AGENDA
CITY OF NORCO

CITY COUNCIL/COMMUNITY REDEVELOPMENT AGENCY
REGULAR MEETING
CITY COUNCIL CHAMBERS – 2820 CLARK AVENUE
OCTOBER 7, 2009

CALL TO ORDER:	6:00 p.m.
ROLL CALL:	Mayor Kathy Azevedo Mayor Pro Tem Malcolm Miller Council Member Frank Hall Council Member Berwin Hanna Council Member Richard L. MacGregor

THE CITY COUNCIL/CRA WILL RECESS TO CLOSED SESSION (SECTION 54954) TO CONSIDER MATTERS:

Section 54956.8 – Conference with Real Property Negotiator

Street Address or Parcel Number:	APNs 152-060-004-0; 152-060-011-6; 152-070-001-8; 152-070-002-9; & 152-070-011-7
Negotiating Parties:	Norco Redevelopment Agency, Kosmont Companies and Belstarr Sports Management, LLC
Points Under Negotiation:	Price and Terms of Payment

Section 54956.9 – Conference with Legal Counsel – Existing Litigation

NAME OF CASE:	Robbin Koziel *vs* City of Norco
RECONVENE PUBLIC SESSION:	7:00 p.m.
PLEDGE OF ALLEGIANCE:	Council Member Hall
INVOCATION:	Pastor Vernie Fletcher *Grace Fellowship Church*
PROCLAMATION:	National Disability Employment Awareness Month *Tracy Moreno, JFK Middle College* Brandon Sutherland *Life Boy Scout – Eagle Scout Project for Norco Animal Shelter*
COMMENDATIONS:	Corporal Steve Jordan Doug Norfolk

REGULAR COMMUNITY REDEVELOPMENT AGENCY (CRA) AGENDA AS FOLLOWS:

Next CRA Resolution No. 2009-18

1. CRA CONSENT CALENDAR 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 Agency, any public comments on any of the Consent Items will be heard. There will be no separate action unless Members of the Agency Board request specific items be removed from the Consent Calendar)*

   A. CRA Minutes, Regular Meeting of September 2, 2009. **Recommended Action: Approve the CRA Minutes** (City Clerk)

   B. Acceptance of Bids and Award of Contract for the Wee People Renovation Project. **Recommended Action: Accept the bids and award the contract to TSR Construction and Inspection of Rancho Cucamonga, California, in the amount of $42,400 for the Wee People Renovation Project and authorize the Interim Executive Director to approve change orders up to 10% of the original contract amount.** (Director of Parks, Recreation & Community Services)

2. OTHER CRA MATTERS:

ADJOURNMENT OF CRA:

REGULAR CITY COUNCIL AGENDA AS FOLLOWS:

Next Ordinance No. 912
Next Resolution No. 2009-67

3. CITY COUNCIL CONSENT CALENDAR 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. 6 of the Agenda)*

   A. City Council Minutes, Regular Meeting of September 2, 2009. **Recommended Action: Approve the City Council Minutes** (City Clerk)

   B. Planning Commission Action Minutes, Regular Meeting of September 30, 2009. **Recommended Action: Receive and File** (Planning Manager)

   C. Approval of Supplemental Agreement for the 2009-2010 Community Development Block Grant Program Year. **Recommended Action: Approve the Supplemental Agreement.** (Housing Manager)

D. Authorization for the Destruction of Certain City Records. **Recommended Action: Adopt Resolution No. 2009-___, authorizing the destruction of those certain City records.** (City Clerk)

E. Approval to Declare City Asset as Surplus Property. **Recommended Action: Declare a Police Motorcycle as Surplus and authorize staff to dispose of it through auction.** (Lieutenant Cooper)

F. Approval of Agreement with Norco Mounted Posse to Enforce Equestrian Trail Parking Regulations. **Recommended Action: Approve the Agreement.** (Lieutenant Cooper)

G. Acceptance of Bids and Award Contract for the Ingalls Park Grading, Phase I Project. **Recommended Action: Accept the bids and award the contract for the Ingalls Park Grading, Phase I Project to Robert Edmonson, Inc. dba Edmondson Construction in the amount of $977,864; authorize the City Manager to approve contract change orders up to 10 percent of the original contract amount; and authorize the approval of a change order in the amount of $173,506.28 to complete approximately one half of the grading for Phase II with the Phase I project.** (Director of Parks, Recreation & Community Services)

H. Acceptance of Bids and Award of Contract for the North Drive Traffic Calming Median and Street Improvements Project. **Recommended Action: Accept the bids and award the contract for the North Drive Traffic Calming Median and Street Improvements Project to S&S Grading and Paving, Inc. in the amount of $75,678.88 and authorize the City Manager to approve contract change orders up to 10 percent of the contract amount.** (Director of Public Works)

I. Acceptance of the Traffic Signal Improvements at the Intersection of Hamner Avenue and Citrus Avenue. **Recommended Action: Accept the traffic signal improvements as complete and instruct the City Clerk to file the Notice of Completion with the County Recorder's Office.** (Director of Public Works)

J. Authorization of DMC Design Group, Inc. to Proceed with Additional Engineering Services for the Second Street Widening Project (I-15 to Corona Avenue) **Recommended Action: Adopt Resolution No. 2009-____, authorizing DMC Design Group, Inc. to proceed with the additional engineering services required to complete the construction drawings for the Second Street Widening project between the I-15 Freeway and Corona Avenue; and appropriate $65,000 from the unallocated reserves in the Street Fund to complete the design services for the project.** (Director of Public Works)

K. Participation in Western Riverside Council of Governments AB 811 Program. **Recommended Action: (1) Adopt Resolution No. 2009-___, consenting to inclusion of properties within the City's incorporated area in the Western Riverside Council of Governments contractual assessment program to finance distributed generation renewable energy sources and energy efficiency improvements; and (2) Approve an Implementation Agreement between the Western Riverside Council of Governments an the City of Norco to implement AB 811.** (City Manager)

4. CITY COUNCIL PUBLIC HEARING:

A. General Plan Amendment 2009-01/City of Norco Draft Land Use Element

In conjunction with the updated Housing Element which is now in the state Office of Housing and Community Development for certification, the Land Use Element is also being updated to reflect new housing policies and programs from the Housing Element and other policies and programs that have been adopted through other avenues including the Strategic Plan. The Draft Land Use Element has been reviewed by the Planning Commission in workshop meetings and was recommended for adoption. The City Council has also reviewed the Draft Land Use Element. All changes and recommendations from the workshop meetings have been incorporated into the Land Use Element that is being recommended for adoption at this meeting.

Recommended Action: Approve the 2009 Land Use Element Update. (Planning Manager)

5. CITY COUNCIL ITEMS FOR ACTION:

A. Approval to Form a Joint Powers Authority to Fund Delinquencies in Community Facilities and Assessment Districts

In order to address the issue of rising delinquent Community Facilities Districts' (CFD'S) special taxes without initiating potential foreclosure litigation process, staff is recommending approval of a program through which the delinquent special taxes would be sold to a third party at full face value of the amount levied. This program will also eliminate the need for the City to draw from debt service reserve funds in order to meet periodic debt payment obligations.

Recommended Action: (1) Adopt Resolution No. 2009-__, authorizing the Execution of a Joint Exercise of Powers Agreement Establishing the California Finance Authority for Delinquent Special Taxes and Assessments; and (2) Adopt Resolution No. 2009-__, approving the Amendment of Certain Fiscal Agent Agreements of Bond Resolutions or Indentures and Approving the Sale, Assignment and Grant of Options for a Certain Delinquent Tax Receivable to the California Finance Authority for Delinquent Special taxes and Assessments and Authorizing Execution and Delivery of Related Documents and Actions. (Deputy City Manager/Director of Finance)

B. Conceptual Approval to a Proposed Detachment of Property from the City of Corona with Concurrent Annexation to the City of Norco

This is a recommendation that the City Council adopt a resolution stating its intent to support an annexation that would include a detachment of property from Corona once all of the requirements for the detachment and concurrent annexation to Norco have been fulfilled. This was initiated by the property owner who has received concurrence from Corona to process the needed applications, but there first needs to be an intent to support from Norco.

Recommended Action: Adopt Resolution No. 2009-___, stating intent to support a proposed detachment of property from the City of Corona with concurrent annexation to the City of Norco to allow the property owner to proceed with a needed parcel map application in the City of Corona and the boundary reorganization application with the Local Agency Formation Commission. (Planning Manager)

C. Acceptance of Parcel D, Assessor's Parcel Number (APN) 121-110-001-5

The State of California, Department of Corrections and the Rehabilitation and the United States of America have agreed to transfer Parcel D, APN 121-110-001-5, a 12.75 acre property located along Bluff Street, between Vine Avenue and River Road. The United States has agreed to quitclaim/transfer the property ("Grant Deed") to the City for public health benefit.

Recommended Action: Adopt Resolution No. 2009-___, approving the acceptance of Parcel D and authorize the City Attorney to record the grant deed. (Director of Public Works)

D. California Statewide Communities Development Authority Proposition 1A Receivable Financing Program

To ensure adequate cash flows necessary to pay for essential City services, staff is recommending that Council approve the City's participation in Proposition 1A financing program offered by California Statewide Communities Development Authority (CSCDA). This program provides a vehicle by which the City can receive in the current fiscal year 8% of the City's estimated allocation of property tax which the state legislature voted to borrow from the City to balance its budget. Through this program, the City will receive100% of the amount borrowed by the State during the current fiscal year. Without this program, the City would have to wait until June 30, 2013 to receive repayment from the State.

Recommended Action: Adopt Resolution No. 2009-____, approving the form of and authorizing the execution and delivery of a Purchase and Sale Agreement and related documents with respect to the sale of the Seller's Proposition 1A Receivable from the State; and directing and authorizing certain other actions in connection therewith. (Deputy City Manager/Director of Finance)

6. ITEMS PULLED FROM CITY COUNCIL CONSENT CALENDAR:

7. PUBLIC COMMENTS OR QUESTIONS - THIS IS THE TIME WHEN PERSONS IN THE AUDIENCE WISHING TO ADDRESS THE CITY COUNCIL REGARDING MATTERS NOT ON THE AGENDA MAY SPEAK. PLEASE BE SURE TO COMPLETE THE CARD IN THE BACK OF THE ROOM AND PRESENT IT TO THE CITY CLERK SO THAT YOU MAY BE RECOGNIZED.

8. OTHER MATTERS - COUNCIL OR STAFF:

9. ADJOURNMENT:

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's office, (951) 270-5623. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting (28 CFR 35.102-35.104 ADA Title II).

Staff reports are on file in the Office of the City Clerk. 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.

/bj-73108

MINUTES
CITY OF NORCO

CITY COUNCIL/COMMUNITY REDEVELOPMENT AGENCY
REGULAR MEETING
CITY COUNCIL CHAMBERS – 2820 CLARK AVENUE
SEPTEMBER 2, 2009

CALL TO ORDER: Mayor Azevedo called the meeting to order at 6:06 p.m.

ROLL CALL:
Mayor Kathy Azevedo, **Present**
Mayor Pro Tem Malcolm Miller, **Present**
Council Member Frank Hall, **Present**
Council Member Berwin Hanna, **Present**
Council Member Richard L. MacGregor, **Present**

Staff Present: Cooper, Grody, Groves, Jacobs, King, Okoro, Petree and Thompson

Deputy City Attorney Burns – **Present**

THE CITY COUNCIL/CRA RECESSED TO CLOSED SESSION (SECTION 54954) TO CONSIDER MATTERS:

Section 54956.9(b)(2)(A) – Conference with Legal Counsel - Anticipated Litigation
Number of Potential Cases: Unknown

RECONVENE PUBLIC SESSION: With no Closed Session Items to report, Mayor Azevedo reconvened the meeting at 7:04 p.m.

PLEDGE OF ALLEGIANCE: Mayor Pro Tem Miller

INVOCATION: Pastor Vernie Fletcher
Grace Fellowship Church

REGULAR COMMUNITY REDEVELOPMENT AGENCY (CRA) AGENDA AS FOLLOWS:

M/S Hall/Hanna to approve the items as recommended on the CRA Consent Calendar. The motion was carried by the following roll call vote:

AYES: AZEVEDO, HALL, HANNA, MACGREGOR, MILLER
NOES: NONE
ABSENT: NONE
ABSTAIN: NONE

1. CRA CONSENT CALENDAR ITEM:

   A. CRA Minutes, Regular Meeting of August 19, 2009. **Recommended Action: Approve the CRA Minutes** (City Clerk)

2. CRA PUBLIC HEARING:

A. Approval of an Owner Participation Agreement with R.W. Forsum Enterprises as Part of the Façade Improvement Program

R.W. Forsum Enterprises, the franchisee of the Jack in the Box restaurant, located at 1491 Sixth Street, has submitted a request to participate in the Façade Improvement Program. The proposed Owner Participation Agreement funds the project for an amount not-to-exceed $60,000 and will be used for the renovation and updating of the existing restaurant building, its landscaping and its signature "Old Town Norco" sign. The Façade Improvement Program will help the City/Agency meet strategic objectives and promote the Western theme of "Horsetown USA."

Recommended Action: Adopt CRA Resolution No. 2009-___, approving an Owner Participation Agreement by and between the Norco Redevelopment Agency and R.W. Forsum Enterprises for a building and sign located at 1491 Sixth Street. (Director of Economic Development)

Housing Specialist Grody presented the CRA item. Representatives from R.W. Forsum were in attendance to answer any questions regarding the design or motivations of the project.

Chairman Azevedo OPENED the public hearing, indicating that proper notification had been made and asked for the appearance of those wishing to speak.

Pat Overstreet, 1231 Corona. Ms. Overstreet is thrilled that the sign is being refurbished and thinks it is wonderful and looks terrific. She is requesting that the two existing palm trees be replaced with Canary Island Pines.

Chairman Azevedo CLOSED the public hearing.

M/S Miller/MacGregor to Adopt CRA Resolution No. 2009-17, approving an Owner Participation Agreement by and between the Norco Redevelopment Agency and R.W. Forsum Enterprises for a building and sign located at 1491 Sixth Street. The motion was carried by the following roll call vote:

AYES: AZEVEDO, HALL, HANNA, MACGREGOR, MILLER
NOES: NONE
ABSENT: NONE
ABSTAIN: NONE

3. CRA ITEM FOR ACTION:

A. Sponsorship Request from Horsetown USA Hall of Fame

The Norco Redevelopment Agency has received a letter from Dave Henderson, President of the Horsetown Hall of Fame Committee, seeking a $5,000 sponsorship. This is not a budgeted expenditure and given the current financial uncertainties with the State's taking of Redevelopment funds, staff does not recommend approval.

Recommended Action: Deny the request for the Norco Redevelopment Agency to be a $5,000 Gold Sponsor of the Horsetown USA Hall of Fame. (Executive Director)

Interim City Manager Groves presented the CRA item. She stated that if there is action to be taken, direction is requested from the Agency Board.

Dave Henderson, 3010 Corona. Mr. Henderson, President of the Horsetown Hall of Fame, thanked the City Council and staff for the asset they have been to the Hall of Fame. The goal of the Hall of Fame is to be a true asset to the City and to participate with the City at any level they can. The economic times have caused sponsorship to decline for them. If a gold sponsorship is not acceptable, the silver sponsorship would be acceptable. Any assistance from the City would be greatly appreciated. In response to Mayor Pro Tem Miller, Mr. Henderson stated that the payment of fees, in lieu of a cash sponsorship, would be appreciated and he would also request that the sponsorship be included in future budgets.

Director Petree stated that the total cost for the fees for the event will be approximately $2,700, which includes a $1,000 deposit.

Council Member Hanna clarified from Director Petree that the $1,000 deposit is refundable.

Council Member Hall stated that since it was not a budgeted item and because of the unknowns from the State takeaways from local government, he would like to see this request continued to later in the year, possibly at the same time the next budget is being approved. He added that the next Council meeting has been cancelled so that the Council can attend the League of California Cities Annual Conference and, hopefully, should hear more at that time how the State is going to balance its budget. He further noted that the other thing that should be considered is if the Hall of Fame has sufficient funds to operate at present. Council Member Hall stated he has no problem with the City donating fees for the use of the facility.

Mayor Azevedo stated that she would like to suggest that the Council waive the deposit completely and waive all the other fee costs, except for the hard pass-through costs, which at this time are unknown. She added that her suggestion is for this year and then see about adding the sponsorship to the next budget.

M/S Azevedo/MacGregor to waive all the costs except for the hard pass-through costs. The motion was carried by the following roll call vote:

AYES: AZEVEDO, HALL, HANNA, MACGREGOR, MILLER
NOES: NONE
ABSENT: NONE
ABSTAIN: NONE

OTHER CRA MATTERS: No Other CRA Matters.

ADJOURNMENT OF CRA: 7:26 p.m.

REGULAR CITY COUNCIL AGENDA AS FOLLOWS:

Mayor Azevedo pulled Item 4.D. and Harvey Sullivan pulled Item 4.E. for discussion under Item 6.

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

AYES: AZEVEDO, HALL, HANNA, MACGREGOR, MILLER
NOES: NONE
ABSENT: NONE
ABSTAIN: NONE

4. CITY COUNCIL CONSENT CALENDAR ITEMS:

A. City Council Minutes, Regular Meeting of August 19, 2009. **Recommended Action: Approve the City Council Minutes** (City Clerk)

B. Planning Commission Action Minutes, Regular Meeting of August 26, 2009. **Recommended Action: Receive and File** (Planning Manager)

C. Approval to Allow the Franchise Tax Board and the City to Enter into a Reciprocal Agreement to Exchange Tax Data Specific to City Business License Information. **Recommended Action: Adopt Resolution No. 2009-63, approving and adopting the City to enter into a Reciprocal Agreement with the Franchise Tax Board.** (Deputy City Manager/Director of Finance)

D. Dedication of a Bench in Memory of Brittney Marie Peters at Wayne Makin Sports Complex. **Recommended Action: Approve the Bench Dedication and Memorial Plaque.** (Director of Parks, Recreation & Community Services)

E. Approval of Agreement for Temporary Part-Time Employment of Fire Chief. **Recommended Action: Approve the Agreement for Temporary Part-Time Employment of Fire Chief.** (Deputy City Manager/Director of Finance)

F. Accept Bids, Award Contract, and Appropriate Additional Funds for the Reservoir No. 4 Booster Pump Station Project. **Recommended Action: Award the Contract for the Reservoir No. 4 Booster Pump Station Project to Metro Builders & Engineers Group, Ltd in the amount of $563,580; authorize the City Manager to approve contract change orders up to 10 percent of the contract amount; and adopt Resolution No. 2009-64, appropriating an additional amount of $113,580.** (City Engineer)

G. Final Acceptance of and Additional Appropriations for the Crestview Drive Extension and Sixth Street Improvements Project. **Recommended Action: Accept the Crestview Drive Extension and Sixth Street Improvements Project as complete; instruct the City Clerk to file the Notice of Completion with the County Recorder's Office at her earliest convenience; and adopt Resolution No. 2009-65, appropriating additional funds for the Crestview Drive Extension and Sixth Street Improvements Project.** (City Engineer)

5. CITY COUNCIL PUBLIC HEARINGS:

A. General Plan Amendment 2008-01 (City of Norco): Review of the City of Norco 2008 Housing Element

The Housing Element is one of the seven State mandated General Plan elements. The Housing Element is subject to detailed statutory requirements regarding its content and must be updated every five years. It is the only General Plan element subject to mandatory review by a State agency; the California Department of Housing and Community Development (HCD). The purpose of the Housing Element is to examine the housing needs of residents, create and guide housing policy in the City, and identify locations to accommodate the City's Regional Housing Need Assessment.

Recommended Action: (1) Approve a Negative Declaration for General Plan Amendment 2008-01, indicating that the project will not have a significant impact on the environment; and (2) Adopt the City of Norco 2008 Housing Element and direct that it be submitted to the California Department of Housing and Community Development. (Planning Manager)

Planning Manager King presented the Council item. Alexa Wyneken and Derek Bingham were in attendance representing Hogle-Ireland, which is the firm that assisted with the development of the Housing Element. Ms. Wyneken gave a presentation regarding the revised recommended update, which incorporates comments from HCD and the Planning Commission. She confirmed that the Planning Commission adopted the Housing Element in August 2009. Ms. Wyneken clarified Mayor Pro Tem Miller's question regarding the RHNA numbers, as they will escalate if there is not an adopted Housing Element, and also that those numbers may be appealed at a later date. After applying credits for units built or approved between 2006 and 2008 and the previous planning period, the City has a remaining RHNA of 1,006 units. She stated that seven sites have been identified and one site has changed in this update, that being the parcels fronting Mountain Avenue in the Gateway Specific Plan. Parcel 7 includes 22 parcels and is currently zoned Industrial. It is

proposed to change that zoning designation in the future to mixed-use. Ms. Wyneken noted that the Housing Element needed to include information on Senate law SB2, which requires cities and counties to identify specific sites with by-right zoning to accommodate the community's need for homeless shelters, requires cities and counties to identify zones where special needs facilities and transitional housing are permitted either by right or with a conditional use permit, and prohibits a city or county from disapproving applications for shelters and special needs facilities unless specified findings are made. Ms. Wyneken concluded that the final step is for the Council to adopt the Housing Element and Negative Declaration.

Planning Manager King clarified that with regards to Site 7; those parcels were identified because they provide acreage and density, but it does not mean the City will get rid of the Norco Egg Ranch.

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

Pat Overstreet, 1231 Corona. Ms. Overstreet asked what the state requires when cities run out of parcels to build on. Ms. Wyneken stated that those cities are still assigned RHNA numbers and they then look at redevelopment and infill projects. Ms. Wyneken confirmed that all cities in California are required to adopt a certified Housing Element.

Mayor Azevedo CLOSED the public hearing.

M/S Miller/Hall to (1) Approve a Negative Declaration for General Plan Amendment 2008-01, indicating that the project will not have a significant impact on the environment; and (2) Adopt Resolution No. 2009-66 adopting the City of Norco 2008 Housing Element and that it be submitted to the California Department of Housing and Community Development. The motion was carried by the following roll call vote:

AYES:	**AZEVEDO, HALL, HANNA, MACGREGOR, MILLER**
NOES:	**NONE**
ABSENT:	**NONE**
ABSTAIN:	**NONE**

B. Modification of an Existing Moratorium on the Approval of New Plans for the Construction of Accessory Structures that Exceed 2,500 Square Feet on Residentially-Zoned Properties

A request for modification of the existing moratorium is being recommended on the approval of new plans for accessory structures that exceed 2,500 square feet on residentially-zoned properties. The recommendation is that the Council modifies the moratorium to exclude animal-keeping structures that exceed 2,500 square feet provided they have a dirt floor, and to exclude from the moratorium any accessory structures that currently require the approval of a conditional use permit by the Planning Commission per the Municipal Code.

Recommended Action: Adopt Ordinance No. ____, modifying the existing moratorium on the approval of new plans for the construction of accessory structures that exceed 2,500 square feet on residentially-zoned properties. (Planning Manager)

Planning Manager King presented the Council item.

Council Member Hanna asked who will monitor these buildings and check if they pour concrete. Planning Manager King stated that you do not need a permit to pour concrete and currently we rely on the good-will of applicant. Director Thompson stated that during the building process, in the case of a barn, inspections could be made to monitor the intended use of the building.

Council Member Hall verified from Planning Manager King that through the Code Enforcement process, if a newly or old poured floor was discovered, we would force them to remove it if it was constructed illegally during the time of the moratorium.

Mayor Azevedo believes that at this time this is the best solution and is in support of this modification to the moratorium, as there are some great horse facilities that want to come into Norco.

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

Don Bowker, 3201 Cutting Horse Rd. Mr. Bowker stated that the focus has been on the dirt floors, as if that is what makes it an animal-keeping floor, and he notes that many of the show barns in town have solid cement or mat flooring.

Harvey Sullivan, 4561 Hillside. Mr. Sullivan is a firm believer that we already have laws in the Norco Municipal Code to prevent the building of these types of buildings and the City needs to look at the intent of the buildings before and when they are built.

Vern Showalter, 2345 Corona. Mr. Showalter stated that the City should back off all the ordinances that have been currently written and check what is already in the Code, clean it up and then write new ordinances if necessary.

Dave Henderson, 3010 Corona. Mr. Henderson stated that the ordinance, as it stands, is not bad. What is bad is that everything is stated in the ordinance as an "accessory building" and that is not what our current Code states. The only problematic building is a "workshop" and Mr. Henderson recommended stipulating a size of 24 x 24 square feet. He would like to see the Code enforced as it is and add "workshop" dimension requirements at a maximum of 576 square feet and without a CUP. He further noted that the problem is that we are looking at all accessory structures as if they were one generic thing.

Mayor Azevedo CLOSED the public hearing.

Council Member Hall stated that we need to recognize that the moratorium was placed on these buildings to give us more time to solve the problems, whether by redefining existing ordinances or developing new ordinances. He added that he is looking for that type of recommendation from staff, through the Planning Commission, and sent back to Council. Council Member Hall stated that we are still looking down the line for a solution, which may be to redefine some of the terms in the ordinances so they are better understood. He wants to make sure that any construction in the City promotes the lifestyle.

Mayor Pro Tem Miller stated that the reason for the modification is that one or two places have bonafide plans for horse-keeping structures that cannot be approved because of this existing moratorium. He further stated that it is a difficult balance in trying to block the people who are trying to get around this and build large workshops, and not block the people that legitimately want to keep horses.

Council Member MacGregor stated that he likes the solution to define a "workshop" as a "workshop" and a "barn" as an "animal-keeping building". He would like to see specific restrictions placed on each type of building.

Mayor Azevedo stated that if we move forward with this, the truly animal-keeping projects will move ahead. She asked Planning Manager King about the two that are going through the application period and if this fits their needs. Planning Manager King stated that one has a dirt floor and the other one has not submitted an application and just came in for a cursory review.

Interim City Manager Groves stated that the second one would require a CUP.

Planning Manager King stated that we are not going to wait until February 18 to get rid of the moratorium, but will do that as soon as possible. He added that we need time to make changes so that we don't get more of these structures that are currently being built.

M/S Azevedo/Miller to approve the Ordinance after Reading of Title Only. The motion was carried by the following roll call vote:

AYES: **AZEVEDO, HALL, HANNA, MACGREGOR, MILLER**
NOES: **NONE**
ABSENT: **NONE**
ABSTAIN: **NONE**

M/S Azevedo/Miller to adopt Ordinance No. 911, modifying the existing moratorium on the approval of new plans for the construction of accessory structures that exceed 2,500 square feet on residentially-zoned properties. The motion was carried by the following roll call vote:

AYES: **AZEVEDO, HALL, HANNA, MACGREGOR, MILLER**
NOES: **NONE**
ABSENT: **NONE**
ABSTAIN: **NONE**

6. ITEMS PULLED FROM CITY COUNCIL CONSENT CALENDAR:

4. D. Dedication of a Bench in Memory of Brittney Marie Peters at Wayne Makin Sports Complex. **Recommended Action: Approve the Bench Dedication and Memorial Plaque.** (Director of Parks, Recreation & Community Services)

Parks, Recreation & Community Services Director Petree presented the Council item. Three of the Peters' family relatives were in attendance. Brittney's Cousin Claire stated she handles the MySpace page in memory of Brittney and thanked the Council for approving the memorial bench and plaque. .

M/S Hall/Hanna to approve the Bench Dedication and Memorial Plaque. The motion was carried by the following roll call vote:

AYES: **AZEVEDO, HALL, HANNA, MACGREGOR, MILLER**
NOES: **NONE**
ABSENT: **NONE**
ABSTAIN: **NONE**

4. E. Approval of Agreement for Temporary Part-Time Employment of Fire Chief. **Recommended Action: Approve the Agreement for Temporary Part-Time Employment of Fire Chief.** (Deputy City Manager/Director of Finance

Interim City Manager Groves presented the Council item. She stated that Fire Chief Jack Frye is retiring from full-time employment on September 18th and this Agreement would be for a temporary period of time to give her time to recruit for a part-time Fire Chief position.

Mayor Pro Tem Miller questioned if the concept of a full-time versus part-time Fire Chief position is required to come before the Council. Interim City Manager Groves stated that the hiring of part-time employees does not require Council action and is within the purview of our employment practices, but she would pursue whatever the Council's desire is. Mayor Pro Tem Miller stated that he thought that the City Manager would want the input from Council regarding going from a full-time to a part-time Fire Chief. Interim City Manager Groves stated that again, this would be the Council's decision to discuss this. Mayor Pro Tem Miller stated that he would like the Council to discuss this further at an open meeting as he does not have an issue with the concept, it is the implementation of the concept that he would like broader discussion on.

Harvey Sullivan, 4561 Hillside. Mr. Sullivan stated that he wanted to go on record to oppose this temporary employment. He further noted that he is not sure if it is a requirement to have a Fire Chief and that the Battalion Chiefs could fill in because of the City's budget shortfall.

Council Member Hanna stated that he has no problem with this Agreement. He further noted that Chief Frye has done a total turn-around with the Fire Department budget.

Following a Motion from Council Member Hall and a Second to that Motion from Council Member Hanna, discussion was held and Mayor Pro Tem Miller recommended an amendment to the Motion to include authorizing the City Manager to recruit a permanent

part-time Fire Chief at the conclusion of the Agreement for Temporary Part-Time Employment of Fire Chief.

SUBSTITUTE M/S Hall/Hanna to approve the Agreement for Temporary Part-Time Employment of Fire Chief and at the conclusion of that contract, authorize the City Manager to recruit a permanent part-time Fire Chief. The motion was carried by the following roll call vote:

AYES: **AZEVEDO, HALL, HANNA, MACGREGOR, MILLER**
NOES: **NONE**
ABSENT: **NONE**
ABSTAIN: **NONE**

7. PUBLIC COMMENTS OR QUESTIONS:

Harvey Sullivan, 4561 Hillside. Mr. Sullivan stated that traffic problems on Third and Hamner are causing a disturbance in the strip mall on that corner, as the vehicles cut through the parking lot and the people cannot back out of their parking spots. Director Thompson stated that street striping has been added on Third Street and on Hamner Avenue to modify and improve traffic flow. He added that in the future, a possible right-hand turn movement will be added off of Third Street on to Hamner Avenue. Mr. Sullivan noted that the other problem he wanted to report was the bushes that are blocking oncoming traffic on Third and Hamner.

8. OTHER MATTERS - COUNCIL OR STAFF:

Council Member Hanna stated that a week ago last Sunday night, NART was called out to the river at the end of Corona Avenue and River Drive. Animal Control and the Fire Department responded with NART. They combined the use of two pieces of equipment, along with the winch truck, and lifted the two horses out one at a time. The rescue was completed at 3 a.m. and it was a good exercise. Council Member Hanna added that no people or animals were hurt.

Mayor Azevedo asked that each person wish Mayor Pro Tem Miller Happy Birthday. She reminded everyone to attend the Fair, parade and rodeo this coming weekend. Mayor Azevedo added that Miss Norco, Nicole Schulz, is out of the City of Hope and will be attending the pageant.

Harvey Sullivan, 4561 Hillside. Mr. Sullivan stated that Karlene Allen fell and broke her arm and encouraged cards be sent to her.

9. ADJOURNMENT: There being no further business to come before the City Council, Mayor Azevedo adjourned the meeting at 8:45 p.m. to the regular meeting on October 7, 2009.

BRENDA K. JACOBS
CITY CLERK

/bj-73483

CITY OF NORCO
STAFF REPORT

TO:	Chairman and Members of the Norco Redevelopment Agency
FROM:	Beth Groves, Interim Executive Director
PREPARED BY:	Brian K. Petree, Director Parks, Recreation and Community Services
DATE:	October 7, 2009
SUBJECT:	Acceptance of Bids and Award of Contract for the Wee People Renovation Project
RECOMMENDATION:	Accept the bids and award the Contract to TSR Construction and Inspection of Rancho Cucamonga, California, in the amount of $42,400 for the Wee People Renovation Project and authorize the Interim Executive Director to approve change orders up to 10% of the original contract amount.

SUMMARY: As part of the 2009/10 Capital Improvement Program Budget, the Wee People Renovation Project was identified for approval. Staff is requesting that the Agency Members approve an Award of Contract to TSR Construction and Inspection of Rancho Cucamonga, California in the amount of $42,400.

BACKGROUND/ANALYSIS: As part of the 2009/10 Capital Improvement Program Budget, the Wee People Renovation Project was identified as a project for Fiscal Year 2009/10. Staff advertised Notice to Invite Bids on August 31, 2009. Nine contractors pulled plans with nine contractors and sub-contractors in attendance at the pre-construction meeting.

On September 23, 2009, staff opened bids for the Wee People Renovation Project. Five General Contractors submitted bids (Exhibit "A") for the project. TSR Construction and Inspection was found to be the low bidder. Staff has conducted reference checks of the contractor for previous projects and has found satisfactory performance and compliance.

Staff is requesting that the Agency Members approve an Award of Contract to TSR Construction and Inspection of Rancho Cucamonga, California in the amount of $42,400.

FINANCIAL IMPACT: This project was approved as part of the Capital Improvement Program for 2009/10 of which $75,000 is from the Redevelopment Agency (RDA).

/ma-73562
Attachments: Breakdown of Bids
Agreement between Owner and Contractor

AGREEMENT

THIS AGREEMENT, entered into this 7th day of October, 2009 by and between TSR Construction and Inspection of Rancho Cucamonga, California, hereinafter called the "Contractor" and the CITY OF NORCO PARKS, RECREATION AND COMMUNITY SERVICES DEPARTMENT, CALIFORNIA, hereinafter called the "Owner".

WITNESSETH:

That the parties hereto have mutually covenanted and agreed as follows:

CONTRACT

The complete Contract includes all of the Contract Documents, to wit: the Invitation to Bid, the Instructions to Bidders, the Contractor's Proposal, the Bid Bond, the Payment and Performance Bonds, the General Conditions, the Supplementary General Conditions, the Drawings and Specifications, plus any Addenda thereto and this Agreement. All Contract Documents are intended to cooperate and be complementary so any work called for in one and not mentioned in the other, or vice versa, is to be executed the same as if mentioned in all items of the Contract Documents.

STATEMENT OF WORK:

The Contractor hereby agrees to furnish all tools, equipment, services, apparatus, facilities, transportation, labor and costs to include any materials for the completion of the project as described in the plans and specifications for City of Norco in strict accordance with the Drawings and Specifications dated August 31, 2009.

TIME FOR COMPLETION:

The work shall be commenced on a date to be specified in a written order from the Owner and shall be completed within 45 calendar days of the "Notice to Proceed" order.

It is expressly agreed that except for extensions of time duly granted in the manner and for the reasons specified in the General Conditions for bidders, the project will be completed within the stated time; or liquidated damages will be accessed at $500 per calendar day, until the job is completed to the satisfaction of the OWNER. (Section: 23. Bidder Instruction)

COMPENSATION TO BE PAID TO CONTRACTOR:

The Owner agrees to pay and the Contractor agrees to accept in full consideration for the performance of the Contract, subject to additions and deductions as provided in the General Conditions, the sum of:

FORTY-TWO THOUSAND FOUR HUNDRED DOLLARS ($42,400), as agreed upon by City of Norco PARKS, RECREATION AND COMMUNITY SERVICES DEPARTMENT

The sum is to be paid according to the schedule as provided in the General Conditions.

Pursuant to Labor Code Section 1861, the Contractor gives the following certifications: "I am aware

of the provisions of Section 3700 of the Labor Code which requires every employer to be insured against liability for Workmen's Compensation or to undertake self-insurance in accordance with the provisions of that Code, and I will comply with such provisions before commencing the performance of the work of this Contract". The applicable Wage Determination for said project is the one published 10-days prior to bid opening. Whenever there is State-funding involved, the highest of the two (State and Federal) wage decision prevails. Any sub-tier Contract(s) resulting from this contract must contain the same contractual language as the original contract.

IN WITNESS WHEREOF, the parties hereto on the day and year, first written above, have executed this agreement in 10 (ten) day counterparts.

Type of Contractor's organization – Construction and Inspection

If other than individual or corporation, list names of all members who have authority to bind firm.

_____ N/A _____ _____

_____ _____ _____

IF OTHER THAN CORPORATION EXECUTE HERE

Attest:

Firm Name _____
Signature _____
Address _____
Contractor's License _____

IF CORPORATION, FILL OUT FOLLOWING AND EXECUTE

Name of President of Corporation
Name of Secretary of Corporation
Corporation is organized under the laws of state of California

Firm Name TSR Construction and Inspection
Signature _____
Officer Title President, Secretary, Treasurer
Address 8264 Avenida Leon, Rancho Cucamonga, CA

Contractor's License Number 881123

CITY OF NORCO, CALIFORNIA

ATTEST

_____
Agency Secretary

_____
Date

OWNER

By: _____
Kathy Azevedo, Chairman
Norco Redevelopment Agency

_____
Date

/ma-73594

Wee People Building Renovation
Bid Results

Company Name	Attendee	Bonds	Base Bid	Addendum #1	Addendum #2
D. Webb, Inc.	David Webb		$		
GTA Contruction Inc.	Eric Bishop		$		
Caltec Corp.	Henry Abghar	✓	$69,999	✓	✓
Fischer, Inc.	Gretchen Fischer	✓	$70,438.00	✓	✓
Dalke and Sons	Kevin Rounsaville	✓	$53,780	✓	✓
TSR Construction	Gabriel Zapirtan?	✓	$42,400	✓	✓
Cora Construction	Larry Buyer		$		
CA Construction	Chris Hampton		$		
Steve Julius Construction	Ryan Kilde	✓	$67,460.37	✓	✓

ACTION MINUTES
CITY OF NORCO
PLANNING COMMISSION
CITY COUNCIL CHAMBERS – 2820 CLARK AVENUE
REGULAR MEETING
SEPTEMBER 30, 2009

---

1. Call TO ORDER: **7:00 p.m.**

2. ROLL CALL: **Chair Jaffarian, Vice-Chair Hedges, Commission Members Harris, Newton and Wright**

3. STAFF PRESENT: **Planning Manager King and Executive Secretary Dvorak**

4. PLEDGE OF ALLEGIANCE: **Vice-Chair Hedges**

5. APPEAL NOTICE: **Read by PM King**

6. HEARING FROM THE AUDIENCE ON ITEMS NOT LISTED ON THE AGENDA: **None**

7. APPROVAL OF MINUTES: Minutes of August 26, 2009: **Approved 4-1 (Hedges – Abstain) with one change**

8. CONTINUED ITEMS: **Resolution No. 2009-17,** Conditional Use Permit 2008-09 (City): A Request by the City to Enact Minor Corrections to Resolution 2008-35 Regarding the Approved Belstarr Sports Management Project to Develop a Sports and Equestrian Park Located on the East Side of Hamner Avenue North of the Santa Ana River and North of the Rivertrails Park and Stables. Recommendation: Approval (Planning Manager King) **Recommended for approval 5-0 with changes. This requires a public hearing with the City Council and will be advertised for an upcoming City Council meeting.**

9. PUBLIC HEARING: **Resolution No. 2009-18;** Conditional Use Permit 2009-09 (Word Faith Fellowship Church): A Request for Approval to Allow a Church within an Existing Building at 3299 Horseless Carriage Drive, Suites "A" through "C", Located within the M-1 (Heavy Commercial/Light Manufacturing) Zone. Recommendation: Approval (Planning Manager King) **Approved 4-1 (Harris – No) with changes to hours. This action is final unless appealed with 10 days of approval.**

10. BUSINESS ITEMS: **None**

11. CITY COUNCIL: **Received and filed**
    A. City Council Action Minutes dated September 2, 2009

    B. City Council Minutes dated August 19, 2009

12. STAFF: Current Work Program: **Tracking of self-audit conditions is on-going.**

13. OTHER MATTERS:
    - **Member Newton: the City Council's workshop this afternoon went well. It was noted that the Commission and staff had put a lot of effort into that document.**
    - **Vice-Chair Hedges: parking lot at the Community Center still has an occasional vehicle for sale and the City should think about posting signs.**
    - **Member Newton: unfinished commercial project by Circle K and the boarded-up restaurant on Hamner? PM King said he will check with the Building Division on the unfinished commercial site. He said the restaurant is currently processing through building permits for last-minute changes to the ceilings.**
    - **Member Newton: Cowboy Bob? PM King said Cowboy Bob does have his hat and boots but needed some paint changes to stay with corporate colors.**
    - **Vice-Chair Hedges: All Magic removed all the trees against what the Commission directed. PM King said the landscaping plans are being revised; it was found upon close inspection that the trees were not healthy so they were removed and will be replaced 2:1 per the conditions of approval.**
    - **Chair Jaffarian: the parking at Bob's Big Boy is not that great as compared to Polly's. Commission needs to look at "minimum parking" requirements not being acceptable.**
    - **Vice-Chair Hedges: parking at the 7-Eleven and Silverado's at Sixth Street and Corona Avenue is terrible; another case of minimum parking requirements.**

14. ADJOURNMENT: **7:55 P.M.**

/sd-73752

CITY OF NORCO
STAFF REPORT

TO:	Honorable Mayor and Members of the City Council
FROM:	Beth Groves, Interim City Manager
PREPARED BY:	Deborah DeGrado, Housing Manager
DATE:	October 7, 2009
SUBJECT:	Approval of Supplemental Agreement for the 2009-2010 Community Development Block Grant Program Year
RECOMMENDATION:	Staff recommends approval of the Supplemental Agreement for the 2009-2010 Community Development Block Grant Program Year.

SUMMARY: To receive Community Development Block Grant (CDBG) funds as a cooperating city in the County of Riverside, the City is required to approve a Supplemental Agreement to administer the approved programs and projects.

BACKGROUND/ANALYSIS: On November 19, 2008, the City Council approved specific programs and a public project using the City's 2009-2010 CDBG Program allocation, which was *estimated* by the Riverside County Economic Development Agency (EDA) to be $130,000.

The *final* amount awarded to Norco is $122,437. The attached Agreement confirms funding is approved for the following projects for Program Year 2009-10:

	REQUESTED	APPROVED
Norco Sr. Center Recreation Leader	$10,000	$8,926
Norco Party Pardners	$10,000	$8,927
Total requested for funding:	**$110,000**	**$104,584**
Total funding approved:		**$122,437**

The Supplemental Agreement must be approved, returned to the County Economic Development Agency, and approved by the County Board of Supervisors before the City will be able to incur costs for any of the approved programs. Once approved, funds for programs already in progress will be released, and pending invoices for service can be submitted for payment and brought current.

FINANCIAL IMPACT: No impact to the General Fund. The U.S. Department of Housing and Urban Development will fund these programs and projects through the Riverside County Economic Development Agency on a reimbursement basis.

/dg - 73446

Attachment: *Due to the length of the Agreement, only the first page is attached. Document available for review in the Housing Office.*

Agenda Item 3C

SUPPLEMENTAL AGREEMENT FOR THE USE OF COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS

The COUNTY OF RIVERSIDE of the State of California, herein called, "COUNTY," and the **CITY OF NORCO**, herein called "CITY," mutually agree as follows:

1. GENERAL. COUNTY and CITY have executed a Cooperation Agreement, dated July 12, 2005, whereby CITY elected to participate with COUNTY, which has qualified as an "Urban County" for purposes of receiving Community Development Block Grant (CDBG) funds, and to assist and undertake essential community development and housing assistance activities pursuant to the Housing and Community Development Act of 1974, Title 1, as amended, Public Law 93-383 hereinafter referred to as "Act". Said Cooperation Agreement, dated July 12, 2005, is incorporated herein by reference and made a part of this Agreement as if each and every provision was set forth herein.

2. PURPOSE. CITY promises and agrees to undertake and assist with the community development activities, within its jurisdiction, by utilizing the sum of **$ 122,437**, CDBG Entitlement Funds, as specifically identified in Exhibits A, B, and C are attached hereto and by this reference are incorporated herein, for the projects:

A. 2.NR.11-09 Community Buildings ("Scout House") ADA Upgrades, $ 104,584.

B. 2.NR.12-09 Norco Senior Recreation and Community Services Program, $ 8,926.

C. 2.NR.13-09 Norco Party Pardners for Developmentally Challenged, $ 8,927.

3. TERM OF AGREEMENT. The term of this Agreement for the projects shall be for a period of one (1) year from July 1, 2009 to June 30, 2010, and proceed consistent with the completion schedule set forth in Exhibits A, B, and C. In the event that the projects are not substantially completed by the time set forth in the completion schedule due to unforeseen or uncontrollable causes, the COUNTY may consider extending the schedule for the completion of the project. Times of performance for other activities may also be extended in writing by COUNTY. If substantial progress toward completion in conformance with the completion

CITY OF NORCO
STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Beth Groves, Interim City Manager

PREPARED BY: Brenda K. Jacobs, City Clerk

DATE: October 7, 2009

SUBJECT: Authorization for the Destruction of Certain City Records

RECOMMENDATION: Adopt **Resolution No. 2009-___**, authorizing the destruction of certain City records as shown in Exhibit "A."

SUMMARY: Several times a year, the City Clerk's office assembles a list of records from the various departments that may be destroyed in accordance with the records retention manual. Staff recommends that the City Council adopt the attached Resolution authorizing the destruction of those records shown in Exhibit "A."

BACKGROUND/ANALYSIS: The attached resolution, which includes a list of records to be destroyed (Exhibit "A"), has been reviewed by staff and the City Attorney and all records fall under the statutes for destruction of records. These are either duplicate records or are more than two years old and not required to be retained.

Following approval to destroy these records, the City Historian Ron Snow will be furnished a list of these records so that any historical materials can be identified for archival purposes.

FINANCIAL IMPACT: N/A

/di-73187

Attachments: Resolution No. 2009-___
Exhibit "A"

RESOLUTION NO. 2009-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NORCO, CALIFORNIA, AUTHORIZING THE DESTRUCTION OF CERTAIN CITY RECORDS

WHEREAS, Section 34090 of the California Government Code authorizes the destruction of City records upon approval of the legislative body of the City and the written consent of the City Attorney provided that said records do not fall within certain specified categories and are not less than two years old; and

WHEREAS, the City Clerk has requested authority for the destruction of certain records, which do not fall within the excepted categories and all of which records are more than two years old; and

WHEREAS, the City Attorney has reviewed the listed records and has provided written consent as shown by the signature at the bottom of this Resolution.

NOW THEREFORE, be it resolved by the City Council of the City of Norco that records as listed on the attachments hereto, marked Exhibit "A," and incorporated herein, may be destroyed.

PASSED AND ADOPTED by the City Council of the City of Norco at a meeting held on October 7, 2009.

_____
Mayor
City of Norco, California

ATTEST:

_____
Brenda K. Jacobs, City Clerk
City of Norco, California

APPROVED:

_____
John Harper, City Attorney
City of Norco, California

I, BRENDA K. JACOBS, 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 October 7, 2009 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 October 7, 2009.

_____
Brenda K. Jacobs, City Clerk
City of Norco, California

/di-73188

DEPARTMENT OF THE CITY CLERK
DESTRUCTION OF RECORDS
September 2009

DOCUMENTS:

BOX 1

1. Project Status Updates for Wyle Lab Norco Facilities Site – 2006
2. Floppy disks containing draft notes from misc. meetings (2002) – original documents are saved in City's GroupWise system. (Staff no longer use these types of floppy disks)
3. Certificate of Insurance for B.I.A. of So. Calif. – 1994
4. Specs for "Bleacher Purchase" at Wayne Makin Park (1999) and Project No., STPLE-5394 – Corydon Ave at Wayne Makin Park (Parking Phase II – 2000) – (copies) originals in Parks and Rec. Dept.
5. Misc. Files from City Manager's office: File 140 – City History
    a. Bio info on Louis VanderMolen (2001-2004)
    b. History Book for Corona and Norco (1998) (notes)
    c. Norco Hotel/Feed Store (Old Hamner) (1974)
    d. City Hall/School District Building (1992)
    e. Awards/Nomination Programs (1991-1997)
    f. Historical Signs (2000-2001)
    g. General Information (1989-1997)

*All files listed under No. 5 will be forwarded to the City Historian for review.

6. File 100 – Agreements: Data Ticket 1993 -1997
7. File 100 – Agreements: Data Ticket 1997-2000
8. File 100 – Agreements: Data Ticket 2001 - 2002
9. File 100 – Agreements: Data Ticket 2003
10. File 100 – Agreements: Data Ticket 2004-2005

* Above five files contain copy of invoices and warrants; all agreements have been taken out for scanning as per Records Retention Policy.

11. File 200 – Finance Administration: Agreement for Title IIIB Funds from Riverside County Office of Aging (FY 1988-1989 thru FY 1996-1997)

BOX 2 (Finance Department)

1. City of Norco Refunding Sewer and Water Revenue Bonds – Issue of 1994
2. Norco Redevelopment Agency Project Area No. One – Subordinated Tax Allocation Notes – Issue of 1992
3. City of Norco Assessment District No. 195 – Limited Obligation Improvement Refunding Bonds – Series 1998
4. Norco Redevelopment Agency Project Area No. One, School District Capital Appreciation Bonds – Issue of 1992
5. Norco Redevelopment Agency Project Area No. One – 1992 Refunding Tax Allocation Bonds

Doc. 71850

6. Norco Redevelopment Project Area No. One – 1996 Refunding Tax Allocation Bonds
7. Norco Redevelopment Project Area No. One – 1997 Refunding Tax Allocation Bonds
8. City of Norco Community Facilities District No. 97-1 (Norco Hills) – 2000 Special Tax Bonds
9. City of Norco Community Facilities District No. 2001-1 (Norco Ridge Ranch) – 2001 Special Tax Bonds

*Above documents were approved by Andy Okoro, Director of Finance, as complete and have been scanned into the City DocuShare System.

Economic Development
Destruction of Records
October 2009

1. Voided Sewer, Water & Trash (SWAT) Discount Program Applications
FY 2006-2007

ADMINISTRATIVE SERVICES DEPARTMENT/FINANCE
DESTRUCTION OF RECORDS
October, 2009*

Payroll	
Payroll Registers	2005/2006
Benefits/Deductions	2005/2006
Timecards	2005/2006
Accounts Payable	
IRS 1099 reports	2006
W-9	2005
All Check Registers	2006/2007
Voided Checks	2005/2006
Workers' Comp	2004/2005
Phone Records	2006/2007
Ingalls Grading Project A/P	2001-2007*
Accounting	
State Mandated Reimbursements	2005/2006
NSF Checks	2004/2005
Accounts Receivable	
Invoices	2006-2007*
DUI billing (sent to collections & correspondence)	2006-2007*
Cash Receipts and Back-up	2005/2006
Collection Agency Reports	2006/2007
Ingalls Grading Project A/R (invoices)	2006-2007*
Banking	
Bank Deposit Slips & Receipts	2005/2006
Bank Statements & Investment Statements	2005/2006
Bank Transfers	2005/2006
Bank Reconciliations	2005/2006
Business License	
Expired	2006/2007
Reconciliation of Daily Business License Receipts	2006/2007
Cashier	
All Daily Cash Receipts (includes utility payments)	2004-2006
Utility Billing	
Billing back-up, including adjustments (electronic now)	2006-2007*
Bankruptcy Notices	2004-2007*
Water Payments Stubs (tickets)	2006-2007*
Work Order Forms (closing & new service)	2006-2007*

* All items to be destroyed <u>after</u> January 1, 2010
/jk – 73531

MEMORANDUM

TO: Brenda Jacobs, City Clerk

FROM: Brian K. Petree, Director
Parks and Recreation Department

PREPARED BY: Robin Shepard, Clerical Assistant

DATE: September 16, 2009

SUBJECT: **Records Destruction List 2009**

Noted below is the list of items requested for destruction.

Box 1 Moreno Arena Open Riding volunteer check list; Waiver, Release and Indemnity Agreement; Signed Waiver List – 2000 – June 2007

Box 2 Facility Use Rental Contracts - 2006

Box 3 Handwritten receipt books 2004 – 2006
Register receipts 2005 - 2006

Box 4 Register Receipts 2004 - 2005

Box 5 Closed Project Files 2001 - 2003
- Wick's Construction – Riley gym
- Ingall's Park Covered Arena – invoice copies
- Terra-Cal, Norco Hills Park certified payroll, rfi's
- Millette Construction – arena slab, financial file copies
- Ray Martinez Architect, Ingalls Park - invoices
- Ray Martinez – Nellie Weaver Hall – invoices
- GBC Plumbing – Nellie Weaver Hall Gall line install
- Wick's Construction – Nellie Weaver Hall –RFI, RFP
- Baxter Miller – Ingalls Park Slopes – invoice copies
- Sturdisteel – Moreno Arena Bleachers
- Rymax Electric, Inc – Moreno Arena
- W-W Rodeo And Livestock Systems – invoice copies
- Baxter Miller – Coast to Crest Grant app – invoice copies
- Baxter Miller – Community Center Irrigation- invoice copies

Nellie Weaver Hall – Field reports - 2002
Nellie Weaver Hall Plan Holders list – 2001

Box 6	Wee People Contracts – Expired 2004 – 2005
Box 7	Kids Club Contracts – Expired 2003 – 2006
Box 8	Wee People, Wee Two's Contracts – Expired 2004 – 2006
Box 9	Wee People, Day Camp, Kids Night-Out Contracts – Expired 1999 - 2005

PLANNING DIVISION
DOCUSHARE LOG
ZONE CODE AMENDMENTS
 # 72355

Description	No. of Pages	Date Scanned/Verified	By	Comments
				See Microfilm in City Clerk's Workroom for Prior Years
ZCA 84-6	34	3/4/2009	sdvorak	
ZCA 84-7	29	3/4/2009	sdvorak	
ZCA 85-1				**C-4 Zone**; Plng. File n/a; refer to Clerk's copy
ZCA 85-2				**Home Occupation**; Plng. File n/a; refer to Clerk's copy
ZCA 85-3				**Irregular-shaped parcels**; Plng. File n/a; refer to Clerk's copy
ZCA 85-4	94	3/4/2009	sdvorak	
ZCA 85-5	41	3/5/2009	sdvorak	
ZCA 85-6	24	3/5/2009	sdvorak	
ZCA 85-7	62	3/10/2009	sdvorak	
ZCA 86-1	45	3/5/2009	sdvorak	
ZCA 87-1	59	3/9/2009	sdvorak	
ZCA 87-2	45	3/9/2009	sdvorak	
ZCA 87-3	17	3/9/2009	sdvorak	
ZCA 87-4	224	3/10/2009	sdvorak	Billboards; lots of history
ZCA 88-1	67	3/10/2009	sdvorak	
ZCA 88-2	27	3/18/2009	sdvorak	
ZCA 89-01	112	3/18/2009	sdvorak	
ZCA 89-02	50	3/18/2009	sdvorak	
ZCA 89-03	61	3/18/2009	sdvorak	
ZCA 89-04	30	3/18/2009	sdvorak	
ZCA 89-05	17	3/30/2009	sdvorak	
ZCA 90-01	24	3/30/2009	sdvorak	

ZCA 90-02	31	3/30/2009	sdvorak	
ZCA 90-03	22	3/30/2009	sdvorak	
ZCA 90-04	11	3/30/2009	sdvorak	
ZCA 91-01	62	3/30/2009	sdvorak	
ZCA 91-02	25	3/30/2009	sdvorak	
ZCA 91-03				**Title 18, Mobile Air Pollution Reduction**; Plng. File n/a; refer to Clerk's copy
ZCA 91-04	27	3/30/2009	sdvorak	
ZCA 91-05	76	3/30/2009	sdvorak	
ZCA 91-06	140	3/30/2009	sdvorak	
ZCA 92-01	24	4/2/2009	sdvorak	
ZCA 92-02	39	4/2/2009	sdvorak	
ZCA 92-03	26	4/2/2009	sdvorak	
ZCA 92-04				**New Homes Directional Signs**; Plng. File n/a; refer to Clerk's copy
ZCA 92-05	92	4/2/2009	sdvorak	
ZCA 92-06	6	4/2/2009	sdvorak	
ZCA 92-07				**Political Signs**; Plng. File n/a; refer to Clerk's copy
ZCA 92-08	26	4/2/2009	sdvorak	
ZCA 93-01	57	4/7/2009	sdvorak	
ZCA 93-02	23	4/7/2009	sdvorak	
ZCA 93-03	25	4/7/2009	sdvorak	
ZCA 93-04	87	4/7/2009	sdvorak	
ZCA 93-05	19	4/7/2009	sdvorak	
ZCA 93-06	7	4/7/2009	sdvorak	
ZCA 93-07				VOIDED
ZCA 93-08	31	4/7/2009	sdvorak	
ZCA 94-01	41	4/7/2009	sdvorak	
ZCA 94-02	59	4/7/2009	sdvorak	
ZCA 94-03	28	4/7/2009	sdvorak	

ZCA 94-04	41	4/13/2009	sdvorak	
ZCA 95-01	32	4/13/2009	sdvorak	
ZCA 95-02	30	4/13/2009	sdvorak	
ZCA 96-01	30	4/13/2009	sdvorak	
ZCA 96-02				Prohibiting Barbed Wire along Horsetrails: Planning File is n/a; refer to Clerk's copy
ZCA 97-01	32	4/13/2009	sdvorak	
ZCA 97-02	18	4/13/2009	sdvorak	
ZCA 98-01	17	4/13/2009	sdvorak	
ZCA 98-02	18	4/13/2009	sdvorak	
ZCA 99-01	2	4/13/2009	sdvorak	
ZCA 99-02	38	4/13/2009	sdvorak	
ZCA 99-03	27	4/13/2009	sdvorak	
ZCA 2000-01	18	4/13/2009	sdvorak	
ZCA 2000-02	24	4/13/2009	sdvorak	
ZCA 2000-03	34	4/13/2009	sdvorak	
ZCA 2000-04	49	4/13/2009	sdvorak	
ZCA 2000-05	22	4/13/2009	sdvorak	
ZCA 2000-06	62	4/15/2009	sdvorak	
ZCA 2001-01	35	4/15/2009	sdvorak	
ZCA 2001-02	31	4/15/2009	sdvorak	
ZCA 2001-03	28	4/15/2009	sdvorak	
ZCA 2001-04	32	4/15/2009	sdvorak	
ZCA 2001-05	14	4/15/2009	sdvorak	
ZCA 2002-01	50	4/15/2009	sdvorak	
ZCA 2002-02	69	4/15/2009	sdvorak	
ZCA 2002-03	22	4/15/2009	sdvorak	
ZCA 2002-04	17	4/15/2009	sdvorak	
ZCA 2002-05	21	4/15/2009	sdvorak	

ZCA 2003-01	109	4/15/2009	sdvorak	
ZCA 2003-02	41	4/15/2009	sdvorak	
ZCA 2003-03	52	4/15/2009	sdvorak	
ZCA 2003-04	91	5/5/2009	sdvorak	
ZCA 2004-01	32	5/5/2009	sdvorak	
ZCA 2004-02	33	5/5/2009	sdvorak	
ZCA 2004-03	16	5/5/2009	sdvorak	
ZCA 2004-04	22	5/5/2009	sdvorak	
ZCA 2004-05	77	5/5/2009	sdvorak	
ZCA 2005-01	20	5/5/2009	sdvorak	
ZCA 2005-02	42	5/5/2009	sdvorak	
ZCA 2005-03				N/A; CONSTRUCTION TIMES
ZCA 2005-04				N/A; BOARDING NOT A PERMITTED USE
ZCA 2005-05	24	5/5/2009	sdvorak	
ZCA 2005-06				N/A; REGULATING OF TAXI SERVICES

CITY OF NORCO
STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Beth Groves, Interim City Manager

PREPARED BY: Ross Cooper, Lieutenant

DATE: October 7, 2009

SUBJECT: Approval to Declare City Asset as Surplus Property

RECOMMENDATION: Declare a Police Motorcycle as Surplus and authorize staff to dispose of it through auction.

SUMMARY: Staff recommends that a Police Motorcycle, which is no longer needed, be disposed of through public auction.

BACKGROUND/ANALYSIS: The City has three motor officers who are each assigned a police motorcycle for enforcement. The City owns a fourth police motorcycle (2004 BMW, VIN #WB10499A64ZE93057, asset #189) which has been used by the motor officers when their motorcycles were out of service for maintenance or repairs. This motorcycle requires on-going maintenance which exceeds its value. Staff intends to have motor officers use black and white patrol cars for traffic enforcement when their enforcement motorcycle is out of service. Upon approval from City Council, staff will dispose of this surplus motorcycle through the City's public auction.

FINANCIAL IMPACT: Routine maintenance and repair costs will be reduced and a small increase in revenue should be generated through the sale of this police motorcycle.

/rlf – 73534

Agenda Item 3.E.

CITY OF NORCO
STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Beth Groves, Interim City Manager

PREPARED BY: Ross Cooper, Lieutenant

DATE: October 7, 2009

SUBJECT: Approval of Agreement with Norco Mounted Posse to Enforce Equestrian Trail Parking Regulations

RECOMMENDATION: Authorize Mayor to execute this Agreement.

SUMMARY: Members of the Norco Mounted Posse voluntarily assisted the City by enforcing equestrian trail parking regulations between 1994 and 1998. Their enforcement efforts helped keep the trails safer for equestrians by keeping them free from parked vehicles. Staff recommends that the City reinstitute this program.

BACKGROUND/ANALYSIS: In March of 1994 the City Council approved a two-year agreement authorizing the Norco Mounted Posse to commence equestrian trail parking enforcement. In January of 1996 the agreement was amended to authorize additional code enforcement duties including monitoring illegal yard sales and temporary signs located within the street right-of-way. This agreement expired in January of 1998.

In June of 1998 Council reviewed this issue and directed staff to renew an agreement with the Norco Mounted Posse limiting their enforcement authority to equestrian trail violations. Participation in this program by Norco Mounted Posse members declined over the years and the agreement was not renewed.

At the request of the Mayor, staff over the last several months has been working with the Norco Mounted Posse to reinstitute this program.

Staff recommends that Norco Mounted Posse members participating in this program complete the City Volunteer process so that they can be covered under the City's Workers' Compensation insurance. Upon successful completion of training provided by the Sheriff's Department, the Norco Mounted Posse member would be appointed by the City Manager to the position of "Parking Code Enforcement Officer" and have the authority to issue citations to vehicles parked on equestrian trails.

The Norco Mounted Posse Captain would be responsible for scheduling their volunteers and providing monthly reports detailing the number of hours volunteered by each participating member and the number of citations issued.

The Norco Mounted Posse would forward the original and the City's copy of each citation issued to the Sheriff's Department within 48 hours of issuing a citation. The Sheriff's Department will process the citations through the City's Citation Processing Center and may conduct an administrative review on the citations. This review is required upon receipt of a written appeal from a person responsible for the vehicle that was cited. In these cases the Parking Code Enforcement Officer will be given an opportunity to provide additional information if necessary. Results of this administrative review would be forwarded to the violator and the City's Citation Processing Center.

Staff recommends that the City enter into a two-year agreement with the Norco Mounted Posse, which either party may terminate immediately upon written notice, and which has the following provisions.

The City of Norco will provide:

- Equestrian trail parking enforcement authority to Norco Mounted Posse members who are appointed as "Parking Code Enforcement Officers."
- Training to Norco Mounted Posse members in reference to the elements of an equestrian trail violation, how to complete a citation, evidence collection, and courtroom testimony.
- Workers' Compensation insurance for Norco Mounted Posse members in a manner similar to other City Volunteers while such members are acting within the scope of their assignment as "Parking Code Enforcement Officers."
- Legal defense in the event of civil litigation resulting from the lawful duties of Norco Mounted Posse members acting within the scope of their assignment as "Parking Code Enforcement Officers."
- Citation books.
- A digital camera to document vehicle violations.
- Program oversight.

The Norco Mounted Posse acknowledges that:

- The City is not granting them the power to arrest.
- The City is not authorizing them to carry firearms while engaged in equestrian trail parking enforcement.

Norco Mounted Posse members who desire to become "Parking Code Enforcement Officers" will:

- Complete the City volunteer registration process.
- Successfully complete the Sheriff's Department training process prior to issuing citations.

