
Berwin Hanna, Council Member/Board Member
Ted Hoffman, Council Member/Board Member**

CALL TO ORDER:	7:00 p.m.
ROLL CALL	
PLEDGE OF ALLEGIANCE:	Council Member Ted Hoffman
INVOCATION:	Pastor Fred Griffin, Corona Church of the Open Doors
PROCLAMATION:	Norco College 25 th Anniversary
RECOGNITIONS:	Melanie Oliver, 2016 Woman of the Year – Assembly District 60 Evita Tapia-Gonzalez, Riverside County Classified Administrator of the Year
BUSINESS APPRECIATION HONOREE:	Tractor Supply Company

CITY COUNCIL BUSINESS ITEMS AS FOLLOWS:

1. CITY COUNCIL COMMUNICATIONS / REPORTS ON REGIONAL BOARDS AND COMMISSIONS:
2. **CONSENT ITEMS:** *All items listed under the Consent Calendar are considered to be routine and may be enacted by one motion. Prior to the motion to consider any action by the Council, any public comments on any of the Consent Items will be heard. There will be no separate action unless members of the Council or the audience request specific items be removed from the Consent Calendar. Items removed from the Consent Calendar will be separately considered under Item No.3 of the Agenda.*
 - A. City Council Regular Meeting Minutes of March 2, 2016. **Recommended Action: Approve the City Council regular meeting minutes.** (City Clerk)
 - B. Procedural Step to Approve Ordinance after Reading of Title Only. **Recommended Action: Approval** (City Clerk)

- C. Recap of Actions Taken by the Planning Commission at its Meeting Held on March 9, 2015. **Recommended Action: Receive and file.** (Planning Director)
 - D. Amendment of the Application for Use of the Horsetown USA Logo to Include the Use of the Horsetown USA Name. **Recommended Action: Receive and file.** (Deputy City Manager/Director of Parks, Recreation, and Community Services)
 - E. Domain Names, Fictitious Business Names or DBA's and Entity Name Reservations. **Recommended Action: Not operate or use, and allow to expire the donated Domain Names, Fictitious Business Names or DBA's and Entity Name Reservations, continue to issue disclaimers when the City of Norco name is used for a non-sanctioned City events.** (Deputy City Manager/Director of Parks, Recreation and Community Services)
 - F. Acceptance of the Sixth Street Gateway Sign Project as Complete. **Recommended Action: Accept the Sixth Street Gateway sign project as complete and authorize the City Clerk to file a Notice of Completion with the County Recorder's Office.** (Economic Development Consultant)
3. ITEM(S) PULLED FROM CONSENT CALENDAR
4. PUBLIC COMMENTS: *This is the time when persons in the audience wishing to address the City Council regarding matters not on the agenda may speak. Please complete the speaker card in the back of the room and present it to the City Clerk so that you may be recognized.*
5. PUBLIC HEARINGS:
- A. **Ordinance No. 1001, First Reading.** A request to amend Chapter 9.90 revising sub-section B "Smoking" of the Norco Municipal Code to include language for E-Cigarettes. Code Change 2016-01 (Deputy City Manager/Director of Parks, Recreation, and Community Services)

Ordinance No. 922 was adopted by City Council at the April 21, 2010 City Council meeting, thus adding Chapter 9.90 "Regulation of Smoking in Public Parks" to the Norco Municipal Code. This ordinance, however, does not address or regulate the use of electronic cigarettes (e-cigs or e-cigarettes) in parks. Since this approval, e-cigarette use more than doubled among U.S. middle and high school students.

Recommended Action: Adopt Ordinance No. 1001 for first reading and schedule the second reading for April 6, 2016.
 - B. **Resolution No. 2016-12,** Approving the Economic Development Subsidy Report for Paul Blanco's Good Car Company Pursuant to Government Code Section 53083 (AB 562) *(Economic Development Consultant)*

Pursuant to Assembly Bill 562, codified as California Government Code Section 53083, the City is required to hold a public hearing on the terms of any agreement that provides subsidies to local businesses in the amount of \$100,000 or more. In accordance with that statute, a written Economic Development Subsidy Report detailing the terms of a proposed agreement has been made available to the public. The subsidy is provided to advance the public interest, including increased employment, an enhanced local tax base and the retention of revenue-generating businesses.

Recommended Action: Conduct the public hearing required pursuant to Government Code Section 53083 regarding the provision of economic development subsidies to Paul Blanco's Good Car Company, and adopt Resolution No. 2016-12, approving the attached report as presented or amended by City Council following public comment.

6. DISCUSSION / ACTION ITEMS:

- A. Approval of Economic Incentive Agreement – Sales Tax Sharing with Paul Blanco's Good Car Company Inland Empire. (City Manager)

Paul Blanco's Good Car Company Inland Empire (Paul Blanco) has a lease agreement with Bob Hemborg for 2000 Hamner Avenue where they are proposing to establish a major used car dealership capable of generating over \$300,000 annually in City sales tax. In order to operate a major used car business at this location with future potential to add new car sales, Paul Blanco needs additional lot to park vehicles. To meet this need, Paul Blanco is asking for City for assistance to help the company to purchase Successor Agency vacant real parcel located on Four Wheel Drive. The requested assistance consists of partial/full credit for City sales tax it generates above \$200,000 annually. The sales tax credit will be for a period of five years and credits received by Paul Blanco will be applied towards the \$805,000 purchase price of the Successor Agency parcel.

Recommended Action: Approve the Economic Incentive Agreement for sales tax sharing with Paul Blanco's Good Car Company Inland Empire and authorize the City Manager to execute the agreement.

- B. Approval of Purchase and Sale of Successor Agency Owned 1.63 Acres of Vacant Real Property Parcel Located on Four Wheel Drive Subject to the Approval of the Successor Agency Oversight Board. (City Manager/Executive Director)

In 2008, the former Norco Community Redevelopment Agency acquired 1.63 acres of vacant real property located on Four Wheel Drive with the goal of attracting a new auto dealership or expanding the Auto Mall. Following dissolution of all redevelopment agencies in the state by the state legislature pursuant to the provisions of ABx1 26 and AB 1484 effective February 1, 2012, the City was required to develop Long Range Property Management Plan (LRPMP) that describes how properties owned by the former Norco

Community Redevelopment Agency were to be disposed. Based on the offers received and in order to maintain the intent for which this property was acquired by the former Norco Community Redevelopment Agency, staff is recommending that the City Council approve the execution of Purchase and Sale Agreements including escrow instructions as necessary to finalize the sale of this property to the City of Norco subject to the approval of the Oversight Board (OB) and then to Paul Blanco's Good Car Company of Inland Empire. It is further recommended that the City Council approve a resolution appropriating \$805,000 from the Special Asset Revenue Fund for the purchase of the aforementioned property.

Recommended Action: Adopt the following City Council Resolutions authorizing the Mayor to execute:

- 1) Successor Agency Resolution No. 2016-01, approving a Purchase and Sale Agreement and Escrow Instructions between the Successor Agency and the City of Norco for the purchase of 1.63 acres of vacant real property, APN 126-120-038, located on Four Wheel Drive subject to the approval of the Successor Agency Oversight Board; and**
- 2) Resolution No. 2016-13, approving a Purchase and Sale Agreement and Escrow Instructions between the City of Norco and Paul Blanco's Good Car Company of Inland Empire for the sale of 1.63 acres of vacant real property, APN 126-120-038 located on Four Wheel Drive; and**
- 3) Resolution No. 2016-14, approving an appropriation in the amount of \$805,000 from Special Asset Revenue Fund for the Purchase of Successor Agency owned 1.63 acres of vacant real property parcel located on Four Wheel Drive.**

- C. Verbal Update on the Naval Surface Warfare Center – Norco Detachment Photovoltaic System Project. (City Manager)

Recommended Action: Receive and file.

7. CITY COUNCIL / CITY MANAGER / STAFF COMMUNICATIONS:

ADJOURNMENT

In compliance with the Americans with Disabilities Act, any person with a disability who requires a modification or accommodation in order to participate in this meeting, please contact the City Clerk's office, (951) 270-5623, at least 48 hours prior to the meeting to make reasonable arrangements to ensure accessibility.

Staff reports are on file in the City Clerk's Office. Any writings or documents provided to a majority of the City Council regarding any item on this agenda will be available for public inspection at the City Clerk's Counter in City Hall located at 2870 Clark Avenue during normal business hours.



**CITY OF NORCO
CITY COUNCIL REGULAR MEETING MINUTES**

**Wednesday, March 2, 2016
City Council Chambers, 2820 Clark Avenue, Norco, CA 92860**

CALL TO ORDER: 6:00 p.m.

ROLL CALL: Kevin Bash, Mayor, **Present**
Greg Newton, Mayor Pro Tem, **Present**
Robin Grund meyer, Council Member, **Present**
Berwin Hanna, Council Member, **Present**
Ted Hoffman, Council Member, **Present**

CLOSED SESSION:

The City Council recessed to Closed Session (Section 54954) to consider the following matters:

§54956.8 – Conference with Real Property Negotiators:

Property: APN 126-120-038

City Negotiator: City Manager Andy Okoro

Negotiating Party: Successor Agency to the Norco Community Redevelopment Agency

Under Negotiation: Price and conditions for acquisition of property

Property: APNs 119-020-015; 119-020-022

City Negotiator: City Manager Andy Okoro

Negotiating Party: Housing Successor Agency to the Norco Community Redevelopment Agency

Under Negotiation: Price and conditions for acquisition of property

§54956.9(c) – Conference with Legal Counsel – Anticipated Litigation

Three Cases

RECONVENE PUBLIC SESSION: 7:00 p.m.

REPORT OF ACTION(S) TAKEN IN CLOSED SESSION - §54957.1: (City Attorney)

City Attorney John Harper indicated that Closed Session did not conclude, therefore, the City Council will reconvene Closed Session at the end of the public session this evening.

PLEDGE OF ALLEGIANCE: Council Member Berwin Hanna

INVOCATION Geoff Kahan, Resident

CITY COUNCIL BUSINESS ITEMS AS FOLLOWS:

1. CITY COUNCIL COMMUNICATIONS / REPORTS ON REGIONAL BOARDS AND COMMISSIONS:

Council Member Hanna:

- Reported that due to the warm weather and little rain, Vector Control is getting an early start on West Nile Virus prevention.
- Reported that Riverside County Transportation Commission successfully got through the 55-hour closure of the 91 Freeway without any issues. There may be two additional closures before the completion of the project in early 2017.
- Reported that next Thursday, March 10 will mark 1,000 days that Riverside Transportation Authority will be accident-free.

Council Member Grundmeyer:

- Attended a tour of the Riverside County Sheriff's Jurupa Station hosted by Captain Horton on February 18th. Captain Horton explained the contract between the City and the County. She said she noticed that the Norco City patch is located on the top of all of the other contract city patches, which signifies the long-station relationship between Norco and the County with being the first contract city. Commended Captain Horton and Lieutenant Briddick for their leadership and commitment to the Norco community.
- Attended the Rebuilding Warriors event on February 20th at Ingalls Park.
- Participated in the Norco Horsemen's Association trail clean-up event on February 20th, along with several FFA students.
- Celebrated FFA Week at Norco High School, February 20-26th.
- Attended a California Agricultural Teachers Association meeting in Tulare on February 27th.
- Commented on a volunteer opportunity at the Corona Norco Rescue Mission on the fourth Sunday of every month to prepare meals and serve dinner.
- Attended a tour of the Navy base with Council Member Hoffman on February 29th.

Council Member Hoffman:

- Attended a Local Agency Formation Commission meeting on February 25th.
- He and Council Member Hanna met with staff regarding Ingalls Park Master Facility Plan.
- Attended a tour of the Navy base with Council Member Grundmeyer on February 29th and commented that the tour was informative.

Mayor Pro Tem Newton:

- The Chino Basin Desalter Authority meeting was cancelled this month. Commented that a short presentation will be presented to Council in the near future regarding the plant's expansion of the water and sewer treatment

Mayor Bash:

- Attended the Senior Advisory meeting today. The Senior Advisory was very complimentary of the Norco Horsemen's Association.

- Met with the Economic Development Advisory Council film committee.

2. CITY COUNCIL CONSENT ITEMS:

Council Member Hoffman pulled item 2.C.

M/S BASH/HANNA to approve the remaining items on the Consent Calendar as recommended. The motion was carried by the following roll call vote:

AYES: GRUNDMEYER, HANNA, HOFFMAN, NEWTON, BASH

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE

- A. City Council Regular Meeting Minutes of February 17, 2016. **Action: Approved the City Council regular meeting minutes.** (City Clerk)
- B. Procedural Step to Approve Ordinance after Reading of Title Only. **Action: Approved.** (City Clerk)
- C. Annual Resolution Making Findings and Continuing Existing Rates for Maintaining Flood Control Channels within County Service Area CSA-152. **Pulled for discussion.** (City Manager)
- D. 2016 Vacant Parcel Spring Weed Abatement Program. **Action: Adopted Resolution No. 2016-09, declaring that weeds and hazardous vegetation, on or in front of vacant property in the City of Norco, constitute a public nuisance, declaring the City's intent to provide for abatement and setting a public hearing.** (Fire Battalion Chief)
- E. Appointments to the Southern California Association of Governments (SCAG) General Assembly Meeting to be Held on May 5-6, 2016. **Action: Appointed Mayor Bash as the delegate and Council Member Hoffman as the alternate for the Southern California Association of Governments General Assembly meeting on May 5-6, 2016.** (City Clerk)
- F. Appointments to Western Riverside County Regional Wastewater Authority Board of Directors for 2016. **Action: Adopted Resolution No. 2016-10, appointing Mayor Pro Tem Greg Newton and Director of Public Works Chad Blais as the designees and Council Member Ted Hoffman and Water and Sewer Consultant Bill Thompson as the alternates for the Western Riverside County Regional Wastewater Authority Board of Directors.** (City Clerk)
- G. Acceptance of Proposal and Award of Performance Services Contract for Hydrant and Isolation Valve Assessment Services. **Action: Accepted the proposal submitted for the Fire Hydrant and Isolation Valve Assessment, Testing and Information Management Program, awarded contract to**

Wachs Water Services, and authorized the City Manager to execute the contract in the amount not to exceed \$130,000. (Director of Public Works)

3. ITEM(S) PULLED FROM CITY COUNCIL CONSENT CALENDAR

- 2.C. Annual Resolution Making Findings and Continuing Existing Rates for Maintaining Flood Control Channels within County Service Area CSA-152. (City Manager)

Council Member Hoffman said that every year during budget, NPDES funding and the shortfalls are discussed, and asked if this resolution will assist with decreasing the shortfall. City Manager Okoro indicated that it will hopefully generate more revenue into the fund, which would decrease General Fund subsidies.

M/S HOFFMAN/BASH to adopt Resolution No. 2016-08, making findings and continuing existing rates for maintaining flood control channels within County Service Area CSA-152. The motion was carried by the following roll call vote:

AYES: GRUNDMEYER, HANNA, HOFFMAN, NEWTON, BASH
NOES: NONE
ABSENT: NONE
ABSTAIN: NONE

4. PUBLIC COMMENTS:

Bonnie Slager thanked Council Member Grundmeyer and her FFA students for participating the trail clean-up event. Ms. Slager commented on the Norco Horsemen's Casino Night event on March 12 which benefits FFA scholarships.

Diane Collins commented on the Norco Area Chamber of Commerce State of the City Event on March 31 at Nellie Weaver Hall.

5. DISCUSSION / ACTION ITEMS:

- A. **Swap Meet Permit 2015-01 (St. Mel's Catholic Church):** An application for a monthly Swap Meet/Farmers Market at St. Mel's Catholic Church located at 4140/4200 Corona Avenue within the LD (Limited Development) Zone. (Planning Director)

Planning Director Steve King reported that the Norco Municipal Code requires all swap meet permits to be approved by the City Council. The applicant is proposing a monthly swap meet/farmer's market to be conducted the second Sunday of each month between 8:00 a.m. and 3:00 p.m. The event is proposed in the grass court yard located behind the buildings that face Corona Avenue, and within the parking spaces immediately adjacent to that area on the west side. Director King noted one change to Condition #28, which currently states, "...shall transmit the information received pursuant to Conditions 18 and 19..." should be changed to "shall transmit the information received pursuant to Conditions 26 and 27..."

Mayor Pro Tem Newton commented on the magnitude of the parking on the streets with the church services and swap meet occurring at the same time. Director King stated that the church has ample parking on site to meet the code requirements.

Council Member Hoffman referred to Condition #25 regarding the sale of perishable foods not being permitted unless approved by the County Department of Environmental Health. Council Member Hoffman suggested that the applicant obtain a Certified Farmers Market permit. A church representative indicated that they have looked into getting the certification but it appears that they will not be able to obtain it. However, the church still wishes to be allowed to sell some produce.

Council Member Grundmeyer indicated that she has attended the swap meet in the past while church services were taking place and it appeared that there was some level of confusion regarding the parking. Many attendees are not aware that there is parking in the rear and, therefore, suggested signage.

Bonnie Slager noted that Norco Horsemen's Association is about looking out for the interest of horses. She indicated that Sixth Street and Corona Avenue is a busy traffic area on Sunday mornings and expressed her concern with people parking on the horse trails. Ms. Slager suggested having an attendant directing traffic.

Mayor Bash suggested horse crossing signage installation be added to the conditions of approval. Mayor Bash asked City staff to check that "Illegal to Park in the Horse Trail" signage is in place in that area.

M/S BASH/NEWTON to adopt Resolution No. 2016-11, approving Swap Meet Permit 2015-01, approving the revision to Condition #28, and adding a condition that horse trail crossing signage be installed at the entrance to the church. The motion was carried by the following roll call vote:

AYES: GRUNDMEYER, HANNA, HOFFMAN, NEWTON, BASH
NOES: NONE
ABSENT: NONE
ABSTAIN: NONE

- B. Additional Funding Request for Norconian Club Hotel Temporary Repairs. (City Manager)

City Manager Andy Okoro reported that on November 18, 2015, the City Council approved a contribution of \$20,000 to the Lake Norconian Club Foundation (LNCF) to assist with temporary repairs to the Lake Norconian Hotel. LNCF has engaged contractors to perform the necessary repairs and wants to discuss their request to City Council for an additional City contribution in order to continue with temporary repairs to the Norconian Hotel.

Lake Norconian Vice President Su Bacon provided a presentation of the general timeline of the Norconian Hotel and District. Ms. Bacon briefly touched on the artists and architects involved with the design and construction of the Norconian Hotel. Ms. Bacon indicated that the Lake Norconian Club Foundation was founded to support history and noted that the

Norconian Hotel is on the national registry and should be protected. She said that communities that are effective in partnering with non-profits and supporting historic restoration tend to maintain strong economic growth.

In response to Council Member Grundmeyer, Ms. Bacon indicated that the Lake Norconian Club Foundation was established in 2006. Council Member Grundmeyer asked if Ms. Bacon could provide a monetary value on the artifacts contained in the Norconian Hotel in order to compare the value of the artifacts to the amount being requested by the Foundation. Ms. Bacon stated, for example, that the chandelier in the dining room could be placed a value of up to \$100,000 because of the Spanish Revival period design which is popular especially in the State of California.

Council Member Hoffman commented that in November 2015 when the City initially approved an appropriation of funds for LNCF, it was noted in the minutes that the court said if LNCF is successful in the CEQA lawsuit, they will be entitled to reimbursement. City Attorney Harper indicated that the CEQA lawsuit process is still ongoing. Ms. Bacon added that LNCF has won three of the judgments so far. In response to Council Member Hoffman, Ms. Bacon indicated that a future court date will not be scheduled until the artifacts are removed.

Council Member Hoffman asked if an oversight committee to review expenditures was formed. Ms. Bacon said that the committee consists of Mayor Pro Tem Newton and he oversees the construction, contractors, contracts, negotiations, and expenditures. In response to Council Member Hoffman, Ms. Bacon indicated that LNCF has also raised funds and noted that no public funds have been used for legal fees.

