



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

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

CALL TO ORDER: 7:00 p.m.

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

PLEDGE OF ALLEGIANCE: Council Member Ted Hoffman

INVOCATION: Pastor Fred Griffin, Corona Church of the Open Doors

PROCLAMATION: Norco College 25th Anniversary

Mayor Bash presented the proclamation to Dr. Diane Dieckmeyer, Vice President of Public Affairs of Norco College, and Janet Green, Board of Trustees of Riverside Community College District.

RECOGNITIONS: Melanie Oliver, 2016 Woman of the Year – Assembly District 60

Mayor Bash presented a certificate of commendation to Ms. Oliver for her dedication and commitment to the youth at Highland Elementary.

Evita Tapia-Gonzalez, Riverside County Classified Administrator of the Year

Mayor Bash presented a certificate of appreciation to Ms. Tapia-Gonzalez and thanked her for her contributions to the community.

BUSINESS APPRECIATION HONOREE: Tractor Supply Company

Mayor Bash and Economic Development Advisory Council Chair Patrick Malone presented a certificate to Tractor Supply and thanked them for their investment in Norco.

CITY COUNCIL BUSINESS ITEMS AS FOLLOWS:

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

Council Member Hanna:

- Attended a Vector Control meeting and commented that there are reports of Zika Virus in Orange County.
- Attended a Riverside Transit Agency (RTA) meeting and reported that RTA celebrated 1,000 days of being accident free. He also commented that ridership continues to increase

Council Member Grundmeyer:

- Attended the Norco Girls Softball opening ceremonies on March 12th.
- Attended Norco College 25th Anniversary event on March 12th. Also attended the Riverside City College 100th Anniversary event on March 13th.
- Attended the League of California Cities Riverside Division General Meeting on March 14th.

Council Member Hoffman:

- Attended the League of California Cities Riverside Division General Meeting on March 14th.
- Toured the CR&R Anaerobic digester in the City of Perris as part of the Leads on Manure-to-Energy Committee.
- Attended a Riverside County Transportation Committee meeting on March 9th.
- Attended a quarterly meeting with the Navy meeting on March 9th
- Attended a Veterans Committee meeting and commented on the Welcome Home Vietnam Veterans Day Event on March 29 at 9:00 a.m. at the George Ingalls Veterans Memorial Plaza.

Mayor Pro Tem Newton:

- Attended the Youth Basketball Awards Ceremony on March 15th.

Mayor Bash:

- Attended Norco College 25th Anniversary Event on March 12th.
- Attended the League of California Cities Riverside Division General Meeting on March 14th.
- Commented that the Measure L project – homes in the La Sierra area of Riverside – is not moving forward at the moment.

2. CONSENT ITEMS:

City Clerk Cheryl Link requested that the Council pull item 2.C. to allow for public comments.

M/S BASH/NEWTON 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 March 2, 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. Recap of Actions Taken by the Planning Commission at its Meeting Held on March 9, 2015. **Pulled for discussion.** (Planning Director)
 - D. Amendment of the Application for Use of the Horsetown USA Logo to Include the Use of the Horsetown USA Name. **Action: Received and filed.** (Deputy City Manager/Director of Parks, Recreation, and Community Services)
 - E. Domain Names, Fictitious Business Names or DBA's and Entity Name Reservations. **Action: To 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. **Action: Accepted the Sixth Street Gateway sign project as complete and authorized 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
- 2.C. Recap of Actions Taken by the Planning Commission at its Meeting Held on March 9, 2015. (Planning Director)

Cindy Kindred commented that she and her husband have lived in Norco for over 40 years. Recently, she became involved with item 4.C., the Conditional Use Permit for Verizon for a wireless telecommunication facility at 3659 Corona Avenue. This location is just south of her property. The Planning Commission approved the Conditional Use Permit at their meeting last week and Ms. Kindred requested that the City Council appeal the action taken by the Planning Commission. Ms. Kindred expressed her concerns about possible health issues resulting from the installation of the telecommunication facility.

Valerie Burt commented that her property backs up to the proposed location for the telecommunication facility. Ms. Burt concurred with the comments made by Ms. Kindred.

M/S BASH/NEWTON to appeal Planning Commission Item 4.C. from the March 9, 2016 meeting. 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: None

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)

Deputy City Manager Brian Petree reported that 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 proposed Ordinance would prohibit the use of e-cigarettes and vapes in parks.