- Wear the official Norco Mounted Posse uniform while engaged in equestrian trail parking enforcement.
- Conduct equestrian trail parking enforcement only when two or more members are working together.
- Conduct themselves in a professional manner at all times while acting within the scope of a Parking Code Enforcement Officer.
- Refrain from possessing, drinking or being under the influence of alcohol while acting as a Parking Code Enforcement Officer.
- Work under the direction of the City Manager or his or her designee.
- Submit the original and the City's copy of each citation to the Sheriff's Department within 48 hours of issuing it.
- Submit monthly reports listing the days and hours worked as well as the number of citations issued.
- Supply their own uniforms and vehicles or horses for use in enforcement.
- Limit the use of vehicles for equestrian trail enforcement to vehicles which meet all of the following:
  1) Have current valid vehicle insurance at or above the minimum level required by the state;
  2) Have markings or decals so that they are clearly identifiable as belonging to the Norco Mounted Posse;
  3) Be in good mechanical condition;
  4) Have been approved in writing by the City prior to use in equestrian trail enforcement.

The Norco Mounted Posse has a long history of benefiting the City. Staff recommends reinstituting this program of parking enforcement directed at equestrian trail violations. The City and the Norco Mounted Posse will periodically assess this program and will return to City Council to amend the agreement if expanding enforcement to other municipal code violations appears warranted.

FINANCIAL IMPACT: This action is expected to be revenue-neutral with off-setting program administrative costs.

/rlf-73230
Attachment: Agreement

AGREEMENT BETWEEN CITY OF NORCO AND NORCO MOUNTED POSSE

This agreement made and entered into this 7th day of October 2009 by and between the City of Norco (hereinafter the "City") and the Norco Mounted Posse, a non-profit organization.

WITNESSETH

WHEREAS, the City is desirous of taking further steps to control illegal parking on City equestrian trails; and

WHEREAS, the Norco Mounted Posse is a non-profit association located within the City of Norco and has special experience, skill and familiarity with such equestrian trails; and

WHEREAS, the Norco Mounted Posse through its members desires to voluntarily provide its members to the City for equestrian trail enforcement services; and

WHEREAS, such activities are recognized as being in the public interest and serving a public purpose.

NOW, THEREFORE, the parties hereto agree as follows:

The City of Norco will provide:

- Equestrian trail parking enforcement authority to Norco Mounted Posse members who are appointed as "Parking Code Enforcement Officers."
- Training to Norco Mounted Posse members in reference to the elements of an equestrian trail violation, how to complete a citation, evidence collection, and courtroom testimony.
- Workers' Compensation insurance for Norco Mounted Posse members in a manner similar to other City Volunteers while such members are acting within the scope of their assignment as "Parking Code Enforcement Officers."
- Legal defense in the event of civil litigation resulting from the lawful duties of Norco Mounted Posse members acting within the scope of their assignment as "Parking Code Enforcement Officers."
- Citation books.
- A digital camera to document vehicle violations.
- Program oversight.

The Norco Mounted Posse acknowledges that:

- The City is not granting them the power to arrest.
- The City is not authorizing them to carry firearms while engaged in equestrian trail parking enforcement.

Norco Mounted Posse members who desire to become "Parking Code Enforcement Officers" will:

- Complete the City volunteer registration process.
- Successfully complete the Sheriff's Department training process prior to issuing citations.
- Wear the official Norco Mounted Posse uniform while engaged in equestrian trail parking enforcement.
- Conduct equestrian trail parking enforcement only when two or more members are working together.
- Conduct themselves in a professional manner at all times while acting within the scope of a Parking Code Enforcement Officer.
- Refrain from possessing, drinking or being under the influence of alcohol while acting as a Parking Code Enforcement Officer.
- Work under the direction of the City Manager or his or her designee.
- Submit the original and the City's copy of each citation to the Sheriff's Department within 48 hours of issuing it.
- Submit monthly reports listing the days and hours worked as well as the number of citations issued.
- Supply their own uniforms and vehicles or horses for use in enforcement.
- Limit the use of vehicles for equestrian trail enforcement to vehicles which meet all of the following:
  1) Have current valid vehicle insurance at or above the minimum level required by the state;
  2) Have markings or decals so that they are clearly identifiable as belonging to the Norco Mounted Posse;
  3) Be in good mechanical condition;
  4) Have been approved in writing by the City prior to use in equestrian trail enforcement.

This agreement shall become effective following its execution by both parties and shall remain in effect for a two-year period thereafter. Such time may be extended, in writing, by the parties hereto. Either party shall have the right to terminate the agreement immediately, by notice of such cancellation directed to the City Manager of the City of Norco or to the Captain of the Norco Mounted Posse.

L Wright
NORCO MOUNTED POSSE

Dated: 9-22-09

MAYOR, CITY OF NORCO

ATTEST:

CITY CLERK

Dated:

CITY OF NORCO
STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Beth Groves, Interim City Manager

PREPARED BY: Brian K. Petree, Director of Parks, Recreation & Community Services
Dominic C. Milano, City Engineer

DATE: October 7, 2009

SUBJECT: Acceptance of Bids and Award of Contract for the Ingalls Park Grading, Phase I Project

RECOMMENDATION: Accept the bids and award the contract for the Ingalls Park Grading, Phase I Project to Robert Edmonson, Inc. dba Edmondson Construction in the amount of $977,864; authorize the City Manager to approve contract change orders up to 10 percent of the original contract amount; and authorize the approval of a change order in the amount of $173,506.28 to complete approximately one half of the grading for Phase II with the Phase I project.

SUMMARY: Bids for the Ingalls Park Grading, Phase 1 were opened on September 2, 2009 with Robert Edmonson Inc. dba Edmonson Construction being the lowest responsible bidder. It is recommended that the City Council award a contract to Robert Edmonson Inc. dba Edmonson Construction in the amount of $977,864.00. In addition, it is also recommended that the City Council authorize a scope addition in the amount of $173,506.28 to include approximately one-half of the Phase II grading with the Phase I project.

BACKGROUND/ANALYSIS: Staff completed plans and specifications for what was originally to be Phase I of the Ingalls Park Grading project. Due to anticipated budget constraints, the original Phase 1 was broken into two phases. The reduced Phase 1 bids were opened on September 2, 2009. A total of 12 bids were received ranging between $977,864.00 and $2,482,160.00 with the lowest responsible bid submitted by Robert Edmonson Inc. dba Edmonson Construction. This bid was significantly below the engineer's estimate of $1,670,459.00. The contractor's license and references were checked and found to be satisfactory. The bid summary sheet has been attached for council review.

The Phase 1 project, before it was reduced in scope, was to include the grading necessary to complete the pad for the second covered arena; the southerly most parking area (future R.V. parking area); the parking area westerly of the existing covered arena (south of the main access road from the realigned Crestview Drive); the removal of the existing snack bar/restroom building west of the existing covered arena; the raising in elevation of the warm-up arena "below" the existing covered arena to be level with the existing covered arena; the construction of the memorial

picnic area; and the construction of the master planned storm drain, water and sewer infrastructure for the Park. Because of budgetary constraints Phase I was reduced in scope. Removed from the original phase was the demolition of the existing snack bar/restroom building west of the existing covered arena, the raising of the warm-up arena "below" the existing covered arena to be level with the existing covered arena, the construction of the memorial picnic area, and some of the storm drain infrastructure. These items were reprogrammed as Phase II. Since the bids received were significantly below the engineer's estimate, staff is requesting the approval to add back into the project the removal of the existing snack bar/restroom building, the raising of the warm-up arena and the improved storm drain infrastructure. The soil required for the grading operation to raise the warm-up arena has already been stock piled on the park site. The Western Avenue Storm Drain Project just completed required that the surplus dirt from that project be stockpiled at Ingalls Park. The cost for this addition is $173,506.28, which includes a credit of $23,000.00 to the original bid for not having to relocate the stock piled soil to a different location on the Ingalls Park site. Attached is an exhibit of the master plan for Ingalls Park showing the Phase I Project as bid and the additional area of the Phase II Project requested to be included with Phase 1.

FINANCIAL IMPACT: $3,212,608 has been appropriated for this project for Ingalls Park Improvements Fund 141.940.43140 Project No. 4105-1, with a balance in that Fund of $3,206,776. No additional appropriation is required.

/dcm-73686
Attachments: Bid Summary
Master Plan for Ingalls Park

BID SUMMARY SHEET

INGALLS PARK GRADING

QUANTITY	UNITS	DESCRIPTION	M.S Construction UNIT BID	M.S Construction TOTAL	Sean Malek UNIT BID	Sean Malek TOTAL	MMC Inc. UNIT BID	MMC Inc. TOTAL	Minako America Co. UNIT BID	Minako America Co. TOTAL
1	LS	Clearing, Grubbing, Mobilization, Removals, NPDES Compliance	$185,000.00	$185,000.00	$150,000.00	$150,000.00	$120,000.00	$120,000.00	$324,000.00	$324,000.00
1	LS	Traffic Control	$17,000.00	$17,000.00	$10,000.00	$10,000.00	$25,000.00	$25,000.00	$10,000.00	$10,000.00
1	LS	General Grading & Unclassified Excavation	$235,000.00	$235,000.00	$400,000.00	$400,000.00	$200,000.00	$200,000.00	$434,734.00	$434,734.00
0		Not Used	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
0		Not Used	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
472	LF	Construct PCC Longitudinal Gutter per APWA Std. No. 122-1 (3' and 4' wide)	$28.00	$13,216.00	$30.00	$14,160.00	$50.00	$23,600.00	$50.00	$23,600.00
433	TON	Construct 4" AC Pavement	$100.00	$43,300.00	$120.00	$51,960.00	$150.00	$64,950.00	$150.00	$64,950.00
655	TON	Construct 6" Class II Aggregate Base	$30.00	$19,650.00	$35.00	$22,925.00	$25.00	$16,375.00	$25.00	$16,375.00
265	SF	Install Interlocking Pavers per Section F-F of the Plans	$23.00	$6,095.00	$55.00	$14,575.00	$60.00	$15,900.00	$25.00	$6,625.00
52	LF	Install 12" Concrete Bands per Section G-G of the Plans	$43.00	$2,236.00	$50.00	$2,600.00	$270.00	$14,040.00	$50.00	$2,600.00
2,096	SF	Construct PCC Drive Approach per Norco Std. No. 250	$9.00	$18,864.00	$10.00	$20,960.00	$12.00	$25,152.00	$10.00	$20,960.00
670	LF	Construct 6" PCC Curb & Gutter per Norco Std. No. 200 (Type "B") & Curb Openings per Detail A	$28.00	$18,760.00	$20.00	$13,400.00	$40.00	$26,800.00	$50.00	$33,500.00
1,730	LF	Install 2" x 6" Redwood Header	$7.00	$12,110.00	$4.00	$6,920.00	$9.00	$15,570.00	$3.00	$5,190.00
705	LF	Construct Bioswale, Grade Control Check Dams, & 10" PVC Perforated Pipe per Section C-C and Detail "H" of the Plans	$102.00	$71,910.00	$100.00	$70,500.00	$58.00	$40,890.00	$300.00	$211,500.00
495	LF	Construct 5' Wide PCC Channel per Detail "D" of the Plans	$35.00	$17,325.00	$25.00	$12,375.00	$50.00	$24,750.00	$30.00	$14,850.00
5,154	SF	Construct Street Pavement Repair per Norco Std. No. 155(AC Pavement Thickness to be 1" thicker than existing AC pavement thickness)	$3.00	$15,462.00	$4.00	$20,616.00	$7.00	$36,078.00	$4.00	$20,616.00
182	LF	Construct Utility Trench per Plan (for installation of pupeline by the Gas Company)	$52.00	$9,464.00	$30.00	$5,460.00	$40.00	$7,280.00	$55.00	$10,010.00
2	EA	Adjust existing Pullbox to New Grade	$1,500.00	$3,000.00	$500.00	$1,000.00	$2,000.00	$4,000.00	$1,000.00	$2,000.00
25	LF	Install Down Drain Ditch per Detail "J" of the Plans	$250.00	$6,250.00	$60.00	$1,500.00	$1,000.00	$25,000.00	$200.00	$5,000.00
30	LF	Install 15" HDPE Pipe	$52.00	$1,560.00	$65.00	$1,950.00	$100.00	$3,000.00	$200.00	$6,000.00
359	LF	Install 18" HDPE Pipe	$63.00	$22,617.00	$40.00	$14,360.00	$100.00	$35,900.00	$225.00	$80,775.00
659	LF	Install 24" HDPE Pipe	$69.00	$45,471.00	$50.00	$32,950.00	$100.00	$65,900.00	$250.00	$164,750.00
72	LF	Install 30" HDPE Pipe	$75.00	$5,400.00	$60.00	$4,320.00	$200.00	$14,400.00	$300.00	$21,600.00
309	LF	Install 36" HDPE Pipe	$81.00	$25,029.00	$65.00	$20,085.00	$225.00	$69,525.00	$350.00	$108,150.00
2	EA	Install 24" x 24" Catch Basin, Grates, Extensions & Cover per Brooks Products #2424CB	$1,380.00	$2,760.00	$600.00	$1,200.00	$3,000.00	$6,000.00	$3,000.00	$6,000.00
3	EA	Install 36" x 36" Catch Basin, Grates, extensions & Cover per Brooks Products # 3636CB	$5,200.00	$15,600.00	$800.00	$2,400.00	$5,000.00	$15,000.00	$5,000.00	$15,000.00
1	LF	Install 18" HDPE Plug	$1,400.00	$1,400.00	$530.00	$530.00	$1,000.00	$1,000.00	$2,000.00	$2,000.00
4	EA	Install Junction Structure per RCFC & WCD Std. No. JS227	$1,700.00	$6,800.00	$3,000.00	$12,000.00	$4,000.00	$16,000.00	$15,000.00	$60,000.00
2	EA	Cnstruct Concrete Storm Drain Manhole per RCFC & WCD Std. No. MH252 including Removal of Existing Storm Drain Grate & Existing Manhole	$4,000.00	$8,000.00	$6,000.00	$12,000.00	$7,000.00	$14,000.00	$5,000.00	$10,000.00
1	EA	Break into Existing Catch Basin & Form Channel Bottom per RCFC & WCD Std. No. CB109	$1,700.00	$1,700.00	$3,000.00	$3,000.00	$4,000.00	$4,000.00	$5,000.00	$5,000.00
5	EA	Construct Concrete Collar per RCFC & WCD Std. No. M803	$1,700.00	$8,500.00	$1,500.00	$7,500.00	$1,000.00	$5,000.00	$3,000.00	$15,000.00
5	EA	Construct Concrete Collar per Detail "L" per the Plans	$1,725.00	$8,625.00	$1,600.00	$8,000.00	$1,000.00	$5,000.00	$3,000.00	$15,000.00
3	EA	Install CSP Tee (type and size per plan)	$500.00	$1,500.00	$700.00	$2,100.00	$2,000.00	$6,000.00	$2,000.00	$6,000.00
2	EA	Install CSP Drain Inlet Assembly per Details "K" & "M" of the plans	$1,500.00	$3,000.00	$3,000.00	$6,000.00	$2,000.00	$4,000.00	$3,000.00	$6,000.00
88	LF	Install 12" PVC Pipe Schedule	$32.00	$2,816.00	$70.00	$6,160.00	$70.00	$6,160.00	$75.00	$6,600.00
850	LF	Install 8" VCP Sewer Main (bell & spigot) including Fittings & Gaskets & Construct Street Pavement Repair per Norco Std. No. 155	$58.00	$49,300.00	$90.00	$76,500.00	$100.00	$85,000.00	$100.00	$85,000.00
837	LF	Install 8" VCP Sewr Main (bell & spigot) including Fittings and Gaskets (no pavement repair)	$58.00	$48,546.00	$70.00	$58,590.00	$80.00	$66,960.00	$100.00	$83,700.00
6	EA	Construct Sewer Manhole (48" dia) per Norco Std. No. 515	$4,485.00	$26,910.00	$5,000.00	$30,000.00	$7,000.00	$42,000.00	$8,000.00	$48,000.00
4	EA	Install Sewer Plug per Norco Std. No. 510	$402.00	$1,608.00	$1,000.00	$4,000.00	$1,000.00	$4,000.00	$1,000.00	$4,000.00
2	EA	Install Terminal Cleanout per Norco Std. No. 510	$517.00	$1,034.00	$4,000.00	$8,000.00	$4,000.00	$8,000.00	$2,500.00	$5,000.00
2	EA	Break into Existing Manhole & Form Channel Bottom per APWA Std. No. 208-1	$2,185.00	$4,370.00	$3,000.00	$6,000.00	$3,000.00	$6,000.00	$5,000.00	$10,000.00
1	EA	Install 4" x 8" x 8" 45-degree VCP Wye	$402.00	$402.00	$1,100.00	$1,100.00	$2,000.00	$2,000.00	$1,000.00	$1,000.00
1	EA	Install 4" x 8" x 8" 90-degree VCP Wye	$402.00	$402.00	$1,100.00	$1,100.00	$2,000.00	$2,000.00	$1,000.00	$1,000.00
85	LF	Install 4" VCP Sewer Lateral	$34.00	$2,890.00	$20.00	$1,700.00	$80.00	$6,800.00	$75.00	$6,375.00
1	LS	All work related to the construction & installation of 6-inch dia. CML&C pipes including but not limited to:	$124,000.00	$124,000.00	$166,000.00	$166,000.00	$148,000.00	$148,000.00	$300,000.00	$300,000.00
1	LS	All work related to the construction & installation of 6-inch & 8-inch dia. C900 PVC reclaimed pipe including but not limited to:	$57,040.00	$57,040.00	$145,000.00	$145,000.00	$140,000.00	$140,000.00	$137,000.00	$137,000.00
1	LS	All work related to the construction & installation of 1-inch dia. Water services including but not limited to:	$6,440.00	$6,440.00	$9,000.00	$9,000.00	$20,000.00	$20,000.00	$15,000.00	$15,000.00
1	LS	All work related to the construction & installation of 4-inch dia. Reclaimed water service (per Norco Std. No. 415) including but not limited to:	$4,900.00	$4,900.00	$54,000.00	$54,000.00	$30,000.00	$30,000.00	$37,000.00	$37,000.00
980	LF	Install 2", 3" or 6" PVC Sleeve	$40.00	$39,200.00	$20.00	$19,600.00	$20.00	$19,600.00	$15.00	$14,700.00
		TOTAL BID		**$1,222,462.00**		**$1,534,096.00**		**$1,536,630.00** $1,540,230.00		**$2,482,160.00**

Low Bid Subcontractors

BID SUMMARY SHEET

INGALLS PARK GRADING

QUANTITY	UNITS	DESCRIPTION	Engineer's Estimate UNIT BID	Engineer's Estimate TOTAL	Edmondson Construction Co UNIT BID	Edmondson Construction Co TOTAL	Grand Pacific Constractors, Inc. UNIT BID	Grand Pacific Constractors, Inc. TOTAL	Laird Construction Co., Inc. UNIT BID	Laird Construction Co., Inc. TOTAL	McKenna General Engineering UNIT BID	McKenna General Engineering TOTAL
1	LS	Clearing, Grubbing, Mobilization, Removals, NPDES Compliance	$170,000.00	$170,000.00	$25,000.00	$25,000.00	$52,500.00	$52,500.00	$112,628.25	$112,628.25	$97,787.00	$97,787.00
1	LS	Traffic Control	$16,125.00	$16,125.00	$7,500.00	$7,500.00	$10,000.00	$10,000.00	$1,715.00	$1,715.00	$15,000.00	$15,000.00
1	LS	General Grading & Unclassified Excavation	$262,500.00	$262,500.00	$160,400.00	$160,400.00	$201,017.50	$201,017.50	$237,550.00	$237,550.00	$180,000.00	$180,000.00
0		Not Used	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
0		Not Used	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
472	LF	Construct PCC Longitudinal Gutter per APWA Std. No. 122-1 (3' and 4' wide)	$18.00	$8,496.00	$14.50	$6,844.00	$25.00	$11,800.00	$27.80	$13,121.60	$35.00	$16,520.00
433	TON	Construct 4" AC Pavement	$80.00	$34,640.00	$85.00	$36,805.00	$93.00	$40,269.00	$87.90	$38,060.70	$65.00	$28,145.00
655	TON	Construct 6" Class II Aggregate Base	$25.00	$16,375.00	$15.00	$9,825.00	$25.00	$16,375.00	$29.35	$19,224.25	$22.00	$14,410.00
265	SF	Install Interlocking Pavers per Section F-F of the Plans	$25.00	$6,625.00	$18.00	$4,770.00	$15.00	$3,975.00	$13.00	$3,445.00	$70.00	$18,550.00
52	LF	Install 12" Concrete Bands per Section G-G of the Plans	$25.00	$1,300.00	$27.00	$1,404.00	$32.00	$1,664.00	$46.00	$2,392.00	$47.00	$2,444.00
2,096	SF	Construct PCC Drive Approach per Norco Std. No. 250	$8.00	$16,768.00	$7.00	$14,672.00	$8.00	$16,768.00	$6.10	$12,785.60	$16.00	$33,536.00
670	LF	Construct 6" PCC Curb & Gutter per Norco Std. No. 200 (Type "B") & Curb Openings per Detail A	$15.00	$10,050.00	$15.00	$10,050.00	$25.00	$16,750.00	$20.50	$13,735.00	$32.00	$21,440.00
1,730	LF	Install 2" x 6" Redwood Header	$8.00	$13,840.00	$5.00	$8,650.00	$5.00	$8,650.00	$6.70	$11,591.00	$7.00	$12,110.00
705	LF	Construct Bioswale, Grade Control Check Dams, & 10" PVC Perforated Pipe per Section C-C and Detail "H" of the Plans	$200.00	$141,000.00	$45.00	$31,725.00	$90.00	$63,450.00	$61.40	$43,287.00	$41.00	$28,905.00
495	LF	Construct 5' Wide PCC Channel per Detail "D" of the Plans	$50.00	$24,750.00	$31.00	$15,345.00	$34.00	$16,830.00	$41.60	$20,592.00	$33.00	$16,335.00
5,154	SF	Construct Street Pavement Repair per Norco Std. No. 155(AC Pavement Thickness to be 1" thicker than existing AC pavement thickness)	$5.00	$25,770.00	$3.00	$15,462.00	$4.50	$23,193.00	$3.90	$20,100.60	$4.00	$20,616.00
182	LF	Construct Utility Trench per Plan (for installation of pupeline by the Gas Company)	$100.00	$18,200.00	$14.50	$2,639.00	$25.00	$4,550.00	$28.00	$5,096.00	$58.00	$10,556.00
2	EA	Adjust existing Pullbox to New Grade	$500.00	$1,000.00	$300.00	$600.00	$2,000.00	$4,000.00	$2,175.00	$4,350.00	$2,100.00	$4,200.00
25	LF	Install Down Drain Ditch per Detail "J" of the Plans	$50.00	$1,250.00	$200.00	$5,000.00	$95.00	$2,375.00	$81.60	$2,040.00	$105.00	$2,625.00
30	LF	Install 15" HDPE Pipe	$100.00	$3,000.00	$39.00	$1,170.00	$77.70	$2,331.00	$80.50	$2,415.00	$63.00	$1,890.00
359	LF	Install 18" HDPE Pipe	$130.00	$46,670.00	$46.00	$16,514.00	$42.00	$15,078.00	$43.50	$15,616.50	$50.00	$17,950.00
659	LF	Install 24" HDPE Pipe	$190.00	$125,210.00	$52.00	$34,268.00	$53.55	$35,289.45	$55.50	$36,574.50	$60.00	$39,540.00
72	LF	Install 30" HDPE Pipe	$250.00	$18,000.00	$65.00	$4,680.00	$60.90	$4,384.80	$63.00	$4,536.00	$105.00	$7,560.00
309	LF	Install 36" HDPE Pipe	$310.00	$95,790.00	$72.00	$22,248.00	$66.15	$20,440.35	$68.50	$21,166.50	$90.00	$27,810.00
2	EA	Install 24" x 24" Catch Basin, Grates, Extensions & Cover per Brooks Products #2424CB	$4,000.00	$8,000.00	$1,200.00	$2,400.00	$1,800.00	$3,600.00	$1,860.00	$3,720.00	$1,848.00	$3,696.00
3	EA	Install 36" x 36" Catch Basin, Grates, extensions & Cover per Brooks Products # 3636CB	$4,000.00	$12,000.00	$3,700.00	$11,100.00	$2,520.00	$7,560.00	$2,600.00	$7,800.00	$2,940.00	$8,820.00
1	LF	Install 18" HDPE Plug	$2,000.00	$2,000.00	$150.00	$150.00	$315.00	$315.00	$325.00	$325.00	$378.00	$378.00
4	EA	Install Junction Structure per RCFC & WCD Std. No. JS227	$4,500.00	$18,000.00	$2,200.00	$8,800.00	$525.00	$2,100.00	$545.00	$2,180.00	$1,753.50	$7,014.00
2	EA	Cnstruct Concrete Storm Drain Manhole per RCFC & WCD Std. No. MH252 including Removal of Existing Storm Drain Grate & Existing Manhole	$5,000.00	$10,000.00	$3,800.00	$7,600.00	$4,500.00	$9,000.00	$4,625.00	$9,250.00	$3,885.00	$7,770.00
1	EA	Break into Existing Catch Basin & Form Channel Bottom per RCFC & WCD Std. No. CB109	$3,000.00	$3,000.00	$1,500.00	$1,500.00	$2,310.00	$2,310.00	$2,395.00	$2,395.00	$1,071.00	$1,071.00
5	EA	Construct Concrete Collar per RCFC & WCD Std. No. M803	$1,000.00	$5,000.00	$450.00	$2,250.00	$945.00	$4,725.00	$980.00	$4,900.00	$924.00	$4,620.00
5	EA	Construct Concrete Collar per Detail "L" per the Plans	$1,000.00	$5,000.00	$450.00	$2,250.00	$945.00	$4,725.00	$980.00	$4,900.00	$924.00	$4,620.00
3	EA	Install CSP Tee (type and size per plan)	$1,500.00	$4,500.00	$550.00	$1,650.00	$1,890.00	$5,670.00	$1,960.00	$5,880.00	$714.00	$2,142.00
2	EA	Install CSP Drain Inlet Assembly per Details "K" & "M" of the plans	$3,000.00	$6,000.00	$2,650.00	$5,300.00	$2,100.00	$4,200.00	$2,175.00	$4,350.00	$2,342.00	$4,684.00
88	LF	Install 12" PVC Pipe Schedule	$80.00	$7,040.00	$36.00	$3,168.00	$72.45	$6,375.60	$75.00	$6,600.00	$53.00	$4,664.00
850	LF	Install 8" VCP Sewer Main (bell & spigot) including Fittings & Gaskets & Construct Street Pavement Repair per Norco Std. No. 155	$130.00	$110,500.00	$155.00	$131,750.00	$44.10	$37,485.00	$46.00	$39,100.00	$54.00	$45,900.00
837	LF	Install 8" VCP Sewr Main (bell & spigot) including Fittings and Gaskets (no pavement repair)	$90.00	$75,330.00	$35.00	$29,295.00	$40.95	$34,275.15	$42.50	$35,572.50	$55.00	$46,035.00
6	EA	Construct Sewer Manhole (48" dia) per Norco Std. No. 515	$5,000.00	$30,000.00	$3,000.00	$18,000.00	$3,045.00	$18,270.00	$3,150.00	$18,900.00	$4,515.00	$27,090.00
4	EA	Install Sewer Plug per Norco Std. No. 510	$1,000.00	$4,000.00	$60.00	$240.00	$157.50	$630.00	$165.00	$660.00	$92.00	$368.00
2	EA	Install Terminal Cleanout per Norco Std. No. 510	$2,000.00	$4,000.00	$700.00	$1,400.00	$1,575.00	$3,150.00	$1,635.00	$3,270.00	$1,155.00	$2,310.00
2	EA	Break into Existing Manhole & Form Channel Bottom per APWA Std. No. 208-1	$3,000.00	$6,000.00	$1,800.00	$3,600.00	$1,680.00	$3,360.00	$1,740.00	$3,480.00	$2,247.00	$4,494.00
1	EA	Install 4" x 8" x 8" 45-degree VCP Wye	$2,000.00	$2,000.00	$100.00	$100.00	$210.00	$210.00	$220.00	$220.00	$326.00	$326.00
1	EA	Install 4" x 8" x 8" 90-degree VCP Wye	$2,000.00	$2,000.00	$100.00	$100.00	$262.50	$262.50	$275.00	$275.00	$325.00	$325.00
85	LF	Install 4" VCP Sewer Lateral	$50.00	$4,250.00	$94.00	$7,990.00	$32.55	$2,766.75	$34.00	$2,890.00	$50.00	$4,250.00
1	LS	All work related to the construction & installation of 6-inch dia. CML&C pipes including but not limited to:	$58,800.00	$58,800.00	$131,000.00	$131,000.00	$122,199.00	$122,199.00	$126,635.00	$126,635.00	$170,100.00	$170,100.00
1	LS	All work related to the construction & installation of 6-inch & 8-inch dia. C900 PVC reclaimed pipe including but not limited to:	$220,260.00	$220,260.00	$143,000.00	$143,000.00	$92,782.20	$92,782.20	$96,150.00	$96,150.00	$67,200.00	$67,200.00
1	LS	All work related to the construction & installation of 1-inch dia. Water services including but not limited to:	$3,000.00	$3,000.00	$4,900.00	$4,900.00	$6,510.00	$6,510.00	$6,745.00	$6,745.00	$2,940.00	$2,940.00
1	LS	All work related to the construction & installation of 4-inch dia. Reclaimed water service (per Norco Std. No. 415) including but not limited to:	$8,500.00	$8,500.00	$7,600.00	$7,600.00	$28,560.00	$28,560.00	$29,600.00	$29,600.00	$33,600.00	$33,600.00
680	LF	Install 2", 3" or 6" PVC Sleeve	$4.00	$3,920.00	$17.50	$17,150.00	$25.00	$24,500.00	$26.00	$25,480.00	$26.00	$25,480.00
		TOTAL BID	**$60.00**	**$1,670,459.00**		**$977,864.00**		**$997,231.30**		**$1,083,300.00**		**$1,097,826.00**

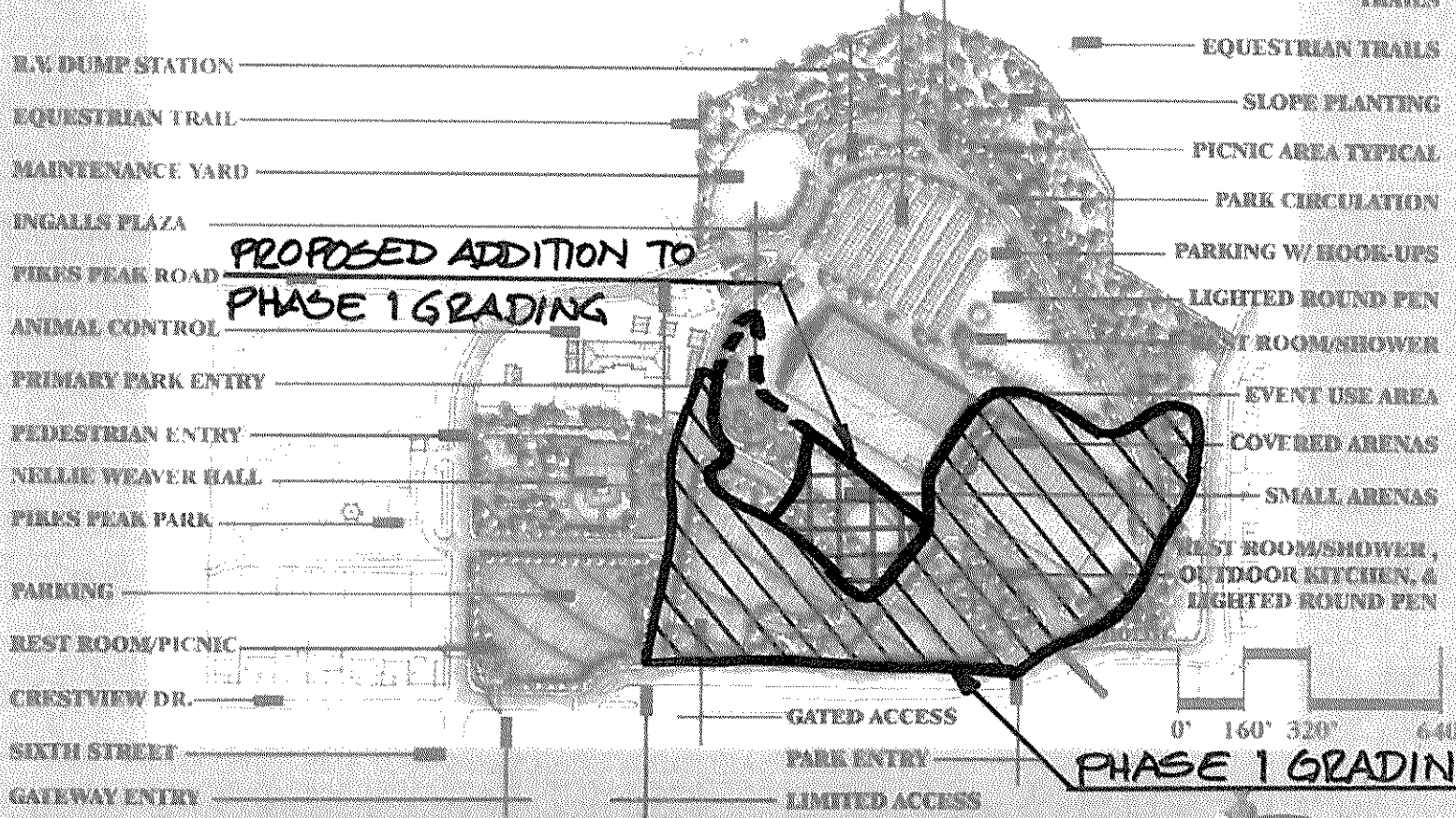
Low Bid Subcontractors					
	Water, Sewer	Clearwater, Perris, CA	Reclaimed W	Surina Construction, Bloomington, CA	Concrete	EBS, Inc., Corona, CA	Pipe & Minor	Gwinco Construction, Alta Loma, CA
	PCC	DMC, Ontario, CA			Water & Sew	Surina Constructi	Pipe	SRD Engineering, Anaheim, CA
	AC	Pavewest, LaHabra, CA						
	Electric	J & L Electric, Vista, CA						

BID SUMMARY SHEET

INGALLS PARK GRADING

QUANTITY	UNITS	DESCRIPTION	CONENGR UNIT BID	CONENGR TOTAL	Vance Corporation UNIT BID	Vance Corporation TOTAL	L. D. Anderson, Inc. UNIT BID	L. D. Anderson, Inc. TOTAL	GCL Engineering Inc. UNIT BID	GCL Engineering Inc. TOTAL
1	LS	Clearing, Grubbing, Mobilization, Removals, NPDES Compliance	$114,850.00	$114,850.00	$257,089.00	$257,089.00	$196,700.00	$196,700.00	$53,120.00	$53,120.00
1	LS	Traffic Control	$6,116.00	$6,116.00	$7,500.00	$7,500.00	$24,300.00	$24,300.00	$4,435.00	$4,435.00
1	LS	General Grading & Unclassified Excavation	$136,595.00	$136,595.00	$150,000.00	$150,000.00	$208,656.00	$208,656.00	$393,530.00	$393,530.00
0		Not Used	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
0		Not Used	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
472	LF	Construct PCC Longitudinal Gutter per APWA Std. No. 122-1 (3' and 4' wide)	$15.12	$7,136.64	$25.00	$11,800.00	$35.00	$16,520.00	$17.00	$8,024.00
433	TON	Construct 4" AC Pavement	$100.00	$43,300.00	$75.00	$32,475.00	$96.00	$41,568.00	$85.00	$36,805.00
655	TON	Construct 6" Class II Aggregate Base	$30.23	$19,800.65	$20.00	$13,100.00	$27.00	$17,685.00	$29.00	$18,995.00
265	SF	Install Interlocking Pavers per Section F-F of the Plans	$22.09	$5,853.85	$25.00	$6,625.00	$70.00	$18,550.00	$9.00	$2,385.00
52	LF	Install 12" Concrete Bands per Section G-G of the Plans	$12.21	$634.92	$50.00	$2,600.00	$48.00	$2,496.00	$28.00	$1,456.00
2,096	SF	Construct PCC Drive Approach per Norco Std. No. 250	$10.47	$21,945.12	$12.00	$25,152.00	$16.00	$33,536.00	$7.50	$15,720.00
670	LF	Construct 6" PCC Curb & Gutter per Norco Std. No. 200 (Type "B") & Curb Openings per Detail A	$17.15	$11,490.50	$25.00	$16,750.00	$31.00	$20,770.00	$28.00	$18,760.00
1,730	LF	Install 2" x 6" Redwood Header	$2.55	$4,411.50	$10.00	$17,300.00	$7.00	$12,110.00	$4.75	$8,217.50
705	LF	Construct Bioswale, Grade Control Check Dams, & 10" PVC Perforated Pipe per Section C-C and Detail "H" of the Plans	$76.74	$54,101.70	$45.00	$31,725.00	$42.00	$29,610.00	$61.00	$43,005.00
495	LF	Construct 5' Wide PCC Channel per Detail "D" of the Plans	$29.07	$14,389.65	$25.00	$12,375.00	$42.00	$20,790.00	$30.00	$14,850.00
5,154	SF	Construct Street Pavement Repair per Norco Std. No. 155(AC Pavement Thickness to be 1" thicker than existing AC pavement thickness)	$4.95	$25,512.30	$5.00	$25,770.00	$2.00	$10,308.00	$3.25	$16,750.50
182	LF	Construct Utility Trench per Plan (for installation of pupeline by the Gas Company)	$52.33	$9,524.06	$20.00	$3,640.00	$59.00	$10,738.00	$9.50	$1,729.00
2	EA	Adjust existing Pullbox to New Grade	$581.00	$1,162.00	$2,000.00	$4,000.00	$2,160.00	$4,320.00	$475.00	$950.00
25	LF	Install Down Drain Ditch per Detail "J" of the Plans	$116.28	$2,907.00	$50.00	$1,250.00	$108.00	$2,700.00	$195.00	$4,875.00
30	LF	Install 15" HDPE Pipe	$48.84	$1,465.20	$75.00	$2,250.00	$80.00	$2,400.00	$32.00	$960.00
359	LF	Install 18" HDPE Pipe	$54.65	$19,619.35	$45.00	$16,155.00	$43.00	$15,437.00	$38.00	$13,642.00
659	LF	Install 24" HDPE Pipe	$63.49	$41,839.91	$55.00	$36,245.00	$55.00	$36,245.00	$54.50	$35,915.50
72	LF	Install 30" HDPE Pipe	$72.28	$5,204.16	$60.00	$4,320.00	$62.00	$4,464.00	$65.00	$4,680.00
309	LF	Install 36" HDPE Pipe	$75.00	$23,175.00	$65.00	$20,085.00	$68.00	$21,012.00	$82.00	$25,338.00
2	EA	Install 24" x 24" Catch Basin, Grates, Extensions & Cover per Brooks Products #2424CB	$2,209.00	$4,418.00	$1,800.00	$3,600.00	$1,840.00	$3,680.00	$2,455.00	$4,910.00
3	EA	Install 36" x 36" Catch Basin, Grates, extensions & Cover per Brooks Products # 3636CB	$4,884.00	$14,652.00	$2,500.00	$7,500.00	$2,590.00	$7,770.00	$3,210.00	$9,630.00
1	LF	Install 18" HDPE Plug	$586.00	$586.00	$350.00	$350.00	$324.00	$324.00	$470.00	$470.00
4	EA	Install Junction Structure per RCFC & WCD Std. No. JS227	$2,326.00	$9,304.00	$550.00	$2,200.00	$540.00	$2,160.00	$2,550.00	$10,200.00
2	EA	Cnstruct Concrete Storm Drain Manhole per RCFC & WCD Std. No. MH252 including Removal of Existing Storm Drain Grate & Existing Manhole	$4,884.00	$9,768.00	$4,500.00	$9,000.00	$4,590.00	$9,180.00	$4,555.00	$9,110.00
1	EA	Break into Existing Catch Basin & Form Channel Bottom per RCFC & WCD Std. No. CB109	$2,093.00	$2,093.00	$2,300.00	$2,300.00	$2,370.00	$2,370.00	$1,175.00	$1,175.00
5	EA	Construct Concrete Collar per RCFC & WCD Std. No. M803	$872.00	$4,360.00	$1,000.00	$5,000.00	$970.00	$4,850.00	$708.00	$3,540.00
5	EA	Construct Concrete Collar per Detail "L" per the Plans	$872.00	$4,360.00	$1,000.00	$5,000.00	$970.00	$4,850.00	$1,228.00	$6,140.00
3	EA	Install CSP Tee (type and size per plan)	$781.00	$2,343.00	$2,000.00	$6,000.00	$1,940.00	$5,820.00	$465.00	$1,395.00
2	EA	Install CSP Drain Inlet Assembly per Details "K" & "M" of the plans	$3,419.00	$6,838.00	$2,000.00	$4,000.00	$2,160.00	$4,320.00	$3,015.00	$6,030.00
88	LF	Install 12" PVC Pipe Schedule	$39.07	$3,438.16	$75.00	$6,600.00	$75.00	$6,600.00	$28.00	$2,464.00
850	LF	Install 8" VCP Sewer Main (bell & spigot) including Fittings & Gaskets & Construct Street Pavement Repair per Norco Std. No. 155	$99.53	$84,600.50	$45.00	$38,250.00	$45.00	$38,250.00	$155.50	$132,175.00
837	LF	Install 8" VCP Sewr Main (bell & spigot) including Fittings and Gaskets (no pavement repair)	$64.65	$54,112.05	$40.00	$33,480.00	$42.00	$35,154.00	$32.00	$26,784.00
6	EA	Construct Sewer Manhole (48" dia) per Norco Std. No. 515	$3,907.00	$23,442.00	$3,000.00	$18,000.00	$3,130.00	$18,780.00	$3,140.00	$18,840.00
4	EA	Install Sewer Plug per Norco Std. No. 510	$391.00	$1,564.00	$250.00	$1,000.00	$160.00	$640.00	$73.00	$292.00
2	EA	Install Terminal Cleanout per Norco Std. No. 510	$1,758.14	$3,516.28	$1,500.00	$3,000.00	$1,620.00	$3,240.00	$780.00	$1,560.00
2	EA	Break into Existing Manhole & Form Channel Bottom per APWA Std. No. 208-1	$1,744.00	$3,488.00	$1,700.00	$3,400.00	$1,720.00	$3,440.00	$1,415.00	$2,830.00
1	EA	Install 4" x 8" x 8" 45-degree VCP Wye	$342.00	$342.00	$250.00	$250.00	$220.00	$220.00	$120.00	$120.00
1	EA	Install 4" x 8" x 8" 90-degree VCP Wye	$342.00	$342.00	$300.00	$300.00	$270.00	$270.00	$135.00	$135.00
85	LF	Install 4" VCP Sewer Lateral	$66.42	$5,645.70	$35.00	$2,975.00	$33.00	$2,805.00	$25.00	$2,125.00
1	LS	All work related to the construction & installation of 6-inch dia. CML&C pipes including but not limited to:	$145,349.00	$145,349.00	$130,000.00	$130,000.00	$129,600.00	$129,600.00	$82,185.00	$82,185.00
1	LS	All work related to the construction & installation of 6-inch & 8-inch dia. C900 PVC reclaimed pipe including but not limited to:	$122,907.00	$122,907.00	$110,000.00	$110,000.00	$95,400.00	$95,400.00	$108,300.00	$108,300.00
1	LS	All work related to the construction & installation of 1-inch dia. Water services including but not limited to:	$5,233.00	$5,233.00	$6,500.00	$6,500.00	$6,700.00	$6,700.00	$6,760.00	$6,760.00
1	LS	All work related to the construction & installation of 4-inch dia. Reclaimed water service (per Norco Std. No. 415) including but not limited to:	$31,395.00	$31,395.00	$28,000.00	$28,000.00	$2,920.00	$2,920.00	$19,805.00	$19,805.00
980	LF	Install 2", 3" or 6" PVC Sleeve	$26.74	$26,205.20	$25.00	$24,500.00	$27.00	$26,460.00	$17.00	$16,660.00
		TOTAL BID		**$1,141,336.40**		**$1,149,411.00**		**$1,166,718.00**		**$1,197,777.50**
				vs. $1,191,284.95						

Low Bid Subcontractors



GEORGE INGALLS EQUESTRIAN EVENTS CENTER

KAMMEYER & ASSOCIATES

CITY OF NORCO
STAFF REPORT

TO:	Honorable Mayor and Members of the City Council
FROM:	Beth Groves, Interim City Manager
PREPARED BY:	William R. Thompson, Director of Public Works
DATE:	October 7, 2009
SUBJECT:	Acceptance of Bids and Award of Contract for the North Drive Traffic Calming Median and Street Improvement Project
RECOMMENDATION:	That City Council accept the bids submitted for the North Drive Traffic Calming Median and Street Improvement Project and award a contract to S&S Grading and Paving, Inc. in the amount of $75,678.88 and authorize the City Manager to approve contract change orders up to 10 percent of the contract amount.

SUMMARY: Bids for the North Drive Traffic Medians and Street Improvement Project were opened on September 9, 2009 with S&S Grading and Paving, Inc. being the lowest responsible bidder. Therefore, it is recommended that the contract be awarded to S&S Grading and Paving, Inc. in the amount of $75,678.88.

BACKGROUND/ANALYSIS: Staff completed plans and specifications for the street improvement project for bidding purposes and on September 9, 2009, bids were received. The contract calls for the installation of traffic calming medians and street improvements on North Drive from California Avenue west to Crestview Drive.

Fifteen bids were received ranging from $75,678.88 to $173,943.55. The lowest bidder, S&S Grading and Paving, Inc. is 64% below staff's estimate of $165,000. The lowest responsible bidder's license and references were checked and found to be satisfactory. The bid summary sheet has been attached for Council's review.

FINANCIAL IMPACT: The total costs of $75,678.88 are included in the 2009/10 Street Capital Improvement Program (Fund 149).

Attachments: Bid Summary

/wrt – 73651

Agenda Item 3.H.

BID SUMMARY SHEET

NORTH DRIVE TRAFFIC CALMING MEDIANS

QUANTITY	UNITS	DESCRIPTION	Engineer's Estimate UNIT BID	Engineer's Estimate TOTAL	S & S Grading & Paving, Inc. UNIT BID	S & S Grading & Paving, Inc. TOTAL	B & T Works, Inc. UNIT BID	B & T Works, Inc. TOTAL	Belaire-West Lanscape, Inc. UNIT BID	Belaire-West Lanscape, Inc. TOTAL	Landmark Site Contractors UNIT BID	Landmark Site Contractors TOTAL
1	LS	Clearing, Grubbing and Removals	$10,000.00	$10,000.00	$2,500.00	$2,500.00	$4,500.00	$4,500.00	$5,000.00	$5,000.00	$4,200.00	$4,200.00
1	LS	Traffic Control	$5,000.00	$5,000.00	$1,500.00	$1,500.00	$10,000.00	$10,000.00	$5,000.00	$5,000.00	$4,900.00	$4,900.00
1,589	LF	Construct Type A-1-150(6) Surface Mounted Curb	$20.00	$31,780.00	$9.12	$14,491.68	$15.00	$23,835.00	$16.00	$25,424.00	$14.00	$22,246.00
4,453	SF	Construct Yosemite Cobblestone Hardscape	$15.00	$66,795.00	$5.60	$24,936.80	$7.00	$31,171.00	$8.00	$35,624.00	$8.00	$35,624.00
1	LS	Install Pavement Striping, Markings and Signing	$7,500.00	$7,500.00	$6,300.00	$6,300.00	$6,000.00	$6,000.00	$8,000.00	$8,000.00	$6,700.00	$6,700.00
1	EA	Adjust Manhole Frame and Lid to Grade per City of Norco Std. 535	$500.00	$500.00	$750.00	$750.00	$950.00	$950.00	$2,000.00	$2,000.00	$2,200.00	$2,200.00
263	LF	Install 4" PVC Sleeve	$50.00	$13,150.00	$41.50	$10,914.50	$34.00	$8,942.00	$50.00	$13,150.00	$22.00	$5,786.00
245	LF	Construct 6" PCC Mow Curb	$20.00	$4,900.00	$15.00	$3,675.00	$16.00	$3,920.00	$10.00	$2,450.00	$16.00	$3,920.00
12,587	SF	Install 6" Thick Decomposed Granite (City Supplied)	$2.00	$25,174.00	$0.70	$8,810.90	$0.55	$6,922.85	$1.00	$12,587.00	$2.00	$25,174.00
2	EA	Install 6' Type E Loop Detector	$500.00	$1,000.00	$900.00	$1,800.00	$1,000.00	$2,000.00	$500.00	$1,000.00	$700.00	$1,400.00
		TOTAL BID		**$165,799.00**		**$75,678.88**		**$98,240.85**		**$110,235.00**		**$112,150.00**
		Low Bid Subcontractors			Curb Const.	Wallcrete Industries Redlands, CA	Striping	JP Striping Beaumont, CA	Curb Const.	L. Jacinto Const. Mentone, CA	Loop Detectors	Smithson Electric Orange, CA
					Striping & Signage	JP Striping Beaumont, CA			Striping & Signage	O.C.Striping Serv. Orange, CA	Striping & Signage	JP Striping Beaumont, CA
					Loop Detectors	Crackfilling, Inc. Anaheim, CA						

BID SUMMARY SHEET

NORTH DRIVE TRAFFIC CALMING MEDIANS

QUANTITY	UNITS	DESCRIPTION	Grigolla & Sons Const. Co., Inc. UNIT BID	Grigolla & Sons Const. Co., Inc. TOTAL	Elite Bobcat Service, Inc. UNIT BID	Elite Bobcat Service, Inc. TOTAL	Haltbrink Asphalt Paving, Inc. UNIT BID	Haltbrink Asphalt Paving, Inc. TOTAL	Hillcrest Contracting, Inc. UNIT BID	Hillcrest Contracting, Inc. TOTAL	A & Y Asphalt Contractors, Inc. UNIT BID	A & Y Asphalt Contractors, Inc. TOTAL
1	LS	Clearing, Grubbing and Removals	$4,000.00	$4,000.00	$15,000.00	$15,000.00	$2,500.00	$2,500.00	$10,000.00	$10,000.00	$14,000.00	$14,000.00
1	LS	Traffic Control	$4,420.00	$4,420.00	$5,000.00	$5,000.00	$11,820.00	$11,820.00	$11,700.00	$11,700.00	$10,000.00	$10,000.00
1,589	LF	Construct Type A-1-150(6) Surface Mounted Curb	$12.00	$19,068.00	$13.00	$20,657.00	$14.00	$22,246.00	$8.00	$12,712.00	$13.00	$20,657.00
4,453	SF	Construct Yosemite Cobblestone Hardscape	$13.00	$57,889.00	$8.45	$37,627.85	$10.97	$48,849.41	$8.90	$39,631.70	$9.00	$40,077.00
1	LS	Install Pavement Striping, Markings and Signing	$8,000.00	$8,000.00	$6,000.00	$6,000.00	$7,300.00	$7,300.00	$6,200.00	$6,200.00	$6,700.00	$6,700.00
1	EA	Adjust Manhole Frame and Lid to Grade per City of Norco Std. 535	$700.00	$700.00	$1,500.00	$1,500.00	$800.00	$800.00	$1,100.00	$1,100.00	$550.00	$550.00
263	LF	Install 4" PVC Sleeve	$35.00	$9,205.00	$35.00	$9,205.00	$19.25	$5,062.75	$45.00	$11,835.00	$55.00	$14,465.00
245	LF	Construct 6" PCC Mow Curb	$7.00	$1,715.00	$15.00	$3,675.00	$13.42	$3,287.90	$12.40	$3,038.00	$13.00	$3,185.00
12,587	SF	Install 6" Thick Decomposed Granite (City Supplied)	$0.45	$5,664.15	$1.00	$12,587.00	$0.69	$8,685.03	$1.70	$21,397.90	$0.86	$10,824.82
2	EA	Install 6' Type E Loop Detector	$900.00	$1,800.00	$1,000.00	$2,000.00	$1,532.00	$3,064.00	$950.00	$1,900.00	$850.00	$1,700.00
		TOTAL BID		**$112,461.15**		**$113,251.85**		**$113,615.09**		**$119,514.60**		**$122,158.82**
					vs.	***$113,252.00***						
		Low Bid Subcontractors	Loop Detectors	Smithson Electric Orange, CA								
			(Alt.) Loop Detectors	L.A. Signal Const. San Dimas, CA								
			Striping & Signage	JP Striping Beaumont, CA								

BID SUMMARY SHEET

NORTH DRIVE TRAFFIC CALMING MEDIANS

			S.J. Grigolla Const. Co., Inc.		Boudreau Pipeline		Unique Perf. Const., Inc.		J.D.C., Inc.		International Pavement Solutions, Inc.	
QUANTITY	UNITS	DESCRIPTION	UNIT BID	TOTAL	UNIT BID	TOTAL	UNIT BID	TOTAL	UNIT BID	TOTAL	UNIT BID	TOTAL
1	LS	Clearing, Grubbing and Removals	$2,500.00	$2,500.00	$11,800.00	$11,800.00	$3,000.00	$3,000.00	$11,000.00	$11,000.00	$52,000.00	$52,000.00
1	LS	Traffic Control	$5,000.00	$5,000.00	$9,500.00	$9,500.00	$3,000.00	$3,000.00	$4,000.00	$4,000.00	$3,500.00	$3,500.00
1,589	LF	Construct Type A-1-150(6) Surface Mounted Curb	$15.00	$23,835.00	$13.00	$20,657.00	$15.76	$25,042.64	$16.00	$25,424.00	$9.50	$15,095.50
4,453	SF	Construct Yosemite Cobblestone Hardscape	$10.50	$46,756.50	$9.50	$42,303.50	$15.00	$66,795.00	$16.00	$71,248.00	$13.00	$57,889.00
1	LS	Install Pavement Striping, Markings and Signing	$6,800.00	$6,800.00	$7,900.00	$7,900.00	$8,000.00	$8,000.00	$6,000.00	$6,000.00	$6,450.00	$6,450.00
1	EA	Adjust Manhole Frame and Lid to Grade per City of Norco Std. 535	$1,250.00	$1,250.00	$450.00	$450.00	$600.00	$600.00	$500.00	$500.00	$950.00	$950.00
263	LF	Install 4" PVC Sleeve	$60.00	$15,780.00	$50.00	$13,150.00	$30.00	$7,890.00	$46.00	$12,098.00	$55.00	$14,465.00
245	LF	Construct 6" PCC Mow Curb	$12.00	$2,940.00	$13.00	$3,185.00	$10.00	$2,450.00	$16.00	$3,920.00	$8.25	$2,021.25
12,587	SF	Install 6" Thick Decomposed Granite (City Supplied)	$1.25	$15,733.75	$1.50	$18,880.50	$1.20	$15,104.40	$1.70	$21,397.90	$0.75	$9,440.25
2	EA	Install 6' Type E Loop Detector	$1,200.00	$2,400.00	$900.00	$1,800.00	$700.00	$1,400.00	$3,000.00	$6,000.00	$950.00	$1,900.00
		TOTAL BID		**$122,995.25**		**$129,626.00**		**$133,282.04**		**$161,587.90**		**$163,711.00**
									vs.	*$161,588.00*		
		Low Bid Subcontractors										

BID SUMMARY SHEET

NORTH DRIVE TRAFFIC CALMING MEDIANS

			Abbott Cont. & Eng., Inc.	
QUANTITY	**UNITS**	**DESCRIPTION**	**UNIT BID**	**TOTAL**
1	LS	Clearing, Grubbing and Removals	$17,400.00	$17,400.00
1	LS	Traffic Control	$6,000.00	$6,000.00
1,589	LF	Construct Type A-1-150(6) Surface Mounted Curb	$24.00	$38,136.00
4,453	SF	Construct Yosemite Cobblestone Hardscape	$13.00	$57,889.00
1	LS	Install Pavement Striping, Markings and Signing	$6,000.00	$6,000.00
1	EA	Adjust Manhole Frame and Lid to Grade per City of Norco Std. 535	$750.00	$750.00
263	LF	Install 4" PVC Sleeve	$65.00	$17,095.00
245	LF	Construct 6" PCC Mow Curb	$29.00	$7,105.00
12,587	SF	Install 6" Thick Decomposed Granite (City Supplied)	$1.65	$20,768.55
2	EA	Install 6' Type E Loop Detector	$1,400.00	$2,800.00
		TOTAL BID		**$173,943.55**

Low Bid Subcontractors

CITY OF NORCO
STAFF REPORT

TO:	Honorable Mayor and Members of the City Council
FROM:	Beth Groves, Interim City Manager
PREPARED BY:	William R. Thompson, Director of Public Works
DATE:	October 7, 2009
SUBJECT:	Acceptance of the Traffic Signal Improvements at the Intersection of Hamner Avenue and Citrus Avenue
RECOMMENDATION:	That City Council accept the Traffic Signal Improvements at the Intersection of Hamner Avenue and Citrus Avenue as complete and instruct the City Clerk to file the Notice of Completion with the County Recorder's Office at her earliest convenience.

SUMMARY: The Riverside County Transportation Department has completed the traffic signal improvements at the intersection of Hamner Avenue and Citrus Avenue within the City of Norco. The Notice of Completion was filed on July 14, 2009, by the Riverside County Transportation Department. The Transportation Department is now requesting the City of Norco accept the traffic signal improvements as complete.

BACKGROUND/ANALYSIS: The Riverside County Transportation Department designed and constructed traffic signal improvements at the intersection of Hamner Avenue and Citrus Avenue. The Contractor started construction on April 2, 2009, completed the project and officially energized the traffic signal on May 14, 2009.

Since the new traffic signal is located within the City of Norco's jurisdictional boundaries, Riverside County is requesting the city accept the intersection improvements and commence the responsibility of the operation and maintenance of the traffic signal.

The work was completed in conformance with the approved specifications and contract. Staff is recommending that the City Council accepts the improvements and approves the project as complete. Staff also requests the Council to direct the City Clerk to file a Notice of Completion for this work with the County Recorder's Office at her earliest convenience.

FINANCIAL IMPACT: Traffic Signal Maintenance (Gas Tax) approximately $1,200 per year

Attachment: Letter of Request for Acceptance
LAFCO Documentation

/wrt-73615

Agenda Item 3.I.

COUNTY OF RIVERSIDE

TRANSPORTATION AND LAND MANAGEMENT AGENCY

Transportation Department

Juan C. Perez, P.E., T.E.
Director of Transportation

September 14, 2009

William R. Thompson
Director of Public Works
City of Norco
2870 Clark Avenue
Norco, California 92860

RE: Request for Acceptance
Hamner Avenue and Citrus Street Intersection and Traffic Signal Improvements

Dear Mr. Thompson,

The Riverside County Transportation Department has recently completed the intersection and traffic signal improvements at Hamner Avenue and Citrus Street intersection. The Notice of Completion was filed on July 14, 2009. This location met peak hour traffic signal warrant conducted in 2006 and the City of Norco signed the improvements plans on August 13, 2008. Contractor started construction on April 2, 2009 and turned on the traffic signal on May 14, 2009.

Since the newly installed traffic signal is located within the City of Norco jurisdiction, the Riverside County Transportation Department would like to ask the City of Norco to accept the subject improvements and take over the operation and maintenance of the traffic signal. You may contact County's Traffic Operation Supervisor, Jack Cummings, at (951) 955-6804 to schedule a date to turn over the traffic signal operation and maintenance.

Thank you for your assistance and corporation in getting these improvements completed. If you have any questions, please contact me at (951) 955-8562.

Sincerely,

Dowling Tsai, P.E.
Engineering Project Manager

Cc: Lawrence Tai
Mike Call
Jack Cumming

3525 14th Street, Riverside, California 92501 · (951) 955-6800
P.O. Box 1090 · Riverside, California 92502-1090 · FAX (951) 955-3164

RIVERSIDE LAFCO

DOC # 2003-521494
07/14/2003

Conformed Copy
Has not been compared with original

Gary L Orso
County of Riverside
Assessor, County Clerk & Recorder

CERTIFICATE OF COMPLETION

Pursuant to the Cortese/Knox Local Government Reorganization Act of 1985, Sections 57201, 57202 and 57205, this Certificate is hereby issued by the Executive Officer of the Local Agency Formation Commission of Riverside County, California.

1. Short-form designation, as designated by LAFCO is 2002-35-2.

2. The name of the district involved in this change of organization and the kind or type of change ordered for the annexation is as follows:

City & District	Type of Change of Organization
City of Norco	Annexation 21
Jurupa Area Recreation and Park District	Detachment
Riverside County Waste Resources Management District	Detachment

3. The above-listed city/district is located within the following county: Riverside.

4. A description of the boundaries of the above-cited change of reorganization is shown on the attached map and legal description, marked Exhibit "A" and by reference incorporated herein.

5. The territory is uninhabited.

6. This change of organization has been approved subject to the following terms and conditions, if any: See attached LAFCO Resolution No. 19-03.

7. Conducting authority proceedings have been waived by the Commission per Resolution No. 19-03 dated March 27, 2003. A certified copy of LAFCO Resolution No. 19-03 is attached hereto and by reference incorporated herein.

I hereby certify that as Executive Officer for the Local Agency Formation Commission of Riverside County, the above-listed agency has completed a change of organization pursuant to the Cortese-Knox Local Government Reorganization Act of 1985.

GEORGE J. SPILIOTIS
Executive Officer

Date: July 14, 2003

Local Agency Formation Commission County of Riverside

RESOLUTION NO. 19-03

APPROVING THE PROPOSED REORGANIZATION TO INCLUDE ANNEXATION 21 TO THE CITY OF NORCO AND CONCURRENT DETACHMENTS FROM THE JURUPA AREA RECREATION AND PARK DISTRICT AND THE RIVERSIDE COUNTY WASTE RESOURCES MANAGEMENT DISTRICT

LAFCO NO. 2002-35-2

BE IT RESOLVED AND DETERMINED by the Local Agency Formation Commission in regular session assembled on March 27, 2003, that the Reorganization to Include Annexation 21 to the City of Norco, and Concurrent Detachments from the Jurupa Area Recreation and Park District and the Riverside County Waste Resources Management District consisting of approximately 127 acres generally located south of Schleisman Avenue, north of the Santa Ana River, east of Hamner Road and west of Interstate 15 as more particularly described in Exhibit "A", attached hereto and made a part hereof is approved.

BE IT FURTHER RESOLVED, DETERMINED AND FOUND that:

1. Commission proceedings were commenced by the City of Norco.

2. The reorganization is proposed to provide municipal services by the City of Norco.

3. The distinctive short form designation of the proposal is LAFCO No. 2002-35-2--Reorganization to Include Annexation 21 to the City of Norco, Concurrent Detachments from the Jurupa Area Recreation and Park District and the Riverside

RIVERSIDE
LOCAL AGENCY
FORMATION COMMISSION
1485 Spruce Street
Suite J
Riverside, California
92507-2445
(909) 361-0631

County Waste Resources Management District.

4. The City of Norco, as lead agency, has adopted a Negative Declaration for the annexation area. The City of Norco in adopting the Negative Declaration has complied with the provisions of the California Environmental Quality Act (CEQA) and all appropriate State Guidelines, and that the Commission has reviewed and considered the environmental documentation.

5. The proposed reorganization is consistent with the City of Norco sphere of influence and the spheres of influence of all affected local agencies.

6. The boundaries of the territory as set forth in Exhibit "A", attached hereto and incorporated herein by reference, are approved.

