



**AGENDA**  
**CITY OF NORCO**  
CITY COUNCIL/COMMUNITY REDEVELOPMENT AGENCY  
REGULAR MEETING  
CITY COUNCIL CHAMBERS – 2820 CLARK AVENUE  
NOVEMBER 17, 2010

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CALL TO ORDER: 6:00 p.m.

ROLL CALL: Mayor Pro Tem Berwin Hanna  
Council Member Kathy Azevedo  
Council Member Kevin Bash  
Council Member Harvey C. Sullivan

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

**Section 54957 – Public Employee Performance Evaluation**

Title: City Manager

RECONVENE PUBLIC SESSION: 7:00 p.m.

PLEDGE OF ALLEGIANCE: Council Member Bash

INVOCATION: Calvary Chapel – Norco  
*Pastor Louie Montieth*

PRESENTATION: Norco Horseman's Association  
*Top Ten Trail Improvement List*

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

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 November 3, 2010  
**Recommended Action: Approve the CRA Minutes (City Clerk)**

**JOINT CRA/CITY COUNCIL AGENDA AS FOLLOWS:**

2. JOINT CRA/CITY COUNCIL CONSENT ITEM:

- A. Proposed Cancellation of the January 5, 2011 CRA/City Council Regular Meeting. **Recommended Action: Cancel the January 5, 2011 CRA/City Council meeting.** (City Clerk)

3. OTHER CRA MATTERS:

**ADJOURNMENT OF CRA:**

**REGULAR CITY COUNCIL AGENDA AS FOLLOWS:**

4. 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. 5 of the Agenda)*

- A. City Council Minutes:  
Regular Meeting of November 3, 2010  
**Recommended Action: Approve the City Council Minutes** (City Clerk)
- B. Recap of Actions Taken at the Planning Commission Regular Meeting of November 10, 2010. **Recommended Action: Receive and File** (Planning Director)
- C. Acceptance of the Ingalls Park Design/Build of the Equestrian Arena Cover Project as Complete. **Recommended Action: Accept the Ingalls Park Design/Build of the Equestrian Arena Cover Project as complete and direct the City Clerk to file a Notice of Completion with the County Recorder's Office.** (Director of Parks, Recreation & Community Services)
- D. Acceptance of the Reservoir No. 4 Booster Pump Station Project as Complete. **Recommended Action: Accept the Reservoir No. 4 Booster Pump Station as complete and direct the City Clerk to file a Notice of Completion with the County Recorder's Office.** (Director of Public Works)
- E. Award of Contract and Acceptance of Bid for the Fiscal Year 2010-11 Trail Fence Project to Valley Cities Fence Inc. **Recommended Action: Approve Award of Bid and Issue Notice to Proceed to Valley Cities/Gonzales Fence Inc.** (Director of Public Works)

- F. Approval to Declare Various City Assets as Surplus Property. **Recommended Action: Declare various City assets as surplus and authorize the Deputy City Manager/Director of Finance to dispose of surplus assets through appropriate means.** (Deputy City Manager/Director of Finance)
- G. Appointment of One Member to the Economic Development Advisory Council. **Recommended Action: The Economic Development Advisory Council recommends that the City Council appoint Patrick Malone to the Economic Development Advisory Council to fill a vacated seat term through June of 2014.** (City Clerk)

5. ITEMS PULLED FROM THE CITY COUNCIL CONSENT CALENDAR:

6. CITY COUNCIL PUBLIC HEARING:

- A. Proposed Projects for the Use of Community Development Block Grant Funds (Program Year 2011-2012) Through the U. S. Department of Housing and Urban Development and the County of Riverside Economic Development Agency

*Applications for 2011-2012 Community Development Block Grant Funds are due to the Riverside County Economic Development Agency no later than December 2, 2010. City staff has been asked to estimate funding needs based on funding for Program Year 2010-2011, and is presenting funding applications for Council consideration based on an estimate. Final adjustments will be made to selected programs and projects once the actual allocation amount is known.*

**Recommended Action: The following projects are recommended to be submitted for funding through the Community Development Block Grant Program for Program year 2011-2012:**

1. Norco Party Partners (\$10,000)
  2. Senior Citizens Recreation and Community Service Leader (\$10,000)
  3. Ingalls Park ADA Restroom Project (\$110,000)
- (Housing Manager)

7. CITY COUNCIL ITEM FOR ACTION:

- A. Economic Incentive Agreement between the City of Norco and Excel Hotel Group

*Excel Hotel Group is proposing to build a 96-unit Fairfield by Marriot Inn and Suites in the City of Norco. The proposed project is estimated to generate over \$260,000 (average for the first 10 years) annually in Transient Occupancy Tax ("TOT"). Due to the current difficult economic conditions, securing financing for projects of this nature has become exceedingly hard to justify to lenders. To improve the economic attractiveness of the project to potential lenders, the project owner, Excel Hotel Group, has requested an economic incentive in the form of TOT sharing.*

**Recommended Action: Adopt Resolution No. 2010-\_\_\_\_, authorizing the City Manager to Execute an Economic Incentive Agreement with Excel Hotel Group. (Deputy City Manager/Director of Finance)**

8. 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.

