



# MINUTES CITY OF NORCO

CITY COUNCIL/COMMUNITY REDEVELOPMENT AGENCY  
REGULAR MEETING  
CITY COUNCIL CHAMBERS – 2820 CLARK AVENUE  
MAY 5, 2010

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CALL TO ORDER: Mayor Miller called the meeting to order at 6:03 p.m.

ROLL CALL: Mayor Malcolm Miller, **Present**  
Mayor Pro Tem Berwin Hanna, **Present**  
Council Member Kathy Azevedo, **Absent**  
Council Member Kevin Bash, **Present**  
Council Member Harvey C. Sullivan, **Present**

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

City Attorney Harper – **Present**

**City Attorney Harper** recommended that two (2) Existing Litigation Cases under Section 54956.9 be added to Closed Session. This action was approved by unanimous consensus of the City Council/Norco Redevelopment Agency Board Members present.

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

### **Section 54956.9 – Conference with Legal Counsel – Existing Litigation**

Case Name: Norco Redevelopment Agency v. Jeffrey D. Wilhelm and Jeffrey D. Wilhelm LLC

Case Number: RIC 10008244

Case Name: City of Norco v. Lakeview Wellness Center

Case Number: RIC 10007576

### **Section 54957.6 – Conference with Labor Negotiator**

Negotiating Parties: City Manager Groves and Deputy City Manager/Director of Finance Okoro

Employee Organization: Norco Battalion Chiefs Association  
Norco Firefighters Association  
Norco General Employees Association  
Norco Public Works & Parks Maintenance Workers Association

RECONVENE PUBLIC SESSION: With nothing to report from Closed Session, Mayor Miller reconvened the meeting at 7:05 p.m.

PLEDGE OF ALLEGIANCE: Council Member Sullivan

INVOCATION: St. Mel's Catholic Church  
*Father Declan Fogarty*

PRESENTATIONS: California Distinguished Schools:  
Norco Elementary  
*Principal Amy Shainman*  
Washington Elementary  
*Principal Bo Barnett*

**Mayor Miller presented each Principal with a plaque, congratulating them on this distinguished honor given to their respective schools. Principal Shainman commented on the criteria required to be a recipient of this award. Mayor Miller also presented each Principal with a proclamation from Assemblyman Jeff Miller.**

PROCLAMATIONS: Poppy Week, May 9 – 15, 2010  
*American Legion Auxiliary No. 328*

**The President of the American Legion Auxiliary No 326, and Sue Brown, Poppy Week Chairman, received the proclamation from Mayor Miller.**

Mental Health Month – May 2010  
*Riverside County Department of Mental Health*

**Moses Rangel, Mental Health Board Member, received the proclamation from Mayor Miller. Mr. Rangel stated that there will be an event held on Tuesday, May 18<sup>th</sup> at Bordwell Park in Riverside in celebration of Mental Health Month.**

INTRODUCTION: Investigator Layos  
*Norco Sheriff Department*

**Lt. Cooper introduced Investigator John Layos and welcomed him to the City of Norco.**

**REGULAR COMMUNITY REDEVELOPMENT AGENCY (CRA) AGENDA AS FOLLOWS:**

1. CRA CONSENT CALENDAR ITEMS:

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

**AYES: BASH, HANNA, MILLER, SULLIVAN**  
**NOES: NONE**  
**ABSENT: AZEVEDO**  
**ABSTAIN: NONE**

- A. CRA Minutes:  
Special Meeting of April 19, 2010  
Regular Meeting of April 21, 2010  
**Recommended Action: Approve the CRA Minutes (City Clerk)**

- B. Approval of first-Time Homebuyer Case 2010-01 in the Amount of \$54,000. **Recommended Action: Approval** (Housing Manager)
2. CRA PUBLIC HEARING:
- A. Approval of an Owner Participation Agreement, by and between the Norco Redevelopment Agency and Richard & Katty Becerra, as part of the Norco Façade Improvement Program, at 1091 Sixth Street

*Richard & Katty Becerra, the owners of the building located at 1091 Sixth Street, have submitted a request to participate in the Façade Improvement Program, initiated by their tenant, Tejvir Walia, the franchisee of the 7-Eleven store at that site. The proposed Owner Participation Agreement will fund the project for an amount not-to-exceed \$20,000, which will be used for a Western-themed enhancement to the building's signage. The Façade Improvement Program helps the Agency meet strategic objectives and promotes Norco's signature theme of "Horsetown USA."*

**Recommended Action: Adopt CRA Resolution No. 2010-\_\_\_\_, appropriating funds and approving an Owner Participation Agreement, by and between the Norco Redevelopment Agency and Richard & Katty Becerra, for a building's signage located at 1091 Sixth Street.** (Director of Economic Development)

**Economic Development Director Oulman** presented the CRA public hearing item.

**Vice Chairman Hanna** confirmed with Director Oulman that the shorter sign will be located on the east side of the driveway on the property.

