



**AMENDED AGENDA  
CITY OF NORCO  
CITY COUNCIL/COMMUNITY REDEVELOPMENT AGENCY  
REGULAR MEETING  
CITY COUNCIL CHAMBERS – 2820 CLARK AVENUE  
JANUARY 19, 2011**

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CALL TO ORDER: 6:00 p.m.

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

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 and Balboa Management Group, LLC

Points Under Negotiation: Price and Terms of Agreements for the Redevelopment of the Silverlakes Property

RECONVENE PUBLIC SESSION: 7:00 p.m.

PLEDGE OF ALLEGIANCE: Council Member Bash

INVOCATION: Pastor Vernie Fletcher  
*Grace Fellowship Church*

COMMENDATION: Deputy Brett Johnson

PRESENTATIONS: Norco Junior All American Football Panthers  
*Certificates of Accomplishment*  
*So Cal JAAF Super Bowl 2010 Winners*

**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:  
Special Meeting of January 10, 2011  
Regular Meeting of December 15, 2010  
**Recommended Action: Approve the CRA Minutes (City Clerk)**

2. CRA PUBLIC HEARINGS:

- A. Approval of an Owner Participation Agreement, by and between the Norco Redevelopment Agency and Yam Kwan Wong as part of the Norco Façade Improvement Program, at 2395 Hamner Avenue

*Yam Kwan Wong, the owner of the shopping center located at 2395 Hamner Avenue, has submitted a request to participate in the Façade Improvement Program. The proposed Owner Participation Agreement will fund the project for an amount not-to-exceed \$17,997.11, which will be used for a Western-themed monument sign. The Façade Improvement Program helps the Norco Redevelopment Agency meet strategic objectives and promotes Norco's signature theme of "Horsetown USA."*

**Recommended Action: Adopt CRA Resolution No. 2010-\_\_\_, approving an Owner Participation Agreement, by and between the Norco Redevelopment Agency and Yam Kwan Wong as part of the Norco Façade Improvement Program, at 2395 Hamner Avenue. (Economic Development Specialist)**

- B. Approval of an Owner Participation Agreement, by and between the Norco Redevelopment Agency and West Coast Servicing, LLC as part of the Norco Façade Improvement Program, at 2641 Hamner Avenue

*West Coast Servicing, LLC, the owner of the building located at 2641 Hamner Avenue, has submitted a request to participate in the Façade Improvement Program, initiated by Dr. Ami Shah, owner of Absolutely Best Dental, the owners' anchor tenant. The proposed Owner Participation Agreement will fund the project for an amount not-to-exceed \$20,000, which will be used for a Western-inspired monument sign. The Façade Improvement Program helps the Norco Redevelopment Agency meet strategic objectives and promotes Norco's signature theme of "Horsetown USA."*

**Recommended Action: Adopt CRA Resolution No. 2010-\_\_\_, approving an Owner Participation Agreement, by and between the Norco Redevelopment Agency and West Coast Servicing, LLC as part of the Norco Façade Improvement Program, at 2641 Hamner Avenue. (Economic Development Specialist)**

3. JOINT CRA/CITY COUNCIL PUBLIC HEARING:

- A. Consideration of Documents related to the Silverlakes Equestrian & Sports Park by and between the City of Norco, the City of Norco Redevelopment Agency and Balboa Management Group, LLC

**Recommended action: The Agency Board/City Council is recommended to cancel the Joint CRA/Council Public Hearing for approval of the following documents:**

- A. Norco Silverlakes Master Ground Lease by and between the Norco Redevelopment Agency (Landlord) and the City of Norco (Tenant).
- B. Norco Silverlakes Ground Lease by and between the City of Norco (Landlord) and Balboa Management Group, LLC (Tenant).
- C. Norco Silverlakes Shared Use Agreement by and between the City of Norco (Landlord) and Balboa Management Group, LLC (Tenant).
- D. Report of the Norco Redevelopment Agency Concerning the Disposition of the Redevelopment Agency Property pursuant to California Health & Safety Code Section 33433.
- E. Report of the Norco Redevelopment Agency Concerning Disposition of the Redevelopment Agency Property pursuant to California Health & Safety Code Section 33679.
- F. **Resolution No. 2010-\_\_\_**, Restating and Amending Resolution No. 2009-08 (Adopted on March 4, 2009) Relating to Conditional Use Permit No. 2008-09 for the Silverlakes Equestrian & Sports Park Located on the East Side of Hamner Avenue North of the Santa Ana River.
- G. **Ordinance No. \_\_\_ for first reading.** Approving the Development Agreement by and among the City of Norco, the Norco Redevelopment Agency and Balboa Management Group, LLC for the Silverlakes Equestrian & Sports Park.
- H. **Resolution No. 2010-\_\_\_**, Finding the Silverlakes Project Consistent with the Property Deed Restriction.

- I. Funding, Construction and Acquisition Agreement by and between the City of Norco and Balboa Management Group, LLC, a Delaware Limited Liability Company.

4. OTHER CRA MATTERS:
5. ADJOURNMENT OF CRA:

**REGULAR CITY COUNCIL AGENDA AS FOLLOWS:**

6. 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. 7 of the Agenda)*
  - A. City Council Minutes:  
Special Meeting of January 10, 2011  
Regular Meeting of December 15, 2010  
Special Meeting of December 13, 2010  
Recommended Action: **Approve the City Council Minutes** (City Clerk)
  - B. Recap of Actions Taken at the Planning Commission Regular Meeting of January 12, 2011. **Recommended Action: Receive and File** (Planning Director)
  - C. Approval of a Resolution for Employer Pick-Up to Tax Defer Member Paid Contributions – Internal Revenue Code 414(h)(2). **Recommended Action: Adopt Resolution No. 2011-\_\_\_, approving employer pick-up to tax defer member paid contributions.** (Deputy City Manager/Director of Finance)
  - D. Quarterly Investment Report for Quarter Ended December 31, 2010. **Recommended Action: Receive and File** (Deputy City Manager/Director of Finance)
  - E. Report on Fiscal Year 2010 Audited Financial Reports. **Recommended Action: Receive and File** (Deputy City Manager/Director of Finance)
  - F. Ratification of the Proclamation of a Local Emergency Dated December 22, 2010. **Adopt Resolution No. 2011-\_\_\_, ratifying the Proclamation of a Local Emergency declared on December 22, 2010.** (City Manager)

- G. Approval of a Contract with Philips Healthcare for the Purchase of Replacement Advanced Life Support Defibrillator/Monitors. **Recommended Action: Approve a contract with Philips Healthcare for the purchase of two (2) replacement Advanced Life Support Defibrillator/Monitors in the amount of \$49,353.25, through a cooperative purchasing effort using the City of Corona's formal completed competitive bid process.** (Fire Chief)
- H. Acceptance of the Ingalls Park Security Fencing Project as Complete. **Recommended Action: Accept the Ingalls Park Security Fencing 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)
- I. Professional Services Agreement with Chevron Energy Solutions -- Manure-to-Energy Project. **Recommended Action: Adopt Resolution No. 2011-\_\_\_\_, authorizing execution of a Professional Services Agreement with Chevron Energy Solutions for performance of engineering study of a horse manure-to-energy project.** (Deputy City Manager/Director of Finance)
- J. Dedication of Easement to Southern California Edison. **Recommended Action: Adopt Resolution No. 2011-\_\_\_\_, offering the dedication of a utility easement to Southern California Edison for the purpose of installing underground electric lines to power the new sewer auger/grinder located on Western Avenue.** (Director of Public Works)
- K. Request to Amend the Traffic Signal and Street Lighting Maintenance Agreement between the City of Norco and the City of Corona. **Recommended Action: Approve the amendment to Exhibit "A" of the Traffic Signal and Street Lighting Maintenance Agreement between the City of Norco and the City of Corona.** (Director of Public Works)
- L. Accept Bids and Award the Contract for the Second Street Improvement Project. **Recommended Action: Award the contract for the Second Street Improvement Project to All American Asphalt in the amount of \$1,050,000 and authorize the City Manager to approve contract change orders up to 10 percent of the contract amount.** (Director of Public Works)
- M. Acceptance of the Sierra Avenue Street Improvement Project as Complete. **Recommended Action: Accept the Sierra Avenue Street Improvement Project as complete and direct the City Clerk to file a Notice of Completion with the County Recorder's Office.** (Director of Public Works)

7. ITEMS PULLED FROM CITY COUNCIL CONSENT CALENDAR:

8. LEGISLATIVE MATTERS -- SECOND READING: *(No new evidence will be heard from the public as the public hearing has been closed regarding all items listed.)*
  - A. **Ordinance No. 928, Second Reading.** Amending Chapters 2.20.040, 2.22.040, 2.23.040 and 2.26.040 of Title 2 of the Norco Municipal Code to Add "Never Been Convicted of a Felony" as a Requirement for Membership on a City Commission (Code Change 2010-05). **Recommended Action: Adopt Ordinance No. 928 for Second Reading.** (City Clerk)
  - B. **Ordinance No. 929, Second Reading.** Extending the Temporary TUMF Reduction of the Western Riverside County Transportation Mitigation Fee (TUMF) Program. **Recommended Action: Adopt Ordinance No. 929 for Second Reading.** (City Clerk)
9. CITY COUNCIL ITEM FOR ACTION:
  - A. Approval of a Five-Year Lease Agreement with the Norco Fair Committee for a Community Fair at the George Ingalls Equestrian Event Center  
  
*The Norco Fair Committee has requested a five-year Lease Agreement with the City of Norco from February 2, 2011 through January 31, 2016 for the annual Norco Community Fair at the George Ingalls Equestrian Event Center.*  
  
**Recommended Action: Approve the five-year Lease Agreement with the Norco Fair Committee for a Community Fair at the George Ingalls Equestrian Event Center.** (Director of Parks, Recreation & Community Services)
10. 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 A SPEAKER CARD AND PRESENT IT TO THE CITY CLERK SO THAT YOU MAY BE RECOGNIZED.
11. OTHER MATTERS – COUNCIL:
12. OTHER MATTERS – STAFF:
  - A. Update on the Status of the LMD No. 4 Equestrian Trail Drainage Improvements Project. (City Engineer)

13. 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.*

/bj-76922



**MINUTES**  
**CITY OF NORCO**  
CITY COUNCIL SPECIAL MEETING  
CITY COUNCIL CHAMBERS – 2820 CLARK AVENUE  
DECEMBER 13, 2010

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1. CALL TO ORDER: Mayor Hanna called the meeting to order at 7:00 p.m.
2. ROLL CALL: Mayor Berwin Hanna  
Mayor Pro Tem Kevin Bash  
Council Member Kathy Azevedo  
Council Member Harvey C. Sullivan
3. PLEDGE OF ALLEGIANCE: Council Member Azevedo  
  
INVOCATION: Council Member Sullivan
4. PUBLIC COMMENTS OR QUESTIONS: No public comments received.
5. CITY COUNCIL ITEM FOR ACTION:
  - A. Appointment to the City Council Due to the Passing of Former Mayor Malcolm Miller

*The City of Norco is saddened by the passing of Former Mayor Malcolm Miller on November 17, 2010. In accordance with California Government Code §36512, within 30 days of commencement of a vacancy the City Council must fill the vacancy by appointment, or call a special election. At a Special Meeting held on November 24, 2010, the City Council voted to solicit applications in order to make an appointment within the legally mandated 30-day time frame. Fifteen (15) applications were accepted by the deadline and verified as registered voters of the City of Norco. The City Council will consider, from those applicants, an appointment to fill the vacant Council Member seat for a term of office beginning on December 15, 2010, with the oath of office being administered at the end of the Regular City Council Meeting, and ending in November of 2011.*

**Recommended Action: Adopt Resolution No. 2010-\_\_\_, making an appointment to fill the unexpired City Council term of Malcolm Miller.**

**City Manager Groves** introduced the City Council item.

**Mayor Hanna** stated that if any of the candidates wish to address the Council prior to the voting process, they should first fill out a speaker card and submit it to the City Clerk, which allowed for a 3-minute period of time to present final comments to the Council. He noted that this is also the time to hear public comments on this item.

**Linda Dixon.** Ms. Dixon encouraged the Council to make its decision based on what is best for Norco. She commented on her contributions to the City and noted that she is ethical, honest, fair and strong. She further noted that she looks forward to serving the people of Norco.

**Arthur C. Fisher.** Mr. Fisher commented on his contributions to the City of Norco in the past 9 years and further commented that he has worked with many different councils and educators. He stated that he could serve the City well.

**Thomas J. Price.** Mr. Price commented on his resume as submitted and added that he wrote the song "Horsetown USA" and is also very creative. He noted that he has the time to devote to the City. He further stated that with the state of the economy, the Council should let the voters decide who should fill the vacant seat through a special election.

**Lance Gregory.** Mr. Gregory stated that the reason he submitted his application is because he is hardworking and passionate about the City and just recently became involved in the City to better understand the processes. He noted that the decision made is the good of the people the Council represents.

**Barry Edward Mileski.** Mr. Mileski stated that the "Norconians" helped him form his opinions on the City. He noted that he has good communication skills and understands the challenges faced by the Council.

**Vernon Showalter.** Mr. Showalter stated that he has missed very few Council meetings and believes he can do an excellent job for the City and the people. He noted that this is Horsetown USA, but further noted that there are also people that live in the City that also have needs that need to be addressed.

**Curtis Coombs.** Mr. Coombs stated that he is a volunteer with the California State Disaster Response Program and has also volunteered with the forest service. He noted that as a business owner that deals with many municipalities in many states, he has an understanding of what many cities and jurisdictions face and therefore, he brings a unique perspective to the Council.

**Frank Hall.** Mr. Hall stated that with his 12 years previously sitting on the City Council, he can hit the ground running. He commented on his previous medical issues and noted that they are totally under control and are in his past. He further noted that he has all the energy needed to serve on the Council.

**Greg Newton.** Mr. Newton stated that he has lived in Norco for the past 16 years and has been very active in keeping Norco animal friendly. He noted that he currently serves on the Planning Commission and his past experience exhibits his commitment. He further noted that he is aware of the current issues faced and understands the funding sources for them.

**Joshua David Mickley.** Mr. Mickley stated that he has the educational background to aid in researching the agendas that come before the City Council. He noted that he supports the lifestyle of Norco and this is where he wants to live. He further noted that being financially sound is important for the City.

**Brent Sakamoto.** Mr. Sakamoto commented on his understanding of the Silverlakes development and the need to keep tourism focused in Norco. He noted that it is important to fill all the vacant businesses and also stated that it is important to market and protect the City's unique lifestyle.

**Herbert Higgins.** Mr. Higgins sent an email stating "I have a scheduled church function and will not be able to attend."

**Laurie LoFranco.** Ms. LoFranco sent an email stating that she would not be able to attend the meeting.

**Pat Overstreet.** Ms. Overstreet spoke about the difficult decision the Council has with Malcolm Miller significantly raising the bar. She noted that experience in the City's affairs from past participation is important and further stated her support for Greg Newton and Linda Dixon.

**Su Bacon.** Ms. Bacon stated that she supports Pat Overstreet's comments and noted her support for Greg Newton and Linda Dixon. She stated that this is a difficult decision and should not be based on loyalty and friendship.

Mayor Hanna stated that to begin the process, each Council Member will receive Ballot Number One, where they will each vote for two (2) persons. There will not be a first and second choice, and the purpose of the first vote will only be to limit the applicant list to eight (8) or less.

The City Clerk read each ballot as follows:

Mayor Hanna voted for Linda Dixon and Greg Newton  
Mayor Pro Tem Bash voted for Linda Dixon and Greg Newton  
Council Member Azevedo voted for Frank Hall and Greg Newton  
Council Member Sullivan voted for Linda Dixon and Vernon Showalter

Mayor Hanna stated that the Council will each receive Ballot Number Two, where they will each vote for one (1) person from the following candidate list:

The City Clerk read each ballot as follows:

Mayor Hanna voted for Linda Dixon  
Mayor Pro Tem Bash voted for Greg Newton  
Council Member Azevedo voted for Frank Hall  
Council Member Sullivan voted for Linda Dixon

Mayor Hanna stated that the Council will each receive Ballot Number Three, where they will each vote for one (1) person from the following candidate list:

The City Clerk read each ballot as follows:

Mayor Hanna voted for Linda Dixon  
Mayor Pro Tem Bash voted for Greg Newton  
Council Member Azevedo voted for Greg Newton  
Council Member Sullivan voted for Linda Dixon

Mayor Hanna stated that the Council will each receive Ballot Number Four, where they will each vote for one (1) person from the following candidate list:

The City Clerk read each ballot as follows:

Mayor Hanna voted for Greg newton  
Mayor Pro Tem Bash voted for Greg Newton  
Council Member Azevedo voted for Greg Newton  
Council Member Sullivan voted for Linda Dixon

**M/S Bash/Azevedo to adopt Resolution No. 2010-70, appointing Greg Newton to fill the unexpired City Council term of Malcolm Miller expiring in November of 2011. The motion was carried by the following roll call vote:**

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

6. **ADJOURNMENT:** There being no further business to come before the City Council, Mayor Hanna adjourned the meeting at 7:45 p.m.

bj-77291



**MINUTES**  
**CITY OF NORCO**  
CITY COUNCIL/COMMUNITY REDEVELOPMENT AGENCY  
REGULAR MEETING  
CITY COUNCIL CHAMBERS – 2820 CLARK AVENUE  
DECEMBER 15, 2010

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CALL TO ORDER: Mayor Hanna called the meeting to order at 6:02 p.m.

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

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

City Attorney Harper – **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 vs. Jeffrey D. Wilhelm and Jeffrey D. Wilhelm, LLC

Case Number: RIC 10008244

Case Name: CACERF Norco, LLC vs. City of Norco

Case Number: RIC 10010637

Case Name: Sedrak vs. City of Norco

Case Number: RIC 10022513

RECONVENE PUBLIC SESSION: With nothing to report from Closed Session, Mayor Hanna reconvened the meeting at 7:02 p.m.

PLEDGE OF ALLEGIANCE: Council Member Sullivan

INVOCATION: Dr. Jeff Mooney, Pastor  
*First Baptist Church*

Mayor Hanna read a statement provided by the family of Roy Rike, who passed away earlier in the week -- "It was because of the love Roy had for The City Norco and the families in Norco, Roy continued serving those families by helping develop The Norco Citizens on Patrol. His goal was to keep not only his family safe but all the families in Norco." Mayor Hanna stated that the Council Meeting would be adjourned in memory of Roy Rike.

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

1. CRA CONSENT CALENDAR ITEMS:

**M/S Sullivan/Bash to approve the items 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: NONE**  
**ABSTAIN: NONE**

- A. CRA Minutes:  
Regular Meeting of December 1, 2010  
**Recommended Action: Approve the CRA Minutes (City Clerk)**
- B. Approval of Fiscal Year 2009-2010 Annual Financial Reports of the Norco Redevelopment Agency **Recommended Action: Approve the Reports (Deputy City Manager/Director of Finance)**

2. OTHER CRA MATTERS:

ADJOURNMENT OF CRA: 7:07

**REGULAR CITY COUNCIL AGENDA AS FOLLOWS:**

**M/S Bash/Azevedo 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: NONE**  
**ABSTAIN: NONE**

3. CITY COUNCIL CONSENT CALENDAR ITEMS:

- A. City Council Minutes:  
Regular Meeting of December 1, 2010  
Special Meeting of November 24, 2010  
**Recommended Action: Approve the City Council Minutes (City Clerk)**
- B. Recap of Actions Taken at the Planning Commission Regular Meeting of December 8, 2010. **Recommended Action: Receive and File (Planning Director)**

- C. Appointments to Standing Committees and Other Governmental Agencies. **Recommended Action: Approve the Mayor-recommended appointments to the various standing committees and other governmental agencies for the 2011 calendar year.** (City Clerk)
  - D. Acceptance of Bids and Award of Contract for Norco Ridge Ranch Park Development. **Recommended Action: Award the base bid contract to Micon Construction, Inc. in the amount of \$469,528.38 and authorize the City Manager to approve contract change orders up to 10 percent of the net contract amount.** (Director of Parks, Recreation & Community Services Director)
4. ITEMS PULLED FROM CITY COUNCIL CONSENT CALENDAR: No items pulled.
5. CITY COUNCIL PUBLIC HEARINGS:
- A. Ordinance Amending Chapters 2.20.040, 2.22.040, 2.23.040 and 2.26.040 of Title 2 of the Norco Municipal Code to Add "Never Been Convicted of a Felony" as a Requirement for Membership on a City Commission (Code Change 2010-05)

*At its meeting held on December 1, 2010, the City Council voted to consider an ordinance that would add a requirement to the qualifications to serve on a City Commission that the person was never convicted of a felony. Staff prepared an ordinance for the Council's consideration that includes this membership requirement for all of the City Commissions.*

**Recommended Action: Adopt Ordinance No. \_\_\_\_ for first reading.**  
(City Manager)

**City Manager Groves** presented the public hearing item. She noted that in reviewing the current commission's membership requirements, revisions were made to create uniformity in the requirements. As the age requirements varied for the commissions, all of the age requirements were changed to eighteen (18), as this is the legal age to become a registered voter. The stipulation that a member must be a Citizen of the United States was also included in all of the commission requirements, as it was not included in the requirements for the Street, Trails and Utilities Commission and the Historic Preservation Commission. These changes will make the requirements standardized for all of the City commissions.

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

**Chris Brooks.** Mr. Brooks spoke in favor of the current process and against the proposed ordinance.

**Curtis Coombs.** Mr. Coombs spoke against the ordinance as proposed.

**Pat Overstreet.** Ms. Overstreet spoke In favor of the proposed ordinance.

**Mayor Hanna CLOSED the public hearing.**

**Council Member Sullivan** stated that when he read what happened in Corona with a convicted felon serving on the Planning Commission, he thought the City of Norco should look into this. He noted that he would be open to other suggestions and believes a person has a right, once convicted and has served time, to live a life unobstructed by things that follow them around.

**Council Member Azevedo** commented on the requirements to serve on a City Council. City Attorney Harper noted that "never been convicted of a felony" is not one of the requirements and further noted that one of the requirements is to be a registered voter, which requires that "you are not in prison or on parole for conviction of a felony." Council Member Azevedo stated that commission members should not have different stipulations than council members.

**Mayor Pro Tem Bash** commented that a person cannot coach in the community if convicted of a felon and the City needs to make sure that we set a bar. He noted that he likes the ordinance and it is a good move for the Council.

**Mayor Hanna** stated that he supports the ordinance and noted that if we are going to have the proper people coaching the kids, the leaders of the City should be placed in the same category.

**M/S Bash/Sullivan to adopt Ordinance No. 928 for first reading. The motion was carried by the following roll call vote:**

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

- B. Extension of the Transportation Uniform Mitigation Fee (TUMF) Reduction Period

*The WRCOG Executive Committee approved a reduction in the TUMF in October 2009 with an expiration date of December 31, 2010, authorizing member jurisdictions – if they chose – to reduce TUMF fees assessed on new development during this period. The WRCOG Executive Committee voted to extend the ability for local jurisdictions to implement a 25% or 50% fee reduction for up to one more year from January 1, 2011, to December 31, 2011, with a maximum cap of \$20 million for all uncollected TUMF revenues resulting from the fee reduction since implementation of the policy. The ability for local jurisdictions to implement the fee reduction will be terminated automatically on December 31, 2011, or once the \$20 million aggregate cap in uncollected TUMF revenue is reached upon*

*notification by letter from the WRCOG Executive Director at the direction of the WRCOG Executive Committee.*

**Recommended Actions:**

**Individually Adopt:**

**Ordinance No. \_\_\_\_\_, for first reading,** extending the temporary TUMF reduction of the Western Riverside County Transportation Mitigation Fee (TUMF) program; and

**Resolution No. 2010-\_\_\_\_,** extending the temporary fee reduction period under the Western Riverside County Transportation Uniform Mitigation Fee (TUMF) program.

(City Manager)

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

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

**Vern Showalter.** Mr. Showalter noted that WRCOG is a good thing for the City and in this case could hurt the City in the long run. He noted that at this time, it would be good to reduce the TUMF fees to attract development.

**Mayor Hanna CLOSED the public hearing.**

**Council Member Azevedo** stated that the intent of the WRCOG Executive Committee is to work with the jurisdictions regarding the pay back money and keep the TUMF fees at a reduction to encourage development.

**Council Member Sullivan** stated that with the projects coming up, he is all in favor of this. He added that this has been a great thing for Norco and the City will benefit from it.

**M/S Bash/Azevedo to adopt Ordinance No. 929 for first reading. The motion was carried by the following roll call vote:**

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

**M/S Bash/Sullivan to adopt Resolution No. 2010-71, extending the temporary fee reduction period under the Western Riverside County Transportation Uniform Mitigation Fee (TUMF) program. The motion was carried by the following roll call vote:**

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

**6. CITY COUNCIL ITEMS FOR ACTION:**

**A. Professional Services Agreement with Chevron Energy Solutions -- Manure-to-Energy Project**

*In 2008, Chevron Energy Solutions conducted a preliminary Horse Manure Conversion Feasibility Study for the City at no charge. The results of the preliminary feasibility study showed that thermal conversion of horse manure and bedding material into electricity appears to be a viable proposition, both technologically and financially. The City Council will now consider a Professional Services Agreement with Chevron Energy Solutions for the performance of a detailed Engineering Feasibility Study of a horse manure-to-energy project. The cost of this study will be funded 80% with a congressional designated project grant from the U.S. Department of Energy (DOE) and 20% from the Sewer Fund.*

**Recommended Action:** Adopt Resolution No. 2010- \_\_\_\_, authorizing execution of a Professional Services Agreement with Chevron Energy Solutions for performance of engineering study of a horse manure-to-energy project. (Deputy City Manager/Director of Finance)

**City Manager Groves** introduced the item. **Deputy City Manager/Director of Finance Okoro** provided an overview of the project. Representatives from Chevron were in attendance to assist with the presentation. The background of the project was presented noting that this is the long term option for the disposing of horse manure. The two sites being considered are the WRCRWA location and the 4000 Bluff Street location. In terms of funding, currently there is \$750,000 available through a Congressional Designate Project grant that requires a match in the amount of \$187,500 from the City. The total available funding for the project is \$937,000. Besides the Feasibility Study, the available funding should cover the cost of the Environmental Impact Study. It was noted that Chevron can provide the best technology and is financially strong, with expertise in finding incentives and grants.

**City Manager Groves** stated that the feasibility study would determine the "inputs" that could be used for the project. She noted that the City is looking for a way to determine if this is a viable project and further noted that the cost of manure disposal for the City will continue to grow. This is a way for the Council to use the feasibility study to determine if the project should continue.

**Deputy City Manager/Director of Finance Okoro** stated that the Council will not be approving the Professional Services Agreement tonight as the paper work for the grant has not been completed. He noted that the approval will be brought back to the Council at the January 19, 2011 meeting.

**Mayor Pro Tem Bash** stated that this is an important project for the City.

**Council Member Azevedo** stated that she is excited about project. She inquired about the feasibility study and noted that WRCRWA was receptive to this site in the past. Public Works Director Thompson stated that our thought process is to bring the Council the most information possible, including information on the WRCRWA site.

**Council Member Sullivan** thanked Deputy City Manager/Director of Finance Okoro for working on this project and getting the grant funding needed. He noted that technology has come a long way and this is a good way to get rid of the City's manure. He further noted that once the feasibility study is completed, he believes there will be more grant money available.

**Mayor Hanna** thanked staff and the representatives from Chevron that were present for working on this and noted how important this project was for Malcolm Miller. In response to a question asked by Mayor Hanna, Public Works Director Thompson stated that the cost for disposal continues to change and the City is at their mercy as far as costs.

**Pat Overstreet.** Ms. Overstreet stated that the City needs the motto "from horse poop to the power grid".

**Curtis Coombs.** Mr. Coombs stated that these types of projects have a lot to offer, and noted that this is not just a horse manure solution, but offers a lot of solutions to other jurisdictions. He stated that the City should be cautious about new technology projects and encouraged due diligence.

**Vern Showalter.** Mr. Showalter commented on the project and noted that this is a win-win situation for the City.

**M/S Sullivan/Bash to receive and file the report. The motion was carried by the following roll call vote:**

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

B. Consideration of the Display of the National Motto "In God We Trust" in the Council Chambers

*At its meeting held on December 1, 2010, the City Council voted to consider the placement of the motto "In God We Trust" in the City Council Chambers. The Council is recommended to adopt a resolution supporting the display of "In God We Trust" in the Council Chambers and place it near the City Seal whenever the Chambers is being used for official City business.*

**Recommended Action: Adopt Resolution No. 2010-\_\_\_, supporting the display of the national motto "In God We Trust" in the Norco City Council Chambers in a prominent location near the City Seal whenever the Chambers is being used for official City business. (City Manager)**

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

**Linda Dixon.** Ms. Dixon spoke in support of the item.

**Ed Dixon.** Mr. Dixon spoke in support of the item.

**Larry Kleasner.** Mr. Kleasner spoke in support of the item.

**Pat Overstreet.** Ms. Overstreet spoke in support of the item.

**Vern Showalter.** Mr. Showalter spoke in support of the item.

**Julie Waltz.** Ms. Waltz spoke in support of the item.

**Council Member Sullivan** thanked those that spoke in favor of the item. He commented on the information provided to him by Council Member Jacquie Sullivan from Bakersfield. He noted that this is something we should not have to vote on and hopes that if it passes, he will encourage other jurisdictions to do the same.