Mayor Pro Tem Newton reported on his role on the oversight committee. Mayor Pro Tem Newton reviewed bids with LNCF. He stated that the bulk of the cost is for roofing over the kitchen. Initially, the bids were in the \$30,000 - \$40,000 range. He suggested that the roofing repair be changed from the 5-ply system to the more conventional 3-ply system, which brought it down to the \$20,000 range. He then adjusted the amount to allow for unknown exposure, bringing the amount to \$30,000. Mayor Pro Tem Newton commented that the \$30,000 LNCF is requesting is fair and reasonable.

Pat Overstreet reminded the Council of initial discussions to purchase the Norconian Hotel for \$1. Ms. Overstreet said that she has supported the preservation of the Norconian Hotel since those initial discussions. She applauds LNCF's efforts through the court system to preserve the hotel. Ms. Overstreet said she appreciates the City's donation of \$20,000 and respectfully requested any additional funding. She commented on the "Golden Triangle" – SilverLakes, Ingalls Park and the Norconian Hotel.

Jodie Webber referenced the letter from Ms. Linda Dixon of LNCF attached to the staff report. Ms. Webber clarified that she is not counsel for the LNCF. Ms. Dixon's reference to her in the letter as reviewing documents is simply as a LNCF Board Member. Ms. Webber expressed that she recognized Council Member Hoffman's concerns being that she served on the Ad-Hoc Committee on Infrastructure Needs and Funding Options. The City has a specific interest in this property and questioned what message does it serve to the courts if

funding is declined. LNCF is simply requesting funding to prevent further damage and to protect the property.

Diane Markham of LNCF said she Googled "Norco Museum" and there were no results, yet within City limits is a historic treasure. Ms. Markham said that history must be preserved and shared with others. Ms. Markham requested support from the City Council.

Ed Clark said he has lived in the City for 46 years. Mr. Clark said he supports funding to protect the hotel.

Diane Collins, LNCF Board Member, said she can attest to the efforts to help preserve the Norconian. For the record, Ms. Collins noted that Ms. Webber recently joined the LNCF Board of Directors as the secretary. Ms. Collins requested funding assistance from the City. Speaking as a member of the Norco Area Chamber of Commerce, Ms. Collins said that the Norconian Hotel is a bright and shining star for the future economic development of the City.

Mayor Bash commented that the Norconian Hotel is part of a historic district of 19 features, buildings, and structures that are spread between the Navy base and the prison. The Norconian Hotel is the crown jewel. Mayor Bash expressed the difficulty in getting to this point. In terms of the artifacts, Mayor Bash said it is imperative to take the tapestry and chandeliers that are in immediate danger down. He expressed concern about making the roof repairs a priority. Mayor Bash said that the Norconian Hotel is the second greatest asset in Riverside County next to the Mission Inn. He said the request for \$30,000 is fair and reasonable.

Mayor Pro Tem Newton stated that last year, the Council approved \$20,000 funding to LNCF and discussed the possibility of an additional \$30,000 in matching funds. He commented on the expenditures and the value engineering costs. Mayor Pro Tem Newton said the \$30,000 is fairly lean and suggested appropriating \$40,000.

M/S NEWTON/HANNA to approve a financial contribution to the Lake Norconian Club Foundation in the amount of \$40,000 for the specific purpose of temporary restoration of the Norconian Hotel.

Under Discussion:

In response to City Manager Okoro, Mayor Pro Tem Newton clarified that the \$40,000 appropriation is in addition to the \$20,000 committed previously by Council in November 2015. In response to Mayor Pro Tem Newton, City Manager Okoro stated that if this is a budget priority for the Council, then there are available funds for this Council action.

Council Member Hoffman stated that appropriating additional funds shows the City's commitment to preserving history. Council Member Hoffman suggested continuing with the oversight committee and that the Council receive a quarterly report on the progress of the restoration and expenditures.

The motion was carried by the following roll call vote:

AYES: GRUNDMEYER, HANNA, HOFFMAN, NEWTON, BASH
NOES: NONE
ABSENT: NONE
ABSTAIN: NONE

6. CITY COUNCIL / CITY MANAGER / STAFF COMMUNICATIONS:

Council Member Grundmeyer requested to agendize including a student representative on the City Council.

M/S GRUNDMEYER/BASH to agendize a report on including a student representative on the City Council starting next school year. The motion was carried by the following roll call vote:

AYES: GRUNDMEYER, HANNA, HOFFMAN, NEWTON, BASH
NOES: NONE
ABSENT: NONE
ABSTAIN: NONE

Council Member Hoffman complimented Valley Crest for their extra maintenance efforts at Ingalls Park and Nellie Weaver Hall. Council Member Hoffman also encouraged residents to be prepared for the forecasted rain.

Mayor Pro Newton requested an update on the progress with Waste Management and Code Enforcement regarding illegal dumping as well as education and fines.

Mayor Bash recessed the public session at 8:45 p.m. in order for the City Council to continue discussion of Closed Session matters.

Mayor Bash reconvened the public session at 9:31 p.m.

City Attorney Harper indicated that there was no reportable action from Closed Session.

ADJOURNMENT

Mayor Bash adjourned the meeting at 9:32 p.m.

Cheryl L. Link, CMC, City Clerk



**RECAP OF ACTIONS TAKEN
CITY OF NORCO
PLANNING COMMISSION
CITY COUNCIL CHAMBERS – 2820 CLARK AVENUE
REGULAR MEETING
March 9, 2016**

CALL TO ORDER: 7:00 p.m.

ROLL CALL: Chair Hedges, Vice-Chair Leonard, Commission Members Azevedo and Rigler; Commission Member Jaffarian - absent

STAFF PRESENT: Planning Director King, Senior Planner Robles, Deputy City Clerk Germain and Permit Tech David

PLEDGE OF ALLEGIANCE: Commission Member Azevedo

1. APPEAL NOTICE: Read by Director King

2. PUBLIC COMMENTS: Received and Filed

3. APPROVAL OF MINUTES:

❖ Minutes of Special Meeting/Study Session of February 10, 2016
Recommended Action: Approval (Deputy City Clerk): **Approved 4-0-1**

4. CONTINUED PUBLIC HEARING:

A. Conditional Use Permit 2014-10/Variance 2014-05 (Swaminarayan Gurukul-USA/Patolia): A request for approval to allow the development of a temple and cultural center on a vacant parcel (APN 130-240-031) located on the west side of Norconian Drive, between Norco Drive and Fifth Street, within the A-1-20 (Agricultural Low Density) Zone. A variance is being requested from the maximum allowed height of 35 feet to allow a building dome height of about 46 feet. Recommended Action: Continued off calendar (Senior Planner)

Action: Continued 4-0-1 off calendar

B. Conditional Use Permit 2015-40 (Sandoval): A request for approval to allow a detached accessory building consisting of a 1,750 square-foot barn/storage building at 219 Gulfstream Lane located within the A-1-20 (Agricultural Low Density) Zone. Recommended Action: Continue to Meeting of April 13, 2016 (Senior Planner)

Action: Continued 4-0-1 to the meeting of April 13, 2016

C. Conditional Use Permit 2014-33 (Core/Verizon Wireless): A request for approval to allow the installation of an unmanned wireless telecommunication facility at 3659 Corona Avenue located within the A-1-20 (Agricultural Low Density) Zone. Recommended Action: Approval (Senior Planner)

Action: Approved 2-1-2; Rigler voted no and Vice Chair Leonard had to refrain from voting since he was the contractor who built the church building on the project site.

5. PUBLIC HEARINGS:

A. **Conditional Use Permit 2016-02 (Meisenbach):** A request for approval to allow a detached accessory building consisting of a 1,440 square-foot Recreational Vehicle (RV) garage and storage building with an attached 88 square-foot breezeway at 2957 Norco Drive located within the A-E (Agricultural Estate) Zone. Recommended Action: Approval (Senior Planner)

Action: Approved 4-0-1; this action is final unless appealed to the City Council within 10 calendar days.

B. **Similar Use Finding 2016-01 (City):** A request to find that the storage of operable vehicles for sale on a paved lot that is related to the operation of existing legal dealerships in the Auto Mall Specific Plan is a permitted use in all land use areas (A-D) of the Auto Mall Specific Plan. Recommended Action: Approval (Planning Director)

Action: Approved 4-0-1; this action is final unless appealed to the City Council within 10 calendar days.

6. BUSINESS ITEMS:

A. **Site Plan 2016-02 (Rivera):** A request for approval to allow a detached accessory building consisting of a 441 square-foot garage building at 1982 Valley View Avenue located within the A-1-20 (Agricultural Low Density) Zone. Recommended Action: Approval (Senior Planner)

Action: Approved 4-0-1; this action is final unless appealed to the City Council within 10 calendar days.

7. DISCUSSION ITEM:

A. Discussion of the Massing of Accessory Buildings. Recommended Action: Discuss and provide direction (Planning Director)

Action: Direction was provided that the mass of an accessory building should be adjusted with more discussion on the allowed lot/pad coverage. Discussions for a recommendation to the City Council will begin at the next available meeting.

8. CITY COUNCIL MINUTES: **Received and Filed**

- City Council Regular Meeting of February 3, 2016
- City Council Regular Meeting of February 17, 2016

9. PLANNING COMMISSION:

A. Oral Reports from Various Committees: **Vice Chair Leonard reported on the progress of the Norco Egg Ranch Development sub-committee.**

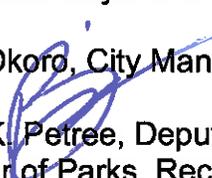
B. Request for Items on Future Agenda (within the purview of the Commission):
None

ADJOURNMENT: **8:00 p.m.**

CITY OF NORCO STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Andy Okoro, City Manager 

PREPARED BY: Brian K. Petree, Deputy City Manager
Director of Parks, Recreation and Community Services 

DATE: March 16, 2016

SUBJECT: Amend the Application For Use of the Horsetown USA Logo to Include the Use of the Horsetown USA Name.

RECOMMENDATION: Receive and file.

SUMMARY: The City currently has an Application For Use of the Horsetown USA Logo which will be amended to include the use of the Horsetown USA name.

BACKGROUND/ANALYSIS: The City has control and protection over the use of the name Norco Horsetown USA. Currently, the City may approve use of the logo Norco Horsetown USA for individuals or organizations, if they so choose, through the Application For Use of the Horsetown USA Logo. Although the name is part of the logo, it has been advised to revise the application to reflect both the name and the logo (Exhibit A) in the application. Changes to the application are noted in red.

Staff will amend the Application For Use of the Horsetown USA Logo to include the use of the Horsetown USA name as recommended by City Attorney Harper.

FISCAL IMPACT: None



Exhibit A
APPLICATION FOR USE OF THE NORCO HORSETOWN USA NAME & LOGO

The Norco Horsetown USA name and logo are to be maintained as a symbol of the coordinated identification of the community's services, points of interest, and events. Use by any person or organization must be specifically permitted by the City Manager or a designee.

Any approved use of the name and logo shall be considered to be for the specific event, time, and use so approved. Prior approval of a use shall not constitute approval for any future or recurring use. Any organization that is aggrieved by the decision of the City Manager may make a written appeal to the City Manager within fourteen (14) days of the decision. After an administrative appeal hearing, the City Manager shall make a decision which shall be final.

Name {please print):

Organization:

Address:

City: _____ State: _____ Zip: _____

Phone: _____

1. Please explain what the Norco Horsetown USA name and/or logo will be used for:

2. When will you use the Norco Horsetown USA name and/or logo?

Starting Date: _____

Ending Date: _____

3. Where will you use the Norco Horsetown USA name and/or logo?

All name and logo users must agree to the following terms and conditions:

Acceptance of Terms & Conditions

The City of Norco is pleased to offer you the opportunity to use the Norco Horsetown USA **name and/or** logo in accordance with the terms and conditions of this agreement. The City of Norco hereby grants you a limited, nonexclusive, nontransferable, royalty free license to use and display the Norco Horsetown USA name and/or logo in accordance with the terms set forth herein solely for the Requested Use and for a maximum term of two (2) years, unless earlier terminated by the City of Norco. You agree not to permit any other party to use or display the Norco Horsetown USA **name and/or** logo. Nothing herein by implication or otherwise, will grant to you any rights other than as explicitly set forth herein. You understand and agree that any other use of the Norco Horsetown USA **name and/or** logo whatsoever beyond the Requested Use is strictly prohibited which use constitutes a breach of this Agreement and grounds for termination of your rights.

This license to use the Norco Horsetown USA logo is subject to the following terms and conditions:

1. You agree to use the Norco Horsetown USA **name and/or** logo separately by itself, without any prefix, suffix or modifying words, terms, designs or symbols and agree not to alter the Norco Horsetown USA **name and/or** logo in any manner.
2. You agree that the Norco Horsetown USA **name and/or** logo shall not be used for political or commercial purposes.
3. You agree not to use any other trade mark, any trade name, product name or any other means of designation, commercial or business identification in association with the Norco Horsetown USA **name and/or** logo so as to create a trademark merged with the Norco Horsetown USA **name and/or** logo.
4. You agree not to use the Norco Horsetown USA **name and/or** logo in any manner that may disparage the City of Norco, its mayor, council members, employees, agents and others acting on its behalf (collectively, the "related parties"); that may be in violation of any of the proprietary rights of the City of Norco or the related parties; or that violates any applicable law, ordinance, or regulation.
5. You agree not to use the Norco Horsetown USA **name and/or** logo in any manner that might imply sponsorship, endorsement or any association between you and the City of Norco or the related parties. This includes campaign material.
6. You agree not to assist or allow any other person or legal entity to copy the Norco Horsetown USA **name and/or** logo licensed to you or to use the Norco Horsetown USA **name and/or** logo for any purpose whatsoever.
7. You agree at all times to defend, indemnify and hold harmless The City of Norco, the related parties, and the successors and assigns of each of the foregoing (collectively, the "Indemnified Parties") from and against, and pay and reimburse the indemnified parties for, any liabilities, obligations, losses, damages, costs or expenses (including, but not limited to, interest penalties and reasonable legal fees) incurred in connection with any third party claims, arising out of, resulting from or relating to your use of the Norco Horsetown USA logo, or any representation by you contained herein being untrue or any alleged act or omission by you, others who obtain the Norco Horsetown USA **name and/or** logo licensed to you or copied

from that Norco Horsetown USA **name and/or** logo, or your agents in the performance of, or failure to perform, your obligations set forth in this Agreement.

8. You will ensure that your use of the Norco Horsetown USA **name and/or** logo will not be in association with any libelous, defamatory, obscene or unlawful material, any material that might in any manner embarrass the City of Norco or the related parties, or otherwise violate or infringe any right of any third party;

9. The City of Norco shall have the right to terminate this agreement at any time on ten (10) day's notice to you whereupon you will immediately cease all use of the Norco Horsetown USA **name and/or** logo and destroy all your copies of the Norco Horsetown USA **name and/or** logo.

10. You agree that the Norco Horsetown USA **name and/or** logo is provided to you on an "as is" basis without representation or warranty whatsoever whether express, implied or by operation of law. You agree to assume all of the risks associated with the Norco Horsetown USA **name and/or** logo and your use thereof, and you further agree that neither the City of Norco nor the related parties will be liable for any direct, indirect, incidental, consequential or special loss or damage suffered or incurred by you, even if the City of Norco or any of the related parties has been apprised of the likelihood of such loss or damage occurring.

11. This Agreement shall be governed by and construed according to the laws of the State of California and the United States of America.

I AGREE TO THE ABOVE CONDITIONS.

Authorized Signature

Company or Organizational Name

Date

Title

Return to:
City of Norco, Office of the City Manager, 2870 Clark Ave., Norco, CA 92860

FOR INTERNAL USE
Date Received: _____

Route to: City Manager
Approved:
Denied:

Reasons for denial

Dated: _____

City Manager

CITY OF NORCO STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Andy Okoro, City Manager 

PREPARED BY: Brian K. Petree, Deputy City Manager
Director of Parks, Recreation and Community Services 

DATE: March 16, 2016

SUBJECT: Expiration of Domain Names, Fictitious Business Names or DBA's and Entity Name Reservations

RECOMMENDATION: Allow expiration of donated Domain Names, Fictitious Business Names or DBA's and Entity Name Reservations

SUMMARY: The Department of Parks, Recreation and Community Services is requesting City Council direction on donated Domain Names, Fictitious Business Names or DBA's and Entity Name Reservations (Exhibit "A") which were purchased by Norco resident Bob Hicks.

BACKGROUND/ANALYSIS: With good intentions, Norco resident Bob Hicks purchased Domain Names, Fictitious Business Names or DBA's and Entity Name Reservations, which he in turn donated to the City of Norco for use if the City chose to do so.

At the request of former Council Member Azevedo, these names were presented to City Council on May 20, 2015 for discussion and further direction to staff on the future status of these items. City Attorney John Harper provided legal assistance in understanding the dynamics of what these items mean, how they operate and what their intended uses are. Mr. Harper noted that a fictitious business name or DBA does not pertain to the City as the City does not operate a business.

City Council directed a committee to further research this issue and provide a recommendation. This Committee, made up of Council Members Bash and Azevedo, City Manager Okoro, Deputy City Manager Petree and staff, met on July 15, 2015. Per advisement of City Attorney Harper, there is no need for the City of Norco to own a fictitious business name or DBA as the City does not operate a business. Since there is no City involvement in running a pageant, and past pageants have been up to a third party entity, owning these names becomes somewhat irrelevant.

In the event that the City of Norco name is used by someone other than the City of Norco for pageant use, it has been customary that the City issue a disclaimer noting that the

Agenda Item: 2.E.

individual or organization using the name in the title is not associated in any way with the City of Norco. The City has no ability to control use of names that others may utilize.

The City does, in fact, have control and protection over the use of the name Norco Horsetown USA. The City may approve use of the logo Norco Horsetown USA for individuals or organizations, if they so choose, through the Application For Use of the Horsetown USA Name and Logo.

After final discussions with Staff and Committee Members Bash and Grundmeyer on February 10, 2016, the Committee recommends that the City allow the donated Domain Names, Fictitious Business Names or DBA's and Entity Name Reservations to expire without use.

FISCAL IMPACT: None

EXHIBIT "A"
**Purchased and Donated Domain Names, Fictitious Business Names or DBA's
and Entity Name Reservations**

Domain Names

Twenty-one (21) domain names were purchased through GoDaddy.com:

Misshorsetownusa.net
Misshorsetownusa.com
Misshorsetownusa.org
Misshorsetownusa.us
Missnorco.com
Missnorco.info
Missnorco.net
Missnorco.org
Missnorco.us
Missnorcohorsetownusa.com
Missnorcohorsetownusa.org
Missnorcohorsetownusa.net
Missnorcohorsetownusa.us
Missnorcohorsetownusapageant.com
Missnorcohorsetownusapageant.net
Missnorcohorsetownusapageant.org
Missnorcohorsetownusapageant.us
Norcohorsetownparadeoflights.com
Norcohorsetownparadeoflights.net
Norcohorsetownparadeoflights.org
Norcohorsetownparadeoflights.us

Fictitious Business Names or DBA's

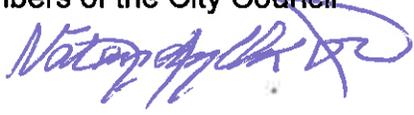
Four (4) Fictitious Business Names or DBA's to be filed at the county level. They are: Miss Norco, Miss Norco Horsetown USA, Miss Norco Horsetown USA Pageant and Miss Norco Pageant. The Affidavit of Identity has not been signed, notarized or submitted to the County until further direction is provided by City.

Entity Name Reservation

Two (2) names for the purpose of an Entity Name Reservation at the state level are Miss Norco Horsetown USA and Miss Norco.