**Board Member Bash** stated that the business owner came to him with the problem and he is excited about this project going forward.

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

**Tenant Tejvir Walia** thanked everyone for helping him out to enable him to keep the business going.

**Chairman Miller CLOSED the public hearing.**

**M/S Bash/Sullivan to adopt CRA Resolution No. 2010-08, appropriating funds and approving an Owner Participation Agreement, by and between the Norco Redevelopment Agency and Richard & Katty Becerra, for a building's signage located at 1091 Sixth Street. The motion was carried by the following roll call vote:**

**AYES: BASH, HANNA, MILLER, SULLIVAN**  
**NOES: NONE**  
**ABSENT: AZEVEDO**  
**ABSTAIN: NONE**

3. CRA ITEM FOR ACTION:

A. Appropriation of Funds for the Supplemental Educational Revenue Augmentation Fund ("SERAF") Payment

*Pursuant to the State of California 2009-2010 Budget, the State Legislature passed ABX4-26 authorizing the state to raid local redevelopment funds for state purposes. The Norco Redevelopment Agency's share of the raid, which is required to be paid to the Educational Revenue Augmentation Fund in FY 2009-2010, is \$4,904,827. The Agency will also be required to make an additional payment of \$1,008,863 in FY 2010-2011. The California Redevelopment Association ("CRA"), along with several counties, filed a lawsuit challenging the constitutionality of the state's proposed raid of local funds. The Judge presiding over the lawsuit has notified the CRA that he intends to rule on the merits of the case on or before May 4, 2010. The Agency is required to submit its SERAF payment by May 10, 2010 if the court does not rule in our favor.*

**Recommended Action: Adopt CRA Resolution No. 2010-\_\_\_, appropriating \$4,904,827 from the Agency Fund Balance for the potential SERAF Payment.** (Deputy City Manager/Director of Finance)

**Deputy City Manager/Director of Finance Okoro** presented the CRA item and stated that Sacramento County Superior Court Judge Lloyd Connelly ruled that the state can take more than \$2 billion from local redevelopment funds and transfer the money to school operations. Local governments objected to diverting the money, which generally is used to promote public works projects and rehabilitate downtowns. He noted that the Judge's ruling included options for sources used to pay for this. Staff, as part of the budget process, will determine what sources will be used to make this payment and will bring a cleanup resolution back to the Agency Board for approval.

**Executive Director Groves** commented on the difficult process it is to appropriate these funds and discussed the estimated remaining funds that would be available in the RDA fund balance following this payment. She added that this is a very low level for an RDA reserve fund. She clarified that if in fact the payment is required to be made by May 10th, staff will be looking at what funds in the RDA that this payment will be made from and noted that bond proceeds and low/moderate-income housing funds are an option..

**City Attorney Harper** stated that the California Redevelopment Association has appealed this and added that the consequences of not paying it are equivalent of a death penalty to the RDA!

**Board Member Bash** asked for explanation regarding where RDA money comes from. **Deputy City Manager/Director of Finance Okoro** stated that most of the funding comes from property tax increment, meaning property tax collected above and beyond the base value of the property when the Norco Redevelopment Agency was formed. **City Attorney Harper** commented on the pass-through money paid through the tax increment money. **Executive Director Groves** added that the Agency can issue bonds for RDA projects and pay off this issuance with tax increment money.