7. The proposed reorganization is legally uninhabited.

8. The reorganization is approved subject to the following terms and conditions:

a. In accordance with Government Code Sections 56886(t) and 57330, the subject territory shall be subject to the levying and collection of any previously authorized charge, fee, assessment or tax of the City.

b. The City of Norco shall defend, indemnify and hold harmless the Riverside County Local Agency Formation Commission (LAFCO), its agents, officers, and employees from any claim, action, or proceeding against LAFCO, its agents, officers, and employees to attach, set aside, void, or annul an approval of LAFCO concerning this proposal.

RIVERSIDE
LOCAL AGENCY
FORMATION COMMISSION
1485 Spruce Street
Suite J
Riverside, California
92507-2455
(909) 369-0831

c. In accordance with Government Code Section 56375(n) waive automatic detachment from County Service Area 152 based upon the following findings:

i. County Service Area (CSA) 152 is a funding mechanism for the implementation of the National Pollutant Discharge Elimination System (NPDES) emanating from the Federal 1972 Clean Water Act, and re-authorized under the Federal 1987 Clean Water Act.

ii. The City annexed into CSA 152 and is included within the CSA's service area.

iii. Detachment would deprive the area residents services needed to ensure their health, safety or welfare.

iv. Waiving detachment will not affect the ability of the City to provide any services.

8. Pursuant to Government Code Section 56663(c) waive protest proceedings, and make the following determinations:

(1) The affected territory is legally uninhabited.

(2) The proposal has the support of 100% of the affected landowners.

(3) The City of Norco has consented by resolution to waiving protest proceedings.

9. The Executive Officer is directed to prepare and execute a Certificate of Completion upon receipt of fees required by Government Code Section 54902.5 (made payable to the State Board of Equalization).

RIVERSIDE
LOCAL AGENCY
FORMATION COMMISSION
1495 Spruce Street
Suite J
Riverside, California
92507-2445
(909) 369-0631

10. The Executive Officer is directed to transmit a certified copy of this resolution to the proponent and to each subject agency.

TERRY HENDERSON, Chair

I certify the above resolution was passed and adopted by the Local Agency Formation Commission of Riverside County on March 27, 2003.

GEORGE J. SPILIOTIS
Executive Officer

FORM APPROVED
COUNTY COUNSEL

APR 07 2003

BY
ASSISTANT COUNTY COUNSEL

RIVERSIDE
LOCAL AGENCY
FORMATION COMMISSION
1485 Spruce Street
Suite J
Riverside, California
92507-2445
(909) 369-0631

MINOR SPHERE OF INFLUENCE AMENDMENTS
TO THE CITY OF NORCO (addition) AND THE
JURUPA AREA RECREATION AND PARK DISTRICT (removal)
AND REORGANIZATION TO INCLUDE ANNEXATION 21 TO THE
CITY OF NORCO AND CONCURRENT DETACHMENT FROM THE JURUPA
AREA RECREATION AND PARK DISTRICT AND THE RIVERSIDE COUNTY
WASTE RESOURCES MANAGEMENT DISTRICT

EXHIBIT 'A'
LEGAL DESCRIPTION
LAFCO 2002-35-2

A PARCEL OF LAND LYING PARTIALLY WITHIN FRACTIONAL SECTION 31, TOWNSHIP 2 SOUTH, RANGE 6 WEST, AS PER MAP OF THE JURUPA RANCHO, IN THE UNINCORPORATED TERRITORY OF THE COUNTY OF RIVERSIDE, AS SHOWN ON A MAP ON FILE IN BOOK 9 PAGE 33 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN BERNARDINO COUNTY, CALIFORNIA, AND LYING PARTIALLY WITHIN A PORTION OF LOT Q OF FULLER RANCHO, AS SHOWN ON A MAP ON FILE IN BOOK 16 PAGE 94 THROUGH 97 OF MAPS, RECORDS OF SAID SAN BERNARDINO COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT LYING ON THE WEST LINE OF SAID SECTION 31, DISTANT THEREON NORTH 0°38'13" EAST, 659.93 FEET FROM THE SOUTHWEST CORNER OF SAID SECTION 31, SAID CORNER ALSO LYING ON THE CENTERLINE OF HAMNER AVENUE, FORMERLY ADAMS AVENUE, 200.00 FEET WIDE, AS SHOWN ON A MAP RECORDED IN BOOK 30 PAGE 28 OF RECORDS OF SURVEYS, RECORDS OF SAID COUNTY, SAID CORNER ALSO LYING ON THE WESTERLY TERMINUS OF THAT CERTAIN COURSE DESCRIBED AS SOUTH 89°21'48" EAST, 682.64 FEET IN THE EXISTING CITY BOUNDARY LINE OF THE CITY OF NORCO, AS SHOWN ON ANNEXATION NO. 4 LAFCO 71-8-1 RECORDED APRIL 12, 1971, SAID CORNER LYING DISTANT THEREON NORTH 89°21'48" WEST, 100.00 FEET FROM THE NORTHWEST CORNER OF SAID ANNEXATION NO. 4;

THENCE ALONG THE NORTHERLY LINE OF SAID ANNEXATION NO. 4 AND IT'S WESTERLY PROLONGATION THEREOF, THE FOLLOWING DESCRIBED COURSES:

SOUTH 89°21'47" EAST, 679.79 FEET;

THENCE PARALLEL WITH SAID CENTERLINE NORTH 0°38'13" EAST, 661.16 FEET;

THENCE SOUTH 89°21'47" EAST, 685.66 TO A POINT LYING ON THE WEST LINE OF THAT CERTAIN PARCEL OF LAND DESCRIBED IN A DEED TO K. HOVNANIAN COMPANIES OF SOUTHERN CALIFORNIA, INC., A CALIFORNIA CORPORTION BY GRANT DEED RECORDED MARCH 16, 2000 AS INSTRUMENT NO. 2000-096935 OF OFFICIAL RECORDS;

THENCE LEAVING SAID LINE OF ANNEXATION, ALONG THE WESTERLY LINE OF LAST SAID PARCEL OF LAND, THE FOLLOWING DESCRIBED COURSES:

NORTH 0°39'21" WEST, 70.00 FEET;

THENCE SOUTH 89°21'47" EAST, 48.47 FEET;

THENCE NORTH 26°31'42" EAST, 58.36 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE SOUTHEASTERLY AND HAVING A RADIUS OF 835.00 FEET;

THENCE NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 24°55'16", AN ARC LENGTH OF 363.19 FEET;

THENCE TANGENT TO SAID CURVE, NORTH 51°26'58" EAST, 203.15 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 565.00 FEET;

OK
3/27/03

MINOR SPHERE OF INFLUENCE AMENDMENTS
TO THE CITY OF NORCO (addition) AND THE
JURUPA AREA RECREATION AND PARK DISTRICT (removal)
AND REORGANIZATION TO INCLUDE ANNEXATION 21 TO THE
CITY OF NORCO AND CONCURRENT DETACHMENT FROM THE JURUPA
AREA RECREATION AND PARK DISTRICT AND THE RIVERSIDE COUNTY
WASTE RESOURCES MANAGEMENT DISTRICT

EXHIBIT 'A'
LEGAL DESCRIPTION
LAFCO 2002-35-2

THENCE NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 19°01'27", AN ARC LENGTH OF 187.60 FEET TO A POINT OF COMPOUND CURVATURE WITH A CURVE CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 5430.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS SOUTH 57°34'29" EAST;

THENCE NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 6°50'43", AN ARC LENGTH OF 648.74 TO A POINT, A RADIAL LINE THROUGH SAID POINT BEARS SOUTH 64°25'12" EAST;

THENCE SOUTH 88°27'52" EAST, 8.74 FEET;

THENCE NORTH 1°32'08" EAST, 19.70 FEET TO A POINT LYING ON A NON-TANGENT CURVE CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 5430.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS SOUTH 64°38'50" EAST;

THENCE ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 1°09'18", AN ARC LENGTH OF 1057.18 FEET TO A POINT OF COMPOUND CURVATURE WITH A CURVE CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 1930.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS SOUTH 75°48'08" EAST;

THENCE ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 4°33'13", AN ARC LENGTH OF 153.39 FEET TO A POINT, A RADIAL LINE THROUGH SAID POINT BEARS SOUTH 80°21'21" EAST;

THENCE NORTH 2°48'42" WEST, 50.25 FEET;

THENCE NORTH 6°37'37" EAST, 161.96 FEET TO A POINT LYING ON A LINE WHICH IS PARALLEL WITH AND DISTANT 30.00 FEET SOUTHERLY, AS MEASURED AT RIGHT ANGLES TO THE NORTH LINE OF THE SOUTHEAST ONE-QUARTER OF THE NORTHWEST ONE-QUARTER OF SAID FRACTIONAL SECTION 31;

THENCE LEAVING LAST SAID PARCEL OF LAND, ALONG SAID PARALLEL LINE, NORTH 89°40'23" WEST, 1306.78 FEET TO THE EAST LINE OF LOT Q OF SAID FULLER RANCHO TRACT;

THENCE SOUTHERLY ALONG SAI D EASTERLY LINE, SOUTH 0°33'00" WEST, 129.64 FEET;

JK
3-27-03

MINOR SPHERE OF INFLUENCE AMENDMENTS
TO THE CITY OF NORCO (addition) AND THE
JURUPA AREA RECREATION AND PARK DISTRICT (removal)
AND REORGANIZATION TO INCLUDE ANNEXATION 21 TO THE
CITY OF NORCO AND CONCURRENT DETACHMENT FROM THE JURUPA
AREA RECREATION AND PARK DISTRICT AND THE RIVERSIDE COUNTY
WASTE RESOURCES MANAGEMENT DISTRICT

EXHIBIT 'A'
LEGAL DESCRIPTION
LAFCO 2002-35-2

THENCE SOUTH 64°06'11" WEST, 1502.41 FEET TO A POINT LYING ON THE CENTERLINE OF SAID HAMNER AVENUE, SAID POINT ALSO LYING ON THE WEST LINE OF SAID FRACTIONAL SECTION 31 AND DISTANT THEREON SOUTH 0°38'13" WEST, 2143.65 FEET FROM THE NORTHWEST CORNER THEREOF;

THENCE ALONG SAID CENTERLINE AND ALONG SAID WESTERLY LINE, SOUTH 0°38'13" WEST, 2475.86 FEET TO THE POINT OF BEGINNING.

TOGETHER WITH THAT PORTION OF HAMNER AVENUE, FORMERLY ADAMS AVENUE, A PORTION OF WHICH IS DESCRIBED IN A DEED TO THE STATE OF CALIFORNIA RECORDED NOVEMBER 29, 1941 AS INSTRUMENT NO. 1863 IN BOOK 525, PAGE 160 OF OFFICIAL RECORDS, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT LYING ON THE WEST LINE OF SAID SECTION 31, DISTANT THEREON NORTH 0°38'13" EAST, 659.93 FEET FROM THE SOUTHWEST CORNER OF SAID SECTION 31, SAID CORNER ALSO LYING ON THE CENTERLINE OF HAMNER AVENUE, FORMERLY ADAMS AVENUE, 200.00 FEET WIDE, AS SHOWN ON A MAP RECORDED IN BOOK 30 PAGE 28 OF RECORDS OF SURVEYS, RECORDS OF SAID COUNTY, SAID CORNER ALSO LYING ON THE WESTERLY TERMINUS OF THAT CERTAIN COURSE DESCRIBED AS SOUTH 89°21'48" EAST, 682.64 FEET IN THE EXISTING CITY BOUNDARY LINE OF THE CITY OF NORCO, AS SHOWN ON ANNEXATION NO. 4 LAFCO 71-8-1 RECORDED APRIL 12, 1971, SAID CORNER LYING DISTANT THEREON NORTH 89°21'48" WEST, 100.00 FEET FROM THE NORTHWEST CORNER OF SAID ANNEXATION NO. 4;

THENCE ALONG SAID WESTERLY PROLONGATION, SOUTH 89°21'48" EAST, 100.00 FEET TO THE NORTHWEST CORNER OF SAID ANNEXATION NO. 4; THENCE ALONG THE WESTERLY LINE OF SAID ANNEXATION NO. 4, ALONG A LINE DISTANT 100.00 FEET EASTERLY, AS MEASURED AT RIGHT ANGLES TO THE CENTERLINE OF SAID HAMNER AVENUE, SOUTH 0°38'13" WEST, 841.56 FEET TO THE SOUTHWEST CORNER OF SAID ANNEXATION NO. 4; THENCE ALONG THE SOUTHWESTERLY PROLONGATION OF THE SOUTHERLY LINE OF SAID ANNEXATION NO. 4, SOUTH 44°31'21" WEST, 127.14 FEET; THENCE SOUTH 52°33'42" WEST, 15.07 FEET TO A POINT LYING ON THE CENTERLINE OF SAID HAMNER AVENUE, DISTANT THEREON SOUTH 0°38'13" WEST, 282.56 FEET FROM THE SOUTHWEST CORNER OF SAID FRACTIONAL SECTION 31; THENCE CONTINUING SOUTH 52°33'42" WEST, 96.55 FEET TO A POINT WHICH IS DISTANT 76.00 FEET, AS MEASURED AT RIGHT ANGLES TO, THE CENTERLINE OF SAID HAMNER AVENUE; THENCE PARALLEL WITH SAID CENTERLINE, NORTH 0°38'13" EAST, 1691.90 FEET; THENCE AT RIGHT ANGLES TO SAID CENTERLINE, SOUTH 89°21'47" EAST, 6.00 FEET; THENCE PARALLEL WITH SAID CENTERLINE, NORTH 0°38'13" EAST, 1785.99 FEET TO A POINT WHICH IS 70.00 FEET, AS

OK
3-27-03

MINOR SPHERE OF INFLUENCE AMENDMENTS
TO THE CITY OF NORCO (addition) AND THE
JURUPA AREA RECREATION AND PARK DISTRICT (removal)
AND REORGANIZATION TO INCLUDE ANNEXATION 21 TO THE
CITY OF NORCO AND CONCURRENT DETACHMENT FROM THE JURUPA
AREA RECREATION AND PARK DISTRICT AND THE RIVERSIDE COUNTY
WASTE RESOURCES MANAGEMENT DISTRICT

EXHIBIT 'A'
LEGAL DESCRIPTION
LAFCO 2002-35-2

MEASURED AT RIGHT ANGLES TO THE POINT OF INTERSECTION OF THE CENTERLINE OF SAID HAMNER AVENUE WITH THE SOUTHWESTERLY PROLONGATION OF THE LAND DESCRIBED ABOVE; THENCE AT RIGHT ANGLES TO SAID CENTERLINE, SOUTH 89°21'47" EAST, 70.00 FEET TO SAID POINT OF INTERSECTION; THENCE ALONG SAID CENTERLINE, SOUTH 0°38'13" WEST, 2475.86 FEET TO THE POINT OF BEGINNING.

SAID LAND CONTAINS 135.119 ACRES

REGISTERED PROFESSIONAL ENGINEER
MARK L. RAAB
No. 29616
Exp. 3-31-07
CIVIL
STATE OF CALIFORNIA

PREPARED UNDER THE SUPERVISION OF:

MARK L. RAAB RCE 29616 DATE 7/11/03

APPROVED BY THE
LOCAL AGENCY FORMATION COMMISSION
3-27-03

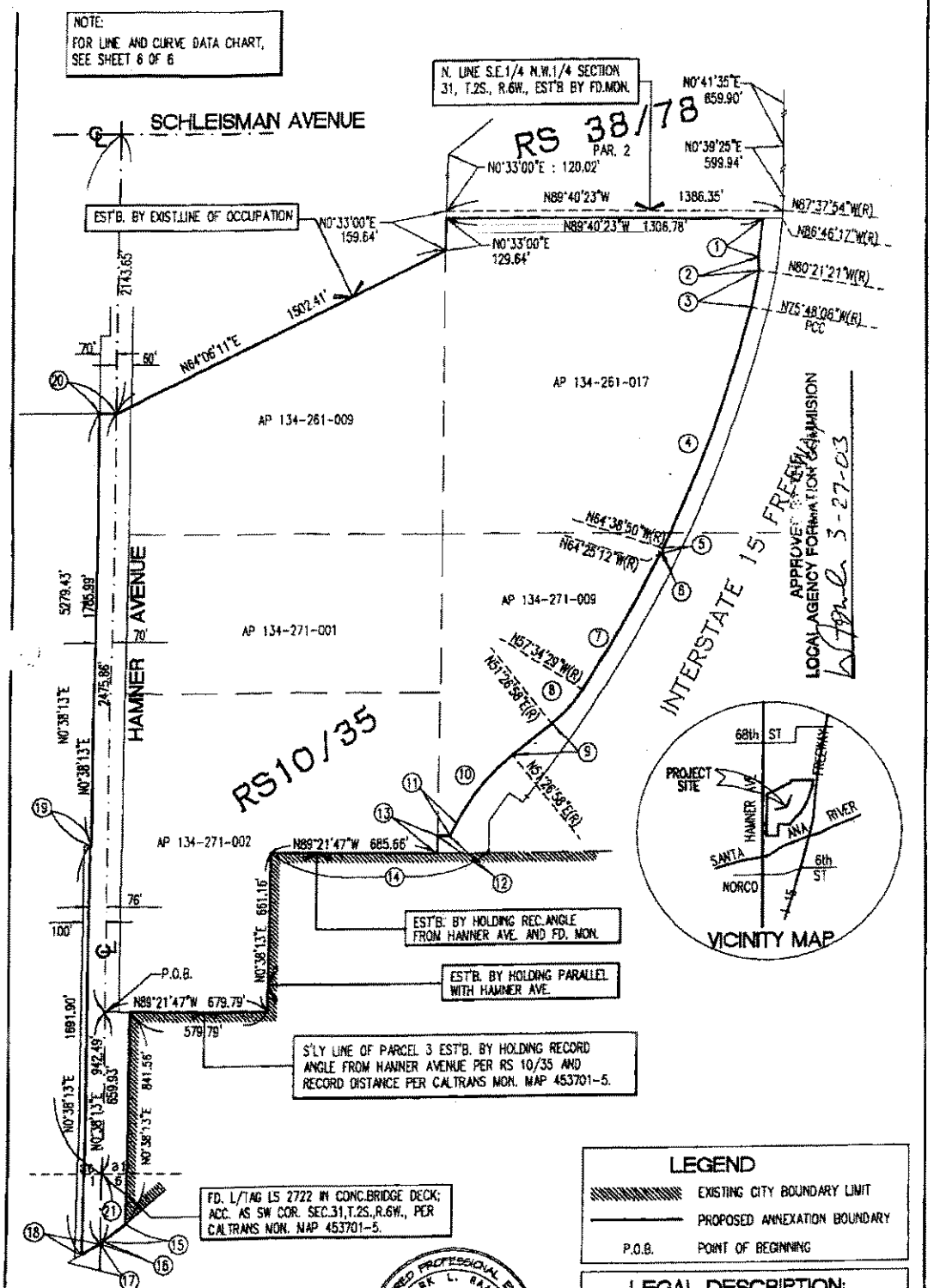
EXHIBIT 'A'

SHEET 5 OF 6 SHEETS

NORTH

0' 250' 500' 1000'

MINOR SPHERE OF INFLUENCE AMENDMENTS TO THE CITY OF NORCO (addition) AND THE JURUPA AREA RECREATION AND PARK DISTRICT (removal) AND REORGANIZATION TO INCLUDE ANNEXATION 21 TO THE CITY OF NORCO AND CONCURRENT DETACHMENT FROM THE JURUPA AREA RECREATION AND PARK DISTRICT AND THE RIVERSIDE COUNTY WASTE RESOURCES MANAGEMENT DISTRICT.



LEGEND

▨	EXISTING CITY BOUNDARY LIMIT
———	PROPOSED ANNEXATION BOUNDARY
P.O.B.	POINT OF BEGINNING

LEGAL DESCRIPTION:

SEE ATTACHED EXHIBIT 'A' – LEGAL DESCRIPTION

135.119 ACRES PROPOSED ANNEXATION BOUNDARY AREA

REGISTERED PROFESSIONAL ENGINEER MARK L. RAAB NO. 29616 Exp. 3/31/07 CIVIL STATE OF CALIFORNIA

PREPARED BY:
aab engineering, inc.
310 MAPLE ST. STE.D
CORONA, CA 92880
TEL (909) 272-1072
FAX (909) 272-0166
PREPARED UNDER THE SUPERVISION OF:
MARK L. RAAB RCE 29616 DATE 7/11/03

LAFCO 2002-35-2

EXHIBIT 'A'

MINOR SPHERE OF INFLUENCE AMENDMENTS TO THE CITY OF NORCO (addition) AND THE JURUPA AREA RECREATION AND PARK DISTRICT (removal) AND REORGANIZATION TO INCLUDE ANNEXATION 21 TO THE CITY OF NORCO AND CONCURRENT DETACHMENT FROM THE JURUPA AREA RECREATION AND PARK DISTRICT AND THE RIVERSIDE COUNTY WASTE RESOURCES MANAGEMENT DISTRICT.

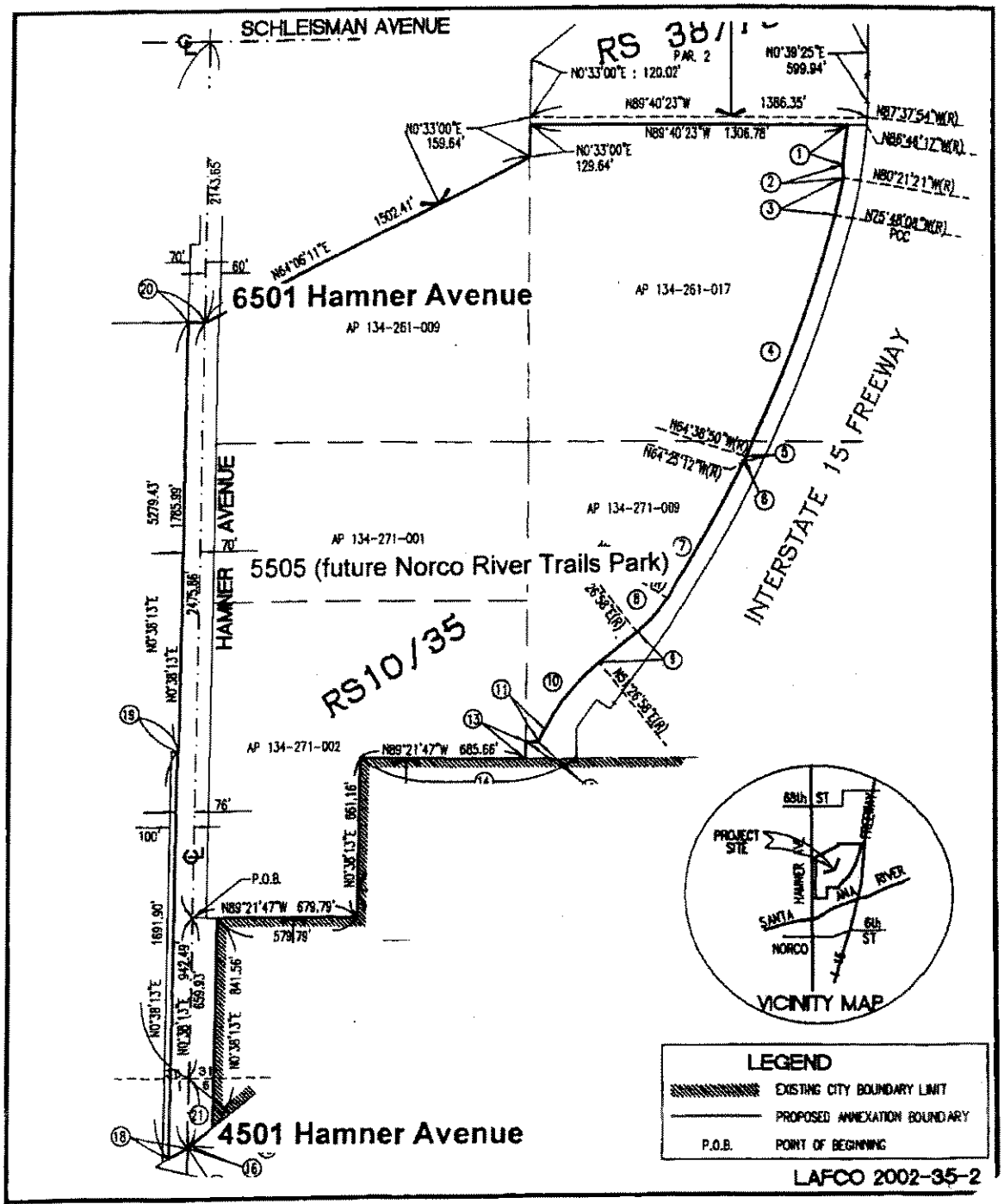
NOTE:
FOR MAP DETAILS, SHEET SHEET 5 OF 6

LINE / CURVE DATA

	DELTA / BEARING	RADIUS	LENGTH
1	N06°37'37"E	--	161.96'
2	N02°48'42"W	--	50.25'
3	04°33'13"	1930.00'	153.39'
4	01°09'18"	5430.00'	1057.18'
5	N01°32'08"E	--	19.70'
6	N88°27'52"W	--	8.74'
7	06°50'43"	5430.00'	648.74'
8	19°01'27"	565.00'	187.60'
9	N51°26'58"E	--	203.15'
10	24°55'16"	835.00'	363.19'
11	N26°31'42"E	--	58.36'
12	N89°21'47"W	--	48.47'
13	N00°39'21"E	--	70.00'
14	N89°21'47"W	--	888.41'
15	N44°31'21"E	--	127.14'
16	N52°33'42"E	--	15.07'
17	N52°33'42"E	--	148.25'
18	N52°33'42"E	--	96.55'
19	N89°21'47"W	--	6.00'
20	N89°21'47"W	--	70.00'
21	N00°38'13"E	--	282.56'

OK
3-27-03

LIMITING STREET ADDRESSING



MINOR SPHERE OF INFLUENCE AMENDMENTS TO THE CITY OF NORCO (addition) AND THE JURUPA AREA RECREATION AND PARK DISTRICT (removal) AND REORGANIZATION TO INCLU ANNEXATION 21 TO THE CITY OF NORCO AND CONCURRENT DETACHMENT FROM THE J AREA RECREATION AND PARK DISTRICT AND THE RIVERSIDE COUNTY WASTE RESO MANAGEMENT DISTRICT.

NA

Map Not to Scale

CITY OF NORCO
STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Beth Groves, Interim City Manager

PREPARED BY: Lori J. Askew, Senior Engineer

DATE: October 7, 2009

SUBJECT: Authorization of DMC Design Group, Inc. to Proceed with Additional Engineering Services for the Second Street Widening Project (I-15 to Corona Avenue) and Appropriating Funds Thereto

RECOMMENDATION: Adopt **Resolution No. 2009-____**, authorizing DMC Design Group, Inc. to proceed with the additional engineering services required to complete the construction drawings for the Second Street Widening project between the I-15 Freeway and Corona Avenue; and appropriate $65,000 from the unallocated reserves in the Street Fund to complete the design services for the project.

SUMMARY: Design work on the Second Street Widening Project has been initiated again after 13 months on hold, as property was acquired to accommodate the widening of Second Street. A reinvestigation of design services needed to complete the project has resulted in additional fees required by DMC Design Group, Inc., the civil engineering design company under contract to provide construction documents.

BACKGROUND/ANALYSIS: The City Council has directed that Second Street be widened between the Interstate 15 Freeway and Corona Avenue to provide for two lanes in each direction consistent with the Circulation Element of the City's General Plan. As an access to the freeway and to area schools, Second Street is presently carrying in excess of 12,000 vehicles per day.

A professional services contract was executed with DMC Design Group, Inc. on December 1, 2004 for design services for the Second Street Improvement Project in the amount of $204,879. The contract included $105,092.50 for right-of-way services which did not include Title Reports. The services in the original contract included the preparation of right-of-way appraisals and offers to purchase for each of the affected properties as well as negotiations in good faith for the purchase of the needed right-of-way. On September 7, 2005, a change order was issued to DMC Design Group for the preparation of Title Reports

for the 17 affected properties. On December 5, 2007, another change order was issued to DMC Design Group for the preparation of legal descriptions, plat maps and other miscellaneous exhibits. To date all but three parcels have been acquired. However, negotiations for acquisition are underway on the remaining parcels.

The request for additional costs includes $17,000 for services that have already been rendered by DMC Design Group. The remaining balance of costs are for additional project management, site coordination and updating of plans to correctly reflect current site conditions.

The proposed street improvements consist of constructing four travel lanes (two in each direction) with a width of 64' from curb to curb, 6" high vertical curbs, and an equestrian trail along the southerly side of the street. The project will also require the installation of formal drive approaches for each of the residents. Valley View Avenue will be realigned to a standard perpendicular four-way intersection that will eliminate the current offset in the centerline.

FINANCIAL IMPACT: A resolution has been prepared to appropriate $65,000 for additional design services from the unallocated reserves of $2,426,696.00 in Fund 149.

/lja-73697
Attachment: Resolution No. 2009-____.

RESOLUTION NO. 2009-___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NORCO, CALIFORNIA, AUTHORIZING DMC DESIGN GROUP, INC. TO PROCEED WITH ADITIONAL ENGINEERING SERVICES FOR THE SECOND STREET IMPROVEMENT PROJECT (I-15 TO CORONA AVENUE) AND APPROPRIATING FUNDS FROM THE UNALLOCATED RESERVES OF THE STREET FUND IN THE AMOUNT OF $65,000

WHEREAS, the Norco City Council ("Council"), has approved a Capital Improvement Program for the construction of public improvements for the benefit of the Community; and

WHEREAS, the improvement of Second Street between the Interstate 15 Freeway and Corona Avenue will benefit the City by improving traffic flow in the immediate area; and

WHEREAS, the improvement of Second Street between the Interstate 15 Freeway and Corona Avenue will reduce traffic congestion; and

WHEREAS, the acquisition of affected parcels has caused additional services to be rendered by the contract civil engineer and delays in the design phase of the project; and

WHEREAS, the project is funded utilizing street funds; and

WHEREAS, funding is available through the City Street Fund Account (Fund 149).

NOW, THEREFORE, BE IT RESOLVED that the amount of $65,000 shall be appropriated from the unallocated Street Fund Balance of $2,426,696.00 to the street improvements for Second Street between the Interstate 15 Freeway and Corona Avenue.

PASSED AND ADOPTED by the City Council of the City of Norco at a regular meeting held on October 7, 2009.

_____
Mayor of the City of Norco, California

ATTEST:

_____
Brenda K. Jacobs, City Clerk
City of Norco, California

I, BRENDA K. JACOBS, 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 thereof held on October 7, 2009 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 October 7, 2009.

_____
Brenda K. Jacobs, City Clerk
City of Norco, California

/lja-73703

CITY OF NORCO
STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Beth Groves, Interim City Manager

DATE: October 7, 2009

SUBJECT: Participation in Western Riverside Council of Governments AB 811 Program

RECOMMENDATION: (1) Adopt **Resolution No. 2009-___**, consenting to inclusion of properties within the City's incorporated area in the Western Riverside Council of Governments contractual assessment program to finance distributed generation renewable energy sources and energy efficiency improvements; and (2) Approve an Implementation Agreement between the Western Riverside Council of Governments an the City of Norco to implement AB 811.

SUMMARY: Western Riverside Council of Governments ("WRCOG") has requested that the City of Norco participate in its AB 811 Program (the "Program"). The Program would allow for residents and businesses in western Riverside County to implement energy efficient improvements using low-interest loans that would be repaid over time through annual property tax payments. California law allows for local jurisdictions to enter into contractual assessments with property owners for such improvements.

BACKGROUND/ANALYSIS: Recent state law (AB 811) allows for residents and businesses in western Riverside County to implement energy efficient improvements using low-interest loans that would be repaid over time through annual property tax payments. The TAC and Executive Committee requested that WRCOG develop a regional Program on behalf of its participating member jurisdictions in order to centralize responsibilities and realize cost savings in implementation. WRCOG is preparing Program materials, and is also sending a delegation to Washington D.C. to seek a federal loan in the amount of $300 million for Program implementation.

One requirement of AB 811 is for local jurisdictions intending to participate in the Program to enter into an Implementation Agreement and approve a Resolution of Participation. A Program Summary and "Frequently Asked Questions" sheets are attached with additional information and provide a quick overview of the proposed Program.

FINANCIAL IMPACT: N/A

/bj-73681

Attachments: Resolution No. 2009-___
Implementation Agreement

Agenda Item 3.K.

Western Riverside County's Proposed Regional Energy Efficiency and Water Conservation Program

Executive Summary

Program Summary: The Western Riverside Council of Governments (WRCOG) is developing an Energy Efficiency and Water Conservation Program (Program) that would allow for residents and businesses in western Riverside County to implement energy efficient improvements using low-interest loans that would be repaid over time through annual property tax payments. California law allows for local jurisdictions to enter into contractural assessments with property owners for such improvements; WRCOG is proposing to implement a regional program on behalf of its member jurisdictions in order to centralize responsibilities and realize cost savings.

WRCOG seeks a partnership with the Federal Government to secure a $300 million loan that would be paid back over a period of time at an established interest rate. WRCOG will utilize this federal loan to implement and administer the Program, providing secured, low interest loans to residential and commercial properties in the subregion for the purchase and installation of energy efficient projects.

The Program goal is to offer low interest loans to 13,500 residential and commercial properties in Western Riverside County to install energy efficient projects, such as solar panels, heating and air conditioning systems, lighting control systems, windows, and pool equipment. These loans would be paid back through voluntary contractual annual assessments between WRCOG and property owners within a specified amount of time.

Program Benefits for Property Owners:

- Provides no-money-down means of financing energy efficiency and conservation improvements;
- Provides fixed-rate financing over a set number of years;
- Provides financing without requiring a property appraisal;
- Provides an easy-to-understand and straightforward financing process;
- Provides residents and businesses access to financing that may not readily be available through traditional means, such as home equity loans; and
- Removes the up-front initial costs from becoming a detriment to energy efficient retrofitting.

Program Benefits for Western Riverside County:

- Creates and estimated 3,261 jobs[1];
- Provides a mechanism to retrofit thousands of properties to achieve considerable future energy savings;
- Results in air quality improvements and greenhouse gas emission reductions;
- Reduces/delays the need for costly infrastructure investments related to energy production and transmission; and
- A regional approach for Program development and implementation reduces administrative costs for individual jurisdictions.

[1] This is using the methodology from the May 2009 report from the Executive Office of the President, Council of Economic Advisers Estimates of Job Creation from the American Recovery Reinvestment Act of 2009, states that "every $100 billion of government spending creates 1,085,355 job-years, using a $92,000 per job year salary."

WRCOG
WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

Member Jurisidictons / Agencies

County of Riverside
City of Banning
City of Beaumont
City of Calimesa
City of Canyon Lake
City of Corona
City of Hemet
City of Lake Elsinore
City of Menifee
City of Moreno Valley
City of Murrieta
City of Norco
City of Perris
City of Riverside
City of San Jacinto
City of Temecula
City of Wildomar
Eastern Municipal Water District
Western Municipal Water District

Western Riverside Council of Governments

4080 Lemon Street, 3rd Floor
Riverside, CA 92501
Phone: (951) 955-7985
Fax: (951) 787-7991
www.wrcog.cog.ca.us

Western Riverside County's Proposed Regional Energy Efficiency and Water Conservation Program

Frequently Asked Questions

What is this Program? The goal of the Program is to offer low interest loans to approximately 13,500 homes and businesses in Western Riverside County for the purchase and installation of energy efficiency and water conservation improvements. Loans to property owners would be repaid over a period of years through voluntary annual assessments.

Why will a loan Program work? Many homeowners and businesses desire to retrofit older buildings in order to achieve energy efficiencies and lower related energy costs. Unfortunately, the up-front, one-time costs for installing these kinds of improvements are often an impediment to energy efficient retrofitting. This loan Program will remove this funding impediment, and allow for thousands of properties in one of the fastest growing areas in the United States to reduce energy use, improve home values, and create jobs.

Who will implement the Program? The Program will be administered by the Western Riverside Council of Governments (WRCOG). WRCOG is a joint powers authority consisting of each of the 16 cities in Western Riverside County, the County of Riverside, and the Eastern Municipal Water District and Western Riverside Water District. A regional approach to program implementation through WRCOG will provide for a consistent approach throughout Western Riverside County and achieve significant economies of scale as they relate to costs for staffing. As part of its responsibilities, WRCOG will develop the Program implementation / administration parameters, conduct energy and water surveys, develop Program outreach materials and campaign, develop and conduct training workshops, initiate loans and develop tracking and reporting mechanisms.

How will the Program work? This is a voluntary program. Willing property owners will apply for Program coverage, and describe the energy and/or water saving improvement(s) desired to be purchased and installed. If approved, WRCOG and the property owner will enter into an assessment contract, through which WRCOG will pay the up-front costs of the energy efficient improvements. WRCOG will place an assessment lien on the property, and the property owner will repay WRCOG for the improvements as part of an annual assessment on the property tax bill over a specified period of time.

What kinds of improvements qualify? WRCOG will work with member jurisdictions, water districts, and utilities to develop a listing of eligible projects that the loans will cover. Generally, these are improvements that would be considered as permanent fixtures to a property. These include, but are not limited to solar panels, heating and air conditioning systems, pool filtration equipment, windows and doors, and other investments that will significantly reduce energy use and, in many instances, pay for themselves over time through reduced utility bills.

Who qualifies to participate? Property owners may be individuals, associations, business entities, cooperatives, and virtually any owner paying real property taxes. Any residential, commercial, or industrial property owner in participating jurisdictions can participate in the program. In order to qualify, the property owner must: 1) Have clear title to the property; 2) Be current on property taxes; 3) Be current on mortgage payments; and 4) Request improvements that are reasonable both in cost, and in relation to the property value. Properties built prior to 2000 would most likely receive a larger return on energy efficient retrofit investments. In Western Riverside County, there are approximately 189,000 residential properties and 7,000 commercial properties that were constructed prior to 2000.

WRCOG
WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

Member Jurisidictons / Agencies

County of Riverside
City of Banning
City of Beaumont
City of Calimesa
City of Canyon Lake
City of Corona
City of Hemet
City of Lake Elsinore
City of Menifee
City of Moreno Valley
City of Murrieta
City of Norco
City of Perris
City of Riverside
City of San Jacinto
City of Temecula
City of Wildomar
Eastern Municipal Water District
Western Municipal Water District

Western Riverside Council of Governments

4080 Lemon Street, 3rd Floor
Riverside, CA 92501
Phone: (951) 955-7985
Fax: (951) 787-7991
www.wrcog.cog.ca.us

Western Riverside County's Proposed Regional Energy Efficiency and Water Conservation Program

Frequently Asked Questions

What are the economic impacts? Using methodological information from the Obama Administration, it is estimated that implementing a $300 million Program would create or retain an estimated 3,200 jobs in Western Riverside County.

What are the benefits to the Western Riverside County? In addition to significant jobs creation, the Program will also:

- Reduce/delay the need for costly infrastructure investments related to additional energy generation and transmission facilities;
- Reduce utility bills for thousands of property owners;
- Improve home and property values by upgrading buildings with energy efficient improvements;
- Position Western Riverside County as a leader in improving air quality and reducing greenhouse gas emissions via a coordinated, large-scale effort supported by jurisdictions in one of the fastest-growing regions in the United States.

What are the Program benefits to property owners?

- Provides no-money-down means of financing energy efficiency and conservation improvements;
- Provides a fixed-rate financing over a number of years;
- Provides financing without requiring a property appraisal;
- Provides an easy-to-understand and straightforward financing process;
- Provides residents and businesses access to financing that might not readily be available through traditional means, such as home equity loans;
- Removes the initial up-front costs from being a detriment to energy efficient retrofitting.

What would an average loan amount be? WRCOG estimates that average residential property loan will be $17,500, and average commercial property loan will be approximately $30,000.

What happens if a participant sells their property? The tax obligation will remain an obligation of the property when it is sold. If a participant sells a property prior to the end of the contract tax period, the new owner will assume the obligation as part of the annual tax obligation on that property. The energy systems are part of the property and ownership of the energy system will transfer to the new owner at the close of the real estate sale.

What are the loan terms? The loan terms can run 5, 10, 15, and 20 years. The terms will be based on the type and cost of improvements.

What is the interest rate? The interest rate for the Program will be determined once funding for the Program has been secured.

Does the Property still qualify for rebates or tax credits? Yes, rebates or other incentives that are received at the time of project completion or shortly thereafter (by either the property owner or the contractor) so as to reduce the costs of a project at the outset will not be included in the financing amount. Tax credits that may eventually be available to a property owner and would vary based on applicable tax bracket are not taken into account in determining the financing amount.

WRCOG
WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

Member Jurisidictons / Agencies

County of Riverside
City of Banning
City of Beaumont
City of Calimesa
City of Canyon Lake
City of Corona
City of Hemet
City of Lake Elsinore
City of Menifee
City of Moreno Valley
City of Murrieta
City of Norco
City of Perris
City of Riverside
City of San Jacinto
City of Temecula
City of Wildomar
Eastern Municipal Water District
Western Municipal Water District

Western Riverside Council of Governments

4080 Lemon Street, 3rd Floor
Riverside, CA 92501
Phone: (951) 955-7985
Fax: (951) 787-7991
www.wrcog.cog.ca.us

Western Riverside County's Proposed Regional Energy Efficiency and Water Conservation Program

Frequently Asked Questions

How will the Program be funded? WRCOG is seeking a $300 million loan from the federal government to spearhead the Program. The loan would be fully repaid.

What if the Special Tax or Assessment is not paid by the property owner? The Special Tax or Assessments, like other property taxes, will be secured by a lien on the property, which ranks senior to the first mortgage.

What about foreclosures? As WRCOG secures funding for the Program, 10% of these funds will be set aside in a reserve account that will be used to assist properties that fall behind on their tax bill for 6 to 12 months.

What happens if the mortgage company pays the property taxes? If the property owner has their mortgage company makes their tax payments, the property owner should advise the lender of the assessment on the property, so that the proper amount can be set aside for both the taxes and the assessment.

How do jurisdictions participate? A jurisdiction that wishes to participate in the program must notify WRCOG staff of its intent and approve a resolution and agreement authorizing WRCOG to implement the Program on their behalf. A copy of the draft agreement and resolution will be provided by WRCOG.

What level of involvement is required from the jurisdiction? After providing WRCOG with the appropriate notification to participate in the program, the only role of cities and counties will be to process the permits they require for the installation of the energy efficient equipment.

For more information, please contact Barbara Spoonhour, WRCOG Program Manager at (951) 955-8313 or by e-mail at spoonhour@wrcog.cog.ca.us.

WRCOG
WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

Member Jurisidictons / Agencies

County of Riverside
City of Banning
City of Beaumont
City of Calimesa
City of Canyon Lake
City of Corona
City of Hemet
City of Lake Elsinore
City of Menifee
City of Moreno Valley
City of Murrieta
City of Norco
City of Perris
City of Riverside
City of San Jacinto
City of Temecula
City of Wildomar
Eastern Municipal Water District
Western Municipal Water District

Western Riverside Council of Governments

4080 Lemon Street, 3rd Floor
Riverside, CA 92501
Phone: (951) 955-7985
Fax: (951) 787-7991
www.wrcog.cog.ca.us

RESOLUTION NO. 2009-___

A RESOLUTION OF THE CITY OF NORCO, CALIFORNIA, CONSENTING TO INCLUSION OF PROPERTIES WITHIN THE CITY'S INCORPORATED AREA IN THE WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS CONTRACTUAL ASSESSMENT PROGRAM TO FINANCE DISTRIBUTED GENERATION RENEWABLE ENERGY SOURCES AND ENERGY EFFICIENCY IMPROVEMENTS

WHEREAS, the City of Norco (the "City") is committed to the development of renewable energy sources and energy efficiency improvements, reduction of greenhouse gases, and protection of our environment; and

WHEREAS, in Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code (the "Act"), the Legislature has authorized cities and counties to assist property owners in financing the cost of installing distributed generation renewable energy sources or making energy efficient improvements that are permanently fixed to their property (the "Improvements") through a contractual assessment program; and

WHEREAS, installation of such Improvements by property owners within the jurisdictional boundaries of the jurisdictions that are members of the Western Riverside Council of Governments ("WRCOG") would promote the purposes cited above and assist the member agencies of WRCOG (each, a "Member Agency" or, together, "Member Agencies"), including the City in reducing its greenhouse gas emissions; and

WHEREAS, the City wishes to provide innovative solutions and cost-effective methods for its property owners to achieve greater energy efficiency and independence, and in doing so cooperate with WRCOG in order to efficiently and economically assist property owners in financing such Improvements; and

WHEREAS, WRCOG has authority to establish a contractual assessment program ("the Program") as permitted by the Act, the Joint Powers Agreement of the Western Riverside Council of Governments, originally made and entered into April 1, 1991, as amended to date, and the Implementation Agreement by and between WRCOG and the affected Member Agencies related to the Program to assist property owners in financing the cost of installing distributed generation renewable energy sources or making energy efficient improvements that are permanently affixed to real property; and

WHEREAS, WRCOG is conducting an analysis to determine the feasibility of the Program, and to develop parameters pursuant to the Act for implementation and administration of the Program; and

WHEREAS, the City wishes to participate with WRCOG in the Program if WRCOG adopts the Program, under terms and conditions to be agreed to by the City and WRCOG; and

WHEREAS, state law permits WRCOG to offer participation in the Program to property owners in incorporated areas of any Member Agency so long as the City Council or Board of such Member Agency approves the proposed Resolution of Intention (defined below) to establish the Program, consents to the inclusion in the Program of properties in the incorporated area within such Member Agency and consents to the Improvements to be done within such incorporated area and the assumption of jurisdiction thereover by WRCOG for the purposes described above; and

WHEREAS, this City Council has reviewed WRCOG's proposed Resolution of Intention to establish the Program entitled "Resolution of the Western Riverside Council of Governments Declaring its Intention to Finance Distributed Generation Renewable Energy Sources and Energy Efficiency Improvements Through the Use of Contractual Assessments" ("Resolution of Intention") attached hereto as Exhibit A;

NOW, THEREFORE, BE IT RESOLVED THAT:

1. This City Council finds and declares that property in the City's incorporated area will be benefited by the Improvements proposed in the Resolution of Intention.

2. This City Council hereby supports WRCOG's ongoing feasibility analysis and development of the Program.

3. Before the Program is implemented in the City, the City and WRCOG shall reach an agreement addressing any conditions the City wishes to impose on participating properties within the City.

4. This City Council hereby approves the proposed Resolution of Intention, substantially in the form attached hereto as Exhibit A.

5. This City Council hereby finds and determines that in the event it is necessary for the Executive Committee to make minor, nonsubstantive changes to the Resolution of Intention; such minor, nonsubstantive changes do not require the approval of this City Council.

6. This City Council consents to inclusion in the Program of all of the properties in the incorporated area within City and to the Improvements proposed in the Resolution of Intention within the City limits, upon the request and agreement of the property owner, in compliance with applicable laws, rules and regulations; and to the assumption of jurisdiction thereover by WRCOG for the purposes aforesaid.

7. The consent of this City Council constitutes assent to the assumption of jurisdiction by WRCOG for all purposes of the Program and authorizes WRCOG, upon satisfaction of the conditions imposed in this resolution, to take each and every step required for or suitable for financing the Improvements, including the levying, collecting

and enforcement of the contractual assessments to finance the Improvements and the issuance and enforcement of bonds to represent such contractual assessments.

8. Staff is authorized and directed to coordinate with WRCOG staff to facilitate operation of the Program, and report back periodically to this City Council on the success of the Program.

9. The City Clerk is directed to send a certified copy of this resolution to the Secretary of the WRCOG Executive Committee.

PASSED AND ADOPTED by the City Council of the City of Norco at an adjourned regular meeting held on October 7, 2009.

_____
Mayor of the City of Norco, California

ATTEST:

_____
Brenda K. Jacobs, City Clerk
City of Norco, California

I, BRENDA K. JACOBS, 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 at an adjourned regular meeting thereof held on October 7, 2009 by the following vote of the Norco City Council Members:

AYES:
NOES:
ABSENT:
ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Norco on October 7, 2009.

_____
Brenda K. Jacobs, City Clerk
City of Norco, California

EXHIBIT A

WRCOG RESOLUTION OF INTENTION

RESOLUTION NUMBER _____

RESOLUTION OF THE WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS DECLARING ITS INTENTON TO FINANCE DISTRIBUTED GENERATION RENEWABLE ENERGY SOURCES AND ENERGY EFFICIENCY IMPROVEMENTS THROUGH THE USE OF CONTRACTUAL ASSESSMENTS PURSUANT TO CHAPTER 29 OF PART 3 OF DIVISION 7 OF THE CALIFORNIA STREETS AND HIGHWAYS CODE AND SETTING A PUBLIC HEARING THEREON

WHEREAS, pursuant to Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code (the "Act"), the Joint Powers Agreement of the Western Riverside Council of Governments (WRCOG), originally made and entered into April 1, 1991, as further amended to date, and the Implementation Agreement by and between WRCOG and the affected Member Agencies related to the Program (defined below), the Western Riverside Council of Governments proposes to establish a contractual assessment program to assist property owners within the jurisdictional boundaries of WRCOG's member agencies (each, a "Member Agency" and, together, the "Member Agencies") with the cost of installing distributed generation renewable energy sources or making energy efficient improvements that are permanently fixed to their property ("Program"); and

WHEREAS, in the opinion of this Executive Committee, property in the Member Agencies would be benefited by including such properties in the Program, subject to the approval/consent of the City Council or Board of any Member Agency; and

WHEREAS, WRCOG is willing to extend the program into the incorporated areas of any Member Agency provided that the City Council of such Member Agency and WRCOG reach agreement on any conditions on operation of the Program requested by such Member Agency, prior to the Program being offered in such jurisdiction;

NOW, THEREFORE, BE IT RESOLVED by the Executive Committee of the Western Riverside Council of Governments as follows:

Section 1: The Executive Committee hereby finds and declares all of the following:

A. All of the above recitals are true and correct.

B. Energy conservation efforts, including the promotion of energy efficiency improvements to residential, commercial, industrial, or other real property, can reduce energy consumption, energy bills, and maximize existing energy production and transmission facilities.

C. Energy efficiency improvements include improvements that promote water efficiency. The California Energy Commission prepared a staff report in November 2005 regarding California's water-energy relationship. The report states:

> "As California continues to struggle with its many critical energy supply and infrastructure challenges, the state must identify and address the points of highest stress. At the top of this list is California's water-energy relationship; water-related energy use consumes 19 percent of the state's electricity, 30 percent of its natural gas, and 88 billion gallons of diesel fuel every year – and this demand is growing. . . . [A] major portion of the solution is closer coordination between the water and energy sectors. . . . The state can meet energy and

demand reduction goals . . . by simply recognizing the value of the energy saved for each unit of water saved."

The direct relationship between water use and energy use means that improvements to residential, commercial, industrial, or other real property which promote water efficiency also result in energy efficiency.

D. The upfront cost of making residential, commercial, industrial, or other real property more energy efficient prevents many property owners from making those improvements. To make those improvements more affordable and to promote the installation of those improvements, the Legislature has authorized an alternative procedure pursuant to the Act for authorizing contractual assessments to finance the cost of energy efficiency improvements.

E. A public purpose will be served by a contractual assessment program whereby WRCOG is authorized to finance the installation of distributed generation renewable energy sources and energy efficiency improvements that are permanently fixed to residential commercial, industrial, or other real property.

F. Property located in incorporated areas of Member Agencies within WRCOG will benefit from inclusion in the Program; and, subject to the approval/consent of the City Council of any Member Agency, including such property in the Program will serve the public purpose of promoting conservation efforts and addressing the issue of global climate change.

Section 2. The Executive Committee hereby determines that it would be convenient, advantageous and in the public interest to designate the entire area of the Member Agencies as an area within which authorized WRCOG officials and property owners may enter into contractual assessments pursuant to the Act to finance the installation of distributed generation renewable energy sources or energy efficiency improvements that are permanently fixed to real property.

Section 3. The Executive Committee hereby declares that while the proposed distributed generation renewable energy sources and energy efficiency improvements are of such a character that they directly and peculiarly affect property in the Member Agency jurisdictions within WRCOG and that the purposes sought to be accomplished by establishing a program to finance the installation of such improvements can best be accomplished by a single, comprehensive program rather then by separate programs administered by each Member Agency. Therefore, WRCOG proposes to make contractual assessment financing available to the owners of property in any Member Agency to finance the installation of distributed generation renewable energy sources or energy efficiency improvements that are permanently fixed to real property.

Section 4. The Executive Director of WRCOG (the "Executive Director") shall prepare or direct the preparation of, as part of the report required in Section 8 of this Resolution, and update, as the Executive Director deems necessary, a list of the distributed generation renewable energy sources or energy efficiency improvements that may be financed through WRCOG's contractual assessment financing program. The types of distributed generation renewable energy sources or energy efficiency improvements eligible for financing through contractual assessments include, but are not limited to: high efficiency air conditioning and ventilation systems, high performance windows, high efficiency and tankless water heating equipment, photovoltaic and thermal solar energy systems, cool roof systems, geothermal exchange heat pumps, zoning control and energy management control systems, high efficiency irrigation pumps and controls, natural gas fuel cells, wind and geothermal energy systems, and wall, ceiling and roof insulation upgrades.

Section 5. The area within which contractual assessments may be entered into pursuant to the Act is all land within the defined boundaries of the Member Agencies of WRCOG.

Section 6. No contractual assessment will be levied on a parcel situated within a Member Agency City area and no assessment contract will be entered into with the owner(s) of any such parcel unless and until (1) the City Council or Board of such Member Agency has, prior to the adoption of this resolution of intention, adopted a resolution consenting to inclusion of parcels within such Member Agency in the contractual assessment program and authorizing WRCOG to levy assessments, to impose the contractual assessment liens and to finance the eligible improvement on such parcels; and (2) the City Council or Board of such Member Agency has entered into an agreement with WRCOG addressing any conditions such Member Agency wishes to impose on participating properties in its jurisdiction.

Section 7. The proposed arrangements for financing the contractual assessment financing program are briefly described as follows: WRCOG may issue bonds, notes, receive lines of credit, and enter into other financing instruments or relationships pursuant to the Act, the principal and interest of which would be repaid by contractual assessments. Alternatively or in the interim, WRCOG, may advance its own funds to finance work, or enter into agreements with other public entities, including but not limited to the cities within WRCOG, to advance their funds to WRCOG to finance work. Such advances shall be repaid through contractual assessments and WRCOG may sell bonds or other forms of indebtedness to reimburse such advances. The proposed financing arrangements may include the lease-purchase of public facilities pursuant to a lease or other contractual arrangement with a public financing authority or non profit entity or other financing elements as may be determined necessary or useful to the financing of the contractual assessment program.

In the event improvement bonds will be issued pursuant to Streets and Highways Code Section 5898.28 to represent assessments, all of the following will apply to the extent not in conflict with the Act:

(a) Provision is hereby made for the issuance of improvement bonds, in one or more series;

(b) Notice is hereby given that serial bonds or term bonds or both to represent unpaid assessments, and to bear interest at the rate of not to exceed 12 percent per year, or such other amount authorized by law, payable semiannually, shall be issued hereunder in one or more series in the manner provided by the Division 10 (to the extent not in conflict with the Act), and the last installment of bonds shall mature a maximum of 39 years from the second day of September next succeeding 12 months from their date.

(c) WRCOG hereby determines and declares that WRCOG shall not obligate itself to advance available funds from WRCOG treasury to cure any deficiency which may occur in the bond redemption fund.

(d) WRCOG hereby determines that the principal amount of bonds maturing or becoming subject to mandatory prior redemption each year shall be other than an amount equal to an even annual proportion of the aggregate principal amount of the bonds, and the amount of principal maturing or becoming subject to mandatory prior redemption in each year plus the amount of interest payable in that year shall be an aggregate amount that is substantially equal each year, except for the moneys falling due on the first maturity or mandatory prior redemption date of the bonds which shall be adjusted to reflect the amount of

interest earned from the date when the bonds bear interest to the date when the first interest is payable on the bonds.

(e) With respect to the procedures for collection of assessments and the advance retirement of bonds, WRCOG proposes to proceed under the provisions of Part 11.1 of Division 10 (commencing with Section 8760 of the Streets and Highways Code).

Section 8. The Executive Committee hereby directs the Executive Director to prepare, or direct the preparation of, and file with the Board of Supervisors a report pursuant to Section 5898.22 of the California Streets and Highways Code at or before the time of the public hearing described in Section 8 hereof (the "Report"). The Report shall contain all of the following:

(a) A map showing the boundaries of the territory within which contractual assessments are proposed to be offered.

(b) A draft contract specifying the terms and conditions that would be agreed to by a property owner within the contractual assessment area and WRCOG.

(c) A statement of WRCOG policies concerning contractual assessments including all of the following:

(i) Identification of types of facilities, distributed generation renewable energy sources, or energy efficiency improvements that may be financed through the use of contractual assessments;

(ii) Identification of a WRCOG official authorized to enter into contractual assessments on behalf of WRCOG,

(iii) A maximum aggregate dollar amount of contractual assessments; and

(iv) A method for setting requests from property owners for financing through contractual assessments in priority order in the event that requests appear likely to exceed the authorization amount.

(d) A plan for raising a capital amount required to pay for work performed pursuant to contractual assessments. The plan may include amounts to be advanced by WRCOG through funds available to it from any source. The plan may include the sale of a bond or bonds or other financing relationship pursuant to Streets and Highways Code Section 5898.28. The plan shall include a statement of or method for determining the interest rate and time period during which contracting property owners would pay any assessment. The plan shall provide for any reserve fund or funds. The plan shall provide for the apportionment of all or any portion of the costs incidental to financing, administration, and collection of the contractual assessment program among the consenting property owners and WRCOG.

Section 9. The Executive Committee hereby calls a public hearing to be held on _____, 2009 at _____ a.m., or as soon thereafter as feasible, in the First Floor Board Chambers, County of Riverside Administrative Center, 4080 Lemon Street, Riverside, California, on the proposed Report and the Program. At the public hearing all interested persons may appear and hear and be heard and object to or inquire about the proposed Program or any of its particulars.

Section 10. The Secretary of the Executive Committee is hereby directed to provide notice of the public hearing by publishing this Resolution once a week for two weeks, pursuant to Section 6066 of the California Government Code, in the [_____] and the first publication shall not occur later than 20 days before the date of such hearing.

Section 11. The contractual assessments levied pursuant to the Act, and the interest and any penalties thereon, shall constitute a lien against the lots and parcels of land on which they are made, until they are paid. The contractual assessments shall be collected in the same manner and at the same time as the general taxes of WRCOG on real property are payable and shall be subject to the same penalties, remedies and lien priorities in the event of delinquency and default. As a cumulative remedy, if any contractual assessment or installment thereof, or of any interest thereon, together with any penalties, costs, fees and other accrued charges are not paid when due, the Executive Committee may order that the same be collected by an action brought in superior court to foreclose the lien thereof as provided in Division 10 of the California Streets and Highways Code.

Section 12. The Executive Committee hereby directs the Executive Director to determine and discuss in the Report what additional fees, if any, will be charged, annually, by the Auditor Controller's office for incorporating the proposed contractual assessments on the tax roll.

PASSED AND ADOPTED at a Meeting of the Executive Committee of the Western Riverside Council of Governments held this _____ day of _____, 2009.

AYES: _____

_____
Robin Lowe, Chair
WRCOG Executive Committee

NOES: _____

ABSENT: _____

_____
Rick Bishop, Secretary
WRCOG Executive Committee

ABSTAIN: _____

IMPLEMENTATION AGREEMENT
BETWEEN THE WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
AND THE CITY OF NORCO TO IMPLEMENT AB 811

This Implementation Agreement ("Agreement") is entered into as of October 7, 2009 between the WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS ("WRCOG"), a joint powers authority formed under Government Code sections 6500 et seq., and the City of Norco ("Member Agency"), a public agency formed under the laws of the State of California. WRCOG and the Member Agency are sometimes collectively referred to in this Agreement as the "Parties" or individually as a "Party."

RECITALS

WHEREAS, various cities within Riverside County and the County of Riverside entered into a Joint Powers Agreement on April 1, 1991, as amended from time to time, to create WRCOG ("JPA"); and

WHEREAS, Member Agency is a signatory to the JPA; and

WHEREAS, Article VIII of JPA permits any WRCOG member agency, when authorized by the Executive Committee, to execute an Implementation Agreement for the purpose of authorizing WRCOG to implement, manage and administer area-wide and regional programs in the interest of the local public welfare; and

WHEREAS, the JPA permits WRCOG, when authorized by an Implementation Agreement, to make and enter into such contracts, incur such debts and obligations, assess contributions from the members, and perform such other acts as are necessary to the accomplishment of the purposes of such agreement; and

WHEREAS, on June 30, 2008, the State Legislature enacted Assembly Bill 811, codified as Streets and Highways Code sections 5898.10 et seq. ("AB 811") to permit cities and counties to assist property owners who desire to undertake energy-efficient improvements, such as high-efficiency air conditioners, or install renewable energy projects, such as solar panels; and

WHEREAS, WRCOG member agencies have the common power to implement and administer contractual assessment programs pursuant to AB 811 (the "Program") to finance installation of distributed generation renewable energy sources or energy efficiency improvements within their jurisdictions; and

WHEREAS, WRCOG and Member Agency desire to enter into this Agreement in order to authorize WRCOG to implement and administer the Program on behalf of Member Agency; and

WHEREAS, the Executive Committee has authorized Member Agency to enter into this Agreement.

NOW, THEREFORE, the Parties hereby understand and agree as follows:

AGREEMENT

Section 1: Establishing the Program

WRCOG will undertake proceedings pursuant to AB 811 to establish the Program to make contractual assessment financing available to eligible property owners within the jurisdictional boundary of Member Agency.

Section 2: Establishing Eligible Improvements

WRCOG shall identify the kinds of public works, distributed generation renewable energy sources, or energy efficiency improvements that may be financed ("Eligible Improvements") under the Program.

Section 3: Boundary of Program

WRCOG, in coordination with Member Agency, shall describe the boundaries of the area within which contractual assessments under the Program may be entered into, which may include the entire jurisdictional area of Member Agency or a lesser portion thereof.

Section 4: Financing the Installation of Eligible Improvements

WRCOG shall develop and implement a plan for the financing of the purchase and installation of the Eligible Improvements under the Program.

Section 5: Ongoing Administration

WRCOG shall be responsible for the ongoing administration of the Program, including but not limited to producing education plans to raise public awareness of the Program, soliciting, reviewing and approving applications from residential and commercial property owners participating in the Program, establishing contracts for residential and commercial property owners participating in Program, establishing and collecting assessments due under the Program, and providing reports as required by Streets & Highways Code sections 5898.20(b) and 5898.22. The program will be administered in accordance with WRCOG JPA.

Section 6: Phased Implementation

The Parties recognize and agree that implementation of the Program as a whole can and may be phased as other WRCOG member agencies execute similar Implementation Agreements. The Member Agency entering into this Agreement will obtain the benefits of and incur the obligations imposed by this Agreement in its jurisdictional area, irrespective of whether other WRCOG member agencies enter into similar Implementation Agreements.

Section 7: Term

The term of this Agreement shall be for twenty (20) years unless modified or extended pursuant to this Agreement.

Section 8: Termination

Upon ninety (90) days written notice, either Party may terminate this Agreement. Termination shall not relieve the Party of its proportionate share of any debts or other liabilities incurred under this Agreement prior to the effective date of the Party's notice of termination.

Section 9: Environmental Review

WRCOG shall be the lead agency under the California Environmental Quality Act for any environmental review that may required in implementing or administering the Program under this Agreement.

Section 10: Cooperative Effort

Member Agency shall cooperate with WRCOG by providing information and other assistance in order for WRCOG to meet its obligations hereunder. Member Agency recognizes that one of its responsibilities related to the Program will include any permitting or inspection requirements as established by the Member Agency.