9. OTHER MATTERS – COUNCIL:

10. OTHER MATTERS – STAFF:

11. 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).*

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*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.*



**MINUTES**  
**CITY OF NORCO**  
CITY COUNCIL/COMMUNITY REDEVELOPMENT AGENCY  
REGULAR MEETING  
CITY COUNCIL CHAMBERS – 2820 CLARK AVENUE  
NOVEMBER 3, 2010

---

**CALL TO ORDER:** Mayor Pro Tem Miller called the meeting to order at 6:00 p.m.

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

**Staff Present:** Carlson, Cooper, Groves, Jacobs, Okoro, Robles and Thompson

City Attorney Harper – **Present**

**City Attorney Harper** recommended that one (1) Existing Litigation Case under Section 54956.9, and one (1) Anticipated Litigation Case under Section 54956.9(b) be added to Closed Session.

**M/S Sullivan/Bash to add the recommended items to the Closed Session Agenda. The motion was carried by the following roll call vote:**

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

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 vs. Jeffrey D. Wilhelm and Jeffrey D. Wilhelm, LLC  
Case Number: RIC 10008244

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

**Section 54956.9(b) – Conference with Legal Counsel - Anticipated Litigation**

Number of Potential Cases: 5

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

**Mayor Pro Tem Hanna stated that a letter was received from Mayor Miller informing the Council Members that effective November 3, 2010, and continuing for a period of ten weeks, he will be taking a leave of absence from his City Council responsibilities and duties. During that time, he will be undergoing medical treatment. In that letter Mayor Miller stated the following: "I appreciate all of your support and encouragement during this challenging time in my life."**

PLEDGE OF ALLEGIANCE: Mayor Pro Tem Hanna

INVOCATION: Pastor John Vines  
*New Beginnings Community Church*

INTRODUCTION: Sgt. Michael Manning  
**Lt. Cooper introduced Sgt. Manning, who is a 14 year law enforcement veteran.**

PRESENTATION: Wyle Update  
*Rafat A. Abbasi, DTSC*

**Mr. Abbasi provided a project status on the former Wyle Laboratories Norco facility site, where the cleanup phase is still in process. He stated that the great news is that they have minimized migration of contamination in the neighborhood and removed approximately over 500 pounds of contamination from groundwater. Three wells will be placed on the site and four will be installed along Golden West Lane. Contaminated water will be extracted into carbon into an absorption system, and the carbon will be disposed of. The goals for 2010/2011 are to implement the extension of the extraction system along Golden West Lane, complete the Remedial Action Plan for the Lower Basin and off-site early next year, and implement cleanup for the whole site next year. The pilot test to evaluate the effectiveness of Chromium 6 testing was done onsite and not on Golden West Lane. He stated that notices will be sent to a small group of residents on Golden West Lane regarding the expansion of the cleanup process, with a copy of that notice provided to the City Clerk when they are sent out. Mr. Abbasi also confirmed that there is full cooperation from the responsible party, Wyle Laboratories.**

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

**1. CRA CONSENT CALENDAR ITEMS:**

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

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

- A. CRA Minutes:  
Regular Meeting of October 20, 2010  
**Recommended Action: Approve the CRA Minutes (City Clerk)**

2. OTHER CRA MATTERS: No other CRA matters.

**ADJOURNMENT OF CRA:** 7:25 p.m.

**REGULAR CITY COUNCIL AGENDA AS FOLLOWS:**

3. CITY COUNCIL CONSENT CALENDAR ITEMS:

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

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

- A. City Council Minutes:  
Regular Meeting of October 20, 2010  
Special Meeting of October 25, 2010  
**Recommended Action: Approve the City Council Minutes (City Clerk)**
- B. Recap of Actions Taken at the Planning Commission Regular Meeting of October 27, 2010. **Recommended Action: Receive and File (Planning Director)**
- C. Award of a Professional Service Contract to HLP, Inc Chameleon/CMS for Animal Shelter Licensing Software. **Recommended Action: Approve the Professional Service Contract to HLP, Inc. in the amount of \$27,500. (Parks, Recreation & Community Services Director)**
- D. Rehabilitation of Well No. 13. **Recommended Action: Authorize staff to proceed with the rehabilitation of Well No. 13, waiving the competitive bidding requirement for emergency repairs due to health and safety concerns, and award the contract to Layne Christensen Company in an amount not-to-exceed \$66,000 to complete the project. (Director of Public Works)**
- E. Rehabilitation of Well No. 14. **Recommended Action: Authorize staff to proceed with the rehabilitation of Well No. 14, waiving the competitive bidding requirement for emergency repairs due to health and safety concerns, and award the contract to Layne Christensen Company in an amount not-to-exceed \$50,000 to complete the project. (Director of Public Works)**

- F. Resolution Approving the Memorandum of Understanding for the Norco General Employees for Fiscal Years 2010-2011 and 2011-2012. **Recommended Action: Adopt Resolution No. 2010-62.** (Deputy City Manager/Director of Finance)
  - G. Resolution Approving the Memorandum of Understanding for the Public Works and Parks Maintenance Workers Association for Fiscal Year 2010-2011; and approval of the revised Lead Worker Job Specification. **Recommended Action: Adopt Resolution No. 2010-63.** (Deputy City Manager/Director of Finance)
  - H. Resolution Fixing the Employer's Contribution Under the Public Employees' Medical and Hospital Care Act. **Recommended Action: Adopt Resolution No. 2010-64.** (Deputy City Manager/Director of Finance)
  - I. Resolution in Support of "Business Friendly Principles" as part of SCAG's Development of a Southern California Economic Growth Strategy. **Recommended Action: Adopt Resolution No. 2010-65.** (City Manager)
4. ITEMS PULLED FROM CITY COUNCIL CONSENT CALENDAR: **No items pulled from the City Council Consent Calendar.**

5. PUBLIC COMMENTS OR QUESTIONS:

**Lynda Harness.** Ms. Harness commented on the hunting in the Santa Ana riverbed and noted her concerns regarding the safety of the riders with gunshots going off. Mayor Pro Tem Hanna suggested to her that she speak with Lt. Cooper following the meeting to discuss this further.