Deputy City Manager Petree stated that 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.

Council Member Hoffman asked if this proposed Ordinance is in line with the new state law. In response, City Attorney John Harper indicated that Hoffman the state law has not been approved yet.

Mr. Petree added that there is a subsection in the Municipal Code that allows for a designated area at Ingalls Parks for smoking.

In response to Mayor Pro Tem Newton, Deputy City Manager Petree indicated that this will be enforced in the same manner in which no smoking is enforced. The youth sports organizations have the no smoking rule in their policies and assist with enforcement. The Sheriff's Department assists as well.

Michelle Rodriguez spoke on her expertise on this issue. The proposed ordinance will generally reduce the amount of use.

Council Member Hoffman suggested posting no smoking signs that include no e-cigarettes and no vapes.

M/S BASH/NEWTON to adopt Ordinance No. 1001 for first reading and schedule the second reading for April 6, 2016. The motion was carried by the following roll call vote:

AYES: GRUNDMEYER, HANNA, HOFFMAN, NEWTON, BASH

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE

- 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*)

Economic Development Consultant Roger Grody reported that 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. Mr. Grody expressed that Paul Blanco's Good Car Company will provide new jobs in the community and revenue, which are essential to public funding.

Mayor Bash opened the public hearing indicating that proper notification had been made and asked for the appearance of those wishing to speak.

Karen Leonard expressed her concern that the previous businesses at that property have not been successful in the past. Ms. Leonard asked if the business were to close or go into default, how those issues would be addressed. She also expressed concerns that Paul Blanco's Good Car Company is entering this agreement without any funding.

With no one else wishing to speak, Mayor Bash closed the public hearing bringing the discussion back to the Council Members.

City Manager Okoro addressed some of the concerns raised. In regards to the concern that Paul Blanco's Good Car Company will not achieve success, the company is the second largest used car company in California and is significantly different than the previous two dealerships that occupied the property. The additional parking space on the property will allow Paul Blanco to sell as many cars as possible. Paul Blanco has significant experience

in other cities in California. City staff looked at Paul Blanco's financials and sales tax returns and feel confident of their success in Norco. In regards to the concern that Paul Blanco's Good Car Company is not bringing money to table, Mr. Okoro indicated that the company is making significant tenant improvements, buying new equipment, and other activities in order to open the business. If Paul Blanco should go out of business, the City will take possession of the property for resale.

Council Member Grundmeyer asked how many of the 65 new jobs proposed to be created by Paul Blanco are from the existing facility in Riverside and how many would be from Norco. In response, Mr. Grody indicated that the 65 jobs are new positions being created. Norco will be the flagship dealership in California and the primary site for reconditioning cars as well as setting up a call center.

Kevin Knox, representing Paul Blanco, spoke briefly about the structure of the company. The Norco dealership will be the center for reconditioning, call center, and sales. Paul Blanco's Good Car Company has outgrown its Riverside location and there are a greater number of positions versus the number of employees available.

In response to Mayor Pro Tem Newton, Ms. Blanco spoke on behalf of her husband stating that the primary resource to fill positions will be from Norco. Paul Blanco's Good Car Company prefers to hire local personnel.

Mayor Pro Tem Newton commented on past Council's mistakes but that Mr. Okoro has put together a great package and he and his staff have done their due diligence. Mr. Newton thanked Mr. Okoro for his forward thinking.

Council Member Grundmeyer expressed that this current Council is very cautious and thoughtful in their decision-making process and stated the need to weigh risk and reward.

M/S HANNA/BASH to adopt Resolution No. 2016-12, approving the attached report as presented City Council. The motion was carried by the following roll call vote:

AYES: GRUNDMEYER, HANNA, HOFFMAN, NEWTON, BASH

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE

6. DISCUSSION / ACTION ITEMS:

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

City Manager Andy Okoro reported that 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.

Mr. Okoro addressed another concern regarding why the City is acting as a bank. Mr. Okoro stated that this arrangement provides economic incentive, which is one of the tools available to attract development that enhances the City's economic base. Another concern raised was why the City did not take an offer from another dealership in town. Mr. Okoro stated that in making this decision, staff looked at the best economic value for the City. Also, based on the estimated revenue and job creation, staff believes this is the better option.