CITY OF NORCO STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Andy Okoro, City Manager 

PREPARED BY: Roger Grody, Economic Development Consultant

DATE: March 16, 2016

SUBJECT: Acceptance of the Sixth Street Gateway Sign Project as Complete

RECOMMENDATION: Accept the Sixth Street Gateway Sign project as complete and authorize the City Clerk to file a Notice of Completion with the Office of County Recorder.

SUMMARY: The Sixth Street Gateway Sign project has been completed and staff requests that the City Council accept the project as complete.

BACKGROUND/ANALYSIS: On March 18, 2015, the Council awarded a contract for the Sixth Street Gateway Sign project to YESCO, a project budgeted at \$225,000. The sign was fully installed on September 29, 2015.

YESCO completed its scope of work for the project at a total cost of \$210,596.80, with all work inspected by the City Building & Safety Division. The sign has been fully operational since October 1, 2015, generating significant positive cash flow during its first five months. Recording of this Notice of Completion was delayed subject to review of the contractor's prevailing wage documentation, which has now been received and approved by the City. Staff recommends that the City Council accept the Sixth Street Gateway Sign project as complete and authorize the City Clerk to file a Notice of Completion with the Office of County Recorder.

FISCAL IMPACT: None.

Attachment: Notice of Completion

RECORDING REQUESTED BY:
CITY OF NORCO
WHEN RECORDED MAIL TO:
2870 CLARK AVENUE
NORCO, CA 92860
ATTN: CITY CLERK

THIS DOCUMENT IS FILED AT THE REQUEST
OF THE CITY OF NORCO PURSUANT TO
SECTION 6103 OF THE GOVERNMENT
CODE. NO FEE IS CHARGED THEREFORE.

NOTICE OF COMPLETION

NOTICE IS HEREBY GIVEN BY THE CITY OF NORCO, A MUNICIPAL CORPORATION, STATE OF CALIFORNIA THAT THE WORK DESCRIBED AS **SIXTH STREET GATEWAY SIGN** IN THE CITY OF NORCO IN ACCORDANCE WITH THE TERMS AND WRITTEN CONTRACT DATED BETWEEN THE CITY OF NORCO AND **YESCO SIGNS, LLC** WAS COMPLETED AND ACCEPTED BY THE CITY OF NORCO ON THE **16TH** DAY OF **MARCH, 2016**.

THAT THE CITY OF NORCO, A PUBLIC BODY, CORPORATE AND POLITIC, WHOSE ADDRESS IS 2870 CLARK AVENUE, NORCO, CALIFORNIA, 92860 IS THE OWNER OF SAID IMPROVEMENT WORK; AND THAT SAID WORK WAS PERFORMED BEGINNING **MARCH 18, 2015** IN THE CITY OF NORCO. THE NATURE OF INTEREST IS VENDEE UNDER CONTRACT.

THAT SAID WORK OF IMPROVEMENT WAS SO PERFORMED BY **YESCO SIGNS, LLC** IN ACCORDANCE WITH SAID WRITTEN AGREEMENT DATED **MARCH 18, 2015** AND THE DRAWINGS AND SPECIFICATIONS WHICH WERE A PART OF SAID CONTRACT; TO BE LOCATED AT APPROXIMATELY 1439 SIXTH STREET, BETWEEN SIERRA AVENUE AND VALLEY VIEW AVENUE IN THE CITY OF NORCO.

THAT THE CORPORATE SURETY ON THE CONTRACTOR'S GENERAL LIABILITY INSURANCE AND AUTOMOBILE INSURANCE COVERAGES ARE WITH **LIBERTY MUTUAL**. THIS NOTICE OF COMPLETION IS GIVEN BY THE CITY OF NORCO PURSUANT TO THE APPROPRIATE PROVISIONS OF TITLE XV, PART IV, DIVISION 1 OF THE CIVIL CODE OF THE STATE OF CALIFORNIA, AND UPON ORDER OF THE CITY OF NORCO.

March 16, 2016
DATED:

CITY OF NORCO
A MUNICIPAL CORPORATION

BY: _____
CHERYL L. LINK, CMC
CITY CLERK

VERIFICATION FOR NON-INDIVIDUAL OWNER:

I, THE UNDERSIGNED, DECLARE UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT I AM THE CITY CLERK OF THE CITY OF NORCO; THAT I HAVE SIGNED THE SAID NOTICE, THAT I KNOW AND UNDERSTAND THE CONTENTS THEREOF, AND THAT THE FACTS STATED THEREIN ARE TRUE AND CORRECT.

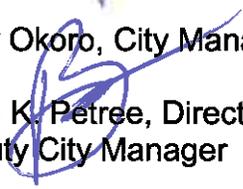
03/16/16
DATE

CHERYL L. LINK, CMC
CITY CLERK
CITY OF NORCO

CITY OF NORCO STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Andy Okoro, City Manager 

PREPARED BY: Brian K. Petree, Director
Deputy City Manager 

DATE: March 16, 2016

SUBJECT: **Ordinance No. 1001, First Reading. Code Change 2016-01.**
A Request to Amend Chapter 9.90 Revising Sub-Section B
"Smoking" of the Norco Municipal Code to Include Language
for E-Cigs

RECOMMENDATION: Adopt **Ordinance No. 1001** for first reading and schedule the
second reading for April 6, 2016.

SUMMARY: Ordinance No. 922 was adopted by City Council at the April 21, 2010 City Council meeting, thus adding Chapter 9.90 "Regulation of Smoking in Public Parks" to the Norco Municipal Code. This ordinance, however, does not address or regulate the use of electronic cigarettes (e-cigs or e-cigarettes) in parks. Since this approval, e-cigarette use more than doubled among U.S. middle and high school students.

BACKGROUND/ANALYSIS: At the July 1, 2014 Youth Sports Advisory Meeting, discussions took place regarding the use of e-cigarettes in parks, specifically at Wayne Makin Shearer Sports Complex. Each organization including Norco Little League (NLL), Norco Girls Softball League (NGSL), Norco Junior All-American Football (NJAAF) and American Youth Soccer Organization (AYSO) stated that they are opposed to their use at their playing fields and some include a ban of vapor cigarettes or other vapor devices in each group's by-laws. Staff suggested that we share this subject with the Parks and Recreation Commission for further discussion, which, if supported, could possibly amend the current City ordinance which covers only traditional methods of consuming tobacco.

At the September 8, 2014 Parks and Recreation Commission meeting, additional information and education was provided by Health Education Consultant Rachel Martin from Corona Norco Unified School District's Tobacco Prevention Programs on e-cigarettes and other electronic devices. Commission concurred that they support an amendment to the Norco Municipal Code and that the new ordinance wording should include e-cigarettes, nicotine and any devices used for nicotine and tobacco.

Staff provided Commission a proposed amendment of the Norco Municipal Code Chapter 9.90 Regulation of Smoking in Public Parks at the May 11, 2015 Parks and Recreation

Ordinance No. 1001, first reading.

Page 2

March 16, 2016

Commission meeting. After a short discussion, it was clear that Commission was in favor of supporting the ban of electronic devices for smoking in parks and made a motion to provide Council with proposed language for a revised smoking ordinance. Although enforcement of a smoking ordinance is difficult, the Commission unanimously (4-Ayes, 1 Absent) agreed that the current Smoking Ordinance needed to be updated to include e-cigarettes, vapors and fumes of any electronic delivery system.

Based on this recommendation, staff presented the Smoking in Public Parks Ordinance to the United Norconians for Life Over Alcohol and Drugs (UNLOAD) Committee at their meeting held on Monday, February 1, 2016. UNLOAD Committee concurred with the private youth sports groups and the Parks and Recreation Commission in recommending to City Council an amendment to the Norco Municipal Code Chapter 9.90 Regulation of Smoking in Public Parks” to include e-cigs/vape being banned in the parks.

In order to support this recommendation by the three entities, staff is submitting the following proposed language for revision to the smoking ordinance. At this time staff is seeking approval from the Council regarding the banning of use of electronic cigarettes in parks as proposed here. Proposed amended language is for Section 9.90.020 Definitions, Sub-Section B and is identified in bold below:

*B. “Smoking” means carrying or holding a lighted pipe, cigar or cigarette, or any other lighted smoking product or equipment used to burn any tobacco products, weed, plant or combustible substance **or any electronic nicotine delivery system.** Smoking includes emitting or exhaling the fumes of any pipe, cigar, cigarette, or any other lighted smoking equipment used for burning any tobacco product, weed, plant or any combustible substance or emitting **or exhaling the fumes or vapors of any electronic nicotine delivery system.***

FINANCIAL IMPACT: Approximately \$1,000 for new signs to be added to the FY16-17 Budget

Attachment: Ordinance No. 1001 for first reading

ORDINANCE NO. 1001

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF NORCO, CALIFORNIA, AMENDING CHAPTER 9.90 OF THE NORCO MUNICIPAL CODE "REGULATION OF SMOKING IN PUBLIC PARKS" TO INCLUDE LANGUAGE FOR E-CIGARETTES. CODE CHANGE 2016-01.

WHEREAS, the City of Norco is an equestrian community known as Horsetown USA; and

WHEREAS, a high priority of the City is to protect its residents and promote health and safety; and

WHEREAS, the City recognizes that secondhand smoke increases the risk for lung cancer and coronary heart disease in non-smokers; and

WHEREAS, as a result of the harmful primary and secondary effects associated with smoking and the current threat such effects pose to the public health, safety and welfare, the City wishes to prohibit smoking in its public parks as authorized by Health and Safety Code Sections 118910 and 118940.

NOW, THEREFORE, the City Council of the City of Norco does hereby find, determine, order, and resolve as follows:

SECTION 1: Norco Municipal Code Section 9.90 (Regulation of Smoking in Public Parks) is hereby established to read as follows:

Chapter 9.90 REGULATION OF SMOKING IN PUBLIC PARKS

Sections:

- 9.90.010 Intent and purpose.
- 9.90.020 Definitions.
- 9.90.030 Prohibitions.
- 9.90.040 Posting of signs.
- 9.90.050 Violation and penalties.

9.90.010 Intent and purpose.

The purpose of this chapter is to protect the public health, welfare and safety of the community and to recognize the need to breathe clean air by regulating smoking in public parks. In addition, the City acknowledges that where there is conflict between the desires of persons who smoke and the need of nonsmokers to breathe smoke-free air, the needs of the nonsmoker shall have priority. (Ord. 922 Sec. 1, 2010)

9.90.020 Definitions.

For the purposes of this chapter, the following words are defined:

A. "Public park" means all park areas, including the parking lots, driveways, access roads and pedestrian/equestrian trails adjacent to or within the park area. "Public park" does not include public roadways or pedestrian/equestrian trails not within or adjacent to a public park.

B. "Smoking" means carrying or holding a lighted pipe, cigar or cigarette, or any other lighted smoking product or equipment used to burn any tobacco products, weed, plant or combustible substance or any electronic nicotine delivery system. Smoking includes emitting or exhaling the fumes of any pipe, cigar, cigarette, or any other lighted smoking equipment used for burning any tobacco product, weed, plant or any combustible substance or emitting or exhaling the fumes or vapors of any electronic nicotine delivery system.

C. "Tobacco product" means any substance containing tobacco leaf, including but not limited to cigarettes, cigars, pipe tobacco, or any other preparation of tobacco. (Ord. 922 Sec. 1, 2010)

9.90.030 Prohibitions.

Smoking is prohibited in all areas of all public parks. In the case of the George Ingalls Equestrian Event Center, smoking is prohibited in the bleachers, and any other areas that may be identified by the Director of Parks and Recreation and posted as a "No Smoking" area. (Ord. 922 Sec. 1, 2010)

9.90.040 Posting of signs.

In order to provide reasonable notice to the public, signs shall be posted in one or more conspicuous and visible area(s) of public parks. No smoking signs with letters of not less than one-inch height, or the international "No Smoking" symbol (consisting of a pictorial representation of a burning cigarette enclosed in a red circle with a red bar across it) shall be clearly, sufficiently and conspicuously posted at or near the entry of public parks or the event center. (Ord. 922 Sec. 1, 2010)

9.90.050 Violation and penalties.

Except as otherwise provided, a violation of any of the provisions of this chapter shall be punishable pursuant to Section 1.04.010. (Ord. 922 Sec. 1, 2010)

SECTION 2. EFFECTIVE DATE: This Ordinance shall become effective thirty (30) days after final passage thereof:

SECTION 3. SEVERABILITY: If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of the Ordinance. The Council hereby declares that it would have passed this ordinance, and each section, subsection, sentence, clause, and phrase, hereof, irrespective of the fact that any one or more of the sections, subsections, sentences, clauses, or phrases hereof be declared invalid or unconstitutional.

PASSED AND ADOPTED by the City Council at a regular meeting held on April 6, 2016.

Kevin Bash, Mayor
City of Norco, California

ATTEST:

Cheryl L. Link, CMC, City Clerk
City of Norco, California

I, CHERYL LINK, City Clerk of the City of Norco, California, do hereby certify that the foregoing Ordinance was introduced at a regular meeting of the City Council of the City of Norco, California, duly held on March 16, 2016 and thereafter at a regular meeting of said City Council duly held on the April 6, 2016, it was duly passed and adopted by the following vote of the City Council, to-wit:

AYES:
NOES:
ABSENT:
ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Norco, California, April 6, 2016.

Cheryl L. Link, CMC, City Clerk
City of Norco, California

CITY OF NORCO STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Andy Okoro, City Manager 

PREPARED BY: Roger Grody, Economic Development Consultant

DATE: March 16, 2016

SUBJECT: **Resolution No. 2016-12**, Approving the Economic Development Subsidy Report for Paul Blanco's Good Car Company Pursuant to Government Code Section 53083 (AB 562)

RECOMMENDATION: Conduct the public hearing required pursuant to Government Code Section 53083 regarding the provision of economic development subsidies to Paul Blanco's Good Car Company, and adopt **Resolution 2016-12**, approving the attached report as presented or amended by City Council following public comment.

SUMMARY: Pursuant to Assembly Bill 562, codified as California Government Code Section 53083, the City is required to hold a public hearing on the terms of any agreement that provides subsidies to local businesses in the amount of \$100,000 or more. In accordance with that statute, a written Economic Development Subsidy Report detailing the terms of a proposed agreement has been made available to the public. The subsidy is provided to advance the public interest, including increased employment, an enhanced local tax base through recruitment and retention of revenue-generating businesses.

BACKGROUND/ANALYSIS: Paul Blanco's Good Car Company, a major used car retailer with a record of substantial sales tax production throughout California, has leased a retail auto sales facility at 2000 Hamner Avenue in Norco. It seeks to acquire an additional parcel—one previously held by the Norco Redevelopment Agency and now controlled by the Successor Agency—for expansion of its retail operation, which may ultimately include a new car dealership. Specifically, the City proposes to purchase a 1.6-acre parcel (APN 126-120-038) from the Successor Agency at fair market value, subsequently selling it to Paul Blanco Good Car Company Inland Empire.

The City proposes to acquire the site at a fair market value of \$805,000, then sell it to Paul Blanco at the same price, financing the entire amount. During the first five (5) years of the agreement, the City will provide an economic development subsidy to Paul Blanco's Good Car Company in the form of sales tax revenue sharing. All sales tax

subsidies will be applied as credits to a City loan provided to Paul Blanco's Good Car Company for the acquisition of the former Agency-owned parcel.

Pursuant to Government Code Section 53083, the following elements must be presented in written form, available to the public, including posting on the City's website, prior to the approval of the proposed economic development subsidy, and the attached Economic Development Subsidy Report addresses each of these statutory requirements in considerable detail.

1. The name and address of all corporations or any other business entities, except for sole proprietorships, that are the beneficiary of the economic development subsidy, if applicable.
2. The start and end dates and schedule, if applicable, for the economic development subsidy.
3. A description of the economic development subsidy, including the estimated total amount of the expenditure of public funds by, or of revenue lost to, the local agency as a result of the economic development subsidy.
4. A statement of the public purposes for the economic development subsidy.
5. Projected tax revenue to the local agency as a result of the economic development subsidy.
6. Estimated number of jobs created by the economic development subsidy, broken down by full-time, part-time, and temporary positions.

In furtherance of the City's economic development strategies, the proposed agreement with Paul Blanco provides credits, based on generated sales tax revenue, to assist the company in acquiring additional land for expansion of its retail operation. The essential terms of the economic development subsidy are presented below, with greater detail provided in the attached Economic Development Subsidy Report:

1. City agrees to acquire a Successor Agency-owned parcel (APN 126-120-038) at the established fair market value of \$805,000 and subsequently sell it to Paul Blanco's Good Car Company at the same price under the following loan terms:
 - a. Loan Term: 10 years
 - b. Down Payment: \$0
 - c. Interest rate: 2% on remaining principal during first five (5) years; and 3% on remaining principal during the last five (5) years

- d. In the event that the City loan has not been retired in the first five (5) years through sales tax credits, an installment payment will be required on a monthly basis until the entire loan is repaid.
 - e. No subordination: In the event that Paul Blanco's Good Car Company elects to construct a new building on the vacant parcel acquired from the City, the remaining balance of City loan must be immediately paid by Paul Blanco's Good Car Company. If this happens in the first five (5) years, any sales tax credit earned by Paul Blanco's Good Car Company will be converted into annual cash payments in the amount equivalent to the credit that would have been applied to the loan.
2. The amount of sales tax credits to Paul Blanco's Good Car Company will be based on the actual annual total sales tax revenues paid and received by the City from the dealer's operations in the City pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law. The credit is proposed to be calculated according to the following schedule—one that is favorable to the City of Norco—based on total actual annual sales from Paul Blanco's Good Car Company operations in the City of Norco:
- a. First \$200,000 of City's Share of Sales Tax Revenue: No Credit (City: \$200,000)
 - b. Next \$100,000 of City's Share of Sales Tax Revenue: 100% Credit to Paul Blanco
 - c. Balance of Sales City's Share of Tax Revenue (amount in excess of \$300,000 annually): 50% Credit (50/50 Split)

The subsidies outlined in the proposed agreement are justified by the volume of sales documented at comparable Paul Blanco's Good Car Company retail sites in other jurisdictions. Based on conservative projections, it appears likely that more than \$2.6 million of local sales tax revenue will be generated to the City during the 10-year term of this Agreement (see Exhibit A), which translates into approximately \$260,000 of annual average sales tax revenue retained by the City. The term for the Agreement is up to 10 years, but sales tax sharing is limited to five (5) years or \$805,000, whichever comes first.

Paul Blanco is currently occupying its site at 2000 Hamner Avenue in accordance with a valid 10-year lease and is operating under a valid Conditional Use Permit (CUP) that permits retail used car sales. The company is in possession of a City of Norco Business License, a Sales Permit from the Department of Motor Vehicles and a Sales and Use Tax Permit from the State of California Board of Equalization. The Agreement requires Paul Blanco's Good Car Company to continue to operate retail auto sales at 2000 Hamner Avenue for the term of the Agreement, and designating Norco on its sales tax statements as the point-of-sale for all sales transactions generated at the site.

The proposed agreement is consistent with the City's economic development goals and serves the best interest of the general public. Specifically, the following public purposes are achieved:

- Ensuring increased sales tax revenue, which ultimately funds essential City services while securing the City's financial stability.
- Creating at least 65 new jobs in the community, thereby stimulating further generation of sales tax revenue and increased demand for housing, goods and services.
- Providing a vital, productive use of a previously vacant commercial site, one that would otherwise have been vulnerable to graffiti, vandalism and blight.
- Occupying a strategic, recently vacated site, Paul Blanco complements the two existing new car dealerships at the Norco Auto Mall, making it a more appealing, economically vibrant destination for prospective car buyers.

If executed, the proposed subsidy will result in one of the City's largest producers of sales tax revenue, ensuring support for essential City services such as public safety, recreation, and infrastructure. In addition to encouraging investment in the community, the agreement will transform a vacant, unproductive site into an asset for the City.