**Council Member Azevedo** thanked Council Member Sullivan for bringing this to the attention of the Council.

**Mayor Pro Tem Bash** stated that this has always been voted on, and has been always talked about and discussed.

**M/S Sullivan/Azevedo to adopt Resolution No. 2010-72, supporting the display of the national motto "In God We Trust" in the Norco City Council Chambers in a prominent location near the City Seal whenever the Chambers is being used for official City business. The motion was carried by the following roll call vote:**

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

**7. PUBLIC COMMENTS OR QUESTIONS:**

**Julie Waltz.** Ms. Waltz asked for a response to her request on October 6 for a proclamation for Lois Look ("Granny"). Council Member Sullivan responded to her that she should contact the City Clerk.

**8. OTHER MATTERS – COUNCIL:**

**Mayor Pro Tem Bash:**

- ↓ Stated that he is pleased with how staff is working on economic development. He noted that the changes that have occurred are phenomenal.

**Council Member Azevedo:**

- ↓ Stated that the Mounted Posse wants to clean graffiti off of stop signs and noted that she will suggest that they call Public Works Director Thompson.
- ↓ Commented on the upcoming Relay for Life and challenged the City to have a team.
- ↓ Thanked staff and residents for all their work on the Parade of Lights and Winter Festival.

**Council Member Sullivan:**

- ↓ Reflected back on 2010 and thanked staff for their hard work on the budget. He commented that the Council is focused on economic development and Norco will become a destination where businesses will want to come. He stated that we have a great City and need to move forward.

**Mayor Hanna:**

- ↓ Thanked staff and fellow Council Members and noted that the City has a bright future ahead. He complimented the staff at the Animal Shelter for taking in all of the abandoned horses. Mayor Hanna noted a call from a resident regarding the chlorine in the City water. Public Works Director Thompson stated that our local ground water is injected through a vacuum system and is regulated closely.

9. OTHER MATTERS – STAFF: No comments received from staff.
10. OATH OF OFFICE: The Oath of Office was administered to Council Member Greg Newton by City Clerk Jacobs.
11. ADJOURNMENT: There being no further business to come before the City Council, Mayor Hanna adjourned the meeting at 8:36 p.m. in memory of Roy Rike.

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BRENDA K. JACOBS  
CITY CLERK

/bj-77310



**MINUTES**  
**CITY OF NORCO**  
**SPECIAL MEETING**  
**CITY COUNCIL/COMMUNITY REDEVELOPMENT AGENCY**  
**CONFERENCE ROOMS "A" & "B"**  
**NORCO CITY HALL – 2870 CLARK AVENUE**  
**JANUARY 10, 2011**

- 
1. CALL TO ORDER: Mayor/Chairman Hanna called the meeting to order at 1:00 p.m.
  2. ROLL CALL: Mayor Berwin Hanna, **Present**  
Mayor Pro Tem Kevin Bash, **Present**  
Council Member Kathy Azevedo, **Present**  
Council Member Greg Newton, **Present**  
Council Member Harvey C. Sullivan, **Present**
  3. PLEDGE OF ALLEGIANCE: Council Member Newton
  4. PUBLIC COMMENTS OR QUESTIONS -- THIS IS THE TIME WHEN PERSONS IN THE AUDIENCE WISHING TO ADDRESS THE CITY COUNCIL REGARDING MATTERS ON THE AGENDA MAY SPEAK. No public comments received.
  5. CRA PUBLIC HEARING:

- A. Approval of an Owner Participation Agreement, by and between the Norco Redevelopment Agency and Yam Kwan Wong as part of the Norco Restaurant Tenant Improvement Program

Yam Kwan Wong ("Participant"), the owner of the neighborhood shopping center located at 2395 Hamner Avenue, has submitted a request to participate in the Restaurant Tenant Improvement (TI) Program, initiated by one of his tenants, Savvas Politis. Mr. Politis is the owner of a new full-service restaurant, Café Rustic, which has recently executed a lease for that space. The proposed Owner Participation Agreement ("OPA") will fund the project for an amount not-to-exceed \$19,965, which will be used for essential interior improvements to the existing commercial space. The Restaurant TI Program ("Program") helps the Agency meet strategic objectives and enhances the community's economic vitality.

**Recommended Action: Adopt CRA Resolution No. 2011-\_\_\_, approving an Owner Participation Agreement by and between the Norco Redevelopment Agency and Yam Kwon Wong for a space located at 2395 Hamner Avenue. (Economic Development Specialist)**

**Economic Development Specialist Grody** presented the CRA public hearing item noting that this is the first funding agreement under the Norco Restaurant Tenant Improvement Program that has been brought forward to the Agency Board. Economic Development Specialist Grody stated that the owner is very enthusiastic and has ties to the community. He further stated that the Planning Division has signed off on the approval for the improvements.

**Chairman Hanna** inquired about the outdoor dining and seating area. Present at the meeting was the owner, Mr. Politis, who stated that there will be a railing placed around the 10 foot concrete slab already present that faces Hamner Avenue, which will serve as the outdoor dining area. Mr. Politis noted that the outdoor dining area will not interfere with the pedestrians visiting the mall area and further noted that alcohol will not be served.

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

**Vern Showalter.** Mr. Showalter asked if beer and wine would be sold in the restaurant. Mr. Politis stated that no alcohol would be served at present but may be added down the road.

The Agency Board Members congratulated Mr. Politis on the opening of the restaurant and welcomed him to Norco. They also thanked Economic Development Specialist Grody for his work on this project and for focusing attention on the businesses in Norco.

**Chairman Hanna CLOSED the public hearing.**

**M/S Bash/Azevedo to adopt CRA Resolution No. 2011-01, approving an Owner Participation Agreement by and between the Norco Redevelopment Agency and Yam Kwon Wong for a space located at 2395 Hamner Avenue. The motion was carried by the following roll call vote:**

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

**6. PRESENTATION:**

- A. Norco Redevelopment Agency Financial Structure Overview. (Deputy City Manager/Director of Finance)

**Deputy City Manager/Director of Finance Okoro** introduced Doug Anderson from Urban Futures who provided an overview of the Norco Redevelopment Agency. **(The PowerPoint presentation is attached hereto and incorporated herein.)** Mr. Anderson noted that this is a prelude to the Agency Board's review of the Five Year Implementation Plan, which is scheduled for review at a public hearing on February 16, 2011.

The following topics were presented in the presentation:

- History of the formation of the Norco Redevelopment Agency and Amendments thereto.
- Definition of Tax Increment and how it can be used.
- State law requires redevelopment agencies to have debt – without debt, agencies are not entitled to collect tax increment.
- Agency indebtedness and why the Agency incurs debt.

- Pass Through payments.
- Cumulative benefits of Tax Increment to the Norco Redevelopment Agency and the City.
- Examples of past Projects and Programs.

Comments were provided by Mr. Anderson regarding the budget proposals made by the Governor earlier today and noted that the decisions made by the State will continue to be monitored.

**Executive Director Groves** stated that redevelopment agencies are becoming a key point in the State budget process and added that the Norco Redevelopment Agency fund is fragile. She noted that a lot of decisions will need to be made, as the fund balance will be very vulnerable by 2014.

**Agency Board Member Azevedo** commented on the debt from the issuance of the bonds for the Corona-Norco Unified School District (Measure U).

In response to **Agency Board Member Newton**, Deputy City Manager/Director of Finance Okoro stated that he would provide the information regarding that debt service to the Agency Board Members.

The Agency Board Members noted concerns regarding the State budget proposals and commented on that threat to Norco's lifestyle.

**Agency Board Member Sullivan** stated that he has been an advocate for closing down the redevelopment agency, noting some of the mistakes made in the past by not using the RDA money for the auto mall and to bring in big box retail. .

**Agency Board Member Bash** noted that we are entering into an era when we need to be really smart to survive as a small city.

7. ADJOURNMENT: There being no further business to come before the City Council/CRA, Mayor/Chairman Hanna adjourned the meeting at 1:50 p.m.

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BRENDA K. JACOBS  
CITY CLERK

Redevelopment Review



*of the*

Norco Redevelopment Project

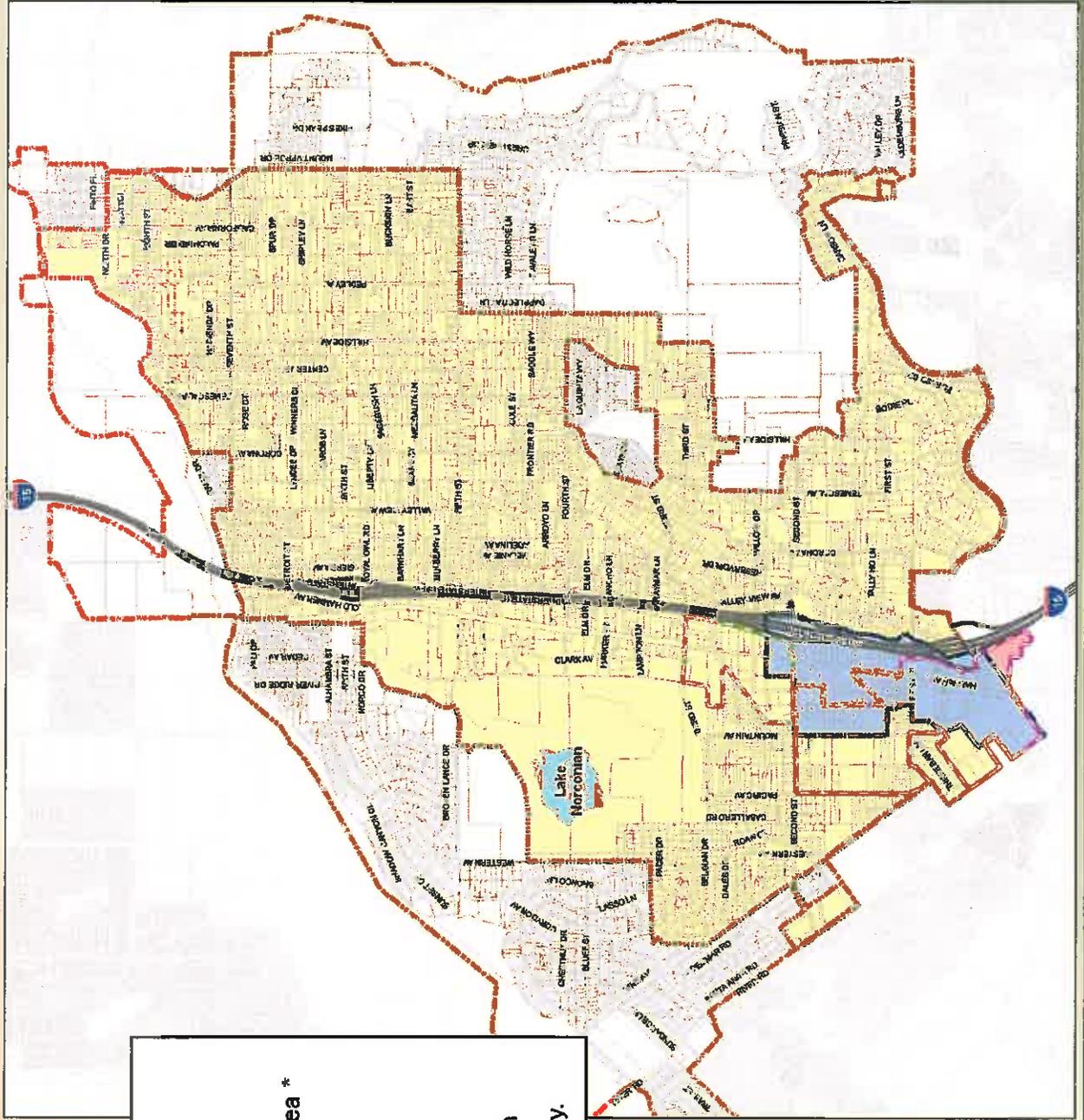
presented

*January 10, 2011*

# Norco Redevelopment Project Area No. One

## LEGEND

-  Norco City Boundary
  -  Freeways
  -  Norco Redevelopment Project Area \*
  -  Original Project Area
  -  Amendment No. One
  -  Amendment No. Three
  -  Specific Plans
  -  Gateway Specific Plan
  -  Norco Auto Mall Specific Plan
- \* Amendment No. Two deleted territory.



## Norco Redevelopment Plan History

- July 15, 1981 – Original Redevelopment Plan for the Norco Redevelopment Project Area No. One adopted (about 209 Acres)
- November 16, 1983 – Amendment No. One to the Original Plan to add territory (about 5,400 Acres)
- May 1, 1985 – Amendment No. 2 to the Original Plan to detach territory (about 712 Acres)

## *History Cont...*

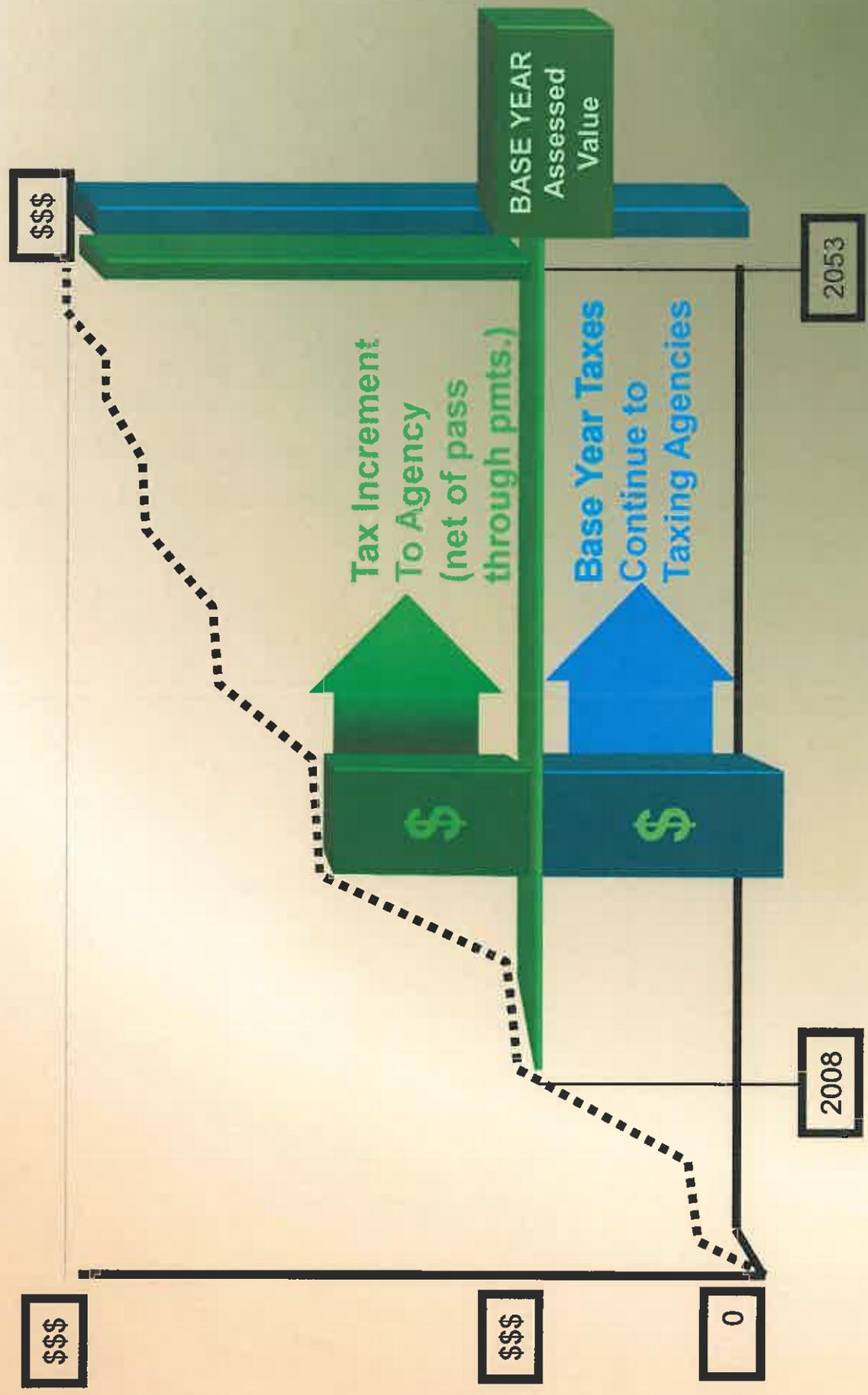
- December 1, 1993 – Amendment No. 3 to the Original Plan to Add Territory (about 13.15 Acres)
- February 1, 2006 – Plan Amendment to increase time limits
- July 2, 2008 – Plan Amendment to increase tax increment cap and bond debt cap amounts

# What Is Tax Increment?

- Tax Increment is the increase in property taxes within a Redevelopment Project Area occurring as a result of increases in that area's assessed value...
- Tax Increment is the single most important Agency funding source created by:
  - Land sales
  - Construction/Development
  - Inflationary increase to real property assessed values

# Tax Increment Model

## Tax Increment Cont...





**NO NEW  
PROPERTY  
TAXES?**



## It's Important to Remember That...

- State law requires redevelopment agencies to have debt - without debt, agencies are not entitled to collect tax increment
- Bond debt permits an agency to proactively pursue Projects and Programs early on
- Agency debt is paid back using tax increment

## What Is Bonded Indebtedness and Why Should the Agency Incur Debt?

- Bonded Indebtedness is long term debt generated through the sale of tax allocation bonds and notes ("Bonds") by the Agency
- Bonds are a type of "debt instrument"
- Bonds are typically repaid in equal installments over 30 years (notes are an exception)
- Agency bonds are NOT a debt of the City

## What are Pass Through Payments?

- Payments to affected taxing entities (County, Schools, etc.) intended to mitigate financial effects of retention of tax increment by RDA
- Negotiated Agreements (pre- 1994)
- Statutory Payments (1994 to present)
- AB 1389 Report audit process; results and outstanding issues

## Cumulative Benefits of Tax Increment to the Norco RDA and City

- \$128 million of tax increment collected since inception of the Project Area
- City general fund share would have been approximately \$20 million without RDA
- Net gain of \$62 million to RDA/City (after pass through payments of \$46 million)
  - a. \$36 million (non-housing)
  - b. \$26 million (low/mod housing fund)

# Example Past Projects and Programs...

- Economic development



# Example Past Projects and Programs...

- Infrastructure upgrades



# Example Past Projects and Programs...

- Affordable housing (*Before*)



# Example Past Projects and Programs...

- Affordable housing (*After*)



# Example Past Projects and Programs...

- Community facilities improvements



## Upcoming Events.....

Joint Public Hearing to Be Held at the Norco City  
Hall Council Chambers, regarding the Five Year  
Implementation Plan

February 16, 2011 at 7:00 pm  
*(or as soon thereafter as possible)*

# QUESTIONS

## CITY OF NORCO STAFF REPORT

TO: Chairman and Members of the Norco Redevelopment Agency

FROM: Beth Groves, Executive Director 

PREPARED BY: Roger Grody, Economic Development Specialist

DATE: January 19, 2011

SUBJECT: Approval of an Owner Participation Agreement with Yam Kwan Wong as part of the Façade Improvement Program

RECOMMENDATION: Adopt CRA Resolution No. 2011-\_\_\_\_\_, approving an Owner Participation Agreement by and between the Norco Redevelopment Agency and Yam Kwan Wong for a building located at 2395 Hamner Avenue.

**SUMMARY:** Yam Kwan Wong, ("Participant"), the owner of the shopping center located at 2395 Hamner Avenue, has submitted a request to participate in the Façade Improvement Program. The proposed Owner Participation Agreement ("OPA") will fund the project for an amount not-to-exceed \$17,997.11, which will be used for a Western-themed monument sign. The Façade Improvement Program ("Program") helps the Agency meet strategic objectives and promotes Norco's signature theme of "Horsetown USA."

**BACKGROUND/ANALYSIS:** On December 20, 2006, the Norco Redevelopment Agency ("Agency") adopted CRA Resolution No. 2006-20, approving the creation of the Façade Improvement Program, to be implemented by individual businesses by means of OPAs.

The subject property is a neighborhood shopping center located at the southeast corner of Hamner Avenue and Third Street, home to nine (9) retail and dining tenants. The property owner has submitted a request to participate in the Façade Improvement Program for an amount not-to-exceed \$17,997.11, and has agreed to enter into an OPA pending Agency Board approval. The assistance will be used to construct and install a new monument sign, which will provide greater visibility for all of the center's tenants. Consistent with the City's signature "Horsetown USA" theme, the sign embodies a Western spirit and carries the names of each tenant. In accordance with Façade Improvement Program procedures, the design for the sign was reviewed by the Norco Planning Commission's Architectural Sub-Committee and the applicant was responsive to several recommendations made by the Commissioners.

Pursuant to program guidelines, the Participant was required to submit three (3) bids from qualified contractors, ensuring a competitive bidding process. Fusion Sign & Design, a licensed California sign installation and electric signage contractor, submitted the lowest responsible bid of \$17,997.11. According to Program guidelines, applicants are eligible for grants up to \$20,000 for signage and landscaping.

**Owner's Obligations:**

Pursuant to the Program, the Participant intends to and shall rehabilitate and redevelop the Site, including the following:

- 1) Removal of existing, outdated sign;
- 2) Construct the approved monument sign in front of the building at 2395 Hamner Avenue;
- 3) Provide for design, architecture, engineering, and permit fees; and
- 4) Ensure the Project is completed no later than one-hundred-eighty (180) days from the issuance of a Notice to Proceed.

**Agency's Obligations:**

- 1) Provide funding for an amount not-to-exceed \$17,997.11 to cover the signage improvements at the building located at 2395 Hamner Avenue;
- 2) Provide payment to the contractor in stipulated installments upon proof of work completed, as defined in Attachment 6 of the OPA.

**FINANCIAL IMPACT:** Sufficient funds are available in Account No. 013.5010.41200, which has a current balance of \$90,000.

Attachments: CRA Resolution No. 2011-\_\_\_\_\_  
Illustration of Proposed Sign  
Owner Participation Agreement (OPA)

/rg-77362

## **CRA RESOLUTION NO. 2011-\_\_\_\_\_**

**A RESOLUTION OF THE NORCO REDEVELOPMENT AGENCY APPROVING AN OWNER PARTICIPATION AGREEMENT BY AND BETWEEN THE NORCO REDEVELOPMENT AGENCY AND YAM KWAN WONG AS PART OF THE FAÇADE IMPROVEMENT PROGRAM FOR AN AMOUNT NOT TO EXCEED \$17,997.11 TO PROVIDE FOR THE REHABILITATION AND IMPROVEMENT OF THE PROPERTY LOCATED AT 2395 HAMNER AVENUE**

WHEREAS, the Norco Redevelopment Agency ("Agency"), under the provision of the California Community Redevelopment Law, is engaged in activities necessary for the execution of the Redevelopment Plan for the Norco Redevelopment Project Area ("Project Area"); and

WHEREAS, on December 20, 2006, the Agency adopted CRA Resolution No. 2006-20, establishing the Façade Improvement Program to be implemented through individual Owner Participation Agreements (OPAs); and

WHEREAS, the Agency has negotiated an OPA with Yam Kwan Wong for the rehabilitation and redevelopment of the building located at 2395 Hamner Avenue in Norco in an amount not-to-exceed \$17,997.11; and

WHEREAS, the Agency has duly considered all terms and conditions of the proposed OPA and believes that the rehabilitation and improvement of the Site pursuant to the subject OPA is in the best interest of the City and Agency, and the health, safety and welfare of its residents, and is in accord with the public purposes and provisions of applicable State and local law requirements; and

WHEREAS, the Agency has received and considered the proposed development to be carried out pursuant to said OPA.

NOW, THEREFORE, the Agency does hereby find, determine, order and resolve as follows:

**SECTION 1:** The Agency consents to the approval of the OPA.

**SECTION 2:** Funding for this project, not to exceed \$17,997.11, has been included in the current Capital Improvement Program Budget for the Façade Improvement Program.

PASSED AND ADOPTED by the Norco Redevelopment Agency at a regular meeting held on January 19, 2011.

\_\_\_\_\_  
Chairman  
Norco Redevelopment Agency

ATTEST:

\_\_\_\_\_  
Secretary, Norco Redevelopment Agency

I, BRENDA JACOBS, Secretary of the Norco Redevelopment Agency, do hereby certify that the foregoing Resolution was regularly introduced and adopted by the Norco Redevelopment Agency at a regular meeting thereof held on January 19, 2011, by the following vote of the Norco Redevelopment Agency Members:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Norco Redevelopment Agency on January 19, 2011.

\_\_\_\_\_  
Secretary, Norco Redevelopment Agency

/rg-77363



3443 Niki Way  
Riverside  
California, 92507  
T 951.882.9660  
F 951.882.9665  
W Justinsign.com

CLIENT:  
Jericho Properties  
FILE NAME:  
Town Plaza Kiosk\_C  
DESIGNER:  
Fernando/Chris

PROJECT NAME:  
Norco Town Plaza  
ACCOUNT MANAGER:  
Justin  
DATE & REVISIONS:  
2-13-10/5-16-10/11-24-10/1-23-10/12-6-10/12-8-10  
12-13-10/12-20-10

By signing you authorize FSD, to proceed as shown and release FSD from any liability if any information is incorrect, or changes are made after approval. \*Best disclaimer regarding color accuracy.

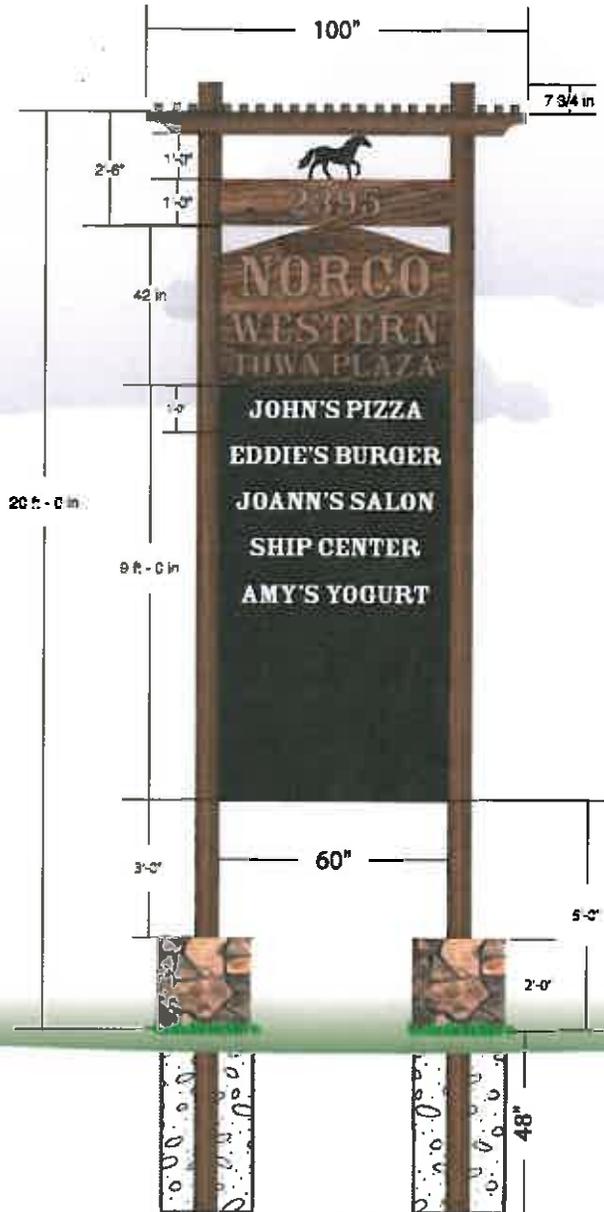
APPROVAL (AS IS)

APPROVAL (WITH CHANGES)

COLORS MAY VARY DEPENDING ON DISPLAY, PRINTOUTS, ETC. THEREFORE THIS CONCEPT IS NOT A TRUSTWORTHY SOURCE FOR COLOR ACCURACY. IF CHANGES ARE A CONCERN PLEASE REQUEST COLOR OR MATERIAL SAMPLES FROM YOUR FUSION SALES REPRESENTATIVE BEFORE SIGNING. THIS ORIGINAL CONCEPT HAS BEEN DESIGNED BY FUSION SIGN AND DESIGN. REPRODUCTION IN WHOLE OR IN PART REMAINS THE EXCLUSIVE RIGHT OF FUSION SIGN AND DESIGN.