Karen Leonard commented on the dealership being the primary location for reconditioning and asked if the City should be looking into recovering some of the sales tax for the vehicles coming out of the Norco facility and being sold elsewhere. Ms. Leonard asked about the process of the Successor Agency selling the property to the City, which in turn is sold to Paul Blanco. Ms. Leonard said that eliminating the City in the process, it would save the City some brokerage costs. Mr. Okoro indicated that the sale from the Successor Agency to the City is subject to approval by the Oversight Board. If approved, the City can then sell the property. Mr. Harper indicated that there are no additional brokerage fees for the second transaction. Ms. Leonard expressed her concern that Paul Blanco is already in business. City Attorney Harper indicated that the dealership is leasing their property from Hemborg Ford.

M/S HANNA/BASH to 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. The motion was carried by the following roll call vote:

AYES: GRUNDMEYER, HANNA, HOFFMAN, NEWTON, BASH

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE

- 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)

City Manager Okoro presented that 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.

M/S BASH/HOFFMAN to adopt 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. The motion was carried by the following roll call vote:

AYES: GRUNDMEYER, HANNA, HOFFMAN, NEWTON, BASH

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE

M/S BASH/HOFFMAN to adopt 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. The motion was carried by the following roll call vote:

AYES: GRUNDMEYER, HANNA, HOFFMAN, NEWTON, BASH

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE

M/S BASH/HOFFMAN to adopt 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. The motion was carried by the following roll call vote:

AYES: GRUNDMEYER, HANNA, HOFFMAN, NEWTON, BASH

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE

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

Mayor Bash commented that in order to get to the point to install the solar panels, the Navy must go through a process. Mayor Bash expressed concern that the information submitted to the State Historic Preservation Officer has not been read. Mayor Bash said that he suspects it may be the same issue on the environmental side. Another concern Mayor Bash noted is that the photovoltaic project comparisons used by the Navy are not comparable to the Norco site.

Mayor Bash indicated that he would like to see the Fish and Game findings. He also requested a Council resolution in opposition of the photovoltaic project. Mayor Bash also wants to ask Congressman Calvert why he is voting against the incentives, and in favor of

the Norco Navy base project. Mayor Bash introduced Dr. Stan Tyler to provide information on solar panels.

Dr. Stan Tyler commented on his background in earth science and his experience as a college chemistry professor. Dr. Tyler stated that he attended a presentation at the Navy base about two years ago. His comments were based on the notes he had taken at that meeting. He reported statistics on fixed versus track panels, aviary mortalities, and comparisons to other projects. Dr. Tyler noted that at that time, the Navy was not sure how much electrical power they were going to generate from the panels, but that there would be no effect on ground life. He expressed his surprise to hear that no environmental impact report was done. Dr. Tyler talked about the migratory bird route and what is happening at other locations nearby. Dr. Tyler questioned what the Navy is willing to do to alleviate some of the problems.

There was some discussion between Council regarding what specifics Mayor Bash was requesting from the Council. Mayor Pro Tem Newton indicated that numerous letters have already been sent to various agencies and elected officials. Council Member Hoffman stated that he is accepting the Navy's report. Council Member Grundmeyer commented that she needs to do more research on information presented from both sides and asked for clarification from Mayor Bash. Council Member Hanna stated that it is the Navy's property and they have orders to install the project. Mr. Hanna said that he cannot support spending additional staff time preparing more letters and resolutions. Mayor Bash stated that a resolution may not help but can bring attention to the issue. Mayor Pro Tem Newton and Council Member Grundmeyer prefer to see a draft letter or resolution that the Council can review before making a decision.

7. CITY COUNCIL / CITY MANAGER / STAFF COMMUNICATIONS:

Sheriff Lt. Eric Briddick briefly reported to the Council on upcoming news and events. The Sheriff's Office uses Facebook as one way to keep residents informed. Lt. Briddick commented on the St. Patrick's Day safety tips available on Facebook. Also, there will be a DUI checkpoint on Saturday, March 19th in compliance with the Office of Traffic Safety grant. As of Monday, March 14th, the Sheriff's Office has reintroduced bicycle patrol into field operations. Bicycle patrol affords deputies more opportunities to interact with the public and can provide access to areas of the City where traditional patrol vehicles cannot maneuver.

ADJOURNMENT

Mayor Bash adjourned the meeting at 9:47 p.m.