RECOMMENDATION: Conduct the public hearing required pursuant to Government Code Section 53083 regarding the provision of economic development subsidies to Paul Blanco's Good Car Company, and adopt Resolution 2016-12, approving the attached report as presented or amended by City Council following public comment.

FISCAL IMPACT: The proposed agreement requires an initial expenditure of \$805,000 from the Special Asset Revenue Fund, which will be repaid by Paul Blanco's Good Car Company through shared sales tax revenue. During the ten-year term of the agreement, the City is projected to retain \$2.6 million in new sales tax revenue.

Attachment: Resolution No. 2016-12
Economic Development Subsidy Report

RESOLUTION NO. 2016-12

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NORCO APPROVING THE ECONOMIC DEVELOPMENT SUBSIDY REPORT REGARDING A PROPOSED AGREEMENT BETWEEN THE CITY OF NORCO AND PAUL BLANCO'S GOOD CAR COMPANY AS PRESENTED OR AMENDED BY CITY COUNCIL FOLLOWING PUBLIC COMMENT

WHEREAS, City of Norco ("City") is a California municipal corporation; and

WHEREAS, the City proposes to facilitate the opening of, and ensure the continued operation of, a major retail automobile dealership in the City for at least ten (10) years; and

WHEREAS, Paul Blanco's Good Car Company Inland Empire ("Paul Blanco") is a California corporation qualified to conduct business in the State of California and City of Norco; and

WHEREAS, the sales tax revenue generated by local merchants is critical to the City of Norco's economic viability; and

WHEREAS, Paul Blanco has entered into a 10-year lease at 2000 Hamner Avenue in the City of Norco, a site subject to a valid Conditional Use Permit allowing the retail sales of used automobiles; and

WHEREAS, Paul Blanco possesses a valid City of Norco Business License, Sales Permit from the California Department of Motor Vehicles, and Sales and Use Permit from the State Board of Equalization for the subject site; and

WHEREAS, pursuant to Government Code Section 53083, the City has provided detailed terms of a proposed agreement between the City and Paul Blanco in an Economic Development Subsidy Report; and

WHEREAS, operation of a Paul Blanco retail operation in Norco, pursuant to the proposed Agreement, would provide the following benefits to the community:

1. Ensuring increased sales tax revenue, which ultimately funds essential City services while securing the City's financial stability
2. Creating at least 65 new jobs in the community, thereby stimulating further generation of sales tax revenue and increased demand for housing, goods and services
3. Providing a vital, productive use of a previously vacant commercial site, one that would otherwise have been vulnerable to graffiti, vandalism and blight

4. Occupying a strategic, recently vacated site, Paul Blanco complements the two existing new car dealerships at the Norco Auto Mall, making it a more appealing, economically vibrant destination for prospective car buyers

WHEREAS, City and Paul Blanco have negotiated the terms of an Economic Development Subsidy Agreement to provide assistance to Paul Blanco in acquiring a 1.6-acre parcel controlled by the Successor Agency, to ensure the long-term success of the Norco retail operation;

WHEREAS, pursuant to Government Code 53083, the City has held a noticed public hearing regarding the proposed economic development subsidy as required by said statute; and

WHEREAS, the City has duly considered all terms and conditions of the proposed agreement and maintains it serves the public interest of the City of Norco.

NOW THEREFORE, be it resolved by the City Council of the City of Norco that the City approves the Economic Development Subsidy Report as presented or amended by City Council following public comment.

PASSED AND ADOPTED by the City Council of the City of Norco at a meeting held on March 16, 2016.

Kevin Bash, Mayor
City of Norco, California

ATTEST:

Cheryl Link, City Clerk
City of Norco, California

Resolution No. 2016-12

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March 16, 2016

I, CHERYL LINK, City Clerk of the City of Norco, California do hereby certify that the foregoing Resolution was introduced and adopted by the City Council of the City of Norco at a meeting held on March 16, 2016 by the following vote of the City Council:

AYES:

NOES:

ABSENT:

ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Norco, California on March 16, 2016.

Cheryl Link, City Clerk
City of Norco, California



CITY OF NORCO

ECONOMIC DEVELOPMENT SUBSIDY REPORT PURSUANT TO GOVERNMENT CODE SECTION 53803 (AB 562 REPORT)

**PRESENTED FOR PUBLIC HEARING
NORCO CITY COUNCIL
MARCH 16, 2016**

**CITY OF NORCO
ECONOMIC DEVELOPMENT SUBSIDY REPORT
PURSUANT TO GOVERNMENT CODE SECTION 53083**

INTRODUCTION

Legislative Intent

With the adoption of Assembly Bill 562, codified as California Government Code Section 53083, the California Legislature recognized the need for municipalities and counties to encourage economic development, even in light of the dissolution of Community Redevelopment Agencies in 2012. However, the legislation requires that subsidies to local businesses in the amount of \$100,000 or more—those intended to increase employment, enhance the local tax base and attract or retain desirable businesses—be detailed in a written report and subject to a public hearing. This report is intended to satisfy the requirements of Government Code 53083, and is being made available to the public prior to consideration of the proposed Agreement and subsidy. It is also, pursuant to statute, being made available on the City of Norco's website.

Legal Requirements

Pursuant to Government Code Section 53083, the following elements must be presented in written form, available to the public, including posting on the City's website, prior to the approval of the proposed economic development subsidy:

1. The name and address of all corporations or any other business entities, except for sole proprietorships, that are the beneficiary of the economic development subsidy, if applicable.
2. The start and end dates and schedule, if applicable, for the economic development subsidy.
3. A description of the economic development subsidy, including the estimated total amount of the expenditure of public funds by, or of revenue lost to, the local agency as a result of the economic development subsidy.
4. A statement of the public purposes for the economic development subsidy.
5. Projected tax revenue to the local agency as a result of the economic development subsidy.
6. Estimated number of jobs created by the economic development subsidy, broken down by full-time, part-time, and temporary positions.

Proposed Agreement

The City of Norco, in an effort to increase the generation of sales tax revenue, enhance community vitality and create new jobs, proposes to provide the type of subsidies addressed by Government Code Section 53083. The City of Norco ("City") and Paul Blanco's Good Car Company ("Paul Blanco") intend to enter into an Economic Development Subsidy Agreement ("Agreement"). The Agreement requires Paul Blanco to retain a point-of-sale location in Norco,

and for the City to provide a limited sharing of sales tax revenue to assist the company in acquiring additional acreage essential to its long term viability in the City of Norco.

AB 562 REPORTING REQUIREMENTS

This section addresses the reporting elements of Government Code Section 53083:

A. The name and address of all corporations or any other business entities, except for sole proprietorships, that are the beneficiary of the economic development subsidy:

Name: Paul Blanco's Good Car Company Inland Empire

Headquarters Address: 3815 Florin Rd., Sacramento, CA 95823

Business Address: 2000 Hamner Ave., Norco, CA, 92860

APN Numbers: 126-120-038

B. The start and end dates and schedule, if applicable, for the economic development subsidy:

The Agreement is anticipated to commence in March, 2016 and expire no later than March, 2026. During the first five (5) years of the Agreement, the City will provide Paul Blanco up to \$805,000 of credits in the form of shared sales tax revenue, all of which shall be used to retire a loan for property acquired by the City and immediately sold to Paul Blanco and financed by the City.

C. A description of the economic development subsidy, including the estimated total amount of the expenditure of public funds by, or of revenue lost to, the local agency as a result of the economic development subsidy:

In furtherance of the City's economic development strategies, specifically the generation of sales tax revenues to support essential City services, the proposed Agreement with Paul Blanco provides funds, through credits based on generated sales tax revenue, to assist the company in acquiring additional land for expansion of its retail operation, which may eventually include a new car dealership accompanying its existing used car sales. Specifically, the City will sell to Paul Blanco a 1.6-acre parcel (APN 126-120-038), previously owned by the Norco Successor Agency to the former Redevelopment Agency. The City of Norco will acquire the site at fair market value (\$805,000) and immediately sell it to Paul Blanco for the same price. During the first five (5) years of the Agreement, the City will provide an economic development subsidy to Paul Blanco's Good Car Company in the form of sales tax revenue sharing as outlined in the following paragraph. Sales tax sharing will end after five (5) years from the effective date of this agreement. All sales tax subsidies (credits) will be applied to the loan provided by the City to Paul Blanco's Good Car Company for the purchase of the 1.6-acre parcel as described herein.

Additional terms of the economic development subsidy are as follows:

1. City agrees to acquire Successor Agency-owned parcel (APN 126-120-038) at the fair market value of \$805,000 and immediately sell to Paul Blanco's Good Car Company at the same price, under the following loan terms:

- a. Loan Term: 10 years
 - b. Down Payment: \$0
 - c. Interest Rate: 2% on remaining principal during first five (5) years; and 3% on remaining principal during the last five (5) years
 - d. In the event that the City loan has not been retired in the first five (5) years through sales tax credits, an installment payment will be required on a monthly basis until the entire loan is repaid.
 - e. No Subordination: In the event that Paul Blanco elects to construct a new building on the vacant parcel acquired from the City, the remaining balance of City loan must be immediately paid by Paul Blanco. If this happens in the first five (5) years, any sales tax credit earned by Paul Blanco will be converted into cash payments annually in the amount equivalent to the credit that would have been applied to the loan.
2. The amount of sales tax credits to Paul Blanco will be based on the actual annual total sales tax revenues paid and received by the City from Paul Blanco's operations in the City pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law (Revenue and Taxation Code Section 7200 et seq.), as amended, and any successor laws or amendments thereto that arises from, including but not limited to, taxable sales and services. All sales taxes are collected by the State Board of Equalization with a local tax rate of 1% (City share) apportioned back to the City. The City share of sales tax revenue shall not include any local add-on transactions and use tax that may be imposed by the City. The credit is proposed to be calculated pursuant to the following schedule based on total actual annual sales from Paul Blanco's Good Car Company operations in the City of Norco:

First \$200,000 of City's Share of Sales Tax Revenue:	No Credit (City: \$200,000)
Next \$100,000 of City's Share of Sales Tax Revenue:	100% Credit to Paul Blanco
Balance of Sales City's Share of Tax Revenue (amount in excess of \$300,000 annually):	50% Credit (50/50 Split)

Paul Blanco's Good Car Company, which has a proven track record throughout California, is anticipated to be one of the City's top producers of sales tax revenue. Providing an economic development subsidy in this manner enables Paul Blanco to acquire and utilize additional acreage that is essential to the company's long-term success in the City of Norco. Failure to provide the proposed financial incentive may jeopardize Paul Blanco's sustained viability in the City of Norco, potentially resulting in the premature closure of the subject location.

The proposed Agreement will not result in a reduction of revenue to any other jurisdiction, as Paul Blanco is currently occupying its site at 2000 Hamner Avenue in accordance with a valid 10-year lease. The company is also operating under a valid Conditional Use Permit (CUP) that permits retail used car sales. The company is in possession of a valid City of Norco Business License as well as a Sales and Use Tax Permit from the State of California Board of Equalization.

The term for the Agreement is up to 10 years, but the sales tax sharing agreement is limited to five (5) years or \$805,000, whichever comes first.

Obligations of Paul Blanco's Good Car Company

1. Continuously operate, or cause and allow for the continuous operation of, Paul Blanco's Good Car Company at 2000 Hamner Avenue, Norco, California 92860.
2. Operate with inventory and sales personnel sufficient to satisfy and respond to customer demand and, in compliance with Government Code Section 53084.5, shall designate said property on its sales tax statements as the point-of-sale for all sales transactions generated from or arising out of the business conducted on the subject property.
3. Maintain, or cause maintenance of said property to Norco Municipal Code standards at company's own expense.
4. Carry out the operation of the business of retail automobile sales in substantial conformity with applicable laws, ordinances, statutes, codes, rules, regulations, orders and decrees of the United States, State of California, Riverside County, and City of Norco.
5. Maintain continued possession of valid City of Norco Business License and Sales and Use Tax Permit from the State of California Board of Equalization.
6. Repay City loan under as provided in the Economic Incentive Agreement – Sales Tax Sharing.

D. A statement of the public purpose for the economic development subsidy:

The proposed Agreement is consistent with City's economic development goals and objectives and is in the best interest of the general public. Specifically, the following public purposes are achieved:

- Ensuring increased sales in sales tax revenue, which ultimately funds essential City services while securing the City's financial stability.
- Creating new jobs in the community, thereby stimulating further generation of sales tax revenue and increased demand for housing, goods and services.
- Providing a vital, productive use of a previously vacant commercial site, one that would otherwise have been vulnerable to graffiti, vandalism and blight.
- Occupying a strategic, recently vacated site, Paul Blanco complements the two existing new car dealerships at the Norco Auto Mall, making it a more appealing, economically vital destination for prospective car buyers.

The proposed Agreement is projected to result in one of the City's highest grossing businesses and one of its largest producers of sales tax revenue. That revenue will support the City's General Fund, from which the City funds essential services such as public safety, recreation, leisure, infrastructure, etc. With recent expansion to Nevada and Florida, Paul Blanco's Good Car Company now has a national footprint which can benefit the City in future business recruitment and retention. This encourages additional investment while transforming a vacant,

unproductive site into an asset for the City. Since the dissolution of the Norco Redevelopment Agency in 2012, the City has been forced to be increasingly creative in its attempts to attract new, revenue-generating businesses to the community. The proposed Agreement, through its generation of sales tax revenue and creation of significant on-site employment, advances the City's economic development goals and thus, achieves a great public purpose.

E. Projected tax revenue to the local agency as a result of the economic development subsidy:

Specific sales tax data for individual businesses such as Paul Blanco's Good Car Company is confidential pursuant to California Revenue and Taxation Code Section 7056. Furthermore, because the company is new to Norco, there is no available documentation of its sales tax-generating capacity in the City. However, using conservative assumptions and based on sales from other Paul Blanco's Good Car Company locations, staff has estimated that more than \$2.6 million of local sales tax revenue will be generated to the City during the 10-year term of this Agreement (See Exhibit A). This translates into approximately \$260,000 of average annual sales tax revenue to be retained by the City. Cyclical market trends and overall economic conditions may cause sales volume to fluctuate, but over time revenue can reasonably be expected to grow.

F. Estimated number of jobs created by the economic development subsidy, broken down by full-time, part-time, and temporary positions:

During the first year of the proposed Agreement, Paul Blanco's Good Car Company is expected to add more than 60 full-time employees to the Norco labor force. Based on anticipated expansion of the facility for additional service bays, it is estimated that employment will increase by at least 10% within the first year of the Agreement and modest annual increases in employment are likely. These well-paying jobs would not exist without the proposed economic development subsidy. Additionally, it is anticipated that the presence of this company with the additional jobs created will have a simulative impact on the local economy.

Exhibit A

Paul Blanco's Good Car Company Sales Tax Sharing Estimates

Year	Estimated Local Sales Tax	City's Share Base Share	City's Additional Share	City's total Share	Paul Blanco's Base Share	Paul Blanco's Additional Share	Paul Blanco's Total Share	Potential Increase from Third Party Use
1	\$ 234,030	200,000	-	200,000	34,030	-	34,030	60,000
2	245,732	200,000	-	200,000	45,732	-	45,732	63,000
3	258,018	200,000	-	200,000	58,018	-	58,018	66,150
4	270,919	200,000	-	200,000	70,919	-	70,919	69,458
5	284,465	200,000	-	200,000	84,465	-	84,465	72,930
6	298,688	298,688	-	298,688	-	-	-	76,577
7	313,623	313,623	-	313,623	-	-	-	80,406
8	329,304	329,304	-	329,304	-	-	-	84,426
9	345,769	345,769	-	345,769	-	-	-	88,647
10	363,057	363,057	-	363,057	-	-	-	93,080
Totals	\$ 2,943,604	2,650,441	-	2,650,441	293,164	-	293,164	754,674

First Year Estimate Based on 90% of Sales Tax Generation at a Smaller Inland Empire Location

Subsequent Years based on 5% Growth

Third Party Based on Representation of Potential Sales Tax for Use of SA Property

CITY OF NORCO STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Andy Okoro, City Manager 

DATE: March 16, 2016

SUBJECT: Approval of Economic Incentive Agreement – Sales Tax Sharing with Paul Blanco’s Good Car Company Inland Empire

RECOMMENDATION: Approve Economic Incentive Agreement for sales tax sharing with Paul Blanco’s Good Car Company Inland Empire and authorize the City Manager to execute the agreement.

SUMMARY: Paul Blanco’s Good Car Company Inland Empire (Paul Blanco) has a lease agreement with Bob Hemborg for 2000 Hamner Avenue where the company is proposing to establish a major used car dealership capable of generating over \$300,000 annually in City sales tax. In order to operate a major used car business at this location with the future potential for new car sales, Paul Blanco needs additional lot space to park vehicles. To meet this need, Paul Blanco is seeking for City assistance to purchase the Successor Agency vacant real parcel located on Four Wheel Drive. The requested assistance consists of partial/full credit for City sales tax it generates above \$200,000 annually. The sales tax credit will be for a period of five years and credits received by Paul Blanco will be applied towards the \$805,000 purchase price of the Successor Agency parcel.

BACKGROUND/ANALYSIS: Paul Blanco has entered into lease agreement with Bob Hemborg for the lease of 2000 Hamner Avenue, for the purpose of establishing a major used car dealership in Norco capable of generating over \$300,000 annually in City sales tax revenue and creating significant employment in the City. Paul Blanco has expressed their commitment for long-term dealership in Norco, which may include expansion for new car sales. In order to achieve the level of car sales that Paul Blanco has planned in Norco, the company needs additional lot to park vehicles. To address this need, the City is willing, ready and able to acquire the Successor Agency Property at fair market value of \$805,000 and then immediately sell the parcel to Paul Blanco at same amount under the deal terms summarized below.

1. The City will buy the Successor Agency a 1.6-acre parcel (APN 126-120-038) at fair market value of \$805,000 and immediately sell it to Paul Blanco for the same price.

2. During the first five (5) years of the Agreement, the City will provide economic development subsidy to Paul Blanco in the form of sales tax revenue sharing as outlined in the next paragraph. Sales tax sharing will end after five (5) years from the effective date of this agreement. All sales tax subsidies (credits) will be applied to the loan to be provided by the City to Paul Blanco for the purchase of the 1.6-acre parcel as described above.
3. City agrees to finance Paul Blanco's purchase of Successor Agency property under the following loan terms:
 - a. Loan Term: 10 years
 - b. Down Payment: \$0
 - c. Interest Rate: 2% annually on remaining principal during first five (5) years; and 3% annually on remaining principal during the last five (5) years
 - d. In the event that City loan has not been retired in the first five (5) years through sales tax credits, an installment payment will be required on a monthly basis until the entire loan is repaid.
 - e. No subordination: in the event that Paul Blanco elects to construct a new building on the vacant parcel acquired from the City, the remaining balance of City loan must be immediately paid by Paul Blanco. If this happens in the first five (5) years, any sales tax credit earned by Paul Blanco will be converted into cash payments annually in the amount equivalent to the credit that would have been applied to the loan.
4. The amount of sales tax credits to Paul Blanco will be based on the actual annual total sales tax revenues paid and received by the City from Paul Blanco's operations in the City pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law (Revenue and Taxation Cod Section 7200 et seq.), as amended, and any successor laws or amendments thereto that arises from, including but not limited to, taxable sales and services. All sales taxes are collected by the State Board of Equalization with a local tax rate of 1% (City share) apportioned back to the City. City share of sales tax revenue shall not include any local add-on transactions and use tax that may be imposed by the City. Sales tax credit is proposed to be calculated pursuant to the following schedule based on total actual annual sales from Paul Blanco's operations in the City of Norco:

Paul Blanco Economic Incentive Agreement

Page 3

March 16, 2016

First \$200,000 of City Sales Tax Revenue	No Credit to car Dealer, City Share \$200,000
Next \$100,000 of City Sales Tax Revenue	100% credit to Car Dealer
Balance of City Sales Tax Revenue (amount in excess of \$300,000 annually):	Split 50/50 between City and Car Dealer

5. Paul Blanco's sales tax credit will be determined annually beginning with the first full month after the execution of this agreement. No later than sixty days after the end of the first full year from the effective date of this agreement, Paul Blanco shall submit to the City copies of its actual Sales Tax Returns filed with the State Board of Equalization for the full year in which sales tax credit is to be received. The City will verify and calculate the amount of sales tax credit due to Paul Blanco within 30 days of receiving information. Sales tax credit due to Paul Blanco will be applied to City loan as outlined in item 3 above

FISCAL IMPACT: It is estimated that the City's General Fund will receive over \$2.6 million in net sales tax revenue from Paul Blanco's operation in the City during the ten year term of this agreement. Sales tax credit to Paul Blanco is limited to five (5) years and the amount of credit shall not exceed \$805,000. Sales tax revenues are used to pay for essential City services.