**Vern Showalter.** Mr. Showalter commented on the signs he picks up throughout the City and complained about a business sign located in the tree and asked that it be removed.

**Clayton Park.** Mr. Park spoke as a First Class Scout and noted that he is Den Chief for Cub Scout Pack 421, Den 6, and is 11 years old. He thanked the Council for the opportunity to come to the meeting.

6. OTHER MATTERS – COUNCIL:

**Council Member Azevedo:**

- ✦ Reported that discussions are being held at the WRCOG Executive Committee meetings regarding TUMF fees for the next year and added that we will start thinking about what we want to do with those fees next year.

7. OTHER MATTERS – STAFF:

**City Manager Groves:**

- ✚ Commented on the November 13<sup>th</sup> Norco Trails Cleanup Day, funded by the Keep America Beautiful Grant, and sponsored by Waste Management.
  - ✚ Noted that the Norco Firefighters Association will hold its “Fill the Boot” charity drive this next Saturday.
  - ✚ Stated that there will not be a Special Meeting – Study Session held on Monday, November 8<sup>th</sup>. She added that the Council had been asked to hold some specific dates in advance for these meetings and stated that no agenda has been posted for the November 8<sup>th</sup> meeting.
  - ✚ Stated that in observance of Veterans Day, City Hall will be closed on Thursday, November 11.
8. ADJOURNMENT: There being no further business to come before the City Council, Mayor Pro Tem Hanna adjourned the meeting at 7:34 p.m.

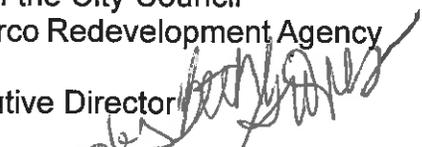
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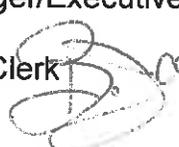
BRENDA K. JACOBS  
CITY CLERK

/bj-76994

## CITY OF NORCO STAFF REPORT

TO: Honorable Mayor and Members of the City Council  
Chairman and Members of the Norco Redevelopment Agency

FROM: Beth Groves, City Manager/Executive Director 

PREPARED BY: Brenda K. Jacobs, City Clerk 

DATE: November 17, 2010

SUBJECT: Proposed Cancellation of the January 5, 2011 City Council/Norco Redevelopment Agency Regular Meeting

RECOMMENDATION: Cancel the January 5, 2011 City Council/Norco Redevelopment Agency Regular meeting.

**SUMMARY:** It is being proposed to the City Council/Norco Redevelopment Agency Board ("Council/Agency Board") Members that the first Regular meeting in January of 2011 be cancelled due to seasonal activities and the closure of the Corona-Norco Unified School District. A similar action has been taken by the Council/Agency Board in previous years, which provides City staff additional preparation time for the second meeting in January.

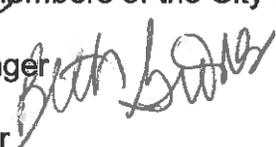
**BACKGROUND/ANALYSIS:** The Council/Agency Board has two Regular meetings scheduled in January of 2011 (January 5 and January 19). Two key issues are involved with the scheduling of the January 5<sup>th</sup> meeting. First, staffing levels are much lower during the latter part of December, due to holiday closures, which in turn lessens the number of items scheduled for the City Council agenda on that first meeting in January. Second, the Corona-Norco Unified School District has implemented mandatory furlough days and all facilities will be closed the first week in January of 2011, with no staff available to manage the opening, closing and maintenance of the facility.

Therefore, staff is recommending that the January 5, 2011 Council/Agency Board Regular meeting be cancelled.

/bj-76993

## CITY OF NORCO STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Beth Groves, City Manager 

PREPARED BY: Brian K. Petree, Director  
Parks, Recreation and Community Services Department

DATE: November 17, 2010

SUBJECT: Acceptance of the Ingalls Park Design/Build of Equestrian Arena Cover Project as complete

RECOMMENDATION: Accept the Ingalls Park Design/Build of Equestrian Arena Cover Project as complete and direct the City Clerk to file a Notice of Completion with the County Clerk's Office

**SUMMARY:** The Ingalls Park Design/Build of Equestrian Arena Cover Project has been completed and staff is requesting that the Council accept the Project as complete.

**BACKGROUND/ANALYSIS:** On February 17, 2010, the Council awarded a contract for the Ingalls Park Design/Build of Equestrian Arena Cover Project to Shook Building Systems of Mira Loma, California in the amount of \$1,099,849.28 with a 10% contingency.

Shook Building Systems has completed their scope of work for the project at a total cost of \$1,118,199.81. The work has been inspected by the City Engineer, the Public Works Inspector and the City Building and Safety Inspector and found to be in full conformance with the plans and specifications on the contract document.

**FINANCIAL IMPACT:** N/A

/rs-77015

## CITY OF NORCO STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Beth Groves, City Manager 

PREPARED BY: William R. Thompson, Director of Public Works 

DATE: November 17, 2010

SUBJECT: Acceptance of the Reservoir No. 4 Booster Pump Station Project, as Complete

RECOMMENDATION: That the City Council accept the Reservoir No. 4 Booster Pump Station Project as complete and instruct the City Clerk to file the Notice of Completion with the County Recorder's Office.