**M/S Sullivan/Hanna to adopt CRA Resolution No. 2010-09, appropriating \$4,904,827 from the Agency Fund Balance for the potential SERAF Payment. The motion was carried by the following roll call vote:**

**AYES: BASH, HANNA, MILLER, SULLIVAN**  
**NOES: NONE**  
**ABSENT: AZEVEDO**  
**ABSTAIN: NONE**

B. Adoption of a Restaurant Tenant Improvement Program

*The proposed Restaurant Tenant Improvement Program, administered by the Norco Redevelopment Agency,, is designed to attract sit-down, full-service restaurants to commercial sites on Sixth Street and Hamner Avenue by providing financial assistance for interior tenant improvements. For both independent restaurateurs and franchisees of restaurant chains, the cost of tenant improvements is one of the principal barriers to opening for business. Assisting with tenant improvements will not only reduce their overall costs, but will make Norco a particularly attractive location for potential restaurant operators.*

**Recommended Action: Adopt CRA Resolution No. 2010-\_\_\_\_, appropriating funds and approving the creation of a Restaurant Tenant Improvement Program. (Executive Director)**

**Executive Director Groves** presented the CRA item. She noted that the key goals for economic development within the City are to attract sit-down restaurants, which bring a lot of value to the businesses around them. She added that this Program will be an incentive to attract them to locate in Norco. Also noted was that this Program is similar to the Façade Program and both could be applied for if they meet the criteria.

**Board Member Sullivan** commented on the Program and is excited about paying for some of the tenant improvements, as this is a major cost for new restaurants. He noted that this will help us attract restaurants, as we need sit-down restaurants.

**Board Member Bash** stated that this is a great idea.

**Vice Chairman Hanna** stated that this is a good idea and received confirmation from Executive Director Groves that through the application process, everything will be verified.

**Chairman Miller** stated that he supports this Program, as it is an investment program to improve revenues. He questioned the requirement for serving dinner seven nights a week and recommended that it be changed to six nights a week. **Executive Director Groves** stated that this would not have a negative impact on the Program.

**Joyce Goodman.** Ms. Goodman stated that she is excited about the program and commented on a restaurant that she would like to see go in the Boot Barn Center. She gave information on that potential restaurant to Economic Director Oulman.

**Vern Showalter.** Mr. Showalter stated that this is a good idea as this is what the RDA should be doing. He added that with the shortfall in the RDA money, the Agency needs to be careful.

**Pat Overstreet.** Ms. Overstreet stated that there is nothing better for restaurant business than competition and added that she would love to have a high quality sit-down restaurant locate in Norco, but is not in support of another saloon.

**Executive Director Groves** commented on the requirements of the Program, in response to Ms. Overstreet, and noted that there are provisions in the Program to guard against a sit-down restaurant becoming a "saloon."

**M/S Hanna/Bash to adopt CRA Resolution No. 2010-10, appropriating funds and approving the creation of a Restaurant Tenant Improvement Program, with one change to the Program as follows: "Assistance is available only to sit-down, full-service restaurants with a minimum dining room capacity of 25 guests and dinner service seven six nights per week."** (Executive Director) **The motion was carried by the following roll call vote:**

**AYES: BASH, HANNA, MILLER, SULLIVAN**  
**NOES: NONE**  
**ABSENT: AZEVEDO**  
**ABSTAIN: NONE**

4. OTHER CRA MATTERS: No other CRA Matters

5. ADJOURNMENT OF CRA: 7:56 p.m.

**REGULAR CITY COUNCIL AGENDA AS FOLLOWS:**

6. CITY COUNCIL CONSENT CALENDAR ITEMS:

**Council Member Bash pulled Item 6.I.**

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

**AYES: BASH, HANNA, MILLER, SULLIVAN**  
**NOES: NONE**  
**ABSENT: AZEVEDO**  
**ABSTAIN: NONE**

- A. City Council Minutes:  
Special Meeting of April 19, 2010  
Regular Meeting of April 21, 2010  
**Recommended Action: Approve the City Council Minutes** (City Clerk)
- B. Planning Commission Action Minutes, Regular Meeting of April 28, 2010.  
**Recommended Action: Receive and File** (Planning Manager)
- C. Procedural Step to Approve Ordinance after Reading of Title Only.  
**Recommended Action: Approval** (City Clerk)
- D. Approval for Extension of Contract for Annual Audit Services with Rogers, Anderson, Malody and Scott, LLP. **Recommended Action: Approve a contract extension for annual audit services with Rogers, Anderson, Malody and Scott, LLP.** (Deputy City Manager/Director of Finance)
- E. Resolution Establishing Public Places for Posting of City Notices.  
**Recommended Action: Adopt Resolution No. 2010-19.** (City Clerk)
- F. Approval of the Assignment Agreement Royal Street Communications, LLC to Horvath Towers, LLC for Site No. LA0790. **Recommended Action: Approve the Assignment Agreement.** (Director of Parks, Recreation & Community Services)
- G. Acceptance of Street Dedication of Right-of-Way Fronting at 1410 Fourth Street. **Recommended Action: Accept the offer of dedication and authorize the Mayor to sign the Certificate of Acceptance.** (Director of Public Works)
- H. Acceptance of Dedication of Easement for Underground Utility Purposes at 4460, 4478, and 4490 Crestview Avenue. **Recommended Action: Accept a property dedication of a 15 foot easement for utility purposes at 4460, 4478, and 4490 Crestview Drive, and authorize the City Clerk to record the easement grant.** (Director of Public Works)