Section 11: Miscellaneous Provisions

11.1 Notice. Any and all communications and/or notices in connection with this Agreement shall be either hand-delivered or sent by United States first class mail, postage prepaid, and addressed as follows:

WRCOG:

Western Riverside Council of Governments
4080 Lemon Street, 3rd Floor. MS1032
Riverside, CA 92501-3609
Att: Executive Director

MEMBER AGENCY:
City of Norco
2870 Clark Avenue
Norco, CA 92860
Att: City Manager

11.2 Entire Agreement. This Agreement, together with the JPA and WRCOG By-laws, constitutes the entire agreement among the Parties. This Agreement supersedes any and all other agreements, either oral or in writing, among the Parties with respect to the subject matter hereof and contains all of the covenants and agreements among them with respect to said matters, and each Party acknowledges that no representation, inducement, promise of agreement, oral or otherwise, has been made by the other Party or anyone acting on behalf of the other Party that is not embodied herein.

11.3 Successors and Assigns. This Agreement and each of its covenants and conditions shall be binding on and shall inure to the benefit of the Parties and their respective successors and assigns. A Party may only assign or transfer its rights and obligations under this Agreement with prior written approval of the other Party, which approval shall not be unreasonably withheld.

11.4 Attorney's Fees. If any action at law or equity, including any action for declaratory relief is brought to enforce or interpret the provisions of this Agreement, each Party to the litigation shall bear its own attorney's fees and costs.

11.5 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California, as applicable.

11.6 No Third Party Beneficiaries. This Agreement shall not create any right or interest in the public, or any member thereof, as a third party beneficiary hereof, nor shall it authorize anyone not a Party to this Agreement to maintain a suit for personal injuries or property damages under the provisions of this Agreement. The duties, obligations, and responsibilities of the Parties to this Agreement with respect to third party beneficiaries shall remain as imposed under existing state and federal law.

11.7 Severability. In the event one or more of the provisions contained in this Agreement is held invalid, illegal or unenforceable by any court of competent jurisdiction, such portion shall be deemed severed from this Agreement and the remaining parts of this Agreement shall remain in full force and effect as though such invalid, illegal, or unenforceable portion had never been a part of this Agreement.

11.8 Headings. The paragraph headings used in this Agreement are for the convenience of the Parties and are not intended to be used as an aid to interpretation.

11.9 Amendment. This Agreement may be modified or amended by the Parties at any time. Such modifications or amendments must be mutually agreed upon and executed in writing by both Parties. Verbal modifications or amendments to this Agreement shall be of no effect.

IN WITNESS WHEREOF, THE PARTIES HERETO have executed this Agreement to be in effect as of the date last signed below.

By: _____ Date: _____

Executive Committee Chair
Western Riverside Council of Governments

By: _____ Date: _____

Mayor, Norco City Council

By: _____ Date: _____

Legal Counsel

CITY OF NORCO
STAFF REPORT

TO:	Honorable Mayor and Members of the City Council
FROM:	Beth Groves, Interim City Manager Beth Groves
PREPARED BY:	Steve King, Planning Manager
DATE:	October 7, 2009
SUBJECT:	Update to the 2009 Land Use Element.
RECOMMENDATION:	Approve the 2009 Land Use Element update.

SUMMARY: In conjunction with the recently adopted Housing Element the Land Use Element is being updated to reflect those goals and policies as updated in the Housing Element. The Land Use Element update also includes other policies and programs that have been adopted through other avenues including the Strategic Plan. The Draft Land Use Element was reviewed by the Planning Commission at workshop meetings and was then recommended for adoption on August 26, 2009. The City Council reviewed the draft document, with the Planning Commission changes, at a workshop meeting on September 30, 2009. All the changes and recommendations from the September 30, 2009 meeting have also been incorporated (changes shown in red text). Staff and the Planning Commission are recommending approval of the Land Use Element 2009 update.

BACKGROUND: The Land Use Element is one of seven required elements in the General Plan. It is the most representative and comprehensive since its contents largely govern what other elements are going to address. "The road system proposed in the Circulation Element must be closely, systematically, and reciprocally related to the Land Use Element of the General Plan" and likewise the other elements. The Land Use Element was last updated on June 6, 2001. State General Plan regulations do not require periodic updates to the Land Use Element as is required for the Housing Element. However, the state does recommend that cities update their General Plans at least every ten years. A General Plan update is considered to be an update to at least five of the required seven elements. An update to the Land Use Element is appropriate at this time for the following reasons:

1. New housing goals that have been included in the update to the Housing Element need to be reflected in the Land Use Element.
2. New development goals adopted by the City Council with regards to Silverlakes need to be incorporated.
3. On-going policy goals as they have been established in the City's Strategic Plan need to be reflected.

The Land Use Element should address the following issues pursuant to the State General Plan Guidelines:

1. distribution of housing, business, and industry;
2. distribution of open space;
3. distribution of mineral resources;
4. distribution of recreational facilities and opportunities;
5. location of educational facilities;
6. location of public buildings and grounds;
7. location of solid and liquid waste facilities and renewable energy facilities;
8. identification of areas subject to flooding; and
9. other private and public uses of land as necessary.

Staff presented sections of the Land Use Element to the Planning Commission for review and revision in four separate workshop meetings prior to the public hearing on August 26, 2009. The changes were minor and reflected goals and policies that have already been discussed and adopted through other avenues. The changes have also included updated data showing the latest figures for population and growth. The Planning Commission reviewed the first section on June 10, 2009, the second on June 24, 2009, the third on July 8, 2009, and the last on July 29, 2009 before making a formal recommendation of approval on August 26, 2009.

The City Council reviewed the Draft Land Use Element Update document at a workshop meeting held on September 30, 2009. The changes from that meeting have also been incorporated into the draft document being presented for approval at this meeting. Unlike the Housing Element, the Land Use Element update does not need to be reviewed by a state agency. Once adopted, the Land Use Element will not need to be completely updated for another ten years. It is anticipated, however, that periodically there could be minor changes as the need occurs over that time period.

Attachment: Resolution 2009-___
Exhibit "A" – Final Draft Land Use Element Update

/sk-73633

RESOLUTION NO. 2009-__

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NORCO APPROVING GENERAL PLAN AMENDMENT 2009-01 ADOPTING THE 2009 LAND USE ELEMENT UPDATE. GENERAL PLAN AMENDMENT 2009-01.

WHEREAS, on April 2, 2008, the Norco City Council adopted its Strategic Plan for 2008 and 2009, which included the goal to: "Develop a plan to expand the diversity of housing options in the community in an effort to comply with State regulations and obtain certification of the City's Housing Element" and "consider applications to build affordable housing in specific commercial locations that will not adversely impact the animal-keeping lifestyle of existing residential neighborhoods"; and

WHEREAS, the Land Use Element needs to reflect and guide the policies of the other required elements of the General Plan; and

WHEREAS, an update to the Housing Element has been approved for the period from 2008-2014; and

WHEREAS, the City of Norco initiated a general plan amendment to update the Land Use Element of the City of Norco General Plan to make said element consistent with the updated Housing Element; and

WHEREAS, said application was duly submitted to said City's Planning Commission at a public hearing held August 26, 2009, at which the Planning Commission did recommend approval of the Land Use Element update to the City Council; and

WHEREAS, a draft of the proposed 2009 Land Use Element update was duly submitted to the City Council for a public workshop meeting held September 30, 2009; and

WHEREAS, hearing of General Plan Amendment 2009-01 was noticed and scheduled for public hearing by the City Council at its meeting of October 7, 2009 at 7 p.m. in the Council Chambers at 2820 Clark Avenue, Norco, California, 92860; and

WHEREAS, the City Council held a public hearing and received oral and written testimony pertaining to the proposed amendment to the General Plan; and

WHEREAS, the City of Norco has been determined to be the Lead Agency for environmental reporting purposes and has determined that the project is exempt from the California Environmental Quality Act and the City of Norco Environmental Guidelines pursuant to Category 5.

NOW, THEREFORE, the City Council of the City of Norco does hereby make the following FINDINGS AND DETERMINATION:

I. FINDINGS:

A. The Land Use Element is a required element of the City General Plan and needs to be updated periodically to reflect changing conditions, requirements, and policies.

B. The proposed General Plan Amendment is necessary and desirable for the development of housing and other opportunities in the City of Norco since the proposed amendment would make the Land Use Element consistent with the updated Housing Element.

C. The City of Norco has been determined to be the Lead Agency for environmental reporting purposes and has determined that the project is exempt from the California Environmental Quality Act and the City of Norco Environmental Guidelines pursuant to Category 5.

D. The City is not bound to accept any property for annexation that is not consistent with the goals, policies, General Plan, zoning, and development requirements of the City.

II. DETERMINATION:

NOW, THEREFORE, the City Council of the City of Norco, California, in session assembled October 7, 2009 does hereby approve General Plan Amendment 2009-01, adopting the 2009 Land Use Element update.

PASSED AND ADOPTED by the City Council of the City of Norco at a regular meeting held on October 7, 2009.

_____
Mayor of the City of Norco, California

ATTEST:

_____
Brenda K. Jacobs
City Clerk
City of Norco, California

The City Clerk of the City of Norco, California, does certify that the foregoing Resolution was duly and regularly passed and adopted by the City Council of the City of Norco at a regular meeting thereof held on October 7, 2009 by the following roll call vote:

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 October 7, 2009.

_____
Brenda K. Jacobs
City Clerk
City of Norco, California

/sk-73640

TABLE OF CONTENTS:

TITLE — PAGE NUMBER

1.0 INTRODUCTION TO THE LAND USE ELEMENT 1
- 1.1 Purpose of the Land Use Element 1
- 1.2 Requirements 2
- 1.3 Defining Norco's Lifestyle and Principle Land Use 2
- 1.4 Historical Development of Norco 4

2.0 LAND USE ELEMENT GOALS AND POLICIES 5
- 2.1 Land Use Issues 5
  - 2.1.1 Land Use Compatibility 5
  - 2.1.2 Limitations on Future Growth 5
  - 2.1.3 Development and Preservation of a Unique Lifestyle 6
  - 2.1.4 Community Design Cohesion 6
  - 2.1.5 Protected Habitat/Species 7
  - 2.1.6 Blighted Areas 8
- 2.2 Residential-Small Plot Agriculture/Animal Keeping (Goals and Policies) 9
- 2.3 Economic Development (Goals and Policies) 10
- 2.4 Community Design (Goals and Policies) 11
- 2.5 Public and Community Uses (Goals and Policies) 13
- 2.6 Environmental Resources (Goals and Policies) 15
- 2.7 Historical Resources (Goals and Policies) 16
- 2.8 Growth Management (Goals and Policies) 18

3.0 THE LAND USE PLAN 19
- 3.1 Existing Setting 19
  - 3.1.1 Local Setting 19
  - 3.1.2 Regional Setting 20
- 3.2 Major Land Use Patterns 21
  - 3.2.1 Major Land Uses 21
  - 3.2.2 Planned Development Communities 23
- 3.3 Economic Base 31
  - 3.3.1 Existing Commercial Development 31
  - 3.3.2 Commercial Zoning Designations 35
  - 3.3.3 Existing Industrial Development 37
  - 3.3.4 Industrial Zoning Designations 37
  - 3.3.5 Redevelopment 38
- 3.4 Residential Base 41
  - 3.4.1 Existing Residential Development 42

3.4.2 Residential Zoning Designations 42
3.4.3 Future Residential Growth 45
3.4.4 Infrastructure Finance for New Residential Development 45
3.5 Public Land Uses 46
3.5.1 Open Space for the Preservation of Resources 47
3.5.2 Land Use Preservation 48
3.5.2 Open Space for Outdoor Recreation 48
3.6 Community Design 49
3.6.1 Landmarks and Community Focal Points 50
3.6.2 Visual Corridors/Vista Points 50
3.6.3 Residential Neighborhood Design 50
3.6.4 Commercial Neighborhood Design 51

4.0 IMPLEMENTATION MEASURES 52
4.1 Project Review/Permitting Process 52
4.2 Capital Improvement Program 52
4.3 Grant Coordination 52
4.4 Redevelopment Funding 52
4.5 Economic Development 53
4.6 Community Development 53

LIST OF EXHIBITS:

EXHIBIT — PAGE NUMBER

3.1 Specific Plans Map 26
3.2 Gateway Specific Plan 27
3.3 Auto Mall Specific Plan 28
3.4 Norco Hills Specific Plan 29
3.5 Norco Ridge Ranch Specific Plan 30
3.6 4th Quarter Taxable Sales Trends 32
3.7 Regional Growth in Per Capita Sales 1997-2000 33
3.8 Regional Growth in Per Capita Sales 2001-2007 34
3.9 Redevelopment Area Map 40
General Plan Land Use Map ..... Pocket

LIST OF TABLES:

TABLE — PAGE NUMBER

3.1 Land Use by Zoning 22
3.2 Specific Plans 23
3.3 Commercial Land Uses 36
3.4 Industrial Land Uses 38
3.5 Residential Land Uses 45
3.6 Public Uses/Open Space/Limited Development 49

1.0 INTRODUCTION TO THE LAND USE ELEMENT

The City of Norco was incorporated to preserve a small plot agriculture/animal-keeping/equestrian lifestyle. Primary to this goal is the maintenance of residential lots that will accommodate and encourage animal keeping and agriculture at a family scale, a concept that dates back to early colonial times. It is important that the Land Use Element be established so that all other elements of the General Plan support animal keeping and agrarian land uses in perpetuity for future residents of the City. The primary goal of the Land Use Element is the maintenance of the small plot agriculture/animal-keeping/equestrian lifestyle, to which all other elements of the General Plan must be consistent.

Equally important as the primary goal is the attraction and development of desired commercial uses. The Land Use Element must provide for all of the land uses that will sustain the community and support the preservation of the small plot agriculture/animal-keeping/equestrian lifestyle as a viable land use in a rapidly urbanizing region. In that urban setting, the City provides a unique opportunity to maintain a residential lifestyle based on animal-keeping that is not available on a community scale anywhere else in the region. Desired commercial development will provide the necessary tax base to sustain the community; and, the introduction of previously excluded mixed-use and multi-family developments will allow the City to come into compliance with state-mandated housing requirements.

1.1 PURPOSE OF THE LAND USE ELEMENT

It is the purpose of the Land Use Element to provide appropriate land for the variety of activities including residential, commercial, public, etc., and to guide the manner in which each land use is developed and used. In so doing, the element intends to create and regulate a compatible and functional interrelationship between the various land uses in the City of Norco.

The Land Use Element, required by law since 1955, has the broadest scope of the seven mandatory General Plan elements. It embodies most of the concerns of the other six elements and plays a central role in synthesizing all land use issues. By definition in Government Code Section 65302(a):

> *"A land use element designates the proposed general distribution, general location and extent of the uses of the land for housing, business, industry, open space, including agriculture, natural resources, recreation and enjoyment of scenic beauty, education, public buildings and grounds, solid and liquid waste disposal facilities, and other categories of public and private uses of land. The land use element shall include a statement of the standards of population density and building intensity recommended for the various districts and other territory*

covered by the plan. The land use element shall also identify areas covered by the plan which are subject to flooding and shall be reviewed annually with respect to such areas".

This Element presents a land use plan with the associated policies that establish a pattern of land use in the City and sets standards and guidelines for the development of those land uses. It is a long-range plan (to the year 2020) and is based on current community goals as well as foreseeable needs and constraints of the community.

1.2 REQUIREMENTS

The California Government Code requires that general plans contain a land use element or section which designates the proposed general distribution, location and extent (including standards for population density and building intensity) of the uses of the land for housing, business, industry, open space, education, public buildings, solid and liquid waste disposal facilities, renewable energy facilities and other categories of public and private use.

The Land Use Element should:

- Promote a balanced and functional mix of land uses consistent with community values;
- Provide for the growth of housing and employment opportunities in keeping with community goals and consistent with planned infrastructure and service capacities;
- Guide public and private investments;
- Reflect the opportunities and constraints affecting land use identified in the other elements of the general plan; and,
- Reduce loss of life, injuries, damage to property, and economic and social dislocation resulting from flooding and other hazards.

1.3 DEFINING NORCO'S LIFESTYLE AND PRINCIPLE LAND USE

Norco was incorporated for the purpose of preserving a lifestyle that is increasingly difficult to maintain in urban Southern California. Many of Norco's residents once lived in Los Angeles and Orange counties in communities that started as equestrian areas but then were zoned out as higher density urbanization encroached. Norco was created to preserve lots big enough to accommodate small plot agriculture, animal keeping and the equestrian lifestyle. The City was designed from the start so that higher density residential development could not eventually create political pressure to abandon the animal-keeping lifestyle. The goals of the Land Use Element are: 1) to maintain the small plot agricultural animal-keeping residence as the primary residential use of the

City; 2) attract desired commercial uses; and 3) accommodate different types of housing that will allow the City to be compliant with state housing requirements.

To understand the cornerstone of the residential lifestyle in the City of Norco, it is necessary to define what is meant by certain statements and phrases that are used to define that lifestyle.

- Small plot agriculture: an historical family-based agricultural system that was the basis for agricultural production in the founding days of this country, and which to a large extent has been replaced by large agribusinesses. It is still a viable land use for agricultural production and the raising of animals, particularly at a family scale where principles and trades can be taught that are not readily available in other avenues of modern education. For many families in Norco, this is an important part of our heritage, and of the principles of self-reliance, that needs to be preserved. The opportunities for this type of lifestyle in an urban setting are becoming increasingly difficult to find in Southern California; and communities in urban settings that are established on these principles are even more rare.

- Animal keeping: The City of Norco is committed to residences that allow the keeping of animals. Lots not only have to have the appropriate size, but also a topography that allows for adequate area to safely keep animals. For lots that have manufactured slopes pads need to be large enough to accommodate both the residence and the animal-keeping area. Building coverage on lots is restricted to ensure that adequate room for animals is maintained.

- Equestrian: Regulations controlling residential development in Norco are designed to accommodate the keeping of many types of animals not generally allowed on a large scale in urban residential areas. The focus of community design however, is the promotion of an animal-keeping/equestrian lifestyle. All public streets must have at least one equestrian trail on one side of the street. Commercial developments accommodate watering troughs, tie-ups, and other amenities as feasible.

- Rural: Norco is a community preserving aspects of a rural lifestyle that existed in this area before the rapid urbanization that characterizes western Riverside County. Those aspects that are core to the image and lifestyle of Norco are the large lots to accommodate small plot agriculture/animal-keeping/equestrian land uses, and the "rural" style street improvements with equestrian/pedestrian trails, equestrian fencing, minimal street lighting, and no sidewalks except along Hamner Avenue, Mountain Avenue, Hidden Valley

Parkway, and other specific commercial or industrial areas (not including Sixth Street).

1.4 HISTORICAL DEVELOPMENT OF NORCO

The pre-European history of Norco is much like the rest of Southern California where various tribes of Indians occupied the different portions of the region. The Luiseno Indians, part of the Shoshonean linguistic tribe occupied this area when settlement north from Mexico began. The name Luiseno was assigned by Spaniards due to the fact that the Indians occupied territory controlled by the San Luis Rey Mission. The main village was in Temescal Canyon, and the Norco area was used as a hunting-gathering location.

In 1846 present-day Norco was part of a land grant (Rancho La Sierra) that Mexican Governor Pio Pico granted to Vicenta Sepulveda. The land was later sold to Abel Stearns an early cattle rancher who was the first Mexican mayor of Los Angeles. After the drought of 1863 the land passed through various owners. The San Jacinto Land Company purchased the property and started irrigating for the purpose of growing orange trees. That and other ventures to grow oranges failed due to high winds and frost. In 1908 the land was purchased by the Orange Heights Water Company who established wells and pipeline, and subdivided the property for development.

Farmers gradually ventured into animal-raising, especially poultry and rabbits, some operations of which are still active today. In 1921 the land was purchased by Rex Clark who with the assistance of the North Corona Land Company set about to develop the area. Clark constructed many of the community's first buildings including the first school (now the community recreation center), the first general store (now the library), and the Norconian Resort.

The Norconian Resort was constructed at the site of a hot springs discovered while digging for irrigation water. It occupied a 700-acre site and was for years a favorite of Hollywood celebrities. Its use declined during the 1930's and in 1941 the resort was sold to the U.S. Navy for use as a hospital. It was subsequently declared surplus after the war. The grounds and buildings have since been divided and now function as an ordinance laboratory for the Department of the Navy and an incarceration/rehabilitation center (California Rehabilitation Center) in the state prison system. The actual Norconian Hotel is on property controlled by the prison but it currently stands vacant. In 2009 the Norco City Council established the Historic Preservation Commission charged with the task of establishing the regulatory framework, and finding ways to preserve and eventually restore the hotel and resort properties when they become available.

The community's first public recreational facility was developed in 1948 when the old Norco School (see above) was acquired for use as a community center. The Norco

Recreation and Park District was then formed to maintain and operate the property. During the 1950's and 1960's Norco began to experience more growth, resulting from the population explosion occurring throughout the Southern California metropolitan area. The San Bernardino and Riverside freeways made the area more accessible from Los Angeles and Orange Counties, and Norco's animal-keeping lifestyle came within commuting distance of major centers of employment. Because of rapid growth in surrounding communities, and the previous loss of other unincorporated animal-keeping communities in Los Angeles and Orange counties, the City of Norco was incorporated in 1964 to preserve the animal-keeping community that had established roots here.

2.0 LAND USE ELEMENT GOALS AND POLICIES

The primary goal for the City is the preservation of a small plot agricultural/animal-keeping lifestyle which by its nature requires a unique approach to land use for a city in an urban setting, one that also has a strong tax base of desired commercial uses to support that lifestyle. The primary intent of land use goals is to protect this unique lifestyle.

2.1 LAND USE ISSUES

2.1.1 LAND USE COMPATIBILITY

In order for the City of Norco to remain an intact community that can meet its own fiscal needs, there needs to be a mix of land uses including commercial development. Commercial development generates sales tax and provides income to the City that property tax from residential development does not. A tax base based solely on the income generated by residential property tax is not enough for a jurisdiction to provide all of the services that residents expect from the City. That is where commercial development becomes vital to the viability of a city.

The inherent problem is the impact of commercial and multi-use planned developments on equestrian neighborhoods that are quiet in nature. Traffic, noise, hours of operation, and light are just some of the possible impacts. These problems become more severe the closer together two different land uses become and/or the more intense a type of use becomes. With the equestrian lifestyle, noise impacts that are standard in typical suburbs present an additional level of danger to equestrians. The City needs to maintain a land use plan that keeps commercial development and traffic routes as separate as possible from the City's animal-keeping residential areas.

2.1.2 LIMITATIONS ON FUTURE GROWTH

The City of Norco is nearing buildout conditions in the agricultural residential zones, and has a limited supply of commercial and industrial zoned properties.

Additionally, the City's sphere of influence does not cover much more area than what is within the City's limits. The significance being that under the existing political geography, there will not be significant areas in which the City can have future growth unless the City boundaries and/or the sphere-of-influence changes. Most of the available land for development consists of infill properties in the commercial and agricultural residential zones. In the industrial zones there are still large areas that are open, but the overall amount of industrially zoned land is small (see Table 3.1).

2.1.3 DEVELOPMENT AND PRESERVATION OF A UNIQUE LIFESTYLE

The most important issue affecting the lifestyle that has been the center of community affairs since incorporation of the City is the maintenance of a residential community that keeps animals. As growth continues to place more demand for Inland Empire housing, the availability of large affordable lots grows increasingly smaller. The demand for "estate lots" increases along with the demand for "animal-keeping" lots, especially with Norco's proximity to Los Angeles and Orange Counties. This is the same type of land use conflict that eventually changed original animal-keeping communities in those two counties. The maintenance of lot size, dimension, and setback requirements will help preserve lots that accommodate animal keeping. A coordinated land use pattern that takes into consideration the animal keeping needs of the community will also help to preserve the viability of that use in the City. The City shall continue coordinating closely with schools, the University of Cooperative Extension 4H, Future Farmers of America, and Grange for the continuation of school competitions, rodeos, and educational programs based on animal keeping and animal husbandry.

2.1.4 COMMUNITY DESIGN COHESION

Community design defines and enhances the character of a community through the interrelation of the built and natural environments. The elements of community design occur at different levels and from different perspectives. At the pedestrian scale, detailed articulation of building structures and landscaping provides a positive experience for users of the site and adjoining sites. Standard "modern California cookie-cutter" design may not be adequate. Each site needs to be designed both as an individual unit and as part of an overall neighborhood and area, and not just as "another unit in a chain of stores."

The scale and level of detail is different for pedestrian traffic than it is for street traffic, especially along the higher-speed corridors. Visual corridors, primarily along the major streets are often the most identifiable design elements of a community, but they do not allow for the absorption of small details that occurs at a pedestrian scale. As a vehicle travels, there are two views, the foreground view consisting of building facades, landscaping, and streetscape; and the

background consisting of the mountains north and south, the hills to the east, Beacon Hill, and views of the valley from higher vistas. As such, visual corridors should be identified so that building and landscaping can be designed to protect as many vistas as possible.

The City promotes a design theme that is characterized as western and/or equestrian in nature. Some areas, however, have developed with more contemporary styles. Neighborhood and area identification play an important role in community identity, and it is not necessary that every neighborhood or area have exactly the same design styles. By establishing areas and neighborhoods as unique entities within the design framework of the community, the City helps establish and maintain the vitality and distinctiveness of a neighborhood. Coinciding with distinct neighborhood identities, historical and natural elements become important anchors.
The development and maintenance of a positive community identity is a combination of private and public efforts, but is primarily accomplished over the long term through incremental private investment in property improvements. Some large-scale public investment can occur, but these opportunities will be limited because of budget constraints.

2.1.5 PROTECTED HABITAT/SPECIES

The City along with the 14 cities of western Riverside County is a participating agency (Permittee) in the Western Riverside County Multi-Species Habitat Conservation Plan (MSHCP) which effectively transfers administration of land and conservation planning for endangered species from the federal and state governments to the local authorities. The Regional Conservation Authority (RCA) is a joint-powers authority that oversees the implementation of the MSHCP.

The species that benefit are those already listed as endangered, or are being proposed, or are those that are strong candidates to be proposed in the future. The purpose of the plan is to establish large areas, interconnected where feasible, that are most suitable for habitat preservation to the benefit of as many species as possible within the same conservation areas. The habitat plan builds off of the Stephen's kangaroo rat (SKR) habitat conservation plan that was completed in the 1980's. At that time, Norco was outside of the historical habitat area for the SKR and so was not involved in that plan. Subsequently, SKR was found in the Norco Hills and land owners or developers had been required to obtain their own permits (Section 10a) from the United States Fish and Wildlife Service (USFWS). With the adoption of the MSHCP by the USFWS and the California Department of Fish and Game, "take" permits have been issued to the 14 Permittees of the MSHCP so that individual developers do not have to obtain their own permits anymore.

The only area identified as a core habitat area or an important habitat linkage area in Norco is adjacent to the Santa Ana River. In the draft MSHCP the Norco Hills area was identified as a "substantial habitat block" when determining what areas would be designated for core preservation. It was ultimately decided however that, while the Norco Hills may have a focus species of concern, or may have a variety of species, it is not large enough to support sustainable populations or does not have enough habitat to sustain a focus species in perpetuity.

The habitat and species in the MSHCP that are of concern to Norco are fish species and riparian habitat along the Santa Ana River and other habitats associated with the river. Since the river is identified as a core habitat area for preservation, the species and habitat will be protected upon implementation of the MSHCP.

2.1.6 BLIGHTED AREAS

Section 2.1.4 addresses the need for design cohesion within neighborhoods and within the overall community. One of the primary obstacles to achieving this, especially in commercial areas, is the existence of blight. Blight occurs in areas that are generally older and are not well maintained. The result is sporadic development, inconsistent design, and properties that do not achieve the highest and best use possible. One condition that helps blight to get established, and which is true in Norco, is small lot configurations with many different owners. Efforts to buy properties and/or develop a cohesive commercial center are hampered by many owners with different ideas and intentions for their property. Many times, the values of those properties are artificially escalated when interest of acquiring and assembling properties for development has been expressed. This only hampers the process further, encouraging the continuation of blighted conditions.

Two focus areas of concern are located along Hamner Avenue. The first is located in and around Acre Street where the topography of the land slopes down from Hamner Avenue and where access into some of the interior lots is taken from a private street (Acre Street), the legal ownership and use of which is unclear. Historically this has been an area of mixed commercial, residential, and outdoor storage uses. New development has occurred in this neighborhood but there is still a large area of underutilized and un-maintained property.

A second area of concern is the commercial district along Hamner Avenue between Third Street and Fifth Street. This area has a higher rate of land use than the Acre Street area, but the development pattern is inconsistent, and many properties between Hamner Avenue and the freeway have long deep lots, the rear portions of which have a tendency towards unsightly storage. Some lots in

this area have sat vacant for many years because of a perceived lack of development value. Some new development has occurred in this section of Hamner Avenue that has greatly enhanced the visibility. There have also been some façade improvements and some dilapidated structures removed. However, the overall pattern of inconsistent design and development remains.

Sixth Street is another commercial area that suffers from parcels that are narrow and deep with different owners and development patterns. Land use regulations prohibit new residential construction, and economic conditions are such that commercial construction has not been attracted to the area in large numbers. This is especially true on the eastern portion of the street where the lots are farthest away from the freeway and the Hamner Avenue commercial corridor. A new commercial center combined with other smaller commercial developments have established new focal points along the street but the pattern of underutilized parcels, nonconforming buildings, and inconsistent design prevails.

2.2 RESIDENTIAL-SMALL PLOT AGRICULTURE/ANIMAL-KEEPING GOAL

This goal promotes the health, safety, and well-being of the citizens of Norco by adopting standards for the proper balance, relationship, and distribution of residential land uses in accordance with the City's small plot agricultural/animal-keeping/equestrian lifestyle (See also the Goals and Policies of the Housing Element and the Norco Redevelopment Project Area Plan)

2.2.1 RESIDENTIAL/SMALL PLOT AGRIGULTURE PROTECTION POLICY:

Replacement of residential development shall preserve existing single-family residential uses at similar densities.

Policy 2.2.1a. Existing A-1 zones and similar agricultural-residential specific plan districts with similar densities shall not be rezoned for higher intensity residential uses.

Policy 2.2.1b. Senior housing and senior care housing shall be allowed in all zones, but shall not be built at densities greater than what is compatible with the applicable zoning and area land use.

Policy 2.2.1c. The City shall consider incentives to encourage the merger of vacant lots with adjacent residential lots that already permit animal keeping with the intent to promote larger equestrian ranches. Incentives could be in the form of increased animal unit allowances for larger lots, streamlined approval processes for caretaker units, etc.

Policy 2.2.1d. The City shall encourage residential open areas at a scale that encourages the small-plot agricultural/animal-keeping lifestyle.

Policy 2.2.1e. In residential zones that allow animal keeping, the City shall encourage lot development that adequately provides the necessary area and terrain to effectively maintain the health and safety of animals.

The objective of the residential-small plot agriculture/animal-keeping protection policy is to ensure that existing residential-small plot agricultural neighborhoods are not changed or impacted through increases in housing density. Likewise, it is to ensure that future single-family housing is built to protect adequate open areas that will accommodate animal keeping.

Responsible Agency: Planning Division

2.2.2 HOUSING DEVELOPMENT POLICY: Affordable residential housing units shall receive priority consideration in the implementation of any residential rehabilitation programs implemented by the City.
Policy 2.2.2a. The City shall encourage where appropriate public and private investment toward the upgrading and rehabilitation of older dwellings and toward the removal of substandard units.

Policy 2.2.2b. The City shall enforce property affordability requirements upon the sale of these units to ensure that existing affordable units stay in the City's overall housing pool as is required by state law.

Policy 2.2.2c. The City shall use housing programs to retrofit and improve existing housing units.

Policy 2.2.2d. The City shall consider affordable-housing projects in commercial locations that will not adversely impact the animal-keeping lifestyle of existing agricultural low-density neighborhoods.

The objective of the housing development policy is to encourage the development of viable attractive neighborhoods, free from blight and deterioration, with units available for a variety of household incomes.

Responsible Agencies: Planning Division, Redevelopment Agency

2.3 ECONOMIC DEVELOPMENT GOAL

This goal promotes a stable tax base with a balanced mixture of commercial and industrial development taking advantage of increased regional interest in the I-15 corridor. As part of this goal the City will seek to establish a hospitality district to take advantage of new regional attractions in the City including the Silverlakes Equestrian

and Sports Park, the enhanced Ingalls Equestrian Events Center, and ultimately a restored Norconian Hotel and resort property.

2.3.1 ECONOMIC DEVELOPMENT POLICY: The City will seek to establish a stable tax base by expanding the economic base of the community through active encouragement of commercial and industrial development so as to not adversely affect the viability of the community's small plot agricultural/residential lifestyle.

Policy 2.3.1a. The City will facilitate as feasible, the retention and expansion of existing businesses within the community.

Policy 2.3.1b. All commercial facilities shall be built and maintained in accordance with Health and Safety Code Requirements and shall meet seismic safety regulations and environmental regulations including noise, air quality, water, and other environmental resources as they apply.
Policy 2.3.1c. Develop parking regulations/guidelines that encourage employers to provide incentives for using public transportation.

Policy 2.3.1d. The City shall encourage the rehabilitation of existing substandard blighted commercial and industrial uses through the combined efforts of private and public sectors to revitalize and upgrade aesthetic and functional deficiencies.

Policy 2.3.1e. The City shall study the potential for mixed-use projects in commercial zones in areas that will not adversely impact animal-keeping properties.

Policy 2.3.1f. The City shall study potential zone changes in key locations, and zone code amendments as needed, to attract desirable commercial projects with a focus on hospitality uses (e.g. hotels, restaurants, and visitor-oriented amenities) along the northern Hamner Avenue/Beacon Hill corridor.

Policy 2.3.1g. The City shall review the Gateway Specific Plan for possible modifications to accommodate mixed-use commercial-residential projects in the Industrial District, including the Norco Ranch property.

The objective of economic development policies is to achieve overall effective land use in the City by eliminating blight, and making commercial areas more marketable for development to ensure that the City can maintain its small plot agricultural lifestyle with a vibrant and growing tax base.

Responsible Agencies: Planning Division, Economic Development Department

2.3.2 HOSPITALITY DISTRICT DEVELOPMENT POLICY: The City will seek to establish and promote the development of hospitality-related projects in those areas most conducive to drawing tourist traffic taking advantage of new regional attractions, the proximity of the Hamner commercial corridor to the freeway, and the close proximity of the City to Los Angeles International Airport-Ontario.

Policy 2.3.2a. The City shall establish districts for the development of hospitality-related uses, or new zoning as may be appropriate, where the district (or zoning) has some function and incentive towards the encouragement of these uses over other commercial uses.

Policy 2.3.2b. The City shall investigate and implement as feasible incentives to attract hospitality-related uses. Incentives could be in the form of zoning concessions, development assistance, etc.

2.4 COMMUNITY DESIGN GOAL

To achieve an overall design statement for the community that establishes it as a visually distinct and unique community.

2.4.1 COMMUNITY DESIGN POLICY: Development shall include elements of design that relate a particular project to its immediate neighborhood, district, street corridor, and community.

Policy 2.4.1a. New development in the City should incorporate western-themed architectural features and building style, the level of which will be determined based on the location of a building, the type of construction, and the use of a building.

Policy 2.4.1b. Freestanding signage shall be kept at a minimum and shall be designed to match building architecture with the incorporation of western design features. Signage that does occur (exclusive of pylon and pole signs) shall be low in profile to preclude unnecessary clutter along the City's visual corridors.

Policy 2.4.1c. Street and on-site landscaping shall be provided in such a way so as to create pleasing site-related aesthetics, but also to maintain visual corridors and vista points on a neighborhood and community scale as much as possible.

Policy 2.4.1d. The City shall identify prominent vista points and visual corridors for the purpose of preserving these vital elements of the community's character.

Policy 2.4.1e. The City shall promote the development of high quality commercial and public facilities requiring landscaping, maintenance, and permanent upkeep on all new development.

Policy 2.4.1f. New office, research, and industrial projects shall be developed in accordance with approved guidelines and/or within height limits to minimize encroachment into expansive views of the horizon.

Policy 2.4.1g. Commercial development proposed in areas that adjoin residential development shall provide adequate buffering by landscaping, screening, or open space. Height limits shall be established in all commercial zones so as to protect the privacy and solar access on adjacent residential lots.

Policy 2.4.1h. Outdoor storage shall only be permitted in appropriate zones and only as an ancillary use to an otherwise permitted land use and in the appropriate zoning district. Land uses for which parking and/or outdoor storage is the primary use shall not be permitted, or shall be substantially controlled through architectural and landscaping design.

Policy 2.4.1i. The City shall develop, maintain, and update as needed, architectural guidelines for the different areas of the City based on the overall western theme and taking into consideration surrounding development and land use.

Policy 2.4.1j. The City shall seek opportunities to eliminate physical blight by removing or renovating deteriorated and functionally obsolete structures that lack historic or aesthetic value.

Policy 2.4.1k. The City shall implement new landscaping requirements increasing where necessary the amount of landscaping required for commercial development, especially for areas with significant public exposure.

Policy 2.4.1l. The City shall investigate and implement where feasible, a public open space landscaping program that could include preservation of existing native vegetation in new development, and the planting of (or preservation of) highly visible landscape pockets along major corridors that can identify the community.

The objective of the community design policies is to have each new development in the City contribute to an overall positive aesthetic experience, relating to site specific, neighborhood, district, and community scale aesthetics.

Responsible Agencies: Planning Division, Economic Development Department.

2.5 PUBLIC AND COMMUNITY USES GOAL

This goal promotes the construction of public facilities that provide for the varied needs of the community and establish the animal-keeping lifestyle that is central to its citizens. These facilities should set the example for architectural and landscaping design standards for the entire community.

2.5.1 EQUESTRIAN AND ANIMAL-KEEPING FACILITIES POLICY: The City shall construct and seek opportunities for assistance to construct and/or enhance facilities that preserve and encourage the equestrian lifestyle that is central to the identity of the community.

Policy 2.5.1a. The City shall construct adequate public arenas, stalls, and exercise areas within easy access of all neighborhoods and trails.

Policy 2.5.1b. The City shall encourage and maintain staging areas in strategic locales in the City that will allow residents and non-residents with equestrian trailers to park trailers and have access to open space resources and training areas, as well as to the City's extensive trail system.

Policy 2.5.1c. Where commercial and office development meant for general public access adjoins equestrian trails, or have trails easily accessible to the site, the project shall include such equestrian amenities as corrals, watering troughs, hitching posts, etc.

Policy 2.5.1d. The City should seek out museums and commercial venues that are compatible with the community and the neighborhood in which they are located that promote, support, remember, and/or encourage the equestrian heritage of the community and the historical west.

Policy 2.5.1e. The City shall use minor plots of surplus property that are adjacent to trails for rest stops, corrals, watering troughs, etc. where the situation supports the development and use of these types of amenities.

Policy 2.5.1f. The City shall continue Capital Improvement Program phasing to construct equestrian fencing, mark trails, and prohibit parking along all of the trails in the City to encourage safe use of the facilities.

The objective of the equestrian and animal-keeping facilities policy is to develop a community fabric of all land uses that support and reflect the animal-keeping and equestrian nature of the City.

Responsible Agencies: Planning Division, Economic Development Department

2.5.2 GENERAL ANIMAL-KEEPING POLICIES: The City shall construct necessary facilities within public areas to ensure that animal keeping as associated with a small plot agriculture/equestrian lifestyle can be supported in perpetuity (said facilities will include where appropriate animal control facilities and holding pens in parks and showing areas, etc.).

Policy 2.5.2a, The City shall maintain appropriate facilities within its Animal Control Division to offer support to the community for the keeping and maintaining of animals associated with a small plot agricultural lifestyle.

Policy 2.5.2b, The City will continually support and sponsor public events for the purpose of continuing education in animal husbandry.

The objective of the general animal-keeping policies is to ensure that facilities and resources are available for general public use to foster the development and maintenance of an animal-keeping lifestyle.

Responsible Agencies: Planning Division, Department of Parks, Recreation, and Community Services.

2.5.3 GENERAL RESIDENTIAL DEVELOPMENT POLICIES: In conjunction with the goals and policies of the Housing Element to provide equal and affordable housing to all segments of the population, the City shall ensure that residential growth occurs in a responsible way consistent with the small plot agricultural lifestyle and with public facilities as appropriate to maintain that lifestyle. (See also Housing Element)

Policy 2.5.3a. For all new development, existing and projected design capacities for affected schools shall be determined.

Policy 2.5.3b. The City will seek to maintain an on-going relationship with the school district for any proposed school construction, and to stay abreast of potential changes in school attendance boundaries.

Policy 2.5.3c. No new residential development shall be allowed until proof has been provided that school district impact fees have been paid in full, or the provision for the payment of fees has been agreed to by the school district.

Policy 2.5.3d. All new residential construction shall include the necessary infrastructure to provide services concurrent with City standards, including a

lateral connection to the City's sewer system for each single lot that is developed with a home (same as Housing Element Policy 2.3.3a).

Policy 2.5.3e. Senior housing complexes shall be permitted in all zones at densities that reflect the intensity of the underlying zone. The allowable densities should be similar in intensity to surrounding developments.

Policy 2.5.3f. The City shall study the potential for mixed-use projects in commercial zones in areas that will not adversely impact animal-keeping properties (same as Policy 2.3.1.e).

The objective of the general residential development policies is to promote housing opportunities that will help the City meet its regional housing needs assessment (RHNA) consistent with the growth and development plans of the school district and the City's infrastructure system.

Responsible Agencies: Planning Division, Economic Development Department, Public Works Department.

2.6 ENVIRONMENTAL RESOURCES GOAL

This goal promotes the wise use and management of the City's land resources in conjunction with the Conservation Element and the Open Space/Parks Element.

2.6.1 LAND FORM CONSERVATION POLICY: In areas not already designated for permanent open space in the Conservation or Open Space Elements, land development should be done in such a manner that the City's primary land forms and scenic vistas are protected.

Policy 2.6.1a. Residential development in hillside areas needs to first accommodate a grading scenario wherein adequate lot area is provided to preserve the City's animal-keeping small plot agricultural heritage, while striving to maintain as much of the natural hillside area and the form of the hillsides as possible.

Policy 2.6.1b. The City should facilitate the development of a land use plan for the Beacon Hill area to determine where development should be allowed to occur, incorporating as feasible equestrian trails and open space, in a manner that protects and recognizes the historical nature of the hill in the City's landscape.

Policy 2.6.1c. Building construction should be restricted within 20 feet of the crest of the Norco bluffs (generally from west of Hamner Avenue eastward to the City boundary).

The objective for the environmental resources goal is to ensure that development occurs consistent with the City's land form resources, preserving to the greatest extent possible the City's most identifiable natural landmarks that help give the community its sense of uniqueness; and to ensure that development does not occur where people could be injured as a result of improper development. (Also see Conservation and Open Space Elements).

Responsible Agency: Planning Division, Department of Public Works.

2.7 HISTORICAL RESOURCES GOAL

This goal preserves from development, to the extent possible, the City's historical and archeological resources.

2.7.1 HISTORICAL BUILDING PRESERVATION POLICY: The City will identify and preserve the unique historical buildings that significantly identify and establish the community's history and character.

Policy 2.7.1a. Sites of significant historical, archaeological, and cultural value shall be preserved and/or incorporated into proposed new development with mitigation measures established through the environmental review process.

Policy 2.7.1b. Vegetation including street trees and public landscaping that help contribute to the City's historical fabric and identity, should be preserved and incorporated into the landscaping plans for any new development that incorporate the particular site or is adjacent to it for public improvement purposes.

Policy 2.7.1c. Rehabilitation of historical structures should be done so that the integrity of structures is not jeopardized with inappropriate additions or alterations.

Policy 2.7.1d. No demolition of any historical structure shall occur until an assessment of the cost of rehabilitation of the existing structure has been submitted to the City.

Policy 2.7.1f. Land use designations and regulations around historical structures should be conducive to the historical use of the structure so that the land value for maintaining the structure, as is, is not jeopardized.

Policy 2.7.1g. Community design adjacent to historical structures shall not impede the integrity of the historical structure, either through inappropriate design, building mass, landscaping mass, setbacks, etc.

The objective of the historical preservation policy is to provide the community setting, which supports the preservation and enhancement of the City's historical buildings and sites.

Responsible Agency: Economic Development Department

2.7.2 ARCHAEOLOGICAL RESOURSES POLICY: The City will identify and catalogue any archaeological resources, and will take measures to preserve those resources that are considered unique and significant to the area's history.

Policy 2.7.2a. The City should collect, record, and/or mitigate archaeological resources to the level consistent with the related value of each item in terms of historical significance and importance.

Policy 2.7.2b. New development requiring discretionary approval from the Planning Commission shall be approved with a condition that requires any construction activity to stop upon discovery of archaeological resources until such time as a qualified archaeologist, retained by the property owner or developer, has investigated the site and made recommendations regarding the disposition of any items. Human remains shall not be moved until the Riverside County's Coroners Office has been notified.

Policy 2.7.2c. New development shall be coordinated with Native American tribes that have an historical presence and interest in the Norco region, or any other groups with historical interest.

The objective of the archaeological resources policy is to ensure that any significant archaeological resources are preserved.

Responsible Agency: Planning Division.

2.8 GROWTH MANAGEMENT

This goal controls growth in the City so that the small plot agricultural/animal-keeping lifestyle remains the primary focus of the community.

2.8.1 ANNEXATION POLICIES: The City will only consider annexations that are conducive to the maintenance of the small plot agricultural/animal-keeping lifestyle.

Policy 2.8.1b. The City shall support annexations and/or sphere of influence amendments that will add areas that, by their nature, support and enhance the City's small plot agricultural lifestyle and protect significant open space elements. Such annexations can include areas that provide a good buffer to higher density non-animal-keeping neighborhoods in adjoining communities.
The objective of the annexation policies is to ensure that growth of the City's land area only occurs so that the animal-keeping lifestyle is maintained and supported.

Responsible Agency: Planning Division

2.8.2 ANNEXATION/PUBLIC SERVICE POLICY: Logical annexation of adjacent unincorporated areas, including amendments to the City's sphere of influence boundary as necessary, will be encouraged when adequate service and proper land use plans have been developed, or when annexation is deemed critical to preserving the City's small plot agricultural/animal-keeping lifestyle.

The objective of the annexation/public service policy is to facilitate the annexation of properties whose owners are conducive to annexation where City services are readily available; and for properties that will enhance the City's small plot agricultural/animal-keeping lifestyle.

Responsible Agency: Planning Division

3.0 THE LAND USE PLAN

3.1 EXISTING SETTING

The City of Norco is approaching buildout conditions, and very little area remains in the sphere of influence where the City could annex potential large development areas. Additionally the City is physically defined by natural borders along its northwest side, and along the eastern boundary that separate it from adjoining communities. The City's southern boundary is the City of Corona.

3.1.1 LOCAL SETTING

The City of Norco was incorporated on December 28, 1964 as a General Law City. On November 4, 2003 the voters adopted a City Charter, and on December 10, 2003 the Secretary of State received and filed the document making the City a Charter City for land use regulation. The difference between a General Law City and a Charter City is the level of local authority on municipal issues

especially as they pertain to the function and organization of local government. The City must still operate under the general land use laws of the State.

The City consists of approximately 9,808 acres or 14.5 square miles, with approximately 56 acres within the "sphere of influence." The dominant natural physical features are Beacon Hill, Norco hills on the east, and the Santa Ana River to the north. Lake Norconian of the old Norconian Country Club, now the property of federal and state agencies, is a man-made reservoir that is not readily accessible to the public. Primary features of the built environment include the I-15 Freeway that roughly splits the City into two halves, and the former Norconian Hotel, a large and historical Spanish/Mediterranean influenced structure that is listed on the National Register of Historic Places. Besides the original hotel use, the building has served as a hospital and a state penitentiary. The building is currently closed with restricted access.

The bluffs overlooking the Santa Ana River define the northeastern to southwestern physical edge of the City. A north-south chain of hills defines the eastern physical edge.

A rural standard street design that consists of equestrian trails and fencing, and large single-family lots give the City an open and rural appearance. The numerous trees along with the equestrian trails add a rustic quality that is associated with the animal-keeping lifestyle. The addition of hitching posts and watering troughs, with the extensive system of equestrian trails, helps emphasize this rustic lifestyle.

The rolling hills divide the City into a number of small and discrete areas. The most dramatic of these is the Lake Norconian basin, a manmade improvement in the landscape that is primarily closed to the public. Another "defined" area is the hillside area between Norco and Riverside. Much of that hillside area has been developed with agricultural-residential housing since the last update to the Land Use Element in 2001. As a result approximately 446 acres have been dedicated as permanent open space.

Beacon Hill in the north central portion of the City is another major landmark. It is currently vacant with the exception of the lower slopes where some of the lots have been developed. The entire hill is zoned for commercial development with the exception of one vacant 12-acre parcel on the western flank of the hill which is zoned for agricultural-residential development and Snipes Park on the southern flank.

3.1.2 REGIONAL SETTING

Norco lies approximately 50 miles southeast of downtown Los Angeles. It is located on the northwest corner of Riverside County, near where Riverside, San Bernardino and Orange Counties come together.

To the north are the growing urban areas of Riverside and San Bernardino Counties which connect directly with Norco from the I-15 Freeway. To the west and northwest are Orange and Los Angeles Counties that connect to Norco via the 91 Freeway and the 71 Expressway. Riverside City and eastern Riverside County lie directly east and connect to Norco from State Route 91 just south of the City and State Route 60 approximately five miles to the north. To the south is the City of Corona and the rapidly urbanizing area of southwestern Riverside County that connect to Norco from the I-15 Freeway.

While it is located in an urbanizing region of metropolitan Los Angeles, Norco is a unique community which still maintains a strong local small plot agricultural/equestrian land use pattern with a large amount of recreational areas and other open spaces. Previous dairy and other agricultural lands north of the City have mostly been replaced in the last ten years with suburban residential developments that are typically at higher densities than Norco.

Desert resort areas are located farther east in eastern Riverside County, the Cleveland National Forest and the Santa Ana Mountains to the southwest, and a large flood control basin (Prado Dam) along the Santa Ana River to the west.

Freeways and public transportation directly link Norco with the metropolitan circulation network and therefore it has become a place of residence for persons working in Riverside, Orange, Los Angeles, and San Bernardino Counties. The

freeways bring the City within commuting distance of all four counties.

3.2 MAJOR LAND USE PATTERNS

Norco, as a small plot agricultural community does not have the range of land uses that are typical for most other cities. The focus of all land uses is the support of the small plot agricultural lifestyle that defines the community.

3.2.1 MAJOR LAND USES

There are approximately 9,808 acres of land within the incorporated boundaries of Norco. While large-scale commercial agriculture does not exist, many residences partake in a small plot agricultural lifestyle. This is reflective in the relatively low-density atmosphere of the City. In addition, domestic commercial agriculture, including the keeping of horses and other animals, is widely practiced on many of the larger parcels.

Residential development in Norco has primarily been in zones where the lots are 20,000 square feet and over. Such large lot residential zoning now comprises almost half of the incorporated land area in Norco (46 percent). However, about twenty percent of the lots in this land use category are less than 20,000 square feet.

Currently, 13.3 percent of the City's area is used for commercial and industrial activities and for such public institutions as schools and parks. Commercial establishments are generally strung in clusters along Hamner Avenue, because it has the largest volume of through traffic in the City. Sixth Street is another important commercial corridor with a heavy emphasis on animal-keeping related businesses.

Wyle Laboratories began operating a 429-acre aerospace rocket testing facility in the southeast part of the Norco in 1957 before the City incorporated. The facility ceased operations in 2003. The entire 429 acres, with the exception of 60 acres along the southern boundary, are zoned M-2 (Heavy Industrial). This is the only area of the City zoned for heavy industrial. The 60 acres along the southern boundary (adjacent to Norco Hills Specific Plan) are zoned Hillside.

There are two major federal and state institutions, the Naval Surface Warfare Center (NSWC) and the California Rehabilitation Center that are approximately 650 acres or 7 percent of the City's area. The two facilities form a major physical element to be considered in planning for future development in Norco, especially since the area includes the historic Norconian Hotel, other related buildings, Lake Norconian, and the former resort area.

The NSWC had been on a list of potential bases being considered for closure or re-alignment through the Base Realignment and Closure Commission (BRAC). Ultimately NSWC was removed from the list. The legislation for the BRAC has since expired and would need to be re-authorized by Congress. While a BRAC is not needed to close or re-align a base, there is no indication of any action to reduce or change the stature of the base at this time.

TABLE 3.1

LAND USE BY ZONING

(Acreage is approximate)

LAND USE/ZONING DESIGNATION	ACREAGE	% OF TOTAL
RESIDENTIAL		
A-E (Agricultural Estate)	164	1.8
A-1-40 (Agricultural Low Density)	146	1.6
A-1-20 (Agricultural Low Density)	3,917	42.4
A-1-10 (Agricultural Low Density)	21	.23
HS (Hillside)	331	3.6
R-1-10 (Residential Single Family)	160	1.7
Norco Hills Specific Plan (Single Family)	282	3.0
Norco Ridge Ranch Specific Plan (Single Family)	444	4.8
RESIDENTIAL TOTAL	5,465	59.1
COMMERCIAL		
C-O (Commercial Office)	12	.1
C-G (Commercial-General)	271	3.0
C-4 (Commercial)	98	1.1
Auto Mall Specific Plan (Commercial)	55	.6
Gateway Specific Plan (Commercial)	105	1.1
Gateway Specific Plan (Office Park)	26	.3
Norco Hills Specific Plan (Commercial)	4	.04
COMMERCIAL TOTAL	571	6.2
INDUSTRIAL		
M-1 (Light Manufacturing)	163	1.8
M-2 (Heavy Manufacturing)	362	3.9
Auto Mall Specific Plan (Industrial)	19	.2
Gateway Specific Plan (Industrial)	112	1.2
INDUSTRIAL TOTAL	656	7.1
OTHER		
LD (Limited Development)	459	5.0
OS (Open Space)	885	9.6
Streets and Freeway	754	8.1
Norco Hills Specific Plan (Open Space)	1	.01
Norco Ridge Ranch Specific Plan (Open Space)	446	4.8
TOTAL OTHER	2,545	27.5
CITY TOTAL	9,808	

3.2.2 PLANNED DEVELOPMENT COMMUNITIES

Currently there are four major approved specific plans that affect the physical structure within the City of Norco (See Exhibit 3.1). Upon buildout, each specific

plan will not only contribute to both the overall quality of life, but could also have a significant effect on potential land uses for adjacent areas. The four major specific plan developments are as follows:

Gateway Specific Plan A specific plan designed around the Hidden Valley Parkway interchange with I-15 Freeway and the southern gateway to the City along Hamner Avenue, taking advantage of future community and sub-regional growth for expansion of the community's economic base (See Exhibit 3.2). The primary purpose of the Gateway Specific Plan is to facilitate private development projects, public infrastructure and roadway improvement projects that will generate positive impacts and interest in the Project Area and create a dynamic gateway entry for the City.

The Specific Plan Project Area encompasses approximately 345 gross acres. The Project Area is located within the southern most portion of the City and incorporates territory east and west of Hamner Avenue, directly west of Interstate 15. Existing land uses within the Project Area include commercial, industrial, park, pasture/agriculture, quasi-public and vacant land (See Table 3.2).

TABLE 3.2
SPECIFIC PLANS

SPECIFIC PLAN	LAND USE BREAKDOWN BY PERCENTAGE				
	RESIDENTIAL/ AGRICULTURAL	COMMERCIAL	INDUSTRIAL	OPEN SPACE	OFFICE/OTHER
Gateway S.P.	2.1%	49.6%	38.4%	---	9.9%
Auto Mall S.P.	---	93.2%	---	---	6.8%*
Norco Hills S.P.	92.9%	1.6%	---	.5%	---
Norco Hills S.P. Amendment1	100%	---	---	---	---
Norco Ridge Ranch S.P.	54.5%			45.5%	
	* Overlay Zone, also allows commercial uses				

The Commercial District comprises 80 acres of the Specific Plan and was approximately 90 percent built out at the writing of this update. The Industrial District comprises 91 acres and was approximately 47 percent built out (includes the Norco Egg Ranch operation). The remainder of the Specific Plan area comprises existing residential and a large church site, all of which is built out.

Norco Auto Mall A Specific Plan created to take advantage of the freeway exposure the City has to attract new auto dealers, and associated commercial businesses. The area of the Specific Plan is generally along

Hamner Avenue bounded on the south by Second Street and on the north by Third Street. Besides automobile dealers, the existing zoning at the time of the adoption of the specific plan was maintained as an overlay zone with special provisions, for parcels that do not develop as auto retail sites (See Exhibit 3.3).

Norco Hills Specific Plan A planned residential community with a small commercial site, Norco Hills is a low-density, residential community located in the southeastern portion of the City of Norco. The Specific Plan consists of 235 acres for 217 residences, a 4.0 acre neighborhood commercial center, and a 1.0 acre neighborhood park.

The project is set in a hillside area taking advantage of the view opportunities provided by the hills. Equestrian Trails connect every lot and tie into the City's existing trail system. Most of the lots have enough room to contain paddocks for animal keeping; however, not all lots were graded with enough flat pad area to accommodate animal keeping. Steeper slopes and rock outcroppings were preserved in the development of the Specific Plan (see Exhibit 3.4).

Norco Hills Specific Plan, Amendment One A planned residential development adjacent to the northeast boundary of the Norco Hills Specific Plan. Amendment One is likewise a low-density, equestrian-oriented, residential neighborhood located in the southeastern portion of the City. Amendment One differed in its intentional design in that the site was mass graded eliminating all of the original topography so that flatter pads could be created that would better accommodate animal keeping. Amendment One added an additional 88 lots on 58 acres to the Norco Hills Specific Plan (see Exhibit 3.4, Table 3.2) with a minimum flat pad area of 12,000 square feet on each lot.

Norco Ridge Ranch Specific Plan Primarily a residential project designed in the hillside areas along the City's eastern boundary consisting of 978 acres for 588 single-family residential/equestrian lots. In addition to the residential uses, Norco Ridge Ranch includes 425 acres of natural open space and trails, as well as approximately 21 acres of community parks.

Like Amendment One of Norco Hills Specific Plan, Norco Ridge Ranch was designed to be mass graded reforming much of the natural topography to accommodate larger pads for adequate animal keeping areas. Unlike Amendment One though, Norco Ridge Ranch, because of

its size and topography, had many more areas preserved in open space (See Exhibit 3.5).

3.1 SPECIFIC PLANS MAP
(separate page)

3.2 GATEWAY SPECIFIC PLAN MAP

(separate page)

3.3 AUTO MALL SPECIFIC PLAN MAP

(separate page)

3.4 NORCO HILLS SPECIFIC PLAN MAP

(separate page)

3.5 NORCO RIDGE RANCH SPECIFIC PLAN MAP

(separate page)

3.3 ECONOMIC BASE

Norco has undergone a significant economic transformation since being an unincorporated community in the county, and later as an incorporated city. The largely animal-based commercial core that existed for much of the City's history continues to be augmented by commercial development with the intent to serve a more regional need. Two specific plans have been primary catalysts for some of this commercial development in the south end of the City (Auto Mall and Gateway Specific Plans, see Table 3.2 above). More recently commercial development and renewal has come to the north end of Hamner Avenue and to Sixth Street which is the City's historical commercial corridor.

The primary forces that continue to fuel this transformation are the continued overall population growth and job creation in the metropolitan region that is expected to continue into the foreseeable future. The pattern of growth of the Los Angeles metropolitan area has continued to create job/housing imbalances in newer growth areas. It is typical in an area that has sustained continued growth over a long period that the growth of a city or community occurs in phases which can produce that imbalance.

Areas originally considered outlying like Norco and western Riverside County grew from rural-agricultural areas with some larger central communities into expanding suburban areas for commuters to central job cores like Los Angeles. When a significant number of residents locate to one area, and as land values continue to increase in the core areas, retail establishments move closer to the residential population in the outlying areas. As the outlying populations continue to increase, job intensive, production type businesses follow to where most of their employees are coming from. Rising land values in the core also contribute to the need for these job-intensive, and often land-intensive, uses to locate in outlying areas when expansion is needed. As economic development continues in outlying areas, they become more attractive to more intensive commercial growth in the form of office and professional facilities. Given enough time, outlying areas can become cores in and of themselves. Orange County is an early example of this. Western Riverside County and Norco is now growing into that same phase of development. These factors will be discussed below, and are followed by an inventory of existing and projected commercial and industrial facilities in the City.

3.3.1 EXISTING COMMERCIAL DEVELOPMENT

Sixth Street is considered by most to be Norco's historical commercial zone, although the early center of the community was where the library is currently located on Old Hamner Avenue near where Sixth Street intersects. From its early days when growth began in the valley, Hamner Avenue has been the primary arterial and hence it's primary commercial corridor. As more animal-

keeping families were given opportunities to buy property and locate here, Sixth Street grew to become the focus of the animal-related retail, because of the lower amount of traffic and slower overall speed than Hamner Avenue. High traffic retail and commercial uses are located along Hamner Avenue with retailers concentrated along the southern half of the street (Gateway Specific Plan). Because of its focus on animal-keeping retail and with adjacent equestrian trails, Sixth Street grew into a western-themed street whereas Hamner Avenue has been developed with a mix of western-themed architecture and traditional contemporary California-themed designs.

Exhibit 3.6 shows the overall sales pattern for the fourth quarters in five year increments starting in 1998. One noticeable difference is the reduced percentage that "Autos and Transportation" category represents in 2008 as opposed to 1998 and 2003 which is reflective of an economic downturn in the purchase of vehicles that occurred nationwide. Exhibit 3.7 shows the rise in per capita sales that occurred in Norco for the years 1997-2000 as compared to other jurisdictions in the region and Exhibit 3.8 shows how per capita sales changed following 2000.