**SUMMARY:** The Reservoir No. 4 Booster Pump Station Project consisted of the installation of a booster pump station at the existing Reservoir No. 4 site to deliver potable water to the recently completed Reservoir No. 5. The project includes Council-approved change orders totaling \$207,750 for various items of work.

**BACKGROUND/ANALYSIS:** On September 2, 2009, the City Council awarded a public works contract to Metro Builders & Engineers Group, Ltd. in the amount of \$563,580 for the Reservoir No. 4 Booster Pump Station Project. On February 3, 2010, the City Council approved an appropriation of \$170,000 for additional items of work, such as extraordinary excavation due to hard rock. The original SCE electrical design required a project change order increase of approximately \$30,000 that included the installation of additional electrical facilities. The final contract amount is \$771,330, based on the actual change orders and quantity of material used on the project as verified by staff.

Work on the project has been completed to the satisfaction of the City Engineer and a Notice of Completion has been prepared. Staff is requesting that the City Council accept the work performed by Metro Builders & Engineers Group, Ltd. and authorize the City Clerk to record the Notice of Completion.

**FINANCIAL IMPACT:** Total \$771,330 (Fund 144)

/dgg-77025

# CITY OF NORCO STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Beth Groves, City Manager 

PREPARED BY: William R. Thompson, Director of Public Works 

DATE: November 17, 2010

SUBJECT: Acceptance of Bid and Award of Contract for the Fiscal Year 2010-11 Equestrian Trail Fence Capital Improvement Project

RECOMMENDATION: Award the contract for the Installation of the 2010/11 Equestrian Trail Fence Capital Improvement Project to Valley Cities/Gonzales Fence, Inc. in the amount of \$68,850 and authorize the City Manager to approve contract change orders up to 10 percent of the contract amount.

**SUMMARY:** Bids for the Fiscal Year 2010-11 Trail Fence Improvement Project were opened on November 2, 2010 with Valley Cities/Gonzales Fence, Inc. being the lowest responsible bidder. It is recommended that the City Council award a contract to Valley Cities/Gonzales Fence, Inc. in the amount of \$68,850 to construct the proposed trail improvements.

**BACKGROUND/ANALYSIS:** Staff completed plans and specifications for the installation of trail fence improvements at various locations within the city.

The adopted Capital Improvement Program (CIP) Trails Improvement Fund includes \$110,400 for trail fence improvements during the 2010-11 fiscal year. Trail fence segments within the bid document vary slightly from the approved CIP Trail Improvement Fund, resulting in minor modifications to the breakdown of the uses of those funds in the adopted CIP Budget, but remaining less than the allocated amounts.

Bids were received at 2:00 p.m. November 2, 2010 ranging from \$68,850 to \$176,220. The lowest responsible bidder's license and references and qualifications have been verified by staff to ensure a satisfactory bid package. The bid summary sheet has been attached for Council review.

**FINANCIAL IMPACT:** Funds are available in the adopted CIP Budget Trails Improvement Fund 143.

Attachment: Bid Summary  
/wrt-77030

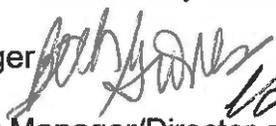
**BID SUMMARY SHEET****2010/11 EQUESTRIAN TRAIL FENCING PROJECT  
AT VARIOUS LOCATIONS**

9000 LF

	<b>COMPANY</b>	<b>UNIT BID</b>	<b>TOTAL</b>
1	Valley Cities/Gonzales Fence, Inc.	\$7.65	\$68,850.00
2	Fencecorp, Inc.	\$7.81	\$70,290.00
3	Green Giant Landscape, Inc.	\$8.72	\$78,480.00
4	ACR Construction	\$9.43	\$84,870.00
5	Alcorn Fence Company	\$10.75	\$96,750.00
6	Aramexx Construction	\$12.00	\$108,000.00
7	Quality Fence Co., Inc.	\$12.40	\$111,600.00
8	Harris Steel Fence Co., Inc.	\$13.08	\$117,720.00
9	Silverline Nevada Ltd., dba California Fence & Supply	\$17.83	\$160,470.00
10	Econo Fence, Inc.	\$19.58	\$176,220.00

## CITY OF NORCO STAFF REPORT

TO: Honorable Mayor and Members of City Council

FROM: Beth Groves, City Manager 

PREPARED BY: Andy Okoro, Deputy City Manager/Director of Finance 

DATE: November 17, 2010

SUBJECT: Approval to Declare Various City Assets as Surplus Property

RECOMMENDATION: Declare Various City Assets as Surplus and authorize the Deputy City Manager/Director of Finance to dispose of surplus assets through appropriate means.

**SUMMARY:** Staff has identified various obsolete pieces of equipment and other assets that are no longer needed for City operations. It is recommended that the City Council declare the assets as surplus and authorize staff to dispose of them through appropriate means including auctions, bid solicitation, or negotiated sale. Appropriate means of disposal for obsolete equipment may include donation to charity and electronic recycling.