**Design Order #9068**

TOP DOWN VIEW W/  
2" X 2" WOOD CROSS MEMBERS



**D/F Kiosk**

-20' x 8' 4"

-6"x6"x24' posts  
Rough sawn pressure treated Pine w/ mahogany stain

-Horse, is contour cut 1/8" aluminum Painted Black

Header Copy/Address:  
Carved into pressure treated dadoed pine w/Mahog stain

-Illuminated 1' x 5' plexiglass panels painted black w/white opaque vinyl copy



-fluorescent tubes & pop out connectors

-Footing is Eldorado Stone(Country Rubble-Cognac)

-Anchored 4' deep concrete footings 24" square holes

SCALE: 1/4" = 1'

## OWNER PARTICIPATION AGREEMENT

THIS AGREEMENT is entered into on this 19<sup>th</sup> day of January 2011, by and among the **NORCO REDEVELOPMENT AGENCY**, a public body corporate and politic ("Agency"), and **YAM KWAN WONG** ("Participant"). The Agency and the Participant agree as follows:

### I. SUBJECT OF AGREEMENT

#### A. Purpose of the Agreement

The purpose of the Agreement is to effectuate the Façade Improvement Program ("Program") for the Norco Redevelopment Project Area No. One ("Project Area") by providing for the rehabilitation and improvement of a portion of said Project Area (the "Site") pursuant to this Agreement, which is in the best interests of the City of Norco (the "City") and the welfare of its residents, and in accord with the public purposes and provisions of applicable federal, state and local laws and requirements. This Agreement furthers meeting the need to rehabilitate and revitalize commercial properties within the Project Area.

#### B. The Program

This Agreement is subject to the provisions of the Program which was approved and adopted by the Redevelopment Agency of the City of Norco by Resolution No. 2006-20. Said Resolution and the Program so approved are incorporated herein by this reference.

#### C. The Site

The Site consists of an improved parcel of real property located within the Project Area. The legal description for the Site is attached hereto as Attachment No. 1, incorporated herein by reference (the "Legal Description"). The site is currently improved with a commercial/retail building located at **2395 Hamner Avenue, Norco, California** (APN 125-020-001).

#### D. Participant Improvements

Pursuant to the Program, the Participant intends to and shall rehabilitate and redevelop the Site, including one or more of the following:

- 1) Freestanding sign with Western-themed frontage improvements;
- 2) Western-themed architectural embellishments and articulation;
- 3) Landscaping (may include hardscape treatment/paving);
- 4) Exterior or display lighting (may include decorative parking lot lights);
- 5) Painting/stucco or other exterior enhancement;
- 6) Design, architecture, engineering, and permit fees;

all collectively referred to herein as the "Improvements" and all more specifically set out in Attachment No. 2 "Participant Improvements" attached hereto and incorporated herein by this reference.

The following items are considered ineligible for funding under the Program:

- 1) interior improvements except as necessary to complete exterior work;
- 2) roof repair;
- 3) painting not associated with exterior wall and roof cladding;
- 4) furniture;
- 5) any routine, normal, or deferred maintenance;
- 6) alterations and improvements made prior to entering into the Agreement;
- 7) any items that are not allowed under any City of Norco Code or Ordinance.

#### E. Parties to the Agreement

##### 1. The Agency

The Agency is the public body, corporate and politic, exercising governmental functions and powers, organized and existing under the Community Redevelopment Law of the State of California.

The principal office of the Agency is located at:

NORCO REDEVELOPMENT AGENCY  
2870 Clark Avenue  
Norco, California 92860  
Attention: Economic Development Specialist

"Agency", as used in this Agreement, includes any assignee or successor to its rights, powers, and responsibilities.

##### 2. The Participant

The Participant is Yam Kwan Wong, P.O. Box 1387, Torrance, CA 90505. The Participant is the owner of fee simple title in and to the Site. Whenever the term "Participant" is used herein such term shall include assignees and successors in interest to the Participant.

#### F. Compliance with Laws

##### 1. City Development Services

The Participant shall at its sole expense apply for, obtain from and effect to final inspection from all required City development services divisions, including the

Planning Division, Building Division, and Public Works Division, and other governmental agencies or entities the approvals, permits, and authorizations, for the design/construction through completion of the Participant Improvements prior to commencing any work or improvement under this Agreement.

## 2. Prevailing Wages

The Participant shall carry out the construction of the Participant Improvements as described in Attachment No. 2 in conformity with all applicable, laws, including federal, state, and local labor standards. The Participant recognizes and is aware of the existence of legislation adopted by the California State Legislature in 2001 and generally referred to as SB 975 regarding prevailing wages, for which the Participant shall determine the manner of compliance required pursuant thereto as to all undertakings of Participant and Participant Affiliates pursuant to this Agreement. The Agency has made no representation nor given any assurances or warranties that this Agreement, the approval hereof or the implementation of any aspect of this Agreement in any manner complies with said SB 975 and all other prevailing wage requirements of applicable California law.

## G. Property Ownership Requirement

Property owners shall prove legal title to the Site. A copy of the recorded Grant Deed, providing evidence of ownership, is included as Attachment No. 3.

## H. Lease Requirement

Commercial tenants shall have a minimum of three (3) years remaining on their lease from the date the Agreement is signed and executed. A copy of the building lease indicating the lessee's authority for property renovation and repair is included as Attachment No. 4.

## I. Economic/Functional Life

The Site shall have a minimum ten (10)-year Economic/Functional life. The Agency shall make a finding that the Site or Participant Improvements will be usable for at least ten (10) years from project completion. Proof of ten-year economic/functional life may require a building inspection.

## II. AGENCY ASSISTANCE

### A. Agency Assistance

Pursuant to the method of financing described in Paragraph II.D. hereof, and as an incentive to the Participant to rehabilitate and redevelop the Site with the Participant Improvements and to maintain the entire Site in accordance with the Agreement, the Agency shall fund through progress payments a portion or all of the costs of the construction and completion of the Participant Improvements. Progress payments are referred to herein as the "Agency Assistance".

### B. Bids

Application for funding shall be submitted with the design review application together with a cost estimate. Three (3) bids from a contractor(s) licensed in the State of California shall be required to determine the cost of the Participant Improvements. Only the amount of the lowest bid will qualify for progress payments, unless proven to be inadequate. The selected contractor must have a valid California State Contractor's License, a business license in the City of Norco, and insurance with a minimum of \$1,000,000 per incident. The Participant shall submit a Contractor Selection Form to Agency staff. The Contractor Selection Form identifies the contractor(s) that have been selected by the Applicant and states contractor requirements. The Contractor Selection Form is included as Attachment No. 5.

C. Phasing and Installment Plan

The Participant agrees that the construction and installation of the Participant Improvements will be in accordance with all provisions hereof. Participants will be awarded grant and/or match money through progress payments for work completed in construction phases ("Phase"). The Applicant and contractor(s) shall establish milestones for Agency Assistance and completion of Participant Improvements. The schedule of Agency Assistance and Phase completion is attached hereto as Attachment No. 6, incorporated herein by reference (the "Phasing and Installment Plan"). Changes to the Phasing and Installment Plan shall not be made without the approval of Agency staff.

D. Notice to Proceed

The Participant has thirty (30) days from the date the Agreement is signed and executed to execute contract with the contractor and to issue a Notice to Proceed allowing contractor(s) to begin work. If the Participant has not authorized the contractor(s) to begin work within thirty (30) days from the date the Agreement is signed and executed, the Agency shall have the right to terminate the Agreement and utilize the reserved grant funds for other projects.

The Project shall be completed no later than one-hundred-eighty (180) days from issuance of a building permit from City of Norco.

E. Payment of Agency Assistance

Agency staff shall, in their sole discretion, determine the total amount of the Participant's costs which are eligible for progress payments by the Agency and shall also determine the appropriate amount of the Agency Assistance to the Participant. The amount of Agency Assistance shall be based on certain allowable costs for completion of each Phase. Payment of Agency Assistance shall follow one of the following processes:

1. Direct Payment to Contractor(s)

The contractor(s) shall promptly, upon the completion of each Phase, complete and submit to the Agency a Phase Completion Notice and all invoices, check requests, and other information evidencing the actual costs for the construction and development of each Phase. The completion of each Phase, in accordance with the milestones established in the Phasing and Installment Plan, shall be deemed to be a

condition precedent to the Agency's funding of Agency Assistance. The Agency shall directly pay the contractor(s) for eligible invoices upon receipt and review of the Phase Completion Notice and cost information and only after each Phase has been completed as solely determined by the Agency.

## 2. Phase Reimbursements to Participant

The Participant shall promptly, upon the completion of each Phase, complete and submit to the Agency a Phase Completion Notice and all invoices, receipts, cancelled checks, and other information evidencing the actual costs incurred for the construction and development of each Phase. The completion of each Phase, in accordance with the milestones established in the Phasing and Installment Plan, shall be deemed to be a condition precedent to the Agency's funding of Agency Assistance. Such amount shall be reimbursed to the Participant after the Phase Completion Notice and cost information has been reviewed by Agency staff and only after each Phase has been completed as solely determined by the Agency.

## F. Change Orders

Contractor/architect change orders shall not be made without the approval of Agency staff. The Applicant shall be responsible for any approved change orders which may affect the approved bid price.

## G. Filing of Certificate of Project Completion

The Participant shall promptly, upon the completion of all Phases, complete and submit to the Agency the Certificate of Project Completion in the form provided as Attachment No. 7.

# III. USE OF THE SITE

## A. Uses

The Participant covenants and agrees for itself, its successors, its assigns, and every successor in interest to the Site or any part thereof, that the Participant, such successors and such assignees, shall devote the Site to the uses specified in the Program and this Agreement for the periods of time specified therein. The foregoing covenant shall run with the land.

## B. Maintenance

The Participant covenants and agrees for itself, its successors, its assigns, and every successor in interest to the Site that it shall properly maintain all improvements and keep storefronts as well as sides and back of building clean and in good condition at the Participant's own cost and expense for a minimum of five (5) years from the filing of the Certificate of Project Completion. Any damage to the façade or sign is to be repaired immediately by the Participant so that the building remains in good condition and positively contributes to the business area. The maintenance shall include, but not be limited to: landscape maintenance, clean-up maintenance, exterior façade maintenance, all in good condition and in accordance with the custom and practice

generally applicable to commercial buildings and shopping areas within the City of Norco.

**C. Alterations**

The Participant shall agree not to change or alter the improved façade, excluding necessary maintenance as described in Paragraph III.B. above, without prior written approval from the Agency for five (5) years from the filing of the Certificate of Project Completion.

**D. Non-Discrimination**

The Participant covenants by and for itself and any successors in interest that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Site, nor shall the Participant itself or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the Site. The foregoing covenants shall run with the land.

The Participant shall refrain from restricting the rental, sale or lease of the property on the basis of race, color, creed, religion, sex, marital status, national origin or ancestry of any person. All such deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or non-segregation clauses:

1. In deeds: "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land herein conveyed, nor shall the grantee himself or herself or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number or occupancy of tenants, lessees, subtenants, sublessees or vendees in the land herein conveyed. The foregoing covenants shall run with the land."
2. In leases: "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that this lease is made and accepted upon and subject to the following conditions:

"There shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin or ancestry in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the premises herein leased nor shall the lessee himself or herself or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the

selection, location, number or occupancy of tenants, lessees, subtenants, sublessees or vendors in the premises herein leased.”

3. In contracts: “There shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex marital status, national origin or ancestry in the sale, lease, sublease, transfer, use occupancy, tenure or enjoyment of the premises herein leased nor shall the lessee himself or herself or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number or occupancy of tenants, lessees, subtenants, sublessees or vendees of the premises.”

The covenants established in this Agreement shall without regard to technical classification and designation, be binding for the benefit and in favor of the Agency, its successors and assign, the City, and any successor in interest to the Site or any part thereof. The covenants, contained in this Agreement shall remain in effect for a period of ten (10) years from date hereof. The covenants against racial discrimination shall remain in effect in perpetuity.

#### E. Access to the Site

The Agency, the City and the Participant shall have the reasonable right of access to the Site without charges or fees, at normal construction hours during the period of construction and thereafter during the term of the Program for the purpose of this Agreement, including, but not limited to, the inspection of the work being performed in constructing the Participant Improvements, and determination of compliance with the long-term covenants concerning use, maintenance, and non-discrimination.

#### F. Banner/Sign

The Participant agrees to post a banner or sign, provided by the Agency, on the building or in the window advertising the Facade Improvement Program. Participant agrees to post banner or sign during construction and for not less than four weeks after completion of the project.

### **IV. INSURANCE AND INDEMNITY**

A. The Participant hereby agrees to defend, indemnify and hold harmless the City and Agency, and their offices, agents and employees, from and against any and all liability, damages, costs, losses, claims and expenses, however caused, resulting directly or indirectly from or connected with the Participant’s performance of this Agreement, including, but not limited to such liability, cost, damage, loss, claim or expense arising from the death or injury to any person, or damage to real or personal property of the Participant or a contractor, or the City, or the Agency, except where such liability, damages, costs, losses, claims or expenses area caused solely by the negligent or wrongful acts of the City and/or Agency or any of their agents or employees including negligent omissions or commissions of City and/or Agency, their agents, officers or employees.

B. The Participant shall comply with all of the provisions of the Workers’ Compensation Insurance and Safety Acts of the State of California, the applicable

provisions of Divisions 4 and 5 of the California Government Code, SB975, and all amendments thereto; and all similar state or federal acts or laws applicable; and shall indemnify, defend and hold harmless City and Agency and their agents, officers and employees from and against all claims, demands, payments, suits, actions, proceedings and judgments of every nature and description, including attorney's fees and costs presented, brought or recovered against City and/or Agency and their agents, officer and employees, for or on account of any liability under any of said acts which may be incurred by reason of any work to be performed by the Participant under this Agreement.

## V. DEFAULTS, REMEDIES AND TERMINATION

### A. Defaults – General

Failure or delay by either party to perform any covenant, condition, or provision of this Agreement to be observed or performed by such party within the time provided herein constitutes a default under this Agreement.

The injured party shall give written notice of default to the party in default, specifying the default complained of by the injured party. Failure or delay in giving notice shall not constitute a waiver of any default, nor shall it change the times of default. The defaulting party shall immediately commence to cure such default and shall complete such cure within thirty (30) days from the date of the notice or such longer period if the nature of the default is such that more than thirty (30) days is required to cure such default.

Except as otherwise expressly provided in this Agreement, any failure or delay by either party in asserting any of its rights or remedies as to any default shall not operate as a waiver of any default or any such rights or remedies or deprive either such party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

### B. Legal Actions

#### 1. Institution of Legal Actions

In addition to any other rights or remedies, either party may institute legal action to cure, correct or remedy any default, to recover damages for any default, or to obtain any other remedy consistent with the purposes of this Agreement. Such legal actions must be instituted in the Superior Court of the County of Riverside, State of California, in an appropriate municipal court in that County, or in the Federal District Court for the Central District of California.

#### 2. Applicable Law

The laws of the State of California shall govern the interpretation and enforcement of this Agreement.

#### 3. Acceptance of Service Process

In the event that any legal action is commenced by the Participant against the Agency or the City, service of process on the Agency shall be made by personal service upon the Secretary of the Agency, and on the City by personal service upon the City Clerk, or in such other manner as may be provided by law.

In the event that any legal action is commenced by the Agency or the City against the Participant, service of process on the Participant shall be made in such manner as may be provided by law, whether made within or without the State of California.

C. Rights and Remedies are Cumulative

Except as otherwise expressly stated in this Agreement, the rights and remedies of the parties are cumulative, and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same time or different times, or any other rights or remedies for the same default or any other default by the other party.

D. Conflicts of Interest

No member, official or employee of the Agency shall have any personal interest, direct or indirect, in this Agreement, nor shall any members, official or employee participate in any decision relating to the Agreement which affects his personal interests or the interests of any corporation, partnership or association in which he is directly or indirectly interested. No member, official or employee of the Agency shall be personally liable to the Participant, or any successor in interest, in the event of any default or breach by the Agency, or for any amount which may become due to the Participant or successor or on any obligation under the terms of this Agreement.

E. Non-Liability of Officials and Employees of the Commission

No member, official or employee of the Agency shall be personally liable to the Participant, or any successor in interest, in the event of any default or breach by the Agency, or for any amount which may become due to the Participant or successor or on any obligation under the terms of this Agreement.

VI. ENTIRE AGREEMENT, WAIVERS

This Agreement is executed in three (3) duplicate originals, each of which is deemed to be an original. This Agreement includes pages 1 through 10 and Attachment Nos. 1 through 7 which constitutes the entire understanding and agreement of the parties.

This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties or their predecessors in interest with respect to all or any part of the subject matter hereof.

All waivers of the provisions of this Agreement must be in writing by the appropriate authorities of the Agency and Participant, and all amendments hereto must be in writing by the appropriate authorities of the Agency and the Participant.

IN WITNESS WHEREOF, the Agency and the Participant have signed this Agreement on the respective dates set forth below.

NORCO REDEVELOPMENT AGENCY

Dated: \_\_\_\_\_

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

"Agency"

ATTEST:

\_\_\_\_\_  
Agency Secretary

OWNER

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Yam Kwan Wong

"Participant"

Approved as to Form:

\_\_\_\_\_  
John Harper  
Agency Counsel

/rg-77364

## **ATTACHMENT 1**

### **LEGAL DESCRIPTION**

THE NORTH ONE-HALF OF LOT 1 IN BLOCK 6, RIVERSIDE ORANGE HEIGHTS TRACT NO. 1, CITY OF NORCO, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA AS PER MAP RECORDED IN BOOK 6, PAGE 74 OF MAPS IN THE OFFICE OF COUNTY RECORDER OF SAID COUNTY. EXCEPT THEREFROM THE EAST 385 FEET THEREOF. ALSO EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE CITY OF NORCO BY CORPORATION GRANT DEED RECORDED MAY 28, 1985 AS INSTRUMENT NO. 113344 OF OFFICIAL RECORDS.

## **ATTACHMENT 2**

### **PARTICIPANT IMPROVEMENTS**

1. Removal of existing, outdated sign
2. Fabrication and erection of an approximately 20-foot-high monument sign with stone base;
3. Architectural and engineering fees; and
4. Permit and dump fees.

**ATTACHMENT 3**  
**RECORDED GRANT DEED**

RECORDING REQUESTED BY  
NORTHERN COUNTIES TITLE CO.  
AND WHEN RECORDED MAIL THIS DEED TO

SURVEYORS  
Francis Fung

233191  
RECEIVED FOR RECORD  
AT 2:00 O'CLOCK

NAME [ Yam Kwan Wong  
STREET ADDRESS [ 327 East Winston Street  
Los Angeles, CA 90013  
CITY STATE ZIP [

PAID  
Doc. Transfer Tax  
Riv. Co. Recorder

JUL -1 1997

Recorder in Office Records  
of Riverside County, California  
Recorder  
Fees \$ 9

TITLE ORDER NO 63514-85 ESCROW NO 10618-S

SPACE ABOVE THIS LINE FOR RECORDERS USE

A.P.N.: 125-020-001-5

### GRANT DEED

THE UNDERSIGNED GRANOR(S) DECLARE(S)  
DOCUMENTARY TRANSFER TAX IS \$ 911.90 County S N/A City  
 computed on full value of property conveyed, or  
 computed on full value less value of liens or encumbrances remaining at time of sale  
 unincorporated area: In City of Norco, and

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged.

540 So. San Pedro Limited Partnership, a California Limited Partnership  
hereby GRANT(S) to  
Yam Kwan Wong, a married man

the following described real property in the City of Norco  
County of Riverside, State of California:

The North 1/2 of Lot 1 in Block 6, Riverside Orange Height, Tract No. 1  
as per map recorded in Book 6, Page(s) 74 of Maps, in the office of the  
County Recorder of said County.

EXCEPT THEREFROM the East 385 feet thereof.  
ALSO EXCEPTING THEREFROM that portion conveyed to the City of Norco by  
Corporation Grant Deed recorded May 28, 1985 as Instrument No. 113344  
of Official Records.

Dated April 30, 1997

540 So. San Pedro Limited Partnership,  
a California Limited Partnership

STATE OF CALIFORNIA }  
COUNTY OF } SS  
On \_\_\_\_\_ before me,

By: *[Signature]*  
Yam Fung Wong, General Partner

\_\_\_\_\_ a Notary Public  
personally appeared SEE ATTACHED ACKNOWLEDGMENT

personally known to me (or proved to me on the basis of satisfactory  
evidence) to be the person(s) whose name(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

WITNESS my hand and official seal

Signature \_\_\_\_\_

(This area for official notary seal)

Mail Tax Statements to

NAME STREET ADDRESS CITY STATE & ZIP

Form 3954 1/96

THIS FORM IS FINANCED BY COMMONWEALTH LAND TITLE COMPANY

233191-01

7 1 97

THIS MICROFILM COPYRIGHTED  
1987 BY SECURITY UNION TITLE  
INSURANCE COMPANY  
MICROFILMS DIVISION

RIVERSIDE

**ATTACHMENT 4**

**COPY OF BUILDING LEASE  
[NOT APPLICABLE]**

**ATTACHMENT 5**  
**CONTRACTOR SELECTION FORM**

**THE REDEVELOPMENT AGENCY OF THE CITY OF NORCO  
FAÇADE IMPROVEMENT PROGRAM**

**CONTRACTOR BID FORM**

**PROJECT INFORMATION**

Business Name: Norco Western Town Plaza

Business Address: 2395 Hamner Ave, Norco

**CONTRACTOR INFORMATION**

Contractor's Name: Fusion Sign and Design

Contractor's License No.: CA 894662

Mailing Address: 3443 Niki Way Riverside, CA 92507

Telephone Number(s): 951-682-9660

Fax Number: 951-682-9665

Email: justin@fusionsign.com

**IMPROVEMENTS**

Specific improvements to be completed by the contractor:

Removal of current pole sign. Installation of new 20' tall double sided kiosk structure with [9] internally illuminated kiosk panels.

**CONSTRUCTION COST**

Total Construction Cost: \$ 17,997.11

**CERTIFICATIONS**

1. State of California Contractor's License

I (We) certify that the contractor has a valid State of California Contractor's License.

2. City of Norco Business License

I (We) certify that the contractor has a valid City of Norco business license.

3. Insurance

I (We) certify that the contractor has insurance with a minimum of \$1,000,000 per incident.

4. Prevailing Wage

I (We) certify that the contractor shall pay established prevailing wage rates to all employees performing work at the project site, pursuant to the requirements of the California Labor Code, Section 1771.

I (We) certify that the contractor shall provide the City with the necessary support documentation as required by law.

5. Equal Employment Opportunity (EEO)

I (We) certify that the contractor shall comply with EEO provisions relative to Executive Order 11246 and related acts, rules, and regulations.

I (We) certify that the contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin.

Jerry Wolff  
SIGNATURE OF CONTRACTOR

1-3-11  
DATE

JERRY WOLFF  
PRINT NAME

[Signature]  
SIGNATURE OF APPLICANT

1-4-11  
DATE

Owner: Yam Kwang Wong, represented by Jerry Wolff  
PRINT NAME

APPROVED:

[Signature]  
SIGNATURE OF AGENCY

1-5-11  
DATE

Roger S. Grody  
PRINT NAME

## ATTACHMENT 6

### PHASING & INSTALLMENT PLAN

The general contractor for the project shall be paid in the following not-to-exceed installments, upon acceptance of invoices by owner:

**\$5,400.00**, or approximately one-third of total, less approximately Ten Percent (10%) retention, when construction is one-third completed.

**\$5,400.00**, or approximately one-third of total, less approximately Ten Percent (10%) retention, when construction is two-thirds completed.

**\$5,397.11**, or approximately one-third of total, less approximately Ten Percent (10%) retention, when construction is 100 Percent (100%) completed.

A final retention payment of **\$1,800.00** will be released after all OPA provisions have been met and a Certificate of Completion has been recorded with Riverside County.

**ATTACHMENT 7**  
**CERTIFICATE OF COMPLETION**

**RECORDING REQUESTED BY:** )  
 Norco Redevelopment Agency )  
 2870 Clark Avenue )  
 Norco, CA 92860 )  
 )  
**AND WHEN RECORDED MAIL TO:** )  
 Norco Redevelopment Agency )  
 2870 Clark Avenue )  
 Norco, CA 92860 )  
 Attention: Agency Secretary )

---

(Space above for Recorder's Use Only)

**CERTIFICATE OF COMPLETION  
 FOR  
 CONSTRUCTION AND DEVELOPMENT**

WHEREAS, the **NORCO REDEVELOPMENT AGENCY**, a public body, corporate and politic, hereinafter referred to as "Agency," and **YAM KWAN WONG**, hereinafter referred to as "Participant," entered into an Owner Participation Agreement dated **January 19, 2011** (the "OPA") regarding certain real Property situated in the City of Norco, California described on Exhibit "A" attached hereto and made a part hereof; and

WHEREAS, pursuant to the OPA, the Agency shall furnish the Participant with a Certificate of Completion ("Certificate") upon completion of construction and development, which Certificate shall be in such form as to permit it to be recorded in the Recorder's Office of Riverside County; and

WHEREAS, such Certificate shall be conclusive determination of satisfactory completion of the construction and development required by the OPA on the Site; and

WHEREAS, the Agency has conclusively determined that the construction and development on the above described real property required by the OPA on the Site has been satisfactorily completed.

**NOW, THEREFORE,**

1. As provided in said OPA, the Agency does hereby certify that the construction and development on the Site has been fully performed and completed. Any requirements for operation pursuant to the OPA which is on file with the Agency as a public record and incorporated herein by reference, shall remain enforceable according to their terms.
2. Nothing contained in this instrument shall modify in any other way any other provisions of the OPA.

IN WITNESS WHEREOF, the Agency has executed this Certificate this \_\_\_\_ day  
of \_\_\_\_\_, 2011.

NORCO REDEVELOPMENT AGENCY,  
a public body, corporate and politic

By: \_\_\_\_\_  
Berwin Hanna

Its: Chairperson

Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Brenda K. Jacobs  
Secretary, Norco Redevelopment Agency

## **CITY OF NORCO STAFF REPORT**

**TO:** Chairman and Members of the Norco Redevelopment Agency

**FROM:** Beth Groves, Executive Director 

**PREPARED BY:** Roger Grody, Economic Development Specialist

**DATE:** January 19, 2011

**SUBJECT:** Approval of an Owner Participation Agreement with West Coast Servicing, LLC as part of the Façade Improvement Program

**RECOMMENDATION:** Adopt CRA Resolution No. 2011-\_\_\_\_\_, approving an Owner Participation Agreement by and between the Norco Redevelopment Agency and West Coast Servicing, LLC for a building located at 2641 Hamner Avenue.

**SUMMARY:** West Coast Servicing, LLC ("Participant"), the owner of the building located at 2641 Hamner Avenue, has submitted a request to participate in the Façade Improvement Program, initiated by Dr. Ami Shah, owner of Absolutely Best Dental, the owners' anchor tenant. The proposed Owner Participation Agreement ("OPA") will fund the project for an amount not-to-exceed \$20,000, which will be used for a Western-inspired monument sign. The Façade Improvement Program ("Program") helps the Agency meet strategic objectives and promotes Norco's signature theme of "Horsetown USA."

**BACKGROUND/ANALYSIS:** On December 20, 2006, the Norco Redevelopment Agency ("Agency") adopted CRA Resolution No. 2006-20, approving the creation of the Façade Improvement Program, to be implemented by individual businesses by means of OPAs.

Absolutely Best Dental initiated a request, on behalf of its landlord, to participate in the Façade Improvement Program for an amount not-to-exceed \$20,000. The property owner, West Coast Servicing, LLC, has agreed to enter into an OPA pending Agency Board approval. The proposed improvements are limited to a monument sign to provide greater exposure for Absolutely Best Dental and the building's other commercial tenants. Its design, which embodies a Western spirit and even incorporates the official "Horsetown USA" logo, is consistent with the City's Western architectural theme. In accordance with Façade Improvement Program procedures, the design for the sign was reviewed by the Norco Planning Commission's Architectural Sub-Committee and the applicant was responsive to all recommendations made by the Commissioners.

Pursuant to program guidelines, the Participant was required to submit three (3) bids from qualified contractors, ensuring a competitive bidding process. Southwest Sign Company, a licensed California electrical sign contractor, submitted the low bid and has been approved by the Participant. The total estimated cost of the project is approximately \$22,997.18, of which the Agency is authorized to pay an amount not-to-exceed \$20,000.

**Owner's Obligations:**

Pursuant to the Program, the Participant intends to and shall rehabilitate and redevelop the Site, including the following:

- 1) Construct the approved monument sign in front of the building at 2641 Hamner Avenue;
- 2) Provide for design, architecture, engineering, and permit fees; and
- 3) Ensure the Project is completed no later than one-hundred-eighty (180) days from the issuance of a Notice to Proceed.

**Agency's Obligations:**

- 1) Provide funding for an amount not-to-exceed \$20,000 (maximum grant for signage) to cover the signage improvements at the building located at 2641 Hamner Avenue;
- 2) Provide payment to the contractor in stipulated installments upon proof of work completed, as defined in Attachment 6 of the OPA.

**FINANCIAL IMPACT:** Sufficient funds are available in Account No. 013.5010.41200, which has a current balance of \$90,000.