EXHIBIT 3.6

4TH QUARTER TAXABLE SALES TRENDS

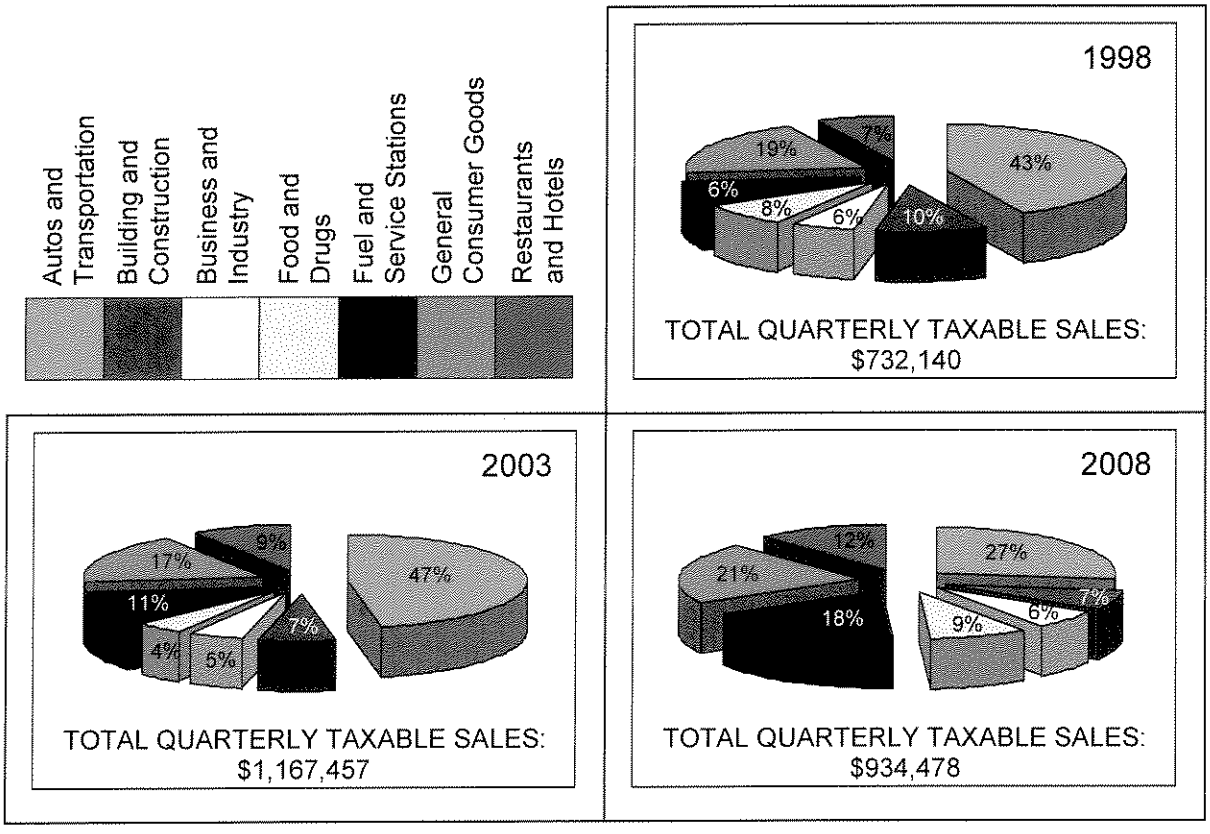
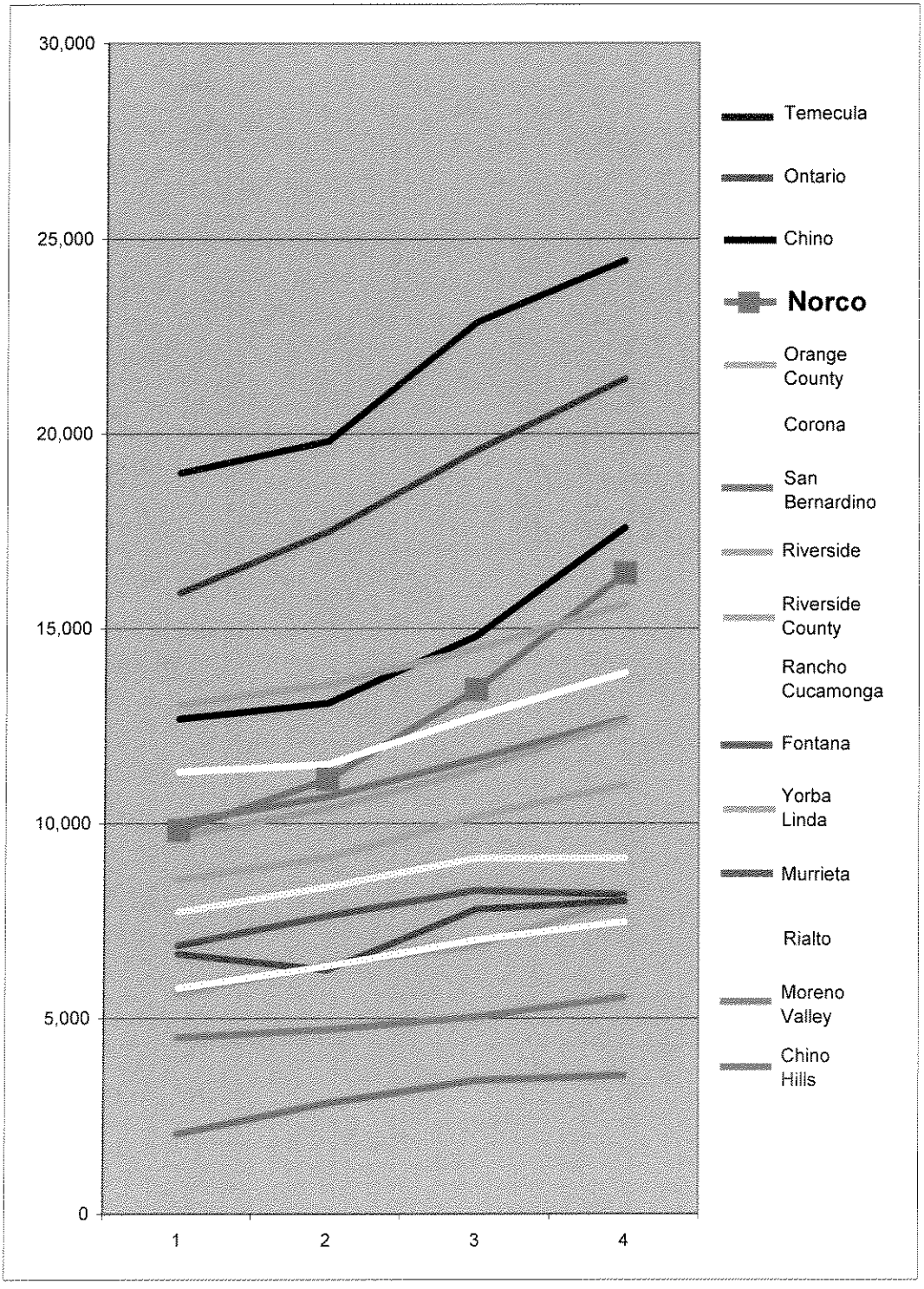


EXHIBIT 3.7

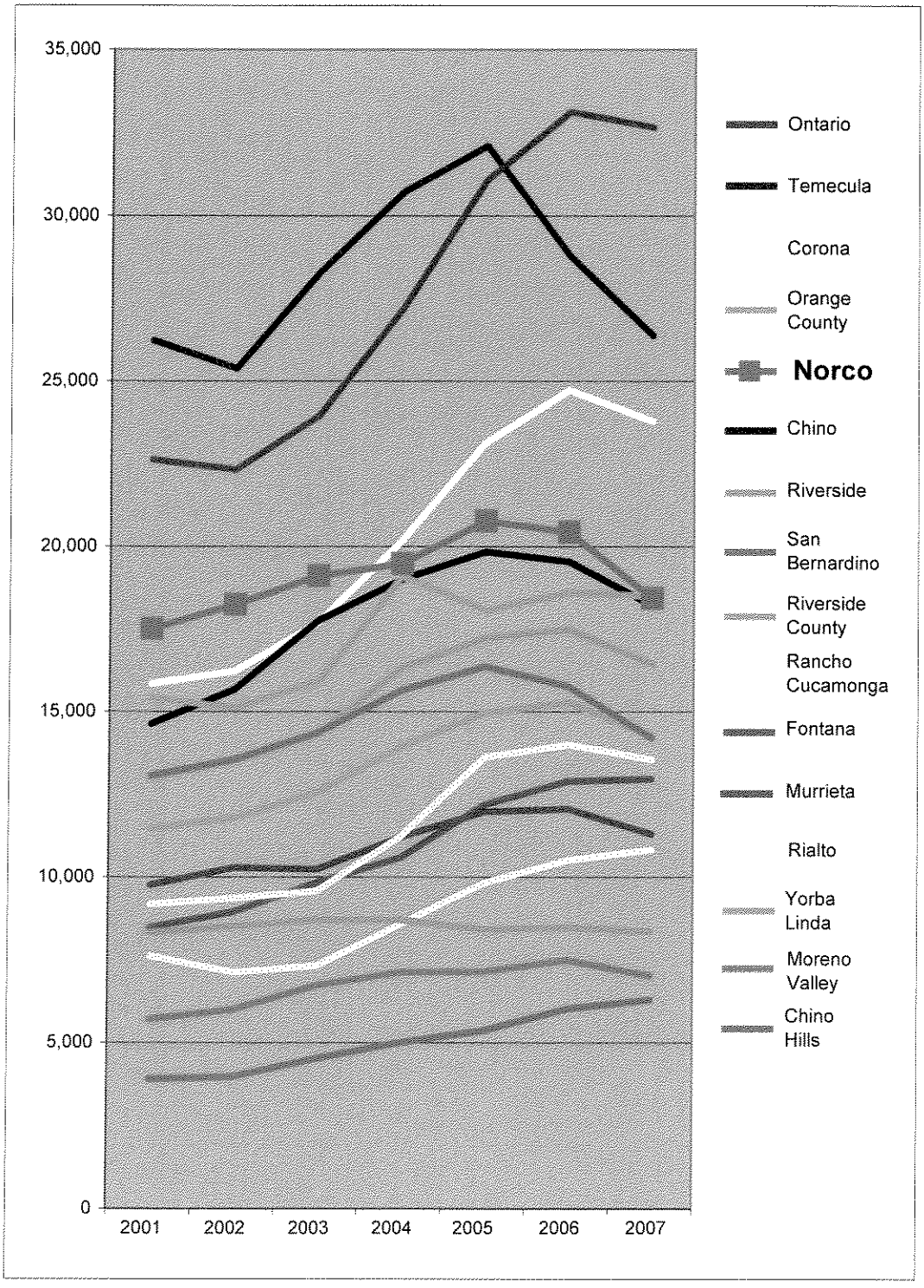
REGIONAL GROWTH IN PER CAPITA SALES (1997-2000)



Sources CA Dept of Finance, *City Population and Housing Estimates, Rev*
CA State Board of Equalization, *Taxable Sales in California*

EXHIBIT 3.8

REGIONAL GROWTH IN PER CAPITA SALES (2001-2007)



Sources: CA Dept. of Finance, *City Population and Housing Estimates, Rev*
CA State Board of Equalization, *Taxable Sales in California*

3.3.2 COMMERCIAL ZONING DESIGNATIONS

A total of 571 acres (6.2%) are zoned for commercial land use in Norco (See Table 3.4). There are seven commercial land use designations. The following is a discussion of each type of land use.

Commercial Office (C-O)

This zone is intended to provide for the development of integrated office and professional areas wherein related types of uses and facilities may also be located. Uses permitted in this zone include a mixture of office uses such as financial institutions, legal services, medical, and travel services. The zone can serve as a buffer land use between heavier commercial districts and residential zones. All lots created in this zone shall contain a minimum of 13,125 square feet.

Commercial (C-4)

This zone is to provide a rural, small town atmosphere that provides a distinguishing quality to the City of Norco. The uses vary to provide many opportunities for shopping services and employment. To provide an open character and compatibility with nearby residential uses, the zone is designed to encourage landscaping in the front yards, pedestrian walks, equestrian trails, carefully situated parking areas, discreet signage, a definite "western" motif in building design and any other amenities as determined desirable to carry out the western theme.

Commercial General (C-G)

The Commercial General zone allows retail and commercial uses that are centered around retail, eating and drinking establishments, and entertainment to serve the needs of the community. This zone is to provide a general commercial atmosphere that is geared toward accommodating national retailers, restaurants, tourist commercial uses, and businesses that can take advantage of the proximity and visibility from the I-15 Freeway. This zone is to incorporate the western design theme more generally taking into consideration the design of adjoining development, corporate architectural identities, land uses, etc. The level of incorporation of western architectural design shall be determined on a project-by-project basis. This zone is to be more accommodating to national retailers and businesses with established corporate architectural identities.

Gateway Specific Plan (Commercial District)

The Commercial District shall contain a variety of commercial uses designed to promote diverse and unique shopping environments. In general, commercial land uses within the specific plan area will range in size, type, and character, based upon their respective relationship and location to the freeway, other roadways, and market conditions.

Gateway Specific Plan (Office Park District)
The Office Park District is intended to serve local and sub-regional professional/administrative office and office park needs and shall include garden and single-occupant facilities, as well as ancillary uses such as restaurants, cafes, copy shops, and activities related to business support and personal services. This classification is closely related to the C-O designation above.

Norco Auto Mall Specific Plan
The specific plan is intended for the purpose of creating an area that encourages the location of new auto dealers and associated uses to provide compatible development.

The primary sites along Hamner Avenue are for new automobile dealerships and accessory uses as integral parts of the new dealership operations The Specific Plan also provides for other permitted uses in the underlying C-G zone, as well as used car dealerships, boat, camper, motorcycle, and other vehicle sales.

The secondary sites along Four Wheel Drive also include as primary permitted uses the following as they pertain to vehicles: repair, parts and supplies, renting, washing, storage, and diagnostic labs. The Specific Plan also makes provision for other uses that are permitted by the underlying M-1 and C-G zones.

Norco Hills Specific Plan (Commercial District)
This 3.9-acre site is intended to provide neighborhood support commercial services for the residents of Norco Hills and surrounding neighborhood.

TABLE 3.3
COMMERCIAL LAND USES

ZONE/LAND USE DISTRICT		ACREAGE	% OF TOTAL
C-O	Commercial Office	12	2.1
C-G	Commercial General	271	9.88
C-4	Commercial	98	17.2
SP	Gateway Specific Plan/Commercial	105	18.4
SP	Gateway Specific Plan/Office Park	26	4.5
SP	Auto Mall Specific Plan	55	9.6
SP	Norco Hills Specific Plan/Commercial	4	.7
TOTAL COMMERCIAL ACREAGE		571	

3.3.3 EXISTING INDUSTRIAL DEVELOPMENT.

There have been four primary nodes of light and heavy industrial manufacturing and processing in Norco. The first and largest, that already existed when the City incorporated, was Wyle Laboratories which has since ceased operations. The second is the Industrial District of the Gateway Specific Plan that includes the processing of agricultural products associated with Norco Egg Ranch that also already existed when the City incorporated. Norco Egg Ranch still has an egg processing operation and much of the surrounding property is still vacant or being used for non-conforming residential uses. Congregations of smaller industrial businesses have developed along Industrial Way and around the intersection of Fifth Street and Horseless Carriage Drive.

3.3.4 INDUSTRIAL ZONING DESIGNATIONS.

A total of 656 acres (7.1%) are zoned for industrial land use in Norco (See Table 3.5). There are four industrial land use designations. The following is a discussion of each type of land use.

Heavy Commercial/Light Manufacturing (M-1)

This zone is intended to provide orderly development of heavy commercial and light manufacturing uses in harmony with each other and the rest of the community. Provisions of this zone are designed to ensure that said uses will be protected from inharmonious uses, and will be designed to minimize the undesirable effects of heavy traffic and other operating characteristics.

Commercial Transition Overlay (CTO)

A Commercial Transition Overlay zone has been applied to existing M-1 zones along Hamner Avenue to transition affected properties to the more appropriate Commercial General (C-G) zone. Changes to the M-1 zone necessitated the creation of the CTO zone. Previously, the M-1 Zone was an all-inclusive industrial/commercial zone in a land use hierarchy wherein all of the uses permitted in the commercial zones, were also permitted in the M-1 Zone. The originally-permitted commercial uses have since been eliminated necessitating the need for a more accommodating and compatible zoning on these properties along Hamner Avenue. The CTO zone allows property owners maximum flexibility to maintain their current land uses in the M-1 zone while providing for the transition to commercial uses that are more consistent with the long-range vision of Hamner Avenue.

Heavy Manufacturing (M-2)

This zone is intended for the orderly development of manufacturing, research and development, wholesale and distribution, warehousing, and other compatible uses within the community. The provisions are designed to provide adequate space to protect adjacent land uses from inharmonious impacts and conflicts.

Only one area in the City is zoned M-2, and it corresponds to the previous user (Wyle Laboratories) that existed when the City incorporated. Wyle Laboratories has since closed the operation in Norco and at the writing of this update, a clean-up of the site is being overseen by the State Department of Toxic Substances Control.

Gateway Specific Plan (Industrial District)
The Industrial District is intended to facilitate the economic development of the City by creating an expanded employment base. This district provides for the development of light industrial land uses which generally includes research and development facilities, light manufacturing activities, custom manufacturing, assembly, fabrication and wholesaling, with related office and administrative functions.

Consistent with Policies 2.2.2d, 2.3.1e, and 2.3.2g discussed in the Land Use Element, the City shall consider the Gateway Specific Plan for possible modifications to accommodate mixed-use commercial-residential projects in the Industrial District, including the Norco Ranch property.

TABLE 3.4
INDUSTRIAL LAND USES

ZONE/LAND USE DISTRICT		ACREAGE	% OF TOTAL
M-1	Light Manufacturing	163	1.8
M-2	Heavy Manufacturing	362	3.9
SP	Auto Mall Specific Plan/M-1 Underlay (Area B)	19	.2
SP	Gateway Specific Plan/Industrial	112	1.2
TOTAL INDUSTRIAL ACREAGE		656	

3.3.5 REDEVELOPMENT
Redevelopment uses a municipality's police and corporate powers to provide incentives and resources to spur development in blighted areas. As an aid to property owners it is one of the most powerful tools available to local governments. Where the private sector is unable to or unwilling to assemble land and invest the necessary capital for revitalizing blighted areas, redevelopment is a means of focusing community resources to transform deteriorating or underutilized areas to more productive use. Under California Community Redevelopment Law, redevelopment agencies, in carrying out a redevelopment program, are empowered to buy and move structures, provide public improvements in support of development activities in a "Project Area," or assist the private sector in financing the preceding activities.

The law provides that a redevelopment agency may obtain financing from any legal source. One common practice of redevelopment agencies is the use of tax increment financing as a primary source of funding. Under this method, the assessed value of all properties in the project area, and hence the amount of property taxes being paid, is frozen at a base level the time the redevelopment project area is established. This means that the amount of property taxes going to the various taxing agencies does not increase above the base level even though the amount of property taxes being generated continues to rise as property values increase from infrastructure investment and property development.

The property taxes being generated that exceed the base level for taxing agencies are called the "tax increment" and go to the Redevelopment Agency for re-investment in the project area. The re-investment occurs in the form of infrastructure improvements and development assistance that eliminates blight and creates economic synergy where it otherwise would not occur without the assistance. This continues through the life of the Redevelopment Plan which for Norco expires in the year 2021.

In addition to using tax increment financing, the agency may accept loans or grants from agencies of the federal and state governments, or any other public agency. Another major source for redevelopment has been the federal Community Development Block Grant Program.

The Norco Redevelopment Project Area comprises a large area in the City. It generally covers the entire City with the exception of Norco Ridge Ranch Specific Plan and the former Wyle Labs property; and the neighborhoods generally along Norco Drive/Corydon Avenue between Hamner Avenue and the western City boundary. The Norco Redevelopment Agency oversees all redevelopment projects and programs within the project area.

The Community Redevelopment Agency's current Five Year Implementation Plan lists the activities that are anticipated to be accomplished through redevelopment activities including community development goals ranging from development incentives to infrastructure improvements, business retention/recruitment, and housing programs.

3.9 REDEVELOPMENT *PROJECT* AREA MAP
(separate page)

3.4 RESIDENTIAL BASE

One of the first indications of a community's desirability as a place to live and do business is reflected in the nature and availability of its housing stock. The overall quality of housing, its general appearance, the range and availability of housing for single persons, families, and retired persons, as well as the range and availability for both workers and executives, are all significant elements of the decision-making process affecting individuals, businesses, and industrial firms which may consider Norco as a location. Norco with its unique small plot agriculture/animal-keeping/equestrian lifestyle offers another incentive not generally available in other communities.

Norco's population and housing growth escalated in the decade between 1999 and 2009. There were 25,476 people and 6,116 dwelling units in the City of Norco in 1999. In 2009 those numbers increased to 27,160 and 7,229 respectively. Future growth is expected to occur with a projected buildout total of 30,005 people and 7,442 dwelling units that is expected to be reached by the year 2015, prior to the next Land Use Element update.

Several factors will moderate the year-to-year performance of the residential market in Norco which may affect the realization of the projections cited above. First, home loan interest rates fluctuate and are not subject to local control. When interest rates are relatively low, home sales are accelerated. Higher interest rates impact both home loans and construction lending, thereby dampening both home sales and the production of new units.

Local regulation and developer fees can also affect land values and housing prices, which in turn can influence housing production. When regulations and fees substantially exceed the norm for the subregion, it may lead to slower housing starts and higher sales prices, which can depress the local residential market. City fees are updated yearly and comparative research continues to indicate that developer fees in the City of Norco are similar to other agencies in the area, and therefore do not create any unusual or excessive constraints to the production of housing.

All new single-family residential development in the City of Norco needs to accommodate animal keeping and the lot and pad size requirements needed for that. Minimally, the lots need to have adequate room for animal keeping, which generally means large, deep rear yards where animals can be accommodated with appropriate room for the health and safety of the animals. All new lots in the Agricultural/Residential zones are required to have recorded primary animal-keeping areas to preserve an adequate area of open space for animal-keeping. Also important is the ability to provide adequate access to the rear yard. Sixty percent of the City is zoned for residential

development with most of that acreage in Agricultural Low Density designations that accommodate animal-keeping.

3.4.1 EXISTING RESIDENTIAL DEVELOPMENT

By the time of its incorporation, the land use trend for animal keeping in Norco was well established. Norco's residential land use is comprised of predominantly single-family residential development, at an overall average of approximately two dwelling units per acre. Most of the housing stock has been built since 1960 and approximately 69% of the existing housing supply is between 20 and 50 years old.

3.4.2 RESIDENTIAL ZONING DESIGNATIONS

The land use analysis (Table 3.1) shows that the majority of the City (5,465 acres) is devoted to residential land use. The following is the various land use designations for the residential zones.

Agricultural Estate (A-E)
This zone is intended to provide and encourage the development of agricultural estate areas, designed to take advantage of the rural environment, as well as the outdoor recreation potential of the community. This zone is primarily located along the Santa Ana River where significant open space recreational land uses are located.

Agricultural Low-Density (A-1)
This zone is intended to provide and encourage development of agriculturally oriented low-density living areas designed to take advantage of the rural environment, as well as the outdoor recreation potential of the community. This is the primary residential zone of the City. Lots in this zone have access to recreational open space areas, but are not necessarily adjacent to them.

Residential Single-Family (R-1)
This zone is intended to provide for the development of single-family residential areas and to designate appropriately located areas for single-family living at a higher density. The provisions of this zone are intended to ensure that the residential character of such areas will be stabilized and maintained. They are further intended to provide a basis for planning of related amenities such as parks, schools, public utilities, streets and highways, and other community facilities.

This zone corresponds with neighborhoods that had already started being developed at the higher density than the density at which animal-keeping neighborhoods were being developed when the City incorporated. No lots in the R-1 Zone are allowed to keep large animals with the exception of those lots that

are over 20,000 square feet in size, or lots where an overlay zone that allows animal-keeping has been approved.

Animal-Keeping Overlay (AKO)
This zone was created and is intended to designate certain properties in the R-1-10 zone as animal-keeping properties while maintaining the underlying zoning. The purpose is to protect the existing land uses while allowing and encouraging animal-keeping on those properties that meet established criteria. The AKO zone shall be used in combination with base districts/zoning regulations and will not change the underlying zoning category.

Hillside (HS)
The hillside zone is intended to provide for the development of agricultural and low-density residential uses in a safe, orderly, and aesthetically appealing manner in hillside areas, by establishing a more comprehensive review procedure and flexibility in development standards to accommodate the varied conditions of the hillside areas. It is intended to ensure that hillside areas are developed in a manner that will recognize the unique character and problems of hillside development.

The HS Zone is a "holding" zone where development cannot occur until a specific plan has been approved for any proposed subdivision of land or any proposed grading in excess 25,000 cubic yards within at least a 10-acre area, or a grading project where the City determines that there will be a long-term effect on the future land use of the area. Once a specific plan is approved it replaces the HS Zoning designation. The zoning regulations in a specific plan for a Hillside zone should discourage mass-grading generally to protect hillsides, but tempered with the overall goal and purpose of the City which is to preserve a small plot agricultural/animal-keeping/equestrian lifestyle.

Norco Hills Specific Plan (Residential District)
The residential district of the Norco Hills Specific Plan (NHSP) occupies 92.9 percent of the specific plan area. The intent was to provide a low intensity land use, in order to restore and preserve the beauty of the hills. Originally the project was to be custom lot development with minimum grading. The specific plan was approved in 1991 and development started approximately ten years later and is now built out. Grading was minimized on some of the lots that had the effect of restricting the animal-keeping potential on those same lots. The loss of animal keeping set that stage for future projects in the HS Zone to accommodate more grading in order to achieve larger pad sizes for animal keeping. The specific plan approved 217 residential lots with a minimum lot size of 20,000 square feet. The number of animal units allowed has been recorded on each lot based on the amount of slope versus the flat pad area of that lot.

NHSP Amendment 1
This specific plan was proposed as an amendment to NHSP being located adjacent on the northeast edge. The overall project concept of Amendment 1 was to provide high quality residential product consistent with that standards of NHSP, but with increased pad sizes to accommodate more animal keeping. The amount of animal units allowed reflects the same standard as the A-1 zone. The project site for NHSP Amendment 1 was mass-graded to achieve a minimum flat pad area of 12,000 square feet on each lot. Amendment 1 added 58 acres to NHSP and an additional 82 single-family homes and has been built out.

Norco Ridge Ranch Specific Plan
The Norco Ridge Ranch Specific Plan (NRRSP) was designed specifically to be an equestrian-oriented, animal-keeping hillside community along the ridgeline that divides the cities of Norco and Riverside. The intent of the specific plan was to provide lots specifically designed for animal keeping using innovative lot, equestrian trail, and layout design to preserve significant natural features and identified wildlife habitat, while still providing adequate area on every lot to support animal keeping. The entire project site consists of 978 acres, of which 444 acres were approved for residential development, most of which have been developed. Residential development is the only other land use in the specific plan besides open space and park areas.

Gateway Specific Plan (Residential District)
The Gateway Specific Plan is primarily commercial and industrial. However, it did include 4.7 acres for new single-family residential development.
Only two vacant lots in the specific plan were designated for residential development primarily to be consistent with existing nearby residences. The specific plan incorporated approximately 14 acres of existing residential development into the plan to be maintained as such. In addition, the specific plan surrounds on three sides an existing residential neighborhood along Three Bar Lane. Residential zoning was placed adjacent to this neighborhood for maintenance and enhancement of that neighborhood. Any residential development is subject to the same zoning requirements as the A-1zone.

Senior Housing
The Zoning Code allows for the development of senior housing in any zone upon approval of a conditional use permit. Density is determined based on the underlying zoning designation. Because of that high-density projects can only be permitted in commercial zones. Senior housing is also allowed in residential zones, but must be compatible to the underlying and surrounding low density.

3.4.3 FUTURE RESIDENTIAL GROWTH

As indicated in Section 2.1.2 the City of Norco is nearing buildout conditions in its residentially zoned areas and there is little area in the City's sphere of influence for future annexation. The only vacant land falls within two categories, large pieces of property that can still be subdivided for development of planned residential neighborhoods, and small vacant or underdeveloped parcels within existing residential areas that are still unused or can accommodate more housing units. The Housing Element identifies parcels that are vacant or underutilized for the development of more housing units and gives projected housing development to the year 2025 when buildout of large vacant parcels is anticipated. Buildout may occur as early as 2015 depending on market conditions and continuation of current growth trends.

Consistent with Policies 2.2.2d, 2.3.1e, and 2.3.2g discussed in the Land Use Element, the City shall consider the Gateway Specific Plan for possible modifications to accommodate mixed-use commercial-residential projects in the Industrial District, including the Norco Ranch property.

TABLE 3.5

RESIDENTIAL LAND USES

ZONE/LAND USE DISTRICT		ACREAGE	% OF TOTAL
A-E	Agricultural Estate	164	3.0
A-1	Agricultural Low Density	4,084	74.7
R-1	Residential Single-Family	160	2.9
HS	Hillside	327	6.0
SP	Norco Hills Specific Plan/Residential	282	5.2
SP	Norco Ridge Ranch Specific Plan	444	8.1
SP	Gateway Specific Plan/Residential	4	.07
TOTAL RESIDENTIAL ACREAGE		5,465	

3.4.4 INFRASTRUCTURE FINANCE FOR NEW RESIDENTIAL DEVELOPMENT

General obligation bonds were historically used to fund community facilities including those needed to accommodate new growth areas. The repayment of bonds came from the general fund of the jurisdiction doing the improvements. The adoption of Proposition13 established a cap on property taxes with restrictions on the rate of annual increase. It also took authority away from elected local officials to raise or establish special taxes requiring a 2/3 majority approval of voters instead. Without being able to easily fall back on property taxes the feasibility of a jurisdiction to pay bond issues backed by general funds was diminished.

Assessment Districts are charges for public improvements or services that provide a specific benefit to property within a pre-determined area. Instead of being based on property values like taxes, assessment districts are set based on the amount of benefit a property receives from the proposed improvement. State law allows for assessment districts to be set up with bond financing or through levy assessments. Properties are only subject to assessment if there is a direct benefit. Properties that are only generally benefited cannot be assessed. Different classes of properties pay different assessment amounts based on the benefit received. Any new assessment requires approval of a majority of returned ballots and once created, the assessment applies to all new lots and homes created in the assessment district.

Similar to assessment districts are landscape and lighting districts which are formed and operated primarily the same way. The main difference is assessment districts are usually bonded for major improvements, and landscape and lighting districts are on-going maintenance costs and generally not bonded.

A more recent and popular form of financing public improvements especially for new large-scale developments is with Mello-Roos bonds through a community facilities district (CFD). Mello-Roos bonds, like taxes, are based on the value of the land and are applicable to all properties in the district. With a CFD there is no need to perform a benefit assessment analysis that is required when forming an assessment district. Mello-Roos bonds are especially effective for large vacant tracts of land where new development is being proposed because the law states that a vote of property owners is all that is needed if the number of registered voters in the proposed district is less than 12. State law requires disclosure of existing Mello-Roos taxes when a house is sold.

3.5 PUBLIC LAND USES

The State provides for open space by mandating comprehensive planning for open space by local governments, and by granting express authority for open space implementation and financing mechanisms, including open space maintenance districts, open-space easements and mandatory dedications/in-lieu fees for parks and recreational open space. The City's wealth of parks and open space areas provide evidence of the high value that the City places on open space. According to the Urban Land's Institute's research team report, a fairly large percentage (9.6%) of the City's acreage is presently open space. However, the prevalent open space surrounding the City that is attractive to new residents in and around Norco is primarily privately owned. Much of the open spaces north of the City have disappeared in the last several years in the face of urban expansion eastward from Los Angeles County.

Because of its unique setting and lifestyle the City has a functional system of open space areas. Generally, open space as a land use is used to preserve areas of significant biological resources or areas of significant cultural and aesthetic value to the community. Open space can either be passive or active. With the Santa Ana River on one boundary already identified and set aside as an open space resource and the Norco Hills on another with approximately 446 acres of dedicated open space, the City has taken advantage of a great opportunity to preserve elements that identify the community, and that also provide useable recreational resources. The City maintains an extensive system of parks to meet the needs of its citizens, ranging from public equestrian facilities and open space to lighted ball fields.

3.5.1 OPEN SPACE FOR THE PRESERVATION OF RESOURCES

Open space lands for the preservation of resources are those lands, which possess significant natural or man-made value. A substantial portion of the City's open space consists of such lands. The Santa Ana River and bluffs area typifies the type of open space for natural resources. As a primarily open corridor, the river and associated waterway provides habitat to some sensitive species including the willow flycatcher, arroyo chub, least Bell's vireo, the coast range newt, the yellow-breasted chat, and the Santa Ana sucker. These species have not been found in the City of Norco, but are known to occur along the Santa Ana River, and areas along the river have been identified in the Western Riverside County Habitat Conservation Plan (MSHCP) to preserve habitat and foraging areas that support them.

The only sensitive species that has been identified in the Norco Hills is the Stephen's kangaroo rat. The City of Norco is not within the historical habitat area of this species, and therefore the City was not part of the original habitat impact mitigation/conservation plan. Development in the hills required the developer to obtain their own "Section 10A Permit" from the United States Department of Fish and Game (USF&G). The conclusion of USF&G in issuing the permit was that the Norco Hills do not support enough habitat to permanently sustain a population of Stephen's kangaroo rats. Likewise in the MSHCP, none of the hillside areas were identified for conservation due to the lack of a large enough habitat area to sustain a community of any species of interest.

Significant man-made resources include areas that contain significant archeological or historical aspects of the City's past. There are no known significant archeological resources within City limits; and historical resources are limited. One significant historical resource is the former Hotel Norconian and resort area that now serves as the California Rehabilitation Center (CRC). The hotel building is listed on the National Register of Historic Sites. Since the building is owned and operated by a State agency, the City does not have authority over its use.

The CRC previously used inmates to keep the building maintained in its historical form, and restoring features as time and money allowed. The facility is no longer being used, however, and has been boarded up with little or no access allowed. Two other historical sites are the first schoolhouse at 3900 Acacia Avenue and an original store at 3954 Old Hamner Avenue, neither of which are listed nationally but have significance to Norco. Both are currently being maintained in their historical context as public buildings (community center and library respectively).

The Conservation Element outlines in detail the habitat and wildlife resources that are protected, or need to be protected, in open space resources.

3.5.2 LAND USE PRESERVATION

The state encourages the protection of viable agriculturally productive lands. Agricultural lands are a vital economic, open space and environmental resource for jurisdictions where they occur. Pursuant to the State Department of Conservation the only significant farmland in the City occurs in acreage that was annexed north of the river for the Silverlakes Equestrian and Sports Park with 61.77 acres of Prime Farmland, 18.21 acres of Farmland of Statewide Importance, and 2.55 acres of Unique Farmland. Since the Silverlakes Equestrian and Sports Park is mostly open park and grass, these areas are not being removed from potential agricultural production.

The General Plan envisions the small plot agriculture/animal-keeping/equestrian land use as a permanent part of the City's overall land use pattern. That land use has helped shape an important part of the City's history and identity. In addition to the family economic benefits of a small plot agricultural land use, it can provide indirect benefits of enhanced air quality, reduced congestion, and heightened community aesthetics. Many residences in Norco practice small plot agriculture and/or an animal-keeping/equestrian lifestyle and the City strives to preserve, encourage and assist the retention of that land use.

3.5.3 OPEN SPACE FOR OUTDOOR RECREATION

Public parks and recreation areas are an important and necessary element of the urban community, meeting many of its residents' needs for leisure activities. They also serve as major aesthetic amenities, which help to give character and form to the physical environment. Major open spaces can serve as gateways, helping to visually define the scope of the City.

The City of Norco has, or is in close proximity to, approximately 15 outdoor recreation parks. Rivertrails Park is the largest city park (277 acres) and is located in the northeastern portion of the City. The park is owned and operated by the City of Norco and supplements other riverbottom preserves that are

administered by the County and the State. In addition to Rivertrails Park, Ingalls Park provides premier equestrian facilities for the citizens of Norco and for major events. Nestled in the foothills of the Norco Hills, Ingalls Equestrian Event Center has become a symbol representing the City's animal-keeping character.

Because of some large park facilities (Rivertrails and Ingalls) Norco has a high ratio of park acreage compared with other cities. These two large parks, however, do not provide active ballfield and playground areas. Portions of the City currently lack in having that type of active park facility nearby. A new sports park adjacent to Ingalls Equestrian Event Center (Pikes Peak Park) provided some of these needed facilities. Silverlakes Equestrian and Sports Park will also provide more active park area.

In addition to open space, the City has significant areas that are designated Limited Development because of the unique nature of the land use involved. Four hundred and fifty-nine acres in the City are designated LD (Limited Development)). This designation includes school sites, the California Correction Center, Naval Surface Warfare Center, and the Norco campus of Riverside Community College. All of these facilities are maintained by other government entities, or by the Corona-Norco Unified School District. Table 3.7 shows the various land use zones that are either maintained as public facilities, or are areas where the City does not have primary authority on approval of new construction.

TABLE 3.6

PUBLIC USES/OPEN SPACE/ LIMITED DEVELOPMENT

ZONE/LAND USE DISTRICT		ACREAGE	% OF TOTAL
OS	Open Space	785	30.9
OS	Open Space (Riverside Community College)	100	3.9
LD	Limited Development	459	18.0
SP	Norco Hills Specific Plan/Open Space	1	.1
SP	Norco Ridge Ranch Specific Plan/Open Space	446	17.5
	Streets and freeway	754	29.6
TOTAL PUBLIC USE/OPEN SPACE ACREAGE		2,545	

3.6 COMMUNITY DESIGN

The purpose of the Community Design Section is to direct development towards a goal that unifies the community through design cohesion between the natural and the built environment. One part of the equation is the physical setting of the City and the features of the landform that define it. The other is how the built environment relates to

these features, and then the inter-relationships of the different elements of the built environment. It is also important that certain individual neighborhoods maintain a uniqueness that sets them apart from other neighborhoods, but still weaves them into an overall statement of the community. By doing so, residents, and/or businesses, take a particular pride of location with the corresponding individual responsibility to maintain that neighborhood to the betterment of the entire community.

3.6.1 LANDMARKS AND COMMUNITY FOCAL POINTS

As has already been described in Section 2.1.4, the City of Norco has significant landforms with which to identify the community. These occur both at the community level, and at a regional level such as the San Gabriel, San Bernardino and Santa Ana Mountains. While the Santa Ana River does not provide the same broad vista from many points of the community like the mountains do, it provides a significant site level focal point for the community that can help contribute to a general overall good feeling about the city. In conjunction with the natural environment, the built environment plays a key role in establishing a general "feel" for a city.

3.6.2 VISUAL CORRIDORS/VISTA POINTS

Key to vista points is the ability to view them. The mountains are generally viewed from most points in the City; and for most people this occurs from the car as they travel the City's streets. Some streets because of their grade, elevation, and orientation provide better opportunities for viewsheds. For streets that have nice viewsheds, the City should adopt street tree planting standards that do not detract from this resource.

3.6.3 RESIDENTIAL NEIGHBORHOOD DESIGN

As an equestrian community, the City of Norco already has design and function features that set its neighborhoods apart from adjacent communities in the form of the extensive trail system. The City has been on a multi-year program to install equestrian trail fencing alongside all trails in the City. This program should continue until all trails have fencing. This is a significant design feature that unifies the uniqueness of the community and defines where the trails are actually located. In addition to trail fencing, the City should take all opportunities to obtain grants, and to appropriate City funds as they can be available, for the planting of street and trail trees. These, along with the trail fencing, help define the rural image of the streets and neighborhoods. Outside of the trails and trees, most neighborhoods do not have unique features that set them apart from other neighborhoods in the City. The one exception would be planned communities that have specific themed entry points.

Undeveloped residential property and/or future residential property should

incorporate more western-style ranch themes in the design of homes. This style consists of mostly one-story structures, wood facing, and bungalow-style ornamentation on roofs, eaves, porches, and windows. Large porches, multi-paned windows, and gabled window roofs also accentuate this style.

3.6.4 COMMERCIAL NEIGHBORHOOD DESIGN

Commercial neighborhoods, because of their visibility provide great opportunities for the City to showcase itself, and for individual neighborhoods to set apart their own identity. The most obvious of these is the Sixth Street commercial district. As stated earlier, this street is the primary focus for equestrian and animal-keeping retail in the City, and as such has a distinct small-town western feel to it (Section 3.3.2). In addition to the City's architectural standards the City and property owners should work together to locate outdoor art that can support and encourage the equestrian and western themes. Street trees should be planted and properly maintained to help better establish the western small-town atmosphere. The City should also continue efforts to get regional road and bridge improvements, specifically an additional bridge over the Santa Ana River in the vicinity of Arlington Avenue (western Riverside) to take some of the commuter traffic off of Sixth Street.

Some of the commercial areas are not as uniquely identified in terms of architectural style or theme but are more a function of the use (i.e. The Auto Mall). Most of the development that has occurred along the southern portion of Hamner Avenue (Gateway and Auto Mall Specific Plans) has been typical California contemporary retail architecture.

Architecture north of Third Street, especially more recent architecture, has incorporated more western features to varying degrees depending on the use and locations where new development has occurred. As Hamner Avenue approaches Sixth Street there is a stronger influence of western architectural themes that transitions to the overall western and rural character of Sixth Street.

Because of high visibility, all of the commercial areas present an excellent opportunity for the City to establish public art programs and infrastructure design features that will reflect the western and equestrian lifestyle and form a unifying design theme throughout the City. These programs can be implemented through a variety of mechanisms including public-funded projects and requirements placed on new private development projects.

4.0 IMPLEMENTATION MEASURES

4.1 PROJECT REVIEW/PERMITTING PROCESS

The entitlement process allows for ample opportunity to ensure that proposed development is consistent with the goals and policies of the General Plan, and compatible and complementary to existing development, and to neighborhoods. Site design is important to the functionality of a development and contributes to the overall "feeling" that one leaves with, but it is architecture that provides the enduring image to everyone passing by on the street. It is important that precise architectural standards be expressed early in the project review process. The Planning Commission also serves in its capacity as the architectural review board for the City. Architectural review should occur early in the project design process.

After project review and approval, the building permit process ensures that development meets standard safety provisions and is consistent with the project as approved.

4.2 CAPITAL IMPROVEMENT PROGRAM

The Capital Improvement Program is an annual revolving five-year plan for the expenditure of City funds for public improvement projects. The first year list includes those projects to be funded in the current fiscal year, and second year projects move to first-year projects in the following fiscal year. Trail fencing and trail maintenance receives an annual allotment, as well as various street and other public safety projects. The City shall continue funding trail improvements as part of the overall land use implementation as a lasting recognizable feature of the City. Other public projects that celebrate and increase the awareness of the uniqueness of Norco's lifestyle, such as public art and parkway tree planting shall also be considered.

4.3 GRANT COORDINATION

State and Federal grants represent another opportunity for the City to further its efforts to implement the goals and objectives of the Land Use Element as they pertain to community identity. Several projects over the last phase of the Land Use Element have been completed through federal and state grants including street trees planted through urban forestry programs, the bluff stabilization project, the Corydon staging area, park projects, road projects, trail projects, public safety programs, and others. The City shall continue pursuing grants as they become available.

4.4 REDEVELOPMENT FUNDING

The City's Redevelopment Agency and Redevelopment Project Area were established in 1981. The project area and plan have been amended three times. The original

Project Area consisted of approximately 250 acres all contained within the Gateway Specific Plan which is 317 acres (ref. Exhibit 3.9, Redevelopment Project Area). Amendment Number One to the Redevelopment Plan added approximately 5,400 acres and included most of the area of the City generally bounded by Crestview Avenue, River Drive, Norconian Drive, Western Avenue, Parkridge Avenue, and Hillside Avenue(south of Fifth Street). Amendment Number Two subtracted approximately 712 acres that were located in an area that was detached from the City and annexed into the City of Corona. Amendment Number Three added approximately 13 acres located south and east of Hamner Avenue and Hidden Valley Parkway associated with a detachment from the City of Corona and annexation to Norco. Approximately 5,400 acres or 56 percent of the City is within the Redevelopment Project Area.

Redevelopment Agency funds have been successfully used to meet goals of the General Plan and the Land Use Element including the preservation of affordable housing, assistance to low income households, senior housing, as well as significant commercial development in all parts of the City. The City should continue to assist property owners to bring in new businesses that will help to increase property values and thereby increase the incremental tax values in the project area. This will provide more resources to meet additional goals of the Land Use Element.

4.5 ECONOMIC DEVELOPMENT

Economic development is a vital element to the sustenance of a community, especially one with the uniqueness of Norco. Generally, residential property taxes do not provide enough revenue for a City to provide all of the services that residents expect. In Norco, this is exasperated by all of the additional trail maintenance and animal services that need to be provided. Economic development and the resulting sales tax helps fund many City services that would otherwise have to be curtailed or eliminated, or off-set by additional fees to pay for the services.

4.6 COMMUNITY DEVELOPMENT

Community Development consists of all phases of entitlement from site planning and construction, to the enforcement of code provisions when projects are completed. Community Development is the primary vehicle to ensure that new development meets the goals of the General Plan Land Use Element, and that land uses continue to operate within the context of those goals.

CITY OF NORCO
STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Beth Groves, Interim City Manager

PREPARED BY: Andy Okoro, Deputy City Manager/Director of Finance

DATE: October 7, 2009

SUBJECT: Approval to Form a Joint Powers Authority to Fund Delinquencies in Community Facilities Districts

RECOMMENDATION: 1) Adopt **Resolution No. 2009-___** Authorizing the Execution of a Joint Exercise of Powers Agreement Establishing the California Finance Authority for Delinquent Special Taxes and Assessments; and

2) Adopt **Resolution No. 2009- ___** Approving the Amendment of Certain Fiscal Agent Agreements of Bond Resolutions or Indentures and Approving the Sale, Assignment and Grant of Options for a Certain Delinquent Tax Receivable to the California Finance Authority for Delinquent Special Taxes and Assessments and Authorizing Execution and Delivery of Related Documents and Actions.

SUMMARY: In order to address the issue of rising delinquent Community Facilities Districts' (CFD'S) special taxes without initiating potential foreclosure litigation process, staff is recommending approval of a program through which the delinquent special taxes would be sold to a third party at full face value of the amount levied. This program will also eliminate the need for the City to draw from debt service reserve funds in order to meet periodic debt payment obligations.

BACKGROUND/ANALYSIS: The City previously formed four Community Facilities Districts and issued bonds to finance certain facilities that benefit the Districts and/or property owners. Under the Fiscal Agent Agreements, or other applicable agreements, governing each bond issue, the City is required to levy special taxes within the Districts, and when received, those taxes and assessments are required to be used to repay the bonded indebtedness. The bonds are not general nor special obligations of the City, but are limited obligations of the District, payable only from the proceeds of the special tax or assessment levies within the CFDs each year. In the event that the property owners within the districts do not pay the special taxes or assessments when due, the City has established a reserve fund to pay the bond owners the scheduled payments, and under certain circumstances the City is required to commence and diligently prosecute to completion certain foreclosure actions against the delinquent properties. The proceeds of the sale of the delinquent properties at foreclosure sale, or the amounts paid to cure

the delinquencies prior to a foreclosure sale, are required to be paid to the appropriate fund for eventual replenishment of the reserve fund and/or payment to the bond owners. The foreclosure proceeds would not be used by the City for any other purposes.

The foreclosure process can be time consuming, expensive and may present public relations challenge for the City. To avoid the foreclosure process, which includes potential litigation, staff has identified a program being offered by Plymouth Park Tax Services, LLP, a wholly owned subsidiary of J.P. Morgan Chase whereby the cities of Riverside and Norco form the California Finance Authority for Delinquent Special Taxes and Assessments (a Joint Powers Authority) and under which 100% of the delinquent special taxes and assessments will be advanced in full by the Authority, in exchange for an assignment of the rights to the payments eventually made by the property owners, along with all penalties or interest thereon. This program is designed to be like a "Teeter Plan," but for special assessments and taxes rather than for regular ad valorem property taxes, and administered and funded by the Authority rather than the County. The Authority finances the Program by pooling the CFD and Assessment District (AD) delinquencies of different local agencies, and simultaneously selling a Certificate of Participation for the amount of all of the accumulated delinquencies to Plymouth. The other agencies participating in this financing at this time are the City of Riverside and the Lee Lake Water District.

This program will be win-win-win for the City, property owners and bondholders. The program allows the City to finance the delinquencies, and relieves it of the requirement to foreclosure on the delinquent property owners so long as the City and Plymouth Park continue the program. If Plymouth Park stops purchasing (or if the City stops selling) the delinquencies, the foreclosure obligation of the City would revive, but only with respect to the unpurchased delinquencies. The only cost to the City is the penalty income which, if collected and received, would have been used only within the District and not for any General Fund expenditure. The City will also avoid the foreclosure costs normally incumbent upon it to comply with its foreclosure covenant. This program would also benefit delinquent property owners within the Districts in that they wouldn't face immediate foreclosure ahead of the County tax collector (who is required by law to wait five years after a delinquency commences before selling the property). The property owners who timely paid their assessments and taxes will be assured that the amounts levied against their properties will not be increased, even temporarily, to cover the delinquent amounts. The bond owners will be paid 100% of the amounts owed them, and on time.

In order to initiate the recommended transaction, a resolution authorizing the execution of the Joint Exercise of Powers Agreement must be approved by the City Council. The JPA Agreement legally forms the Authority and authorizes it to perform a broad array of functions that are permitted under California law, specifically including the acquisition of Tax Receivables from the City and the sale of certificates of participation to fund such acquisitions. A draft of the Joint Exercise of Powers Agreement is included.

A resolution approving the City's participation in the program must also be approved by the City Council. This resolution authorizes the City Manager, City Attorney or City Treasurer to execute certain amendments to each of the Fiscal Agent Agreements (or other agreements) necessary to permit the sale of the Delinquent Tax Receivables, approves a Purchase and Sale Agreement between the City and the Authority for the

transaction (the "P&S Agreement") and authorizes staff to execute the P&S Agreement and any other documents, and to perform such acts as are necessary or appropriate, to consummate the sale and assignment of the delinquencies to the Authority for the 2008-09 fiscal year (including all prior year delinquencies still on the tax roll) and granting an option to the Authority to purchase future delinquencies in fiscal years 2009-10 and 2010-11. A draft of the P&S Agreement is included.

Each of the required amendments to the indentures, fiscal agent or other agreements, if any, has been reviewed by Bond Counsel to the Authority (Jones Hall) and the consummation of the transaction is contingent upon the agreement of the bond trustees or fiscal agents (and possibly their counsel) and the City's receipt of an opinion from Bond Counsel to the effect that the amendments being made in the attached resolution comply with the requirements of each respective Bond Indenture or Fiscal Agent Agreement, as applicable. A draft of such legal opinion is also included.

FINANCIAL INPACT: This program will improve cash flows needed to make bi-annual Community Facilities District debt service payments.

/jk-73428

Attachments: Resolution No. 2009-___
Resolution No. 2009-___
Joint Exercise of Powers Agreement
Purchase and Sale Agreement
Opinion Letter from Bond Counsel

RESOLUTION NO. 2009-___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NORCO, CALIFORNIA AUTHORIZING THE EXECUTION OF A JOINT EXERCISE OF POWERS AGREEMENT ESTABLISHING THE CALIFORNIA FINANCE AUTHORITY FOR DELINQUENT SPECIAL TAXES AND ASSESSMENTS

WHEREAS, joint powers agencies formed under Article 1 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the Government Code of the State of California (the "Joint Powers Law") are authorized under Section 6516.6 of the Joint Powers Law to issue bonds pursuant to Article 2 or Article 4 of the Joint Powers Law in order to purchase or acquire, by sale, assignment, pledge, or other transfer, any or all right, title, and interest of any local agency in and to the enforcement and collection of delinquent and uncollected property taxes, assessments, and other receivables that have been levied by or on behalf of the local agency and placed for collection on the secured, unsecured, or supplemental property tax rolls; and,

WHEREAS, City of Norco (the "City") and the City of Riverside have proposed to form a joint powers agency under the Joint Powers Law, to be known as the California Finance Authority for Delinquent Special Taxes and Assessments (the "Authority"), for the purpose of establishing an entity that is authorized to implement and finance a program for the purchase from local agencies of delinquent special taxes, assessments and property-related fees and charges that are collected on the secured property tax roll under Section 6516.6 of the Joint Powers Law; and,

WHEREAS, pursuant to Section 6516.6 of the Joint Powers Law, the City has determined to assign to the Authority certain delinquent special taxes, assessments and property-related fees and charges, in consideration of the agreement by the Authority to pay the purchase price to the City for such liens and to assume all responsibility and pay all costs in connection with the enforcement and collection of such liens; and,

WHEREAS, to that end the City Council wishes at this time to approve the execution and delivery of a Joint Exercise of Powers Agreement by and between the City and the City of Riverside, establishing the Authority and providing for its powers and purposes.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Norco as follows:

Section 1. Establishment of the Authority. The City Council hereby approves the establishment of the California Finance Authority for Delinquent Special Taxes and Assessments under the Joint Powers Law, pursuant to the Joint Exercise of Powers Agreement (the "JPA Agreement") by and between the City and the City of Riverside in the form on file with the City Clerk. The Mayor is hereby authorized and directed to

execute, and the City Clerk is hereby authorized and directed to attest, the JPA Agreement in the name and on behalf of the City.

Section 2. Authorization to Make Necessary Filings. The firm of Jones Hall, A Professional Law Corporation, as bond counsel to the Authority, is hereby authorized and directed to cause to be prepared, executed and filed any and all reports, statements and other documents as may be required in order to implement the establishment of the Authority.

Section 3. Authorized Representative. Under Section 1.05(a) of the JPA Agreement, the City Council hereby designates the City Treasurer, or such person as may from time to time be designated in writing by the City Treasurer, as its authorized representative to serve as a member of the Board of Directors of the Authority.

Section 4. Approval of Additional Initial Managing Member. If the Lee Lake Water District elects to become a member of the Authority prior to the Authority's first purchase from local agencies of delinquent special taxes, assessments or property-related fees and charges, the City hereby approves the Lee Lake Water District as a Managing Member of the Authority, and agrees that the Lee Lake Water District shall be treated as an initial Managing Member for all purposes of the JPA Agreement as of the date thereof.

Section 5. Effective Date. This Resolution shall take effect immediately upon its passage and adoption.

PASSED AND ADOPTED by the City Council of the City of Norco at a regular meeting held on October 7, 2009.

_____
Mayor of the City of Norco, California

ATTEST:

_____
Brenda K. Jacobs, City Clerk
City of Norco, California

I, BRENDA K. JACOBS, 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 thereof held on October 7, 2009, 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 October 7, 2009.

_____
Brenda K. Jacobs, City Clerk
City of Norco, California

/jk-73428

RESOLUTION NO. 2009-___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NORCO, CALIFORNIA APPROVING THE AMENDMENT OF CERTAIN FISCAL AGENT AGREEMENTS OF BOND RESOLUTIONS OR INDENTURES AND APPROVING THE SALE, ASSIGNMENT AND GRANT OF OPTIONS FOR A CERTAIN DELINQUENT TAX RECEIVABLE TO THE CALIFORNIA FINANCE AUTHORITY FOR DELINQUENT SPECIAL TAXES AND ASSESSMENTS AND AUTHORIZING EXECUTION AND DELIVERY OF RELATED DOCUMENTS AND ACTIONS

WHEREAS, the City has previously conducted proceedings to form certain community facilities districts (the "CFDs") and special assessment districts (the "ADs"), and issued certain bonds and executed certain related fiscal agent agreements or bond indentures or resolutions governing the repayment of the bonded indebtedness secured by the levy of special taxes and assessments within those districts; and,

WHEREAS, the City has levied special taxes or assessments on the secured property tax roll for the County of Riverside, as needed to repay the owners of the bonds referred to above; and,

WHEREAS, certain of the special taxes and assessments heretofore levied by the City for these districts have not been paid and remain delinquent at this time; and,

WHEREAS, under Section 6516.6 of the Government Code of the State of California (the "Law"), local agencies, including, cities, counties, cities and counties, school districts, redevelopment agencies, and all other special districts that are authorized by law to levy property taxes on the county tax rolls, are authorized to sell, assign, pledge, or otherwise transfer to a joint powers authority any or all of their right, title, and interest in and to the enforcement and collection of delinquent and uncollected property taxes, assessments, and other receivables that have been levied by or on behalf of the local agency for collection on the property tax rolls in accordance with the terms and conditions that may be set forth in an agreement with a joint powers authority; and,

WHEREAS, the California Finance Authority for Delinquent Special Taxes and Assessments (the "Authority") is a joint powers authority presently being formed by the City and one or more other local agencies with the authority under the Law to purchase the enforcement and collection of delinquent and uncollected property taxes, assessments, and other receivables levied by or on behalf of the City and other local agencies; and,

WHEREAS, the City desires to sell and assign, and the Authority desires to acquire certain delinquent installments of special taxes levied by the City under the Mello-Roos Community Facilities Act of 1982, delinquent assessment installments levied by the City under the Improvement Bond Act of 1915 with

respect to assessments levied under the Municipal Improvement Act of 1913, delinquent installments of assessments levied by the City under the Landscaping and Lighting Act of 1972, or delinquent installments of other fees and charges levied on the City's behalf on the secured, unsecured or supplemental tax rolls against parcels of real property located within the City (collectively, the "Tax Receivables") to the Authority for the fiscal year ending June 30, 2009, along with all such Tax Receivables for prior years remaining on the tax roll as of the Cut Off Date at a purchase price equal to 100% of the amount of the Tax Receivables; and,

WHEREAS, the City desires to convey and the Authority desires to acquire, subject to an opt-out, future delinquent installments of the Tax Receivables in the same manner for the fiscal years ending June 30 in 2010 and 2011; each of these fiscal years ending June 30 in 2009, 2010 and 2011 are referred to herein as the "Covered Fiscal Years"; and,

WHEREAS, the Authority has made arrangements to issue and sell a certificate of participation for each Covered Fiscal Year, representing a participation interest in all of the Tax Receivables received from the City and from certain other participating local agencies for each Covered Fiscal Year, and,

WHEREAS, the certificate of participation will be sold to Plymouth Park Tax Services, LLC, a Delaware limited liability company (" Plymouth"); and,

WHEREAS, the City Council has reviewed a form of Purchase and Sale Agreement by and between the City and the Authority, governing the sale and assignment of the 2009 and prior years delinquent installments and, subject to an opt-out by the Authority, the 2010 and 2011 delinquent installments (the "Purchase and Sale Agreement"); and,

WHEREAS, the City Council wishes at this time to approve the foregoing financing plan and authorize any of the City Manger, the City Attorney or the City Treasurer (each being an "Authorized Officer" of the City) to execute the Purchase and Sale Agreement and all related documents, including all amendments to the applicable bond indentures, bond resolutions, or fiscal agent agreements (the "Operative Agreements") and to perform all actions reasonably necessary to consummate the forgoing financing plan.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Norco, does hereby authorize the Interim City Manager as follows:

Section 1. Approval of Financing Plan; Sale of Tax Receivables to Authority. The City Council hereby approves the financing plan presented to the City Council at the meeting at which this Resolution is adopted, and as generally described in the recitals

of this Resolution. The City Council hereby approves and authorizes the sale, assignment and grant of option for the Tax Receivables to the Authority for the Covered Fiscal Years, as set forth in the draft Agreement presented herewith.

Section 2. Approval of Amendments to Bond Documents. In order to implement the financing plan approved in Section 1, certain of the Operative Agreements may require amendment in order to revise the foreclosure covenant, the flow of funds and possibly other provisions which will be affected by the financing plan. The City Council hereby authorizes each of the Authorized Office rs of the City to execute such amendments as are determined by such Authorized Officer to be necessary or convenient to facilitate the implementation of the financing plan, provided that such Authorized Officer receives the opinion of the City's or the Authority's bond counsel to the effect that such amendments may be legally made without the consent of the owners of the bonds.

Section 3. Approval of Financing Documents. In order to implement the financing plan approved under Section 1, the City Council hereby approves the Purchase and Sale Agreement, in substantially the form on file with the City Clerk of the City, to be entered into between the Authority and the City with respect to the Tax Receivables for each of the Covered Fiscal Years, together with any changes therein or modifications thereof as may be approved by an Authorized Officer, and the execution and delivery of the Purchase and Sale Agreement by an Authorized Officer shall be conclusive evidence of the approval of all changes and modifications to the Purchase and Sale Agreement. The City Council hereby authorizes any Authorized Officer to execute the Purchase and Sale Agreement on behalf of the City for each Covered Fiscal Year, and hereby approves the execution, delivery and performance by the City of the Purchase and Sale Agreement for each Covered Fiscal Year. This authority shall include authority to execute other Purchase and Sale Agreements substantially in the form of the Purchase and Sale Agreement, selling and assigning the Tax Receivables for the Fiscal Years ending June 30, 2010 or June 30, 2011, and to execute all other documents and perform all other acts as are reasonably necessary to consummate the sale of the delinquent Tax Receivables for each Covered Fiscal Year.

Section 4. Official Actions. Each Authorized Officer is hereby authorized and directed, for and in the name and on behalf of the City, to do any and all things and take any and all actions, including execution and

delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the sale of the Tax Receivables to the Authority for each Covered Fiscal Year and effectuate any of the other transactions approved in this resolution. Whenever in this resolution any officer of the City is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any deputy of such officer or any other person designated by such officer to act on his or her behalf if such officer is absent or unavailable.

Section 5. Effective Date. This resolution shall take effect from and after the date of approval and adoption thereof.

PASSED AND ADOPTED by the City Council of the City of Norco at a regular meeting held on October 7, 2009.

_____
Mayor of the City of Norco, California

ATTEST:

_____
Brenda K. Jacobs, City Clerk
City of Norco, California

I, BRENDA K. JACOBS, 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 thereof held on October 7, 2009, 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 October 7, 2009.

_____
Brenda K. Jacobs, City Clerk
City of Norco, California

/jk-73428

JOINT EXERCISE OF POWERS AGREEMENT

CALIFORNIA FINANCE AUTHORITY FOR DELINQUENT SPECIAL TAXES AND ASSESSMENTS

This JOINT EXERCISE OF POWERS AGREEMENT (this "Agreement") dated as of August __, 2009, is between the public agencies that are identified as Managing Members on the signature pages of this Agreement, and those public agencies which subsequently become Managing Members or Associate Members as provided in Section 1.04, each of which is a "public agency" within the meaning of Section 6500 of the California Government Code (collectively, the "Members").

BACKGROUND:

1. Agencies formed under Article 1 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the Government Code of the State of California (the "Joint Powers Law") are authorized under Section 6516.6 of the Joint Powers Law to issue bonds or certificates of participation pursuant to Article 2 or Article 4 of the Joint Powers Law for the purpose of purchasing, or making loans to finance the purchase of, delinquent assessments or special taxes levied on the secured roll by local agencies and other political subdivision of the State of California (the "Local Agencies").

2. The Members wish to form an agency under the Joint Powers Law, to be known as the California Finance Authority for Delinquent Special Taxes and Assessments (the "Authority") for the purpose of establishing an entity that is authorized to implement and finance a program for the acquisition of delinquent special taxes and assessments from Local Agencies.

AGREEMENT:

In consideration of the above premises and of the mutual promises herein contained, the Members do hereby agree as follows:

ARTICLE I

GENERAL PROVISIONS

Section 1.01. Purpose. This Agreement is entered into pursuant to the Joint Powers Law. The purpose of this Agreement is to form the Authority in order to establish and implement a program for the acquisition from Local Agencies of delinquent installments of the following, in each case including interest and penalties (collectively, "Delinquent Special Taxes and Assessments"):

(a) special taxes levied by a Local Agency under the Mello-Roos Community Facilities Act of 1982, constituting Chapter 2.5 of Part 1 of Division 2 of Title 5 (commencing with Section 53311) of the California Government Code;

(b) assessment installments levied by a Local Agency under the Improvement Bond Act of 1915, constituting Division 10 of Part I (commencing with Section 8500) of the California Streets and Highways Code, with respect to assessments levied under the Municipal Improvement Act of 1913, Division 12 (commencing with Section 10000) of the California Streets and Highways Code, or assessments levied by a Local Agency under the Landscaping and Lighting Act of 1972, Part 2 of Division 15 (commencing with Section 22500) of the California Streets and Highways Code; and

(c) property-related fees, charges, or other amounts collected by or on behalf of the Local Agency on the secured tax roll.

Section 1.02. Creation of Authority; Name. Pursuant to the Joint Powers Law, there is hereby created a joint powers agency to be known as the "California Finance Authority for Delinquent Special Taxes and Assessments." The Authority shall be a public entity separate and apart from the Members, and shall administer this Agreement.

Section 1.03. Managing Members. The initial Managing Members of the Authority shall be those identified on the signature pages of this Agreement. The Authority shall be deemed to be created and to exist as an entity authorized to transact business and exercise its powers, upon the adoption by the governing board of each initial Managing Member of a resolution authorizing and directing the execution and delivery of this Agreement.

Section 1.04. Additional Members.

(a) Associate Members. Any Local Agency from whom the Authority acquires Delinquent Special Taxes and Assessments may, but is not required to, elect to become an additional non-voting Member of the Authority (an "Associate Member"). A Local Agency electing to become an Associate Member of the Authority shall do so by

executing Exhibit B to this Agreement, in counterpart, and filing such executed counterpart of this Agreement with the Secretary of the Authority. Any such Local Agency's status as an Associate Member of the Authority shall become effective on the date on which Delinquent Special Taxes and Assessments are acquired from the Local Agency. An Associate Member may withdraw from the Authority, and thereby cease to an Associate Member, at any time pursuant to written notice filed with the Secretary.