**BACKGROUND/ANALYSIS:** In the course of business, the City purchases new equipment to replace obsolete items. Some assets also become surplus due to changes in the organization while others simply break down and cannot be repaired or maintained in a cost effective manner. Obsolete equipment/assets have served their useful lives and are either no longer in service or inadequate for City needs due to software upgrades, excessive maintenance cost and normal wear and tear. Other assets have simply become surplus due to reduction in work force or other changes in the organization. Staff is recommending that the assets listed on the attached schedule be declared surplus and/or obsolete property and authorize staff to dispose of them through appropriate means.

**FINANCIAL IMPACT:** Revenues generated from the sale of obsolete and surplus assets will be credited to the Fund that paid for the original assets.

/jk-77010

Attachment: Surplus List

1993 Westates Fire Engine
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Vin # 44KFT4284PWZ17732
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**Computers:** (8 items)

- 1 – Intel Core 2 Duo 2.4
- 5 – Intel Pentium IV 2.4
- 1 – Intel Pentium IV 2.6
- 1 – Intel Pentium IV 2.8

**Monitors:** (8 Items)

- 1 – 15" LCD Monitors
- 5 – 17" LCD Monitors
- 1 – 19" LCD Monitors
- 1 – 17" CRT Monitor

**Printers / Copiers:** (8 Items)

- 1 - HP LaserJet 4050
- 1 - HP DeskJet 932c
- 1 – Lexmark E323 Laser
- 1 – HP DeskJet 6122
- 1 – HP LaserJet 6mp
- 1 – HP DeskJet 970cxi
- 1 – HP DeskJet 940c
- 1 – LaserJet 2300n

**Other:** (6 Items)

- 1– APC UPS SUA1500
- 1 – IBM Typewriter
- 2 – Ultrium 1 Tape Drive
- 1 – DLT4 Tape Drive
- 1 – One Arc Power Condt.

## CITY OF NORCO STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Beth Groves, City Manager 

PREPARED BY: Brenda K. Jacobs, City Clerk 

DATE: November 17, 2010

SUBJECT: Appointment of One Member to the Economic Development Advisory Council

RECOMMENDATION: The Economic Development Advisory Council recommends that the City Council appoint Patrick Malone to the Economic Development Advisory Council to fill a vacated seat term through June of 2014.

**SUMMARY:** In October of 2010, The Economic Development Advisory Council (EDAC) reviewed applications and interviewed two (2) candidates to fill one vacated seat on the EDAC. The EDAC recommends that the Council appoint Patrick Malone to fill the vacated seat to fill that term through June of 2014.

**BACKGROUND/ANALYSIS:** On July 8, 2010, the City Clerk released a press release seeking applications to fill one seat on the EDAC that was vacated following the sudden death of Edward Ramirez in June of 2010. The deadline for receipt of applications was August 5, 2010.

Two applications were received and presented to the EDAC for its review. Following the interviewing of both candidates at its meeting held on October 28, 2010, the EDAC voted to recommend to the Council the appointment of Patrick Malone on the EDAC to fill the vacated seat through the term ending in June of 2014.

**FINANCIAL IMPACT:** N/A

/bj-77049

## CITY OF NORCO STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Beth Groves, City Manager 

PREPARED BY: Deborah DeGrado, Housing Manager 

DATE: November 17, 2010

SUBJECT: Proposed Projects for Use of Community Development Block Grant Funds (Program Year 2011-2012) Through the U. S. Department of Housing and Urban Development and the County of Riverside Economic Development Agency

RECOMMENDATION: Staff recommends the following projects be submitted for funding through the Community Development Block Grant Program for Program Year 2011-2012:

- 1. Norco Party Partners (\$10,000)**
- 2. Senior Citizens Recreation and Community Service Leader (\$10,000)**
- 3. Ingalls Park ADA Restroom Project (\$110,000)**

SUMMARY: Applications for 2011-2012 Community Development Block Grant Funds are due to the Riverside County Economic Development Agency no later than December 2, 2010. The City has been asked to estimate funding needs based on funding for Program Year 2010-11, and is presenting funding applications for Council consideration based on an estimate. Final adjustments will be made to selected programs and projects once the actual allocation amount is known.

BACKGROUND/ANALYSIS: The City of Norco participates in the CDBG funding program and receives grant funding as a "cooperating city" through the County of Riverside. Recipients of CDBG funds may only use 15% of their annual allocation for Public Service programs. Public Service programs are social service programs and activities that improve the community's social services network such as crime prevention, child care, health care, education, recreational needs, and others.

Staff has not yet received an estimate of available funding for CDBG Program Year 2011-12; however the City will likely receive about \$18,000 for Public Service programs. The remaining funds (estimated to be \$110,000) must be used for Public Facilities projects.

To be eligible for consideration the projects, programs and activities must meet one of the following national objectives:

1. The project or activity will benefit low- and/or moderate-income persons; or
2. The project will prevent or eliminate slum or blight; or
3. The project will meet a need having particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community.

A public meeting was advertised and held on October 12, 2010. Staff received three applications for assistance by the deadline date. All applications meet the CDBG Program funding requirements for either Public Service or Public Facilities. Of the three applications, two request Public Service funds and one seeks Public Facilities funds. All applications are hereby presented to the City Council for funding consideration.

Applications for Public Service programs total \$20,000 which will probably exceed the amount that will be allocated to the City. The amount of \$110,000 is requested for Public Facilities projects. Projects recommended for funding are:

**PUBLIC SERVICE PROGRAMS:**

**NORCO PARTY PARTNERS - DEVELOPMENTALLY CHALLENGED PROGRAM**

2011-2012 Project Budget: \$54,000                      **Funding Recommendation:     \$10,000**

This program provides planned recreational and social activities for developmentally challenged adults 18 and older, and receives part of its funding through the City of Corona CDBG Program. Staff has submitted an application to the Corona for continued funding through its CDBG Program and expects to receive funding again for program year 2011-12. The balance of funding will come from the City's General Fund.