Attachment: Economic Incentive Agreement – Sales Tax Sharing

ECONOMIC INCENTIVE AGREEMENT SALES TAX SHARING

This Economic Incentive Agreement for Sales Tax Sharing (hereinafter referred to as the "Agreement") is entered into as of this 16th day of March, 2016, by and between the City of Norco, a municipal corporation (herein after referred to as the "City") on the one hand, and Paul Blanco's Good Car Company, Inland Empire, LLC (hereinafter referred to as the "Paul Blanco"), a California limited liability company on the other (collectively, the "Parties") agree with reference to the following facts:

RECITALS

A. WHEREAS, Paul Blanco has entered into lease agreement with Bob Hemborg for the lease of 2000 Hamner Avenue, in the City of Norco California for the purpose of establishing a major used car dealership in Norco capable of generating over \$300,000 annually in in City sales tax revenue and creating significant employment in the City; and

B. WHEREAS, Paul Blanco has expressed their commitment for long-term dealership in Norco which may include expansion with new car dealership provided, however, the City is able assist with property acquisition; and

C. WHEREAS, the Successor Agency to the former Norco Community Redevelopment Agency currently owns 1.63-acres of vacant parcel (APN 126-120-038) located on Four Wheel Drive (Successor Agency Property) which is currently in the market for sale; and

D. WHEREAS, the City is willing, ready and able to acquire the Successor Agency Property at fair market value (\$805,000) and then immediately sell the property at same value, under a promissory note with the terms defined in this agreement, to Paul Blanco to be used initially as additional parking in support of Paul Blanco's proposed used car dealership at 2000 Hamner Avenue; and

E. WHEREAS, Paul Blanco has represented to the City that it has been notified by its current landlord for its dealership in the City of Riverside that its lease will be terminated no later than May 31, 2016; and

F. WHERAS, Paul Blanco has agreed to secure all permits, licenses and other regulatory approvals necessary to operate a used car dealership at 2000 Hamner Avenue; and

G. WHEREAS, the City has agreed to process all permits and licenses expeditiously in accordance with applicable City rules and regulations to facilitate the operation of the Paul Blanco's business; and

H. WHEREAS, the City has conducted the necessary public hearing pursuant to Government Code Section 53083 to review the economic benefits of the proposed car dealership; and

I. WHEREAS, In furtherance of the City's economic development strategies, specifically the generation of sales tax revenues to support essential City services, the proposed Agreement with Paul Blanco provides funds, through credits based on generated sales tax revenue, to assist Paul Blanco in acquiring additional land for expansion of its retail operation, which may eventually include a new car dealership accompanying its proposed used car dealership.

AGREEMENT

NOW THEREFORE, in consideration of the foregoing Recitals and the following mutual covenants, agreements, conditions and representations, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. The City will sell to Paul Blanco the 1.6-acre parcel (APN 126-120-038), previously owned by the SA. The City of Norco will acquire the site at fair market value of \$805,000 and immediately sell it to Paul Blanco for the same price.
2. During the first five (5) years of the Agreement, the City will provide economic development subsidy to Paul Blanco in the form of sales tax revenue sharing as outlined in the next paragraph. Sales tax sharing will end after five (5) years from the effective date of this agreement. All sales tax subsidies (credits) will be applied to the loan provided by the City to Paul Blanco for the purchase of the 1.6-acre parcel as described above.
3. City agrees to finance Car Dealers purchase of Successor Agency property under the following loan terms:
 - a. Loan Term: 10 years
 - b. Down Payment: \$0
 - c. Interest Rate: 2% annually on remaining principal during first five (5) years; and 3% annually on remaining principal during the last five (5) years.
 - d. In the event that City loan has not been retired in the first five (5) years through sales tax credits, an installment payment will be required on a monthly basis until the entire loan is repaid.
 - e. No subordination: in the event that Paul Blanco elects to construct a new building on the vacant parcel acquired from the City, the remaining balance of City loan must be immediately paid by Paul Blanco. If this happens in the first five (5) years, any sales tax credit

earned by Paul Blanco will be converted into cash payments annually in the amount equivalent to the credit that would have been applied to the loan.

4. The amount of sales tax credits to Paul Blanco will be based on the actual annual total sales tax revenues paid and received by the City from Paul Blanco's operations in the City pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law (Revenue and Taxation Cod Section 7200 et seq.), as amended, and any successor laws or amendments thereto that arises from, including but not limited to, taxable sales and services. All sales taxes are collected by the State Board of Equalization with a local tax rate of 1% (City share) apportioned back to the City. City share of sales tax revenue shall not include any local add-on transactions and use tax that may be imposed by the City. The credit is proposed to be calculated pursuant to the following schedule based on total actual annual sales from Car Dealer operations in the City of Norco:

First \$200,000 of City Sales Tax Revenue	No Credit to car Dealer, City Share \$200,000
Next \$100,000 of City Sales Tax Revenue	100% credit to Car Dealer
Balance of City Sales Tax Revenue (amount in excess of \$300,000 annually):	Split 50/50 between City and Car Dealer

5. Paul Blanco's sales tax credit will be determined annually beginning with the first full month after the execution of this contract. No later than sixty days after the end of the first full year from the effective date of this agreement, Paul Blanco shall submit to the City copies of its actual Sales Tax Returns filed with the State Board of Equalization for the full year in which sales tax credit is to be received. The City will verify and calculate the amount of sales tax credit due to Paul Blanco within 30 days of receiving information from Paul Blanco. Sales tax credit due to Paul Blanco will be applied to City loan as outlined in item 3 above
6. Disclosure. Paul Blanco is informed and hereby acknowledges that the City is uncertain as to whether the benefits conferred by this Agreement create a public work for prevailing wage purposes which, in turn, requires the payment of prevailing wages by Paul Blanco on any project involving the Successor Agency Property. Paul Blanco expressly and affirmatively acknowledges that the City's representation of uncertainty, as specifically set forth in this Agreement, is the sole and complete representation made by the City regarding the prevailing wage issue. Paul Blanco hereby acknowledges that it has been informed of the City's uncertainty in this regard. Paul Blanco is encouraged to seek the advice of its own attorney(s) as to this issue, prior to the execution of this Agreement. Execution of this Agreement is an

acknowledgement that such independent advice and counsel has been obtained.

7. Indemnity Obligation. Paul Blanco agrees to protect, defend (with legal counsel acceptable to the City), indemnify and hold harmless the City, its council members, officers, agents, independent contractors and employees from any and all claims, damages, penalties, losses, costs, expenses (including reasonable attorneys' fees and court costs), injuries and liabilities of every kind arising out of all claims that the benefits conferred by the City under this Agreement may create a public work for prevailing wage purposes thereby requiring the payment of prevailing wages, and all claims challenging the legality, constitutionality, or enforceability of this Agreement, including but not limited to the City's authority to pay sales tax credit. This section shall apply regardless of whether or not the claim, damage, penalty, loss, cost, expense, injury and/or liability complained of arises out of or relates in any way to any negligence on the part of the City. The City's rights of indemnity, as expressly set forth in this Agreement, shall not depend upon the actual payment of any claim, damage, penalty, loss, cost, expense (including reasonable attorneys' fees and court costs), injury or liability sustained by the Paul Blanco and/or its contractors, subcontractors, agents and/or employees. In the event that the City tenders the defense and indemnification of a claim contemplated by this Agreement to the Paul Blanco and/or to his/her/its contractors, subcontractors, agents and/or employees, the City shall be entitled to actively supervise the claim and/or the defense of the same, shall be authorized to select and retain its own separate, independent counsel, at Paul Blanco's and/or his/her/its contractors, subcontractors, agents and/or employees' expense, as necessary, which decision shall be made solely and exclusively by the City, and the City must consent to the disposition of any such claim, including but not limited to, the settlement of any such claim.
8. Authority to Execute Agreement. Each individual signing this Agreement represents and warrants that he or she has full authority to execute the same on behalf of the Party on whose behalf he or she so signs, and that he or she is acting within the scope of his authority. Each individual signing this Agreement agrees to indemnify and hold harmless the other Party for loss, damage, liability, cost or expense (including reasonable attorneys' fees) arising out of any claims made by anyone that such authority to sign this Agreement does not exist.
9. Advice of Counsel. Each of the Parties hereto has received the advice of independent legal counsel prior to signing this Agreement. Each of the Parties hereto acknowledges that no other party or agent or attorney of any other party has made a promise, representation, or warranty whatsoever, express or implied, not contained herein concerning the subject matter herein to induce the other Party to execute this Agreement.
10. Entire Agreement. It is expressly understood and agreed that this Agreement contains the entire agreement and understanding concerning the subject matter thereof, and supersedes and replaces all prior negotiations and agreements between the Parties, whether written or oral. It is expressly understood and agreed that there have been no promises, agreements,

warranties or inducements, not herein expressed. The Parties acknowledge that they have read this Agreement and have executed it without relying upon any statements, representations, or warranties, whether written or oral, not expressly set forth herein.

11. Governing Law. All questions with respect to the construction of this Agreement and the rights and liabilities of the Parties hereto shall be governed by the laws of the State of California.
12. Further Assurances. The Parties shall at their own cost and expense execute and deliver such further documents and instruments, including, but not limited to, escrow instructions, and shall take such other actions as may be reasonably required or appropriate to carry out the intent and purposes of this Agreement.
13. Captions. Sections, titles and captions contained in this Agreement are inserted only as a matter of convenience and for reference and shall in no way be construed to define, limit or extend the scope of this Agreement or the intent of any of its provisions.
14. Contingent on City Council's Approval. Paul Blanco understands and acknowledges that this Agreement is subject to approval by the City Council of the City, and that it cannot be fully performed by the City unless and until such approval has been duly and regularly made. The terms, conditions, and covenants set forth herein are all made expressly contingent upon approval by the City Council. In the event this Agreement is not approved, neither Party shall be obligated to perform and is released and discharged by the other from any and all obligations hereunder
15. Amendment. This Agreement shall not be amended except by a written instrument signed by the Parties or their respective successors and assigns.
16. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.
17. Severability. If any provision of this Agreement or the application thereof to any person or entity is held to be invalid or unenforceable, the remainder of this Agreement shall not be affected thereby.

(SIGNATURE PAGE TO FOLLOW)

IN WITNESS WHEREOF, the City and Paul Blanco have executed this Agreement effective as of the date first written above.

CITY:

CITY OF NORCO,
a municipal corporation

By: _____

Printed Name: Andy Okoro

ITS: City Manager

CAR DEALER:

PAUL BLANCO'S GOOD COMPANY INLAND
EMPIRE, a California limited liability company

By: _____

Printed Name: _____

ITS: _____

ATTEST:

Cheryl Link, City Clerk

APPROVED AS TO FORM:

John R. Harper, City Attorney

**CITY OF NORCO
SUCCESSOR AGENCY TO THE NORCO COMMUNITY
REDEVELOPMENT AGENCY
STAFF REPORT**

TO: Honorable Mayor and Members of the City Council
Honorable Chair and Members of the Successor Agency

FROM: Andy Okoro, City Manager/Executive Director 

DATE: March 16, 2016

SUBJECT: Approval of Purchase and Sale of Successor Agency Owned 1.63 Acres of Vacant Real Property Parcel Located on Four Wheel Drive Subject to the Approval of the Successor Agency Oversight Board

RECOMMENDATION: Adopt the following City Council/Successor Agency Resolutions authorizing the Mayor to execute:

- 1) **SA Resolution No. 2016-01**, approving a Purchase and Sale Agreement and Escrow Instructions by and between the Successor Agency and the City of Norco for the purchase of 1.63 acres of vacant real property, APN 126-120-038, located on Four Wheel Drive subject to the approval of the Successor Agency Oversight Board; and
- 2) **Resolution No. 2016-13**, approving a Purchase and Sale Agreement and Escrow Instructions by and between the City of Norco and Paul Blanco's Good Car Company of Inland Empire for the sale of 1.63 acres of vacant real property, APN 126-120-038 located on Four Wheel Drive; and
- 3) **Resolution No. 2016-14**, approving an appropriation in the amount of \$805,000 from Special Asset Revenue Fund for the Purchase of Successor Agency owned 1.63 acres of vacant real property, APN 126-120-038, located on Four Wheel Drive.

SUMMARY: In 2008, the former Norco Community Redevelopment Agency acquired 1.63 acres of vacant real property located on Four Wheel Drive with the goal of attracting a new auto dealership or expanding the Auto Mall. Following dissolution of all redevelopment agencies in the state by the state legislature pursuant to the provisions of ABx1 26 and AB 1484 effective February 1, 2012, the City was required to develop Long Range Property

Management Plan (LRPMP) that describes how properties owned by the former Norco Community Redevelopment Agency were to be disposed. The City's LRPMP, including related amendment, was approved by the Department of Finance (DOF) on February 6, 2015.

In order to dispose properties identified in the LRPMP, the Successor Agency retained Kosmont Realty Corporation (KRC) as its broker to market and sell the subject properties. Following marketing efforts KRC received offers from interested parties willing to purchase the 1.63-acre Four Wheel Drive property. Based on the offers received and in order to maintain the intent for which this property was acquired by the former Norco Community Redevelopment Agency, staff is recommending that the City Council approve the execution of Purchase and Sale Agreements including escrow instructions as necessary to finalize the sale of this property to the City of Norco subject to the approval of the Oversight Board (OB) and then to Paul Blanco's Good Car Company of Inland Empire. It is further recommended that the City Council approve a resolution appropriating \$805,000 from the Special Asset Revenue Fund for the purchase of the aforementioned property.

The recommended sale to Paul Blanco's Good Car Company of inland Empire will result in the establishment of a used car dealership capable of generating over \$300,000 in annual City sales tax. The proposed dealership will also create over sixty full time jobs in the City of Norco. Paul Blanco's Good Car Company Inland Empire has also represented that acquiring this parcel will ensure long term business operation in the City of Norco including the potential for a new car dealership.

BACKGROUND: In 2008, the former Norco Community Redevelopment Agency acquired 1.63 acres of vacant real property located on Four Wheel Drive with the goal of attracting new auto dealership or expanding the Auto Mall. In February 2012, the State Legislature dissolved all Redevelopment Agencies in the State including the Norco Community Redevelopment Agency (Agency) pursuant to ABx1 26. Following the dissolution of the former Agency, the City agreed to serve as the Successor Agency and thus became responsible for performing certain duties necessary to wind down the activities of the former Agency. One of the activities necessary for the wind down of the former Agency is the disposition of real properties owned by the dissolved Agency. In order to dispose of properties, Successor Agencies were required to develop a Long Range Property Management Plan (LRPMP) stating how each property would be disposed. The City's LRPMP was first approved by the DOF on October 23, 2013 and it was subsequently amended in January 2015 to add the Silverlakes Property. The amended LRPMP was approved by the Department of Finance (DOF) on February 6, 2015.

The LRPMP includes two vacant properties that the Successor Agency (SA) received approval to sell from the OB and DOF. One of the properties is located on West Four Wheel Drive and the other is located on Hamner Avenue and Hidden Valley Parkway. SA retained KRC as broker to market and sell the properties in compliance with legal requirements related to the dissolution of redevelopment agencies. KRC marketed these properties for more than one year and offers were received from interested buyers for the Four Wheel Drive property.

The Four Wheel Drive Property APN 126-120-038 is approximately 1.63 acres. The property was acquired in November 2008 at a cost of \$1,330,000 for potential expansion of the Auto Mall. As part of the LRPMP the property was appraised for \$780,000 in 2013. KRC has been marketing this property through direct solicitation contact with adjacent property owners and through industry trade shows. On January 28, 2016, KRC provided update to the OB regarding their efforts to market the SA properties. They reported to the OB that interested buyers have been directed to provide "Best and Final Offers" by January 29, 2016. On January 29, 2016, Best and Final Offers were received ranging from \$300,000 to \$801,225.

One of the offers to purchase the property for \$801,225 came from On-Point Commercial LLC, who proposed to build a multi-unit building or two to three single tenant freestanding buildings with auto repair maintenance/auto collision type uses. The proposed use is not compliant with the current zoning or with the purpose for which the parcel was acquired. Thus, this offer was not considered.

Following the receipt of Best and Final Offers by KRC, Norco Truck Center which initially submitted an offer of \$550,000 raised their offer to \$750,000. This offer was raised again on February 16, 2016 to \$800,000. The intended use by Norco Truck Center is to store additional inventory for their existing used car dealership in Norco. The City has an opportunity to purchase this parcel and immediately sell it to Paul Blanco's Good Car Company of Inland Empire who is in the process of establishing a used car dealership in the City Norco capable of generating over \$300,000 annually in sales tax and creating significant employment in the City.

PURCHASE BY THE CITY: To significantly enhance the City's economic base through substantial increase in sales tax and employment, the City proposes to purchase this parcel for \$805,000 and to sell it to Paul Blanco's Good Car Company Inland Empire for the same amount. This transaction is consistent with the purpose for which this property was acquired by the former Agency.

SALE TO PAUL BLANCO'S GOOD CAR COMPANY: Paul Blanco's Good Car Company Inland Empire has entered into a 10-year lease with option to renew for additional years with Bob Hemborg for 2000 Hamner Avenue, the former Mazda Dealership Site. Paul Blanco proposes to bring a major used car dealership to this site capable of generating over \$300,000 annually in sales tax based on results from other locations. In order to operate this dealership at the level capable of generating significant economic benefits to the City and with the potential for a new car dealership, Paul Blanco's Good Car Company Inland Empire requires additional space which can be met with the Four Wheel Drive SA property. The economic benefits, costs and terms of the proposed transaction between the City and Paul Blanco's Good Car Company are summarized below and detailed in the attached "Economic Development Subsidy Report prepared pursuant to the provisions of Government Code Section 53083."

In furtherance of the City's economic development strategies, specifically the generation of sales tax revenues to support essential City services, the proposed Agreement with Paul Blanco provides funds, through credits based on generated sales tax revenue, to assist the company in acquiring additional land for expansion of its retail operation, which may eventually include a new car dealership accompanying its proposed used car sales. Specifically, the City will sell to Paul Blanco a 1.6-acre parcel (APN 126-120-038), previously owned by the SA. The City of Norco will acquire the site at fair market value \$805,000 and immediately sell it to Paul Blanco for the same price. During the first five (5) years of the Agreement, the City will provide economic development subsidy to Paul Blanco's Good Car Company in the form of sales tax revenue sharing as outlined in the next paragraph. Sales tax sharing will end after five (5) years from the effective date of this agreement. All sales tax sharing/credits will be applied to the loan provided by the City to Paul Blanco's Good Car Company for the purchase of the 1.6-acre parcel as described above.

Additional terms of the economic development subsidy (tax sharing) are as follows.