Attachments: CRA Resolution No. 2011-\_\_\_\_\_  
- Owner Participation Agreement (OPA)  
Illustration of Proposed Sign

/rg-77361

## **CRA RESOLUTION NO. 2011-\_\_\_\_\_**

**A RESOLUTION OF THE NORCO REDEVELOPMENT AGENCY APPROVING AN OWNER PARTICIPATION AGREEMENT BY AND BETWEEN THE NORCO REDEVELOPMENT AGENCY AND WEST COAST SERVICING, LLC AS PART OF THE FAÇADE IMPROVEMENT PROGRAM FOR AN AMOUNT NOT TO EXCEED \$20,000 TO PROVIDE FOR THE REHABILITATION AND IMPROVEMENT OF THE PROPERTY LOCATED AT 2641 HAMNER AVENUE**

WHEREAS, the Norco Redevelopment Agency ("Agency"), under the provision of the California Community Redevelopment Law, is engaged in activities necessary for the execution of the Redevelopment Plan for the Norco Redevelopment Project Area ("Project Area"); and

WHEREAS, on December 20, 2006, the Agency adopted CRA Resolution No. 2006-20, establishing the Façade Improvement Program to be implemented through individual Owner Participation Agreements (OPAs); and

WHEREAS, the Agency has negotiated an OPA with West Coast Servicing, LLC for the rehabilitation and redevelopment of the building located at 2641 Hamner Avenue in Norco in an amount not-to-exceed \$20,000; and

WHEREAS, the Agency has duly considered all terms and conditions of the proposed OPA and believes that the rehabilitation and improvement of the Site pursuant to the subject OPA is in the best interest of the City and Agency, and the health, safety and welfare of its residents, and is in accord with the public purposes and provisions of applicable State and local law requirements; and

WHEREAS, the Agency has received and considered the proposed development to be carried out pursuant to said OPA.

NOW, THEREFORE, the Agency does hereby find, determine, order and resolve as follows:

**SECTION 1:** The Agency consents to the approval of the OPA.

**SECTION 2:** Funding for this project, not to exceed \$20,000, has been included in the current Capital Improvement Program Budget for the Façade Improvement Program.

PASSED AND ADOPTED by the Norco Redevelopment Agency at a regular meeting held on January 19, 2011.

\_\_\_\_\_  
Chairman  
Norco Redevelopment Agency

ATTEST:

\_\_\_\_\_  
Secretary, Norco Redevelopment Agency

I, BRENDA JACOBS, Secretary of the Norco Redevelopment Agency, do hereby certify that the foregoing Resolution was regularly introduced and adopted by the Norco Redevelopment Agency at a regular meeting thereof held on January 19, 2011, by the following vote of the Norco Redevelopment Agency Members:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Norco Redevelopment Agency on January 19, 2011.

\_\_\_\_\_  
Secretary, Norco Redevelopment Agency

/rg-77360

## OWNER PARTICIPATION AGREEMENT

THIS AGREEMENT is entered into on this 19<sup>th</sup> day of January 2011, by and among the **NORCO REDEVELOPMENT AGENCY**, a public body corporate and politic ("Agency"), and **WEST COAST SERVICING, LLC** ("Participant"). The Agency and the Participant agree as follows:

### I. SUBJECT OF AGREEMENT

#### A. Purpose of the Agreement

The purpose of the Agreement is to effectuate the Façade Improvement Program ("Program") for the Norco Redevelopment Project Area No. One ("Project Area") by providing for the rehabilitation and improvement of a portion of said Project Area (the "Site") pursuant to this Agreement, which is in the best interests of the City of Norco (the "City") and the welfare of its residents, and in accord with the public purposes and provisions of applicable federal, state and local laws and requirements. This Agreement furthers meeting the need to rehabilitate and revitalize commercial properties within the Project Area.

#### B. The Program

This Agreement is subject to the provisions of the Program which was approved and adopted by the Redevelopment Agency of the City of Norco by Resolution No. 2006-20. Said Resolution and the Program so approved are incorporated herein by this reference.

#### C. The Site

The Site consists of an improved parcel of real property located within the Project Area. The legal description for the Site is attached hereto as Attachment No. 1, incorporated herein by reference (the "Legal Description"). The site is currently improved with a commercial/retail building located at **2641 Hamner Avenue, Norco, California** (APN 127-210-021).

#### D. Participant Improvements

Pursuant to the Program, the Participant intends to and shall rehabilitate and redevelop the Site, including one or more of the following:

- 1) Freestanding sign with Western-themed frontage improvements;
- 2) Western-themed architectural embellishments and articulation;
- 3) Landscaping (may include hardscape treatment/paving);
- 4) Exterior or display lighting (may include decorative parking lot lights);
- 5) Painting/stucco or other exterior enhancement;
- 6) Design, architecture, engineering, and permit fees;

all collectively referred to herein as the "Improvements" and all more specifically set out in Attachment No. 2 "Participant Improvements" attached hereto and incorporated herein by this reference.

The following items are considered ineligible for funding under the Program:

- 1) interior improvements except as necessary to complete exterior work;
- 2) roof repair;
- 3) painting not associated with exterior wall and roof cladding;
- 4) furniture;
- 5) any routine, normal, or deferred maintenance;
- 6) alterations and improvements made prior to entering into the Agreement;
- 7) any items that are not allowed under any City of Norco Code or Ordinance.

#### E. Parties to the Agreement

##### 1. The Agency

The Agency is the public body, corporate and politic, exercising governmental functions and powers, organized and existing under the Community Redevelopment Law of the State of California.

The principal office of the Agency is located at:

NORCO REDEVELOPMENT AGENCY  
2870 Clark Avenue  
Norco, California 92860  
Attention: Economic Development Specialist

"Agency", as used in this Agreement, includes any assignee or successor to its rights, powers, and responsibilities.

##### 2. The Participant

The Participant is West Coast Servicing, LLC, 31910 Del Obispo Street, Ste. 230, San Juan Capistrano, CA 92675. The Participant is the owner of fee simple title in and to the Site. Whenever the term "Participant" is used herein such term shall include assignees and successors in interest to the Participant.

#### F. Compliance with Laws

##### 1. City Development Services

The Participant shall at its sole expense apply for, obtain from and effect to final inspection from all required City development services divisions, including the Planning Division, Building Division, and Public Works Division, and other governmental agencies or entities the approvals, permits, and authorizations, for the design/construction through completion of the Participant Improvements prior to commencing any work or improvement under this Agreement.

## 2. Prevailing Wages

The Participant shall carry out the construction of the Participant Improvements as described in Attachment No. 2 in conformity with all applicable, laws, including federal, state, and local labor standards. The Participant recognizes and is aware of the existence of legislation adopted by the California State Legislature in 2001 and generally referred to as SB 975 regarding prevailing wages, for which the Participant shall determine the manner of compliance required pursuant thereto as to all undertakings of Participant and Participant Affiliates pursuant to this Agreement. The Agency has made no representation nor given any assurances or warranties that this Agreement, the approval hereof or the implementation of any aspect of this Agreement in any manner complies with said SB 975 and all other prevailing wage requirements of applicable California law.

## G. Property Ownership Requirement

Property owners shall prove legal title to the Site. A copy of the recorded Grant Deed, providing evidence of ownership, is included as Attachment No. 3.

## H. Lease Requirement

Commercial tenants shall have a minimum of three (3) years remaining on their lease from the date the Agreement is signed and executed. A copy of the building lease indicating the lessee's authority for property renovation and repair is included as Attachment No. 4.

## I. Economic/Functional Life

The Site shall have a minimum ten (10)-year Economic/Functional life. The Agency shall make a finding that the Site or Participant Improvements will be usable for at least ten (10) years from project completion. Proof of ten-year economic/functional life may require a building inspection.

# II. AGENCY ASSISTANCE

## A. Agency Assistance

Pursuant to the method of financing described in Paragraph II.D. hereof, and as an incentive to the Participant to rehabilitate and redevelop the Site with the Participant Improvements and to maintain the entire Site in accordance with the Agreement, the Agency shall fund through progress payments a portion or all of the costs of the construction and completion of the Participant Improvements. Progress payments are referred to herein as the "Agency Assistance".

## B. Bids

Application for funding shall be submitted with the design review application together with a cost estimate. Three (3) bids from a contractor(s) licensed in the State of California shall be required to determine the cost of the Participant Improvements. Only the amount of the lowest bid will qualify for progress payments, unless proven to be inadequate. The selected contractor must have a valid California State Contractor's License, a business license in the City of Norco, and insurance with a minimum of \$1,000,000 per incident. The Participant shall submit a Contractor Selection Form to Agency staff. The Contractor Selection Form identifies the contractor(s) that have been selected by the Applicant and states contractor requirements. The Contractor Selection Form is included as Attachment No. 5.

## C. Phasing and Installment Plan

The Participant agrees that the construction and installation of the Participant Improvements will be in accordance with all provisions hereof. Participants will be awarded grant and/or match money through progress payments for work completed in construction phases ("Phase"). The Applicant and contractor(s) shall establish milestones for Agency Assistance and completion of Participant Improvements. The schedule of Agency Assistance and Phase completion is attached hereto as Attachment No. 6, incorporated herein by reference (the "Phasing and Installment Plan"). Changes to the Phasing and Installment Plan shall not be made without the approval of Agency staff.

## D. Notice to Proceed

The Participant has thirty (30) days from the date the Agreement is signed and executed to execute contract with the contractor and to issue a Notice to Proceed allowing contractor(s) to begin work. If the Participant has not authorized the contractor(s) to begin work within thirty (30) days from the date the Agreement is signed and executed, the Agency shall have the right to terminate the Agreement and utilize the reserved grant funds for other projects.

The Project shall be completed no later than one-hundred-eighty (180) days from issuance of a building permit from City of Norco.

## E. Payment of Agency Assistance

Agency staff shall, in their sole discretion, determine the total amount of the Participant's costs which are eligible for progress payments by the Agency and shall also determine the appropriate amount of the Agency Assistance to the Participant. The amount of Agency Assistance shall be based on certain allowable costs for completion of each Phase. Payment of Agency Assistance shall follow one of the following processes:

### 1. Direct Payment to Contractor(s)

The contractor(s) shall promptly, upon the completion of each Phase, complete and submit to the Agency a Phase Completion Notice and all invoices, check requests, and other information evidencing the actual costs for the construction and

development of each Phase. The completion of each Phase, in accordance with the milestones established in the Phasing and Installment Plan, shall be deemed to be a condition precedent to the Agency's funding of Agency Assistance. The Agency shall directly pay the contractor(s) for eligible invoices upon receipt and review of the Phase Completion Notice and cost information and only after each Phase has been completed as solely determined by the Agency.

## 2. Phase Reimbursements to Participant

The Participant shall promptly, upon the completion of each Phase, complete and submit to the Agency a Phase Completion Notice and all invoices, receipts, cancelled checks, and other information evidencing the actual costs incurred for the construction and development of each Phase. The completion of each Phase, in accordance with the milestones established in the Phasing and Installment Plan, shall be deemed to be a condition precedent to the Agency's funding of Agency Assistance. Such amount shall be reimbursed to the Participant after the Phase Completion Notice and cost information has been reviewed by Agency staff and only after each Phase has been completed as solely determined by the Agency.

## F. Change Orders

Contractor/architect change orders shall not be made without the approval of Agency staff. The Applicant shall be responsible for any approved change orders which may affect the approved bid price.

## G. Filing of Certificate of Project Completion

The Participant shall promptly, upon the completion of all Phases, complete and submit to the Agency the Certificate of Project Completion in the form provided as Attachment No. 7.

# III. USE OF THE SITE

## A. Uses

The Participant covenants and agrees for itself, its successors, its assigns, and every successor in interest to the Site or any part thereof, that the Participant, such successors and such assignees, shall devote the Site to the uses specified in the Program and this Agreement for the periods of time specified therein. The foregoing covenant shall run with the land.

## B. Maintenance

The Participant covenants and agrees for itself, its successors, its assigns, and every successor in interest to the Site that it shall properly maintain all improvements and keep storefronts as well as sides and back of building clean and in good condition at the Participant's own cost and expense for a minimum of five (5) years from the filing of the Certificate of Project Completion. Any damage to the façade or sign is to be repaired immediately by the Participant so that the building remains in good condition and positively contributes to the business area. The maintenance shall include, but not be limited to: landscape maintenance, clean-up maintenance, exterior façade

maintenance, all in good condition and in accordance with the custom and practice generally applicable to commercial buildings and shopping areas within the City of Norco.

### C. Alterations

The Participant shall agree not to change or alter the improved façade, excluding necessary maintenance as described in Paragraph III.B. above, without prior written approval from the Agency for five (5) years from the filing of the Certificate of Project Completion.

### D. Non-Discrimination

The Participant covenants by and for itself and any successors in interest that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Site, nor shall the Participant itself or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the Site. The foregoing covenants shall run with the land.

The Participant shall refrain from restricting the rental, sale or lease of the property on the basis of race, color, creed, religion, sex, marital status, national origin or ancestry of any person. All such deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or non-segregation clauses:

1. In deeds: "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land herein conveyed, nor shall the grantee himself or herself or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number or occupancy of tenants, lessees, subtenants, sublessees or vendees in the land herein conveyed. The foregoing covenants shall run with the land."
2. In leases: "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that this lease is made and accepted upon and subject to the following conditions:

"There shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin or ancestry in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the premises herein leased nor shall the lessee himself or herself or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the

selection, location, number or occupancy of tenants, lessees, subtenants, sublessees or vendors in the premises herein leased.”

3. In contracts: “There shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex marital status, national origin or ancestry in the sale, lease, sublease, transfer, use occupancy, tenure or enjoyment of the premises herein leased nor shall the lessee himself or herself or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number or occupancy of tenants, lessees, subtenants, sublessees or vendees of the premises.”

The covenants established in this Agreement shall without regard to technical classification and designation, be binding for the benefit and in favor of the Agency, its successors and assign, the City, and any successor in interest to the Site or any part thereof. The covenants, contained in this Agreement shall remain in effect for a period of ten (10) years from date hereof. The covenants against racial discrimination shall remain in effect in perpetuity.

#### E. Access to the Site

The Agency, the City and the Participant shall have the reasonable right of access to the Site without charges or fees, at normal construction hours during the period of construction and thereafter during the term of the Program for the purpose of this Agreement, including, but not limited to, the inspection of the work being performed in constructing the Participant Improvements, and determination of compliance with the long-term covenants concerning use, maintenance, and non-discrimination.

#### F. Banner/Sign

The Participant agrees to post a banner or sign, provided by the Agency, on the building or in the window advertising the Facade Improvement Program. Participant agrees to post banner or sign during construction and for not less than four weeks after completion of the project.

### IV. INSURANCE AND INDEMNITY

A. The Participant hereby agrees to defend, indemnify and hold harmless the City and Agency, and their offices, agents and employees, from and against any and all liability, damages, costs, losses, claims and expenses, however caused, resulting directly or indirectly from or connected with the Participant's performance of this Agreement, including, but not limited to such liability, cost, damage, loss, claim or expense arising from the death or injury to any person, or damage to real or personal property of the Participant or a contractor, or the City, or the Agency, except where such liability, damages, costs, losses, claims or expenses area caused solely by the negligent or wrongful acts of the City and/or Agency or any of their agents or employees including negligent omissions or commissions of City and/or Agency, their agents, officers or employees.

B. The Participant shall comply with all of the provisions of the Workers' Compensation Insurance and Safety Acts of the State of California, the applicable

provisions of Divisions 4 and 5 of the California Government Code, SB975, and all amendments thereto; and all similar state or federal acts or laws applicable; and shall indemnify, defend and hold harmless City and Agency and their agents, officers and employees from and against all claims, demands, payments, suits, actions, proceedings and judgments of every nature and description, including attorney's fees and costs presented, brought or recovered against City and/or Agency and their agents, officer and employees, for or on account of any liability under any of said acts which may be incurred by reason of any work to be performed by the Participant under this Agreement.

## V. DEFAULTS, REMEDIES AND TERMINATION

### A. Defaults – General

Failure or delay by either party to perform any covenant, condition, or provision of this Agreement to be observed or performed by such party within the time provided herein constitutes a default under this Agreement.

The injured party shall give written notice of default to the party in default, specifying the default complained of by the injured party. Failure or delay in giving notice shall not constitute a waiver of any default, nor shall it change the times of default. The defaulting party shall immediately commence to cure such default and shall complete such cure within thirty (30) days from the date of the notice or such longer period if the nature of the default is such that more than thirty (30) days is required to cure such default.

Except as otherwise expressly provided in this Agreement, any failure or delay by either party in asserting any of its rights or remedies as to any default shall not operate as a waiver of any default or any such rights or remedies or deprive either such party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

### B. Legal Actions

#### 1. Institution of Legal Actions

In addition to any other rights or remedies, either party may institute legal action to cure, correct or remedy any default, to recover damages for any default, or to obtain any other remedy consistent with the purposes of this Agreement. Such legal actions must be instituted in the Superior Court of the County of Riverside, State of California, in an appropriate municipal court in that County, or in the Federal District Court for the Central District of California.

#### 2. Applicable Law

The laws of the State of California shall govern the interpretation and enforcement of this Agreement.

#### 3. Acceptance of Service Process

In the event that any legal action is commenced by the Participant against the Agency or the City, service of process on the Agency shall be made by personal service upon the Secretary of the Agency, and on the City by personal service upon the City Clerk, or in such other manner as may be provided by law.

In the event that any legal action is commenced by the Agency or the City against the Participant, service of process on the Participant shall be made in such manner as may be provided by law, whether made within or without the State of California.

C. Rights and Remedies are Cumulative

Except as otherwise expressly stated in this Agreement, the rights and remedies of the parties are cumulative, and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same time or different times, or any other rights or remedies for the same default or any other default by the other party.

D. Conflicts of Interest

No member, official or employee of the Agency shall have any personal interest, direct or indirect, in this Agreement, nor shall any members, official or employee participate in any decision relating to the Agreement which affects his personal interests or the interests of any corporation, partnership or association in which he is directly or indirectly interested. No member, official or employee of the Agency shall be personally liable to the Participant, or any successor in interest, in the event of any default or breach by the Agency, or for any amount which may become due to the Participant or successor or on any obligation under the terms of this Agreement.

E. Non-Liability of Officials and Employees of the Commission

No member, official or employee of the Agency shall be personally liable to the Participant, or any successor in interest, in the event of any default or breach by the Agency, or for any amount which may become due to the Participant or successor or on any obligation under the terms of this Agreement.

VI. ENTIRE AGREEMENT, WAIVERS

This Agreement is executed in three (3) duplicate originals, each of which is deemed to be an original. This Agreement includes pages 1 through 10 and Attachment Nos. 1 through 7 which constitutes the entire understanding and agreement of the parties.

This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties or their predecessors in interest with respect to all or any part of the subject matter hereof.

All waivers of the provisions of this Agreement must be in writing by the appropriate authorities of the Agency and Participant, and all amendments hereto must be in writing by the appropriate authorities of the Agency and the Participant.

IN WITNESS WHEREOF, the Agency and the Participant have signed this Agreement on the respective dates set forth below.

NORCO REDEVELOPMENT AGENCY

Dated: \_\_\_\_\_

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

"Agency"

ATTEST:

\_\_\_\_\_  
Agency Secretary

OWNER

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
West Coast Servicing, LLC

"Participant"

Approved as to Form:

\_\_\_\_\_  
John Harper  
Agency Counsel

/rg-77359

## **ATTACHMENT 1**

### **LEGAL DESCRIPTION**

THAT PORTION OF LOT 6, BLOCK 25 OF RIVERSIDE ORANGE HEIGHTS TRACT NO. 2, IN THE CITY OF NORCO, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ON FILE IN BOOK 7, PAGE 54 OF MAPS, RECORDS OF SAID COUNTY RECORDER. [APN: 127-210-021]

## **ATTACHMENT 2**

### **PARTICIPANT IMPROVEMENTS**

1. Fabrication and erection of an approximately 14-foot-high monument sign with brick base matching the existing building;
2. Architectural and engineering fees; and
3. Permit and dump fees.

**ATTACHMENT 3**  
**RECORDED GRANT DEED**

DOC # 2010-0248420

05/28/2010 08:00A Fee:21.00

Page 1 of 3

Recorded in Official Records

County of Riverside

Larry W. Ward

Assessor, County Clerk & Recorder



RECORDING REQUESTED BY  
Lawyers Title Corporation

AND WHEN RECORDED MAIL TO:

West Coast Servicing, LLC  
31910 Del Obispo Street, Suite 230  
San Juan Capistrano, CA 92675

*11890363*

S	R	U	PAGE	SIZE	DA	MISC	LONG	RFD	COPY
			3						
M	A	L	465	426	(PCOR)	INCOR	SMF	NCHG	EXAM
							T:	CTY	UNI

A.P.N.: 127-210-021-4

File No.: 9230365-DN

### GRANT DEED

*21*  
**T**  
061

The Undersigned Grantor(s) Declare(s): DOCUMENTARY TRANSFER TAX \$\*; CITY TRANSFER TAX \$0.00;

\*"This conveyance is to secure a debt, R&T 1191"

No consideration

- [ ] computed on the consideration or full value of property conveyed, OR
- [ ] computed on the consideration or full value less value of liens and/or encumbrances remaining at time of sale,
- [ ] unincorporated area; [ ] City of Covina, and

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, Hamner Trust #2641, TDR Servicing LLC, as Trustee

hereby GRANTS to West Coast Servicing, LLC, a California limited liability Company

the following described property in the city of Norco, County of Riverside, State of California;

See legal description as "Exhibit A" attached hereto.

**ATTACHMENT 4**  
**COPY OF BUILDING LEASE**  
**[NOT APPLICABLE]**

**ATTACHMENT 5**  
**CONTRACTOR SELECTION FORM**

THE REDEVELOPMENT AGENCY OF THE CITY OF NORCO  
FAÇADE IMPROVEMENT PROGRAM

CONTRACTOR BID FORM

**PROJECT INFORMATION**

Business Name: Absolutely Best Denture

Business Address: 2641 Hammer Ave, Norco CA 92860

**CONTRACTOR INFORMATION**

Contractor's Name: Fovell Enterprises, Inc dba Southwest Sign Co.

Contractor's License No.: ~~777~~ 724929

Mailing Address: 1611 Jenks Dr Corona 92880

Telephone Number(s): 951-734-6275

Fax Number: 951-735-9667

Email: jack@southwestsign.com

**IMPROVEMENTS**

Specific improvements to be completed by the contractor:

New Monument Sign

**CONSTRUCTION COST**

Total Construction Cost: \$ 22,997.18

**CERTIFICATIONS**

1. State of California Contractor's License

I (We) certify that the contractor has a valid State of California Contractor's License.

2. City of Norco Business License

I (We) certify that the contractor has a valid City of Norco business license.

3. Insurance

I (We) certify that the contractor has insurance with a minimum of \$1,000,000 per incident.

4. Prevailing Wage

I (We) certify that the contractor shall pay established prevailing wage rates to all employees performing work at the project site, pursuant to the requirements of the California Labor Code, Section 1771.

I (We) certify that the contractor shall provide the City with the necessary support documentation as required by law.

5. Equal Employment Opportunity (EEO)

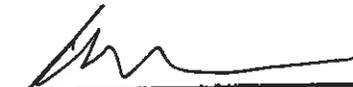
I (We) certify that the contractor shall comply with EEO provisions relative to Executive Order 11246 and related acts, rules, and regulations.

I (We) certify that the contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin.

  
SIGNATURE OF CONTRACTOR

1/5/11  
DATE

Jack Fovell  
PRINT NAME

  
SIGNATURE OF APPLICANT

1/5/11  
DATE

Robert Byrnes  
PRINT NAME

APPROVED:

  
SIGNATURE OF AGENCY

1/5/11  
DATE

Roger S. Grody  
PRINT NAME

## ATTACHMENT 6

### PHASING & INSTALLMENT PLAN

The general contractor for the project shall be paid in the following not-to-exceed installments, upon acceptance of invoices by owner:

**\$6,000.00**, or one-third of total, less Ten Percent (10%) retention, when construction is approximately one-third completed.

**\$6,000.00**, or one-third of total, less Ten Percent (10%) retention, when construction is approximately two-thirds completed.

**\$6,000.00**, or one-third of total, less Ten Percent (10%) retention, when construction is 100 Percent (100%) completed.

A final retention payment of **\$2,000.00** will be released after all OPA provisions have been met and a Certificate of Completion has been recorded with Riverside County.

**ATTACHMENT 7**  
**CERTIFICATE OF COMPLETION**

**RECORDING REQUESTED BY:** )  
 Norco Redevelopment Agency )  
 2870 Clark Avenue )  
 Norco, CA 92860 )  
 )  
**AND WHEN RECORDED MAIL TO:** )  
 Norco Redevelopment Agency )  
 2870 Clark Avenue )  
 Norco, CA 92860 )  
 Attention: Agency Secretary )  
 )

(Space above for Recorder's Use Only)

**CERTIFICATE OF COMPLETION  
 FOR  
 CONSTRUCTION AND DEVELOPMENT**

WHEREAS, the **NORCO REDEVELOPMENT AGENCY**, a public body, corporate and politic, hereinafter referred to as "Agency," and **WEST COAST SERVICING, LLC**, hereinafter referred to as "Participant," entered into an Owner Participation Agreement dated **January 19, 2011** (the "OPA") regarding certain real Property situated in the City of Norco, California described on Exhibit "A" attached hereto and made a part hereof; and

WHEREAS, pursuant to the OPA, the Agency shall furnish the Participant with a Certificate of Completion ("Certificate") upon completion of construction and development, which Certificate shall be in such form as to permit it to be recorded in the Recorder's Office of Riverside County; and

WHEREAS, such Certificate shall be conclusive determination of satisfactory completion of the construction and development required by the OPA on the Site; and

WHEREAS, the Agency has conclusively determined that the construction and development on the above described real property required by the OPA on the Site has been satisfactorily completed.

NOW, THEREFORE,

1. As provided in said OPA, the Agency does hereby certify that the construction and development on the Site has been fully performed and completed. Any requirements for operation pursuant to the OPA which is on file with the Agency as a public record and incorporated herein by reference, shall remain enforceable according to their terms.
2. Nothing contained in this instrument shall modify in any other way any other provisions of the OPA.

IN WITNESS WHEREOF, the Agency has executed this Certificate this \_\_\_\_ day  
of \_\_\_\_\_, 2011.

NORCO REDEVELOPMENT AGENCY,  
a public body, corporate and politic

By: \_\_\_\_\_  
Berwin Hanna

Its: Chairperson \_\_\_\_\_

Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Brenda K. Jacobs  
Secretary, Norco Redevelopment Agency



**ABSOLUTLEY BEST DENTAL**  
**(951) 739-7770**

<b>PACIFIC TRISTAR INS.</b>	<b>GLOBAL ESTATE</b>
<b>FREEDOM LAW CENTER</b>	<b>ASSETS PROTECTION</b>
<b>PORTICO</b>	<b>FOR LEASE (800) 555-1234</b>
<b>FOR LEASE (800) 555-1234</b>	<b>FOR LEASE (800) 555-1234</b>

Lighted can is 7 by 7 feet  
Height to bottom of lighted can is approx. 54 inches  
Colors to match colors of the building  
Sign set back 2 feet from property line

BRICK  
BASE

BRICK  
BASE

10 FEET

# CITY OF NORCO STAFF REPORT

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

FROM: Beth Groves, City Manager/Executive Director 

DATE: January 19, 2011

SUBJECT: Consideration of documents related to Silverlakes Equestrian &  
Sports Park by and between the City of Norco, the City of  
Norco Redevelopment Agency and Balboa Management  
Group, LLC

RECOMMENDATION: It is recommended that the City Council/Norco Redevelopment  
Agency Board cancel the Joint CRA/City Council Public  
Hearing.

SUMMARY: A Joint CRA/City Council Public Hearing was posted and published to  
consider the approval of documents related to the Silverlakes Equestrian & Sports Park.

On December 22, 2010, the City declared a local state of emergency due to the severe  
storm event taking place that week. The storm caused unprecedented flood patterns  
resulting in erosion and damage to city and redevelopment agency property, including the  
proposed Silverlakes Equestrian & Sports Park site.

Damage assessment and remediation options are still underway. It is unknown at this time  
what engineering changes or other remedies may be necessary to restore and protect  
portions of the Silverlakes property. City Staff and Balboa team members are working  
together to come up with the most viable course of action.

Therefore, Balboa Management Group, LLC has requested that the Joint CRA/City Council  
Public Hearing be cancelled until such time as the assessment and response plan is  
complete.