- I. Request for Water and Sewer Development Impact Fee Exemptions for the Norco First Assembly of God Church Expansion Project. **Recommended Action: Approve exemptions to the payment of Water and Sewer Development Impact Fees in the amount of \$8,000 in conjunction with the construction of the proposed Norco First Assembly of God Church Expansion Project.** (Director of Public Works)  
**PULLED FOR DISCUSSION**

7. ITEMS PULLED FROM CITY COUNCIL CONSENT CALENDAR:

- 6.I. Request for Water and Sewer Development Impact Fee Exemptions for the Norco First Assembly of God Church Expansion Project. **Recommended Action: Approve exemptions to the payment of Water and Sewer Development Impact Fees in the amount of \$8,000 in conjunction with the construction of the proposed Norco First Assembly of God Church Expansion Project.** (Director of Public Works)

**Public Works Director Thompson** stated that the property in question has asked for the fee waiver and he recommended this based on the fees being paid currently and the fact that every effort will be made by the developer to hire local contractors. He added that a new water meter will also be installed.

**Robert Leonard.** Mr. Leonard spoke as the construction manager and stated that he is pushing local contractors to be a part of this project, but can't promise that all will be from Norco.

**Greg Newton.** Mr. Newton stated that the Planning Commission worked well with the church to satisfy the neighbors' concerns and to create cost effective designs for the church to save money. He noted that he is concerned that the conditions set by the Planning Commission would be upheld. He also noted that he does not like the idea that we give back fees during these economic times, but added that if it helps local contractors, he can agree.

**Mayor Miller** commented on the letter from the architect and noted the problems with the project moving forward if these fees were not waived.

**M/S Bash/Hanna to approve exemptions to the payment of Water and Sewer Development Impact Fees in the amount of \$8,000 in conjunction with the construction of the proposed Norco First Assembly of God Church Expansion Project. The motion was carried by the following roll call vote:**

**AYES: BASH, HANNA, MILLER, SULLIVAN**  
**NOES: NONE**  
**ABSENT: AZEVEDO**  
**ABSTAIN: NONE**

8. CITY COUNCIL PUBLIC HEARING:

A. Public Hearing Ordering Abatement of Weeds on Vacant Lots

*The proposed resolution orders the abatement of weeds and authorizes the Fire Department's weed abatement contractor to begin abating weeds on vacant properties whose owners did not comply with the Notice to Abate Spring Weeds.*

**Recommended Action: Adopt Resolution No. 2010-\_\_\_\_, declaring that weeds and hazardous vegetation, upon or in front of vacant property in the City of Norco, constitute a public nuisance and ordering the abatement. (Fire Chief)**

**City Manager Groves** presented the City Council public hearing item.

**Mayor Miller OPENED the public hearing, indicating that proper notification had been made and asking for the appearance of those wishing to speak. With no one wishing to speak, Mayor Miller CLOSED the public hearing.**

**M/S Sullivan/Bash to adopt Resolution No. 2010-20, declaring that weeds and hazardous vegetation, upon or in front of vacant property in the City of Norco, constitute a public nuisance and ordering the abatement. The motion was carried by the following roll call vote:**

**AYES: BASH, HANNA, MILLER, SULLIVAN**  
**NOES: NONE**  
**ABSENT: AZEVEDO**  
**ABSTAIN: NONE**

9. PUBLIC COMMENTS OR QUESTIONS:

**Vern Showalter.** Mr. Showalter stated that at the last Streets, Trails and Utilities Commission meeting, the poor condition of the City's trail fences was discussed. The Commission discussed exploring optional trail fence materials and recommended that the Public Works Director present these options to the City Council. He stated that upon discussions with some Norco residents, they were in favor of the white PVC diamond-design fence. He added that the cost of the fence is approximately \$9/linear foot. Mr. Showalter thanked the Public Works Department for the new striping on Hidden Valley over the I-15 Freeway.