1. City agrees to acquire Successor Agency owned parcel (APN 126-120-038) at the fair market value of \$805,000 and immediately sell it to Paul Blanco's Good Car Company Inland Empire at the same price under the following loan terms:
 - a. Loan Term: 10 years
 - b. Down Payment: \$0
 - c. Interest Rate: 2% annually on remaining principal during the first five (5) years; and 3% annually on remaining principal during the last five (5) years
 - d. In the event that City loan has not been retired during the first five (5) years through sales tax credits, an installment payment will be required on a monthly basis until the entire loan is repaid.
 - e. No subordination: in the event that Paul Blanco's Good Car Company of Inland Empire elects to construct a new building on the vacant parcel acquired from the City, the remaining balance of City loan must be immediately paid to the City. If this happens in the first five (5) years, any sales tax credit earned by Paul Blanco's Good Car Company will be converted into cash payments annually in the amount equivalent to the credit that would have been applied to the loan.
2. The amount of sales tax credits to Paul Blanco's Good Car Company will be based on the actual annual total sales tax revenues remitted to the State Board of Equalization and received by the City from Paul Blanco's Good Car Company operations in the City pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law (Revenue and Taxation Cod Section 7200 et seq.), as amended, and any successor laws or amendments thereto that arises from, including but not limited

to, taxable sales and services. All sales taxes are collected by the State Board of Equalization with a local tax rate of 1% (City share) apportioned back to the City. City share of sales tax revenue shall not include any local add-on transactions and use tax that may be imposed by the City. The credit is proposed to be calculated pursuant to the following schedule based on total actual annual sales from Paul Blanco's Good Car Company operations in the City of Norco:

First \$200,000 of City's Share of Sales Tax Revenue:	No Credit (City: \$200,000)
Next \$100,000 of City's Share of Sales Tax Revenue:	100% Credit to Paul Blanco
Balance of Sales City's Share of Tax Revenue (amount in excess of \$300,000 annually):	50% Credit (50/50 Split)

Paul Blanco's Good Car Company, which has a proven track record throughout California, is anticipated to be one of the City's top sales tax revenue producers. Providing an economic development subsidy in this manner enables Paul Blanco's Good Car Company Inland Empire to acquire and utilize additional acreage that is essential to the company's long-term success in the City of Norco. Failure to provide the proposed financial incentive may jeopardize Paul Blanco's sustained viability in the City of Norco, potentially resulting in the premature closure of the location in the City of Norco.

FISCAL IMPACT: In order for the City to acquire the SA property, staff recommends that the City Council appropriate \$805,000 from the Special Asset Revenue Fund. The proposed economic incentive agreement with Paul Blanco's Good Car Company includes the repayment of the \$805,000 including interest to the City. Principal and interest payments received will be deposited into the Special Asset Revenue Fund. Additionally, over the 10-year period of this agreement, Paul Blanco's Good Car Company of Inland Empire is estimated to generate over \$2.6 million in sales tax to the City net of any sales tax sharing subsidy. The net sales tax revenue will be deposited into the city's General Fund.

Attachments: SA Resolution No. 2016-01

Purchase and Sale Agreement by and between the Successor Agency and the City of Norco

Resolution No. 2016-13

Purchase and Sale Agreement by and between the City of Norco and Paul Blanco's Good Car Company

Resolution No. 2016-14

SA RESOLUTION NO. 2016-01

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE NORCO COMMUNITY REDEVELOPMENT AGENCY APPROVING A PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS BY AND BETWEEN THE SUCCESSOR AGENCY TO THE FORMER NORCO COMMUNITY REDEVELOPMENT AGENCY TO AND THE CITY OF NORCO TO PURCHASE 1.63 ACRES OF VACANT REAL PROPERTY, APN 126-120-038, LOCATED FOUR WHEEL DRIVE IN NORCO CALIFORNIA SUBJECT TO SUCCESSOR AGENCY OVERSIGHT BOARD APPROVAL

WHEREAS, in 2008, the former Norco Redevelopment Agency ("Agency") acquired 1.63 acres of vacant real property APN 126-120-038 located on Four Wheel Drive in the City of Norco, California for \$1,330,000 with the long-term goal of expanding or attracting a new auto dealership; and

WHEREAS, the Agency was dissolved by the State of California effective February 1, 2012 pursuant to Assembly Bill x1 26 ("AB 26") as amended by Assembly Bill 1484 ("AB 1484"); and

WHEREAS, the City Council of the City of Norco elected for the City to serve as the Successor Agency ("SA") to the Agency and perform the duties necessary to wind down the activities of the Agency; and

WHEREAS, one of the duties of the SA is to dispose of real properties owned by the Agency pursuant to California Department of Finance (DOF) approved Long Range Property Management Plan ("LRPMP"); and

WHEREAS, the LRPMP was first approved by the DOF on October 23, 2013 and subsequently amended in January 2015; and then approved again by the DOF on February 6, 2015; and

WHEREAS, as part of the LRPMP, the subject property was appraised in 2013 for \$780,000; and

WHEREAS, the SA engaged Kosmont Realty Corporation ("KRC") to market SA properties for sale and KRC marketed the subject property for more than one year and subsequently received multiple offers ranging from \$300,000 to \$801,225, thus establishing the fair market value for the property; and

WHEREAS, in order to realize the long-term goal for which the property was acquired by the Agency, the City desires to purchase the property for \$805,000; subject to the approval of the Successor Agency Oversight Board; and immediately sell it to Paul Blanco's Good Car Company Inland Empire; and

WHEREAS, the City Council has conducted a Public Hearing pursuant to Assembly Bill 562 as codified in Government Code Section 53083 on the terms of the

agreement to provide economic subsidy to Paul Blanco's Good Car Company Inland Empire; and

WHEREAS, the Successor Agency and the City have considered all the terms and conditions of the proposed agreement and finds that it serves the public interest of the City of Norco.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Successor Agency to the Norco Community Redevelopment Agency does hereby approve the Purchase and Sale Agreement and Escrow Instructions by and between the Successor Agency to the former Norco Redevelopment Agency and the City of Norco.

PASSED AND ADOPTED by the Successor Agency to the Norco Community Redevelopment Agency at a regular meeting held March 16, 2016.

Kevin Bash, Chair
Successor Agency to the Norco
Community Redevelopment Agency

ATTEST:

Cheryl L. Link, CMC, Secretary
Successor Agency to the Norco
Community Redevelopment Agency

I, Cheryl L. Link, Secretary of the Successor Agency to the Norco Community Redevelopment Agency, do hereby certify that the foregoing Resolution was adopted by the Board of Directors at a regular meeting held on March 16, 2016 by the following vote of the City Council:

AYES:
NOES:
ABSENT:
ABSTAIN:

Cheryl L. Link, CMC, Secretary
Successor Agency to the Norco
Community Redevelopment Agency

AGREEMENT FOR PURCHASE AND SALE AND ESCROW INSTRUCTIONS

THIS AGREEMENT FOR PURCHASE AND SALE AND ESCROW INSTRUCTIONS (the "Agreement") is dated as of March 16, 2016 (the "Date of Agreement"), and is entered into by and between the **SUCCESSOR AGENCY TO NORCO COMMUNITY REDEVELOPMENT AGENCY**, a public entity established pursuant to California Health and Safety Code Section 34177 et. seq. (the "Seller") and the **CITY OF NORCO**, a municipal corporation (the "Buyer"), for acquisition by Buyer of certain real property as described below.

RECITALS

A. Seller is the owner of the property located near Hamner Avenue and West Four Wheel Drive within the City of Norco, California, known as Assessor Parcel Number 126-120-038, which parcel is approximately 1.63 acres, is primarily unimproved and as more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference (the "Property").

B. Buyer desires to purchase the Property from Seller and Seller desires to sell the Property to Buyer.

NOW, THEREFORE, for valuable consideration, and subject to all terms and conditions hereof, the Buyer and the Seller hereby agree as follows:

1. **CONDITION PRECEDENT.** The effectiveness of this Agreement is conditioned upon the approval of this Agreement by the Oversight Board of the Successor Agency to the Norco Community Redevelopment Agency (the "Oversight Board").

2. **PURCHASE PRICE.**

2.1 **Sale and Purchase.** Seller agrees to sell the Property to Buyer and Buyer agrees to purchase the Property upon the terms and conditions set forth herein.

2.2 **Purchase Price.** The purchase price ("Purchase Price") for the Property shall be EIGHT HUNDRED FIVE THOUSAND AND NO/100 DOLLARS (\$805,000.00).

3. TITLE.

3.1 General. Title to the Property shall be conveyed by grant deed and shall be evidenced by a CLTA Standard Coverage Form of Owner's Policy of Title Insurance ("Title Policy"), the cost of which shall be borne by Seller, issued by North American Title Company, Attention Erin Tweedy, Senior Commercial Escrow Officer, 6 Hutton Center Drive, Suite 550, Santa Ana, California 92707, (949) 419-9450 phone ("Title Company"), with liability in the full amount of the Purchase Price, insuring title to the Property as vested in Buyer, free and clear of all liens and encumbrances and other matters affecting title to the Property.

3.2 Acts After Date of Agreement. During the period from the date of this Agreement through Close of Escrow, Seller shall not record, or file for record or permit to be recorded or filed for record any document or instrument which will affect the title to or use of the Property without the prior written consent of Buyer, which consent shall not be unreasonably withheld.

3.3 Option for ALTA Coverage. Buyer shall have the option of obtaining an ALTA Extended Coverage Form Policy of Title or an ALTA Standard Coverage Form Owners Policy of Title Insurance. In such event, Buyer shall, at its sole expenses, procure and pay for the extended coverage and obtain and pay for any required survey in that regard (the "Survey").

4. RIGHT OF ENTRY AND POSSESSION DURING ESCROW.

4.1 Seller hereby grants Buyer and its agents, employees, contractors, subcontractors and other parties as designated by Buyer (collectively "Representatives") the right of entry to the Property at reasonable times until the date that is fifteen (15) days after the Date of Agreement (the "Inspection Deadline") for the purpose of conducting soils and geological investigation and testing for toxic or hazardous substances and other contamination. Such investigation shall be at Buyer's expense. If Buyer desires to terminate this Agreement as a result of its inspection, Buyer may do so by written notice to Seller given on or before the Inspection Deadline.

4.2 Buyer shall deliver advance written notice to the Seller of its intention to enter the Property to conduct activities pursuant to this Section 4 at least two (2) business days prior to any entry onto the Property. Such notice of entry shall include the proposed dates and times of such entry, and the nature, specific location and scope of any test, investigation, or other activity upon the Property. Seller and its representatives shall have the right to accompany and observe all of Buyer's and its Representatives' activities on the Property.

4.3 Buyer and its Representatives shall promptly notify the Seller of any discovery, spill, release, or discharge of any "Hazardous Materials", as defined in Section 7.4, on, under or about the Property which is discovered, encountered, or

results from or is related to the Buyer's or its Representatives' access to and/or use of the Property under this Agreement.

4.4 Buyer and its Representatives shall remove from the Property any wastes and Hazardous Materials used in or generated by the activities of Buyer or its Representatives on the Property no later than the date of completion of their environmental investigation activities and operations on the Property.

4.5 The Buyer shall be entitled to take possession and occupy the Property at any time following the opening of escrow upon the deposit of the full Purchase Price with the Escrow Agent. During such time, Buyer shall hold Seller harmless from claims or injuries of any type occurring as a result of said possession and occupancy.

5. ESCROW.

5.1 Agreement to Constitute Escrow Instructions. This Agreement shall constitute escrow instructions and a copy hereof shall be deposited with the Escrow Holder, defined in Section 5.2, for this purpose.

5.2 Escrow Holder. The escrow shall be opened with Title Company ("Escrow Holder"), within five (5) business days after the execution of this Agreement by Buyer and Seller depositing an executed copy or executed counterparts of this Agreement with Escrow Holder. This document shall be considered as the escrow instructions between the parties, with such further instructions as Escrow Holder requires in order to clarify the duties and responsibilities of Escrow Holder. If Escrow Holder shall require further escrow instructions, Escrow Holder shall promptly prepare such escrow instructions on its usual form for the purchase and sale of the Property upon the terms and provisions hereof. Provided such further escrow instructions are consistent with this Agreement, they shall be promptly signed by Buyer and Seller within five (5) business days after delivery thereof to each party. The further escrow instructions shall incorporate each and every term of this Agreement and shall provide that in the event of any conflict between the terms and conditions of this Agreement and such further escrow instructions, the terms and conditions of this Agreement shall control.

5.3 Close of Escrow. For the purposes of this Agreement, "Close of Escrow" shall be the date on which a grant deed for the Property in favor of Buyer is recorded in the Official Records of the Riverside County Recorder's Office. Provided all of Seller's and Buyer's obligations to be performed on or before Close of Escrow have been performed and all the conditions to the Close of Escrow set forth in this Agreement have been satisfied, escrow shall close as soon as possible, but in no event later than thirty (30) days after the Inspection Deadline ("Closing Date"). All risk of loss or damage with respect to the Property shall pass from Seller to Buyer at the Close of Escrow. Possession of the Property shall be delivered to Buyer upon the Close of Escrow.

5.4 Buyer Required to Deliver. On or before the Close of Escrow, Buyer shall deposit into escrow the following (properly executed and acknowledged, if applicable):

5.4.1 The Purchase Price;

5.4.2 Costs to be paid by Buyer under Section 5.9 below; and

5.4.3 All other documents contemplated by this Agreement and required by Escrow Holder to be deposited by Buyer to carry out this escrow.

5.5 Seller Required to Deliver. Before the Close of Escrow, Seller shall deposit into escrow the following:

5.5.1 A grant deed conveying the Property to Buyer, in the form attached hereto as Exhibit "B", duly executed by Seller and acknowledged (the "Grant Deed");

5.5.2 A California 593 certificate and a federal non-foreign affidavit with respect to Seller, if required by Escrow Holder; and

5.5.3 Any other documents contemplated by this Agreement or required by Escrow Holder or the Title Company to be deposited by Seller to carry out this escrow.

5.6 Conditions to the Close of Escrow. Escrow shall not close unless and until both parties have deposited with Escrow Holder all sums and documents required to be deposited as provided in this Agreement. The failure of a party to timely deposit any such sums and/or documents shall constitute a default by such party. Buyer's obligation to proceed with the transaction contemplated by this Agreement is subject to the satisfaction of all of the following conditions precedents, which are for the Buyer's benefit and may be waived only by Buyer:

5.6.1 Seller shall have performed all agreements to be performed by Seller hereunder;

5.6.2 As of the Close of Escrow, there shall have been no material adverse changes in the physical condition of the Property caused by Seller since Buyer's inspection; and

5.6.3 Title Company shall have issued or shall have committed to issue the Title Policy to Buyer, for the amount of the Purchase Price showing fee title to the Property to be vested in Buyer, subject only to the Approved Title Exceptions.

In the event that the conditions to Close of Escrow are not timely satisfied for a reason other than a default of Buyer or Seller under this Agreement, then upon termination of this Agreement, Escrow Holder shall promptly return to Buyer all funds (and all interest accrued thereon) and documents deposited by Buyer in escrow and to return to Seller all funds and documents deposited by Seller in escrow and which are held by Escrow Holder on the date of the termination, less in the case of the party

otherwise entitled to such funds, however, the amount of any cancellation charges required to be paid by such party under Section 5.11 below.

5.7 Recordation of Grant Deed; Delivery of Funds. Upon receipt of the funds and instruments described in this Section 5, Escrow Holder shall cause the Grant Deed to be recorded in the office of the County Recorder of Riverside County, California. Thereafter, Escrow Holder shall deliver the proceeds of this escrow (less appropriate charges) to Seller.

5.8 Prorations. All real and personal property taxes and assessments shall be prorated between Buyer and Seller as of the Close of Escrow, which in the case of taxes and assessments shall be based on the latest available tax information. Any supplemental or escape real estate taxes and assessments, if any, on the Property attributable to the period prior to the Close of Escrow shall be paid by Seller outside of the escrow. All prorations shall be determined on the basis of a 360-day year.

5.9 Costs of Escrow.

5.9.1 Seller shall pay:

- (a) The premium for the ALTA Standard Title Policy;
- (b) One-half (1/2) of the escrow fees; and
- (c) Any other closing costs or charges not expressly provided for herein and customarily paid by a Seller of real property in Riverside County, California.

5.9.2 Buyer shall pay:

- (a) One-half (1/2) of the escrow fees;
- (b) The cost of recording the Grant Deed, if any;
- (c) The cost of documentary transfer taxes in connection with the recordation of the Grant Deed, if any;
- (d) The excess cost of extended title insurance coverage (including any survey), if Buyer has elected to obtain extended coverage; and
- (e) Any other closing costs or charges not expressly provided for herein and customarily paid by a Buyer of real property in Riverside County, California.

5.10 Broker's Commission. Seller represents and warrants to Buyer that it has worked with no other real estate broker except Kosmont Realty Corporation ("Seller's Broker") and Buyer represents and warrants that it has worked with no real estate

broker. Through escrow, Seller shall pay the sales commission to Seller's Broker, computed in the amount of 4% of the Purchase Price.

5.11 Escrow Cancellation Charges. In the event that his escrow shall fail to close by reason of the default of either party hereunder, the defaulting party shall be liable for all escrow and title cancellation charges. In the event that the escrow shall fail to close for any other reason, each party shall pay one-half (1/2) of all escrow and title cancellation charges.

6. PHYSICAL DAMAGE OR DESTRUCTION.

6.1 If prior to the Close of Escrow, any material portion of the Property is physically damaged or destroyed due to any cause, natural or otherwise, including without limitation due to (i) fire or flooding, (ii) any destructive seismic or geological conditions such as an earthquake or tremor, subsidence, or unstable subsurface conditions; or (iii) a condition arising from discharge of Hazardous Materials or other violation of any Environmental Laws, Seller shall immediately notify Buyer of such fact. In such event, Buyer shall have the option, in its sole and absolute discretion, to terminate this Agreement upon written notice to Seller given not later than ten (10) business days after receipt of Seller's notice. If Buyer does not exercise this option to terminate this Agreement, neither party shall have the right to terminate this Agreement, but the Seller shall assign and turn over, and the Buyer shall be entitled to receive and keep, insurance proceeds paid by Seller's insurer in connection with such damage or destruction, and the parties shall proceed to the Close of Escrow pursuant to the terms hereof, without modification of the terms of this Agreement and without any reduction in the Purchase Price.

7. CONDITION OF PROPERTY: "AS-IS" SALE; INDEMNITY AND RELEASE.

7.1 There are no representations or warranties of any kind whatsoever, express or implied, made by Seller, including, without limitation, any representation or warranty concerning the potential use, development or physical condition of the Property (including the presence of any hazardous or toxic substances or the structural condition of any improvements) or any income, expenses, or any other matter or thing arising or related to the Property. Except as otherwise provided for herein, the purchase of the Property hereunder is and will be made on an "AS IS AND WITH ALL FAULTS" basis. Seller shall not be required to make any repairs, alterations or improvements to the Property. The Buyer shall fully investigate the Property, including, but not limited to, analysis of soils and hazardous materials, zoning and use issues and other matters which a prudent purchaser would deem necessary, and in the event Buyer shall purchase the Property, Buyer will be relying entirely on its own investigation of the Property.