/bj-77561



**RECAP OF ACTIONS TAKEN  
CITY OF NORCO  
PLANNING COMMISSION  
CITY COUNCIL CHAMBERS – 2820 CLARK AVENUE  
REGULAR MEETING  
JANUARY 12, 2011**

1. CALL TO ORDER: 7:00 p.m.
2. ROLL CALL: Chair Hedges, Vice-Chair Wright, Commission Members Henderson and Jaffarian
3. STAFF PRESENT: Planning Director King, Senior Planner Robles, Deputy City Clerk Germain
4. PLEDGE OF ALLEGIANCE: Vice-Chair Wright
5. APPEAL NOTICE: Read by Staff
6. HEARING FROM THE AUDIENCE ON ITEMS NOT LISTED ON THE AGENDA: Received and filed
7. APPROVAL OF MINUTES: Minutes of December 8, 2010 (Regular) and December 16, 2010 (Special) **Recommended Action: Approve the Minutes** (Deputy City Clerk); **Approved 4-0 with corrections**
8. CONTINUED ITEMS: None
9. PUBLIC HEARINGS

A. Resolution 2011-\_\_\_; Conditional Use Permit 2010-07 (White): A Request for Approval to Allow a Detached Accessory Storage Building on Property Located at 3407 Morgan Drive within the A-1-20 zone. **Recommended Action: Approval** (Senior Planner Robles): **Approved 4-0. This action is final unless appealed to the City Council.**

B. Resolution 2011-\_\_\_; Annexation 24 (Fusco Engineering, Inc.): A Proposal to Amend the City Sphere of Influence and Annex About 1.8 acres, All of Which will be Detached from the City of Corona. The Property is Located on the Southwest Side of Parkridge Avenue, North of Cota Street (A.P.N. 119-070-013). **Recommended Action: Approval** (Planning Director King): **Recommended approval to the City Council 4-0. This item requires a public hearing before the City Council and is anticipated to be advertised for the February 2, 2011 meeting.**

C. Resolutions 2011-\_\_\_ and 2011-\_\_\_; General Plan Amendment 2010-02 and Gateway Specific Plan Amendment 8, (Fusco Engineering, Inc.): A Proposal to Amend the City General Plan, and the Gateway Specific Plan (Specific Plan 89-02, Amendment 8), by Annexing About 1.8 Acres, All of Which will be Detached from the City of Corona. The Property is Located on the Southwest Side of Parkridge Avenue, North of Cota Street (A.P.N. 119-070-013). **Recommended Action: Approval** (Planning Director King): **Recommended approval to the City Council 4-0. This item**

**requires a public hearing before the City Council and is anticipated to be advertised for the February 2, 2011 meeting.**

D. Resolution 2011-\_\_\_: Zone Change 2010-02 (Fusco Engineering, Inc.): A Proposal to Pre-Zone About 1.8 Acres as "Gateway Specific Plan, Industrial" (Specific Plan 89-02, Amendment 8) Located on the Southwest Side of Parkridge Avenue, North of Cota Street (A.P.N. 119-070-013). **Recommended Action: Approval** (Planning Director King): **Recommended approval to the City Council 4-0. This item requires a public hearing before the City Council and is anticipated to be advertised for the February 2, 2011 meeting.**

10. BUSINESS ITEMS: Discussion to Amend Title 18 of the Norco Municipal Code to Add Chapter 18.63 Hospitality Development (H-D) Zone. **Recommended Action: Review and Provide Comments and Direction** (Planning Director King): **Provided direction and continued 4-0 to an unspecified meeting date.**

11. CITY COUNCIL: **Received and filed**

A. January 5, 2011 meeting was cancelled.

B. City Council Minutes dated December 1, 2010

12. PLANNING COMMISSION: Oral Reports from Various Committees: **None**

13. STAFF: Current Work Program: **Received and filed**

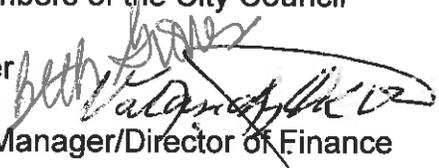
14. OTHER MATTERS: **Received and filed**

15. ADJOURNMENT: **8:13 p.m.**

/adr-77549

## 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: January 19, 2011

SUBJECT: Approval of Resolution for Employer Pick-Up to Tax Defer Member Paid Contributions – IRC 414(h)(2)

RECOMMENDATION: Adopt **Resolution No. 2011 \_\_\_\_**, approving employer pick-up to tax defer member paid contributions.

**SUMMARY:** Internal Revenue Code (IRC) Section 414(h)(2) allows for employer pick-up of employee required contributions to government retirement plans to be treated as employer contribution and thus, not be included in the employees' compensation subject to tax withholding. The City has been treating this contribution as non-compensation for tax withholding purposes since the inception of the contract with California Public Employees Retirement System (CalPERS). Through a routine review of their records, CalPERS has advised the City that it does not have any record of the City adopting the resolution necessary to implement the provisions of IRC Section 414(h)(2). The attached resolution would allow the City to continue to make member paid contributions to CalPERS on a tax deferred basis.

**BACKGROUND/ANALYSIS:** Through a routine review of their records, CalPERS recently discovered that the City did not formally adopt the necessary resolution it requires in order to maintain compliance with the provisions of IRC Section 414(h)(2). This resolution allows for City pick-up of the employee portion of PERS contribution to be treated as employer contribution for tax purposes and thus not be subject to income tax withholding on the employee.

Additionally, the City Council recently adopted a resolution requiring new employees to pay their employee portion of PERS contribution. With the adoption of this resolution, contribution by employees will also be made on a tax deferred basis. This means that employees will make this contribution on a pre-tax with no income tax consequence until the contributions are withdrawn or paid to the employee.

**FINANCIAL IMPACT:** This is a housekeeping resolution required to continue existing practice allowed by the IRC Section 414(h)(2). There is no budget impact to the City.

Attachments: Resolution No. 2011-\_\_\_\_  
/ao-77512

## **RESOLUTION NO. 2011-\_\_\_\_\_**

### **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NORCO, CALIFORNIA, FOR EMPLOYER PICK-UP TO TAX DEFER MEMBER PAID CONTRIBUTIONS – IRC 414(h)(2)**

WHEREAS, the City of Norco has the authority to implement the provisions of section 414(h)(2) of the Internal Revenue Code (IRC); and

WHEREAS, the Board of Administration of the Public Employees' Retirement System adopted its resolution regarding section 414(h)(2) IRC on September 18, 1985; and

WHEREAS, the Internal Revenue Service has stated in December 1985, that the implementation of the provisions of section 414(h)(2) IRC pursuant to the Resolution of the Board of Administration would satisfy the legal requirements of section 414(h)(2) IRC; and

WHEREAS, the City of Norco has determined that even though the implementation of the provisions of section 414(h)(2) IRC is not required by law, the tax benefit offered by section 414(h)(2) IRC should be provided to its employees who are members of the Public Employees' Retirement System.

#### **NOW, THEREFORE, BE IT RESOLVED:**

I. That the City of Norco will implement the provisions of section 414(h)(2) Internal Revenue Code by making employee contributions pursuant to California Government Code section 20691 to the Public Employees' Retirement System on behalf of its employees who are members of the Public Employees Retirement System. "Employee contributions" shall mean those contributions to the Public Employees' Retirement System which are deducted from the salary of employees and are credited to individual employee's accounts pursuant to California Government Code section 20691.

II. That the contributions made by the City of Norco to the Public Employees' Retirement System, although designated as employee contributions, are being paid by the City of Norco in lieu of contributions by the employees who are members of the Public Employees' Retirement System.

III. That employees shall not have the option of choosing to receive the contributed amounts directly instead of having them paid by the City of Norco to the Public Employees' Retirement System.

IV. That the City of Norco shall pay to the Public Employees' Retirement System the contributions designated as employee contributions from the same source of funds as used in paying salary.

V. That the amount of the contributions designated as employee contributions and paid by the City of Norco to the Public Employees' Retirement System on behalf of an

employee shall be the entire contribution required of the employee by the Public Employees' Retirement Law (California Government Code sections 20000, et seq.).

VI. That the contributions designated as employee contributions made by the City of Norco to the Public Employees' Retirement System shall be treated for all purposes, other than taxation, in the same way that member contributions are treated by the Public Employees' Retirement System.

PASSED AND ADOPTED by the City Council of the City of Norco at a regular meeting held on January 19, 2011.

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

ATTEST:

\_\_\_\_\_  
Brenda 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 January 19, 2011 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 January 19, 2011.

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

/jk-77296

## CITY OF NORCO STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Beth Groves, City Manager 

PREPARED BY: Andy Okoro, City Treasurer

DATE: January 19, 2011

SUBJECT: Quarterly Investment Report for Quarter Ended December 31, 2010 

RECOMMENDATION: Staff recommends that the City Council receive and file the Quarterly Investment Report for the Quarter Ended December 31, 2010.

**SUMMARY:** Staff is recommending that the City Council receive and file the City's quarterly investment report for the quarter ended December 31, 2010. This report has been prepared to meet the requirements of the applicable sections of the State of California Government Code.

**BACKGROUND/ ANALYSIS:** The City's Investment Policy requires the Treasurer and/or the Chief Fiscal Officer to render a quarterly report to the legislative body. The report is to be prepared in accordance with Government Code Section 53646 (b)(1) and should contain detailed information on all securities, investments, and monies of the local agency; a statement of compliance of the portfolio with the Statement of Investment Policy; and a statement of the City's ability to meet its cash flow requirements for the next six months. The law further requires that the quarterly report be submitted to the legislative body within 30 days from the end of the quarter. This report which is for the quarter ended December 31, 2010 meets the requirements of the Investment Policy and Government Code. It covers the City as well as the Norco Community Redevelopment Agency.

The attached schedules (attachments 1 through 4) have been prepared to meet the detailed requirements of the Government Code and the City's Investment Policy as approved by the Council on April 7, 2010. It is to be noted that the Investment Policy excludes certain investments of the City (bond proceeds) from these requirements. This means that funds from bond proceeds are invested in accordance with the provisions of the bond indentures rather than the provisions of the Investment Policy. Consequently, in determining whether the portfolio holdings are in compliance with the Government Code and the approved Investment Policy, investments of bond proceeds have been excluded.

Attachment 1 provides a summary schedule of the City's operating portfolio holdings by type as of December 31, 2010. This summary also provides information on whether or

not each investment category complies with the limitations imposed by law and the City's Investment Policy. Investments that are subject to the Statement of Investment Policy are operating/idle funds invested by the Treasurer within the provisions of the approved Investment Policy. During the quarter ended December 31, 2010, operating portfolio decreased by a net amount of \$1.7 million from \$31.9 million to \$30.2 million due to cash outflows for expenditures exceeding cash inflows from revenue receipts. This is mostly due to timing issue related to uneven flow of revenue receipts compared to a more even flow of expenditures.

Attachment 2 provides a graphical breakdown of the operating portfolio holdings by investment type as of December 31, 2010. This chart is for investments that are subject to the Investment Policy.

A summary of investments not subject to the provisions of the Investment Policy (bond proceeds and debt service reserve funds) is also shown on Attachment 1. These funds are invested in accordance with applicable bond indenture provisions. During the quarter ended December 31, 2010, bond proceeds and debt service reserve fund portfolio decreased by net \$3.3 million from \$42.4 million to \$39.1 million due to expenditures for capital projects and debt service payment.

Attachment 3 provides a detailed listing of the City's portfolio holdings as required by the Government Code. In this listing, "N/A" is used to denote that the information is either not available or applicable. The market value of investments in the Local Agency Investment Fund (LAIF) pool has been reported to equal cost because the City's investments in LAIF are readily liquid and the market value of these investments approximates cost. Agency Securities issued by United States Government Sponsored Entities (GSEs) carry standard ratings of "AAA" from Moody's and Standard and Poors Investor Service.

## *CASH FLOWS*

Attachment 4 provides the required cash flow and compliance statement by the Chief Fiscal Officer/Treasurer. On September 20, 2010, during a Budget Study Session, staff reviewed with City Council, General Fund cash flow projections. The projection indicated the likelihood that the City's General Fund could run out of cash by December 2010. As of the last week of December 2010, actual General Fund cash balance reached the lowest level in years of less than \$200,000. Part of that is due to the uneven flow of cash receipts and part is attributable to low level of General Fund reserves to cushion the impact of uneven cash receipts. Over the next quarter, it is anticipated that General Fund cash receipts will exceed cash disbursements because of property tax, vehicle license fees, and sales tax in-lieu receipts. However, the potential for the General Fund running out of cash over the next six months still remains very real. The next critical months will be April and May 2011. Should the General Fund run out cash during the next six months, it is anticipated that the negative cash balance will be covered by drawing from cash available in the Special Asset Revenue Fund. Based

on this, staff certifies that the General Fund will have sufficient cash flows to meet expenditure requirements for the next six months ending June 30, 2011. An updated cash flow projection will be reviewed with the City Council as part of the FY 2010-2011 mid-year budget update.

FINANCIAL INPACT: This is an informational item. There is no fiscal impact.

/jk-77497

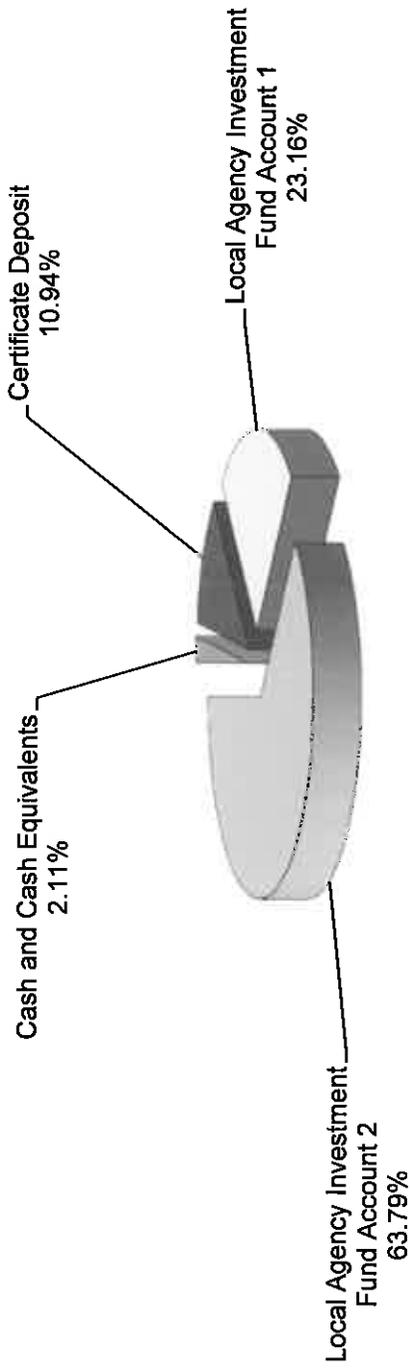
Attachments: 1) Portfolio Summary  
2) Summary Graph  
3) Portfolio Details – “Investments Not Subject...”  
4) Certification Form

**City of Norco, California**  
**Portfolio Summary**  
**As of December 31, 2010**

<u>City Investments Subject to Investment Policy</u>	<u>Market Value</u>	<u>Percentage</u>	<u>Policy Maximum</u>	<u>Compliance</u>
Cash and Cash Equivalents	\$ 638,355	2.11%	15.00%	In Compliance
Certificate Deposit	3,304,798	10.94%	30.00%	In Compliance
Local Agency Investment Fund Account 1	6,996,768	23.16%	\$40.0 Million	In Compliance
Local Agency Investment Fund Account 2	19,269,599	63.79%	\$40.0 Million	In Compliance
Total	<u>\$ 30,209,521</u>	<u>100.00%</u>		

<u>City Investments Not Subject to Investment Policy</u>	<u>Market Value</u>	<u>Percentage</u>
Community Facilities Districts	\$ 3,472,582	8.88%
Sewer and Water System	18,379,592	47.01%
Refunding Tax Allocation Bonds	17,248,140	44.11%
Total	<u>\$ 39,100,314</u>	<u>100.00%</u>

**Summary of City Portfolio  
(Investments Subject to Investment Policy)  
As of December 31, 2010**



City of Norco, California  
 Portfolio Details  
 As of December 31, 2010  
 Investments Subject to Policy

Cash & Cash Equivalents

Purchase Date	Maturity Date	CUSIP #	Description of Security	Account	Rating	Coupon Rate	Yield to Maturity	Face Value	Cost	Market Value
N/A	N/A	N/A	Checking Accounts	Wells Fargo	N/A	N/A	0.000%	N/A	638,355	638,355
			<b>Subtotal</b>	<b>Wells Fargo</b>					<b>638,355</b>	<b>638,355</b>
10/21/2010	10/21/2011	3120019132	Certificate Deposit	Allstate Bank	N/A	1.490%	Various	N/A	151,911	151,911
4/8/2009	4/3/2011	3240002117	Certificate Deposit	Allstate Bank	N/A	2.230%	Various	N/A	98,186	98,186
4/21/2010	4/21/2011	2329958022	Certificate Deposit	Citizen Business Bank	N/A	0.900%	Various	N/A	100,258	100,258
9/9/2010	5/20/2011	2329958065	Certificate Deposit	Citizen Business Bank	N/A	0.700%	Various	N/A	150,393	150,393
10/21/2010	4/21/2011	1011084741	Certificate Deposit Account Register Services	Citizen Business Bank	N/A	0.500%	Various	N/A	1,398,967	1,398,967
10/21/2010	4/21/2011	1011083877	Certificate Deposit Account Register Services	Citizen Business Bank	N/A	0.500%	Various	N/A	1,405,084	1,405,084
			<b>Subtotal</b>	<b>Wells Fargo</b>					<b>3,304,798</b>	<b>3,304,798</b>

Local Agency Investment Fund

Purchase Date	Maturity Date	CUSIP #	Description of Security	Account	Rating	Coupon Rate	Yield to Maturity	Face Value	Cost	Market Value
N/A	N/A	N/A	Local Agency Investment Fund Account 1	State of California	N/A	N/A	N/A	N/A	6,996,768	6,996,768
N/A	N/A	N/A	Local Agency Investment Fund Account 2	State of California	N/A	N/A	N/A	N/A	19,269,599	19,269,599
			<b>Subtotal</b>						<b>26,266,368</b>	<b>26,266,368</b>
			<b>Total Investments Subject to Policy</b>						<b>30,209,521</b>	<b>30,209,521</b>

City of Norco, California  
 Portfolio Details  
 As of December 31, 2010  
**Investments Not Subject to Policy (Bond Proceeds)**  
**Community Facilities Districts**

Cash and Cash Equivalents

Purchase Date	Maturity Date	CUSIP #	Description of Security	Account	Rating	Coupon Rate	Yield to Maturity	Face Value	Cost	Market Value
N/A	N/A	N/A	First American Treasury Obligation	94496805 US Bank	N/A	N/A	0.000%	N/A	160,568	160,568
N/A	N/A	N/A	First American Treasury Obligation	94644000 US Bank	N/A	N/A	0.000%	N/A	34,164	34,164
N/A	N/A	N/A	First American Treasury Obligation	94644004 US Bank	N/A	N/A	0.000%	N/A	192,071	192,071
N/A	N/A	N/A	First American Treasury Obligation	7.92E+08 US Bank	N/A	N/A	0.000%	N/A	531,721	531,721
			<b>Subtotal</b>						<b>918,524</b>	<b>918,524</b>

Local Agency Investment Fund

Purchase Date	Maturity Date	CUSIP #	Description of Security	Account	Rating	Coupon Rate	Yield to Maturity	Face Value	Cost	Market Value
N/A	N/A	N/A	Local Agency Investment Fund Account 1 (CFD)	97-1 State of California	N/A	N/A	N/A	N/A	804,817	804,817
			<b>Subtotal</b>						<b>804,817</b>	<b>804,817</b>

U.S. and Agency Securities

Purchase Date	Maturity Date	CUSIP #	Description of Security	Account	Rating	Coupon Rate	Yield to Maturity	Face Value	Cost	Market Value
7/27/2010	1/27/2014	3136FM2A1	FNMA MTN	7.94E+08 US Bank	AAA	1.625%	1.625%	1,748,000	1,748,000	1,749,241
			<b>Subtotal</b>					<b>1,748,000</b>	<b>1,748,000</b>	<b>1,749,241</b>
			<b>Total Community Facilities Districts</b>						<b>3,471,341</b>	<b>3,472,582</b>

**Investments Not Subject to Policy (Bond Proceeds)**  
**Sewer and Water System**

Cash and Cash Equivalents

Purchase Date	Maturity Date	CUSIP #	Description of Security	Account	Rating	Coupon Rate	Yield to Maturity	Face Value	Cost	Market Value
N/A	N/A	31846V708	First American Prime Obligations	1.31E+08 US Bank	AAA	N/A	0.000%	N/A	199	199
N/A	N/A	31846V708	First American Prime Obligations	1.31E+08 US Bank	AAA	N/A	0.000%	N/A	9,951,168	9,951,168
			<b>Subtotal</b>						<b>9,951,367</b>	<b>9,951,367</b>

U.S. and Agency Securities

Purchase Date	Maturity Date	CUSIP #	Description of Security	Account	Rating	Coupon Rate	Yield to Maturity	Face Value	Cost	Market Value
12/15/2010	12/15/2015	3136FPC70	F N M A M T N	1.31E+08 US Bank	AAA	2.000%	2.000%	1,461,000	1,461,000	1,447,515
12/9/2010	9/9/2013	313371VU7	Federal Home Loan Bks	1.31E+08 US Bank	AAA	1.000%	1.000%	4,000,000	4,000,000	3,969,400
7/28/2010	1/28/2013	313370BX5	Federal Home Loan Bks	1.31E+08 US Bank	AAA	1.000%	1.000%	3,000,000	3,000,000	3,011,310
			<b>Subtotal</b>						<b>8,461,000</b>	<b>8,428,225</b>
			<b>Total Sewer and Water System</b>						<b>18,412,367</b>	<b>18,379,592</b>

**Investments Not Subject to Policy (Bond Proceeds)  
 Refunding Tax Allocation Bonds**

Cash & Cash Equivalents

Purchase Date	Maturity Date	CUSIP #	Description of Security	Account	Rating	Coupon Rate	Yield to Maturity	Face Value	Cost	Market Value
N/A	N/A	N/A	First American Treasury Obligations	94432435 US Bank	N/A	N/A	0.00%	N/A	143	143
N/A	N/A	N/A	First American Treasury Obligations	94432445 US Bank	N/A	N/A	0.00%	N/A	319	319
N/A	N/A	N/A	First American Treasury Obligations	94662503 US Bank	N/A	N/A	0.00%	N/A	308	308
N/A	N/A	N/A	First American Treasury Obligations	94662507 US Bank	N/A	N/A	0.00%	N/A	2,159,438	2,159,438
N/A	N/A	N/A	First American Treasury Obligations	7.88E+08 US Bank	N/A	N/A	0.00%	N/A	1,381	1,381
N/A	N/A	N/A	First American Treasury Obligations	7.92E+08 US Bank	N/A	N/A	0.00%	N/A	17,991	17,991
N/A	N/A	N/A	First American Treasury Obligations	7.92E+08 US Bank	N/A	N/A	0.00%	N/A	1,504	1,504
N/A	N/A	N/A	First American Treasury Obligations	1.3E+08 US Bank	N/A	N/A	0.00%	N/A	991,860	991,860
N/A	N/A	N/A	US Bank Money Market	1.41E+08 US Bank	N/A	N/A	0.14%	N/A	7	7
N/A	N/A	N/A	US Bank Money Market	1.41E+08 US Bank	N/A	N/A	0.20%	N/A	1,432,838	1,432,838
N/A	N/A	N/A	US Bank Money Market	1.41E+08 US Bank	N/A	N/A	0.20%	N/A	381	381
N/A	N/A	N/A	US Bank Money Market	1.41E+08 US Bank	N/A	N/A	0.20%	N/A	3,691	3,691
<b>Subtotal</b>									<b>4,609,861</b>	<b>4,609,861</b>

Local Agency Investment Fund

Purchase Date	Maturity Date	CUSIP #	Description of Security	Account	Rating	Coupon Rate	Yield to Maturity	Face Value	Cost	Market Value
N/A	N/A	N/A	Local Agency Investment Fund Account 2	2010 State of California	N/A	N/A	N/A	N/A	112,192	112,192
N/A	N/A	N/A	Local Agency Investment Fund Account 2	2003 TABs State of California	N/A	N/A	N/A	N/A	639,930	639,930
<b>Subtotal</b>									<b>752,122</b>	<b>752,122</b>

U.S. and Agency Securities

Purchase Date	Maturity Date	CUSIP #	Description of Security	Account	Rating	Coupon Rate	Yield to Maturity	Face Value	Cost	Market Value
3/23/2009	3/23/2012	3136FHEV3	FNMA MTN	7.92E+08 US Bank	AAA	2.375%	2.375%	1,515,000	1,515,000	1,520,196
6/3/2009	6/3/2011	3133XTV45	Federal Home Loan Bks	94662506 US Bank	AAA	1.130%	1.524%	5,630,000	5,586,255	5,651,901
7/27/2010	1/27/2014	3136FM2A1	FNMA MTN	1.41E+08 US Bank	AAA	1.625%	1.625%	1,470,000	1,470,000	1,471,044
<b>Subtotal</b>									<b>8,571,255</b>	<b>8,643,141</b>

Investment Agreements

Purchase Date	Maturity Date	CUSIP #	Description of Security	Account	Rating	Coupon Rate	Yield to Maturity	Face Value	Cost	Market Value
N/A	3/1/2030	N/A	Guaranteed Investment Contract	94432433 US Bank	N/A	N/A	5.71%	N/A	2,161,566	2,161,566
N/A	3/1/2030	N/A	Guaranteed Investment Contract	94432443 US Bank	N/A	N/A	5.16%	N/A	347,000	347,000
N/A	2/27/2015	N/A	Guaranteed Investment Contract	7.88E+08 US Bank	N/A	N/A	3.41%	N/A	734,450	734,450
<b>Subtotal</b>									<b>3,243,016</b>	<b>3,243,016</b>

**Total Refunding Tax Allocation Bonds**

17,176,254 17,248,140

Total Investments Not Subject to Policy

39,059,962 39,100,314

**Attachment 4**

**Quarterly Investment Portfolio**

**For the Quarter Ended December 31, 2010**

As required by the Government Code, the Director of Fiscal and Support Services certifies that the investments reported in the accompanying schedules (Attachments 1 through 3) comply with the City of Norco Investment Policy and that sufficient liquidity along with anticipated revenues are available to meet the City and Redevelopment Agency budgeted expenditure requirements for the next six months ending June 30, 2011.



Andy Okoro, City Treasurer

/jk-77505

# 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: January 19, 2011

SUBJECT: Report on Fiscal Year 2010 Audited Financial Reports

RECOMMENDATION: Staff recommends that the City Council receive and file the Fiscal Year 2010 Audited Financial Reports.

**SUMMARY:** Staff recommends that the City Council receive and file the City's Comprehensive Annual Financial Report (CAFR) and other related reports for the fiscal year-ended June 30, 2010. The audited reports received an unqualified opinion from the City's independent auditors.

**BACKGROUND/ANALYSIS:** The City's independent auditors, Rogers, Anderson, Malody & Scott, LLP, have completed the year-end annual independent audit of City funds and accounts for fiscal year 2009/2010. The City's annual financial reports were prepared in accordance with Generally Accepted Accounting Principles (GAAP) and comply with other rules and regulations applicable to government entities. Transmitted herewith for City Council's information are the following financial reports for the fiscal year ended June 30, 2010:

1. Comprehensive Annual Financial Report
2. Required Independent Auditors' Communication to the City Council
3. Auditors' Report on Appropriations Limit Calculation
4. Single Audit Report including Report on Internal Control Over Financial Reporting and Compliance with Other Matters

These reports are presented in the same format as last year's. If Council wishes to have a study session to discuss this year's reports, staff will schedule one at a later date. It is to be noted that both the Single Audit Report and required Independent Auditors' Communication to the City Council do not contain any findings of grants violations, inappropriate application of accounting guidelines and rules or disagreements between management and the independent auditors.

FISCAL IMPACT: None

/jk-77520

Attachments: Items 1 – 4 (Council Only)

**Agenda Item 6.E.**



**ROGERS, ANDERSON, MALODY & SCOTT, LLP**

CERTIFIED PUBLIC ACCOUNTANTS

ROBERT B. MEMORY, C.P.A. (1945-2009)

OF COUNSEL  
JAY H. ZERCHER, C.P.A.

PHILLIP H. WALLER, C.P.A.  
BRENDA L. ODLE, C.P.A.  
TERRY P. SHEA, C.P.A.  
KIRK A. FRANKS, C.P.A.  
MATTHEW B. WILSON, C.P.A.  
SCOTT W. MANNO, C.P.A.  
LEENA SHANBHAG, C.P.A.

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CHRISTOPHER MONTOYA, C.P.A.  
DANIELLE E. ODGERS, C.P.A.

December 15, 2010

To the Honorable City Council  
City of Norco

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Norco (the City) for the year ended June 30, 2010. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and OMB Circular A-133), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 11, 2010. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2010. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City's financial statements were:

The estimate of the liability for pensions and other postemployment benefits is based on actuarial reports provided by independent actuaries. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

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DANIELLE E. COBBERS, C.P.A.

City Council  
City of Norco, California

**INDEPENDENT ACCOUNTANT'S REPORT ON AGREED-UPON PROCEDURES  
APPLIED TO APPROPRIATIONS LIMIT WORKSHEETS**

We have performed the procedures enumerated below to the accompanying Appropriations Limit worksheet of the City of Norco, California (City), for the year ended June 30, 2010. These procedures, which were agreed to by the City and the League of California Cities (as presented in the publication entitled *Agreed-upon Procedures Applied to the Appropriations Limitation Prescribed by Article XIII B of the California Constitution*), were performed solely to assist the City in meeting the requirements of Section 1.5 of Article XIII B of the California Constitution. The City's management is responsible for the Appropriations Limit worksheet. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and our findings were as follows:

1. We obtained the completed worksheets and compared the limit and annual adjustment factors included in those worksheets to the limit and annual adjustment factors that were adopted by resolution of the City Council. We also compared the population and inflation options included in the aforementioned documents to those that were selected by a recorded vote of the City Council.

Finding: No exceptions were noted as a result of our procedures.

2. For the accompanying Appropriations Limit worksheet, we added last year's limit to total adjustments and agreed the resulting amount to this year's limit.