**Glenn Hedges.** Mr. Hedges commented on the City's trail system and how it has deteriorated. He noted that the Public Works Department cannot keep up with the demand and added that this is a great opportunity for the City to use volunteers to work on the trails, as well as the trail fencing.

**Greg Newton.** Mr. Newton thanked the City Council for the information presented at the Town Hall Meeting. He noted that he did not agree with the comment made by one of the Planning Commission Members regarding the lack of leadership by the Council and stated that this Council does a great job.

10. OTHER MATTERS – COUNCIL/STAFF:

**Mayor Pro Tem Hanna:**

- # Agrees with Mr. Hedges regarding using volunteers to help with the maintenance of the trails. He added that staff could come up with a plan to put groups together. Also noted was that the trails are currently a disgrace and we should spruce up the town and make the trails safer. He recommended that staff come back with an idea for putting together this volunteer program.
- # Stated that NART received a check for \$85 from Norco Ranch Outfitters. He added that NART was not called out during Horseweek.
- # Commented on the condition of the horse trail on Hillside and how dangerous it is. He advised Council Member Sullivan to check on its condition before the Extreme Mustang Makeover Trail Challenge.

**City Manager Groves:**

- # Stated that there has been a lot of discussion regarding a volunteer program at the staff level and an expanded volunteer program is being put together. She received confirmation that the trail maintenance is a top priority of the Council and added that some organized groups, with their own insurance, have come in and have been given projects to complete within the City. She further added that discussions are ongoing throughout the budget process.

**Jeanine Adams:**

- # Commented on the annual day of community service and noted that 200 people from her church will be participating in performing weed abatement and cleaning up the trails. She added that they will also be painting the small storage shed behind the Sheriff Station.

**Council Member Bash:**

- # Stated that he is unclear regarding who has the responsibility maintaining the trails in front of resident's homes and was unclear if the City has an adopt-a-trail program and if so, what are the responsibilities of the residents.
- # Commented that someone had contacted him with the idea that the City could purchase the technology to make its own trail fencing.
- # Reminded everyone regarding the event on May 23<sup>rd</sup> in remembrance of Officer Evans, killed during the famous Norco bank robbery.
- # Stated that the horse ride at the Navy Base last Saturday was successful and noted that pictures can be purchased online to support the Lake Norconian Club Foundation.
- # Noted that the Norconian is badly deteriorating and help is needed to preserve it.
- # Requested that accurate information be provided to the citizens following the Town Hall Meeting held on April 29th. He added that Norco is not a regular community and is expensive to maintain. City Manager Groves noted that a *Question & Answer* document will soon be available for the public to view.

- # Asked to have the Parks and Recreation Commission Minutes included in the Thursday packets for information.
- # Stated that the Economic Development Advisory Council has been discussing a patriotic-themed banner program on Sixth Street. City Manager Groves added that staff is soliciting quotes and specs regarding sponsorship for a banner program and added that the costs for the banners will depend on the banner design and the cost to put them up.

**Council Member Sullivan:**

- # Confirmed with Public Works Director Thompson that he will follow up with checking on the trail on Hillside before the Extreme Mustang Makeover Trail Challenge.
- # Commented that because of the problems caused by the obstructions in the horse trails, as well as public right-of-way, he would like the City Manager to review the ordinance and policy regarding the City's policies. City Manager Groves stated that she will be reviewing this ordinance and will report back to the Council, including what enforcement has taken place. Council Member Sullivan noted that the public needs to be aware of their responsibilities.

**Mayor Miller:**

- # Reported some good news that 1.1 million signatures were submitted to qualify a ballot measure to stop State raids of local government and transportation funds.
- # Commented that the Town Hall Meeting went well and was pleased that the "T" word could be discussed. He added that he would like to get a better sense of where the community is regarding additional tax revenues as so few spoke at the Town Hall Meeting. He directed staff to look at options to assess the mood of the community regarding tax measures either through a consulting firm or via utility billing.
- # Presented slides with information on the proposed California High Speed Train Project. He noted that he serves on the Southern California Association of Governments, as well as the Riverside County Transportation Commission, which both are a MOU Partner of this Project. He stated that he has made it clear to both of them that the City of Norco is not in favor of this Project, as the proposed alignment going through Norco would destroy the City.

11. OTHER MATTERS – STAFF: N/A

12. ADJOURNMENT: There being no further business to come before the City Council, Mayor Miller adjourned the meeting at 8:56 p.m.

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BRENDA K. JACOBS  
CITY CLERK