7.2 BUYER HEREBY WAIVES ITS RIGHT TO RECOVER FROM AND FULLY AND IRREVOCABLY RELEASES SELLER, AND ITS OFFICERS, BOARD MEMBERS, EMPLOYEES, REPRESENTATIVES, AGENTS AND CONTRACTOR'S (COLLECTIVELY, THE "RELEASED PARTIES") FROM ANY AND ALL CLAIMS, RESPONSIBILITY AND/OR LIABILITY THAT BUYER MAY NOW HAVE OR HEREAFTER ACQUIRE AGAINST ANY OF THE RELEASED PARTIES FOR ANY COSTS, LOSSES, LIABILITIES, DAMAGES, EXPENSES, CLAIMS, DEMANDS, ACTION OR CAUSE OF ACTION ARISING FROM HAZARDOUS MATERIALS IN, ON OR UNDER THE PROPERTY. THIS RELEASE INCLUDES CLAIMS OF WHICH BUYER IS PRESENTLY UNAWARE OR WHICH BUYER DOES NOT PRESENTLY SUSPECT TO EXIST WHICH, IF KNOWN BY BUYER, WOULD MATERIALLY AFFECT BUYER'S RELEASE OF THE RELEASED PARTIES. IF THE PROPERTY IS NOT IN A CONDITION SUITABLE FOR THE INTENDED USE OR USES, THEN IT IS THE SOLE RESPONSIBILITY AND OBLIGATION OF BUYER TO TAKE SUCH ACTION AS MAY BE NECESSARY TO PLACE THE PROPERTY IN A CONDITION SUITABLE FOR DEVELOPMENT.

THE BUYER HEREBY ACKNOWLEDGES THAT IT HAS READ AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH IS SET FORTH BELOW:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

BY INITIALING BELOW, BUYER HEREBY WAIVES THE PROVISIONS OF SECTION 1542 SOLELY IN CONNECTION WITH THE MATTERS WHICH ARE THE SUBJECT OF THE FOREGOING WAIVERS AND RELEASES.

Buyer's Initials

The waivers and releases by Buyer herein contained shall survive the Close of Escrow and the recordation of the Grant Deed and shall not be deemed merged into the Grant Deed upon its recordation.

7.3 Buyer shall defend, indemnify and hold Seller harmless from and against any and all claims, losses, damages, costs and expenses arising from or relating to the presence of hazardous materials in, on or under the Property and this Section 7.3 shall survive the Close of Escrow and the recordation of the Grant Deed.

7.4 The term "Hazardous Materials" shall mean and include the following, including mixtures thereof: any hazardous substance, pollutant, contaminate, waste,

by-product, or constituent regulated under the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 et. seq.; oil and petroleum products and natural gas, natural gas liquids, liquefied natural gas and synthetic gas usable for fuel; pesticides regulated under the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. Section 136 et seq.; asbestos and asbestos-containing materials, PCBs and other substances regulated under the Toxic Substances Control Act 15 U.S.C. Section 2601 et. seq.; source material, special nuclear material, by-product material and any other radioactive materials or radioactive wastes, however produced, regulated under the Atomic Energy Act or the Nuclear Waste Policy Act of 1982; chemicals subject to the O.S.H.A. Hazard Communication Standard, 29 C.F.R. Section 1910.1200 et. seq.; industrial process and pollution control wastes, whether or not hazardous within the meaning of the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et. seq.; any substance defined as a "hazardous substance" in California Civil Code Section 2929.5 (e)(2) or California Code of Civil Procedure Section 736(f)(3); and any other substance or material regulated by any Environmental Laws, defined below.

7.5 The term "Environmental Laws" shall mean and include all federal, state and local statutes, ordinances, regulations and rules in effect on or prior to the date hereof relating to environmental quality, health, safety, contamination and clean-up, including, without limitation, the Clean Air Act, 42 U.S.C. Section 7401 et. seq.; the Clean Water Act 33 U.S.C. Section 1251 et. seq.; and the Water Quality Act of 1987; the Federal Insecticide, Fungicide and Rodenticide Act 7 U.S.C. Section 136 et. seq.; the Marine Protection Research and Sanctuaries Act, 33 U.S.C. Section 1401 et. seq.; the National Environmental Policy Act, 42 U.S.C. Section 4321 et. seq.; the Noise Control Act, 42 U.S.C. Section 4901 et. seq.; the Occupational Safety and Health Act, 29 U.S.C. Section 651 et. seq.; the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et. seq.; as amended by the Hazardous and Solid Waste Amendments of 1984; the Safe Drinking Water Act, 42 U.S.C. Section 300(f) et. seq.; the Comprehensive Environmental Response, Compensation and Liability Act 42 U.S.C. Section 9601 et. seq.; as amended by the Superfund Amendments and Reauthorization Act, the Emergency Planning and Community Right-to-Know Act and the Radon Gas and Indoor Air Quality Research Act; the Toxic Substances Control Act 15 U.S.C. Section 2601 et. seq.; the Atomic Energy Act, 42 U.S.C. Section 2011 et. seq.; and the Nuclear Waste Policy Act of 1982, 42 U.S.C. Section 10101 et. seq.; and state and local environmental statutes and ordinances, and implementing regulations and rules.

8. INCORPORATION OF EXHIBITS. All exhibits attached hereto and referred to herein are incorporated in this Agreement as though fully set forth herein.

9. ATTORNEY'S FEES. In any action between Buyer and Seller seeking enforcement of any of the terms and provision of this Agreement, or in connection with the Property, the prevailing party in such action shall be awarded, in addition to

damages, injunctive or other relief, its reasonable costs and expenses, not limited to taxable costs, reasonable attorney's fees and reasonable fees of expert witnesses.

10. NOTICES. All notices, requests, demands and other communication given or required to be given hereunder shall be in writing and sent by first class United States registered or certified mail, postage prepaid return receipt requested, or sent by a nationally recognized courier service such as Federal Express, duly address to the parties as follows:

To Seller: Successor Agency to Norco Community
Redevelopment Agency
2870 Clark Avenue
Norco CA 92860
Attention: Chair (of Successor Agency)

To Buyer: City of Norco
2870 Clark Avenue
Norco CA 92860
Attention: City Manager, Andy Okoro

Delivery of any notice or other communication hereunder shall be deemed made on the date indicated in the return receipt or courier's records as the date of delivery or as the date of first attempted delivery, if sent by mail or courier service. Any party may change its address for purposes of this Section by giving notice to the other party as herein provided.

11. ASSIGNMENT. Neither this Agreement nor any interest herein may be assigned by either party without the prior written consent of the other party.

12. BINDING EFFECT. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, and their successors and assigns.

13. ENTIRE AGREEMENT. This Agreement contains all of the agreements of the parties hereto with respect to the matters contained herein, and all prior or contemporaneous agreements or understandings, oral or written, pertaining to any such matters are merged herein and shall not be effective for any purpose. No provision of this Agreement may be amended, supplemented or in any way modified except by an agreement in writing signed by the parties hereto or their respective successors in interest and expressly stating that it is an amendment of this Agreement.

14. HEADINGS. The headings of this Agreement are for purposes of reference only and shall not limit or define the meaning of the provisions of this Agreement.

15. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument.

16. EMAIL DELIVERY. This executed Agreement (and executed counterparts of this Agreement), may be delivered by email.

17. TIME OF THE ESSENCE. Time is of the essence of this Agreement.

18. THIRD PARTIES. Nothing contained in this Agreement, expressed or implied, is intended to confer upon any person, other than the parties hereto and their successors and assigns, any rights or remedies under or by reason of this Agreement.

19. SEVERABILITY. If any of or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein, unless such invalidity, illegality or unenforceability materially affects the economic terms of the transactions contemplated by this Agreement or the ability of either party to perform its obligations under this Agreement. In such case, either party may terminate this Agreement and the escrow upon written notice to the other party given no later than ten (10) business days after the party giving such notice becomes aware of such invalidity, illegality or unenforceability. In the event of such termination, all funds deposited with Escrow Holder by Buyer and any interest accrued thereon shall be returned to Buyer.

20. ADDITIONAL DOCUMENTS. Each party hereto agrees to perform any further acts and to execute, acknowledge and deliver any further documents that may be reasonably necessary to carry out the provisions of this Agreement.

21. EXECUTIVE DIRECTOR AUTHORITY. The Executive Director of Seller shall have the authority to reasonably extend deadlines in this Agreement provided the extension(s) is in writing.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

BUYER:

City of Norco
A Municipal Corporation

By: _____

Printed Name: _____

Title: _____

SELLER:

Successor Agency to Norco Community
Redevelopment Agency

By: _____

Printed Name: _____

Title: _____

EXHIBIT "A"

LEGAL DESCRIPTION OF THE PROPERTY

Real property in the City of Norco, County of Riverside, State of California, described as follows:

PARCEL 2 OF PARCEL MAP NO. 27744, AS SHOWN BY MAP ON FILE IN BOOK 180, PAGES 54 AND 55 OF PARCEL MAPS ON FILE IN THE OFFICE OF THE COUNTY RECORDER OF RIVERSIDE COUNTY, CALIFORNIA.

APN: 126-120-038

EXHIBIT "B"
FORM OF GRANT DEED

[attached]

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO
(AND SEND TAX STATEMENTS TO):

City of Norco
2870 Clark Avenue
Norco CA 92860

APN: 126-120-038

(SPACE ABOVE FOR RECORDER'S USE ONLY)

GRANT DEED

THE UNDERSIGNED GRANTOR DECLARES AS FOLLOWS:

The undersigned declares that this Grant Deed is exempt from Recording Fees pursuant to California Government Code Section 27383.

Documentary Transfer Tax is \$ _____.

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the SUCCESSOR AGENCY TO NORCO COMMUNITY REDEVELOPMENT AGENCY ("**Grantor**") hereby grants to CITY OF NORCO ("**Grantee**") the land located in the County of Riverside, State of California, more particularly described on **Exhibit A** attached hereto and incorporated herein by reference and all improvements thereon (collectively, the "Property").

SUBJECT TO:

General and special real property taxes and assessments for the current fiscal year;

All liens, encumbrances, easements, covenants, conditions and restrictions of record; and

All matters which would be revealed or disclosed in an accurate ALTA survey of the Property.

IN WITNESS WHEREOF, Grantor has executed this Grand Deed as of the date set forth below.

Dated: _____, 2016

Successor Agency to Norco Community
Redevelopment Agency

By: _____

Print Name: _____

Title: _____

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

State of California)
County of Riverside)

On _____, before me, _____
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature _____

(Seal)

Exhibit A
To Grant Deed

LEGAL DESCRIPTION

PARCEL 2 OF PARCEL MAP NO. 27744, AS SHOWN BY MAP ON FILE IN BOOK 180, PAGES 54 AND 55 OF PARCEL MAPS ON FILE IN THE OFFICE OF THE COUNTY RECORDER OF RIVERSIDE COUNTY, CALIFORNIA.

APN: 126-120-038

RESOLUTION NO. 2016-13

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NORCO, CALIFORNIA, APPROVING A PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS BY AND BETWEEN THE CITY OF NORCO AND PAUL BLANCO'S GOOD CAR COMPANY INLAND EMPIRE FOR THE SALE OF 1.63 ACRES OF VACANT REAL PROPERTY, APN 126-120-038, LOCATED ON FOUR WHEEL DRIVE IN NORCO CALIFORNIA

WHEREAS, the City proposes to acquire 1.63 acres of vacant real property APN 126-120-038 located on Four Wheel Drive in the City of Norco, California from the Successor Agency to the former Redevelopment Agency for \$805,000; subject to the approval of the Successor Agency Oversight Board; and

WHEREAS, Paul Blanco's Good Car Company Inland Empire ("Paul Blanco") has entered into a lease agreement with Bob Hemborg for the lease of 2000 Hamner Avenue, in the City of Norco California for the purpose of establishing a major used car dealership in Norco capable of generating over \$300,000 annually in in City sales tax revenue and creating significant employment in the City; and

WHEREAS, Paul Blanco has expressed commitment for long-term dealership in Norco which may include expansion of its used car dealership with new car dealership provided, however, the City is able to assist Paul Blanco with property acquisition to meet additional space needs; and

WHEREAS, the City Council has conducted a Public Hearing pursuant to Assembly Bill 562 as codified in Government Code Section 53083 on the terms of the Agreement to provide economic subsidy to Paul Blanco; and

WHEREAS, the City has considered all the terms and conditions of the proposed Agreement and finds that it serves the public interest of the City of Norco.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Norco, California, does hereby approve the Purchase and Sale Agreement and Escrow Instructions by and between the City of Norco and Paul Blanco's Good Car Company Inland Empire.

PASSED AND ADOPTED by the City Council of the City of Norco at a regular meeting held March 16, 2016.

Kevin Bash, Mayor
City of Norco, California

ATTEST:

Cheryl L. Link, CMC, City Clerk
City of Norco, California

I, Cheryl L. Link, City Clerk of the City of Norco, California, do hereby certify that the foregoing Resolution was adopted by the City Council of the City of Norco, California, at a regular meeting held on March 16, 2016 by the following vote of the City Council:

AYES:
NOES:
ABSENT:
ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Norco, California, on March 16, 2016.

Cheryl L. Link, CMC, City Clerk
City of Norco, California

AGREEMENT FOR PURCHASE AND SALE AND ESCROW INSTRUCTIONS

THIS AGREEMENT FOR PURCHASE AND SALE AND ESCROW INSTRUCTIONS (the "Agreement") is dated as of march 16, 2016 (the "Date of Agreement"), and is entered into by and between the CITY OF NORCO, a municipal corporation (the "Seller") and PAUL BLANCO'S GOOD CAR COMPANY INLAND EMPIRE, a California corporation (the "Buyer"), for acquisition by Buyer of certain real property as described below.

RECITALS

A. Seller is the owner of the property located near Hamner Avenue and West Four Wheel Drive within the City of Norco, California, known as Assessor Parcel Number 126-120-038, which parcel is approximately 1.63 acres, is primarily unimproved and as more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference (the "Property").

B. Buyer desires to purchase the Property from Seller and Seller desires to sell the Property to Buyer.

NOW, THEREFORE, for valuable consideration, and subject to all terms and conditions hereof, the Buyer and the Seller hereby agree as follows:

1. CONDITION PRECEDENT. The effectiveness of this Agreement is conditioned upon the approval of the Oversight Board of the Successor Agency to the Norco Community Redevelopment Agency (the "Oversight Board") of the Agreement for Purchase and Sale and Escrow Instructions by and between the Successor Agency to the Norco Community Redevelopment Agency and the City of Norco.

2. PURCHASE PRICE AND CONDITIONS.

2.1 Sale and Purchase. Seller agrees to sell the Property to Buyer and Buyer agrees to purchase the Property upon the terms and conditions set forth herein.

2.2 Purchase Price. The purchase price ("Purchase Price") for the Property shall be EIGHT HUNDRED FIVE THOUSAND AND NO/100 DOLLARS (\$805,000.00).

a) Loan Terms.

- 1) Ten (10) years.
- 2) Down Payment: \$-0-
- 3) Interest Rate: 2% on remaining principal during first five (5) years; and 3% on remaining principal during the last five (5) years.
- 4) In the event that City loan has not been retired in the first five (5) years through sales tax credits, an installment payment will be required on a monthly basis until the entire loan is repaid.
- 5) No subordination – in the event that Paul Blanco's Good Car Company elects to construct a new building on the vacant parcel acquired from the City, the remaining balance of City loan must be immediately paid by Paul Blanco's Good Car Company. If this happens in the first five (5) years, any sales tax credit earned by Paul Blanco's Good Car Company will be converted into cash payment annually in the amount equivalent to the credit that would have been applied to the loan.

2.3 Sales Tax Credit. The amount of sales tax credits to Paul Blanco's Good Car Company will be based on the actual annual total sales tax revenues paid and received by the City from Paul Blanco's Good Car Company operations in the City pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law (Revenue and Taxation Code Section 7200 et seq.), as amended, any successor laws or amendments thereto that arises from, including but not limited to, taxable sales and services. All sales taxes are collected by the State Board of Equalization with a local tax rate of 1% (City share) apportioned back to the City./ City share of sales tax revenue shall not include any local add-on calculated pursuant to the following schedule based on the total actual annual sales from Paul Blanco's Good Car Company operations in the City of Norco:

First \$200,000 of city's Share of Sale Tax Revenue: No Credit (City: \$200,000).

Next \$100,000 of City's Share of Sales Tax Revenue: 100% Credit to Paul Blanco.

Balance of Sales City's Share of Tax Revenue (amount in excess of \$300,000 annually); 50% Credit (50/50 split).

3. TITLE.

3.1 General. Title to the Property shall be conveyed by grant deed and shall be evidenced by a CLTA Standard Coverage Form of Owner's Policy of Title Insurance ("Title Policy"), the cost of which shall be borne by Seller, issued by North American

Title Company, Attention Erin Tweedy, Senior Commercial Escrow Officer, 6 Hutton Center Drive, Suite 550, Santa Ana, California 92707, (949) 419-9450 phone ("Title Company"), with liability in the full amount of the Purchase Price, insuring title to the Property as vested in Buyer, free and clear of all liens and encumbrances and other matters affecting title to the Property.

3.2 Acts After Date of Agreement. During the period from the date of this Agreement through Close of Escrow, Seller shall not record, or file for record or permit to be recorded or filed for record any document or instrument which will affect the title to or use of the Property without the prior written consent of Buyer, which consent shall not be unreasonably withheld.

3.3 Option for ALTA Coverage. Buyer shall have the option of obtaining an ALTA Extended Coverage Form Policy of Title or an ALTA Standard Coverage Form Owners Policy of Title Insurance. In such event, Buyer shall, at its sole expenses, procure and pay for the extended coverage and obtain and pay for any required survey in that regard (the "Survey").

4. RIGHT OF ENTRY.

4.1 Seller hereby grants Buyer and its agents, employees, contractors, subcontractors and other parties as designated by Buyer (collectively "Representatives") the right of entry to the Property at reasonable times until the date that is fifteen (15) days after the Date of Agreement (the "Inspection Deadline") for the purpose of conducting soils and geological investigation and testing for toxic or hazardous substances and other contamination. Such investigation shall be at Buyer's expense. If Buyer desires to terminate this Agreement as a result of its inspection, Buyer may do so by written notice to Seller given on or before the Inspection Deadline.

4.2 Buyer shall deliver advance written notice to the Seller of its intention to enter the Property to conduct activities pursuant to this Section 4 at least two (2) business days prior to any entry onto the Property. Such notice of entry shall include the proposed dates and times of such entry, and the nature, specific location and scope of any test, investigation, or other activity upon the Property. Seller and its representatives shall have the right to accompany and observe all of Buyer's and its Representatives' activities on the Property.

4.3 Buyer and its Representatives shall promptly notify the Seller of any discovery, spill, release, or discharge of any "Hazardous Materials", as defined in Section 7.4, on, under or about the Property which is discovered, encountered, or results from or is related to the Buyer's or its Representatives' access to and/or use of the Property under this Agreement.

4.4 Buyer and its Representatives shall remove from the Property any wastes and Hazardous Materials used in or generated by the activities of Buyer or its

Representatives on the Property no later than the date of completion of their environmental investigation activities and operations on the Property.

5. ESCROW.

5.1 Agreement to Constitute Escrow Instructions. This Agreement shall constitute escrow instructions and a copy hereof shall be deposited with the Escrow Holder, defined in Section 5.2, for this purpose.

5.2 Escrow Holder. The escrow shall be opened with Title Company (“Escrow Holder”), within five (5) business days after the execution of this Agreement by Buyer and Seller depositing an executed copy or executed counterparts of this Agreement with Escrow Holder. This document shall be considered as the escrow instructions between the parties, with such further instructions as Escrow Holder requires in order to clarify the duties and responsibilities of Escrow Holder. If Escrow Holder shall require further escrow instructions, Escrow Holder shall promptly prepare such escrow instructions on its usual form for the purchase and sale of the Property upon the terms and provisions hereof. Provided such further escrow instructions are consistent with this Agreement, they shall be promptly signed by Buyer and Seller within five (5) business days after delivery thereof to each party. The further escrow instructions shall incorporate each and every term of this Agreement and shall provide that in the event of any conflict between the terms and conditions of this Agreement and such further escrow instructions, the terms and conditions of this Agreement shall control.