(b) Managing Members. Any Local Agency from whom the Authority acquires Delinquent Special Taxes and Assessments may apply to the then-current Managing Members to become an additional Managing Member of the Authority. The then-current Managing Members shall consider such application and may only approve the application by the vote of a majority of the current members of the Board by action taken at an open public meeting of the Board. If so approved, the Local Agency desiring to become a Managing Member of the Authority shall do so by executing Exhibit A to this Agreement, in counterpart, and filing such executed counterpart of this Agreement with the Secretary of the Authority. Any such Local Agency's status as a Managing Member of the Authority shall become effective on the date of such execution. Each additional Managing Member shall appoint one member to the Board of the Authority under Section 1.05(a).

Section 1.05. Board of Directors.

(a) Composition of Board. The Authority shall be governed by a Board of Directors (the "Board"). Each initial Managing Member and each additional Managing Member admitted under Section 1.04(b) shall designate an authorized representative (who must be either an employee or elected representative of such Managing Member) to serve as a member of the Board. The designation by a Managing Member of an authorized representative to serve on the Board shall be made pursuant to written authorization executed by an authorized officer of such Managing Member and filed with the Secretary of the Authority.

With respect to any person who is designated as a member of the Board by virtue of such person's office, title or position, such person shall serve as an *ex officio* member of the Board during the period of time such person holds such office, title or position, and shall serve until the appointment and qualification of a successor to such office, title or position.

(b) Call, Notice and Conduct of Meetings. All meetings of the Board, including without limitation regular meetings, adjourned regular meetings and special meetings, shall be called, noticed, held and conducted in accordance with the provisions of the Ralph M. Brown Act of the State of California (constituting Chapter 9 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California).

(c) Quorum. A majority of the members of the Board shall constitute a quorum for the transaction of business, except that less than a quorum may adjourn from time to time. The affirmative votes of at least a majority of the Board members present at any meeting at which a quorum is present shall be required to take any action by the Board.

(d) Time and Place of Regular Meetings. The Board shall conduct a regular meeting each year at such time and place as shall be determined by the Board. No such meeting need be held in any year should the President determine that no business is required to be conducted by the Board at such meeting. The time, date and place established for regular meetings of the Board may be changed from time to time by resolution of the Board or by action of the Board duly recorded in the minutes.

Section 1.06. Treasurer. Pursuant to Section 6505.5 of the Joint Powers Law, the person performing the functions as chief finance officer and treasurer of the City of Riverside is hereby designated as the Treasurer of the Authority and, as such, shall perform the functions of the treasurer of the Authority, as such functions are set forth in Section 6505.5 of the Joint Powers Law. Pursuant to Section 6505.1 of the Joint Powers Law, the Treasurer shall have charge of, handle and have access to all accounts, funds and money of the Authority and all records of the Authority relating thereto. The Treasurer shall have custody of all of the accounts, funds and money of the Authority from whatever source. In the event, but only in the event, that the Treasurer holds moneys for the account of the Authority or the Members, the Treasurer shall verify and report in writing at least quarterly to the Authority and the Members the amount of money so held, the amount of receipts since the last such report, and the amount paid out since the last such report.

As provided in Section 6505(b) of the Joint Powers Law, the Treasurer shall contract with a certified public accountant or public accountant to make an annual audit of the accounts and records of the Authority.

Section 1.07. Other Officers of the Authority. In addition to the Treasurer, the officers of the Authority shall consist of a President, Vice President and Secretary, who shall be elected by the Board and who shall serve at the pleasure of the Board. The President and Vice President shall be chosen from among the members of the Board. The Secretary of the Authority may, but is not required to, be a member of the Board. Said officers shall perform such functions as are customary in the exercise of such positions, and as may be more specifically provided by the Authority from time to time.

The President shall sign all contracts on behalf of the Authority, except as may otherwise be provided by resolution of the Board. The Vice President shall act, sign contracts and perform the duties of the President in the absence of the President. The Secretary shall have charge of the records of the Authority and shall be responsible for recording the minutes of all meetings of the Board.

In addition to the foregoing officers, the Board may from time to time hire such attorneys, consultants and other professionals at it may deem advisable in order to carry out its purposes under this Agreement.

Section 1.08. Bonding of Officers. From time to time, the Board may designate officers of the Authority having charge of, handling or having access to any records, funds or accounts or other assets of the Authority, and the respective amounts of the official bonds of such officers and such other persons pursuant to Section 6505.1 of the

Joint Powers Law. If any officer of the Authority is required to be bonded pursuant to this Section, such bond may be maintained as a part of or in conjunction with any other bond maintained on such person by any Member, it being the intent of this Section not to require duplicate or over-lapping bonding requirements from those bonding requirements which are otherwise applicable to the Members.

Section 1.09. Appointment of Committees. From time to time, the Board may by resolution establish one or more committees comprised of a limited number of Board members, for such purposes as the Board may designate. Any such committee shall have such scope of authority to act on behalf of the Authority as the Board may designate in the enabling resolution. Without limiting the generality of the foregoing, the Board may by resolution appoint a committee for the purpose of reviewing and approving the participation by individual Local Agencies in the Delinquent Special Tax and Assessment Financing Program of the Authority, and for the purpose of approving the issuance of bonds, notes or certificates of participation (collectively, "Bonds") to finance the acquisition of Delinquent Special Taxes and Assessments from Local Agencies; in each case without the necessity for approval or ratification from the Board.

ARTICLE II

POWERS

Section 2.01. General Powers. The Authority shall exercise the powers granted to it under the Joint Powers Law, including but not limited to the powers set forth in Article 4 of the Joint Powers Law (the "Bond Act"), the powers set forth in Section 6516.6 of the Joint Powers Law relating to the purchase of Delinquent Special Taxes and Assessments, and the powers common to each of the Members, subject to the restrictions set forth in Section 2.02. As provided in the Joint Powers Law, the Authority shall be a public entity separate and apart from the Members.

Section 2.02. Restrictions on Exercise of Powers. The powers of the Authority shall be exercised in the manner provided in the Joint Powers Law and in the Bond Act, and, except for the exercise of those powers set forth in the Bond Act, shall be subject (in accordance with Section 6509 of the Joint Powers Law) to the restrictions upon the manner of exercising such powers that are imposed upon the City of Riverside.

Section 2.03. Non-Liability of Members and Directors For Obligations of Authority. The debts, liabilities and obligations of the Authority shall not be the debts, liabilities and obligations of any of the Members. No member, officer, agent or employee of the Authority shall be individually or personally liable for the payment of the principal of or premium or interest on any obligations of the Authority or be subject to any personal liability or accountability by reason of any obligations of the Authority; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law or by the instruments authorizing the issuance of any obligations of the Authority.

In addition, no Member shall assume any liability or responsibility for any debts, liabilities or obligations which may be incurred by the other Member in connection with the issuance of Bonds of the Authority for the benefit of such other Member.

ARTICLE III

CONTRIBUTION; ACCOUNTS AND REPORTS; FUNDS

Section 3.01. Contributions. The Members may, but are not required to: (a) make contributions from their treasuries for any of the purposes set forth herein, (b) make payments of public funds to defray the cost of such purposes, (c) make advances of public funds for such purposes, such advances to be repaid as provided herein, or (d) use their personnel, equipment or property in lieu of other contributions or advances. The provisions of Government Code 6513 are hereby incorporated into this Agreement.

Section 3.02. Accounts and Reports. The Treasurer shall establish and maintain such funds and accounts as may be required by good accounting practice or by any provision of any trust instrument entered into with respect to the proceeds of any of the Authority. The books and records of the Authority in the hands of the Treasurer shall be open to inspection at all reasonable times by representatives of any of the Members. If the Authority appoints a trustee in connection with the issuance of Bonds, such trustee shall establish suitable funds, furnish financial reports and provide suitable accounting procedures to carry out the provisions of the instrument pursuant to which such trustee is appointed. Any such trustee may be given such duties in said trust instrument as may be desirable to carry out this Agreement.

Section 3.03. Funds. Subject to the applicable provisions of any instrument or agreement which the Authority may enter into, which may provide for a trustee to receive, have custody of and disburse Authority funds, the Treasurer shall receive, have the custody of and disburse Authority funds as nearly as possible in accordance with generally accepted accounting practices, shall make the disbursements required by this Agreement or to carry out any of the provisions or purposes of this Agreement.

ARTICLE IV

MISCELLANEOUS PROVISIONS

Section 4.01. Term. This Agreement shall become effective, and the Authority shall come into existence, on the date of execution and delivery hereof, and this Agreement and the Authority shall thereafter continue in full force and effect so long as either (a) any Bonds remain outstanding or any material contracts to which the Authority is a party remain in effect, or (b) the Authority shall own any interest in any real or personal property.

Section 4.02. Disposition of Assets. Upon the termination of this Agreement, all property of the Authority, both real and personal, shall be divided between the Members in such manner as shall be agreed upon by the Members. Nothing in this Agreement is intended or shall be construed to affect the rights which Local Agencies may have to any funds or properties of the Authority under agreements entered into between the Authority and such Local Agencies as part of the Delinquent Special Tax and Assessment Financing Program.

Section 4.03. Section Headings. All section headings in this Agreement are for convenience of reference only and do not modify or govern the language in the section referred to or to define or limit the scope of any provision of this Agreement.

Section 4.04. Law Governing. This Agreement is made in the State of California under the Constitution and laws of the State of California, and is to be so construed.

Section 4.05. Amendments. This Agreement may be amended at any time, or from time to time, except as limited by contract with the owners of any Bonds issued by the Authority or by applicable regulations or laws of any jurisdiction having authority, by one or more supplemental agreements executed by a majority of the Managing Members. Upon the execution of any agreement amending this Agreement, the Secretary shall cause written notice thereof to be given to each Associate Member. The written consent of the Associate Members shall not be required to any such amendment of this Agreement, it being understood that an Associate Member which does not consent to an amendment of this Agreement may withdraw from the Authority in accordance with Section 1.04(a).

Section 4.06. Enforcement by Authority. The Authority is hereby authorized to take any or all legal or equitable actions, including but not limited to injunction and specific performance, necessary or permitted by law to enforce this Agreement.

Section 4.07. Severability. Should any part, term or provision of this Agreement be decided by any court of competent jurisdiction to be illegal or in conflict with any law of the State of California, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining portions or provisions shall not be affected thereby.

Section 4.08. Successors. This Agreement is binding upon inures to the benefit of the successors of the respective Members. No Member may assign any right or obligation hereunder without the written consent of the other Member.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and attested by their proper officers thereunto duly authorized and their official seals to be hereto affixed, as of the day and year first above written.

INITIAL MANAGING MEMBERS:

CITY OF RIVERSIDE

By: _____

_____
Mayor

ATTEST

_____

_____
City Clerk

CITY OF NORCO

By: _____

_____
Mayor

ATTEST

_____

_____
City Clerk

EXHIBIT A

ADDITIONAL MANAGING MEMBERS

IN WITNESS WHEREOF, the additional Managing Member named below has caused this Agreement to be executed and attested by its proper officers thereunto duly authorized, as of _____ ___, 20___.

_____

By: _____
Name:
Title:

EXHIBIT B

ASSOCIATE MEMBERS

IN WITNESS WHEREOF, the Associate Member named below has caused this Agreement to be executed and attested by its proper officers thereunto duly authorized, as of _____ ____, 20___.

_____

By: _____
Name:
Title:

/ao-73705

PURCHASE AND SALE AGREEMENT

Dated as of _____ 1, 2009

between

THE CITY OF NORCO
Seller

and

CALIFORNIA FINANCE AUTHORITY FOR DELINQUENT SPECIAL TAXES AND ASSESSMENTS
Purchaser

Regarding
Tax Receivables for the Fiscal Year Ending June 30, 2009
and Prior Fiscal Years

TABLE OF CONTENTS

Page

Article I
Definitions

Section 1.01. Definitions. 2
Section 1.02. Other Definitional Provisions. 5
Section 1.03. Term of this Agreement. 6

Article II
Purchase and Sale of Tax Receivables

Section 2.01. Purchase and Sale of Tax Receivables; Assignment of Rights. 7
Section 2.02. Closing Conditions. 7
Section 2.03. Reserved. 9
Section 2.04. Pledge. 9
Section 2.05. Release of Collateral upon Repurchase of Tax Receivables. 10
Section 2.06. Purchase of Future Tax Receivables. 10
Section 2.07. Enforcement Proceedings. 10

Article III
The Tax Receivables

Section 3.01. Representations, Warranties and Covenants as to the Tax Receivables. 13
Section 3.02. Enforcement and Collection; Assignment of Rights. 16
Section 3.03. Consent to Assignment; Further Certificates. 17
Section 3.04. Allocation of Tax Collections. 18

Article IV
The Taxing Entity

Section 4.01. Representations of Taxing Entity. 19
Section 4.02. Additional Representations and Agreements. 20

Article V
Miscellaneous

Section 5.01. Amendment. 23
Section 5.02. Entire Agreement. 23
Section 5.03. Notices. 23
Section 5.04. No Assignment by the Taxing Entity. 23
Section 5.05. Limitations on Rights of Others. 23
Section 5.06. *[Reserved]*. 23
Section 5.07. Non-Liability of Authority. 23
Section 5.08. Severability. 24
Section 5.09. Separate Counterparts. 24
Section 5.10. Headings. 24
Section 5.11. Governing Law. 24
Section 5.12. Nonpetition Covenants. 25
Section 5.13. Successor Is Deemed Included in All References to Predecessor. 25
Section 5.14. Waiver of Personal Liability. 25

EXHIBIT A Tax Receivables Schedule
EXHIBIT B Taxing Entity Authorizing Resolution

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT, dated as of _____ 1, 2009, between the CITY OF NORCO, a California municipal corporation organized and existing under the laws of the State of California (the "Taxing Entity"), and CALIFORNIA FINANCE AUTHORITY FOR DELINQUENT SPECIAL TAXES AND ASSESSMENTS, a joint exercise of powers authority organized and existing under the laws of the State of California (the "Authority").

BACKGROUND

1. The Taxing Entity is a political subdivision of the State of California (the "State") that has levied special taxes under the Mello Roos Act, assessments under the 1913 Act (payable in installments under the 1915 Act) or Assessments under the 1972 Act, or has imposed property-related fees and charges under applicable law, which are collected on the secured property tax roll of the County.

2. Certain Special Taxes, Assessments and Fees and Charges (as defined below) are delinquent (the "Tax Receivables") as of the Cut-off Date (as defined below).

3. The Authority is authorized under Section 6516.6 of the California Government Code (the "Act") to purchase from participating local agencies delinquent and uncollected property taxes, assessments, and other receivables that have been levied by or on behalf of the local agencies and placed for collection on the secured, unsecured, or supplemental property tax rolls, upon terms and conditions which are acceptable to such local agencies.

4. In order to facilitate the purchase of the Tax Receivables, the Authority has made arrangements to execute, deliver and sell a certificate of participation representing a 100% participation interest in the Tax Receivables (the "Certificate of Participation") to Plymouth Park Tax Services LLC, a Delaware limited liability company ("Plymouth Park"), pursuant to Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State. The Certificate of Participation will be sold by the Authority to Plymouth Park pursuant to a Certificate Purchase Agreement, dated as of _____ 1, 2009 (the "Certificate Purchase Agreement"), between the Authority and Plymouth Park.

5. The Taxing Entity has determined that it is in the best interests of the Taxing Entity at this time to sell to the Authority the Tax Receivables it is entitled to receive arising from the collection of certain delinquent Special Taxes, Assessments and Fees and Charges for the fiscal years specified in this Agreement, upon the terms and conditions provided herein.

NOW, THEREFORE, for and in consideration of the premises and the material covenants hereinafter contained, the parties hereto hereby formally covenant, agree and bind themselves as follows:

Article I

Definitions

Section 1.01. Definitions. Whenever used in this Agreement, the following words and phrases, unless the context otherwise requires, shall have the following meanings:

"Act" means Section 6516.6 of the California Government Code.

"Agreement" means this Purchase and Sale Agreement, as originally executed or as it may from time to time be supplemented, modified or amended in accordance with the provisions hereof.

"Assessments" means assessment installments levied by a Taxing Entity under the 1915 Act with respect to assessments levied under the 1913 Act, or assessments levied by the Taxing Entity under the 1972 Act, as applicable.

"Authority" means the California Finance Authority for Delinquent Special Taxes and Assessments, a joint exercise of powers authority organized and existing under the laws of the State, or any successor thereto.

"Bond Counsel" means Jones Hall, A Professional Law Corporation, or any other attorney or firm of attorneys of nationally recognized expertise with respect to legal matters relating to public financing in the State.

"Business Day" means any day that is not a Saturday, Sunday or other day on which commercial banking institutions in the City of New York, New York or the City of Los Angeles, California are authorized or obligated by law or executive order to be closed.

"Certificate of Participation" means the Certificate of Participation executed and delivered by the Authority to the Certificate Owner pursuant to the Certificate Purchase Agreement, representing a 100% participation interest in the Tax Receivables.

"Certificate Owner" means, at any time, the registered owner of the Certificate that is the subject of the Certificate Purchase Agreement. The original Certificate Owner is Plymouth Park.

"Certificate Purchase Agreement" means the Certificate Purchase Agreement, dated as of _____ 1, 2009, between the Authority and the Certificate Owner.

"Closing Date" means _____, 2009.

"Collections" means, with respect to a Tax Receivable, the amount collected by the County (whether as payments by the related Property Owner in a lump sum, payments by the related Property Owner pursuant to an installment payment plan, as proceeds of sale of the related tax-defaulted Property, or otherwise) on the Tax Receivable. Collections include but are not limited to the following:

(i) the delinquent Special Taxes, Assessments and Fees and Charges levied on behalf of the Taxing Entity payable for the Fiscal Year to which the Tax Receivable is related,

(ii) the 10% penalty payable thereon in accordance with Sections 2617 and 2618 of the California Revenue and Taxation Code,

(iii) interest accruing at the rate of 1.5% per month in accordance with Section 4103 of the California Revenue and Taxation Code,

(iv) all administrative costs levied in connection therewith that are distributable to the Taxing Entity, if any, and

(v) any other charges (including but not limited to attorney fees and costs) authorized by law to be paid to the Taxing Entity.

"County" means the County of Riverside, a political subdivision of the State in which the Taxing Entity is located.

"Cut-off Date" means _____, 2009.

"Defective Tax Receivable" has the meaning set forth in Section 3.01(c) hereof.

"Defective Tax Receivable Purchase Amount" means, as to any Defective Tax Receivable, an amount equal to the purchase price of such Defective Tax Receivable set forth on the Tax Receivables Schedule reduced by the amount, if any, of Collections on such Defective Tax Receivable which have been applied to the recovery of such purchase price as of the date of calculation; *provided, however,* that if the defect in the Defective Tax Receivable is solely that the related Special Taxes, Assessments or Fees and Charges are determined to be less than the amount shown on the Tax Receivables Schedule, then the Defective Tax Receivable Purchase Amount shall be equal to the reduction in the amount of the related Special Taxes, Assessments or Fees and Charges shown on the Tax Receivables Schedule with respect to such Defective Tax Receivable.

"Delinquent Tax Roll" means the delinquent tax roll which is delivered by the Treasurer-Tax Collector of the County to the County Auditor-Controller pursuant to Section 2627 of the Revenue and Taxation Code of the State, or such other report, file or data of the Treasurer-Tax Collector or Auditor-Controller of the County as may be available from the County and mutually satisfactory to the Taxing Entity, the Authority and the Certificate Owner.

"Fees and Charges" means any property-related fees, charges, or other amounts collected by or on behalf of the Taxing Entity on the secured tax roll of the County, interests in which the Authority is authorized to purchase under the Act.

"Fiscal Year" means the 12-month period beginning on July 1 in any year and ending on the following June 30. Whenever in this Agreement reference is made to the Fiscal Year of a certain year, such reference is to the Fiscal Year ending June 30 of that year.

"Mello-Roos Act" means the Mello-Roos Community Facilities Act of 1982, Chapter 2.5 of Part 1 of Division 2 of Title 5 (commencing with Section 53311) of the California Government Code.

"1913 Act" means the Municipal Improvement Act of 1913, Division 12 (commencing with Section 10000) of the California Streets and Highways Code.

"1915 Act" means the Improvement Bond Act of 1915, Division 10 of Part I (commencing with Section 8500) of the California Streets and Highways Code.

"1972 Act" means the Landscaping and Lighting Act of 1972, Part 2 of Division 15 (commencing with Section 22500) of the California Streets and Highways Code.

"Opinion of Counsel" means one or more written opinions of counsel, who may be an employee of or counsel to the Taxing Entity, which counsel shall be acceptable to the recipient of such opinion or opinions.

"Plymouth Park" means Plymouth Park Tax Services LLC, a Delaware limited liability company.

"Property" means, with respect to a Tax Receivable, the real property that is encumbered by the Tax Lien of such Tax Receivable.

"Property Owner" means, with respect to a Tax Receivable, the fee owner or owners of the related Property.

"Purchase Price" has the meaning set forth in Section 2.01(a) hereof.

"Purchased Fiscal Year" means, for a given Tax Receivable, the Fiscal Year ending on June 30, 2009, June 30, 2008, June 30, 20__, or June 30, 20__.

"Repurchase Date" means each date that Collections are required to be paid to the Certificate Owner pursuant to Section 3.02(b) hereof.

"Responsible Officer" means, with respect to the Taxing Entity, the finance director or chief financial officer of the Taxing Entity or any other official of the Taxing Entity customarily performing functions similar to those performed by any of the above designated officials, and also with respect to a particular matter, any other official of the Taxing Entity to whom such matter is referred because of such official's knowledge of and familiarity with the particular subject.

"Special Taxes" means special taxes levied by a Taxing Entity under the Mello-Roos Act.

"State" means the State of California.

"Tax Lien" means any lien that attaches, by operation of Section 2187 of the California Revenue and Taxation Code, to the fee interest in real property.

"Tax Receivable" means, with respect to a Property for a particular Fiscal Year, the portion of a delinquent installment of Special Taxes, Assessments or Fees and Charges on the secured tax roll of the County that:

(i) was levied by the Taxing Entity on one of the Properties listed on the Tax Receivables Schedule for such Fiscal Year in accordance with the Mello-Roos Act, the 1913 Act or the 1972 Act, or other applicable law, and is payable to the Taxing Entity if and when collected,

(ii) was levied on account of the applicable Purchased Fiscal Year, was delinquent as of the Cut-off Date and was shown as such on the Delinquent Tax Roll maintained by the County for the applicable Purchased Fiscal Year,

(iii) had not been received by the Taxing Entity as of the Cut-off Date,

(iv) is due and owing to the Taxing Entity in an amount equal to the amounts of taxes, penalties and accrued interest set forth on the Tax Receivables Schedule,

(v) includes all penalties and accrued interest thereon to the date of collection, and

(vi) has not become a Defective Tax Receivable.

"Tax Receivable Balance" means, with respect to a Tax Receivable as of a particular date, the sum of

(A) an amount equal to the delinquent Special Taxes, Assessments or Fees and Charges levied on behalf of the Taxing Entity and payable to the County Tax Collector with respect to such Tax Receivable as shown on the Tax Receivables Schedule,

(B) the 10% penalty payable on the Tax Receivable in accordance with Sections 2617 and 2618 of the California Revenue and Taxation Code, and

(C) interest accrued on the amount in clause (A) from the July 1 of the Fiscal Year following the Fiscal Year in which such Tax Receivable first became delinquent through the date of determination at the rate of 1.5% per month in accordance with Section 4103 of the California Revenue and Taxation Code, *less*

(D) any Collections thereon paid to the Certificate Owner and allocated to such amounts as of such particular date under Section 3.04 hereof.

"Tax Receivables Schedule" means the Schedule on the Compact Disk-ROM attached hereto as EXHIBIT A as such Schedule may be amended from time to time in accordance with Section 3.01(e) hereof.

"Taxing Entity" means the City of Norco, a California municipal corporation organized and existing under the laws of the State, including any entity with which it may be consolidated or which otherwise succeeds to the interests of the Taxing Entity.

Section 1.02. Other Definitional Provisions.

(a) All terms defined in this Agreement shall have the defined meanings when used in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein.

(b) As used in this Agreement and in any certificate or other document made or delivered pursuant hereto or thereto, accounting terms not defined in this Agreement or in any such certificate or other document, and accounting terms partly defined in this Agreement or in any such certificate or other document to the extent not defined, shall have the respective

meanings given to them under generally accepted accounting principles. To the extent that the definitions of accounting terms in this Agreement or in any such certificate or other document are inconsistent with the meanings of such terms under generally accepted accounting principles, the definitions contained in this Agreement or in any such certificate or other document shall control.

(c) The words "hereof", "herein", "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement; Article, Section, Schedule and Exhibit references contained in this Agreement are references to Articles, Sections, Schedules and Exhibits in or to this Agreement unless otherwise specified; and the term "including" shall mean "including without limitation."

(d) The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such terms.

(e) Any agreement, instrument or statute defined or referred to herein or in any instrument or certificate delivered in connection herewith means such agreement, instrument or statute as from time to time amended, modified or supplemented and includes (in the case of agreements or instruments) references to all attachments thereto and instruments incorporated therein; references to a Person are also to its permitted successors and assigns.

(f) The phrases "to the knowledge of the Taxing Entity," "to the Taxing Entity's knowledge," "to the best knowledge of the Taxing Entity" or other similar phrases used herein or in any certificate delivered pursuant hereto, shall mean that the Responsible Officer of the Taxing Entity signing this Agreement or such certificate, as the case may be, had no actual knowledge that the information referred to in connection with such phrase was incorrect in any material respect.

Section 1.03. Term of this Agreement.

This Agreement shall remain in full force and effect for the period during which any of the Tax Receivables purchased under this Agreement remains outstanding.

Article II

Purchase and Sale of Tax Receivables

Section 2.01. Purchase and Sale of Tax Receivables; Assignment of Rights.

(a) *Purchase and Sale.* In consideration of the Authority's promise to deliver on the Closing Date to or upon the order of the Taxing Entity the purchase price of the Tax Receivables in an amount equal to $_____ (the "Purchase Price"), the Taxing Entity does hereby sell, transfer, assign, set over and otherwise convey to the Authority, without recourse (but subject to the obligations herein), all right, title and interest of the Taxing Entity on the Closing Date, whether now owned or hereinafter acquired, in and to:

(i) the Tax Receivables;

(ii) all Collections in respect of the Tax Receivables since the Cut-off Date; and

(iii) the proceeds of any and all of the foregoing.

(b) *Collections.* The Authority shall be entitled, from and after the Closing Date, to receive all Collections with respect to the Tax Receivables.

(c) *Payment and Application of Purchase Price.* On the Closing Date, the Authority shall pay or cause to be paid the Purchase Price in immediately available funds by federal funds wire to or upon the order of the Taxing Entity. The Taxing Entity covenants that (i) it shall treat the Purchase Price as Special Tax or Assessment or other revenues for all purposes under the terms of the indenture, trust agreement, fiscal agent agreement, resolution or other document by which any bonds, notes or other evidences of indebtedness secured by the Tax Receivables were issued, and (ii) it shall apply the Purchase Price to the payment of any bonds, notes or other evidences of indebtedness secured by the Tax Receivables to the same extent that the proceeds of the Special Taxes, Assessments or Fees and Charges constituting the Tax Receivables would have been required to be applied had they been paid by the respective property owner before delinquency and received by the Taxing Entity.

(d) *Assignment of Enforcement Rights.* The Taxing Entity hereby assigns and transfers to the Authority, and its assigns, all of the Taxing Entity's rights to enforce the Tax Receivables, including without limitation the Taxing Entity's rights to judicially foreclose on delinquent installments of Special Taxes or Assessments under the Mello-Roos Act, the 1913 Act, the 1915 Act or the 1972 Act, or other applicable law, as applicable, and under common law or any other legal authority, subject only to such restrictions as are contained in this Agreement. The Taxing Entity acknowledges and agrees that the Authority will further assign the foregoing rights to enforce the Tax Receivables to the Certificate Owner.

Section 2.02. Closing Conditions. The obligation of the Authority to purchase the Tax Receivables and pay the Purchase Price thereof will be subject to the accuracy of the representations and warranties of the Taxing Entity herein, to the accuracy of statements to be made by or on behalf of the Taxing Entity, to the performance by the Taxing Entity of its obligations hereunder and to the following additional conditions precedent:

(a) *Executed Agreement.* At the Closing Date, this Agreement must have been authorized, executed and delivered by the respective parties thereto, and this Agreement and all official action of the Taxing Entity relating thereto must be in full force and effect and not have been amended, modified or supplemented.

(b) *Closing Documents.* The Authority must receive the following opinions and certificates (which may be consolidated into a single certificate for convenience), dated the Closing Date and acceptable to the Authority:

(1) *Legal Opinion of Bond Counsel.* An approving opinion of Bond Counsel to the effect that the obligations of the Taxing Entity and of the Authority under this Agreement are valid, binding and enforceable, and as to certain other matters, addressed to, and in form and substance satisfactory to, the Taxing Entity, the Authority and Plymouth Park. At the option of Bond Counsel, such opinion may be addressed to the Taxing Entity and the Authority, with reliance letters given to the other parties.

(2) *Certificate of the Taxing Entity.* A certificate signed by an appropriate official of the Taxing Entity to the effect that:

(i) the Taxing Entity is duly organized and validly existing as a California municipal corporation under the laws of the State,

(ii) the representatives of the Taxing Entity who executed this Agreement have been duly authorized to do so on behalf of the Taxing Entity,

(iii) the representations, agreements and warranties of the Taxing Entity herein are true and correct in all material respects as of the Closing Date,

(iv) the Taxing Entity has complied with all the terms of this Agreement which are required to be complied with by the Taxing Entity prior to or concurrently with the Closing Date, and

(v) the execution and delivery of this Agreement have been approved by resolution duly adopted by the governing board of the Taxing Entity, which resolution was duly and regularly adopted in accordance with all applicable legal requirements.

(3) *No Litigation Certificate.* A certificate signed by an appropriate official from the Taxing Entity stating that no litigation or other proceedings are pending or, to the knowledge of the Taxing Entity, threatened against the Taxing Entity in any court or other tribunal of competent jurisdiction, state or federal, in any way (A) restraining or enjoining the execution or delivery of this Agreement or the consummation of the transactions described in this Agreement, (B) contesting or affecting the validity of the Special Taxes, Assessments or Fees and Charges constituting the Tax Receivables that are to be sold under this Agreement, this Agreement or any transaction described in this Agreement, (C) questioning or affecting the organization or existence of the Taxing Entity or the title to office of the officers thereof or (D) questioning or affecting the power and

authority of the Taxing Entity to enter into this Agreement and perform its obligations hereunder or to levy and collect the Special Taxes, Assessments or Fees and Charges constituting the Tax Receivables that are to be sold under this Agreement.

(4) *Certified Resolution.* A certificate of the clerk or secretary of the governing board of the Taxing Entity, together with fully executed copies of the Taxing Entity's resolution approving this Agreement and the transactions described herein, to the effect that:

(i) such copies are true and correct copies of the resolution; and

(ii) the resolution was duly adopted and has not been modified, amended, rescinded or revoked and is in full force and effect on the Closing Date.

(5) *Other Documents.* Such additional legal opinions, certificates, proceedings, instruments and other documents as the Authority, Plymouth Park or Bond Counsel may reasonably request to evidence compliance (A) by the Authority and the Taxing Entity with legal requirements, (B) the truth and accuracy, as of the Closing Date, of the representations of the Taxing Entity contained in this Agreement, (iii) the due performance or satisfaction by the Authority and the Taxing Entity at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Authority and the Taxing Entity.

(c) *Execution and Delivery of Certificate of Participation.* The Certificate of Participation must have been executed and delivered to the Certificate Owner, and the Certificate Owner must have paid the purchase price of the Certificate of Participation in full. All conditions to the execution and delivery of the Certificate of Participation must have been satisfied and all actions required to execute and deliver the Certificate of Participation must have been taken.

Section 2.03. Reserved.

Section 2.04. Pledge.

Although the parties hereto intend that the sale of the Tax Receivables by the Taxing Entity to the Authority be characterized as an absolute sale rather than a secured borrowing, if the sale of the Tax Receivables is deemed to be a secured borrowing, then in order to secure the Taxing Entity's obligations to the Authority hereunder, the Taxing Entity takes the actions set forth below.

(a) The Taxing Entity hereby pledges, assigns and grants a lien to the Authority on the following (the "Collateral"):

(i) the Tax Receivables;

(ii) the Collections; and

(iii) all proceeds of the foregoing.

(b) The Taxing Entity represents and warrants to the Authority that:

(i) this Agreement creates a valid and continuing lien on the Collateral in favor of the Authority, which is prior to all other liens, and is enforceable as such as against creditors of and purchasers from the Taxing Entity;

(ii) the Taxing Entity owns and has good and marketable title to the Collateral free and clear of any lien, claim or encumbrance of any person;

(iii) other than the lien granted to the Authority pursuant to this Agreement, the Taxing Entity has not pledged, assigned, sold, granted a lien on, or otherwise conveyed any of the Collateral;

(iv) the Taxing Entity is not aware of any judgment or tax lien filings against the Taxing Entity.

These representations and warranties shall survive the Closing and may not be waived.

Section 2.05. Release of Collateral upon Repurchase of Tax Receivables. Any Tax Receivable that is repurchased by the Taxing Entity in accordance with this Agreement shall be released from the Collateral when the required payment is made pursuant to Section 3.01(e) of this Agreement. Promptly upon such release, the Authority shall amend the Tax Receivables Schedule to reflect the release of such Tax Receivable from the terms of this Agreement. Such Tax Receivable shall cease to be a part of the Collateral and be released from, and no longer be subject to, the pledge of this Agreement. The Authority agrees to take or cause to be taken such actions and to execute, deliver and record such instruments and documents as may be set forth in a written request of the Taxing Entity to release such Tax Receivable from the lien of this Agreement.

Section 2.06. Purchase of Future Tax Receivables.

(a) Taxing Entity hereby agrees to sell to the Authority and, subject to subdivision (b) of this section the Authority agrees to purchase, in the same manner as set forth in Sections 2.01 and 2.02 above, under separate purchase and sale agreements containing substantially similar terms and conditions to those set forth in this Agreement, Tax Receivables with respect to Fiscal Years 2010-11 and 2011-12. The Authority shall have the discretion to purchase only a portion of the Tax Receivables, as set forth in subsection (b) below.

(b) If the Authority elects not to purchase all or any portion of the Special Taxes, Assessments or Fees and Charges constituting the Tax Receivables for Fiscal Years 2010-11 and 2011-12, it shall deliver to the Taxing Entity written notice of its election to discontinue purchasing the Tax Receivables (a "Notice of Discontinuance") no later than March 30 of the Fiscal Year prior to the Fiscal Year to which the Tax Receivables pertain (such March 30 being the "Effective Date of the Notice"). The notice shall identify the Special Taxes, Assessments or Fees and Charges which the Authority elects not to purchase (the "Non-Purchased Receivables").

Section 2.07. Enforcement Proceedings.

(a) *Agreement Not to Exercise Enforcement Rights.* The Authority hereby agrees that, so long as it has not delivered a Notice of Discontinuance evidencing its election to discontinue purchasing a specific Tax Receivable under Section 2.06(b) above and so long as the Taxing Entity remains obligated to sell at least one Fiscal Year's future Tax Receivables under Section 2.06 above, the Authority will not exercise its rights under Section 2.01(d) to enforce the Special Taxes or Assessments constituting that Tax Receivable.

(b) *Subordination of Rights.* If at any time, and for any reason, Tax Receivables arise that are not purchased by the Authority (herein, the "Non-Purchased Receivables"), then the Authority hereby agrees that the lien securing payment of the Non-Purchased Receivables shall have priority over the lien securing payment of the Tax Receivables purchased by the Authority (herein, the "Purchased Receivables"). Both the Authority and the Taxing Entity shall retain the right to judicially foreclose on their respective liens at any time as may otherwise be authorized by law. If the Taxing Entity commences judicial foreclosure to enforce payment of the Non-Purchased Receivables, and the proceeds of any resulting foreclosure sale are insufficient to pay in full the amount due and owing on the Non-Purchased Receivables and the Purchased Receivables, the Taxing Entity shall have priority over the Authority to recover all amounts due and owing with respect to the Non-Purchased Receivables before the Authority shall be entitled to recover any portion of the amounts due and owing with respect to the Purchased Receivables. Any amounts not paid on the Purchased Receivables from the proceeds of the Taxing Entity's foreclosure sale will thereupon become unsecured, and the lien as to the unpaid Purchased Receivables will thereupon be considered released and of no further effect; and the Authority and its assignee agree to execute and deliver any and all documents reasonably necessary to memorialize and give effect to the release of the lien. The intent is that the purchaser at the Taxing Entity's foreclosure sale will take the property free and clear of any lien related to the unpaid Purchased Receivables.

(c) *Assignment of Enforcement Rights and Obligations.* The Taxing Entity hereby expressly delegates, transfers and conveys authority to the Authority to take all actions, subject to subdivision (a) of this Section 2.07, as the Authority may in its sole discretion deem necessary or desirable to pursue foreclosure of any properties securing the Purchased Receivables, including without limitation the following:

(1) The Authority may order the applicable foreclosure actions, record a notice of intention to remove the delinquent installments to be foreclosed upon from the County tax rolls ("Notice of Intention"), provide the Notice of Intention to the County tax collector with a written request to remove the subject delinquent installments from the tax roll, file the complaint in foreclosure in superior court in its own name on behalf of the Taxing Entity (or, if applicable, the community facilities district established under the Mello-Roos Act), and record a notice of pendency of action (*lis pendens*) with the County recorder.

(2) The Authority may thereafter pursue the foreclosure action to completion, by causing any of the following actions to be taken:

(i) it may obtain a judgment in its favor for the amount of the Purchased Receivables, applicable penalties and interest, and all attorney fees and costs of suit;

(ii) it may cause a writ of sale to issue from the superior court to the levying officer;

(iii) it may provide the levying officer with all information and documents (and deposits of levying officer costs where required) necessary for the levying officer to conduct the sale;

(iv) If the property does not sell at the foreclosure sale, then the Authority may seek an amended judgment at a reduced sale price, and thereafter follow the steps listed in (ii) and (iii) above to cause the levying officer to conduct a second sale of the property at the reduced sale price.

(3) Notwithstanding anything to the contrary in this agreement, all installments of the Non-Purchased Receivables against the subject properties becoming delinquent after the Effective Date of the Notice but prior to the entry of a foreclosure judgment or amended judgment may, with the concurrence of both the Authority and the Taxing Entity, be included by the Authority in the judgment or amended judgment, as applicable, and if it does so and there is a successful sale, the proceeds of such Non-Purchased Receivables received from the sale, along with applicable penalties and interest, shall be distributed to the Taxing Entity within 30 days of receipt thereof by the Authority.

(d) *Further Assignment of Enforcement Rights and Obligations to Certificate Owner.* The Taxing Entity acknowledges and agrees that all of the foregoing rights and obligations regarding enforcement of Tax Receivables will be assigned to and assumed by the Certificate Owner.

Article III

The Tax Receivables

Section 3.01. Representations, Warranties and Covenants as to the Tax Receivables.

(a) *Representations and Warranties.* The Taxing Entity hereby represents and warrants to the Authority and Plymouth Park that, to the knowledge of the Taxing Entity, (1) as of the Closing Date for the Tax Receivables, the information set forth in the Tax Receivables Schedule will be correct in all material respects, and (2) as to each Tax Receivable transferred hereunder, as of the Closing Date:

(i) the Taxing Entity was the sole owner of such Tax Receivable;

(ii) the Taxing Entity had full right and authority to sell such Tax Receivable as provided in this Agreement;

(iii) the Taxing Entity sold such Tax Receivable free and clear of any and all liens, pledges, charges, security interests or any other statutory impediments to transfer created by or imposed upon the Taxing Entity encumbering such Tax Receivable (but subject to the right of redemption by the related Property Owner), except for liens that will be discharged by the application of the proceeds of the sale thereof;

(iv) the sale of such Tax Receivable by the Taxing Entity did not contravene or conflict with any laws, rules or regulations or any contractual or other restriction, limitation or encumbrance applicable to the Taxing Entity;

(v) the Special Taxes, Assessments or Fees and Charges of which the Tax Receivable constitutes a portion were validly levied by the County in accordance with all applicable provisions of the laws, rules and regulations of the State and of the County;

(vi) the amount of the Tax Receivable includes the installments of Special Taxes, Assessments and Fees and Charges on the secured tax roll which have been levied by the County on behalf of the Taxing Entity during the applicable Purchased Fiscal Year which were delinquent as of the Cut-off Date;

(vii) the Tax Receivable was secured by a legal, valid, binding and enforceable lien on the related Property;

(viii) the Property encumbered by the lien of the Tax Receivable was, as of the Closing Date, not encumbered by a tax lien securing any delinquent Special Taxes, Assessments or Fees and Charges assessed with respect to any fiscal year ending on or prior to June 30, 20__;

(ix) the lien of the Tax Receivable represented a valid, proper and enforceable lien on the related Property, the priority of which was subject only to other Tax Liens on such Property and to certain other priorities prescribed by statute;

(x) the amount of such Tax Receivable payable by the related Property Owner includes a 10% penalty on the portion of such Tax Receivable consisting of delinquent Special Taxes, Assessments or Fees and Charges;

(xi) interest payable by the related Property Owner has accrued and will continue to accrue on the delinquent Special Taxes, Assessments or Fees and Charges of which the Tax Receivable constitutes a portion from July 1 of the Fiscal Year following the Fiscal Year in which such Tax Receivable first became delinquent to the date of payment of such taxes at the rate of 1.5% per month (not compounded) as provided in California Revenue and Taxation Code Section 4103;

(xii) such Tax Receivable had not been discharged or disallowed (in whole or in part) in a bankruptcy proceeding;

(xiii) such Tax Receivable had not been compromised, adjusted or modified (including by the granting of any discounts, allowances or credits, but not including installment payment plans in accordance with law);

(xiv) such Tax Receivable was not subject to a foreign government's diplomatic immunity from enforcement or treaty with the United States of America;

(xv) there existed no fact, condition or circumstance that would prevent the County from being able to sell the related Property in a tax sale upon the expiration of a period of five years from July 1 of the Fiscal Year after the Fiscal Year in which the related Special Taxes, Assessments or Fees and Charges became delinquent;

(xvi) no right of rescission, setoff, counterclaim or defense had been asserted with respect to such Tax Receivable;

(xvii) such Tax Receivable does not relate to a Property owned by a Property Owner that is subject to any bankruptcy proceeding commenced prior to the Closing Date;

(xviii) such Tax Receivable does not relate to a Property owned by a federal, state, or local governmental entity; and

(xix) the Taxing Entity has not waived any penalties or interest with respect to such Tax Receivable.

(b) *Survival of Representations and Warranties; Liability of the Taxing Entity.*

(i) The Taxing Entity acknowledges that the Authority will assign to the Certificate Owner all of its rights and remedies with respect to the breach of any representations and warranties of the Taxing Entity under this Agreement. It is understood and agreed that the representations and warranties set forth in this Section 3.01 and Section 2.04 shall survive the consummation of the sale of the Tax Receivables on the Closing Date and shall inure to the benefit of the Authority and the Certificate Owner.

(ii) It is understood and agreed that the representations and warranties made by the Taxing Entity in Section 3.01(a) hereof are made solely for the purpose of

establishing the criteria for establishing the existence of a Defective Tax Receivable, and in no case shall the Taxing Entity or any of its officers or employees have any liability based upon any knowledge that such representations and warranties were in fact false at the time they were made, other than the obligation of the Taxing Entity to repurchase Defective Tax Receivables as provided in this Agreement.

(c) *Defective Tax Receivables.* Upon discovery by the Taxing Entity, the Authority, or the Certificate Owner (based on information provided by the County, examination of the Delinquent Tax Roll, or otherwise) of a breach of any of the foregoing representations and warranties (without regard to any knowledge qualifier) that materially and adversely affects the value of any Tax Receivable (such Tax Receivable, a "Defective Tax Receivable"), the party making such discovery shall notify the Taxing Entity and the Certificate Owner of such discovery.

The Authority may, at its option, or shall, if and to the extent required by the Certificate Owner under the Certificate Purchase Agreement, require the Taxing Entity to repurchase the Defective Tax Receivable. Under no circumstances will the Taxing Entity have the right to require the resale of a Defective Tax Receivable to the Authority. The Taxing Entity shall have no right to substitute another Tax Receivable for a Defective Tax Receivable.

If the Authority or the Certificate Owner elect to require the Taxing Entity to repurchase a Defective Tax Receivable, the Authority shall give written notice to the Taxing Entity. Such notice must (i) identify the Defective Tax Receivable and describe in reasonable detail the nature of the breach, (ii) if the Tax Receivable Balance as of the Closing Date is determined to be less than the amount thereof shown on the Tax Receivables Schedule, state the amount of such deficiency and (iii) be accompanied by documentation from the County which reasonably establishes the factual basis for the determination of the breach.

For purposes of clause (ii) of the preceding sentence, if the adjustments to the Tax Receivable Balance result from adjustments to the Delinquent Tax Roll provided by the County, the Authority will use its best reasonable efforts to obtain the reason(s) for the adjustments from the County, but if the Authority is unable to obtain such reasons despite using its best reasonable efforts to do so, such inability shall not be grounds for rejection or disallowance of the adjustment.

(d) *Effect of Reduced Tax Receivable Amount.* By way of illustration and not limitation, it is understood and agreed that amounts due with respect to a Tax Receivable may be reduced as a result of changes in any applicable exemptions of the related Property pursuant to an appeal proceeding with respect to the applicable Special Taxes, Assessments or Fees and Charges. The rights of the parties hereto shall be governed as if any such reduction constitutes a breach by the Taxing Entity of its representation and warranty as to the amount of the related Tax Receivable as set forth on the Tax Receivables Schedule.

If any Tax Receivable becomes a Defective Tax Receivable solely as a result of the determination that the Tax Receivable Balance as of the Closing Date (or applicable Repurchase Date) was less than the amount set forth on the Tax Receivables Schedule, then only the amount of the reduction of such Tax Receivable shall be deemed to be repurchased and such Tax Receivable, at its reduced Tax Receivable Balance, shall continue to be a Tax Receivable for all purposes of this Agreement.

(e) *Cure or Purchase of Defective Tax Receivables.* As to any Defective Tax Receivable, on or prior to the next date on which the Taxing Entity receives the normal payments of special taxes and assessment installments from the County following the day on which it is discovered that what was supposed to be a Tax Receivable is, in fact, a Defective Tax Receivable, the Taxing Entity shall, at its option, either (A) cure or cause to be cured such breach or (B) pay to the Certificate Owner, in immediately available funds, the Defective Tax Receivable Purchase Amount.

If any Tax Receivable is determined to be a Defective Tax Receivable prior to the time the Purchase Price is paid on the Closing Date, the Defective Tax Receivable Purchase Amount may, at the option of the Certificate Owner, be subtracted from the Purchase Price payable to the Taxing Entity on the Closing Date.

The obligations of the Taxing Entity under this Section 3.01(e) shall constitute the sole remedies available to the Authority and the Certificate Owner with respect to a Defective Tax Receivable and the Taxing Entity shall not incur any other liability to the Authority or the Certificate Owner or any other Person because of any inaccuracy of any representation or warranty made under this Section 3.01 with respect to the Tax Receivables. Upon the repurchase of a Defective Tax Receivable by the Taxing Entity, the Authority shall cause the Tax Receivables Schedule to be amended to delete the Defective Tax Receivable, and the Taxing Entity shall have no further liabilities or obligations with respect to such Defective Tax Receivable.

(f) *Pledge of Subsequent Tax Revenues.* The Taxing Entity hereby irrevocably grants and pledges to the Authority, to the extent permitted by applicable law, a first lien and claim in and to all Collections to which the Taxing Entity is entitled under State law during each of the Fiscal Years subsequent to the applicable Purchased Fiscal Year to which the Collection relates in order to secure its obligation to make any payment to the Certificate Owner under Section 3.01(e) above.

(g) *Certificate Owner's Calculation of Defective Tax Receivables.* The Authority shall cause the Certificate Owner's calculations and/or recalculations of any adjustments made under this Section 3.01 (herein, "Adjustments") to be delivered to the Taxing Entity. The Taxing Entity shall have 10 Business Days after delivery thereof to review the Adjustments and submit to the Authority any objections, whereupon the Authority will transmit such objections to the Certificate Owner and, if received from the Certificate Owner, deliver revised Adjustments to the Taxing Entity. If the Taxing Entity does not respond to any such Adjustments (as they may be revised) within 10 Business Days after delivery, such Adjustments shall be deemed final and binding on the Taxing Entity, and the Taxing Entity shall remit any payment required by Section 3.01(e).

Section 3.02. Enforcement and Collection; Assignment of Rights.

(a) *Enforcement of Rights by Certificate Owner.* The Certificate Owner shall be entitled to assert all right, title, and interest of the Taxing Entity in the enforcement and collection of the Tax Receivables, including but not limited to the Taxing Entity's lien priority and the Taxing Entity's right to receive the Collections on the Tax Receivables, and the Taxing Entity's right to judicially foreclose upon the Properties securing the payment of the Tax Receivables.

From and after the Closing Date, the Taxing Entity shall have no rights whatsoever in and to the Tax Receivables, including but not limited to the right to receive any Collections in

respect of the Tax Receivables, except with respect to Defective Tax Receivables repurchased by the Taxing Entity in accordance with Section 3.01 hereof.

The Taxing Entity shall cooperate fully with the Authority and the Certificate Owner as may be reasonably required by the Authority and the Certificate Owner to exercise any rights granted to the Authority under this Agreement and assigned to the Certificate Owner. The Taxing Entity shall take all actions as may be required by law fully to preserve, maintain, defend, protect and confirm the interests of the Authority and the Certificate Owner in the Tax Receivables and the Collections.

(b) *Change of Records; Further Actions and Assurances.* On or before the Closing Date, the Taxing Entity shall mark its appropriate records so that, from and after the Closing Date, records of the Taxing Entity shall indicate that such Tax Receivables have been sold. The Taxing Entity hereby agrees to (i) execute, deliver and cause to be approved and/or recorded all documents, and take all actions, as may be required to assign the Tax Receivables and the Collections to the Authority under this Agreement, and to notify the County of the assignments made under this Agreement, and (ii) execute, deliver and cause to be approved all amendments to any documents under which bonds or other debt secured by the Tax Receivables were issued as may be required to assign the Tax Receivables and the Collections to the Authority under this Agreement, and to notify any applicable bond trustee, fiscal agent or payment agent of the assignments made under this Agreement.

The Taxing Entity shall take all reasonable actions as may be required to cause the Collections, when remitted by the County to the Taxing Entity, to be immediately remitted by or on behalf of the Taxing Entity to the Certificate Owner by federal funds wire transfer. If the Certificate Owner or the Authority becomes aware of Collections that have been remitted by the County to the Taxing Entity and not paid to the Certificate Owner, the Certificate Owner or the Authority may notify the Taxing Entity in writing and the Taxing Entity agrees to take all actions required to remit those Collections to the Certificate Owner as soon as possible. If any Collections are not remitted to the Certificate Owner within 10 business days of such notice, the Taxing Entity agrees to pay to the Certificate Owner upon demand interest on the amount of such unpaid Collections at the rate of 10% per annum for each day such Collections remain unpaid after such date.

(c) *Covenant Not to Waive Penalties.* The Taxing Entity agrees not to waive all or any portion of delinquency penalties and redemption penalties as permitted by Section 53340 of the Mello-Roos Act or any other provision of applicable law with respect to any delinquent Special Taxes, Assessments or Fees and Charges included within the Tax Receivables.

Section 3.03. Consent to Assignment; Further Certificates.

(a) *Consent to Assignment of Collections and Sale of Certificate of Participation.* The Taxing Entity acknowledges that all of the Collections have been assigned by the Authority to the Certificate Owner and that the Certificate of Participation evidences the right of the Certificate Owner to receive the Collections. The Taxing Entity hereby consents to (i) such assignment of the Collections and (ii) the sale of the Certificate of Participation to the Certificate Owner. The Taxing Entity hereby waives any right of setoff it may have against the Authority with respect to the Collections and agrees to pay or cause to be paid to the Certificate Owner all Collections free and clear of any such claims or right of setoff.

(b) *Consent to Assignment of Rights to Certificate Owner.* The Taxing Entity acknowledges that the rights of the Authority under this Agreement to enforce the obligations of the Taxing Entity under this Agreement have been assigned by the Authority to the Certificate Owner. The Taxing Entity hereby consents to such assignment and agrees that the right to enforce the obligations of the Taxing Entity under this Agreement have vested in the Certificate Owner.

(c) *Agreement to Provide Certifications and Seek Opinions.* The Taxing Entity acknowledges that the financing of the purchase of the Tax Receivables hereunder has been financed or may be refinanced from time to time by the issuance of securities that may require the rating of such securities by securities rating agencies, and the Taxing Entity agrees to provide the Certificate Owner with such further truthful certifications and to use its best efforts to seek such further opinions after the Closing Date that may be reasonably requested by the Certificate Owner in order to obtain such securities ratings, provided that the out-of-pocket costs to the Taxing Entity of providing any such certifications and opinions shall be borne by the Certificate Owner.

Section 3.04. Allocation of Tax Collections. For all purposes of this Agreement, Collections received by the Taxing Entity with respect to any Tax Receivable shall be allocated as follows:

(i) first, to interest accrued on the amount in clause (iv) below on the Tax Receivable from and including the Closing Date calculated in accordance with California Revenue and Taxation Code Section 4103,

(ii) second, to interest accrued on the amount in clause (iv) from July 1 of the Fiscal Year following the Fiscal Year in which such Tax Receivable first became delinquent to and excluding the Closing Date calculated in accordance with California Revenue and Taxation Code Section 4103,

(iii) third, to the 10% penalty payable on the Tax Receivable, and

(iv) fourth, to the delinquent Special Taxes, Assessments or Fees and Charges payable to the Taxing Entity shown with respect to such Tax Receivable on the Tax Receivables Schedule.

Article IV

The Taxing Entity

Section 4.01. Representations of Taxing Entity. The Taxing Entity makes the following representations on which the Authority is deemed to have relied in acquiring the Tax Receivables. The representations speak as of the Closing Date, and shall survive the sale of the Tax Receivables to the Authority and the pledge thereof to the Certificate Owner pursuant to the Certificate Purchase Agreement.

(a) *Due Organization, Existence and Authority.* The Taxing Entity is a _____, duly organized and validly existing under the laws of the State, has full legal right, power and authority under the Constitution and laws of the State to enter into this Agreement, to sell the Tax Receivables and the Collections to the Authority, and to carry out and consummate all transactions contemplated hereby.

(b) *Due Execution.* By all necessary official action of the governing board of the Taxing Entity, the Taxing Entity has duly authorized and approved the execution and delivery of, and the performance by it of the obligations contained in this Agreement, and, as of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded.

(c) *Valid, Binding and Enforceable Obligations.* This Agreement constitutes the legal, valid and binding obligation of the Taxing Entity, enforceable in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors' rights, generally.

(d) *No Conflicts.* The authorization, execution and delivery of this Agreement and compliance with the provisions of this Agreement do not and will not conflict with or constitute a breach of or default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment, decree, license, permit, trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the Taxing Entity (or any of its officers in their respective capacities as such) are subject, or by which it or any of its properties are bound.

(e) *Consents and Approvals.* No consent or approval of any trustee or holder of any indebtedness of the Taxing Entity or of the voters of the Taxing Entity, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority, is necessary in connection with the execution and delivery of this Agreement, or the consummation of any transaction herein or therein contemplated, except as have been obtained or made and as are in full force and effect.

(f) *No Litigation.* No action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, is pending with service of process accomplished or, to the knowledge of the Taxing Entity, pending or threatened

(i) in any way questioning the corporate existence of the Taxing Entity or the titles of the officers of the Taxing Entity to their respective offices that would have any material likelihood of affecting the obligations of the Taxing Entity under this Agreement;

(ii) contesting the validity of Article 1 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the Government Code of the State of California or the power and authority of the Taxing Entity to sell the Tax Receivables to the Authority;

(iii) affecting, contesting or seeking to prohibit, restrain or enjoin the execution and delivery of this Agreement, the sale of the Tax Receivables by the Taxing Entity to the Authority, or the payment of Collections on the Tax Receivables to the Certificate Owner;

(iv) in any way contesting of affecting the validity of this Agreement or the consummation of the transactions contemplated hereby; or

(v) which may result in any material adverse change relating to the Taxing Entity.

Section 4.02. Additional Representations and Agreements. The Taxing Entity makes the following additional representations and agreements on which the Authority is deemed to have relied in acquiring the Tax Receivables:

(a) The Taxing Entity has transferred the Tax Receivables to the Authority pursuant to this Agreement for the purchase price specified in this Agreement in cash. The consideration paid to the Taxing Entity represents the fair market value of the Tax Receivables. This consideration was agreed upon as the result of arm's length negotiations. The Taxing Entity has attempted to obtain the maximum available financial benefits to the Taxing Entity consistent with other objectives and requirements of the Taxing Entity.

(b) The Taxing Entity properly treats the transfer of the Tax Receivables to the Authority as a sale pursuant to generally accepted accounting principles.

(c) There are no other agreements between the Taxing Entity and the Authority relating to or affecting the Tax Receivables, other than this Agreement.

(d) The Taxing Entity does not receive any payments with respect to the Tax Receivables, except pursuant to this Agreement.

(e) The Taxing Entity will mark its appropriate records so that they indicate the Tax Receivables have been sold. Such records of the Taxing Entity may be in the form of a computer tape, microfiche, or other electronic or computer media.

(f) The Taxing Entity at all times has maintained and will maintain its respective books, financial records and accounts (including, without limitation, inter-entity transaction accounts) in a manner so as to identify separately the assets and liabilities of the Taxing Entity from the Authority.

(g) The Taxing Entity at no time has commingled or will commingle any of its assets, funds, liabilities or business functions with the assets, funds, liabilities or business functions of the Authority or any other person or entity.

(h) The Taxing Entity at all times has observed and will observe all applicable corporate or municipal procedures and formalities, including, where applicable, the holding of regular, periodic and special meetings of governing bodies, the recording and maintenance of minutes of such meetings, and the recording and maintenance of resolutions, if any, adopted at such meetings.

(i) None of the transactions with respect to which this Agreement is being delivered have been entered into by the Taxing Entity with the intent to hinder, delay or defraud any of the creditors of the Authority. The Taxing Entity will not be consensually merged or consolidated with the Authority. This shall not prevent the Taxing Entity from being a member of the Authority.

(j) All transfers of assets or funds between the Taxing Entity on the one hand and the Authority on the other hand have been and will be on terms that are fair and equitable and consistent with arms-length negotiations.

(k) All transactions and agreements between the Taxing Entity on the one hand and the Authority on the other hand have reflected and will reflect the separate legal existence of each entity and have been and will be formally documented in writing. The pricing and other material terms of all such transactions and agreements have been and will be fair and equitable and consistent with arms-length negotiations.

(l) All transactions and agreements between the Taxing Entity and third parties have been and will be conducted in the name of the Taxing Entity as an entity separate and independent from the Authority.

(m) The Taxing Entity has paid and will pay its liabilities and losses from its own separate assets. In furtherance of the foregoing, the Taxing Entity has compensated and will compensate all consultants, independent contractors and agents from its own funds for services provided to it by such consultants, independent contractors and agents.

(n) The Taxing Entity has not at any time jointly contracted or done business, or will jointly contract or do business, with vendors or service providers or share overhead expenses with the Authority. To the extent that the Taxing Entity or the Authority has contracted or done business or will contract or do business with vendors or service providers where the goods or services in question are wholly or partially for the benefit of the other, then the costs incurred in so doing at all times have been or will be fairly and non-arbitrarily allocated to the entity for whose benefit such goods or services have been or will be provided, with the result that each such entity has borne or will bear its fair share of all such costs.

(o) The Taxing Entity at all times will have separate annual financial statements, prepared in accordance with generally accepted accounting principles, that reflect the separate assets and liabilities of such entity and all transactions and transfers of funds involving such entity, and the Taxing Entity has paid or borne the cost and will pay or bear the cost of the preparation of its own financial statements regardless

whether such statements (whether audited or unaudited) have been or will be prepared internally or by a certified public accounting firm that has prepared or will prepare the financial statements of more than one of such entities.

(p) Neither the Taxing Entity nor any of its affiliates has made or will make any inter-entity loans, advances, guarantees, extensions of credit or contributions of capital to, from or for the benefit of the Authority without proper documentation or accounting satisfactory to its and the Authority's outside accountants.

(q) The Taxing Entity in its papers and in the statements of its officials at all times has referred and will refer to the Authority as a separate and independent legal entity.

(r) Sales of assets to the Authority by the Taxing Entity, including but not limited to the Tax Receivables, at all times have constituted and will constitute absolute transfers and conveyances, for fair and reasonably equivalent consideration, of all of the seller's right, title and interest in, to and under those assets for all purposes.

(s) In becoming a member of the Authority, the Taxing Entity has relied and is relying upon the fact that the Authority at all times has been and will continue to remain an entity the legal existence of which is separate and distinct from that of the Taxing Entity.

(t) The Taxing Entity at no time has taken or will take any action that is inconsistent with any of the foregoing assumptions and that has given or will give (a) any creditor or future creditor of the Authority cause to believe mistakenly that any obligation incurred by the Taxing Entity has been or will be not only the obligation of the Taxing Entity, but also of the Authority, or (b) any creditor or future creditor of either the Taxing Entity or the Authority cause to believe mistakenly that the Taxing Entity and the Authority have not been or will not continue to remain separate and distinct entities.

Article V

Miscellaneous

Section 5.01. Amendment.

This Agreement may be amended by an instrument in writing signed by the Taxing Entity, the Authority and the Certificate Owner.

Section 5.02. Entire Agreement. This Agreement shall constitute the entire agreement between the parties hereto and is made solely for the benefit of the parties hereto. No other person shall acquire or have any right hereunder by virtue hereof, except as provided herein.

Section 5.03. Notices. All notices or communications to be given under this Agreement shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or at such address as the party may provide to the other party in writing from time to time. Notice shall be effective either (a) upon actual receipt after deposit in the United States mail, postage prepaid, or (b) in the case of personal delivery to any person, upon actual receipt. The Authority or the Taxing Entity may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder.

If to the Authority:	California Finance Authority for Delinquent Special Taxes and Assessments _____ _____, CA 9_____ Attn: Chair
If to the Taxing Entity:	City of Norco 2870 Clark Avenue Norco, CA 92860 Attn: City Attorney and City Treasurer

Section 5.04. No Assignment by the Taxing Entity. Notwithstanding anything to the contrary contained herein, this Agreement may not be assigned by the Taxing Entity.

Section 5.05. Limitations on Rights of Others. The provisions of this Agreement are solely for the benefit of the Taxing Entity, the Authority and the Certificate Owner, which is expressly made a third party beneficiary of this Agreement, and nothing in this Agreement, whether express or implied, shall be construed to give to any other Person any legal or equitable right, remedy or claim under or in respect of this Agreement or any covenants, conditions or provisions contained herein.

Section 5.06. ***[Reserved].***

Section 5.07. Non-Liability of Authority. The Authority shall not be liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reason of or in connection with this Agreement, except only to the extent amounts are received for the payment thereof from the Certificate Owner.

Section 5.08. Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 5.09. Separate Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

Section 5.10. Headings. The headings of the various Articles and Sections herein are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

Section 5.11. Governing Law and Venue. (a) This Agreement shall be construed in accordance with the laws of the State, without reference to its conflict of law provisions, and the obligations, rights and remedies of the parties hereunder shall be determined in accordance with such laws.

(b) To the extent permitted by law, the parties hereto agree that any and all claims asserted against the Authority arising under this Agreement or related thereto shall be heard and determined either in the courts of the United States located in Sacramento, California or in the California State Courts located in Sacramento, California.

(c) If the Taxing Entity commences any action against the Authority in a court located other than in Sacramento, California, upon request of the Authority, the Taxing Entity shall either consent to a transfer of the action to a court of competent jurisdiction located in Sacramento, California or, if the court where the action is initially brought will not or cannot transfer the action, the Taxing Entity shall consent to dismiss such action without prejudice and may thereafter reinstitute the action in a court of competent jurisdiction in Sacramento, California.