Finding: No exceptions were noted as a result of our procedures.

3. We agreed the current year information presented in the accompanying Appropriations Limit worksheet to the other documents referenced in #1 above.

Finding: No exceptions were noted as a result of our procedures.

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4. We agreed the prior year appropriations limit presented in the accompanying Appropriations Limit worksheet to the prior year appropriations limit adopted by the City Council during the prior year.

Finding: No exceptions were noted as a result of our procedures.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on the accompanying Appropriations Limit worksheet. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. No procedures have been performed with respect to the determination of the appropriation limit for the base year, as defined by the League publication entitled *Article XIII B of the California Constitution*.

This report is intended solely for the use of the City Council and management of the City and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

*Rogers, Anderson, Maloney & Scott, LLP*

December 15, 2010

CITY OF NORCO  
APPROPRIATIONS LIMIT COMPUTATION  
2009 - 2010

	<u>2009 - 2010</u>
Per Capita Personal Income Change	0.62%
Population Change	
City Population Growth	1.12%
CPI Change Converted to a Ratio	1.0062
Population Change Converted to a Ratio	1.0112
Calculation of Growth Factor	1.0175
2008 - 2009 Limit	<u>\$ 31,106,182</u>
2009 - 2010 Appropriations Limit	<u>\$ 31,649,607</u>

**City of Norco  
Norco, California**

**Single Audit Report on Federal Awards**

**Year Ended June 30, 2010**

**City of Norco  
Single Audit Report on Federal Awards  
Year Ended June 30, 2010**

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**ROGERS, ANDERSON, MALODY & SCOTT, LLP**  
*CERTIFIED PUBLIC ACCOUNTANTS*

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The Honorable City Council  
City of Norco, California

**Report on Internal Control Over Financial Reporting and on Compliance and  
Other Matters Based on an Audit of Financial Statements Performed in  
Accordance with *Government Auditing Standards***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Norco, California (the City), as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 15, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

***Internal Control Over Financial Reporting***

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the City Council, others within the entity, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Rogers, Anderson, Malody & Scott, LLP*

December 15, 2010



**ROGERS, ANDERSON, MALODY & SCOTT, LLP**  
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The Honorable City Council  
 City of Norco, California

**Independent Auditor's Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133**

**Compliance**

We have audited the compliance of City of Norco (the City) with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended June 30, 2010. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2010.

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### ***Internal Control Over Compliance***

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

### ***Schedule of Expenditures of Federal Awards***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2010, and have issued our report thereon dated December 15, 2010, which contained unqualified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements as a whole. The schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

This report is intended solely for the information and use of management, the City Council, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Rogers, Anderson, Malody & Feath, LLP*

December 15, 2010

**City of Norco**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2010**

<u>Federal Grantor/ Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<b>Major Program:</b>			
<b>U.S. Department of Housing and Urban Development</b>			
Pass-through from the Riverside County Economic Development Agency Community Development Block Grant	14.218		
Restroom Renovation - Phase III		2.NR0407	\$ 22,284
Restroom Renovation - Phase IV		2.NR0607	121,508
Senior Center Rehabilitation		2.NR0908	189,704
Senior Recreation Program		2.NR1209	6,691
Party Partners		2.NR1309	8,927
Total U.S. Department of Housing and Urban Development			<u>349,114</u>
<b>Nonmajor Programs:</b>			
<b>U.S. Department of Transportation</b>			
Pass-through from the State of California Office of Traffic Safety State and Community Highway Safety: DUI Patrols	20.600	AL0927	\$ 34,110
Pass-through from U.C. Berkeley: Sobriety Checkpoint Program	20.600	SC09285	22,392
Sobriety Checkpoint Program	20.600	SC10285	79,500
Click It or Ticket	20.600	CT10285	13,685
			<u>115,577</u>
Pass-through from the City of Riverside: Avoid 30 Program	20.600	AL0842	2,620
Total U.S. Department of Transportation			<u>152,307</u>
<b>U.S. Department of Justice</b>			
ARRA – Edward Byrne Memorial Justice Assistance Grant	16.804- ARRA	2009-SB-B9-0480	\$ 41,681
Total U.S. Department of Justice			<u>41,681</u>
Total Expenditures of Federal Awards			<u>\$ 543,102</u>

The accompanying notes are an integral part of this schedule.

**City of Norco**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2010**

**(1) Summary of Significant Accounting Policies Applicable to the Schedule of Expenditures of Federal Awards**

**(a) *Scope of Presentation***

The accompanying schedule presents only the expenditures incurred by the City of Norco that are reimbursable under federal programs of federal awards. For the purposes of this schedule, federal awards include both federal awards received directly from a federal agency, as well as federal funds received indirectly by the City from a non-federal agency or other organization. Only the portion of program expenditures reimbursable with such federal funds are reported in the accompanying schedule. Program expenditures in excess of the maximum federal reimbursement authorized or the portion of the program expenditures that were funded with state, local or other non-federal funds are excluded from the accompanying schedule.

**(b) *Basis of Accounting***

The expenditures included in the accompanying schedule were reported on the modified accrual basis of accounting. Under the modified accrual basis of accounting, expenditures are incurred when the City becomes obligated for payment as a result of the receipt of the related goods and services. Expenditures reported include any property or equipment acquisitions incurred under the federal program.

**(c) *Subrecipients***

No Community Development Block Grant expenditures were paid to subrecipients during the year ended June 30, 2010.

**City of Norco  
 Schedule of Findings and Questioned Costs  
 Year Ended June 30, 2010**

**I. SUMMARY OF AUDITOR'S RESULTS**

***Financial Statements***

Type of auditor's report issued: unqualified

Internal control over financial reporting:

Material weakness identified?	_____	yes	<u>  X  </u>	no
Significant deficiencies identified that are not considered to be material weaknesses?	_____	yes	<u>  X  </u>	none reported
Noncompliance material to financial statements noted?	_____	yes	<u>  X  </u>	no

***Federal Awards***

Internal control over major programs:

Material weaknesses identified?	_____	yes	<u>  X  </u>	no
Significant deficiencies identified that are not considered to be material weaknesses?	_____	yes	<u>  X  </u>	none reported

Type of auditor's report issued on compliance for major programs: unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	_____	yes	<u>  X  </u>	<u>  no  </u>
--	-------	-----	--------------	---------------

**City of Norco**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2010**

**I. SUMMARY OF AUDITOR'S RESULTS (continued)**

Identification of major program:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
14.218	Community Development Block Grant

Dollar threshold used to distinguish  
between type A and type B programs: \$ 300,000

Auditee qualified as low-risk auditee?                           yes        X   no

**II. FINDINGS – FINANCIAL STATEMENT AUDIT**

No matters to be reported.

**III. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS  
AUDIT**

No matters to be reported.

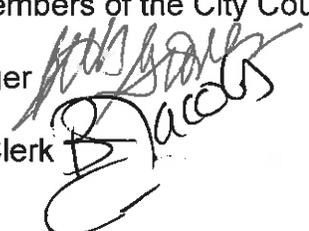
**City of Norco  
Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2010**

**CURRENT STATUS OF PRIOR YEAR FINDINGS:**

There were no prior year findings.

## 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: January 19, 2011

SUBJECT: Ratification of the Proclamation of a Local Emergency Dated December 22, 2010

RECOMMENDATION: Adopt **Resolution No. 2011-\_\_\_**, ratifying the Proclamation of a Local Emergency declared on December 22, 2010.

**SUMMARY:** On December 22, 2010, the City Manager proclaimed the existence of a "Local Emergency" caused by excessive rains and flooding. Section 3.5.1 of the City of Norco Emergency Operation Plan states that the Local Emergency proclaimed must be ratified by the City Council as soon as practicable, but in no case later than the next regularly scheduled City Council meeting. The City Council is recommended to adopt the attached resolution ratifying the existence of a Local Emergency declared on December 22, 2010.

**BACKGROUND/ANALYSIS:** Chapter 2.28.110 of the City of Norco Municipal Code empowers the City Manager to proclaim the existence of a "Local Emergency" and delegates such authority to declare such an emergency to the City Disaster Council if the City Council is not in session. On December 22, 2010, the City Manager proclaimed a Local Emergency, as the conditions of extreme peril to the safety of persons and property arose caused by excessive rains and flooding.

During this same period of excessive rains and flooding, several other local jurisdictions proclaimed the existence of a Local Emergency, followed by Gov. Arnold Schwarzenegger declaring a state of emergency for both Riverside and San Bernardino counties.

In accordance with Section 3.5.1 of the City of Norco Emergency Operation Plan, the City Council must review, at least every 21 days, the continuing existence of the emergency situation. The term of the current Local Emergency has not yet been determined and the status of the need for continuation of it will be reviewed by the Council at each regular scheduled meeting until it has been deemed fit to terminate the emergency declaration.

/bj-77481

Attachments: Resolution No. 2011-\_\_\_  
Proclamation of a Local Emergency Dated December 22, 2010

## **RESOLUTION NO. 2011-\_\_\_**

### **RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NORCO, CALIFORNIA, RATIFYING THE PROCLAMATION OF A LOCAL EMERGENCY DECLARED ON DECEMBER 22, 2010**

WHEREAS, Government Code Section 8630 authorizes the City Council to proclaim the existence of a "Local Emergency;" and

WHEREAS, Government Code Section 8558(c) defines a "Local Emergency" as the duly proclaimed existence of conditions of disaster or of extreme peril to the safety of persons and property within the territorial limits of a county, city and county, or city, caused by such conditions as air pollution, fire, flood, storm, epidemic, riot, drought, sudden and severe energy shortage, plant or animal infestation or disease, the Governor's warning of an earthquake or volcanic prediction, or an earthquake, or other conditions, other than conditions resulting from a labor controversy, which are or are likely to be beyond the control of the services, personnel, equipment, and facilities of that political subdivision and require the combined forces of other political subdivisions to combat, or with respect to regulated energy utilities, a sudden and severe energy shortage requires extraordinary measures beyond the authority vested in the California Public Utilities Commission"; and

WHEREAS, the conditions of extreme peril to the safety of persons and property arose within the City of Norco on December 22, 2010, caused by excessive rains and flooding; and

WHEREAS, the conditions described above were beyond the normal capabilities and control of the services, personnel, equipment and facilities of the City of Norco,

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Norco, County of Riverside, State of California, in regular session assembled on January 19, 2011, that the Norco City Council hereby ratifies the existence of a state of Local Emergency in the City of Norco as proclaimed on December 22, 2010 (see Exhibit "A" – City of Norco, State of California, Proclamation of a Local Emergency dated December 22, 2010).

BE IT FURTHER RESOLVED that the Declaration of a Local Emergency shall continue to be in effect until the City Council takes formal action to approve the termination of the Declaration of the Local Emergency pursuant to Government Code Section 8630..

BE IT FURTHER RESOLVED AND ORDERED that all City officials and employees cooperate and coordinate efforts with officials and employees of other political subdivisions and officials and employees of the state and federal government in bringing the present condition of local emergency and disaster under control.

BE IT FURTHER RESOLVED AND ORDERED that the Emergency Director or his/her successor, as outlined in Chapter 2.28 of the Norco Municipal Code, is hereby designated as the authorized representative of the City of Norco for the purpose of receipt, processing and coordination of all inquiries and requirements necessary to obtain available state and federal assistance.

PASSED AND ADOPTED by the City Council of the City of Norco at a Regular Meeting held on January 19, 2011.

\_\_\_\_\_  
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 introduced and adopted by the City Council of the City of Norco at a Regular Meeting held on January 19, 2011 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 January 19, 2011.

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

/bj-77408

Attachment: Exhibit "A"

CITY OF NORCO  
STATE OF CALIFORNIA

PROCLAMATION OF A LOCAL EMERGENCY

WHEREAS, Chapter 2.28.110 of the City of Norco Municipal Code empowers the City Manager to proclaim the existence of a "Local Emergency" and delegates such authority to declare such an emergency to the City Disaster Council if the City Council is not in session; and

WHEREAS, the conditions of extreme peril to the safety of persons and property have arisen with the City of Norco on December 22, 2010, caused by excessive rains and flooding; and

WHEREAS, the aforesaid conditions of extreme peril warrant and necessitate the proclamation of a Local Emergency.

NOW THEREFORE, IT IS HEREBY PROCLAIMED that a Local Emergency exists throughout the City of Norco, and

IT IS FURTHER PROCLAIMED AND ORDERED that during the existence of said Local Emergency, the powers, functions, and duties of the Disaster Council of this City shall be those prescribed by State law and the ordinances, resolution and approved plans of the City of Norco in order to mitigate the effects of said Local Emergency; and

BE IT FURTHER RESOLVED AND ORDERED that the Emergency Director or his/her successor as outlined in Chapter 2.28 of the Norco Municipal Code, is hereby designated as the authorized representative of the City of Norco for the purpose of receipt, processing and coordination of all inquires and requirements necessary to obtain available state and federal assistance.

12-22-2010  
Dated:

Beth Jones  
City Manager of the City of Norco

ATTEST:

Mundak Woods  
City Clerk

/bj-75298

# CITY OF NORCO STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Beth Groves, City Manager 

PREPARED BY: Dave Carlson, Fire Chief

DATE: January 19, 2011

SUBJECT: Approval of a Contract with Philips Healthcare for the Purchase of Replacement Advanced Life Support Defibrillator/Monitors

RECOMMENDATION: Approve a contract with Philips Healthcare for the purchase of two (2) replacement Advanced Life Support Defibrillator/Monitors in the amount of \$49,353.25, through a cooperative purchasing effort using the City of Corona's formal completed competitive bid process.

SUMMARY: The purchase of the Advanced Life Support Defibrillator/Monitors is critical in order to maintain current and reliable cardiac Defibrillator/Monitors on our front-line and reserve apparatus to provide emergency medical services for the City of Norco. The purchase of the equipment can be made through cooperative purchasing efforts completed by the City of Corona's formal competitive bid process.

BACKGROUND/ANALYSIS: The Norco Fire Department has in the past maintained (6) Advanced Life Support Defibrillator/Monitors on its engines and for backup purposes; two (2) for the front line engines, two (2) for the reserve engines and two (2) for backup. At the current time, only three (3) of those Defibrillator/Monitors are in workable condition. It is being recommended that the Council approve the purchase of two (2) replacement Defibrillator/Monitors in the amount of \$49,353.25, including sales tax. That purchase will result in the frontline and reserve engines being equipped with two (2) Defibrillator/Monitors and one (1) backup for use if necessary.

In fire service operation, Advanced Life Support Defibrillator/Monitors have an estimated life span of five years of front-line use, with an additional three years of reserve use. The Advanced Life Support Defibrillator/Monitors being replaced are currently 10 years old, two years older than the fire service standard.

Pursuant to Section 3.24.141 of the Norco Municipal Code, supplies or equipment can be purchased under a cooperative purchasing program without the City being required to observe the procedures otherwise set forth for the formal complete bidding process. This allowed for the Norco Fire Department to use the quotes submitted to the City of Corona through its already completed formal competitive bid process.

FINANCIAL IMPACT: The replacement Advanced Life Support Defibrillator/Monitors and related equipment in the amount of \$50,000 is included in the FY 2010-2011 CIP Budget -- Account 142.762.43100.

/mb-77195

Attachments: Philips Healthcare Proposal  
City of Corona Purchase Order

**Agenda Item 6.G.**



# PHILIPS

Philips Healthcare  
 3000 Minuteman Road, MS0400  
 Andover, MA 01810-1099

Email PO to: bc\_800fax2nd@philips.com  
 or  
 Fax PO to: 1-800-947-3299  
 or  
 Mail PO to:  
 Philips Healthcare  
 Order Processing, MS0400  
 Andover, MA 01810-1099

800-934-7372

<b>QUOTE DATE</b> 11/08/2010	<b>QUOTE NUMBER</b> 2300146443	<b>PAGE</b> 1 / 8
<b>LAST UPDATED</b> 11/08/2010	<b>TIME</b> 20:41:18	
<b>EXPIRATION DATE</b> 12/31/2010	<b>INCOTERMS</b> FOB DESTINATION	
<b>PAYMENT TERMS</b> Net 30 Days Subject to Credit Approval		
<b>FORMAL QUOTE</b>		
<b>CUSTOMER:</b> Attention: Chief Frank de Boer Norco Fire Department 3367 Corydon Ave Station 21 NORCO CA 92860-1852 UNITED STATES Customer Number : 94338573		

**SALES REPRESENTATIVE**

Mackenzie Brown Ph: 213-200-9132

Fax: 949-435-6187

**QUOTE CONTACT**

Lisa Turgeon

Federal EIN: 13-3429115

ITEM	PRODUCT	DESCRIPTION	QUANTITY	UNIT OF MEASURE	UNIT AMOUNT (USD)	TOTAL AMOUNT (USD)
<b>SPECIAL COMMENTS</b>						
10	M3536A 861289	HeartStart MRx ALS monitor	2	PCE	10,286.00	20,572.00
		A03 SpO2, NBP, etCO2	2		9,013.00	18,026.00
		B01 Noninvasive Pacing	2		2,350.00	4,700.00
		B02 12 Lead ECG acquisition	2		4,000.00	8,000.00
		B04 Wide Printer	2		515.00	1,030.00
		C03 Data Card	2		92.00	184.00
		C05 Lithium Ion Battery	2		400.00	800.00
		C12 3/7 Snap ECG Lead Sets	2		.00	.00
		C21 Black soft carry case-pads	2		.00	.00
		LP1-User Instructions Guide	2		.00	.00
		M3508A Standard Pad Cable	2		.00	.00
		W01 1-Year, on-site warranty	2		.00	.00
		Promotion discount			-3,000.00	-6,000.00
		Special Discount			-35.00 %	-18,659.20
		Net price				28,652.80
20	989803135301 989803135301	2-Bay Analyzer For HS Li-Ion Batteries	2	PCE	1,385.00	2,770.00
		Special Discount			-20.00 %	-554.00



# PHILIPS

Philips Healthcare  
 3000 Minuteman Road, MS0400  
 Andover, MA 01810-1099

<b>QUOTE DATE</b> 11/08/2010	<b>QUOTE NUMBER</b> 2300146443	<b>PAGE</b> 2 / 8
<b>LAST UPDATED</b> 11/08/2010	<b>TIME</b> 20:41:18	
<b>EXPIRATION DATE</b> 12/31/2010	<b>INCOTERMS</b> FOB DESTINATION	
<b>FORMAL QUOTE</b>		

ITEM	PRODUCT	DESCRIPTION	QUANTITY	UNIT OF MEASURE	UNIT AMOUNT (USD)	TOTAL AMOUNT (USD)
		Net price				2,216.00
30	M1192A 989803103231	SNSR SpO2 Pedi/Small adult finger	2	PCE	258.00	516.00
		Special Discount			-25.00 %	-129.00
		Net price				387.00
40	M1572A 989803104151	Reusable NIBP Comfort Cuff/pediatric.	2	PCE	35.00	70.00
		Special Discount			-25.00 %	-17.50
		Net price				52.50
50	M1575A 989803104181	Reusable NIBP Comfort Cuff/large adult	2	PCE	50.00	100.00
		Special Discount			-25.00 %	-25.00
		Net price				75.00
60	M1920A 989803105531	FilterLine Set Adult/Pedi	2	PCE	271.00	542.00
		Special Discount			-25.00 %	-135.50
		Net price				406.50
70	989803138181 989803138181	MRx Wide Printer Paper	1	CAS	452.00	452.00
		Special Discount			-25.00 %	-113.00
		Net price				339.00
80	989803166021 989803166021	Adult Pre-Connect Defib Pad	2	CAS	315.00	630.00
		Special Discount			-25.00 %	-157.50
		Net price				472.50
90	M3717A 989803107821	HeartStart Pediatric Plus Pads	2	CAS	155.00	310.00
		Special Discount			-25.00 %	-77.50
		Net price				232.50
100	890416	Monitoring & Cardiology Service Agreement	1	PCE	1,568.70	1,568.70



# PHILIPS

Philips Healthcare  
 3000 Minuteman Road, MS0400  
 Andover, MA 01810-1099

<b>QUOTE DATE</b> 11/08/2010	<b>QUOTE NUMBER</b> 2300146443	<b>PAGE</b> 3 / 8
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<b>EXPIRATION DATE</b> 12/31/2010	<b>INCOTERMS</b> FOB DESTINATION	
<b>FORMAL QUOTE</b>		

ITEM	PRODUCT	DESCRIPTION	QUANTITY	UNIT OF MEASURE	UNIT AMOUNT (USD)	TOTAL AMOUNT (USD)
		A09 1 Year of Service B04 Comprehensive Onsite				
		Net price				1,568.70
110	890416	Monitoring & Cardiology Service Agreement	1	PCE	6,274.80	6,274.80
		A12 4 Years of Service B04 Comprehensive Onsite				
		Net price				6,274.80
120	890416	Monitoring & Cardiology Service Agreement	1	PCE	581.00	581.00
		A08 Performance Assurance Service A09 1 Year of Service				
		Net price				581.00
130	890416	Monitoring & Cardiology Service Agreement	1	PCE	2,324.00	2,324.00
		A08 Performance Assurance Service A12 4 Years of Service				
		Net price				2,324.00
140	M3538A 989803129011	Lithium Ion Battery Module	6	PCE	400.00	2,400.00
		Special Discount			-25.00 %	-600.00
		Net price				1,800.00
		<b>Total Quotation List Price</b>				71,850.50
		<b>Less All Applicable Discounts</b>				-26,468.20
		<b>Total Quotation Net Price</b>				<b>45,382.30</b>

Philips Healthcare is pleased to inform you that financing of its products and services is available to qualified applicants. To obtain more information contact Philips Medical Capital @ 866-513-4PMC.

\*  
 The discount quoted herein is a Special Negotiated Discount of 35%. This offer expires on 12/31/2010.  
 If no contract is identified in the previous sentence or the products



# PHILIPS

Philips Healthcare  
3000 Minuteman Road, MS0400  
Andover, MA 01810-1099

<b>QUOTE DATE</b> 11/08/2010	<b>QUOTE NUMBER</b> 2300146443	<b>PAGE</b> 4 / 8
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<b>EXPIRATION DATE</b> 12/31/2010	<b>INCOTERMS</b> FOB DESTINATION	
<b>FORMAL QUOTE</b>		

ITEM	PRODUCT	DESCRIPTION	QUANTITY	UNIT OF MEASURE	UNIT AMOUNT (USD)	TOTAL AMOUNT (USD)
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and/or services are not covered by this contract, this quotation is issued pursuant to, and any PO for the items herein will be accepted subject to the Philips Terms and Conditions of Sale posted at [http://www.healthcare.philips.com/main/terms\\_conditions/](http://www.healthcare.philips.com/main/terms_conditions/) and the terms herein.

\*  
\*

Under the American Reinvestment and Recovery Act ("ARRA"), it is the customer's responsibility to inform Philips if the contract contains any ARRA funding. Please check the following box if any part of this contract is funded through ARRA:

\*

This contract is funded in whole or in part through ARRA."

\*  
\*

All work is scheduled within normal working hours; Monday through Friday, 8 a.m. to 5 p.m. excluding Philips holidays.

All pricing is based on travel zones 1-3. For travel zones beyond 1-3, consult your Philips sales rep for alternate pricing.

It is the customers responsibility to provide Philips with the access necessary to complete the quoted work in a continuous start to finish manner.

Excessive delays and multiple visits will result in additional charges.

All prices are based upon 'adequate access' to work areas that are free from obstruction.

If it is determined, during the implementation that asbestos removal is required; Philips will suspend performance until the Customer remediates the asbestos.

Philips will work with the customers staff to reduce the downtime during the system transition.

\*  
\*

Products are for USA end-use only. Taxes, if applicable, are not included unless noted but will be added to the invoice. The Purchase Order must reference the Quote Number and your Purchase Agreement.

Please indicate your requested delivery date and your preference, if any, to accept and pay for partial shipments. If this quote includes Value-Added Services, they may be invoiced separately. Additional sold training must be completed within twelve months of delivery/installation. System cabling, if included, is specified at the standard grade unless noted otherwise.

\*

This quote specifically excludes Licensing & Permit Fees, Prevailing Wage Compensation and Union Labor.



# PHILIPS

Philips Healthcare  
3000 Minuteman Road, MS0400  
Andover, MA 01810-1099

<b>QUOTE DATE</b> 11/08/2010	<b>QUOTE NUMBER</b> 2300146443	<b>PAGE</b> 5 / 8
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<b>FORMAL QUOTE</b>		

ITEM	PRODUCT	DESCRIPTION	QUANTITY	UNIT OF MEASURE	UNIT AMOUNT (USD)	TOTAL AMOUNT (USD)
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\*  
**IMPORTANT NOTICE:** Health care providers are reminded that if the transactions herein include or involve a loan or a discount (including a rebate or other price reduction), they must fully and accurately report such loan or discount on cost reports or other applicable reports or claims for payment submitted under any federal or state health care program, including but not limited to Medicare and Medicaid, such as may be required by state or federal law, including but not limited to 42 CFR 1001.952(h).  
 \*

Not binding until accepted in writing by Philips in Andover or invoiced by Philips.  
 \*

Any purchase order or resulting agreement shall be subject to the Philips Terms and Conditions and the following terms which customer accepts.  
 \*

For certain agreements, Philips may conduct a qualification inspection to verify that customer is suitably trained, the equipment is in serviceable condition, and all like equipment is covered by a valid Philips warranty or service agreement.  
 \*

Any resulting agreement is subject to cancellation by Philips if customer fails to satisfy these conditions during the term.  
 \*

Biomed Support - a new agreement for Biomed and clinicians that want unfettered technical and clinical support, direct connection to technical engineers and discounts on parts. This agreement is great for Biomed that make regular use of Philips technical support and genuine Philips parts, and ensures clinicians have access to clinicians when necessary. It is designed to cover an entire facility, with affordable pricing and straightforward quoting.  
 \*

Biomed Alliance - designed for the Philips-trained Biomed department that wants to limit parts and support costs, this agreement provides unlimited parts and technical support for all products covered. If the customer would like Philips field service engineers to back them up with their support efforts, a Second Response option is available to provide an onsite field service engineer for situations where the local biomed team is not able to resolve a problem after attempting repairs and receiving guidance remotely. This agreement also provides access to clinician support.  
 \*

Bench Repair - provides bench repair services at a Philips repair



# PHILIPS

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<b>FORMAL QUOTE</b>		

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facility. This service is great for products where software and hardware reliability and compatibility are critical and factory quality repairs ensure that repairs meet current manufacturing standards. A Performance Assurance option is available for products that require annual preventive maintenance.

\*

Unit Exchange - Unit Exchange provides a fast replacement of failed or problem units. Under this agreement, customers can receive a new unit as soon as the next business day. This agreement is a good fit for products where time is critical and spare units are not available.

\*

Comprehensive Onsite - With Comprehensive Onsite, Philips provides onsite support for covered equipment. This agreement is good for products and for care areas where technical expertise is critical and hands on Philips engineers will support the clinical and technical needs of the department. A Performance Assurance option is available for products that require annual preventive maintenance. This agreement also provides access to remote clinician support.

\*

Software Maintenance Agreement - The software maintenance agreement includes Philips highest levels of remote support and includes software upgrades and remote clinician support. PTU Standard and PTU Basic are still key components of these agreements, with PTU Standard providing all installations and PTU Basic providing up to 2 installations over 5 years. Remote support includes new Remote Access services that enable Philips technical engineers to maximize system uptime through remote diagnostic tools and processes.

\*

If the customer would like Philips field service engineers to back them up with their support efforts, a Second Response option is available to provide an onsite field service engineer for situations where the local biomed team in cooperation with Philips remote services is not able to resolve a problem in time to meet service level commitments.

\*

#### Legacy Agreement Types

\*

Gold Service - On-site maintenance and repair 8-5, M-F; Clinical Ed and upgrade discounts.

\*

Silver Service - On-site repair 8-5, M-F.

\*

First Response - On-site repair with biomed screening, InCenter subscription.

\*

Co-op Response - Backup on-site repair only 8-5, M-F, InCenter



# PHILIPS

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3000 Minuteman Road, MS0400  
Andover, MA 01810-1099

<b>QUOTE DATE</b> 11/08/2010	<b>QUOTE NUMBER</b> 2300146443	<b>PAGE</b> 7 / 8
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<b>FORMAL QUOTE</b>		

ITEM	PRODUCT	DESCRIPTION	QUANTITY	UNIT OF MEASURE	UNIT AMOUNT (USD)	TOTAL AMOUNT (USD)
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subscription.  
\*  
\*  
Remote Response - Labor, parts, phone support 8-5, M-F, InCenter  
subscription.



# PHILIPS

Philips Healthcare  
3000 Minuteman Road,MS0400  
Andover, MA 01810-1099

<b>QUOTE DATE</b> 11/08/2010	<b>QUOTE NUMBER</b> 2300146443	<b>PAGE</b> 8 / 8
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<b>EXPIRATION DATE</b> 12/31/2010	<b>INCOTERMS</b> FOB DESTINATION	
<b>FORMAL QUOTE</b>		

This quotation is issued pursuant to, and any PO for the items herein will be accepted subject to the Terms of any current Contract with the customer. If there is no contract in place, this quotation is issued pursuant to, and any PO for the items herein will be accepted subjected to Philips Terms and Conditions of sale posted at [http://www.healthcare.philips.com/main/terms\\_conditions/](http://www.healthcare.philips.com/main/terms_conditions/) and the terms herein.