5.3 Close of Escrow. For the purposes of this Agreement, “Close of Escrow” shall be the date on which a grant deed for the Property in favor of Buyer is recorded in the Official Records of the Riverside County Recorder’s Office. Provided all of Seller’s and Buyer’s obligations to be performed on or before Close of Escrow have been performed and all the conditions to the Close of Escrow set forth in this Agreement have been satisfied, escrow shall close as soon as possible, but in no event later than thirty (30) days after the Inspection Deadline (“Closing Date”). All risk of loss or damage with respect to the Property shall pass from Seller to Buyer at the Close of Escrow. Possession of the Property shall be delivered to Buyer upon the Close of Escrow.

5.4 Buyer Required to Deliver. On or before the Close of Escrow, Buyer shall deposit into escrow the following (properly executed and acknowledged, if applicable):

5.4.1 The Purchase Price;

5.4.2 Costs to be paid by Buyer under Section 5.9 below; and

5.4.3 All other documents contemplated by this Agreement and required by Escrow Holder to be deposited by Buyer to carry out this escrow.

5.5 Seller Required to Deliver. Before the Close of Escrow, Seller shall deposit into escrow the following:

5.5.1 A grant deed conveying the Property to Buyer, in the form attached hereto as Exhibit "B", duly executed by Seller and acknowledged (the "Grant Deed");

5.5.2 A California 593 certificate and a federal non-foreign affidavit with respect to Seller, if required by Escrow Holder; and

5.5.3 Any other documents contemplated by this Agreement or required by Escrow Holder or the Title Company to be deposited by Seller to carry out this escrow.

5.6 Conditions to the Close of Escrow. Escrow shall not close unless and until both parties have deposited with Escrow Holder all sums and documents required to be deposited as provided in this Agreement. The failure of a party to timely deposit any such sums and/or documents shall constitute a default by such party. Buyer's obligation to proceed with the transaction contemplated by this Agreement is subject to the satisfaction of all of the following conditions precedents, which are for the Buyer's benefit and may be waived only by Buyer:

5.6.1 Seller shall have performed all agreements to be performed by Seller hereunder;

5.6.2 As of the Close of Escrow, there shall have been no material adverse changes in the physical condition of the Property caused by Seller since Buyer's inspection; and

5.6.3 Title Company shall have issued or shall have committed to issue the Title Policy to Buyer, for the amount of the Purchase Price showing fee title to the Property to be vested in Buyer, subject only to the Approved Title Exceptions.

In the event that the conditions to Close of Escrow are not timely satisfied for a reason other than a default of Buyer or Seller under this Agreement, then upon termination of this Agreement, Escrow Holder shall promptly return to Buyer all funds (and all interest accrued thereon) and documents deposited by Buyer in escrow and to return to Seller all funds and documents deposited by Seller in escrow and which are held by Escrow Holder on the date of the termination, less in the case of the party otherwise entitled to such funds, however, the amount of any cancellation charges required to be paid by such party under Section 5.11 below.

5.7 Recordation of Grant Deed; Delivery of Funds. Upon receipt of the funds and instruments described in this Section 5, Escrow Holder shall cause the Grant Deed to be recorded in the office of the County Recorder of Riverside County, California. Thereafter, Escrow Holder shall deliver the proceeds of this escrow (less appropriate charges) to Seller.

5.8 Prorations. All real and personal property taxes and assessments shall be prorated between Buyer and Seller as of the Close of Escrow, which in the case of taxes and assessments shall be based on the latest available tax information. Any supplemental or escape real estate taxes and assessments, if any, on the Property attributable to the period prior to the Close of Escrow shall be paid by Seller outside of the escrow. All prorations shall be determined on the basis of a 360-day year.

5.9 Costs of Escrow.

5.9.1 Seller shall pay:

- (a) The premium for the ALTA Standard Title Policy;
- (b) One-half (1/2) of the escrow fees; and
- (c) Any other closing costs or charges not expressly provided for herein and customarily paid by a Seller of real property in Riverside County, California.

5.9.2 Buyer shall pay:

- (a) One-half (1/2) of the escrow fees;
- (b) The cost of recording the Grant Deed, if any;
- (c) The cost of documentary transfer taxes in connection with the recordation of the Grant Deed, if any;
- (d) The excess cost of extended title insurance coverage (including any survey), if Buyer has elected to obtain extended coverage; and
- (e) Any other closing costs or charges not expressly provided for herein and customarily paid by a Buyer of real property in Riverside County, California.

5.10 Escrow Cancellation Charges. In the event that his escrow shall fail to close by reason of the default of either party hereunder, the defaulting party shall be liable for all escrow and title cancellation charges. In the event that the escrow shall fail to close for any other reason, each party shall pay one-half (1/2) of all escrow and title cancellation charges.

6. PHYSICAL DAMAGE OR DESTRUCTION.

6.1 If prior to the Close of Escrow, any material portion of the Property is physically damaged or destroyed due to any cause, natural or otherwise, including

without limitation due to (i) fire or flooding, (ii) any destructive seismic or geological conditions such as an earthquake or tremor, subsidence, or unstable subsurface conditions; or (iii) a condition arising from discharge of Hazardous Materials or other violation of any Environmental Laws, Seller shall immediately notify Buyer of such fact. In such event, Buyer shall have the option, in its sole and absolute discretion, to terminate this Agreement upon written notice to Seller given not later than ten (10) business days after receipt of Seller's notice. If Buyer does not exercise this option to terminate this Agreement, neither party shall have the right to terminate this Agreement, but the Seller shall assign and turn over, and the Buyer shall be entitled to receive and keep, insurance proceeds paid by Seller's insurer in connection with such damage or destruction, and the parties shall proceed to the Close of Escrow pursuant to the terms hereof, without modification of the terms of this Agreement and without any reduction in the Purchase Price.

7. CONDITION OF PROPERTY: "AS-IS" SALE; INDEMNITY AND RELEASE.

7.1 There are no representations or warranties of any kind whatsoever, express or implied, made by Seller, including, without limitation, any representation or warranty concerning the potential use, development or physical condition of the Property (including the presence of any hazardous or toxic substances or the structural condition of any improvements) or any income, expenses, or any other matter or thing arising or related to the Property. Except as otherwise provided for herein, the purchase of the Property hereunder is and will be made on an "AS IS AND WITH ALL FAULTS" basis. Seller shall not be required to make any repairs, alterations or improvements to the Property. The Buyer shall fully investigate the Property, including, but not limited to, analysis of soils and hazardous materials, zoning and use issues and other matters which a prudent purchaser would deem necessary, and in the event Buyer shall purchase the Property, Buyer will be relying entirely on its own investigation of the Property.

7.2 BUYER HEREBY WAIVES ITS RIGHT TO RECOVER FROM AND FULLY AND IRREVOCABLY RELEASES SELLER, AND ITS OFFICERS, BOARD MEMBERS, EMPLOYEES, REPRESENTATIVES, AGENTS AND CONTRACTOR'S (COLLECTIVELY, THE "RELEASED PARTIES") FROM ANY AND ALL CLAIMS, RESPONSIBILITY AND/OR LIABILITY THAT BUYER MAY NOW HAVE OR HEREAFTER ACQUIRE AGAINST ANY OF THE RELEASED PARTIES FOR ANY COSTS, LOSSES, LIABILITIES, DAMAGES, EXPENSES, CLAIMS, DEMANDS, ACTION OR CAUSE OF ACTION ARISING FROM HAZARDOUS MATERIALS IN, ON OR UNDER THE PROPERTY. THIS RELEASE INCLUDES CLAIMS OF WHICH BUYER IS PRESENTLY UNAWARE OR WHICH BUYER DOES NOT PRESENTLY SUSPECT TO EXIST WHICH, IF KNOWN BY BUYER, WOULD MATERIALLY AFFECT BUYER'S RELEASE OF THE RELEASED PARTIES. IF THE PROPERTY IS NOT IN A CONDITION SUITABLE FOR THE INTENDED USE OR USES, THEN IT IS THE SOLE RESPONSIBILITY AND OBLIGATION OF BUYER TO TAKE SUCH

ACTION AS MAY BE NECESSARY TO PLACE THE PROPERTY IN A CONDITION SUITABLE FOR DEVELOPMENT.

THE BUYER HEREBY ACKNOWLEDGES THAT IT HAS READ AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH IS SET FORTH BELOW:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.”

BY INITIALING BELOW, BUYER HEREBY WAIVES THE PROVISIONS OF SECTION 1542 SOLELY IN CONNECTION WITH THE MATTERS WHICH ARE THE SUBJECT OF THE FOREGOING WAIVERS AND RELEASES.

Buyer's Initials

The waivers and releases by Buyer herein contained shall survive the Close of Escrow and the recordation of the Grant Deed and shall not be deemed merged into the Grant Deed upon its recordation.

7.3 Buyer shall defend, indemnify and hold Seller harmless from and against any and all claims, losses, damages, costs and expenses arising from or relating to the presence of hazardous materials in, on or under the Property and this Section 7.3 shall survive the Close of Escrow and the recordation of the Grant Deed.

7.4 The term “Hazardous Materials” shall mean and include the following, including mixtures thereof: any hazardous substance, pollutant, contaminate, waste, by-product, or constituent regulated under the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 et. seq.; oil and petroleum products and natural gas, natural gas liquids, liquefied natural gas and synthetic gas usable for fuel; pesticides regulated under the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. Section 136 et seq.; asbestos and asbestos-containing materials, PCBs and other substances regulated under the Toxic Substances Control Act 15 U.S.C. Section 2601 et. seq.; source material, special nuclear material, by-product material and any other radioactive materials or radioactive wastes, however produced, regulated under the Atomic Energy Act or the Nuclear Waste Policy Act of 1982; chemicals subject to the O.S.H.A. Hazard Communication Standard, 29 C.F.R. Section 1910.1200 et. seq.; industrial process and pollution control wastes, whether or not hazardous within the meaning of the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et. seq.; any substance defined as a “hazardous substance” in California Civil Code Section 2929.5 (e)(2) or

California Code of Civil Procedure Section 736(f)(3); and any other substance or material regulated by any Environmental Laws, defined below.

7.5 The term "Environmental Laws" shall mean and include all federal, state and local statutes, ordinances, regulations and rules in effect on or prior to the date hereof relating to environmental quality, health, safety, contamination and clean-up, including, without limitation, the Clean Air Act, 42 U.S.C. Section 7401 et. seq.; the Clean Water Act 33 U.S.C. Section 1251 et. seq.; and the Water Quality Act of 1987; the Federal Insecticide, Fungicide and Rodenticide Act 7 U.S.C. Section 136 et. seq.; the Marine Protection Research and Sanctuaries Act, 33 U.S.C. Section 1401 et. seq.; the National Environmental Policy Act, 42 U.S.C. Section 4321 et. seq.; the Noise Control Act, 42 U.S.C. Section 4901 et. seq.; the Occupational Safety and Health Act, 29 U.S.C. Section 651 et. seq.; the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et. seq.; as amended by the Hazardous and Solid Waste Amendments of 1984; the Safe Drinking Water Act, 42 U.S.C. Section 300(f) et. seq.; the Comprehensive Environmental Response, Compensation and Liability Act 42 U.S.C. Section 9601 et. seq.; as amended by the Superfund Amendments and Reauthorization Act, the Emergency Planning and Community Right-to-Know Act and the Radon Gas and Indoor Air Quality Research Act; the Toxic Substances Control Act 15 U.S.C. Section 2601 et. seq.; the Atomic Energy Act, 42 U.S.C. Section 2011 et. seq.; and the Nuclear Waste Policy Act of 1982, 42 U.S.C. Section 10101 et. seq.; and state and local environmental statutes and ordinances, and implementing regulations and rules.

8. INCORPORATION OF EXHIBITS. All exhibits attached hereto and referred to herein are incorporated in this Agreement as though fully set forth herein.

9. ATTORNEY'S FEES. In any action between Buyer and Seller seeking enforcement of any of the terms and provision of this Agreement, or in connection with the Property, the prevailing party in such action shall be awarded, in addition to damages, injunctive or other relief, its reasonable costs and expenses, not limited to taxable costs, reasonable attorney's fees and reasonable fees of expert witnesses.

10. NOTICES. All notices, requests, demands and other communication given or required to be given hereunder shall be in writing and sent by first class United States registered or certified mail, postage prepaid return receipt requested, or sent by a nationally recognized courier service such as Federal Express, duly address to the parties as follows:

To Seller: City of Norco
2870 Clark Avenue
Norco CA 92860
Attention: Andy Okoro, City Manager

To Buyer: Paul Blanco's Good Car Company Inland Empire
3815 Florin Road
Sacramento, CA 95823

Delivery of any notice or other communication hereunder shall be deemed made on the date indicated in the return receipt or courier's records as the date of delivery or as the date of first attempted delivery, if sent by mail or courier service. Any party may change its address for purposes of this Section by giving notice to the other party as herein provided.

11. ASSIGNMENT. Neither this Agreement nor any interest herein may be assigned by either party without the prior written consent of the other party.

12. BINDING EFFECT. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, and their successors and assigns.

13. ENTIRE AGREEMENT. This Agreement contains all of the agreements of the parties hereto with respect to the matters contained herein, and all prior or contemporaneous agreements or understandings, oral or written, pertaining to any such matters are merged herein and shall not be effective for any purpose. No provision of this Agreement may be amended, supplemented or in any way modified except by an agreement in writing signed by the parties hereto or their respective successors in interest and expressly stating that it is an amendment of this Agreement.

14. HEADINGS. The headings of this Agreement are for purposes of reference only and shall not limit or define the meaning of the provisions of this Agreement.

15. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument.

16. EMAIL DELIVERY. This executed Agreement (and executed counterparts of this Agreement), may be delivered by email.

17. TIME OF THE ESSENCE. Time is of the essence of this Agreement.

18. THIRD PARTIES. Nothing contained in this Agreement, expressed or implied, is intended to confer upon any person, other than the parties hereto and their successors and assigns, any rights or remedies under or by reason of this Agreement.

19. SEVERABILITY. If any of or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein, unless such invalidity, illegality or unenforceability materially affects the economic terms of the transactions contemplated by this Agreement or the ability of either party to perform its obligations under this Agreement. In such case, either party may terminate this Agreement and the escrow upon written notice to the other party given no later than ten (10) business days after the party giving such notice becomes aware of such invalidity, illegality or unenforceability. In the event of such termination, all funds deposited with Escrow Holder by Buyer and any interest accrued thereon shall be returned to Buyer.

20. ADDITIONAL DOCUMENTS. Each party hereto agrees to perform any further acts and to execute, acknowledge and deliver any further documents that may be reasonably necessary to carry out the provisions of this Agreement.

21. EXECUTIVE DIRECTOR AUTHORITY. The Executive Director of Seller shall have the authority to reasonably extend deadlines in this Agreement provided the extension(s) is in writing.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

BUYER:

Paul Blanco's Good Car
Company Inland Empire

By: _____

Printed Name: _____

Title: _____

SELLER:

City of Norco, a Municipal Corporation

By: _____

Printed Name: _____

Title: _____

EXHIBIT "A"

LEGAL DESCRIPTION OF THE PROPERTY

Real property in the City of Norco, County of Riverside, State of California, described as follows:

PARCEL 2 OF PARCEL MAP NO. 27744, AS SHOWN BY MAP ON FILE IN BOOK 180, PAGES 54 AND 55 OF PARCEL MAPS ON FILE IN THE OFFICE OF THE COUNTY RECORDER OF RIVERSIDE COUNTY, CALIFORNIA.

APN: 126-120-038

EXHIBIT "B"
FORM OF GRANT DEED

[attached]

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO
(AND SEND TAX STATEMENTS TO):

City of Norco
2870 Clark Avenue
Norco CA 92860

APN: 126-120-038

(SPACE ABOVE FOR RECORDER'S USE ONLY)

GRANT DEED

THE UNDERSIGNED GRANTOR DECLARES AS FOLLOWS:

The undersigned declares that this Grant Deed is exempt from Recording Fees pursuant to California Government Code Section 27383.

Documentary Transfer Tax is \$ _____.

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the CITY OF NORCO ("**Grantor**") hereby grants to PAUL BLANCO'S GOOD CAR COMPANY ("**Grantee**") the land located in the County of Riverside, State of California, more particularly described on **Exhibit A** attached hereto and incorporated herein by reference and all improvements thereon (collectively, the "Property").

SUBJECT TO:

General and special real property taxes and assessments for the current fiscal year;

All liens, encumbrances, easements, covenants, conditions and restrictions of record; and

All matters which would be revealed or disclosed in an accurate ALTA survey of the Property.

IN WITNESS WHEREOF, Grantor has executed this Grand Deed as of the date set forth below.

Dated: _____, 2016

City of Norco, a Municipal Corporation

By: _____

Print Name: _____

Title: _____

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

State of California)
County of Riverside)

On _____, before me, _____
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature _____

(Seal)

Exhibit A
To Grant Deed

LEGAL DESCRIPTION

Real property in the City of Norco, County of Riverside, State of California, described as follows:

PARCEL 2 OF PARCEL MAP NO. 27744, AS SHOWN BY MAP ON FILE IN BOOK 180, PAGES 54 AND 55 OF PARCEL MAPS ON FILE IN THE OFFICE OF THE COUNTY RECORDER OF RIVERSIDE COUNTY, CALIFORNIA.

APN: 126-120-038

RESOLUTION NO. 2016-14

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NORCO, CALIFORNIA, APPROVING APPROPRIATION IN THE AMOUNT OF \$805,000 FROM SPECIAL ASSET REVENUE FUND FOR THE PURCHASE OF 1.63 ACRES OF VACANT REAL PROPERTY, APN 126-120-038, LOCATED ON FOUR WHEEL DRIVE IN NORCO CALIFORNIA

WHEREAS, the City proposes to acquire 1.63 acres of vacant real property APN 126-120-038 located on Four Wheel Drive in the City of Norco, California from the Successor Agency to the former Redevelopment Agency for \$805,000; subject to the approval of the Successor Agency Oversight Board; and

WHEREAS, it is necessary to appropriate funds from the City's Special Asset Revenue Fund in the amount of \$805,000 for the City's purchase of the subject property; and

WHEREAS, the City Council has approved a Purchase and Sale Agreement between the City and Paul Blanco's Good Car Company Inland Empire ("Paul Blanco") for the sale of the subject property for \$805,000; and

WHEREAS, the City will provide a loan in the amount of \$805,000 to Paul Blanco for the purchase of the subject property and Paul Blanco will execute a promissory note as part of the Purchase and Sale Agreement to repay the \$805,000 of City loan with interest ranging from 2-3% annually; and

WHEREAS, all loan repayment including principal interest and will be deposited into the City's Special Asset Revenue Fund; and

WHEREAS, the City will enter into Economic Incentive Agreement for sales tax sharing with Paul Blanco that among other terms, allows Paul Blanco to pay off part or all of City loan through sales tax credit; and

WHEREAS, the City Council has conducted a Public Hearing pursuant to Assembly Bill 562 as codified in Government Code Section 53083 on the terms of the agreement to provide economic subsidy to Paul Blanco; and

WHEREAS, the City has considered all the terms and conditions of the proposed agreement and finds that it serves the public interest of the City of Norco.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Norco, California, does hereby approve appropriation in the amount of \$805,000 from the City's Special Asset Revenue Fund for the purchase of 1.63 acres of Successor Agency vacant real property located on Four Wheel Drive, Norco, California

Resolution No. 2016-14
Page 2
March 16, 2016

PASSED AND ADOPTED by the City Council of the City of Norco at a regular meeting held March 16, 2016.

Kevin Bash, Mayor
City of Norco, California

ATTEST:

Cheryl L. Link, CMC, City Clerk
City of Norco, California

I, Cheryl L. Link, City Clerk of the City of Norco, California, do hereby certify that the foregoing Resolution was adopted by the City Council of the City of Norco, California, at a regular meeting held on March 16, 2016 by the following vote of the City Council:

AYES:
NOES:
ABSENT:
ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Norco, California, on March 16, 2016.

Cheryl L. Link, CMC, City Clerk
City of Norco, California