**SENIOR CITIZENS RECREATION AND COMMUNITY SERVICE LEADER**

2011-2012 Project Budget: \$12,000                      **Funding Recommendation:     \$10,000**

This program provides a part-time staff person at the Norco Senior Center to coordinate senior activities and special events. In addition, the Senior Library Reading Program has been moved from the Norco Library to the Senior Center, and expanded to include reading, movies and discussion groups that the Recreation Leader facilitates.

**PUBLIC FACILITIES PROJECTS:**

**INGALLS PARK ADA RESTROOM**

2011-2012 Project Budget: \$110,000                      **Funding Recommendation:     \$110,000**

Restrooms at City parks have seriously deteriorated and have become a health and safety concern. Restroom renovations have been completed at Wayne Makin Park/Shearer Sports Complex and Parmenter Park. For Program Year 2011-12, we are seeking funding to initiate restroom renovations at Ingalls Park where one of the restrooms has been removed due to deterioration and an unsafe condition.

November 17, 2010

**TENTATIVE SCHEDULE FOR APPROVAL OF PROJECTS:**

City Council Public Hearing	November 17, 2010
Deadline for submittal of applications to County	December 2, 2010
County Supervisors funding approval	June 1, 2011
Project/Program start date	July 1, 2011

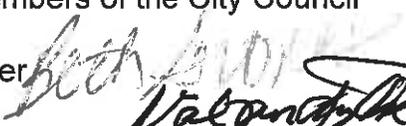
**FINANCIAL IMPACT:** If funding is approved for the listed projects, there will be no impact to the City Budget for these programs and services. If the EDA does not approve the projects as recommended, Staff will return to Council with changes suggested by the EDA for approval.

/dg- 77023

*Due to the length of applications and repetition of material, applications are on file for review in the Housing Office.*

## CITY OF NORCO STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Beth Groves, City Manager 

PREPARED BY: Andy Okoro, Deputy City Manager/Director of Finance 

DATE: November 17, 2010

SUBJECT: Approval of an Economic Incentive Agreement with Excel Hotel Group

RECOMMENDATION: Adopt **Resolution No. 2010-\_\_\_**, authorizing the City Manager to Execute an Economic Incentive Agreement with Excel Hotel Group.

**SUMMARY:** Excel Hotel Group is proposing to build a 96-unit Fairfield by Marriot Inn and Suites in the City of Norco. The proposed project is estimated to generate over \$260,000 (average for the first 10 years) annually in Transient Occupancy Tax ("TOT"). Due to the current difficult economic conditions, securing financing for projects of this nature has become exceedingly hard to justify to lenders. To improve the economic attractiveness of the project to potential lenders, the project owner, Excel Hotel Group, has requested an economic incentive in the form of TOT sharing.

**BACKGROUND/ANALYSIS:** Excel Hotel Group is proposing a development project within the City of Norco. The project, which will be located at the Northeast Corner of Hamner Avenue and Fifth Street, will consist of a 96-unit Fairfield by Marriot Inn and Suites. This project will result in the development of a blighted site, infuse new investment in the Hamner Avenue Corridor, establish new tax-generating uses for the City, and provide new permanent jobs. It will also provide excellent synergies with the proposed silverlakes project as well as existing projects in the immediate vicinity including Bob's Big Boy.

The project developer, Excel Hotel Group, is extremely motivated to develop this project, even in the mist of challenging economic conditions where financing for this type of project has become extremely hard to secure. As a result of this challenging economic environment, the developer has requested a gap financing assistance of \$700,000 in today's dollars in order to meet the required equity in the project which the lender needs in order to provide financing for the project. Due to recent State take-away of Redevelopment Agency funds, the City is not in a position to provide upfront payment assistance of \$700,000. Consequently, staff is recommending a scenario which will ensure that the project is built to generate needed tax dollars to the community, while

providing economic incentive assistance to the project developer over ten years using the tax dollars generated by the project.

The following is summary of the key terms of the proposed TOT sharing Economic Incentive Agreement:

1. The City will retain the first \$100,000 of Hotel TOT generated by the project every year without any payment to Excel Hotel Group.
2. After the first \$100,000 of annual Hotel TOT, the City will rebate sixty-five percent (65%) of the remaining amount to Excel Hotel Group through the 10<sup>th</sup> year from the date the Hotel commences operation or until Excel Hotel Group has been paid \$1,081,000, whichever comes first.
3. Beginning from the 11<sup>th</sup> year, the City will retain all TOT generated from the project.

The maximum amount of TOT (\$1,081,000) to be rebated to Excel Hotel Group is the estimated future value over ten years of \$700,000 in today's dollar using a discount rate of 8%. The discount rate used is the estimated cost of long term borrowing for the Excel Hotel Group.

**FISCAL IMPACT:** The project is estimated to generate \$2,664,000 in TOT over the term of this Agreement. Of that amount, the City's share is estimated to be \$1,583,000, while the project owner will be paid a maximum of \$1,081,000. TOT revenues are General Fund revenues which are used to pay for general City services.