(d) To the extent permitted by law, the parties hereto agree that any and all claims asserted against the Taxing Entity arising under this Agreement or related thereto shall be heard and determined either in the courts of the United States located in Riverside County, California or in the California State Courts located in Riverside County, California.

(e) If the Authority commences any action against the Taxing Entity in a court located other than in Riverside County, California, upon request of the Taxing Entity, the Authority shall either consent to a transfer of the action to a court of competent jurisdiction located in Riverside County, California or, if the court where the action is initially brought will not or cannot transfer the action, the Authority shall consent to dismiss such action without prejudice and may thereafter reinstitute the action in a court of competent jurisdiction in Riverside County, California.

(f) With respect to any action between the Taxing Entity and the Authority in California State Court brought in accordance with the provisions of this Section, the Taxing Entity and the Authority each hereby expressly waives and relinquishes any rights either might otherwise have (A) to move to dismiss on grounds of forum non conveniens; (B) to remove to Federal Court; and (C) to move for a change of venue to a California State Court outside the county in which it is pending.

(g) With respect to any action between the Taxing Entity and the Authority in Federal Court brought in accordance with the provisions of this Section, the Taxing Entity and the Authority each hereby expressly waives and relinquishes any right either might otherwise have to move to transfer the action to another United States Court.

(f) To facilitate this Agreement and intent, both parties agree to accept service of process either in person, or by registered mail addressed to the party at its address as set forth in this Agreement, or to such other address as the parties may provide to each other in writing.

Section 5.12. Nonpetition Covenants. Notwithstanding any prior termination of this Agreement, the Taxing Entity shall not, prior to the date which is one year and one day after the termination of this Agreement with respect to the Authority, acquiesce, petition or otherwise invoke or cause the Authority to invoke the process of any court or government authority for the purpose of commencing or sustaining a case against the Authority under any Federal or state bankruptcy, insolvency or similar law or appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official of the Authority or any substantial part of its property, or ordering the winding up or liquidation of the affairs of the Authority.

Section 5.13. Successor Is Deemed Included in All References to Predecessor. Whenever in this Agreement either the Taxing Entity, the Authority or the Certificate Owner is named or referred to, such reference shall be deemed to include the successors thereof, and all the covenants and agreements in this Agreement by or for the benefit of the Taxing Entity, the Authority and the Certificate Owner shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

Section 5.14. Waiver of Personal Liability. No member, officer, agent or employee of the Authority or the Taxing Entity shall be individually or personally liable for the payment of any amount due hereunder or be subject to any personal liability or accountability by reason of the transactions described herein; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law or by this Agreement.

Section 5.15. Taxing Entity Authorizing Resolution. The officer of the Taxing Entity whose signature is set forth below is the duly elected or appointed, qualified and acting officer of the Taxing Entity, who is duly authorized to execute and deliver the foregoing Agreement on behalf of the Taxing Entity.

Attached hereto as EXHIBIT B is the duly adopted resolution of the governing board of the Taxing Entity that was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, which resolution has not been amended, modified, supplemented, rescinded or repealed and remains in full force and effect as of the date hereof.

[Next page is signature page]

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

THE CITY OF NORCO

By _____
Name: _____
Title: _____

CALIFORNIA FINANCE AUTHORITY FOR DELINQUENT SPECIAL TAXES AND ASSESSMENTS

By _____
Name: _____
Title: _____

EXHIBIT A

Tax Receivables Schedule

[[(CD-ROM is on file with the Authority at its address set forth in Section 5.03)]]

EXHIBIT B

Taxing Entity Authorizing Resolution

/ao-73707

[LETTERHEAD OF JONES HALL]

_____, 2009

California Finance Authority for
Delinquent Special Taxes and Assessments
_____
_____, CA 9_____

[TAXING ENTITY]
_____
_____, CA 9_____

Re: California Finance Authority for Delinquent Special Taxes and Assessments
Tax Receivables Certificate of Participation, Series 2009-A
Opinion Re: _____ District No. _____

Ladies and Gentlemen:

We have acted as special counsel to the California Finance Authority for Delinquent Special Taxes and Assessments (the "Authority") in connection with the execution and delivery by the Authority of its Tax Receivables Certificate of Participation, Series 2009-A (the "Certificate of Participation"), which has been executed and delivered under a Certificate Purchase Agreement, dated as of _____ 1, 2009, between the Authority and Plymouth Park Tax Services LLC, a Delaware limited liability company ("Plymouth Park").

The Certificate of Participation evidences a 100% undivided beneficial ownership interest in certain delinquent installments of special taxes levied under the Mello-Roos Community Facilities Act of 1982, assessment installments levied under the Improvement Bond Act of 1915, assessments levied under the Landscaping and Lighting Act of 1972, or property-related fees, charges, or other amounts collected on the secured tax roll (collectively, the "Tax Receivables") including Tax Receivables that have been purchased by the Authority from the [TAXING ENTITY] (the "Taxing Entity") under a Purchase and Sale Agreement, dated as of _____ 1, 2009 (the "Purchase and Sale Agreement"), between the Authority and the Taxing Entity.

The Tax Receivables to be sold by the Taxing Entity to the Authority include [SPECIAL TAXES/ASSESSMENTS] levied with respect to the Taxing Entity's _____ District No. ____ (the "District"), the proceeds of which secure bonds (the "Bonds") issued under a [UNDERLYING AGREEMENT] dated as of _____, ____ (the "[Fiscal Agent Agreement]"), by and between the [TAXING ENTITY] and the [FISCAL AGENT] (the "Fiscal

Agent"). In order to ensure that the sale of the Tax Receivables with respect to the District does not conflict with the [Fiscal Agent Agreement], the Taxing Entity has entered into a [AMENDMENT TO FISCAL AGENT AGREEMENT] with the Fiscal Agent dated _____, 2009 (the "Amendment"), in order to amend the following provisions of the [Fiscal Agent Agreement]: _____.

The opinion is being rendered under Section ____ of the [Fiscal Agent Agreement] in connection with the execution and delivery of the Amendment.

In rendering the opinions set forth herein, we have examined and relied upon the executed [Fiscal Agent Agreement] and such certificates, public records, agreements, instruments, opinions and other documents, including, among other things, the documents delivered in connection with the original issuance of the Bonds, and we have made such investigations of law, as we have deemed appropriate as a basis for the opinions expressed below. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents, agreements and instruments submitted to us as originals, and the accuracy of the matters set forth in the documents, agreements and instruments we have reviewed. As to any facts not known by us that were material to the opinions set forth herein, we have relied upon statements and representations of officers and other representatives of the Authority, the Taxing Entity and others, without undertaking to verify the same by independent investigation. We express no opinion concerning the laws of any jurisdiction other than the substantive laws of the State of California.

Based upon the foregoing, we are of the opinion, under existing law, that the Amendment [constitutes an amendment to the [Fiscal Agent Agreement] that does not materially adversely affect the interests of the Bondowners, and is permitted by Section _____ of the [Fiscal Agent Agreement]].

This letter is furnished by us in our capacity as special counsel to the Authority at the request of the Authority. No attorney-client relationship has existed between our firm and the [TAXING ENTITY] in connection with the sale of the Tax Receivables under the Purchase and Sale Agreement, or by virtue of this letter. This letter is delivered to the [TAXING ENTITY] and is for its benefit as the seller of the Tax Receivables under the Purchase and Sale Agreement, and is not to be used circulated, quoted or otherwise referred to or relied upon by any person other than the Authority, Plymouth Park or the [TAXING ENTITY] without our prior written consent. This letter is not intended to, and may not, be relied upon by any other party to whom it is not specifically addressed.

This opinion is given as of the date hereof, is based upon the laws in effect on the date hereof, and is subject to any change in such laws, including judicial and administrative interpretations thereof, which may occur or be reported subsequent to the date hereof. The only opinions rendered hereby are those expressly stated as such herein, and no opinion may be implied or inferred as a result of anything contained herein or omitted herefrom. We assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

A Professional Law Corporation

/ao-73706

CITY OF NORCO
STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Beth Groves, Interim City Manager

PREPARED BY: Steve King, Planning Manager

DATE: October 7, 2009

SUBJECT: Conceptual Approval to a Proposed Detachment of Property from the City of Corona with Concurrent Annexation to the City of Norco.

RECOMMENDATION: Adopt Resolution No. 2009-___, stating intent to support a proposed detachment of property from the City of Corona with concurrent annexation to the City of Norco to allow the property owner to proceed with a needed parcel map application in the City of Corona and the boundary reorganization application with the Local Agency Formation Commission.

SUMMARY: This is a recommendation that the City Council adopt a resolution stating its intent to support an annexation that would include a detachment of property from Corona once all of the requirements for the detachment and concurrent annexation to Norco have been fulfilled. This was initiated by the property owner who has received concurrence from Corona to process the needed applications, but there first needs to be an intent to support from Norco.

BACKGROUND: The City has been approached by a property owner that currently owns property in Corona about the possibility of annexing the property to Norco. The property in question is the remainder portion of a property that has already been developed in Corona (ref. Exhibit "A" – Location Map). The remainder portion is bordered on two sides by property in Norco and fronts along Parkridge Avenue where the only feasible access can come from. The existing development in Corona is an apartment complex that fronts onto River Road. That development plus an existing flood channel behind the development makes it problematic and expensive at this point to get access to River Road. Corona has agreed to work with the property owner but first needs a statement of intent from Norco to agree (at this point) to a proposed annexation.

The physical separation of this piece of property from the rest of the property makes more sense for the property to be developed in Norco. In order for the annexation to occur there first needs to be a legal parcel that currently does not exist. For Corona to

process a parcel map on the property there needs to be an assurance that the property will either be developed to the zoning and development standards of that city, or that Norco will agree (in concept) for the property to be annexed. The property is currently zoned R-3 (Multiple Family Residential) in Corona.

ANALYSIS: The potential annexation is only conceptual at this point. Ultimately if the property is annexed to Norco there will have to be public hearings with the Planning Commission and the City Council in both cities, as well as a hearing with the LAFCO board for approval before the property is actually annexed to Norco. The hearings with both cities involves the adoption of two resolutions (by each City) agreeing to a transfer of property taxes and to the reorganization of the boundary. Part of that annexation process includes a zone change that would be processed in the City of Norco that would establish a pre-zone on the property indicating what the zoning will be once the property officially becomes part of Norco. All of these require public hearings.

It is not known at this point when the public hearings will occur and no analysis has occurred with regards to a potential pre-zoning on the property. All of that will come later when the annexation is more imminent. At this point the City Council would only be agreeing in concept to the proposed annexation. Ultimately any annexation can only occur upon approval by the City Council and only after it is shown that development can occur that is consistent with the City's General Plan, zoning, and development standards. The adoption of this resolution is a statement of intent only and does not bind the City to follow-through if it is ultimately determined that the annexation would not be consistent with the goals, policies, and regulations of this city.

Attachment: Resolution 2009-___
Exhibit "A" – Location Map
Exhibit "B" – Proposed Parcel Map
Exhibit "C" – Aerial Photo

/sk-73638

RESOLUTION NO. 2009-__

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NORCO APPROVING IN CONCEPT AND STATING ITS INTENT TO SUPPORT A PROPOSED DETACHMENT FROM THE CITY OF CORONA WITH CONCURRENT ANNEXATION TO THE CITY OF NORCO.

WHEREAS, the City has been approached by a property owner about a possible detachment of said property from the City of Corona with and for concurrent annexation to the City of Norco; and

WHEREAS, said property is already contiguous on two sides by property in the City of Norco; and

WHEREAS, the only feasible road access for the property in question is to Parkridge Avenue in the City of Norco; and

WHEREAS, the property owner has initiated the detachment and annexation process with both the City of Corona and the City of Norco; and

WHEREAS, the City of Corona has agreed to process initial applications related to the detachment and annexation process, including a parcel map, but requires a statement of intent to support from the City of Norco before said processes can be completed; and

WHEREAS, this statement of intent does not bind the City Council or the City to accept the annexation if it is shown that the annexation cannot be consistent with the City's goals, policies, General Plan, zoning, and development requirements.

NOW, THEREFORE, the City Council of the City of Norco does hereby make the following FINDINGS AND DETERMINATION:

I. FINDINGS:

A. The proposed detachment and concurrent annexation have the initial appearance of allowing the property to be developed to its highest and best use.

B. The only feasible access to the property is from Parkridge Avenue which is in the City of Norco along this portion of Parkridge Avenue.

C. Any proposed annexation will have to be processed through the standard annexation review process before any annexation to the City of Norco is formally recognized. Said process includes public hearings by the Planning Commission and City Council of both cities, and approval from the Local Agency Formation Commission.

D. The City is not bound to accept any property for annexation that is not consistent with the goals, policies, General Plan, zoning, and development requirements of the City.

II. DETERMINATION:

NOW, THEREFORE, the City Council of the City of Norco, California, in session assembled October 7, 2009 does hereby approve Resolution 2009-___ approving in concept a proposed detachment from Corona and annexation to Norco.

PASSED AND ADOPTED by the City Council of the City of Norco at a regular meeting held on October 7, 2009.

_____
Mayor of the City of Norco, California

ATTEST:

_____
Brenda K. Jacobs
City Clerk

The City Clerk of the City of Norco, California, does certify that the foregoing Resolution was duly and regularly passed and adopted by the City Council of the City of Norco at a regular meeting thereof held on October 7, 2009 by the following roll call vote:

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 October 7, 2009.

_____
Brenda K. Jacobs
City Clerk

/sk-73634

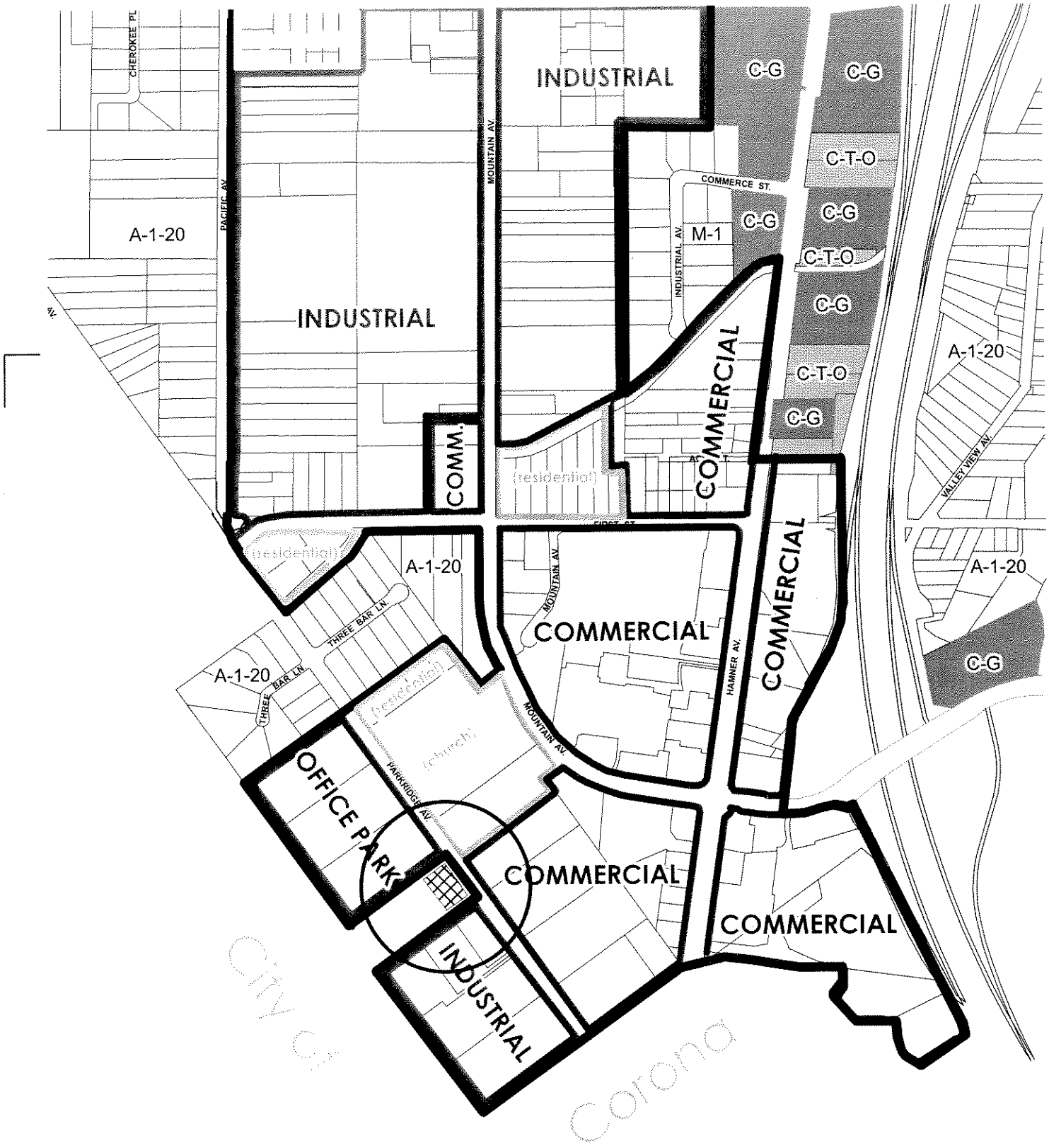


EXHIBIT "A"
LOCATION MAP

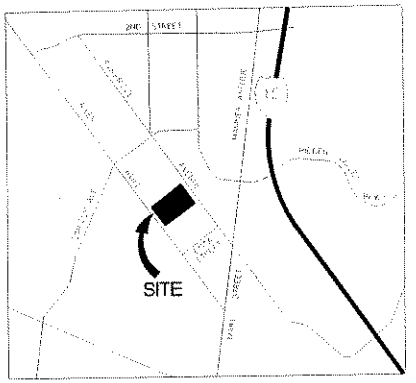
PARCEL MAP NO. 36190

IN THE CITY OF CORONA, COUNTY OF
RIVERSIDE, STATE OF CALIFORNIA.

LOTS 7 AND 8 IN BLOCK 97 OF AUBURNDALE COLONY AND TOWNSITE, AS SHOWN BY MAP RECORDED IN BOOK 6, PAGES 20 AND 21 OF MAPS.

FUSCOE ENGINEERING - DANIEL A. CALVILLO, PLS 8294
DATE OF SURVEY: JUNE 2009

EXHIBIT "B"



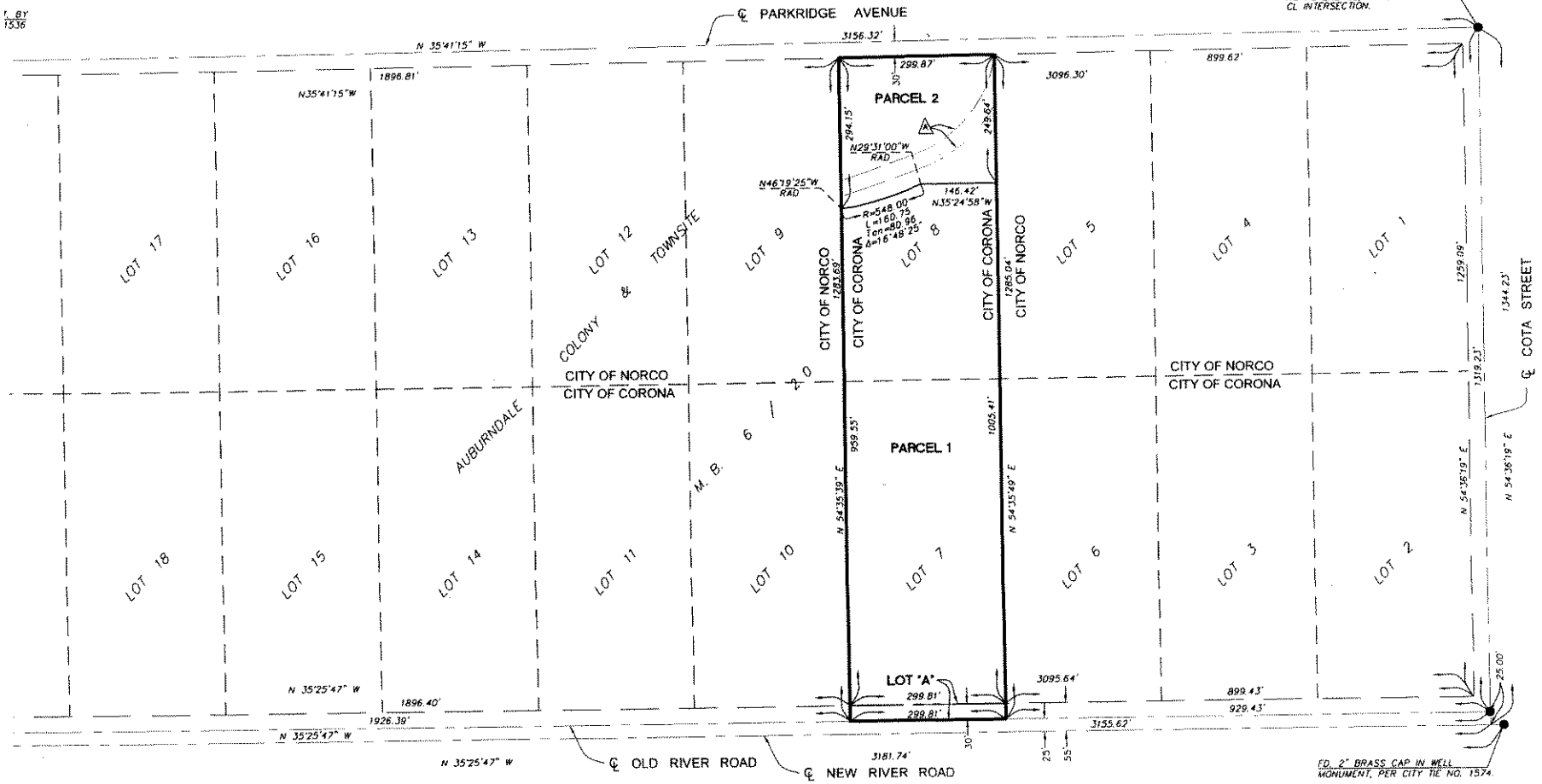
VICINITY MAP
NOT TO SCALE

EASEMENT NOTES

A AN EASEMENT IN FAVOR OF RIVERSIDE FLOOD CONTROL AND WATER CONSERVATION DISTRICT FOR PUBLIC UTILITIES AND INCIDENTAL PURPOSES, RECORDED NOVEMBER 30, 1995 AS INSTRUMENT NO. 399855 OF OFFICIAL RECORDS.

BASIS OF BEARINGS

BEARINGS SHOWN HEREON ARE BASED UPON THE CENTERLINE OF PARKRIDGE AVENUE BEING NORTH 35°41'15" WEST PER PARCEL MAP NO. 32221 FILED IN BOOK 210, PAGES 84 THROUGH 86 IN THE OFFICE OF THE COUNTY RECORDER OF RIVERSIDE COUNTY, CALIFORNIA.



Copyright 2009 Eagle Aerial Imaging 800.724.7746
EXHIBIT "C"

CITY OF NORCO
STAFF REPORT

TO:	Honorable Mayor and Members of the City Council
FROM:	Beth Groves, Interim City Manager
PREPARED BY:	William R. Thompson, Director of Public Works
DATE:	October 7, 2009
SUBJECT:	Acceptance of Parcel D, Assessor's Parcel Number (APN) 121-110-001-5
RECOMMENDATION:	Adopt **Resolution No. 2009–_____**, approving the acceptance of Parcel D, APN 121-110-001-5, 12.75 acres of real property located on Bluff Street and River Road; and authorize the City Attorney to record the grant deed.

SUMMARY: The State of California, Department of Corrections and the Rehabilitation (CDCR) and the United States of America have agreed to transfer Parcel D, APN 121-110-001-5, a 12.75 acre property located along Bluff Street, between Vine Avenue and River Road. The United States has agreed to quitclaim/transfer the property ("Grant Deed") to the City for public health benefit.

BACKGROUND/ANALYSIS: The State of California, Department of Corrections and the Rehabilitation (CDCR) and the United States of America have declared Parcel D surplus property, and it has formally been assigned for disposal. The City Council, at its meeting on September 19, 2007, authorized staff to submit an application requesting conveyance of Parcel D. Both agencies have determined the City has the ability to utilize the property as intended.

In May of 1997, the State of California, Department of Corrections and the City of Norco entered into a BY-State Lease Agreement, #L-1601. The terms of the agreement included approximately two (2) acres of the Parcel D, for an initial term of twenty-five (25) years that included an option to extend for an additional period of twenty (20) years. The City of Norco subsequently designed and built a three million gallon per day iron and manganese water treatment facility at this location.

The City of Norco created a City-wide water master plan in 1985 that specifically identified the rehabilitation of the Navy wells, and the design of a water storage reservoir, along with future enhancements to the treatment facility. The 2001 Water Master Plan and the 2009/10 Water Capital Improvement Budget identifies specific funds for these improvements.

The City applied for, and was granted, Prop. 13 funds to design and construct a recycled water system capable of delivering reclaimed water for irrigation purposes that also included Lake Norconian. The recycled system uses the 12" CDRC pipeline that originates from Parcel D, and terminates at Fifth Street and Western Avenue

With the acceptance of the quitclaim transfer of the "Grant Deed" of Parcel D, the City will accept special provisions and conditions associated with the property. For a term of thirty years, the property will be used for public health benefit, resell, lease or disposal will require authorization in writing, property must be place into use within 36 months, and file an annual operation, maintenance and use report.

Staff is recommending the City Council accept Parcel D, and authorize the City Attorney to record the Grant Deed.

FINACIAL IMPACT: Annual Maintenance of Property from the Water Operations Fund.

Attachments: State of California and United States Quit Claim Deeds
Annual Report Forms
Staff Report/Resolution – September 19, 2007
Certificate of Acceptance
Property Exhibit

/wrt –73649

RESOLUTION NO. 2009-___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NORCO, CALIFORNIA, ACCEPTING THE QUITCLAIM DEED FOR PARCEL D, APN 121-110-001, A 12.75 ACRE PARCEL OF REAL PROPERTY LOCATED ON BLUFF STREET AND RIVER ROAD, AND AUTHORIZE THE CITY CLERK TO RECORD THE PROPERTY TRANSFER

WHEREAS, the City of Norco is willing to accept real property for the general benefit of public health; and

WHEREAS, the City of Norco will accept the property grant deed transfer from the United States and will adhere to specific conditions of land use; and

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS: that the City Council of the City of Norco, California, does hereby approve and accepts the "Grant Deed" for Parcel D, APN 121-110-001-5, a parcel of real property located on Bluff Street and River Road from the United States

PASSED AND ADOPTED by the City Council of the City of Norco at a regular meeting held on October 7, 2009.

_____
Mayor of the City of Norco, California

ATTEST:

_____
Brenda K. Jacobs, City Clerk
City of Norco, California

I, BRENDA K. JACOBS, 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 thereof held on October 7, 2009 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 October 7, 2009.

_____
Brenda K. Jacobs, City Clerk
City of Norco, California

/wrt – 73650

RECORDING REQUESTED BY:

The STATE OF CALIFORNIA

WHEN RECORDED MAIL TO:

US Dept. of Health & Human Services
Real Property Branch
5600 Fishers Lane- Park Lawn Bld. Rm. 5B-17
Rockville, Maryland 20857

Attn: Theresa Ritta

OFFICIAL STATE BUSINESS – EXEMPT FROM RECORDING FEES PURSUANT TO GOV'T. CODE SECTION 27383 AND DOCUMENTARY TRANSFER TAX PURSUANT TO REVENUE AND TAXATION CODE SECTION 11922

SPACE ABOVE THIS LINE FOR RECORDER'S USE

APN: 121-110-001-5
Project: TR09003

STATE OF CALIFORNIA
QUITCLAIM DEED

THIS INDENTURE, made this 15th day of July, 2009 between the State of California through its duly appointed qualified Director of the Department of General Services, with the approval of the California Department of Corrections and Rehabilitation (CDCR) (hereinafter collectively referred to as the party of the first part), and the UNITED STATES OF AMERICA (hereinafter referred to as the party of the second part).

1. WHEREAS by Quitclaim Deed dated the 7th day of March, 1985 duly recorded September 30, 1985 as Instrument Number 219755, Official Records Riverside County, State of California, the party of the second part herein did convey certain real property known as a portion of China Lake Naval Weapons Center, to the party of the first part herein to be used for public health purposes as set forth in the approved application dated the 5th day of June 1984, and

2. WHEREAS, said Quitclaim Deed provides, inter alia:

> "1. That for a period of thirty (30) years from the date hereof the Property herein conveyed will be used continuously for health purposes in accordance with the proposed program and plan of the Grantee as set for in its application dated the 5th day of June, 1984, and for no other purpose."

3. WHEREAS, the party of the first part warrants that it has not sold, leased, mortgaged, encumbered, or otherwise disposed of said property or any part thereof, or interest therein, since it acquired title, possession, and control thereof from the party of the second part; and

5. WHEREAS, the Director of the Department of General Services, State of California is duly authorized to execute and deliver this Quitclaim Deed to the party of the second part.

NOW THEREFORE,

The party of the first part acting by and through the Director of the Department of General Services, State of California, with the approval of the California Department of Corrections

APN: 121-110-001-5
Project: TR09003

and Rehabilitation, for itself, its successors in function and assigns, for and in consideration of the premises, and the agreement and understanding that the party of the second party does hereby release the party of the first part from all of the terms and conditions relative to Parcel "D" set forth and contained in the above-referenced Quitclaim Deed dated March 7, 1985, has quitclaimed, and by these presents does hereby quitclaim unto the party of the second part, and its assigns, any and all right, title, interest, claim, and demand in and to the follow described property, situate, lying, and being in the County of Riverside, State of California, to wit:

Parcel D

A parcel of land formerly known as the United States Naval Hospital, Corona, California, as described as Parcel "A" in Deed recorded February 28, 1946 in Book 715, Page 492 of Official Records of Riverside County described as follows:

A parcel of land in Riverside County, California, being Blocks 67, 68 and 69 and Lots 2 to 23 inclusive of Block 70, together with those portions of Pine Street, 60 feet wide; Spruce Street, 60 feet wide; Sycamore Street, 60 feet wide, and all alleys and public ways appurtenant thereto between Bluff Street and Gilbert Street as recorded on Map of Auburndale Colony and Town site in Book 6, Page 20 of Maps, Riverside County, California, containing 13.33 acres, more or less.

WHEREAS, all of the terms and conditions relative to the remaining parcels conveyed by the above-referenced Quitclaim Deed dated March 7, 1985 continue in effect excepting Parcel "F" which was Quitclaimed to the party of the second part by Correction Quitclaim Deed dated the 22nd day of June 1988 duly recorded June 28, 1988 as Instrument Number 178242, Official Records Riverside County, State of California.

TO HAVE AND TO HOLD the above-described property, together with all and singular the rights, privileges, and appurtenances thereunto in any wise belonging, unto the party of the second part, or its assigns.

UPON EXECUTION of this Quitclaim Deed by the party of the first party herein, the said party of the first part herein shall have no further obligation of any nature or kind to the United States of America relevant to Parcel "D" as described above.

IN WITNESS WHEREOF, the party of the first part has caused the presents to be executed as of the day and year first above written.

Department of General Services
State of California

By: [signature]

Title: SENIOR REAL ESTATE OFFICER

Date: 7/23/2009

APPROVED:
California Department of
Corrections and Rehabilitation

By: [signature]

Title: [illegible]

STATE OF CALIFORNIA

County of Yolo } SS.

On July 23, 2009 (Date) before me, Kimberley Tsumura, Notary Public

personally appeared Michael Salver

who proved to me on the basis of satisfactory evidence to be 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 of Notary Public

FOR NOTARY SEAL OR STAMP

KIMBERLEY TSUMURA
Commission # 1749973
Notary Public - California
Yolo County
My Comm. Expires Jun 30, 2011

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Quitclaim Deed – TR09 003

Document Date: July 23, 2009 Number of Pages: 2

Signer(s) Other Than Names Above:

Capacity(ies) Claimed by Signer(s)

Signer's Name:
- ☐ Individual
- ☐ Corporate Officer – Title(s):
- ☐ Partner – ☐ Limited ☐ General
- ☐ Attorney in Fact
- ☐ Trustee
- ☐ Guardian or Conservator

Signer's Name:
- ☐ Individual
- ☐ Corporate Officer – Title(s):
- ☐ Partner – ☐ Limited ☐ General
- ☐ Attorney in Fact
- ☐ Trustee
- ☐ Guardian or Conservator

DEPARTMENT OF HEALTH & HUMAN SERVICES

Program Support Center

Rockville MD 20857

August 31, 2009

Mr. John R. Harper
City Attorney
Law Offices of Harper & Burns, LLP
453 S. Glassell Street
Orange, California 92866

Re: Well Site of the Naval Weapons Station Seal Beach
Parcel D
Norco, California
09-CA-2304 09-N-432-C

Dear Mr. Harper:

HHS delivers the enclosed Quitclaim Deed to the City of Norco, California, (City) pursuant to the terms and conditions of the escrow agreement between the parties governing this transaction. Please have the City Manger accept the deed by signature, have his/her signature acknowledged by a Notary Public, and have the deed recorded. Please forward a fully executed copy of the quitclaim deed and its recordation information to this office within the next 30 days. A Certificate of Recordation is enclosed for your use.

In addition, please note the provision on page 2 of the deed which requires that an annual report on the operation and maintenance of the property be submitted on or before the anniversary date of the deed. Therefore, the first report will be due no later than August 31, 2010. The enclosed format should be followed when preparing your report. We would appreciate your noting this due date so that reports are filed without further notice from us.

We are pleased that this conveyance has reached a successful conclusion. If you have any questions, please contact this office on (301) 443-2265.

Sincerely yours,

Theresa Ritta

Theresa Ritta
Chief, Real Property Branch
Division of Property Management

Enclosures

09/10/2009 15:11 FAX 714 744 3350 HARPER AND BURNS LLP 002

Contract No. 09-CA-2304

QUITCLAIM DEED

THIS INDENTURE, made this 31st day of August 2009, between the United States of America, acting through the Secretary of Health and Human Services, by the Chief, Real Property Branch, Division of Property Management, Program Support Center, U.S. Department of Health and Human Services (hereinafter referred to as "Grantor"), under and pursuant to the power and authority delegated by the Federal Property and Administrative Services Act of 1949 (40 U.S.C. § 550), (hereinafter referred to as "the Act"), and regulations promulgated pursuant thereto at 45 C.F.R. Part 12, and the City of Norco, State of California, (hereinafter referred to as "Grantee").

WITNESSETH

WHEREAS, by letter dated August 20, 2009, from the General Services Administration, certain surplus property known as Parcel D, Well Site of the Naval Weapons Station Seal Beach, Detachment Corona, Norco, California, consisting of 13.33 acres of land, more or less, hereinafter described (hereinafter called "the Property"), was assigned to HHS for disposal upon the recommendation of the Grantor that the Property is needed for public health purposes in accordance with the provisions of the Act; and

WHEREAS, said Grantee has made a firm offer to purchase the Property under the provisions of the Act, has made application for a public benefit allowance, and proposes to use the Property in accordance with the approved program of utilization; and

WHEREAS, the General Services Administration has notified the Grantor that no objection will be interposed to the transfer of the Property to the Grantee; and

WHEREAS, Grantor has accepted the offer of the Grantee,

NOW, THEREFORE, Grantor, for and in consideration of the foregoing and of the observance and performance by Grantee of the covenants, considerations and restrictions hereinafter contained and other good and valuable consideration, the receipt of which is hereby acknowledged, has remised, released and quitclaimed and by these presents does remise, release and quitclaim to Grantee, its successors and assigns, all right, title, interest, claim and demand, excepting and reserving such rights as may arise from the operation of the conditions subsequent hereinafter expressed, which the United States of America has in and to the Property, situate, lying, and being in the County of Riverside, State of California, and more particularly described as follows:

09/10/2009 15:11 FAX 714 744 3350 HARPER AND BURNS LLP 003

Parcel D of Naval Weapons Center, China Lake, California

A parcel of land being a portion of the United States Navy owned property formerly known as the United States Naval Hospital, Corona, California, as described as Parcel "A" in Deed recorded February 28, 1946 in Book 715, Page 492 of Official Records of Riverside County described as follows:

A parcel of land in Riverside County, California, being Blocks 67, 68 and 69 and Lots 2 to 23 inclusive of Block 70, together with those portions of Pine Street, 60 feet wide; Spruce Street, 60 feet wide; Sycamore Street, 60 feet wide, and all alleys and public ways appurtenant thereto between Bluff Street and Gilbert Street as recorded on Map of Auburndale Colony and Townsite in Book 6, Page 20 of Maps, San Bernardino County, California, containing 13.33 acres, more of less.

EXCEPTING AND RESERVING to the United States of America, its successors and assigns, any and all rights the United States of America may have in or to any oil, gas, other hydrocarbon substances and all other minerals in, on, or under the above-identified land, together with the rights to take and recover possession of said minerals and to enter upon said land for the purpose of exploring for, mining, drilling for, extracting, producing, transporting or marketing the same or any portion thereof in any manner not inconsistent with the public health use for which said property is hereby conveyed.

TO HAVE AND TO HOLD the Property subject, however, to each of the following conditions subsequent, which shall be binding upon and enforceable against Grantee, its successors and assigns, as follows:

1. That for a period of thirty (30) years from the date hereof the Property herein conveyed will be used continuously for health purposes in accordance with Grantee's approved program of utilization as set forth in its application dated the 10th day of October 2007 and for no other purpose;

2. That during the aforesaid period of thirty (30) years Grantee will not resell, lease, mortgage, or encumber or otherwise dispose of any part of the Property or interest therein except as Grantor or its successor in function may authorize in writing;

3. Where construction or major renovation is not required or proposed, the Property must be placed into use within twelve (12) months from the date of this Deed. Where construction or major renovation is contemplated at the time of transfer, the Property must be placed into use within thirty-six (36) months from the date of this Deed;

4. That one year from the date hereof and annually thereafter for the aforesaid period of thirty (30) years, unless Grantor or its successor in function directs otherwise, Grantee will file with Grantor or its successor in function reports on the operation and maintenance of the Property and will furnish, as requested, such other pertinent

data evidencing continuous use of the Property for the purposes specified in the above-identified application;

5. That during the aforesaid period of thirty (30) years Grantee will at all times be and remain an instrumentality of a State, a tax-supported organization or a nonprofit institution, organization, or association exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1986, as amended; and

6. That, for the period during which the Property is used for the purpose for which the Federal assistance is hereby extended by Grantor or for another purpose involving the provision of similar services or benefits, Grantee hereby agrees that it will comply with the requirements of section 606 of the Act (40 U.S.C. § 476); the Fair Housing Act (42 U.S.C. § 3601-19) and implementing regulations; and, as applicable, Executive Order 11063 (Equal Opportunity in Housing) and implementing regulations; Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d to d-4) (Nondiscrimination in Federally Assisted Programs) and implementing regulations; Title IX of the Education Amendments of 1972 (20 U.S.C. § 1681) and implementing regulations; the prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. § 6101-07) and implementing regulations; the prohibitions against otherwise qualified individuals with handicaps under Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794) and implementing regulations, and all requirements imposed by or pursuant to the regulations of Grantor (45 CFR Parts 12, 80, 84, 86 and 91) issued pursuant to said Acts and now in effect, to the end that, in accordance with said Acts and regulations, no person in the United States shall, on the ground of race, color, national origin, sex, age, or handicap, be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under the program and plan referred to in condition numbered 1 above or under any other program or activity of Grantee, its successors or assigns, to which said Acts and regulations apply by reason of this conveyance.

In the event of a breach of any of the conditions subsequent set forth above, whether caused by the legal or other inability of Grantee, its successors and assigns, to perform any of the obligations herein set forth, Grantor or its successor in function will, at its option, have an immediate right of reentry thereon, and to cause all right, title, and interest in and to the Property to revert to the United States of America, and Grantee, its successors and assigns, shall forfeit all right, title, and interest in and to the Property and to any and all of the tenements, hereditaments, and appurtenances thereunto belonging;

PROVIDED, HOWEVER, that the failure of Grantor or its successor in function to insist in any one or more instance upon complete performance of any of the said conditions subsequent shall not be construed as a waiver of or a relinquishment of the future performance of any of said conditions subsequent, but the obligations of Grantee with respect to such future performance shall continue in full force and effect;

09/10/2009 15:12 FAX 714 744 3350 HARPER AND BURNS LLP 005

PROVIDED FURTHER, that, in the event Grantor or its successor in function fails to exercise its option to reenter the premises and to revert title thereto for any such breach of conditions numbered 1, 2, 3, 4, or 5 herein within thirty-one (31) years from the date of this conveyance, conditions numbered 1, 2, 3, 4, and 5 herein, together with all rights to reenter and revert title for breach of condition, will, as of that date, terminate and be extinguished; and

PROVIDED FURTHER, that the expiration of conditions numbered 1, 2, 3, 4, and 5 and the right to reenter and revert title for breach thereof, will not affect the obligation of Grantee, its successors and assigns, with respect to condition numbered 6 herein or the right reserved to Grantor, or its successor in function, to reenter and revert title for breach of condition numbered 6.

Grantee may secure abrogation of the conditions subsequent numbered 1, 2, 3, 4, and 5 herein by:

a. Obtaining the consent of Grantor, or its successor in function, therefor; and

b. Payment to the United States of America of 1/360th of the percentage public benefit allowance granted of the fair market value as of the date of such requested abrogation, exclusive of the value of improvements made by Grantee to the extent that they add to the value of that portion of the Property to be released, for each month of the period to be abrogated.

Grantee, by acceptance of this Deed, covenants and agrees for itself, its successors and assigns, with respect to the Property or any part thereof--which covenant shall attach to and run with the land for so long as the Property is used for a purpose for which Federal assistance is hereby extended by Grantor or for another purpose involving the provision of similar services or benefits, and which covenant shall in any event, and without regard to technical classification or designation, legal or otherwise, be binding to the fullest extent permitted by law and equity, for the benefit of and in favor of and enforceable by Grantor or its successor in function against Grantee, its successors and assigns for the Property, or any part thereof--that it will comply with the requirements of section 606 of the Act (40 U.S.C. § 476); the Fair Housing Act (42 U.S.C. § 3601-19) and implementing regulations; Executive Order 11063 (Equal Opportunity in Housing) and implementing regulations; Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d to d-4) (Nondiscrimination in Federally Assisted Programs) and implementing regulations; the prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. § 6101-07) and implementing regulations; and the prohibitions against otherwise qualified individuals with handicaps under Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794) and implementing regulations; and all requirements imposed by or pursuant to the regulations of Grantor (45 C.F.R. Parts 12, 80, 84 and 91) issued pursuant to said acts and now in effect, to the end that, in accordance with said acts and regulations, no person in the United States shall, on the ground of race, color, national origin, sex, age, or handicap, be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under the program and plan referred to in condition numbered 1 above or under any other program or activity of Grantee, its successors or assigns, to which such Acts and regulations apply by reason of this conveyance.

09/10/2009 15:12 FAX 714 744 3350 HARPER AND BURNS LLP 006

Grantee covenants and agrees that the Property will be used for secular purposes, with no more than a de minimis level of other activity.

Grantee, by acceptance of this Deed, covenants and agrees for itself, its successors and assigns, that in the event Grantor exercises its option to revert all right, title, and interest in and to the Property to Grantor, or Grantee voluntarily returns title to the Property in lieu of a reverter, then Grantee shall provide protection to and maintenance of the Property at all times until such time as the title is actually reverted or returned to and accepted by Grantor. Such protection and maintenance shall, at a minimum, conform to the standards prescribed by the General Services Administration and codified in the Federal Property Management Regulations at 41 C.F.R. Subpart 101-47.4913 now in effect, a copy of which is attached to Grantee's aforementioned application.

In the event title to the Property or any part thereof is reverted to the United States of America for noncompliance or is voluntarily reconveyed in lieu of reverter, Grantee, its successors or assigns, at the option of Grantor, or its successor in function, shall be responsible for and shall be required to reimburse the United States of America for the decreased value thereof that is not the result of reasonable wear and tear, an act of God, or alterations and conversions made by Grantee, its successors or assigns, to adapt the property to the health use for which the property was transferred. The United States of America shall, in addition thereto, be reimbursed for such damage, including such costs as may be incurred in recovering title to or possession of the above-described property, as it may sustain as a result of such noncompliance.

Grantee, by acceptance of this deed, further covenants and agrees for itself, its successors and assigns, that in the event the Property or any part thereof is, at any time within the period of thirty (30) years from the date of this conveyance, sold, leased, disposed of, or used for purposes other than those designated in condition numbered 1 above without the consent of Grantor, or its successor in function, all revenues therefrom or the reasonable value, as determined by Grantor, or its successor in function, of benefits to Grantee, deriving directly or indirectly from such sale, lease, disposal, or use, shall be considered to have been received and held in trust by Grantee for the United States of America and shall be subject to the direction and control of Grantor, or its successor in function; but the provisions of this paragraph shall not impair or affect the rights reserved to Grantor under any other provision of this deed.

Grantee, by acceptance of this Deed, covenants and agrees for itself, its successors and assigns, that the Property is transferred on an "as is, where is," basis, without warranty of any kind, either expressed or implied, including as to the condition of the Property. Grantee also covenants and agrees for itself, its successors and assigns, that Grantor has no obligation to provide any additions, improvements, or alterations to the Property.

Grantee, by acceptance of this Deed, covenants and agrees for itself, its successors and assigns, that Grantee will obtain the express, written permission of the State of California before attempting to activate and use and water wells situate on the Property.

09/10/2009 15:12 FAX 714 744 3350 HARPER AND BURNS LLP 007

Grantor, in its capacity as a public benefit conveyance authority for the United States of America, does not assume liability, custody, or accountability for the property in the event title to the Property reverts to the United States of America for noncompliance with this Deed, or in connection with any hazardous substance activity or condition on the Property.

The following covenants and restrictions are provided pursuant to the aforementioned letter of assignment from the General Services Administration (Region 9).

A. NOTICE REGARDING HAZARDOUS SUBSTANCE ACTIVITY.
Pursuant to 40 CFR 373.2 and Section 120(h)(3)(A)(i) of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (CERCLA) (42 U.S.C. §9620(h)(3)A)(i)), and based upon a complete search of agency files, the United States gives notice that no hazardous substances have been released or disposed of or stored for one year or more on the Property.

B. CERCLA COVENANT.
UNITED STATES OF AMERICA warrants that all remedial action necessary to protect human health and the environment has been taken before the date of this conveyance. UNITED STAES OF AMERICA warrants that it shall take any additional response action found to be necessary after the date of this conveyance regarding hazardous substances located on the Property on the date of this conveyance.

1) This covenant shall not apply:

(a) in any case in which GRANTEE, its successor(s) or assign(s), or any successor in interest to the Property or part thereof is a Potentially Responsible Party (PRP) with respect to the Property immediately prior to the date of this conveyance; OR

(b) to the extent but only to the extent that such additional response action or part thereof found to be necessary is the result of an act or failure to act of the GRANTEE, its successor(s) or assign(s), or any party in possession after the date of this conveyance that either:

(i) results in a release or threatened release of a hazardous substance that was not located on the Property on the date of this conveyance; OR

(ii) causes or exacerbates the release or threatened release of a hazardous substance the existence and location of which was known and identified to the applicable regulatory authority as of the date of this conveyance.

2) In the event GRANTEE, its successor(s) or assign(s), seeks to have UNITED STATES OF AMERICA conduct any additional response action, and as a

condition precedent to UNITED STATES OF AMERICA incurring any additional cleanup obligation or related expenses, the GRANTEE, its successor(s) or assign(s), shall provide UNITED STATES OF AMERICA at least 45 days written notice of such a claim and provide credible evidence that

(a) the associated contamination existed prior to the date of this conveyance; and

(b) the need to conduct any additional response action or part thereof was not the result of any act or failure to act by the GRANTEE, its successor(s) or assign(s), or any party in possession.

C. ACCESS RESERVATION.

UNITED STATES OF AMERICA reserves a right of access to all portions of the Property for environmental investigation, remediation or other corrective action. This reservation includes the right of access to and use of available utilities at reasonable cost to UNITED STATES OF AMERICA. These rights shall be exercisable in any case in which a remedial action, response action or corrective action is found to be necessary after the date of this conveyance, or in which access in necessary to carry out a remedial action, response action, or corrective action on adjoining property. Pursuant to this reservation, the UNITED STATES OF AMERICA, and its respective officers, agents, employees, contractors and subcontractors shall have the right (upon reasonable advance written notice to the record title owner) to enter upon the Property and conduct investigations and surveys, to include drilling, test-pitting, borings, data and records compilation and other activities related to environmental investigation, and to carry out remedial or removal actions as required or necessary, including but not limited to the installation and operation of monitoring wells, pumping wells, and treatment facilities. Any such entry, including such activities, responses or remedial actions, shall be coordinated with record title owner and shall be performed in a manner that minimizes interruption with activities of authorized occupants.

D. COOPERATION COVENANT.

In the event of any activity by the UNITED STATES OF AMERICA pursuant to Paragraph C, above, the GRANTEE covenants and agrees that it, its successor(s) and assign(s) shall cooperate with the UNITED STATES OF AMERICA in any undertaking and shall not unreasonably disrupt or interfere with any remediation activity or jeopardize the effectiveness of any remedy by engaging in disruptive activities (which increase the cost or adversely affect the remediation activities), including but not limited to, surface application of water which could impact the migration of contaminated ground water; subsurface drilling or use of ground water, unless the UNITED STATES OF AMERICA first determines that there will be no adverse impact on UNITED STATES OF AMERICA' undertaking.

E. FAA COVENANT.

The Grantee, its successors and assigns, and every successor in interest to the property herein described, or any part thereof, must prohibit any construction or alteration of the

09/10/2009 15:13 FAX 714 744 3350 HARPER AND BURNS LLP 009

property unless a determination of no hazard to air navigation is issued by FAA under 14 CFR Part 77, Objects Affecting Navigable Airspace, or under the authority of the Federal Aviation Act of 1958, as amended.

F. COVENANTS AND EASEMENTS RUN WITH THE LAND.
GRANTEE covenants for itself and its successors and its assigns that any and all covenants described immediately above and attached to the Quitclaim Deed shall run with the land and shall bind the GRANTEE to any successors and assigns of the GRANTEE to the restrictions, agreements and promises made in such covenants. UNITED STATES OF AMERICA shall be deemed to be a beneficiary of all covenants and warranties, without regard to whether it remains the owner of any land or interest therein the locality of the Property, and shall have the right to enforce these covenants and warranties in any court of competent jurisdiction.

IN WITNESS WHEREOF, Grantor has caused this instrument to be executed as of the day and year first above written.

UNITED STATES OF AMERICA
Acting through the Secretary of Health and Human Services

By: Theresa Ritta
Theresa Ritta, Chief, Real Property Branch
Division of Property Management
Program Support Center

[Remainder of Page Intentionally Left Blank]

09/10/2009 15:13 FAX 714 744 3350 HARPER AND BURNS LLP 010

ACKNOWLEDGMENT

STATE OF MARYLAND)
COUNTY OF MONTGOMERY) SS

On this day of August 2009, before me the undersigned officer, personally appeared Theresa Ritta, known to me to be the Chief, Real Property Branch, Division of Property Management, Department of Health and Human Services, and known to me to be the person who executed the foregoing instrument on behalf of the Secretary of Health and Human Services, for the United States of America, and acknowledged to me that she subscribed to the said instrument in the name of the Secretary of Health and Human Services and on behalf of the United States of America.

Witness my hand and official seal.

(SEAL)

Jino M. Matthews
Notary Public

My commission expires 8/29/2010

JINO M. MATTHEWS
Notary Public, State of MD
My Commission Expires
August 29, 2010

[Remainder of Page Intentionally Left Blank]

09/10/2009 15:13 FAX 714 744 3350 HARPER AND BURNS LLP 011

ACCEPTANCE

The City of Norco, California, hereby accepts this deed and thereby agrees to all the terms, covenants, conditions and restrictions contained therein.

By _____
Beth Groves
Interim City Manager, City of Norco

ACKNOWLEDGMENT

STATE OF CALIFORNIA)
COUNTY OF) SS

On this _____ day of August, 2009, before me, a Notary Public in and for the City of Norco, County of _____, State of California, personally appeared Ms.Beth Groves, known to me to be the Interim City Manager, City of Norco, California, and known to me to be the person who executed the foregoing instrument on behalf of the City of Norco, State of California, and acknowledged to me that he executed the same as the free act and deed of the City of Norco, California.

Witness my hand and official seal.

(SEAL)

_____
Notary Public

My commission expires _____

09/10/2009 15:13 FAX 714 744 3350 HARPER AND BURNS LLP 012

FORMAT FOR ANNUAL UTILIZATION REPORT FOR PROPERTY CONVEYED BY DEED

The outline below should be used as a guide in making the report. In order that the narrative report can be clearly understood without reference to this format, statements should be made in complete sentences under the appropriate heading. Please do not rely on past reports for complete coverage of the following areas.

CONTRACT NO: _____

INSTITUTION - give the legal name, location, and telephone number of the institution to which the property was transferred.

PROPERTY IDENTIFICATION - identify the property by giving its former installation name and location (including city and state). A legal description is not necessary.

PROGRAM USE -

A. Describe in detail the program now being operated on the property and the progress made since the last annual report. Give a narrative report on current operating plans, present occupancy, contemplated occupancy, and such other data that will show the benefits accruing from the transfer. Indicate the **number of persons served,** the number of staff members, and the amount of the annual operating budget.

B. Show the layout of the site and indicate utilization of all land areas for the FIRST ANNUAL REPORT. Succeeding reports need only show complete layout if any changes have been made during the reporting period.

C. List all buildings and improvements acquired with this transfer. State their condition and relate the actual use now being made of each. Every building must be accounted for. Explain any deviations from the use originally proposed. If any structure acquired is not being used, explain fully.

D. Describe major improvements made to the property during the past 12-month reporting period and the cumulative value of improvements made since conveyance.

E. Describe any proposed encumbrances to be placed on the property within the next reporting period; such as mortgages, subleases, permits, dedications, easements to be granted, etc. and uses by any external organizations, revenue producing or not. Also indicate any new or renewed encumbrances placed on the property since the last reporting period. **Please note that written approval from this office is required prior to encumbering the property. Failure to obtain approval will result in a breach of a condition in the deed.**

– OVER –

F. Indicate whether all utilities acquired are being used, listing items not being used.

G. If any part of the property is being used for income-producing purposes, give a Statement of Income and Expenses for the last fiscal year and a balance sheet as of the close of the last fiscal year.

H. The grantee must provide evidence of comprehensive and liability insurance coverage on the property (i.e., certificate of insurance). Please note that the United States of America, acting by and through the Secretary of Health and Human Services, shall be named as an additional insured party.

I. Indicate whether or not there has been discrimination because of race, color, national origin, religion, sex, age, or handicap in the use of the property.

J. If applicable (refer to the deed covenant concerning lead-based paint), the grantee must certify that during occupancy of the property, monitoring and ongoing lead-based paint maintenance activities have been performed in accordance with 24 C.F.R. § 35.1355. Occupants have been provided a Notice of Completion of Lead-Based Paint Hazard Abatement describing the work done and the results of the clearance, as needed (copy enclosed).

J. The period of time covered by this report must be included.

K. The grantee must certify by signature **that the foregoing is true and correct to the best of his/her knowledge, information, and belief.** Please note that the report must be signed and dated by the individual designated in the Resolution which authorized the acquisition of this property, or his/her successor in function.

SAVE THIS GUIDE AND MARK YOUR RECORDS AS A REMINDER TO SUBMIT A TIMELY ANNUAL REPORT.

Chief, Space Management Branch
Division of Property Management/AOS/PSC/HHS
Room 5B-17, Parklawn Building
5600 Fishers Lane
Rockville, Maryland 20857
Telephone: (301) 443-2265
Fax: (301) 443-0084

CITY OF NORCO
STAFF REPORT

TO:	Honorable Mayor and Members of the City Council
FROM:	Jeff Allred, City Manager
PREPARED BY:	William R. Thompson, Director of Public Works
DATE:	September 19, 2007
SUBJECT:	Application to Acquire Surplus Property from United States Government for Public Health Benefits
RECOMMENDATION:	Adopt **Resolution No. 2007-____** approving authorization to acquire surplus property from the United States government for public health purposes.

SUMMARY: The City of Norco has the opportunity to acquire Parcel D, a 13.33-acre property located on Bluff Street, between River Road and Vine Avenue. In May of 1997, the City entered into a 25-year lease for approximately two (2) acres of this property to construct an iron and manganese water treatment facility. The State of California no longer uses the property in accordance with the guidelines of the approved application and supports the retransfer or conveyance of this property to the City. To acquire this property the City Council needs to adopt a Resolution declaring the intent to apply to obtain the land for public health related purposes.

BACKGROUND/ANALYSIS: On June 7, 1984, the State of California was conveyed three (3) parcels within the City of Norco from the United States government for public health benefit. If the State of California continued to use the property as intended, after 30 years, the properties would be grant deeded from the United States government to the State of California based on the criteria governing the real property acquisition.

One of the original parcels, Parcel D, is a 13.33-acre parcel located along Bluff Street, between River Road and Vine Avenue. Currently, five (5) wells are located at this site along with the City of Norco iron and manganese treatment plant. The wells are no longer capable of serving potable water to the California Rehabilitation Center (CRC), and the Navel Surface Warfare Center (NSWC). The United States government has deemed this property surplus primarily because the State of California can no longer utilize the property in accordance with the approved application. The City of Norco plans to use the property for open space/park purposes as well as to rehabilitate the existing wells or drill a new well and to build a water reservoir. If the water quality dictates treatment, the City would also expand and/or enhance our current iron and manganese treatment plant.

FINANCIAL IMPACT: Minimal costs will be associated with this transaction.

Attachments: Resolution No. 2007 - _____
Application Request for Retransfer of Real Property

wrt/-66622

Agenda Item 10.F.

RESOLUTION NO. 2007-63

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NORCO, CALIFORNIA, APPROVING AUTHORIZATION TO ACQUIRE SURPLUS PROPERTY FROM THE UNITED STATES GOVERNMENT FOR PUBLIC HEALTH USE

WHEREAS, certain real property owned by the United States, located in the City of Norco, County of Riverside, State of California, has been declared surplus and is subject to assignment for disposal for homeless or public health purposes by the Secretary of Health and Human Services under the provisions of Section 203(k)(1) of the Federal Property and Administrative Services Act of 1949, as amended, and rules and regulations promulgated pursuant thereto, more particularly described as follows: Parcel D, a 13.3-acre-parcel located on Bluff Street between River Road and Vine Avenue; and

WHEREAS, the City of Norco needs and can utilize said property for public health purposes in accordance with the requirements of said Act and the rules and regulations promulgated thereunder of which this Council is fully informed, including commitments regarding use and time such use shall commence.

NOW, THEREFORE, BE IT RESOLVED that the City of Norco has legal authority, is willing, and is in a position financially and otherwise to assume immediate care and maintenance of the property, and that Jeffry B. Allred, City Manager is hereby authorized, for and on behalf of the City of Norco, to do and perform any and all acts and things which may be necessary to carry out the foregoing resolution, including the preparing, making, and filing of plans, applications, reports, and other documents; the execution, acceptance, delivery, and recordation of agreements, deeds and other instruments pertaining to the transfer of said property; and the payment of any and all sums necessary on account of the purchase price thereof, including fees or costs incurred in connection with the transfer of said property for surveys, title searches, appraisals, recordation of instruments, or escrow costs, together with any payments by virtue of nonuse or deferral of use of the property.

If the applicant is unable to place the property into use within the time limitation indicated below (or determines that a deferral of use should occur), it is understood that the City of Norco will pay to the Department the sum of 1/360 of the fair market value for each month of nonuse, beginning 12 months after the date of the deed, or 36 months where construction or major renovation is contemplated.

PASSED AND ADOPTED by the City Council of the City of Norco at a regular meeting held on September 19, 2007.

Mayor of the City of Norco, California

ATTEST:

Debra L. McNay, City Clerk
City of Norco, California

I, DEBRA L. MCNAY, 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 thereof held on September 19, 2007 by the following vote of the City Council:

AYES: SULLIVAN, HALL, HIGGINS, AZEVEDO
NOES: NONE
ABSENT: CLARK
ABSTAIN: NONE

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Norco, California, on September 19, 2007.

Debra L. McNay, City Clerk
City of Norco, California

wrt/-66608

WHEN RECORDED RETURN TO:

CITY OF NORCO
2870 CLARK AVENUE
NORCO, CA 92860

ATTENTION: CITY CLERK

CITY OF NORCO
CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the grant deed from Hidden Valley Holdings, LLC to the City of Norco pursuant to the Agreement of Purchase and Sale approved on February 1, 2006 by the Norco City Council, is hereby accepted by the undersigned City Manager of the City of Norco, and the Grantee hereby consents to the recordation thereof by its duly authorized officer.

DATED: March 7, 2006

CITY OF NORCO, a Municipal Corporation

_____

Jeff Allred
City Manager

Assessor's Parcel Number 123-080-038

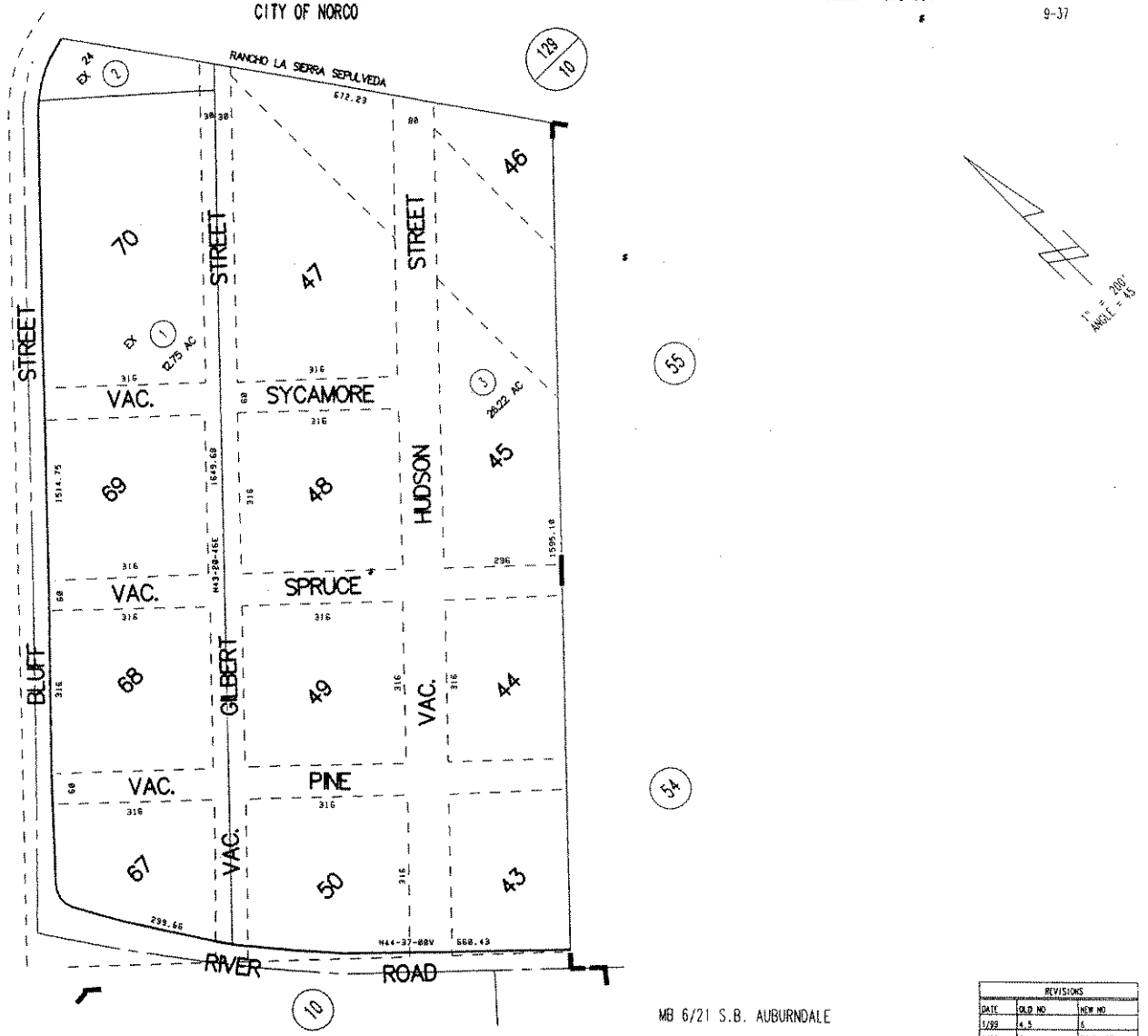
THIS MAP WAS PREPARED FOR ASSESSMENT PURPOSES ONLY. NO LIABILITY IS ASSUMED FOR THE ACCURACY OF THE DATA SHOWN. ASSESSOR'S PARCEL MAY NOT COMPLY WITH LOCAL LOT-SPLIT OR BUILDING SITE ORDINANCES.