This quotation contains confidential and proprietary information of Philips Healthcare and is intended for use only by the customer whose name appears on this quotation. It may not be disclosed to third parties without prior written consent of Philips Healthcare



# PHILIPS

Philips Healthcare  
 3000 Minuteman Road, MS 0400  
 Andover, MA 01810  
**Remit To Address**  
 Philips Healthcare  
 PO Box 100355  
 Atlanta, GA 30384-0355  
 Phone: (800) 934-7372

<b>Issue Date</b> 10/20/2009	<b>Invoice number</b> 93456809	<b>Page</b> 1 / 7
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<b>Due Date</b> 11/19/2009	<b>Order Date</b> 07/08/2009	<b>Order number</b> 6300326848
-------------------------------	---------------------------------	-----------------------------------

**Purchase Order Number:**  
P18010

**Payment terms:**  
Net 30 Days

**Ship to:** 94311638  
  
 City of Corona Warehouse  
 Attn: EMSSC  
 770 Corporation Yard Way  
 CORONA CA 92880-2002  
 UNITED STATES

## INVOICE

**Contact Person:**  
 Elaine Del Sapio x7187  
 Phone: 800-934-7372

**Sold to:** 94286084  
  
 Corona Fire Dept.  
 400 S Vicentia Ave  
 CORONA CA 92882-2187  
 UNITED STATES

**Invoice to:**  
 Attn : Accounts Payable  
 Fire Administration  
 Corona Fire Dept.  
 400 S Vicentia Ave  
 CORONA CA 92882-2187  
 UNITED STATES

**Customer Number**  
94286084

**EFT Information:**  
 Bank of America  
 1850 Gateway Blvd  
 Concord, CA 94520-3282  
 Acct: 3750202223  
 Email Notifications: CASHMGT.INQUIRIES@PHILIPS.COM

**Special Comments**

**Federal EIN:** 13-3429115      **Shipping Terms:**      **FOB DESTINATION**

Item	Article - / type number / description	Qty	Unit	Unit Amt ( USD)	Total amount ( USD)
0010	989803135301 2-Bay Analyzer For HS Li-Ion Batteries	7	PCE	1,385.00	9,695.00
	989803135301				
	Special Discount			-42.00 %	-4,071.90
	Net Value Not Including Freight				5,623.10
	Bill of Lading:				
	Ship Date :				
	Route :				
	Carrier : FEDEX				
	Country of origin : Canada				
	Commodity code : 9030330080				
	Serial number(s):				
	C7205732				
	C7205713				
	C7205730				



# PHILIPS

Philips Healthcare  
 3000 Minuteman Road, MS 0400  
 Andover, MA 01810

<b>Issue Date</b> 10/20/2009	<b>Invoice number</b> 93456809		<b>Page</b> 2 / 7
<b>Due Date</b> 11/19/2009	<b>Order Date</b> 07/08/2009	<b>Order number</b> 6300326848	
<b>Purchase Order Number:</b> P18010			

## INVOICE

**Payment terms:**  
 Net 30 Days

Item	Article - / type number / description	Qty	Unit	Unit Amt ( USD)	Total amount ( USD)
	C7205731				
	C7205734				
	C7205725				
	C7205726				
0020	M3536A 861289	12	PCE	10,286.00	123,432.00
	A03 Sp02, NBP, etC02	12		9,013.00	108,156.00
	B01 Noninvasive Pacing	12		2,350.00	28,200.00
	B02 12 Lead ECG acquisition	12		4,000.00	48,000.00
	B04 Wide Printer	12		515.00	6,180.00
	C03 Data Card	12		92.00	1,104.00
	C05 Lithium Ion Battery	12		400.00	4,800.00
	LP1-User Instructions Guide	12		0.00	0.00
	M3508A Standard Pad Cable	12		0.00	0.00
	W22 2-yr Bench Repair Warranty	12		0.00	0.00
	Special Discount			-400.00	-4,800.00
	Special Discount			-42.00 %	-134,346.24
	Trade-in Allowance			-20,000.00	-20,000.00
	Net Value Not including Freight				160,725.76
	Bill of Lading:				
	Ship Date :				
	Route :				
	Carrier : FEDEX				
	Country of origin : United States				
	Commodity code : 9018906400				
	Serial number(s): US00536047				
	0919G89258				
	USLLA35355				
	US00536050				
	0926G15675				

Please pay on this invoice. No statement will be issued.



# PHILIPS

Philips Healthcare  
 3000 Minuteman Road, MS 0400  
 Andover, MA 01810

<b>Issue Date</b> 10/20/2009	<b>Invoice number</b> 93456809		<b>Page</b> 3 / 7
<b>Due Date</b> 11/19/2009	<b>Order Date</b> 07/08/2009	<b>Order number</b> 6300326848	
<b>Purchase Order Number:</b> P18010			
<b>Payment terms:</b> Net 30 Days			

## INVOICE

Item	Article - / type number / description	Qty	Unit	Unit Amt ( USD)	Total amount ( USD)
	USLLA35356 US00536053				
	0925G14519 USLLA35361 US00536045				
	0919G89091 USLLA35316 US00536049				
	0926G16079 USLLA35357 US00536044				
	0927G17295 USLLA35353 US00536051				
	0926G16074 USLLA35362 US00536048				
	0927G17319 USLLA35358 US00536052				
	0926G16077 USLLA35360 US00536046				
	0927G17305 USLLA35315 US00536043				
	0919G89088 USLLA35352 US00536042				
	0927G17300 USLLA35289				
0030	M3538A 989803129011	24	PCE	400.00	9,600.00
	Special Discount			-42.00 %	-4,032.00
	Net Value Not Including Freight				5,568.00

Please pay on this invoice. No statement will be issued.



# PHILIPS

Philips Healthcare  
3000 Minuteman Road, MS 0400  
Andover, MA 01810

Issue Date  
10/20/2009

Invoice number  
93456809

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Due Date  
11/19/2009

Order Date  
07/08/2009

Order number  
6300326848

Purchase Order Number:  
P18010

## INVOICE

Payment terms:  
Net 30 Days

Item	Article - / type number / description	Qty	Unit	Unit Amt ( USD)	Total amount ( USD)
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Bill of Lading:

Ship Date :

Route :

Carrier : FEDEX

Country of origin : United States

Commodity code : 8506800000

Serial number(s):

0929-014-P

0929-403-P

0929-300-P

0929-303-P

0929-301-P

0929-146-P

0929-339-P

0929-329-P

0929-218-P

0929-216-P

0929-165-P

0929-055-P

0929-427-P

0929-419-P

0929-052-P

0929-072-P

0928-091-P

0929-122-P

0929-058-P

Please pay on this invoice. No statement will be issued.



# PHILIPS

Philips Healthcare  
 3000 Minuteman Road, MS 0400  
 Andover, MA 01810

<b>Issue Date</b> 10/20/2009	<b>Invoice number</b> 93456809		<b>Page</b> 5 / 7
<b>Due Date</b> 11/19/2009	<b>Order Date</b> 07/08/2009	<b>Order number</b> 6300326848	
<b>Purchase Order Number:</b> P18010			

## INVOICE

**Payment terms:**  
 Net 30 Days

Item	Article - / type number / description	Qty	Unit	Unit Amt ( USD)	Total amount ( USD)
	0929-296-P				
	0929-298-P				
	0929-084-P				
	0929-082-P				
	0929-078-P				
0040	861431				
	Event Review Pro 4.x	1	PCE		
	861431				
	A01-Single-PC License	1		2,570.00	2,570.00
	Special Discount			-117.82	-117.82
	Special Discount			-42.00 %	-1,079.40
	<b>Net Value Not Including Freight</b>				<b>1,372.78</b>
	<b>Bill of Lading:</b>				
	Ship Date :				
	Route :				
	Carrier : FEDEX				
	Country of origin : United States				
	Commodity code : 4911998000				
	Serial number(s):				
	A0400Z001977820414				
0050					
	Monitoring & Cardiology ServiceAgreement	1	PCE	13,312.00	13,312.00
	890416				
	A06 Express Repair Service				
	A11 3 Years of Service				
	<b>Net Value Not Including Freight</b>				<b>13,312.00</b>
	<b>Bill of Lading:</b>				
	Ship Date :				
	Route :				
	Carrier : FEDEX				

Please pay on this invoice. No statement will be issued.



# PHILIPS

Philips Healthcare  
 3000 Minuteman Road, MS 0400  
 Andover, MA 01810

<b>Issue Date</b> 10/20/2009	<b>Invoice number</b> 93456809		<b>Page</b> 6/7
<b>Due Date</b> 11/19/2009	<b>Order Date</b> 07/08/2009	<b>Order number</b> 6300326848	
<b>Purchase Order Number:</b> P18010			

## INVOICE

**Payment terms:**  
 Net 30 Days

Item	Article - / type number / description	Qty	Unit	Unit Amt ( USD)	Total amount ( USD)
	Commodity code :				
0060	Monitoring & Cardiology ServiceAgreement	1	PCE	13,104.80	13,104.80
	890416				
	A08 Performance Assurance Service				
	A12 4 Years of Service				
	Net Value Not Including Freight				13,104.80
	Bill of Lading:				
	Ship Date :				
	Route :				
	Carrier : FEDEX				
	Commodity code :				
0070	Monitoring & Cardiology ServiceAgreement	1	PCE	3,276.20	3,276.20
	890416				
	A08 Performance Assurance Service				
	A09 1 Year of Service				
	Net Value Not Including Freight				3,276.20
	Bill of Lading:				
	Ship Date :				
	Route :				
	Carrier : FEDEX				
	Commodity code :				
				<b>Total Gross Value</b>	<b>371,430.00</b>
				<b>Discount Amount</b>	<b>-168,447.36</b>
				<b>Net Value</b>	<b>202,982.64</b>
				<b>Total tax</b>	<b>15,162.84</b>
				<b>Total</b>	<b>218,145.48</b>

Please pay on this invoice. No statement will be issued.



# PHILIPS

Philips Healthcare  
3000 Minuteman Road, MS 0400  
Andover, MA 01810

Issue Date  
10/20/2009

Invoice number  
93456809

Page 7/7

Due Date  
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Order number  
6300326848

Purchase Order Number:  
P18010

## INVOICE

Payment terms:  
Net 30 Days

Item	Article - / type number / description	Qty	Unit	Unit Amt ( USD)	Total amount ( USD)
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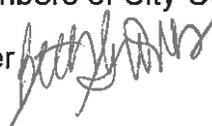
Seller represents that these goods were produced in compliance with all applicable requirements of section 6, 7 and 12 of the Fair Labor Standards Act, as amended herein regulations and orders of the United States Department of Labor issued under section 14 thereof.

The following clause only refers to US-origin products as indicated in this document:  
These commodities, technology or software were exported from the United States for ultimate destination United States in accordance with the Export Administration Regulations. Diversion contrary to U.S. law is prohibited.

Health Care Providers are reminded that if the purchase of goods or services includes a discount, such as a price reduction or a loan of goods at reduced cost, they must fully and accurately report such discount on cost reports or other applicable claims for payment submitted under any Federal Health Care Program, including but not limited to Medicare and Medicaid as required by Federal law (see 42 USA 1320a - 7(b)(3) and 42 CFR 1001.952(h)).

## CITY OF NORCO STAFF REPORT

TO: Honorable Mayor and Members of City Council

FROM: Beth Groves, City Manager 

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

DATE: January 19, 2011

SUBJECT: Acceptance of the Ingalls Park Security Fencing Project as Complete

RECOMMENDATION: Accept the Ingalls Park Security Fencing Project as complete and direct the City Clerk to file a Notice of Completion with the County Recorder's Office

**SUMMARY:** The Ingalls Park Security Fencing Project has been completed and staff is requesting that the Council accept the project as complete.

**BACKGROUND ANALYSIS:** On August 18, 2010, the Council awarded a contract for the Ingalls Park Security Fencing Project to Valley Cities/Gonzales Fence, Inc. in the amount of \$106,406.00 with a 10% contingency.

Valley Cities/Gonzales Fence, Inc. has completed their scope of work for the project at a total cost of \$116,160.00. The work has been inspected by the Parks Department and found to be in full conformance with the plans and specifications on the contract document.

**FINANCIAL IMPACT:** N/A

bp/77490

# 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: January 19, 2011

SUBJECT: Professional Services Agreement with Chevron Energy Solutions -- Manure-to-Energy Project

RECOMMENDATION: Adopt **Resolution No. 2011- \_\_\_\_**, authorizing execution of a Professional Services Agreement with Chevron Energy Solutions for performance of engineering study of a horse manure-to-energy project.

**SUMMARY:** In 2008, Chevron Energy Solutions conducted a preliminary Horse Manure Conversion Feasibility Study for the City at no charge. The results of the preliminary feasibility study showed that thermal conversion of horse manure and bedding material into electricity appears to be a viable proposition, both technologically and financially. The City Council will now consider a Professional Services Agreement with Chevron Energy Solutions for the performance of a detailed Engineering Feasibility Study of a horse manure-to-energy project. The cost of this study will be funded 80% with a congressional designated project grant from the U.S. Department of Energy (DOE) and 20% from the Sewer Fund.

**BACKGROUND/ANALYSIS:** The City has a significant horse population and is interested in investigating opportunities to appropriately handle the manure generated from this population in an environmentally beneficial way. The costs for current disposal methods using contract hauling and disposal have increased significantly in recent years and are expected to increase more as disposal options become more limited. In 2003, the City commissioned a feasibility study on a manure-to-energy plant through BioContractors, Inc. The feasibility study was analyzed in 2004 and the City ultimately decided to take no action due to technological complications of digesting horse manure with high levels of dirt and soil content. Since 2004, technology advances have greatly improved the feasibility of converting such manure materials into energy.

On March 19, 2008, the Council approved a Manure-to-Energy Feasibility Study Agreement with Chevron Energy Solutions (CES). The preliminary feasibility study focused on the potential of locating a future manure-to-energy plant at the Western Riverside County Regional Wastewater Authority ("WRCRWA") plant, which serves Norco and neighboring communities. CES conducted the preliminary feasibility study at no cost to the City. The preliminary feasibility study, which was conducted over a period of several months, was performed at a cost of approximately \$100,000 to CES.

The results of the 2008 preliminary study by CES indicated that horse manure and bedding material provided a reasonable feed stock for thermal conversion using appropriate technologies and that depending on the feed stock quantity and other factors, an economically viable project could be built to handle the disposal of City's horse manure while generating clean energy. However, significant due diligence remains in assessing the merits of biomass input, conversion technologies, capital costs, environmental impacts, economic feasibility, and commercialization potential. To complete this due diligence, staff is proposing that the City engage CES to conduct an extended Engineering Study.

The goal of this Engineering Study will be to assess the feasibility of installing a waste-to-energy power plant in the City of Norco. The plant would use some combination of biomass fuels available (horse manure, wastewater sludge, green waste) to generate some combination of electricity, hot water, steam, and/or chilled water. This study will also investigate the issues that could influence the plant's feasibility, including quality and quantity of fuels, transportation and tipping fees of fuels, potential loads, potential customers and various conversion technologies for the plant. Additional detail information regarding the scope of services for the proposed Engineering Study is shown as Exhibit B attached to the Professional Services Agreement.

Over the last two years, energy solution companies including, desert Power, Inc., Waste to Energy Developers and CES have made presentation to members of the Council and staff to demonstrate their technical skills and potential solutions for handling the City's manure disposal issues. Based on Chevron's superior understanding and long experience, over 30 years, with energy projects staff, is recommending that the City enter into a Professional Services Agreement for CES to conduct the necessary Engineering Study. CES has a very large portfolio of successful clean energy generation projects, over 100 licensed engineers with 20 in the local office and expertise in helping with grants and incentives. However, it is to be noted that the Agreement with CES is only valid for the Engineering Study described in the scope of services. Should the City ultimately decide to go into the next phase of the project, a separate competitive selection process will be undertaken by staff.

The City Attorney, U.S. Department of Energy and the City's Third Party Risk Administrator, Public Entity Risk Management Authority have participated in the review of the proposed Professional Services Agreement along with key staff.

**FISCAL IMPACT/FUNDING FOR THE ENGINEERING STUDY:** In fiscal year 2008-2009, staff submitted initial request to fund the feasibility study through Congressional Designated Project (CDP) funding process. With the help of the City's representative, \$750,000 of federal funding was tentatively designated for the City's Waste-to-Energy Project. After a long documentation/application process, the City was recently informed that \$750,000 has been approved for the City's project through the National Energy Technology Laboratory (NETL) which is part of the U.S. Department of Energy. The DOE funding requires 20% local match which is \$187,500. This brings the total amount of funding available for the project to \$937,500. The proposed Professional Services

Agreement with CES is for not to exceed \$690,097. It is anticipated that the remaining funds of \$247,403 will be used to conduct Environmental Impact Study. Staff is recommending that the \$187,500 of required local match be paid from the City's Sewer Fund which would benefit significantly from cost savings should the project be ultimately realized. It is to be noted that funding by the DOE does not obligate the City to ultimately construct the project should funding not be available or if the project is ultimately determined not to be economically/financially viable. Staff is recommending that Council approve the attached resolution approving the execution of Professional Services Agreement with CES; accepting \$750,000 grant funds from the U.S. DOE; and authorizing the expenditure of up to \$187,500 from the Sewer Fund.

/ao-77516

Attachments: Resolution No. 2011-\_\_\_\_\_  
Chevron Professional Services Agreement

## **RESOLUTION NO. 2011-\_\_\_**

### **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NORCO, CALIFORNIA, APPROVING A PROFESSIONAL SERVICES AGREEMENT BETWEEN CHEVRON ENERGY SOLUTIONS COMPANY, A DIVISION OF CHEVRON USA, INC., AND THE CITY OF NORCO**

WHEREAS, the City of Norco ("City") and Chevron Energy Solutions Company, a Division of Chevron USA, Inc. ("Consultant") has conducted a preliminary Horse Manure Conversion Feasibility Study related to the City's desire to develop a sustainable manure-to-energy facility; and

WHEREAS, the results of the 2008 preliminary study by CES indicated that horse manure and bedding material provided a reasonable feed stock for thermal conversion using appropriate technologies; and

WHEREAS an economically viable project could be built to handle the disposal of City's horse manure while generating clean energy; and

WHEREAS, an Engineering Study is now needed to assess the use of a combination of biomass fuels available to generate some combination of electricity, hot water, steam, and/or chilled water and issues that could influence the plant's feasibility, including quality and quantity of fuels, transportation and tipping fees of fuels, potential loads, potential customers and various conversion technologies; and

WHEREAS, the City was approved for \$750,000 federal funding through the National Energy Technology Laboratory (NETL) which is part of the U.S. Department of Energy (DOE), along with local funding of \$187,500 to be paid from the City's Sewer Fund for a total of \$937,500; and

WHEREAS, the City Attorney, U.S. Department of Energy and the City's Third Party Risk Administrator, Public Entity Risk Management Authority have participated in the review of the proposed Professional Services Agreement along with key staff.

NOW THEREFORE, BE IT RESOLVED that the City Council of the City of Norco does hereby approve the Professional Services Agreement between the City and the Consultant, attached hereto and by this reference incorporated herein.

PASSED AND ADOPTED by the City Council at a regular meeting held on  
January 19, 2011.

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Mayor of the City of Norco

ATTEST:

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

I, BRENDA K. JACOBS, City Clerk of the City of Norco, do hereby certify that the foregoing Resolution was regularly introduced and adopted by the Norco City Council at a regular meeting thereof held on January 19, 2011 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 January 19, 2011.

---

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

/jk-77517

## PROFESSIONAL SERVICES AGREEMENT

THIS PROFESSIONAL SERVICES AGREEMENT (hereinafter "Agreement") is made and entered into by and between the CITY OF NORCO, a municipal corporation (hereinafter "CITY"), and CHEVRON ENERGY SOLUTIONS COMPANY, A DIVISION OF CHEVRON U.S.A., INC. (hereinafter "CONSULTANT").

### RECITALS

- A. CONSULTANT services are needed to perform an engineering study (Engineering Study) for the CITY to identify certain energy related projects that can be performed for the CITY that will save the CITY on its overall energy costs.
- B. CONSULTANT has the capability to perform such a detailed engineering study.
- C. At the request of the CITY, CONSULTANT submitted its proposal to the CITY to perform the services described in this Agreement. After negotiations with the CITY and CONSULTANT, the parties have reached an agreement for the performance of services in accordance with the terms set forth in this Agreement. On January 19, 2011, the City Council authorized the execution of this Agreement, pursuant to Resolution No. \_\_\_\_\_.

### **NOW THEREFORE, THE PARTIES MUTUALLY AGREE AS FOLLOWS:**

1. **SCOPE OF SERVICES.** CONSULTANT shall perform an Engineering Study of a horse manure-to-energy project for the CITY to be located at a facility identified in Exhibit A, "Project Site Location" ("Project Site"), attached hereto and incorporated herein, and to provide to CITY a written Engineering Study report that will identify certain energy conservation/generation measures ("Measures") that are recommended for implementation at this Project Site. These services ("Services") are described in greater detail in Exhibit B, "Scope of Services" which is attached hereto and incorporated herein.
2. **COMPENSATION.** The parties acknowledge that CONSULTANT has previously conducted a Preliminary Energy Analysis Report ("Preliminary Report") at no cost to the CITY. Pursuant to this Agreement, CONSULTANT shall be paid a fixed fee amount of Six Hundred Eighty One Thousand and Six Hundred and Ninety Two Dollars (\$681,692) ("Contract Amount"). The Contract Amount shall cover all CONSULTANT's costs and expenses pertaining to the CONSULTANT's performance of this Agreement. No work shall be performed by CONSULTANT in excess of the Contract Amount without the prior written approval of the CITY.

Payments by Customer to Chevron ES under this Contract shall be in the form of monthly progress payments as discussed below:

- 2.1 **Monthly Progress Payments.** On a monthly basis, CONSULTANT shall submit to the CITY for approval its request for a monthly progress payment per the Schedule of Values attached as Exhibit C. The CITY, or their designee, shall approve and pay each Request for Payment, within thirty (30) calendar days after its receipt thereof. A failure

to timely approve a Request for Payment hereunder shall be a material default by CITY under this Agreement.

**2.2 Final Payment.** Consultant will bill up to 95% of the Contract Amount upon delivery of the Draft Engineering Study. Upon acceptance of the Final Engineering Study, the Consultant will bill the final 5% of the Contract Amount.

**3. SCHEDULE.** CONSULTANT shall commence performance and complete the identified Scope of Services within a period of nine months from the date of approval of the Agreement. A preliminary project schedule is attached as Exhibit D. Within 30 business days after the approval of the Agreement, Consultant shall develop a master project schedule with input from the City.

**4. TERM.** The term of this Agreement shall extend until an Energy Services Contract is executed or two (2) years from the effective date of this Agreement, whichever occurs first.

**5. TERMINATION FOR CONVENIENCE.** Both CONSULTANT and CITY have the right to terminate this Contract upon mutual written agreement by both Parties hereto. If the Contract is so terminated by mutual agreement, Chevron ES shall be entitled to payment for all Work performed, earned profit and overhead, and costs incurred in accordance with this Contract up to the date of termination.

**6. OWNERSHIP OF WORK.** All original documents prepared by CONSULTANT for this Agreement, whether complete or in progress, shall be the property of the CITY, and shall be given to the CITY at the completion of CONSULTANT's Services. CITY, however, shall not, by virtue of this Agreement, acquire any interest in any formulas, patterns, devices, secret inventions or processes, copyrights, patents, other intellectual or proprietary rights, or similar items of property which are or may be used in connection with the Agreement.

**7. INDEMNIFICATION.** Each party shall indemnify, hold harmless, release and defend the other party, its officers, employees and agents from and against any and all actions, claims, demands, damages, disability, losses, expenses including attorney's fees and other defense costs and liabilities of any nature that may be asserted by any person or entity in whole or in part, arising out of that party's activities hereunder excepting liabilities due to the negligence or willful misconduct of the indemnified party. Further, under no circumstances will either party be liable to the other party for any special, indirect, incidental, consequential or punitive damages, however caused and on any theory of liability.

**8. INSURANCE.** CONSULTANT shall maintain, or cause to be maintained, for the duration of this Agreement, the insurance coverage outlined in A through G below, and all such other insurance as required by applicable law. Evidence of coverage will be provided to CITY via a Certificate of Insurance or a Self Administered Claims Letter.

A. Workers' Compensation/Employers Liability for states in which CONSULTANT is not a qualified self-insured. Limits as follows:

- \* Workers' Compensation: Statutory
- \* Employers Liability: Bodily Injury by accident \$1,000,000 each accident  
Bodily Injury by disease \$1,000,000 each employee  
Bodily Injury by disease \$1,000,000 policy limit

B. Commercial General Liability insurance with limits of:

- \* \$1,000,000 each occurrence for Bodily Injury and Property Damage
- \* \$1,000,000 General Aggregate - other than Products/Completed Operations
- \* \$1,000,000 Products/Completed Operations Aggregate
- \* \$1,000,000 Personal & Advertising Injury
- \* \$ 100,000 Damage to premises rented to CONSULTANT

Coverage to be written on a claims-made form. Coverage to be at least as broad as ISO form CG 002 (12/07), without endorsements that limit the policy terms with respect to: (1) the definition of an Insured Contract, (2) provisions for severability of interest, (3) explosion, collapse, underground hazard.

C. Auto Liability insurance for owned, hired and non-owned vehicles with limits of \$1,000,000 per accident. Coverage to be written on an occurrence form.

D. Professional Liability insurance with limits of:

- \* \$1,000,000 per occurrence
- \* \$1,000,000 aggregate

Coverage to be written on a claims-made form.

E. Excess Liability insurance. Limits as follows:

- \* \$1,000,000 each occurrence
- \* \$1,000,000 aggregate

Coverage terms and limits to apply excess of the per occurrence and/or aggregate limits provided for Commercial General Liability and Professional Liability written on a claims made form. Coverage terms and limits also to apply in excess of those required for Employers Liability and Auto Liability written on an occurrence form.

F. Policy Endorsements.

- \* The insurance provided for Workers Compensation and Employers Liability above shall contain waivers of subrogation rights against CITY.
- \* The insurance provided for Commercial General Liability and Auto Liability above shall:
  - (1) include the CITY as an additional insured with respect to Work performed under this Agreement but only to the extent of the indemnity obligations contained in this Agreement, and
  - (2) provide that the insurance is primary coverage with respect to all insureds and shall not be considered contributory insurance with any insurance policies of the CITY.

G. In lieu of any insurances required in this Section, CONSULTANT may self insure hereunder and use a Self Administered Claims Program for this purpose. CONSULTANT will notify CITY in writing 30 days prior to cancellation of the Self Administered Claims Program.

9. **FORCE MAJEURE.** Neither party shall be considered to be in default in the performance of any material obligation under this Agreement (other than the obligation to make payments) when a failure of performance shall be due to an event of Force Majeure. The term "Force Majeure" shall mean any cause beyond the control of the affected party and which by the exercise of due diligence such party could not reasonably have been expected to avoid and

which it has been unable to overcome. Neither party shall be relieved of its obligation to perform if such failure is due to causes arising out of its own negligence or due to removable or remediable causes which it fails to remove or remedy within a reasonable time period. Either party rendered unable to fulfill any of its obligations under this Agreement by reason of an event of Force Majeure shall give prompt written notice of such fact to the other party.

- 10. CONFLICT OF INTEREST.** Conflicts of interest relating to this Agreement are strictly prohibited. Except as otherwise expressly provided herein, no party nor any director, employee or agent of any party shall give to or receive from any director, employee or agent of any other party any gift, entertainment or other favor of significant value, or any commission, fee or rebate in connection with this Agreement. Likewise, no party nor any director, employee or agent of any party, shall without prior notification thereof to all parties enter into any business relationship with any director, employee or agent of another party or of any Affiliate of another party, unless such person is acting for and on behalf of the other party or any such Affiliate. A party shall promptly notify the other parties of any violation of this section and any consideration received as a result of such violation shall be paid over or credited to the party against whom it was charged. Any representative of any party, authorized by that party, may audit the records of the other parties related to this Agreement, including the expense records of the party's employees involved in this Agreement, upon reasonable notice and during regular business hours, for the sole purpose of determining whether there has been compliance with this Section.
- 11. INDEPENDENT CONTRACTOR.** CONSULTANT is an independent contractor and is solely responsible for all acts of its employees, agents, or subcontractor, including any negligent acts or omissions. CONSULTANT, nor its employees or subcontractor employees, are not CITY employees and CONSULTANT, nor any of its employees, shall not have authority, express or implied, to act on behalf of the CITY as an agent, or to bind the CITY to any obligation whatsoever, unless the CITY provides prior written authorization to CONSULTANT. CONSULTANT is free to work for other entities while under contract with the CITY. CONSULTANT and any of its employees, or subcontractors are not entitled to CITY benefits.
- 12. ASSIGNMENT AND DELEGATION.** . This Agreement may not be assigned by either party in whole or in part without the prior written consent of the other party, which consent may not be unreasonably withheld or delayed; provided however, that CONSULTANT may assign this Agreement and all related agreements without the consent of CITY (i) to an affiliate; (ii) to an entity that is controlled by, controls, or is under common control with CONSULTANT; or (iii) pursuant to a merger, consolidation, transfer of substantially all its assets, or by operation of law; and provided further that CONSULTANT may assign its rights, but not its obligations, under this Agreement and all related agreements without the consent of Purchaser to (x) a lender providing financing to CONSULTANT, or (y) a special purpose entity that is an affiliate of or is controlled by such lender. This Agreement will be binding on, enforceable by, and inure to the benefit of, the parties hereto and their respective successors and permitted assigns. Any assignment made in contravention of this clause shall be void and unenforceable.
- 13. NOTICES.** Any notices hereunder shall be given in writing and shall be delivered by hand or by first class certified U. S. Mail, return receipt requested to the addresses set forth below, or to such other address as either party may substitute by written notice to the other in the matter contemplated herein, and will be deemed given when delivered, or, if delivery is not accomplished by some fault of the addressee, when tendered.