/ao-77035

Attachments: Resolution No. 2010-\_\_\_\_  
Economic Incentive Agreement

## RESOLUTION NO. 2010-\_\_\_\_\_

### A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NORCO, CALIFORNIA AUTHORIZING THE CITY MANAGER TO EXECUTE THE ECONOMIC INCENTIVE AGREEMENT WITH EXCEL HOTEL GROUP REGARDING DEVELOPMENT OF ASSESSOR PARCEL NUMBER

WHEREAS, Excel Hotel Group (the "Project Developer") has proposed a development project within the City at the Northeast Corner of Hamner Avenue and Fifth Street which will consist of approximately a 96-unit Fairfield by Marriot Inn and Suites (the "Hotel"); and

WHEREAS, pursuant to City of Norco Ordinance No. 530 (the "Ordinance"), the City will impose a Transient Occupancy Tax on all Hotel guests at a rate of eleven percent (11%) of the total room rate revenue (the "TOT") of which the Hotel will be required to collect and remit said tax to the City Finance Director. All TOT revenue is to be placed in the City's General Fund; and

WHEREAS, in order to make the project economically feasible and meet the financing gap facing the Project Developer with regards to the project, and in recognition that the development and operation of the Hotel will result in the development of a blighted site, infuse new investment into the Hamner Avenue Corridor, establish new tax-generating uses for the City, and provide new permanent jobs, an Economic Incentive Agreement has been negotiated.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Norco, California hereby authorizes the City manager to execute an Economic Incentive Agreement with the Project Developer.

PASSED AND ADOPTED by the City Council of the City of Norco at a regular meeting held on November 17, 2010.

\_\_\_\_\_  
Mayor Pro Tem of the City of Norco, California

ATTEST:

\_\_\_\_\_  
Brenda K. Jacobs, City Clerk  
City of Norco, California

I, BRENDA 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 regular meeting held on November 17, 2010 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 November 17, 2010.

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

/jk-77051

## **ECONOMIC INCENTIVE AGREEMENT**

This Economic Incentive Agreement (hereinafter referred to as the "Agreement") is entered into as of this 17th day of November, 2010, by and between the City of Norco, a municipal corporation (herein after referred to as the "City") on the one hand, and Excel Hotel Group (hereinafter referred to as the "Project Developer"), a California limited liability company on the other (collectively, the "Parties"), with reference to the following facts:

### **RECITALS**

A. WHEREAS, on March 18, 2009, the City Council approved exemptions to the Project Developer for the payment of sewer and street Development Impact Fees in conjunction with the construction of a proposed hotel project; and

B. WHEREAS, on March 25, 2009, the Norco Planning Commission approved CUP 2009-02 for the Project Developer to develop a 96-unit Fairfield by Marriott Inn and Suites Hotel (the "Hotel") at the Northeast Corner of Hamner Avenue and Fifth Street; and

C. WHEREAS, pursuant to City of Norco Ordinance No. 530 (the "Ordinance"), the City will impose a Transient Occupancy Tax on all Hotel guests at a rate of eleven percent (11%) of the total room rate revenue (the "TOT") of which the Hotel will be required to collect and remit said tax to the City Finance Director. All TOT revenue is to be placed in the City's General Fund; and

D. WHEREAS, in order to make the project economically feasible and meet the financing gap facing the Project Developer with regards to the project, and in recognition that development and operation of the Hotel will result in the development of a blighted site, infuse new investment into the Hamner Avenue Corridor, establish new tax-generating uses for the City, and provide new permanent jobs, the City has approved this Agreement on the terms and conditions set forth herein.

### **AGREEMENT**

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

1. Incentive Payments. Subject to the limitations herein, the City agrees to provide, on a quarterly basis, paid as set forth herein, economic incentive payments (" Incentive Amounts") to the Project Developer, for the reasons stated above.

2. Remittance.

a. Manner. Pursuant to the Ordinance, the Project Developer shall collect and remit to the City eleven percent (11%) of the total room revenue levied on Hotel occupants, on a calendar monthly basis ("Hotel TOT"). Said remittance shall be made within thirty (30) days following the end of the calendar month. Upon receipt of the remittance for the last month of each calendar quarter, City shall have thirty (30) days to review and audit, at its own expense, all amounts so received during that calendar quarter and shall remit the following amounts to the Project Developer.

- The City shall retain the first \$100,000 of Hotel TOT generated annually without any payment to the Project Developer;
- After the first \$100,000 of Hotel TOT, the City shall remit sixty-five percent (65%) of Hotel TOT reviewed and approved pursuant to the provisions of this paragraph through year 10 of the Hotel commencing operation or until the Project Developer has been paid \$1,081,000 whichever comes first.
- Beginning from the 11<sup>th</sup> year, the City will retain all TOT generated from the project
- The Parties expressly acknowledge that this Agreement does not create a debt of the City to the Project Developer, but rather an obligation to pay Incentive Payments only upon City's receipt of Hotel TOT in accordance with the Ordinance and the terms of this Agreement.

b. Time Limits. If either Party fails to act pursuant to the timelines set forth in Section 2(a), or the other Party wishes to challenge the action, the challenging Party shall provide written notification within sixty (60) days. Notice shall be mailed with the United States Mail, postage prepaid, certified mail, return receipt requested, and shall be considered received three (3) days after mailing. Failure to notify the other Party of the breach shall constitute a waiver of the breach and an inability to seek such payments under this Agreement

3. Length of Term. This Agreement shall apply to the first TOT remittance by the Project Developer to the City following the opening of the Hotel and shall remain in effect for ten (10) years thereafter.