SEC.10 11 T.3S.,R.7W
CITY OF NORCO

T.R.A. 015-004

121 - 11

9-37



DATA: O.R. 24/272
REP. NO. 49021
RD. R/W 604
PRADO DAM PLAT, SHEETS 1-36

ASSESSOR'S MAP BK. 121 PG. 11
Riverside County, Calif.

MB 6/21 S.B. AUBURNDALE

Jan 1999

REVISIONS		
DATE	OLD NO.	NEW NO
1/99	4,5	6
1/99	6	PG.54-55

CITY OF NORCO
STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Beth Groves, Interim City Manager

PREPARED BY: Andy Okoro, Deputy City Manager/Director of Finance

DATE: October 7, 2009

SUBJECT: California Statewide Communities Development Authority Proposition 1A Receivable Financing Program

RECOMMENDATION: Adopt **Resolution 2009 ____** Approving the form of and authorizing the execution of a purchase and sale agreement and related documents with respect to the sale of the City of Norco's Proposition 1A Receivable from the state; and directing and authorizing certain other actions in connection therewith.

SUMMARY: To ensure adequate cash flows necessary to pay for essential City services, staff is recommending that Council approve the City's participation in Proposition 1A financing program offered by California Statewide Communities Development Authority (CSCDA). This program provides a vehicle by which the City can receive in the current fiscal year 8% of the City's estimated allocation of property tax which the state legislature voted to borrow from the City to balance its budget. Through this program, the City will receive100% of the amount borrowed by the State during the current fiscal year. Without this program, the City would have to wait until June 30, 2013 to receive repayment from the state.

BACKGROUND: Proposition 1A was passed by California voters in 2004 to ensure local property tax and sales tax revenues remain with local government thereby safeguarding funding for public safety, health, libraries, parks, and other local services. Provisions can only be suspended if the Governor declares a fiscal necessity and two-thirds of the Legislature concurs.

The emergency suspension of Proposition 1A was passed by the Legislature and signed by the Governor as ABX4 14 and ABX4 15 as part of the 2009-10 budget package on July 28, 2009. Under the provision, the State will borrow 8% of the amount of property tax revenue apportioned to cities, counties and special districts. The state will be required to repay those obligations plus 2% annual interest by June 30, 2013.

The legislature is currently reviewing a clean-up bill, SB67 which would provide for a few critical changes to the enacted legislation, including but not limited to providing for: financing to occur in November; county auditor certification of amount of Prop 1A receivable; tax-exempt structure; California Communities as the only issuer; more

flexibility on bond structure (interest payments, state payment date and redemption features); sales among local agencies; and revision to the hardship mechanism. While SB 67 has not yet been passed and signed into law, California Communities expects that to occur prior to funding the Program. If for any reason SB 67 is not enacted and the bonds cannot be sold by December 31, 2009, all approved documents placed in escrow with Transaction counsel will be of no force and effect and will be destroyed.

Proposition 1A Securitization Program: Authorized under ABX4 14 and ABX4 15, the Proposition 1A Securitization Program was instituted by California Communities to enable Local Agencies to sell their respective Proposition 1A Receivables to California Communities. Currently, SB67 is being considered to clarify specific aspects of ABX4 14 and ABX4 15. Under the Securitization Program, California Communities will simultaneously purchase the Proposition 1A Receivables, issue bonds ("Prop 1A Bonds") and provide each local agency with the cash proceeds in two equal installments, on January 15, 2010 and May 3, 2010 (to coincide with the dates that the State will be shifting property tax from local agencies). The purchase price paid to the local agencies will equal 100% of the amount of the property tax reduction. All transaction costs of issuance and interest will be paid by the State of California. Participating local agencies will have no obligation on the bonds and no credit exposure to the State.

If the City sells its Proposition 1A Receivable under the Proposition 1A Securitization Program, California Communities will pledge the City's Proposition 1A Receivable to secure the repayment of a corresponding amount of the Prop 1A Bonds. The City's sale of its Proposition 1A Receivable will be irrevocable. Bondholders will have no recourse to the City if the State does not make the Proposition 1A Repayment.

Proposition 1A Program Sponsor: California Statewide Communities Development Authority ("California Communities") is a joint powers authority sponsored by the California State Association of Counties and the League of California Cities. The member agencies of California Communities include approximately 230 cities and 54 counties throughout California. While membership in the California Communities is not a criteria for participation, it is important to note that the City is a member of CSCDA.

Benefits of Participation in the Proposition 1A Securitization Program:

The benefits to the City of participation in the Proposition 1A Securitization Program include:

- Immediate cash relief – the sale of the City's Proposition 1A Receivable will provide the City with 100% of its Proposition 1A Receivable in two equal installments, on January 15, 2010 and May 3, 2010.

- Mitigates impact of 8% property tax withholding in January and May – Per ABX4 14 and ABX4 15 and the proposed clean-up legislation SB 67, the State will withhold 8% of property tax receivables due to Cities, Counties, and Special Districts under Proposition 1A. The financing outlines bond proceeds to be distributed to coincide with the dates that the State will be shifting property tax from local agencies.

- All costs of financing borne by the State of California. The City will not have to pay any interest cost or costs of issuance in connection with it participation.

- No obligation on Bonds. The City has no obligation with respect to the payment of the bonds, nor any reporting, disclosure or other compliance obligations associated with the bonds.

Proceeds of the Sale of the City's Proposition 1A Receivable:

Upon delivery of the Proposition 1A Bonds, California Communities will make available to the City its fixed purchase price, which will equal 100% of the local City's Proposition 1A Receivable. These funds will be deposited into the City's General Fund and may be used for any lawful purpose of the City and are not restricted by the program.

Proposed Proposition 1A Receivables Sale Resolution:

The proposed Proposition 1A Receivables Sale Resolution provides for the following:

(1) Authorizes the sale of the City's Proposition 1A Receivable to California Communities for 100% of its receivable;

(2) Approves the form, and directs the execution and delivery, of the Purchase and Sale Agreement with California Communities and related documents;

(3) Authorizes and directs any Authorized Officer to send, or to cause to be sent, an irrevocable written instruction required by statute to the State Controller notifying the State of the sale of the Proposition 1A Receivable and instructing the disbursement of the Proposition 1A Receivable to the Proposition 1A Bond Trustee;

(4) Appoints certain City officers and officials as Authorized Officers for purposes of signing documents; and

(5) Authorizes miscellaneous related actions and makes certain ratifications, findings and determinations required by law.

Proposed Purchase and Sale Agreement

The proposed Purchase and Sale Agreement:

(1) Provides for the sale of the Proposition 1A Receivable to California Communities;

(2) Contains representations and warranties of the City to assure California Communities that the Proposition 1A Receivable has not been previously sold, is not encumbered, that no litigation or other actions is pending or threatened to disrupt the transaction and the this is an arm's length "true sale" of the Proposition 1A Receivable.

(3) Provides mechanics for payment of the Purchase Price

(4) Contains other miscellaneous provisions.

Proposed Purchase and Sale Agreement Exhibits:

The proposed Proposition 1A Purchase and Sale Agreement Exhibits:

(B1) Opinion of Counsel: This is an opinion of the counsel to the City covering basic approval of the documents, litigation, and enforceability of the document against the Seller. It will be dated as of the Pricing date of the bonds (currently expected to be November 10, 2009).

(B2) Bringdown Opinion: This simply "brings down" the opinions to the closing date (currently expected to be November 19, 2009).

(C1) Certificate of the City Clerk: A certificate of the Clerk confirming that the resolution was duly adopted and is in full force and effect.

(C2) Seller Certificate: A certification of the Seller dated as of the Pricing Date confirming that the representations and warranties of the Seller are true as of the Pricing Date, confirming authority to sign, confirming due approval of the resolution and providing payment instructions.

(C3) Bill of Sale and Bringdown Certificate: Certificate that brings the certifications of C2 down to the Closing Date and confirms the sale of the Proposition 1A Receivable as of the Closing Date.

(D) Irrevocable Instructions to the Controller: Required in order to let the State Controller know that the Proposition 1A Receivable has been sold and directing the State to make payment of the receivable to the Trustee on behalf of the Purchaser.

(E) Escrow Instruction Letter: Instructs Transaction Counsel (Orrick) to hold all documents in escrow until closing, and if closing does not occur by December 31, 2009 for any reason, to destroy all documents.

Recommended Action:

After Council discussion and questions, if the Council wishes to participate in the Proposition 1A Securitization Program, it should adopt the proposed Proposition 1A Sale Resolution and Purchase and Sale Agreement, which requires only a simple majority vote.

FINANCIAL INPACT: This program will improve cash flows needed to pay essential City services..

/ao-73698
Attachments: Resolution No. 2009-___
Purchase and Sale Agreement

RESOLUTION NO. _____

CITY COUNCIL
OF THE
CITY OF NORCO

A RESOLUTION APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A PURCHASE AND SALE AGREEMENT AND RELATED DOCUMENTS WITH RESPECT TO THE SALE OF THE SELLER'S PROPOSITION 1A RECEIVABLE FROM THE STATE; AND DIRECTING AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, pursuant to Section 25.5 of Article XIII of the California Constitution and Chapter 14XXXX of the California Statutes of 2009 (Assembly Bill No. 15), as amended (the "Act"), certain local agencies within the State of California (the "State") are entitled to receive certain payments to be made by the State on or before June 30, 2013, as reimbursement for reductions in the percentage of the total amount of ad valorem property tax revenues allocated to such local agencies during the State's 2009-10 fiscal year (the "Reimbursement Payments"), which reductions have been authorized pursuant to Sections 100.05 and 100.06 of the California Revenue and Taxation Code;

WHEREAS, the City of Norco, a local agency within the meaning of Section 6585(f) of the California Government Code (the "Seller"), is entitled to and has determined to sell all right, title and interest of the Seller in and to its "Proposition 1A receivable", as defined in Section 6585(g) of the California Government Code (the "Proposition 1A Receivable"), namely, the right to payment of moneys due or to become due to the Seller pursuant to Section 25.5(a)(1)(B)(iii) of Article XIII of the California Constitution and Section 100.06 of the California Revenue and Taxation Code, in order to obtain money to fund public capital improvements or working capital;

WHEREAS, the Seller is authorized to sell or otherwise dispose of its property as the interests of its residents require;

WHEREAS, the California Statewide Communities Development Authority, a joint exercise of powers authority organized and existing under the laws of the State (the "Purchaser"), has been authorized pursuant to Section 6588(x) of the California Government Code to purchase the Proposition 1A Receivable;

WHEREAS, the Purchaser desires to purchase the Proposition 1A Receivable and the Seller desires to sell the Proposition 1A Receivable pursuant to a purchase and sale agreement by and between the Seller and the Purchaser in the form presented to this City Council (the "Sale Agreement") for the purposes set forth herein;

WHEREAS, in order to finance the purchase price of the Proposition 1A Receivable from the Seller and the purchase price of other Proposition 1A Receivables from other local agencies, the Purchaser will issue its bonds (the "Bonds") pursuant to Section 6590 of the California Government Code and an Indenture (the "Indenture"), by and between the Purchaser and Wells Fargo Bank, National Association, as trustee (the "Trustee"), which Bonds will be payable solely from the proceeds of the Seller's Proposition 1A Receivable and other Proposition 1A

Receivables sold to the Purchaser by local agencies in connection with the issuance of the Bonds;

WHEREAS, the Seller acknowledges that (i) any transfer of its Proposition 1A Receivable to the Purchaser pursuant to the Sale Agreement shall be treated as an absolute sale and transfer of the property so transferred and not as a pledge or grant of a security interest by City of Norco to secure a borrowing, (ii) any such sale of its Proposition 1A Receivable to the Purchaser shall automatically be perfected without the need for physical delivery, recordation, filing or further act, (iii) the provisions of Division 9 (commencing with Section 9101) of the California Commercial Code and Sections 954.5 to 955.1 of the California Civil Code, inclusive, shall not apply to the sale of its Proposition 1A Receivable, and (iv) after such transfer, the Seller shall have no right, title, or interest in or to the Proposition 1A Receivable sold to the Purchaser and the Proposition 1A Receivable will thereafter be owned, received, held and disbursed only by the Purchaser or a trustee or agent appointed by the Purchaser;

WHEREAS, the Seller acknowledges that the Purchaser will grant a security interest in the Proposition 1A Receivable to the Trustee and any credit enhancer to secure payment of the Bonds;

WHEREAS, a portion of the proceeds of the Bonds will be used by the Purchaser to, among other things, pay the purchase price of the Proposition 1A Receivable;

WHEREAS, the Seller will use the proceeds received from the sale of the Proposition 1A Receivable for any lawful purpose as permitted under the applicable laws of the State;

NOW THEREFORE, the City Council of the City of Norco hereby resolves as follows:

Section 1. All of the recitals set forth above are true and correct, and this City Council hereby so finds and determines.

Section 2. The Seller hereby authorizes the sale of the Proposition 1A Receivable to the Purchaser for a price equal to the amount certified as the Initial Amount (as defined in the Sale Agreement) by the County auditor pursuant to the Act. The form of Sale Agreement presented to the City Council is hereby approved. An Authorized Officer (as set forth in Appendix A of this Resolution, attached hereto and by this reference incorporated herein) is hereby authorized and directed to execute and deliver the Sale Agreement on behalf of the Seller, which shall be in the form presented at this meeting.

Section 3. Any Authorized Officer is hereby authorized and directed to send, or to cause to be sent, an irrevocable written instruction to the State Controller (the "Irrevocable Written Instruction") notifying the State of the sale of the Proposition 1A Receivable and instructing the disbursement pursuant to Section 6588.6(c) of California Government Code of the Proposition 1A Receivable to the Trustee, on behalf of the Purchaser, which Irrevocable Written Instruction shall be in the form presented at this meeting.

Section 4. The Authorized Officers and such other Seller officers, as appropriate, are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents, including but not limited to, if required, appropriate escrow

instructions relating to the delivery into escrow of executed documents prior to the closing of the Bonds, and such other documents mentioned in the Sale Agreement or the Indenture, which any of them may deem necessary or desirable in order to implement the Sale Agreement and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution; and all such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

Section 5. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the sale of the Proposition 1A Receivable or the issuance of the Bonds, including without limitation any of the foregoing that may be necessary or desirable in connection with any default under or amendment of such documents, may be given or taken by an Authorized Officer without further authorization by this City Council, and each Authorized Officer is hereby authorized and directed to give any such consent, approval, notice, order or request, to execute any necessary or appropriate documents or amendments, and to take any such action that such Authorized Officer may deem necessary or desirable to further the purposes of this Resolution.

Section 6. The City Council acknowledges that, upon execution and delivery of the Sale Agreement, the Seller is contractually obligated to sell the Proposition 1A Receivable to the Purchaser pursuant to the Sale Agreement and the Seller shall not have any option to revoke its approval of the Sale Agreement or to determine not to perform its obligations thereunder.

Section 7. This Resolution shall take effect from and after its adoption and approval.

PASSED AND ADOPTED by the City Council of the City of Norco, State of California, this _____ day of _____, 2009, by the following vote:

AYES:

NOES:

ABSENT:

_____
Mayor

Attest:

_____
City Clerk

Approved as to form :

SELLER'S COUNSEL

By_____

Dated: _____

APPENDIX A

CITY OF NORCO

Authorized Officers: Beth Groves, City Manager

Andy Okoro, Deputy City Manager/Finance Director

any designee of any of them, as appointed in a written certificate of such Authorized Officer delivered to the Trustee.

CITY OF NORCO, CALIFORNIA,
as Seller

and

CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY,
as Purchaser

PURCHASE AND SALE AGREEMENT

Dated as of November 1, 2009

TABLE OF CONTENTS

Page

1. DEFINITIONS AND INTERPRETATION 2
2. AGREEMENT TO SELL AND PURCHASE; CONDITIONS PRECEDENT 2
3. PURCHASE PRICE, CONVEYANCE OF PROPOSITION 1A RECEIVABLE AND PAYMENT OF PURCHASE PRICE 3
4. REPRESENTATIONS AND WARRANTIES OF THE PURCHASER 4
5. REPRESENTATIONS AND WARRANTIES OF THE SELLER 5
6. COVENANTS OF THE SELLER 7
7. THE PURCHASER'S ACKNOWLEDGMENT 9
8. NOTICES OF BREACH 9
9. LIABILITY OF SELLER; INDEMNIFICATION 9
10. LIMITATION ON LIABILITY 10
11. THE SELLER'S ACKNOWLEDGMENT 10
12. NOTICES 10
13. AMENDMENTS 10
14. SUCCESSORS AND ASSIGNS 10
15. THIRD PARTY RIGHTS 11
16. PARTIAL INVALIDITY 11
17. COUNTERPARTS 11
18. ENTIRE AGREEMENT 11
19. GOVERNING LAW 12

EXHIBIT A – DEFINITIONS A-1
EXHIBIT B1 – OPINION OF SELLER'S COUNSEL B1-1
EXHIBIT B2 – BRINGDOWN OPINION OF SELLER'S COUNSEL B2-1
EXHIBIT C1 – CLERK'S CERTIFICATE C1-1
EXHIBIT C2 – SELLER CERTIFICATE C2-1
EXHIBIT C3 – BILL OF SALE AND BRINGDOWN CERTIFICATE C3-1
EXHIBIT D – IRREVOCABLE INSTRUCTIONS TO CONTROLLER D-1
EXHIBIT E – ESCROW INSTRUCTION LETTER E-1

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT, dated as of November 1, 2009 (this "Agreement"), is entered into by and between:

(1) CITY OF NORCO, a local agency of the State of California within the meaning of Section 6585(f) of the California Government Code (the "Seller"); and

(2) CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY, a joint exercise of powers authority organized and existing under the laws of the State of California (the "Purchaser").

RECITALS

A. Pursuant to Section 25.5 of Article XIII of the California Constitution and Section 100.06 of the California Revenue and Taxation Code, local agencies within the meaning of Section 6585(f) of the California Government Code are entitled to receive certain payments to be made by the State of California (the "State") on or before June 30, 2013, as reimbursement for reductions in the percentage of the total amount of ad valorem property tax revenues allocated to such local agencies during the State's 2009-10 fiscal year, which reductions have been authorized pursuant to Sections 100.05 and 100.06 of the California Revenue and Taxation Code.

B. The Seller is the owner of the Proposition 1A Receivable (as defined below) and is entitled to and has determined to sell all right, title and interest in and to the Proposition 1A receivable, namely, the right to payment of moneys due or to become due to the Seller pursuant to Section 25.5(a)(1)(B)(iii) of Article XIII of the California Constitution and Section 100.06 of the California Revenue and Taxation Code, in order to obtain money to fund any lawful purpose as permitted under the applicable laws of the State.

C. The Seller is authorized to sell or otherwise dispose of its property as the interests of its residents require.

D. The Purchaser, a joint exercise of powers authority organized and existing under the laws of the State, has been authorized pursuant to Section 6588(x) of the California Government Code to purchase the Proposition 1A Receivable.

E. The Seller is willing to sell, and the Purchaser is willing to purchase, the Proposition 1A Receivable upon the terms specified in this Agreement.

F. Pursuant to its Proposition 1A Receivable Financing Program (the "Program"), the Purchaser will issue its bonds (the "Bonds") pursuant to an Indenture (the "Indenture"), between the Purchaser and Wells Fargo Bank, National Association, as trustee (the "Trustee"), and will use a portion of the proceeds thereof to purchase the Proposition 1A Receivable from the Seller.

G. The Purchaser will grant a security interest in such Proposition 1A Receivable to the Trustee and each Credit Enhancer to secure the Bonds.

AGREEMENT

NOW, THEREFORE, in consideration of the above Recitals and the mutual covenants herein contained, the parties hereto hereby agree as follows:

1. Definitions and Interpretation.

(a) For all purposes of this Agreement, except as otherwise expressly provided herein or unless the context otherwise requires, capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in Exhibit A attached hereto and which is incorporated by reference herein.

(b) The words "hereof," "herein," "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement; section and exhibits references contained in this Agreement are references to sections and exhibits in or to this Agreement unless otherwise specified; and the term "including" shall mean "including without limitation."

(c) Any agreement, instrument or statute defined or referred to herein or in any instrument or certificate delivered in connection herewith means such agreement, instrument or statute as from time to time may be amended, modified or supplemented and includes (in the case of agreements or instruments) references to all attachments and exhibits thereto and instruments incorporated therein; and any references to a Person are also to its permitted successors and assigns.

2. Agreement to Sell and Purchase; Conditions Precedent.

(a) The Seller agrees to sell, and the Purchaser agrees to purchase, on the Closing Date, for an amount equal to the Purchase Price, all right, title and interest of the Seller in and to the "Proposition 1A receivable" as defined in Section 6585(g) of the California Government Code (the "Proposition 1A Receivable"), namely, the right to payment of moneys due or to become due to the Seller pursuant to Section 25.5(a)(1)(B)(iii) of Article XIII of the California Constitution and Section 100.06 of the California Revenue and Taxation Code. The Purchase Price shall be paid by the Purchaser to the Seller in two equal cash installment payments, without interest (each, an "Installment Payment" and, collectively, the "Installment Payments"), on January 15, 2010, and May 3, 2010 (each a "Payment Date" and, collectively, the "Payment Dates"). The Purchaser shall pay the Purchase Price by wire transfer pursuant to wire instructions provided by the Seller to the Trustee by e-mail to john.deleray@wellsfargo.com or by facsimile to 213-614-3355, Attention: John Deleray. If wire instructions are not provided to the Trustee (or if such wire instructions are invalid) payment will be made by check mailed to the Seller's Principal Place of Business.

(b) The performance by the Purchaser of its obligations hereunder shall be conditioned upon:

(i) Transaction Counsel receiving on or before the date the Bonds are sold (the "Pricing Date"), to be held in escrow until the Closing Date and then delivered to the Purchaser on the Closing Date, the following documents

duly executed by the Seller or its counsel, as applicable: (1) an opinion of counsel to the Seller dated the Pricing Date in substantially the form attached hereto as Exhibit B1, (2) certificates dated the Pricing Date in substantially the forms attached hereto as Exhibit C1 and Exhibit C2, (3) irrevocable instructions to the Controller dated as of the Closing Date in substantially the form attached hereto as Exhibit D, (4) this Agreement, (5) a certified copy of the resolution of the Seller's City Council approving this Agreement, the transactions contemplated hereby and the documents attached hereto as exhibits, and (6) an escrow instruction letter in substantially the form attached hereto as Exhibit E;

(ii) Transaction Counsel receiving on or before the Pricing Date, (1) a bringdown opinion of counsel to the Seller dated as of the Closing Date in substantially the form attached hereto as Exhibit B2, and (2) a bill of sale and bringdown certificate of the Seller (the "Bill of Sale") in substantially the form attached hereto as Exhibit C3; provided that the Purchaser may waive, in its sole discretion, the requirements of Section 2(b)(ii)(1);

(iii) the Purchaser issuing Bonds in an amount which will be sufficient to pay the Purchase Price; and

(iv) the receipt by the Purchaser of a certification of the County Auditor confirming the Initial Amount of the Proposition 1A Receivable pursuant to the Act.

(c) The performance by the Seller of its obligations hereunder shall be conditioned solely upon the Purchaser's issuance of the Bonds its execution and delivery of this Agreement, pursuant to which it is legally obligated to pay the Installment Payments to the Seller on the Payment Dates as set forth in this Agreement, and no other act or omission on the part of the Purchaser or any other party shall excuse the Seller from performing its obligations hereunder. Seller specifically disclaims any right to rescind this Agreement, or to assert that title to the Proposition 1A Receivable has not passed to the Purchaser, should Purchaser fail to make Installment Payments in the requisite amounts on the Payment Dates.

3. Purchase Price, Conveyance of Proposition 1A Receivable and Payment of Purchase Price.

(a) Upon pricing of the Bonds by the Purchaser, the Purchaser will inform the Seller that it will pay the Purchase Price in Installment Payments on the Payment Dates.

(b) In consideration of the Purchaser's agreement to pay and deliver to the Seller the Installment Payments on the Payment Dates, the Seller agrees to (i) transfer, grant, bargain, sell, assign, convey, set over and deliver to the Purchaser, absolutely and not as collateral security, without recourse except as expressly provided herein, and the Purchaser agrees to purchase, accept and receive, the Proposition 1A Receivable, and (ii) assign to the Purchaser, to the extent permitted by law, all present or future rights, if any, of the Seller to enforce or cause the enforcement of payment of the Proposition 1A Receivable pursuant to the Act and other

applicable law. Such transfer, grant, bargain, sale, assignment, conveyance, set over and delivery is hereby expressly stated to be a sale and, pursuant to Section 6588.6(b) of the California Government Code, shall be treated as an absolute sale and transfer of the Proposition 1A Receivable, and not as a grant of a security interest by the Seller to secure a borrowing. This is the statement referred to in Sections 6588.6(b) and (c) of the California Government Code.

4. Representations and Warranties of the Purchaser. The Purchaser represents and warrants to the Seller, as of the date hereof, as follows:

(a) The Purchaser is duly organized, validly existing and in good standing under the laws of the State of California.

(b) The Purchaser has full power and authority to enter into this Agreement and to perform its obligations hereunder and has duly authorized such purchase and assignment of the Proposition 1A Receivable by the Purchaser by all necessary action.

(c) Neither the execution and delivery by the Purchaser of this Agreement, nor the performance by the Purchaser of its obligations hereunder, shall conflict with or result in a breach or default under any of its organizational documents, any law, rule, regulation, judgment, order or decree to which it is subject or any agreement or instrument to which it is a party.

(d) To the best of the knowledge of the Purchaser, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, is pending or threatened in any way against the Purchaser affecting the existence of the Purchaser or the titles of its commissioners or officers, or seeking to restrain or to enjoin the purchase of the Proposition 1A Receivable or to direct the application of the proceeds of the purchase thereof, or in any way contesting or affecting the validity or enforceability of any of the Transaction Documents or any other applicable agreements or any action of the Purchaser contemplated by any of said documents, or in any way contesting the powers of the Purchaser or its authority with respect to the Transaction Documents to which it is a party or any other applicable agreement, or any action on the part of the Purchaser contemplated by the Transaction Documents, or in any way seeking to enjoin or restrain the Purchaser from purchasing the Proposition 1A Receivable or which if determined adversely to the Purchaser would have an adverse effect upon the Purchaser's ability to purchase the Proposition 1A Receivable, nor to the knowledge of the Purchaser is there any basis therefor.

(e) This Agreement, and its execution, delivery and performance hereof have been duly authorized by it, and this Agreement has been duly executed and delivered by it and constitutes its valid and binding obligation enforceable against it in accordance with the terms hereof, subject to the effect of bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws relating to or affecting creditors' rights generally or the application of equitable principles in any proceeding, whether at law or in equity.

(f) The Purchaser is a separate legal entity, acting solely through its authorized representatives, from the Seller, maintaining separate records, books of account, assets, bank accounts and funds, which are not and have not been commingled with those of the Seller.

(g) All approvals, consents, authorizations, elections and orders of or filings or registrations with any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to, or the absence of which would adversely affect, the purchase by the Purchaser of the Proposition 1A Receivable or the performance by the Purchaser of its obligations under the Transaction Documents to which it is a party and any other applicable agreements, have been obtained and are in full force and effect.

(h) Insofar as it would materially adversely affect the Purchaser's ability to enter into, carry out and perform its obligations under any or all of the Transaction Documents to which it is a party, or consummate the transactions contemplated by the same, the Purchaser is not in breach of or default under any applicable constitutional provision, law or administrative regulation of the State of California or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which it is a party or to which it or any of its property or assets is otherwise subject, and, to the best of the knowledge of the Purchaser, no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument, and the execution and delivery by the Purchaser of the Transaction Documents to which it is a party, and compliance by the Purchaser with the provisions thereof, under the circumstances contemplated thereby, do not and will not conflict with or constitute on the part of the Purchaser a breach of or default under any agreement or other instrument to which the Purchaser is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the Purchaser is subject.

5. Representations and Warranties of the Seller. The Seller hereby represents and warrants to the Purchaser, as of the date hereof, as follows:

(a) The Seller is a local agency within the meaning of Section 6585(f) of the California Government Code, with full power and authority to execute and deliver this Agreement and to carry out its terms.

(b) The Seller has full power, authority and legal right to sell and assign the Proposition 1A Receivable to the Purchaser and has duly authorized such sale and assignment to the Purchaser by all necessary action; and the execution, delivery and performance by the Seller of this Agreement has been duly authorized by the Seller by all necessary action.

(c) This Agreement has been, and as of the Closing Date the Bill of Sale will have been, duly executed and delivered by the Seller and, assuming the due authorization, execution and delivery of this Agreement by the Purchaser, each of this Agreement and the Bill of Sale constitutes a legal, valid and binding obligation of the Seller enforceable in accordance with its terms, subject to the effect of bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws relating to or affecting creditors' rights generally or the application of equitable principles in any proceeding, whether at law or in equity.

(d) All approvals, consents, authorizations, elections and orders of or filings or registrations with any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to, or the absence of which would adversely affect, the sale by the Seller of the Proposition 1A Receivable or the performance by the Seller of its

obligations under the Resolution and the Transaction Documents to which it is a party and any other applicable agreements, have been obtained and are in full force and effect.

(e) Insofar as it would materially adversely affect the Seller's ability to enter into, carry out and perform its obligations under any or all of the Transaction Documents to which it is a party, or consummate the transactions contemplated by the same, the Seller is not in breach of or default under any applicable constitutional provision, law or administrative regulation of the State of California or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which it is a party or to which it or any of its property or assets is otherwise subject, and, to the best of the knowledge of the Seller, no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument, and the adoption of the Resolution and the execution and delivery by the Seller of the Transaction Documents to which it is a party, and compliance by the Seller with the provisions thereof, under the circumstances contemplated thereby, do not and will not conflict with or constitute on the part of the Seller a breach of or default under any agreement or other instrument to which the Seller is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the Seller is subject.

(f) To the best of the knowledge of the Seller, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, is pending or threatened in any way against the Seller affecting the existence of the Seller or the titles of its City Council members or officers to their respective offices, or seeking to restrain or to enjoin the sale of the Proposition 1A Receivable or to direct the application of the proceeds of the sale thereof, or in any way contesting or affecting the validity or enforceability of any of the Transaction Documents or any other applicable agreements or any action of the Seller contemplated by any of said documents, or in any way contesting the powers of the Seller or its authority with respect to the Resolution or the Transaction Documents to which it is a party or any other applicable agreement, or any action on the part of the Seller contemplated by the Transaction Documents, or in any way seeking to enjoin or restrain the Seller from selling the Proposition 1A Receivable or which if determined adversely to the Seller would have an adverse effect upon the Seller's ability to sell the Proposition 1A Receivable, nor to the knowledge of the Seller is there any basis therefor.

(g) Prior to the sale of the Proposition 1A Receivable to the Purchaser, the Seller was the sole owner of the Proposition 1A Receivable, and has such right, title and interest to the Proposition 1A Receivable as provided in the Act. From and after the conveyance of the Proposition 1A Receivable by the Seller to Purchaser on the Closing Date, the Seller shall have no right, title or interest in or to the Proposition 1A Receivable. Except as provided in this Agreement, the Seller has not sold, transferred, assigned, set over or otherwise conveyed any right, title or interest of any kind whatsoever in all or any portion of the Proposition 1A Receivable, nor has the Seller created, or to the best knowledge of the Seller permitted the creation of, any lien, pledge, security interest or any other encumbrance (a "Lien") thereon. Prior to the sale of the Proposition 1A Receivable to the Purchaser, the Seller held title to the Proposition 1A Receivable free and clear of any Liens. As of the Closing Date, this Agreement, together with the Bill of Sale, constitutes a valid and absolute sale to the Buyer of all of the Seller's right, title and interest in and to the Proposition 1A Receivable.

(h) The Seller acts solely through its authorized officers or agents.

(i) The Seller maintains records and books of account separate from those of the Purchaser.

(j) The Seller maintains its respective assets separately from the assets of the Purchaser (including through the maintenance of separate bank accounts); the Seller's funds and assets, and records relating thereto, have not been and are not commingled with those of the Purchaser.

(k) The Seller's principal place of business and chief executive office is located at 2870 Clark Avenue, Norco, CA 92860.

(l) The aggregate amount of the Installment Payments is reasonably equivalent value for the Proposition 1A Receivable. The Seller acknowledges that the amount payable to or on behalf of the Purchaser by the State with respect to the Proposition 1A Receivable will be in excess of the Purchase Price and the Initial Amount of the Proposition 1A Receivable and confirms that it has no claim to any such excess amount whatsoever.

(m) The Seller does not act as an agent of the Purchaser in any capacity, but instead presents itself to the public as an entity separate from the Purchaser.

(n) The Seller has not guaranteed and shall not guarantee the obligations of the Purchaser, nor shall it hold itself out or permit itself to be held out as having agreed to pay or as being liable for the debts of the Purchaser; and the Seller has not received nor shall the Seller accept any credit or financing from any Person who is relying upon the availability of the assets of the Purchaser in extending such credit or financing. The Seller has not purchased and shall not purchase any of the Bonds or any interest therein.

(o) All transactions between or among the Seller, on the one hand, and the Purchaser on the other hand (including, without limitation, transactions governed by contracts for services and facilities, such as payroll, purchasing, accounting, legal and personnel services and office space), whether existing on the date hereof or entered into after the date hereof, shall be on terms and conditions (including, without limitation, terms relating to amounts to be paid thereunder) which are believed by each such party thereto to be both fair and reasonable and comparable to those available on an arms-length basis from Persons who are not affiliates.

(p) The Seller has not, under the provisions of Section 100.06(b) of the California Revenue and Taxation Code, received a reduction for hardship or otherwise, nor has it requested, made arrangements for, or completed a reallocation or exchange with any other local agency, of the total amount of the ad valorem property tax revenue reduction allocated to the Seller pursuant to Section 100.06(a) of the California Revenue and Taxation Code.

6. Covenants of the Seller.

(a) The Seller shall not take any action or omit to take any action which adversely affects the interests of the Purchaser in the Proposition 1A Receivable and in the proceeds thereof. The Seller shall not take any action or omit to take any action that shall adversely affect

the ability of the Purchaser, and any assignee of the Purchaser, to receive payments of the Proposition 1A Receivable.

(b) The Seller shall not take any action or omit to take any action that would impair the validity or effectiveness of the Act, nor, without the prior written consent of the Purchaser or its assignees, agree to any amendment, modification, termination, waiver or surrender of, the terms of the Act, or waive timely performance or observance under the Act. Nothing in this agreement shall impose a duty on the Seller to seek to enforce the Act or to seek enforcement thereof by others, or to prevent others from modifying, terminating, discharging or impairing the validity or effectiveness of the Act.

(c) Upon request of the Purchaser or its assignee, (i) the Seller shall execute and deliver such further instruments and do such further acts (including being named as a plaintiff in an appropriate proceeding) as may be reasonably necessary or proper to carry out more effectively the purposes and intent of this Agreement and the Act, and (ii) the Seller shall take all actions necessary to preserve, maintain and protect the title of the Purchaser to the Proposition 1A Receivable.

(d) On or before the Closing Date, the Seller shall send (or cause to be sent) an irrevocable instruction to the Controller pursuant to Section 6588.6(c) of California Government Code to cause the Controller to disburse all payments of the Proposition 1A Receivable to the Trustee, together with notice of the sale of the Proposition 1A Receivable to the Purchaser and the assignment of all or a portion of such assets by the Purchaser to the Trustee. Such notice and instructions shall be in the form of Exhibit D hereto. The Seller shall not take any action to revoke or which would have the effect of revoking, in whole or in part, such instructions to the Controller. Upon sending such irrevocable instruction, the Seller shall have relinquished and waived any control over the Proposition 1A Receivable, any authority to collect the Proposition 1A Receivable, and any power to revoke or amend the instructions to the Controller contemplated by this paragraph. Except as provided in Section 2(c) of this Agreement, the Seller shall not rescind, amend or modify the instruction described in the first sentence of this paragraph. The Seller shall cooperate with the Purchaser or its assignee in giving instructions to the Controller if the Purchaser or its assignee transfers the Proposition 1A Receivable. In the event that the Seller receives any proceeds of the Proposition 1A Receivable, the Seller shall hold the same in trust for the benefit of the Purchaser and the Trustee and each Credit Enhancer, as assignees of the Purchaser, and shall promptly remit the same to the Trustee.

(e) The Seller hereby covenants and agrees that it will not at any time institute against the Purchaser, or join in instituting against the Purchaser, any bankruptcy, reorganization, arrangement, insolvency, liquidation, or similar proceeding under any United States or state bankruptcy or similar law.

(f) The financial statements and books and records of the Seller prepared after the Closing Date shall reflect the separate existence of the Purchaser and the sale to the Purchaser of the Proposition 1A Receivable.

(g) The Seller shall treat the sale of the Proposition 1A Receivable as a sale for regulatory and accounting purposes.

(h) From and after the date of this Agreement, the Seller shall not sell, transfer, assign, set over or otherwise convey any right, title or interest of any kind whatsoever in all or any portion of the Proposition 1A Receivable, nor shall the Seller create, or to the knowledge of the Seller permit the creation of, any Lien thereon.

7. The Purchaser's Acknowledgment. The Purchaser acknowledges that the Proposition 1A Receivable is not a debt or liability of the Seller, and that the Proposition 1A Receivable is payable solely by the State from the funds of the State provided therefor. Consequently, neither the taxing power of the Seller, nor the full faith and credit thereof is pledged to the payment of the Proposition 1A Receivable. No representation is made by the Seller concerning the obligation or ability of the State to make any payment of the Proposition 1A Receivable pursuant to Section 100.06 of the Revenue and Taxation Code and Section 25.5 of Article XIII of the California Constitution, nor is any representation made with respect to the ability of the State to enact any change in the law applicable to the Transaction Documents (including without limitation Section 100.06 of the Revenue and Taxation Code or Section 6588.6 of the Government Code). The Purchaser acknowledges that the Seller has no obligation with respect to any offering document or disclosure related to the Bonds.

8. Notices of Breach.

(a) Upon discovery by the Seller or the Purchaser that the Seller or Purchaser has breached any of its covenants or that any of the representations or warranties of the Seller or the Purchaser are materially false or misleading, in a manner that materially and adversely affects the value of the Proposition 1A Receivable or the Purchase Price thereof, the discovering party shall give prompt written notice thereof to the other party and to the Trustee, as assignee of the Purchaser, who shall, pursuant to the Indenture, promptly thereafter notify each Credit Enhancer and the Rating Agencies.

(b) The Seller shall not be liable to the Purchaser, the Trustee, the holders of the Bonds, or any Credit Enhancer for any loss, cost or expense resulting from the failure of the Trustee, any Credit Enhancer or the Purchaser to promptly notify the Seller upon the discovery by an authorized officer of the Trustee, any Credit Enhancer or the Purchaser of a breach of any covenant or any materially false or misleading representation or warranty contained herein.

9. Liability of Seller; Indemnification. The Seller shall be liable in accordance herewith only to the extent of the obligations specifically undertaken by the Seller under this Agreement. The Seller shall indemnify, defend and hold harmless the Purchaser, the Trustee and each Credit Enhancer, as assignees of the Purchaser, and their respective officers, directors, employees and agents from and against any and all costs, expenses, losses, claims, damages and liabilities to the extent that such cost, expense, loss, claim, damage or liability arose out of, or was imposed upon any such Person by the Seller's breach of any of its covenants contained herein or any materially false or misleading representation or warranty of the Seller contained herein. Notwithstanding anything to the contrary herein, the Seller shall have no liability for the payment of the principal of or interest on the Bonds issued by the Purchaser.

10. Limitation on Liability.

(a) The Seller and any officer or employee or agent of the Seller may rely in good faith on the advice of counsel or on any document of any kind, prima facie properly executed and submitted by any Person respecting any matters arising hereunder. The Seller shall not be under any obligation to appear in, prosecute or defend any legal action regarding the Act that is unrelated to its specific obligations under this Agreement.

(b) No officer or employee of the Seller shall have any liability for the representations, warranties, covenants, agreements or other obligations of the Seller hereunder or in any of the certificates, notices or agreements delivered pursuant hereto, as to all of which recourse shall be had solely to the assets of the Seller.

11. The Seller's Acknowledgment. The Seller hereby agrees and acknowledges that the Purchaser intends to assign and grant a security interest in all or a portion of (a) its rights hereunder and (b) the Proposition 1A Receivable, to the Trustee and each Credit Enhancer pursuant to the Indenture. The Seller further agrees and acknowledges that the Trustee, the holders of the Bonds, and each Credit Enhancer have relied and shall continue to rely upon each of the foregoing representations, warranties and covenants, and further agrees that such Persons are entitled so to rely thereon. Each of the above representations, warranties and covenants shall survive any assignment and grant of a security interest in all or a portion of this Agreement or the Proposition 1A Receivable to the Trustee and each Credit Enhancer and shall continue in full force and effect, notwithstanding any subsequent termination of this Agreement and the other Transaction Documents. The above representations, warranties and covenants shall inure to the benefit of the Trustee and each Credit Enhancer.

12. Notices. All demands upon or, notices and communications to, the Seller, the Purchaser, the Trustee or the Rating Agencies under this Agreement shall be in writing, personally delivered or mailed by certified mail, return receipt requested, to such party at the appropriate notice address, and shall be deemed to have been duly given upon receipt.

13. Amendments. This Agreement may be amended by the Seller and the Purchaser, with (a) the consent of the Trustee, (b) the consent of each Credit Enhancer, and (c) a Rating Agency Confirmation, but without the consent of any of the holders of the Bonds, for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Agreement.

Promptly after the execution of any such amendment, the Purchaser shall furnish written notification of the substance of such amendment to the Trustee and to the Rating Agencies.

14. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Seller, the Purchaser and their respective successors and permitted assigns. The Seller may not assign or transfer any of its rights or obligations under this Agreement without the prior written consent of the Purchaser. Except as specified herein, the Purchaser may not assign or transfer any of its rights or obligations under this Agreement without the prior written consent of the Seller.

15. Third Party Rights. The Trustee and each Credit Enhancer are express and intended third party beneficiaries under this Agreement. Nothing expressed in or to be implied from this Agreement is intended to give, or shall be construed to give, any Person, other than the parties hereto, the Trustee, and each Credit Enhancer, and their permitted successors and assigns hereunder, any benefit or legal or equitable right, remedy or claim under or by virtue of this Agreement or under or by virtue of any provision herein.

16. Partial Invalidity. If at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Agreement nor the legality, validity or enforceability of such provision under the law of any other jurisdiction shall in any way be affected or impaired thereby.

17. Counterparts. This Agreement may be executed in any number of identical counterparts, any set of which signed by all the parties hereto shall be deemed to constitute a complete, executed original for all purposes.

18. Entire Agreement. This Agreement sets forth the entire understanding and agreement of the parties with respect to the subject matter hereof and supersedes any and all oral or written agreements or understandings between the parties as to the subject matter hereof.

19. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the Seller and the Purchaser have caused this Agreement to be duly executed as of the date first written above.

CITY OF NORCO, as Seller

By:_____
Authorized Officer

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY, as Purchaser

By:_____
Authorized Signatory

EXHIBIT A
DEFINITIONS

For all purposes of this Agreement, except as otherwise expressly provided herein or unless the context otherwise requires, capitalized terms not otherwise defined herein shall have the meanings set forth below.

"Act" means Chapter 14XXXX of the California Statutes of 2009 (Assembly Bill No. 15), as amended.

"Bill of Sale" has the meaning given to that term in Section 2(b)(ii) hereof.

"Closing Date" means the date on which the Bonds are issued. The Closing Date is expected to be November 19, 2009, but the Purchaser may change the Closing Date by providing e-mail notification to aokoro@ci.norco.ca.us not later than one day prior to the Closing Date.

"Controller" means the Controller of the State.

"County Auditor" means the auditor or auditor-controller of the county within which the Seller is located.

"Credit Enhancer" means any municipal bond insurance company, bank or other financial institution or organization which is performing in all material respects its obligations under any Credit Support Instrument for some or all of the Bonds.

"Credit Support Instrument" means a policy of insurance, a letter of credit, a stand-by purchase agreement, a revolving credit agreement or other credit arrangement pursuant to which a Credit Enhancer provides credit or liquidity support with respect to the payment of interest, principal or purchase price of the Bonds.

"Initial Amount" means, with respect to the Proposition 1A Receivable, the amount of property tax revenue reallocated away from the Seller pursuant to the provisions of Section 100.06 of the Revenue and Taxation Code, as certified by the County Auditor pursuant to the Act.

"Installment Payments" have the meaning set forth in Section 2(a).

"Payment Dates" have the meaning set forth in Section 2(a).

"Pricing Date" means the date on which the Bonds are sold. The Pricing Date is expected to be November 10, 2009, but the Purchaser may change the Pricing Date by providing e-mail notification to aokoro@ci.norco.ca.us not later than one day prior to the Pricing Date.

"Principal Place of Business" means, with respect to the Seller, the location of the Seller's principal place of business and chief executive office located at 2870 Clark Avenue, Norco, CA 92860.

"Proposition 1A Receivable" has the meaning set forth in Section 2(a).

"Purchase Price" means an amount equal to the Initial Amount.

"Rating Agency" means any nationally recognized rating agency then providing or maintaining a rating on the Bonds at the request of the Purchaser.

"Rating Agency Confirmation" means written confirmation from each Rating Agency that any proposed action will not, in and of itself, cause the Rating Agency to lower, suspend or withdraw the rating then assigned by such Rating Agency to any Bonds.

"Resolution" means the resolution adopted by the City Council approving the sale of the Proposition 1A Receivable.

"State" means the State of California.

"Transaction Counsel" means Orrick, Herrington & Sutcliffe LLP.

"Transaction Documents" mean this Agreement, the Bill of Sale, the Indenture, the Bonds and the Irrevocable Instructions For Disbursement of Proposition 1A Receivable of City of Norco, dated as of the Closing Date.

EXHIBIT B1

OPINION OF COUNSEL
to
CITY OF NORCO

Dated: Pricing Date

California Statewide Communities Development Authority
Sacramento, California

Wells Fargo Bank, National Association
Los Angeles, California

Re: Sale of Proposition 1A Receivable

Ladies & Gentlemen:

[I have/This Office has] acted as counsel for the City of Norco (the "Seller") in connection with the adoption of that certain resolution (the "Resolution") of the City Council of the Seller (the "Governing Body") pursuant to which the Seller authorized the sale to the California Statewide Communities Development Authority (the "Purchaser") of the Seller's "Proposition 1A Receivable", as defined in and pursuant to the Purchase and Sale Agreement dated as of November 1, 2009 (the "Sale Agreement") between the Seller and the Purchaser. In connection with these transactions, the Seller has issued certain Irrevocable Instructions For Disbursement of the Seller's Proposition 1A Receivable to the Controller of the State of California (the "Disbursement Instructions") and a Bill of Sale and Bringdown Certificate of the Seller (the "Bill of Sale" and, collectively with the Sale Agreement and the Disbursement Instructions, the "Seller Documents").

Unless the context otherwise requires, capitalized terms used but not otherwise defined herein shall have the meanings given to such terms in the Sale Agreement. [I/We] have examined and are familiar with the Seller Documents and with those documents relating to the existence, organization, and operation of the Seller, the adoption of the Resolution, and the execution of the Seller Documents, and have satisfied ourselves as to such other matters as [I/we] deem necessary in order to render the following opinions. As to paragraphs numbered 3 and 4 below, [I/we] have relied as to factual matters on the representations and warranties of the Seller contained in the Sale Agreement.

Based upon the foregoing, and subject to the limitations and qualifications set forth herein, [I/we] are of the opinion that:

1. The Seller is a local agency, within the meaning of Section 6585(f) of the California Government Code. The Governing Body is the governing body of the Seller.

2. The Resolution was duly adopted at a meeting of the Governing Body, which was called and held pursuant to law and with all public notice required by law, and at which a quorum was present and acting throughout, and the Resolution is in full force and effect and has not been modified, amended or rescinded since the date of its adoption.

3. To the best of [my/our] knowledge, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, is pending or threatened in any way against the Seller (i) affecting the existence of the Seller or the titles of its Governing Body members or officers to their respective offices; (ii) seeking to restrain or to enjoin the sale of the Proposition 1A Receivable or to direct the application of the proceeds of the sale thereof, or materially adversely affecting the sale of the Proposition 1A Receivable; (iii) in any way contesting or affecting the validity or enforceability of the Resolution, Seller Documents or any other applicable agreements or any action of the Seller contemplated by any of said documents; or (iv) in any way contesting the powers of the Seller or its authority with respect to the Resolution or the Seller Documents or any other applicable agreement, or any action on the part of the Seller contemplated by any of said documents.

4. To the best of [my/our] knowledge, prior to the sale of the Proposition 1A Receivable to the Purchaser, the Seller had not sold, transferred, assigned, set over or otherwise conveyed any right, title or interest of any kind whatsoever in all or any portion of the Seller's Proposition 1A Receivable, nor had the Seller created, or permitted the creation of, any Lien thereon.

5. The Seller has duly authorized and executed the Seller Documents and, assuming the due authorization execution and delivery of the Sale Agreement by the Purchaser, each Seller Document will be legal, valid and binding against the Seller and enforceable against the Seller in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or laws relating to or affecting creditors' rights, and the application of equitable principles and the exercise of judicial discretion in appropriate areas.

No opinion is expressed concerning the obligation or ability of the State of California to make any payment of the Proposition 1A Receivable pursuant to Section 100.06 of the Revenue and Taxation Code and Section 25.5 of Article XIII of the California Constitution, nor is any opinion expressed with respect to the ability of the State to enact any change in the law applicable to the Seller Documents (including, without limitation, Section 100.06 of the Revenue and Taxation Code or Section 6588.6 of the Government Code). Furthermore, [I/we] express no opinion as to the value of the Proposition 1A Receivable or as to any legal or equitable remedies that may be available to any person should the Proposition 1A Receivable have little or no value. No opinion is expressed with respect to the sale of Bonds by the Purchaser.

The legal opinion set forth herein is intended for the information solely of the addressees hereof and for the purposes contemplated by the Sale Agreement. The addressees may not rely on it in connection with any transactions other than those described herein, and it is not to be relied upon by any other person or entity, or for any other purpose, or quoted as a whole or in part, or otherwise referred to, in any document, or to be filed with any governmental or administrative agency other than the Purchaser or with any other person or entity for any purpose without [my/our] prior written consent. In addition to the addressees hereof, each Credit Enhancer and the underwriters of the Bonds may rely upon this legal opinion as if it were addressed to them. [I/We] do not undertake to advise you of matters that may come to [my/our] attention subsequent to the date hereof that may affect the opinions expressed herein.

Very truly yours,

By: _____

Seller's Counsel

EXHIBIT B2

OPINION OF COUNSEL
to
CITY OF NORCO

Dated: Closing Date

California Statewide Communities Development Authority
Sacramento, California

Wells Fargo Bank, National Association
Los Angeles, California

Re: Sale of Proposition 1A Receivable (Bringdown Opinion)

Ladies & Gentlemen:

Pursuant to that certain Purchase and Sale Agreement dated as of November 1, 2009 (the "Sale Agreement") between the City of Norco (the "Seller") and the California Statewide Communities Development Authority (the "Purchaser"), this Office delivered an opinion (the "Opinion") dated the Pricing Date as counsel for the Seller in connection with the sale of the Seller's Proposition 1A Receivable (as defined in the Sale Agreement), the execution of documents related thereto and certain other related matters.

Capitalized terms used but not defined herein shall have the meanings given to such terms in the Sale Agreement.

I confirm that you may continue to rely upon the Opinion as if it were dated as of the date hereof. Each Credit Enhancer and the underwriters of the Bonds may rely upon this legal opinion as if it were addressed to them. This letter is delivered to you pursuant to Section 2(b)(ii)(1) of the Sale Agreement.

Very truly yours,

By: _____
Seller's Counsel

EXHIBIT C1
CLERK'S CERTIFICATE

CERTIFICATE OF THE
CITY CLERK OF
CITY OF NORCO, CALIFORNIA

Dated: Pricing Date

The undersigned City Clerk of the City of Norco (the "Seller"), a local agency of the State of California within the meaning of Section 6585(f) of the California Government Code, does hereby certify that the foregoing is a full, true and correct copy of Resolution No. _____ duly adopted at a regular meeting of the City Council of said Seller duly and legally held at the regular meeting place thereof on the _____ day of _____, 2009, of which meeting all of the members of said City Council had due notice and at which a quorum was present and acting throughout, and that at said meeting said resolution was adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

I do hereby further certify that I have carefully compared the same with the original minutes of said meeting on file and of record in my office and that said resolution is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes and that said resolution has not been amended, modified or rescinded since the date of its adoption and the same is now in full force and effect.

I do hereby further certify that an agenda of said meeting was posted at least 72 hours before said meeting at a location in the City of Norco, California freely accessible to members of the public, and a brief general description of said resolution appeared on said agenda.

Capitalized terms used but not defined herein shall have the meanings given to such terms in the Purchase and Sale Agreement, dated as of November 1, 2009, between the Seller and the California Statewide Communities Development Authority.

WITNESS by my hand as of the Pricing Date.

By: _____
City Clerk of the City of Norco, California

EXHIBIT C2
SELLER CERTIFICATE

SELLER CERTIFICATE

Dated: Pricing Date

We, the undersigned officers of the City of Norco (the "Seller"), a local agency of the State of California within the meaning of Section 6585(f) of the California Government Code, holding the respective offices herein below set opposite our signatures, do hereby certify that on the date hereof the following documents (the "Seller Transaction Documents") were officially executed and delivered by the Authorized Officer or Officers whose names appear on the executed copies thereof, to wit:

Document

1. Purchase and Sale Agreement, dated as of November 1, 2009 (the "Sale Agreement"), between the Seller and the California Statewide Communities Development Authority (the "Purchaser").

2. Irrevocable Instructions For Disbursement of Seller's Proposition 1A Receivable to the Controller of the State of California, dated the Closing Date.

3. Bill of Sale, dated the Closing Date.

Capitalized terms used herein and not defined herein shall have the meaning given such terms in the Sale Agreement.

We further certify as follows:

1. At the time of signing the Seller Transaction Documents and the other documents and opinions related thereto, we held said offices, respectively, and we now hold the same.

2. The representations and warranties of the Seller contained in the Seller Transaction Documents are true and correct as of the date hereof in all material respects.

3. The City Council duly adopted its resolution (the "Resolution") approving the sale of the Seller's Proposition 1A Receivable at a meeting of the City Council which was duly called and held pursuant to law with all public notice required by law and at which a quorum was present and acting when the Resolution was adopted, and such Resolution is in full force and effect and has not been amended, modified, supplemented or rescinded.

Name, Official Title	Signature
Beth Groves, City Manager	_____
Andy Okoro, Deputy City Manager/Finance Director	_____

I HEREBY CERTIFY that the signatures of the officers named above are genuine.

Dated: Pricing Date

By: _____
City Clerk of the City of Norco, California

EXHIBIT C3
BILL OF SALE AND BRINGDOWN CERTIFICATE

BILL OF SALE AND BRINGDOWN CERTIFICATE

Pursuant to terms and conditions of the Purchase and Sale Agreement (the "Sale Agreement"), dated as of November 1, 2009, between the undersigned (the "Seller") and the California Statewide Communities Development Authority (the "Purchaser"), and in consideration of the obligation of the Purchaser to pay and deliver to the Seller the Purchase Price (as defined in the Sale Agreement), in two equal installment payments to be made on January 15, 2010, and May 3, 2010 (collectively, the "Payment Dates"), the Seller does hereby (a) transfer, grant, bargain, sell, assign, convey, set over and deliver to the Purchaser, absolutely and not as collateral security, without recourse except as expressly provided in the Sale Agreement, the Proposition 1A Receivable as defined in the Sale Agreement (the "Proposition 1A Receivable"), and (b) assign to the Purchaser, to the extent permitted by law (as to which no representation is made), all present or future rights, if any, of the Seller to enforce or cause the enforcement of payment of the Proposition 1A Receivable pursuant to the Act and other applicable law. Such transfer, grant, bargain, sale, assignment, conveyance, set over and delivery is hereby expressly stated to be a sale and, pursuant to Section 6588.6(b) of the California Government Code, shall be treated as an absolute sale and transfer of the Proposition 1A Receivable, and not as a grant of a security interest by the Seller to secure a borrowing. Seller specifically disclaims any right to rescind the Agreement, or to assert that title to the Proposition 1A Receivable has not passed to the Purchaser, should Purchaser fail to make the installment payments in the requisite amounts on the Payment Dates.

The Seller hereby certifies that the representations and warranties of the Seller set forth in the Certificate of the City Clerk dated the Pricing Date, the Seller Certificate dated dated the Pricing Date and in the Transaction Documents to which the Seller is a party are true and correct in all material respects as of the date hereof (except for such representations and warranties made as of a specified date, which are true and correct as of such date). Capitalized terms used but not defined herein shall have the meanings given to such terms in the Sale Agreement.

Dated: Closing Date

CITY OF NORCO

By:_____
Authorized Officer

EXHIBIT D
IRREVOCABLE INSTRUCTIONS TO CONTROLLER

IRREVOCABLE INSTRUCTIONS FOR DISBURSEMENT
OF PROPOSITION 1A RECEIVABLE OF
CITY OF NORCO

Dated: Closing Date

Office of the Controller
State of California
P.O. Box 942850
Sacramento, California 94250-5872

Re: Notice of Sale of Proposition 1A Receivable by the City of Norco and Wiring Instructions Information Form

---

Dear Sir or Madam:

Pursuant to Section 6588.6(c) of the California Government Code, City of Norco (the "Seller") hereby notifies you of the sale by Seller, effective as of the date of these instructions written above, of all right, title and interest of the Seller in and to the "Proposition 1A Receivable" as defined in Section 6585(g) of the California Government Code (the "Proposition 1A Receivable"), namely, the right to payment of moneys due or to become due to the Seller pursuant to Section 25.5(a)(1)(B)(iii) of Article XIII of the California Constitution and Section 100.06 of the California Revenue and Taxation Code.

By resolution, the Seller's City Council authorized the sale of the Proposition 1A Receivable to the California Statewide Communities Development Authority (the "Purchaser") pursuant to a Purchase and Sale Agreement, dated as of November 1, 2009 (the "Purchase and Sale Agreement") and a Bill of Sale, dated the Closing Date (as defined in the Purchase and Sale Agreement). The Proposition 1A Receivable has been pledged and assigned by the Purchaser pursuant to an Indenture, dated as of November 1, 2009 (the "Indenture") between the Purchaser and Wells Fargo Bank, National Association, as Trustee (the "Trustee").

The Seller hereby irrevocably requests and directs that, commencing as of the date of these instructions written above, all payments of the Proposition 1A Receivable (and documentation related thereto) be made directly to Wells Fargo Bank, National Association, as Trustee, in accordance with the wire instructions and bank routing information set forth below.

Please note that the sale of the Proposition 1A Receivable by the Seller is irrevocable and that: (i) the Seller has no power to revoke or amend these instructions at any time; (ii) the Purchaser shall have the power to revoke or amend these instructions only if there are no notes of the Purchaser outstanding under the Indenture and the Indenture has been discharged; and (iii) so long as the Indenture has not been discharged, these instructions cannot be revoked or amended by the Purchaser without the consent of the Trustee. Should

the Purchaser, however, deliver a written notice to the Office of the Controller stating that: (a) the Seller failed to meet the requirements set forth in the Purchase and Sale Agreement; (b) the Purchaser has not waived such requirements; and (c) the Purchaser has not purchased the Proposition 1A Receivable as a result of the circumstances described in (a) and (b) above, then these instructions shall be automatically rescinded and the Seller shall again be entitled to receive all payment of moneys due or to become due to the Seller pursuant to Section 25.5(a)(1)(B)(iii) of Article XIII of the California Constitution and Section 100.06 of the California Revenue and Taxation Code.

Bank Name:	Wells Fargo Bank, N.A.
Bank ABA Routing #:	121000248
Bank Account #:	0001038377
Bank Account Name:	Corporate Trust Clearing
Further Credit To:	CSCDA Proposition 1A Bonds
Bank Address:	707 Wilshire Blvd., 17th Floor
	MAC E2818-176
	Los Angeles, CA 90017
Bank Telephone #:	(213) 614-3353
Bank Contact Person:	Robert Schneider

Please do not hesitate to call the undersigned if you have any questions regarding this transaction. Thank you for your assistance in this matter.

Very truly yours,

CITY OF NORCO

By:_____

Authorized Officer

EXHIBIT E
ESCROW INSTRUCTION LETTER

ESCROW INSTRUCTION LETTER

_____, 2009

California Statewide Communities Development Authority
1100 K Street
Sacramento, CA 95814

Re: Proposition 1A Receivable Financing

Dear Sir or Madam:

The City of Norco (the "Seller") hereby notifies you of its agreement to participate in the California Statewide Communities Development Authority Proposition 1A Receivable Financing. By adoption of a resolution (the "Resolution") authorizing the sale of its Proposition 1A Receivable, the Seller's City Council has agreed to sell to the California Statewide Communities Development Authority (the "Purchaser"), for a purchase price that meets the conditions set forth in the Resolution, all of its right, title and interest in the Proposition 1A Receivable.

Enclosed herewith are the following documents which have been duly approved and executed by the Seller and which are to be held in escrow by Orrick, Herrington & Sutcliffe LLP, as transaction counsel ("Transaction Counsel"), as instructed below:

1. certified copy of the Resolution, together with a certificate of the City Clerk, dated the Pricing Date;

2. the Seller Certificate, dated the Pricing Date;

3. the Opinion of Seller's Counsel, dated the Pricing Date;

4. the Opinion of Seller's Counsel (bringdown opinion), dated the Closing Date;

5. the Purchase and Sale Agreement, dated as of November 1, 2009;

6. the Bill of Sale and Bringdown Certificate, dated the Closing Date; and

7. the Irrevocable Instructions to Controller, dated the Closing Date.

The foregoing documents are to be held in escrow by Transaction Counsel and shall be delivered on the Closing Date (as defined in the Purchase and Sale Agreement), provided that such Closing Date occurs on or before December 31, 2009.

Should (i) the Closing Date not occur on or berfore December 31, 2009, or (ii) Transaction Counsel receive prior to the Closing Date written notification from Seller or Seller's Counsel stating, respectively and in good faith, that the representations made in the Seller's Certificate are not true and accurate, or the opinions set forth in the Opinion of Seller's Counsel are not valid, in each case as of the Closing Date and provided that the Purchaser may, in its sole discretion, choose to waive receipt of such representations or opinions, then this agreement shall terminate and Transaction Counsel shall destroy all of the enclosed documents.

Very truly yours,

CITY OF NORCO

By:_____
Authorized Officer

Enclosures

cc: Orrick, Herrington & Sutcliffe LLP