4. Disclosure. The Project Developer is informed and hereby acknowledges that the City is uncertain as to whether the benefits conferred by this Agreement create a public work for prevailing wage purposes which, in turn, requires the payment of prevailing wages on the Hotel project. The Project Developer expressly and affirmatively acknowledges that the City's representation of uncertainty, as specifically set forth in this Agreement, is the sole and complete representation made by the City regarding the prevailing wage issue. The Project Developer hereby acknowledges that it has been informed of the City's uncertainty in this regard. The Project Developer may wish to treat this Agreement as an event triggering the consequences attendant with a prevailing wage project to remove any uncertainty. The Project Developer is encouraged to

seek the advice of its own attorney(s) as to this issue, prior to the execution of this Agreement. Execution of this Agreement is an acknowledgement that such independent advice and counsel has been obtained.

5. Indemnity Obligation. The Project Developer agrees to protect, defend (with legal counsel acceptable to the City), indemnify and hold harmless the City, its council members, officers, agents, independent contractors and employees from any and all claims, damages, penalties, losses, costs, expenses (including reasonable attorneys' fees and court costs), injuries and liabilities of every kind arising out of all claims that the benefits conferred by the City under this Agreement may create a public work for prevailing wage purposes thereby requiring the payment of prevailing wages, and all claims challenging the legality, constitutionality, or enforceability of this Agreement, including but not limited to the City's authority to pay TOT Incentive Amounts. This section shall apply regardless of whether or not the claim, damage, penalty, loss, cost, expense, injury and/or liability complained of arises out of or relates in any way to any negligence on the part of the City. The City's rights of indemnity, as expressly set forth in this Agreement, shall not depend upon the actual payment of any claim, damage, penalty, loss, cost, expense (including reasonable attorneys' fees and court costs), injury or liability sustained by the Project Developer and/or its contractors, subcontractors, agents and/or employees. In the event that the City tenders the defense and indemnification of a claim contemplated by this Agreement to the Project Developer and/or to his/her/its contractors, subcontractors, agents and/or employees, the City shall be entitled to actively supervise the claim and/or the defense of the same, shall be authorized to select and retain its own separate, independent counsel, at the Project Developer's and/or his/her/its contractors, subcontractors, agents and/or employees' expense, as necessary, which decision shall be made solely and exclusively by the City, and the City must consent to the disposition of any such claim, including but not limited to, the settlement of any such claim.

6. Authority to Execute Agreement. Each individual signing this Agreement represents and warrants that he or she has full authority to execute the same on behalf of the Party on whose behalf he or she so signs, and that he or she is acting within the scope of his authority. Each individual signing this Agreement agrees to indemnify and hold harmless the other Party for loss, damage, liability, cost or expense (including reasonable attorneys' fees) arising out of any claims made by anyone that such authority to sign this Agreement does not exist.

7. Advice of Counsel. Each of the Parties hereto has received the advice of independent legal counsel prior to signing this Agreement. Each of the Parties hereto acknowledges that no other party or agent or attorney of any other party has made a promise, representation, or warranty whatsoever, express or implied, not contained herein concerning the subject matter herein to induce the other Party to execute this Agreement.

8. Entire Agreement. It is expressly understood and agreed that this Agreement contains the entire agreement and understanding concerning the

subject matter thereof, and supersedes and replaces all prior negotiations and agreements between the Parties, whether written or oral. It is expressly understood and agreed that there have been no promises, agreements, warranties or inducements, not herein expressed. The Parties acknowledge that they have read this Agreement and have executed it without relying upon any statements, representations, or warranties, whether written or oral, not expressly set forth herein.

9. Governing Law. All questions with respect to the construction of this Agreement and the rights and liabilities of the Parties hereto shall be governed by the laws of the State of California.

10. Further Assurances. The Parties shall at their own cost and expense execute and deliver such further documents and instruments, including, but not limited to, escrow instructions, and shall take such other actions as may be reasonably required or appropriate to carry out the intent and purposes of this Agreement.

11. Captions. Sections, titles and captions contained in this Agreement are inserted only as a matter of convenience and for reference and shall in no way be construed to define, limit or extend the scope of this Agreement or the intent of any of its provisions.

12. Contingent on City Council's Approval. The Project Developer understands and acknowledges that this Agreement is subject to approval by the City Council of the City, and that it cannot be fully performed by the City unless and until such approval has been duly and regularly made. The terms, conditions, and covenants set forth herein are all made expressly contingent upon approval by the City Council. In the event this Agreement is not approved, neither Party shall be obligated to perform and is released and discharged by the other from any and all obligations hereunder

13. Amendment. This Agreement shall not be amended except by a written instrument signed by the Parties or their respective successors and assigns.

14. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

15. Severability. If any provision of this Agreement or the application thereof to any person or entity is held to be invalid or unenforceable, the remainder of this Agreement shall not be affected thereby.

\*\*\*\*\*

(SIGNATURE PAGE TO FOLLOW)

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

CITY:

CITY OF NORCO,  
a municipal corporation

By: \_\_\_\_\_

Printed Name: Beth Groves

ITS: City Manager

PROJECT DEVELOPER:

EXCEL HOTEL GROUP,  
a California limited liability company

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

ITS: \_\_\_\_\_

Attest:

\_\_\_\_\_  
Brenda K. Jacobs, City Clerk

Approved as to form:

\_\_\_\_\_  
John R. Harper, Agency Counsel