To CONSULTANT:	With copy to:	To CITY:
Chevron Energy Solutions 150 E. Colorado Blvd., Suite 360 Pasadena, CA 91105 Attn: Ron LaCombe Phone: (626)304-4710 Fax: (626)304-4701	Chevron Energy Solutions 345 California Street, 18 <sup>th</sup> Floor San Francisco, CA 94104 Attn: Law Department	City of Norco 2870 Clark Avenue Norco, California Attn: Andy Okoro, Director of Finance Phone: (951)270-5650 Fax: (951)270-5622

14. **MODIFICATIONS.** This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by both parties.
15. **WAIVERS.** Waiver of a breach or default under this Agreement shall not constitute a continuing waiver or a waiver of a subsequent breach of the same or any other provision of this Agreement.
16. **JURISDICTION AND VENUE.** The interpretation, validity, and enforcement of the Agreement shall be governed by and construed under the laws of the State of California. Any suit, claim, or legal proceeding of any kind related to this Agreement shall be filed and heard in a court of competent jurisdiction in the City and County of Riverside.
17. **ENTIRE AGREEMENT.** This Agreement comprises the entire integrated understanding between the parties concerning the services to be performed for this project. This Agreement supersedes all prior negotiations, representations, or agreements.
18. **SIGNATURES.** The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity, and authority to enter into and to execute this Agreement on behalf of the respective legal entities of the CONSULTANT and the CITY. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
19. **CREDITWORTHINESS.** If, at any time, CITY's credit rating falls below investment grade as defined by Moody's Investors Services (or other nationally-recognized independent rating agency), CITY agrees to provide CONSULTANT with current information regarding its creditworthiness upon the request of CONSULTANT. At its sole option, CONSULTANT may then require CITY to provide security satisfactory to CONSULTANT, and the Work may be withheld until such security is received. If CITY deposits the contract amount into a third-party escrow account with an escrow agent and agreement acceptable to CONSULTANT, then the terms of this paragraph are not applicable.
20. **AMERICAN RECOVERY AND REINVESTMENT ACT.** In the event CITY is using American Recovery and Reinvestment Act ("ARRA") funding, in whole or in part, to pay for the Scope of Work set forth in this Contract, CITY acknowledges and agrees that the supplies and services hereunder are being procured and purchased under state or local procurement laws and CONSULTANT is a vendor hereunder. As such, CITY agrees that CONSULTANT is not a recipient, subrecipient, awardee, or subawardee of ARRA funds hereunder. In the event that after Contract execution the awarding agency or a court of proper jurisdiction determines that CONSULTANT is a recipient, subrecipient, awardee, or subawardee under the ARRA funded grant rather than a vendor, CONSULTANT reserves the right to terminate this Contract at its

discretion pursuant to the termination for convenience provision set forth in the Contract. CITY agrees to release, defend, indemnify, and hold CONSULTANT harmless from and against any claims, costs, or damages arising out of or related to such a determination notwithstanding any other provisions in the Contract.

IN WITNESS WHEREOF the parties do hereby agree to the full performance of the terms set forth herein.

**CONSULTANT:**  
**Chevron Energy Solutions Company, a**  
**Division of Chevron U.S.A., Inc.**

**CITY:**  
**City of Norco**

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

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

**Print Name:** \_\_\_\_\_

**Print Name:** \_\_\_\_\_

**Title:**

**Title:**

Approved As To Form:

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

**Date:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**EXHIBIT A  
PROJECT SITE LOCATIONS**

The following two sites within the City of Norco will be considered for locating the manure-to-energy plant:

- 4000 Bluff Street, Norco, California 92860
- 3400 Corydon River Road, Corona, California 92860

## **EXHIBIT B SCOPE OF SERVICES**

### **Introduction**

The CITY has a significant horse population and is interested in investigating opportunities to appropriately handle the manure generated from this population in an environmentally beneficial way. Current methods using contract hauling and disposal are expected to increase in cost as disposal options become more limited.

CONSULTANT has conducted a preliminary Horse Manure Conversion Feasibility Study for the CITY. This study was provided at no cost to the City by Consultant and focused on four important aspects of the horse manure:

- Quantity and quality of feedstock
- Suitability for thermal conversion based on vendor provided responses
- Anticipated energy output
- Simple payback analysis

The results of this preliminary study indicated that the horse manure and bedding material provided a reasonable feed stock for thermal conversion using the technologies considered, mainly gasification and pyrolysis; and that depending on the feed stock quantity, modularity, and use of syngas, the simple payback analysis could range between 20 to 30 years.

Significant due diligence remains in assessing the merits of the biomass and conversion technologies/vendors, including the actual performance using the feedstock, the correctness of the capital costs and economic feasibility, existence of pilot plants and history using similar feed stocks, scale up, environmental impacts, technology risks, and vendor commercialization efforts accomplished to date. Many of the vendors trying to commercialize this type of biomass to energy technology lack significant financial backing which increases the investment risks.

### **Scope of Work**

Note: CHEVRON ENERGY SOLUTIONS IS NOT A MUNICIPAL ADVISOR AND DOES NOT PROVIDE ADVICE WITH RESPECT TO MUNICIPAL SECURITIES OR OTHER MUNICIPAL FINANCIAL PRODUCTS.

The goal of this Engineering Study will be to assess the feasibility of installing a waste to energy power plant in the City of Norco. The plant would use some combination of biomass fuels available (horse manure, wastewater sludge, green waste) and generate some combination of electricity, hot water, steam, and/or chilled water. This study will investigate the issues that could influence the plants feasibility, including quality and quantity of fuels, transportation and tipping fees of fuels, potential loads of neighboring facilities that could be potential customers, and various conversion technologies for the plant.

The Engineering Study will address the following:

#### **Biomass Fuel Inputs**

The CONSULTANT shall prepare and send representative samples of the horse manure and bedding materials to laboratories for review and testing. Sample quantities of the feed stock will be sent to the selected conversion technology vendor who has a functioning facility or pilot facility where performance could be evaluated. The CONSULTANT will make site visits to the most

significant fuels providers to collect information, to review facilities, to interview operators, and to discuss transportation and material handling of fuels.

Key factors that will be evaluated will include:

- Estimate the manure generated within the City of Norco and estimate what percent of that manure can be collected and delivered to the project site based on available public data.
- Investigate availability for collection of horse manure and other readily available waste biomass (especially sludge and green waste) generated within a twenty-five ~~five~~ mile radius of the City of Norco, based on available public data.
- Consider local and regional practices, regulations and markets relevant to management of horse manure, sludge and other forms of biomass, excluding any form of municipal solid waste (MSW).
- Estimate transport distances, costs and fees associated with present management compared to options for preferred site.
- Feedstock specificity and feedstock flexibility for co-feeding the sampled feed stock and variations of feed stock with other community green wastes, municipal sewage sludge wastes.
- Data and results such as conversion, yield, efficiency, emissions (including criteria pollutants and GHG) from existing pilot plants and the predicted performance for a commercial scale plant.
- Ash and slag handling methodology, information on process effluents, emissions (e.g. wastewater, atmospheric vent streams, solid emissions), and disposal of slag.
- Properties of the syngas (along with impurities, sulfur, tar, etc). Need for syngas clean-up and reforming downstream to meet combined heat and power (CHP) equipment needs as well as supplier's experience with syngas clean-up.
- Requirements for special feedstock handling or pretreatment.
- Analyze the material handling issues for biomass materials being received on site, storage on site, and disposal of waste materials.
- Collaborate with an Environmental Engineering Consultant to be hired by the City at its cost to develop Environmental Impact Reports (EIR) for the two sites.
- Perform geotechnical analysis for both sites.
- Develop preliminary schematic plans, including preliminary structural analysis, of the equipment and buildings to be located on site sufficient to obtain accurate budgetary cost estimates. This work to include on site road ways, walkways, site drainage, and egress to adjacent road ways.

#### Energy Outputs

The CONSULTANT shall work with the CITY to develop customers who are interested in purchasing the energy generated by the energy conversion power plant. The energy outputs could include electrical production, hot water production, steam production, and/or chilled water production. With the CITY's assistance, the CONSULTANT will make site visits to the potential customers to collect information, to review facilities, and to generally understand those customers' energy needs related to the horse manure-to-energy conversion power plant's production capabilities.

Key factors that will be evaluated will include:

- The commercial viability of providing electricity to the City of Corona.
- The commercial viability of providing a combination of hot water, steam, and/or electricity to the neighboring detention facility.

- The commercial viability of providing a combination of chilled or hot water and/or electricity to the neighboring community college.
- Viability of entering into a Biomass Standard Contract with Southern California Edison (SCE) for sale of electrical energy to SCE.

### Conversion Technologies

The CONSULTANT shall identify at most three energy conversion technologies for consideration, then suggest and describe in detail clean modular community scale Conversion Technologies (CTs) as a "short-list", and recommend one technology giving reasons for the recommendation. A discussion on the differences in approach and technologies in addressing horse manure vs. cow manure is included as Exhibit E. The CONSULTANT may make site visits to the most appropriate vendors to collect information and to review actual installations of the conversion technology.

Key factors that will be evaluated will include:

- Analyze alternative clean technologies for conversion of manure and other biomass into electricity and heat, with budgetary installation & operational costs, renewable energy generation expected revenues, state and federal incentives, and avoided fines.
- Assess the SCAQMD issues for recommended CTs.
- State of development and adaptability of CHP, and projected commercial projects.
- Detailed technical descriptions of concept processes, including, heat and material balances, process descriptions, flow diagrams, conceptual drawings/sample specifications and information about the gasification plant design from feed pretreatment through syngas conditioning/cleanup, end product handling and disposal, ability to substitute a subsystem (e.g., whether or not specific process technology modules can be substituted or if it is a "packaged deal").
- Economic analyses including cash flow for the reference plant including installation costs, licensing fees, operating expenses, guarantees, and schedule.
- Size vs. cost considerations (scalability and economies of scale).
- Vendor company structure and organization and quality of management, technical feasibility of the conversion process and CHP utilization, weaknesses of the technology and scalability, economic metrics of the project, and potential for commercialization.
- Selected conversion technology will be responsive to cost and scale considerations regarding potential installation site electrical and thermal loads and current costs, utility and renewable energy purchase pricing. Estimates of project costs will be provided in sufficient detail to facilitate development of a detailed project finance report.

### Deliverables

Following is the proposed Table of Contents for the in depth report to be completed under this study.

- TABLE OF CONTENTS
- Executive Summary
- Chapter 1: INTRODUCTION
  - Study Goals
  - Background
  - Current Status
- Chapter 2: FEEDSTOCK
  - Characterization
  - Generation

- Acquisition
- Chapter 3: TECHNOLOGY
  - Primary Principles
  - Technology Selection Criteria
  - Technology Developer Profiles
- Chapter 4: ENVIRONMENTAL
  - Background
  - Air Quality
  - Water Quality
  - Solid Waste Management
  - Energy Generation
  - General Permitting
- Chapter 5: ECONOMICS
  - Preliminary Comparative Financial Analyses
  - Energy Sale & Ancillary Markets
  - Grants & Incentive Programs
  - Avoided Fines
- Chapter 6: RECOMMENDATIONS

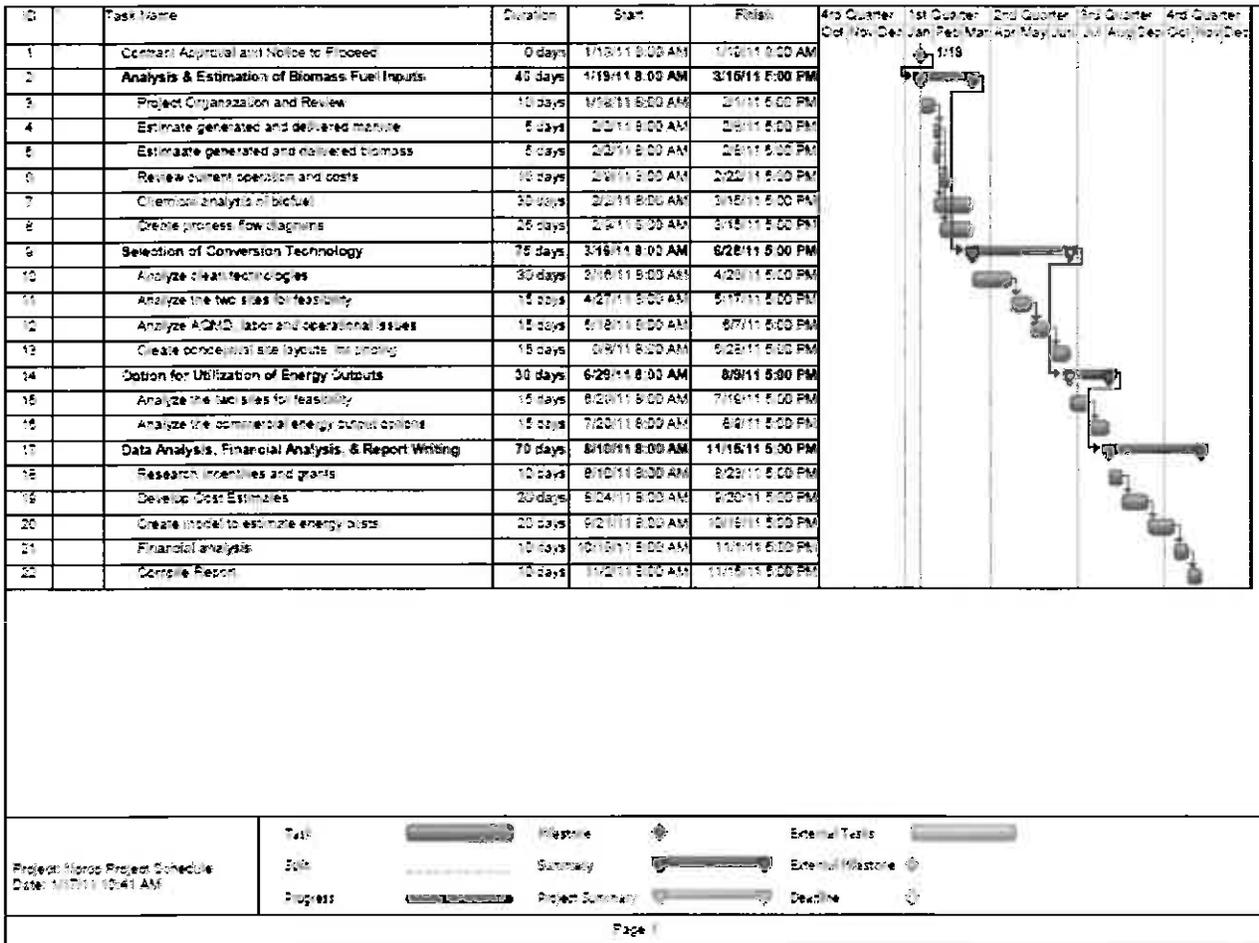
Preliminary list of conceptual drawings and schematic plans to be developed:

- Site plan with geotechnical data.
- Site plan with grading data.
- Site plan locating equipment and buildings including material flow path.
- Schematic structural design of buildings to be built on site.
- Schematic structural design of equipment foundations and equipment anchorage.
- Conceptual flow schematic of process including energy balance calculations.
- Equipment schedule listing weights and power requirements.
- SCADA (Supervisory Control and Data Acquisition) schematic.
- Electrical Single Line Drawing
- Electrical Wiring Diagrams and Equipment Floor Plan

**EXHIBIT C  
SCHEDULE OF VALUES**

<b>A. Analysis &amp; Estimation of Biomass Fuel Inputs *</b>	
1. Project organization and review	\$19,804.00
2. Estimate generated and delivered manure	\$12,258.00
3. Estimate generated and delivered other biomass	\$7,535.00
4. Review current operation and costs	\$9,229.00
5. Chemical analysis of biomass fuel	\$65,832.00
6. Create process flow diagrams of new systems	\$53,146.00
 <b>B. Selection of Conversion Technology *</b>	
1. Analyze clean technologies for fuel conversion to energy	\$119,328.00
2. Analyze the two sites for feasibility	\$50,820.00
3. Analyze the technologies with respect to AQMD, labor, and operations	\$53,930.00
4. Create conceptual site layouts for pricing	\$53,474.00
 <b>C. Option for Utilization of Energy Outputs *</b>	
1. Analyze the two sites for feasibility	\$40,544.00
2. Analyze the options for the sale of electricity and thermal	\$65,341.00
 <b>D. Data Analysis, Financial Analysis &amp; Report Writing *</b>	
1. Develop cost estimates	\$36,431.00
2. Create model to estimate energy and operational costs	\$31,877.00
3. Create detailed first cost and payback analysis for the options	\$39,374.00
4. Compile report	\$22,769.00

## EXHIBIT D PRELIMINARY PROJECT SCHEDULE



## **EXHIBIT E**

### **DIFFERENCES IN APPROACH AND TECHNOLOGY OF A WASTE-TO-ENERGY PLANT TO HANDLE HORSE MANURE VS. COW MANURE**

Anaerobic digester technology is used to produce biogas which can be used to run an internal combustion (IC) engine-generator, a fuel cell or microturbines to generate both an electrical and thermal output opportunity in a CHP (Combined Heat & Power) process.

Anaerobic digester technology is used successfully in treating both municipal and industrial wastes. In an anaerobic digester, in the absence of oxygen and in the presence of acid reducing and methanogenic anaerobic bacteria, biodegradable volatile solids are reduced and a proportional amount of biogas (a composition of mainly methane and carbon dioxide) is released in the process. The amount of volatile solids reduced and the proportional amount of biogas produced depends on the reaction rate kinetics of the feedstock, and the environmental conditions existing in the digester such as temperature and pH, as well as physical conditions such as mixing. The energy content or BTU value of the biogas released is also dependent on the nature of the feedstock and the environmental conditions existing in the digester process. Digester gas (DG) released from the anaerobic digestion process is often used to power on-site CHP systems or perhaps just to fire boilers used to meet local heat demands of digestion process. Excess DG must be flared off (burned).

In municipal wastewater treatment (WWT) plants the settleable waste removed from the treatment processes are highly liquid and are commonly thickened by use of a gravity thickener or mechanical process and transported to the digester at 3% to 6% solids (94% to 97% moisture). At solids concentrations greater than 5% (95% moisture) inside the digester, mechanical systems for mixing, pumping and heat exchangers experience poor performance and become impossible to effectively manage high rate digestion characteristics at thicknesses exceeding 7% (93% moisture). Anaerobic digesters are usually above ground structures that often contain one to two million gallons of digester volume as required to provide between 15 to 25 days hydraulic retention time. The digesters are mixed and heated to mesophilic temperatures (98 degrees). In industrial applications anaerobic digesters are commonly used to treat the waste streams, the waste is commonly a very concentrated liquid waste such as the bulk volume fermenter (BVF) used to treat industrial waste products from the dairy and cheese industries in town.

A cow manure-to-energy project anticipates treating cow manure from the confined paved lots and alleys, where manure solids are to be flushed routinely and collected. The flushing process is designed to create a flushing velocity of water great enough to scour the confined paved lots and alleys to mobilize and transport the manure to a collection point. The waste stream generated is highly liquid, can be transported using common pumping technologies, and anaerobic digestion is a reasonable method for stabilizing and reducing this industrial waste. Before entering the anaerobic treatment process, it is further anticipated that the flushed manure will flow through a gravity-settling basin to thicken the manure contents to a range of 5% to 6% solids (94% to 95% moisture) prior to transferring the manure to the anaerobic digestion process.

The anaerobic digestion process will only digest or reduce a fraction of the feedstock. The fractional amount digested will be based on the feedstock characteristics and the process environment such as time, temperature, mixing, shearing, and maceration of the feedstock. In the short detention times of a high rate digester, the digester will not digest difficult volatile substrate such as high fiber and cellulosic structures without significant pre-treatment, and inert and non-biodegradable volatile solids will pass through in the digester. In essence, a well performing

digester that can reduce 45% of the incoming Volatile Solids (VS) of a 5% solids concentration (95% moisture) liquid feedstock that is 85% VS will produce an equivalent reduction in feedstock of 47% at the equivalent concentration of 2.7% solids (97.3% moisture) for every unit of feedstock. In other words, 53% of the feedstock remains at 2.7% solids concentration. The energy yield for the anaerobic digester is feedstock specific but generally for every dry pound of VS reduced, an equivalent amount of biogas will be produced normally ranging from 10 to 14 cuft of biogas per pound of VS reduced at a BTU content ranging from 500 to 600 BTU per cuft.

The digester gas generated through digestion commonly contains gas stream contaminants that can be harmful to downstream equipment such as engines, boilers, or fuel cells. If not removed or treated, these contaminants have been known to significantly increase operation and maintenance costs of the equipment and lead to premature failure. In a modern process a fuel treatment skid is employed which removes harmful contaminants from the gas stream prior to use in equipment. In addition, a flare meeting local AQMD requirements must still be installed to burn off excess DG.

The City of Norco project does not have the benefit of a concentrated wet feedstock. In this case, the feedstock is dispersed around the community and is typically transported between 35% to 40% dry solids (60% to 65% moisture content). In this condition, the material behaves as a solid material and it is impractical to add water in the quantities required to use anaerobic digestion as the process to reduce the mixture of horse manure and wood shavings. In addition, if the feedstock were moisture conditioned to allow for anaerobic digestion, only a fraction of the volatile solids would be reduced while the inert fraction of dirt and the biodegradable fraction of woodchips and bedding material would largely pass through the digestion process consuming volume without any reduction. These concerns along with adding all the extra water needed to reduce the incoming feedstock to a 6% dry solid would create more volume of waste product for ultimate disposal than was originally received. Lastly, the energy derived from digestion would only be proportional to the fractional equivalent of volatile solids reduced in the digestion process.

For example, if the 100 wet tons per day of horse manure and bedding is collected and transported to the project site, the dry ton equivalent would be 40 dry tons of which we can assume that the material has a VS content of 85%. If the manure is then moisture conditioned to 6% dry solids, the total mass would increase 6.6 times to approximately 670 tons per day and the equivalent volume would increase from a mass equivalent volume of 25,000 gallons per day to 160,000 gals per day. Once digested, assuming that 40% of the VS are digestible, the resultant mass would be reduced from 40 dry tons per day to 26.4 dry tons per day of material at 3.9% dry solids (96.1% moisture content). After using mechanical dewatering process to dewater the digested sludge product to 20% dry solids (80% moisture), the resultant mass needing disposed of would be 130 tons of product, resulting in a net increase of 30% in material needing to be disposed of as a result of using the anaerobic digestion approach.

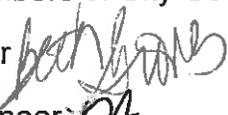
There are technologies that can be employed to burn or oxidize the fuel stock and produce meaningful energy while rendering the feedstock to ash. Chevron Energy Solutions has considered six (6) such sources in their prior investigation of the Norco project, in which three are worthy of additional study. These processes would generate from 1400 kW net power to as much as 5100 kW net power. Most of the technologies are based upon gasifiers creating steam to run a steam turbine which would run a generator.

The City of Norco project is much more significant in scope and technical challenges than a cow manure-to-energy project. With cow manure the feed stock is generated at the dairy and there are

very minor material handling issues. At City of Norco, it is just the opposite, the amount of feed stock must be carefully assessed in order to size the plant correctly, on site storage must be accommodated and a myriad of other issues contribute to much higher engineering and construction costs.

# CITY OF NORCO STAFF REPORT

TO: Honorable Mayor and Members of City Council

FROM: Beth Groves, City Manager 

PREPARED BY: Lori J. Askew, Senior Engineer 

DATE: January 19, 2011

SUBJECT: Dedication of Utility Easement to Southern California Edison

RECOMMENDATION: Adopt **Resolution No. 2011-\_\_\_**, offering the dedication of a utility easement to Southern California Edison for the purposes of installing underground electric lines to power the new sewer auger/grinder located in Western Avenue.

**SUMMARY:** The City is offering to Southern California Edison ("SCE") a utility easement which will have underground utility lines located in it which will power the new sewer auger/grinder installed in Western Avenue.

**BACKGROUND/ANALYSIS:** On October 20, 2010 City Council accepted bids and awarded the contract for construction of a sewage auger/grinder system to be installed on an existing sewer line which transports sewage from the California Rehabilitation Center. The project construction is progressing and installation of a power source is required to run the motors of the auger/grinder. SCE is installing the power source on Wayne Makin Park and running underground power lines to the auger/grinder and requires their lines be located within easements before they will energize.

An easement grant deed has been prepared which details the location and size of the easement. Staff is recommending that the City Council make the offer of dedication for an easement for utility purposes, authorize the Mayor to sign the Easement Grant Deed and direct the City Clerk to file the Deed with the County Recorder.

**FINANCIAL IMPACT:** None

lja/77525

Attachments: Resolution No. 2011-\_\_\_  
Exhibit "A" – Easement Grant Deed

## RESOLUTION NO. 2011-\_\_\_\_

### A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NORCO, CALIFORNIA, MAKING AN OFFER OF DEDICATION FOR A UTILITY EASEMENT TO SOUTHERN CALIFORNIA EDISON

WHEREAS, on October 20, 2010, the Norco City Council accepted bids and awarded a contract for construction of the Auger/Grinder Sewage System Project; and

WHEREAS, said project involves constructing an auger/grinder on an existing sewer line that accepts discharge from the California Rehabilitation Center; and

WHEREAS, said auger/grinder requires electrical power to run its motors; and

WHEREAS, the electrical power will be supplied and installed by Southern California Edison; and

WHEREAS, Southern California Edison requires their facilities to be installed within easements if they do not own the property.

NOW, THEREFORE, BE IT RESOLVED that the Norco City Council is offering for dedication a grant deed (Exhibit "A") for a utility easement to Southern California Edison.

PASSED AND ADOPTED by the City Council of the City of Norco at a regular meeting held on January 19, 2011.

\_\_\_\_\_  
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 January 19, 2011 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 January 19, 2011.

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

/lja-77530

Attachment: Exhibit "A"

RECORDING REQUESTED BY



SOUTHERN CALIFORNIA  
**EDISON**

An EDISON INTERNATIONAL Company

WHEN RECORDED MAIL TO

**SOUTHERN CALIFORNIA EDISON COMPANY**

Real Properties  
2131 Walnut Grove Avenue, 2nd Floor  
Rosemead, CA 91770

Attn: Distribution/TRES

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**GRANT OF  
EASEMENT**

DOCUMENTARY TRANSFER TAX \$ NONE (VALUE AND CONSIDERATION LESS THAN \$100.00)	DISTRICT	WORK ORDER	IDENTITY	MAP SIZE
	Ontario	6834-2314 TD467107	0-2113	
SCE Company	FIM 643-1597-5	APPROVED:	BY	DATE
SIG. OF DECLARANT OR AGENT DETERMINING TAX FIRM NAME	APN 129-020-020	REAL PROPERTIES	SLS/GB	12/16/2010

CITY OF NORCO, a municipal corporation (hereinafter referred to as "Grantor"), hereby grants to SOUTHERN CALIFORNIA EDISON COMPANY, a corporation, its successors and assigns (hereinafter referred to as "Grantee"), an easement and right of way to construct, use, maintain, operate, alter, add to, repair, replace, reconstruct, inspect and remove at any time and from time to time underground electrical supply systems and communication systems (hereinafter referred to as "systems"), consisting of wires, underground conduits, cables, vaults, manholes, handholes, and including above-ground enclosures, markers and concrete pads and other appurtenant fixtures and equipment necessary or useful for distributing electrical energy and for transmitting intelligence by electrical means, in, on, over, under, across and along that certain real property in the County of Riverside, State of California, described as follows:

TWO STRIPS OF LAND LYING WITHIN LOT 14, BLOCK 72, NORCO FARMS TRACT NO. 5, AS PER MAP FILED IN BOOK 14, PAGES 60 THROUGH 62 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, THE CENTERLINES OF SAID STRIPS ARE DESCRIBED AS FOLLOWS:

**STRIP #1 (6.00 FEET WIDE)**

COMMENCING AT THE SOUTHEASTERLY CORNER OF SAID LOT; THENCE ALONG THE EASTERLY LINE OF SAID LOT, NORTH 48.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE WEST 125.00 FEET TO A POINT TO BE REFERRED TO AS POINT "A".

**STRIP #2 (12.00 FEET WIDE)**

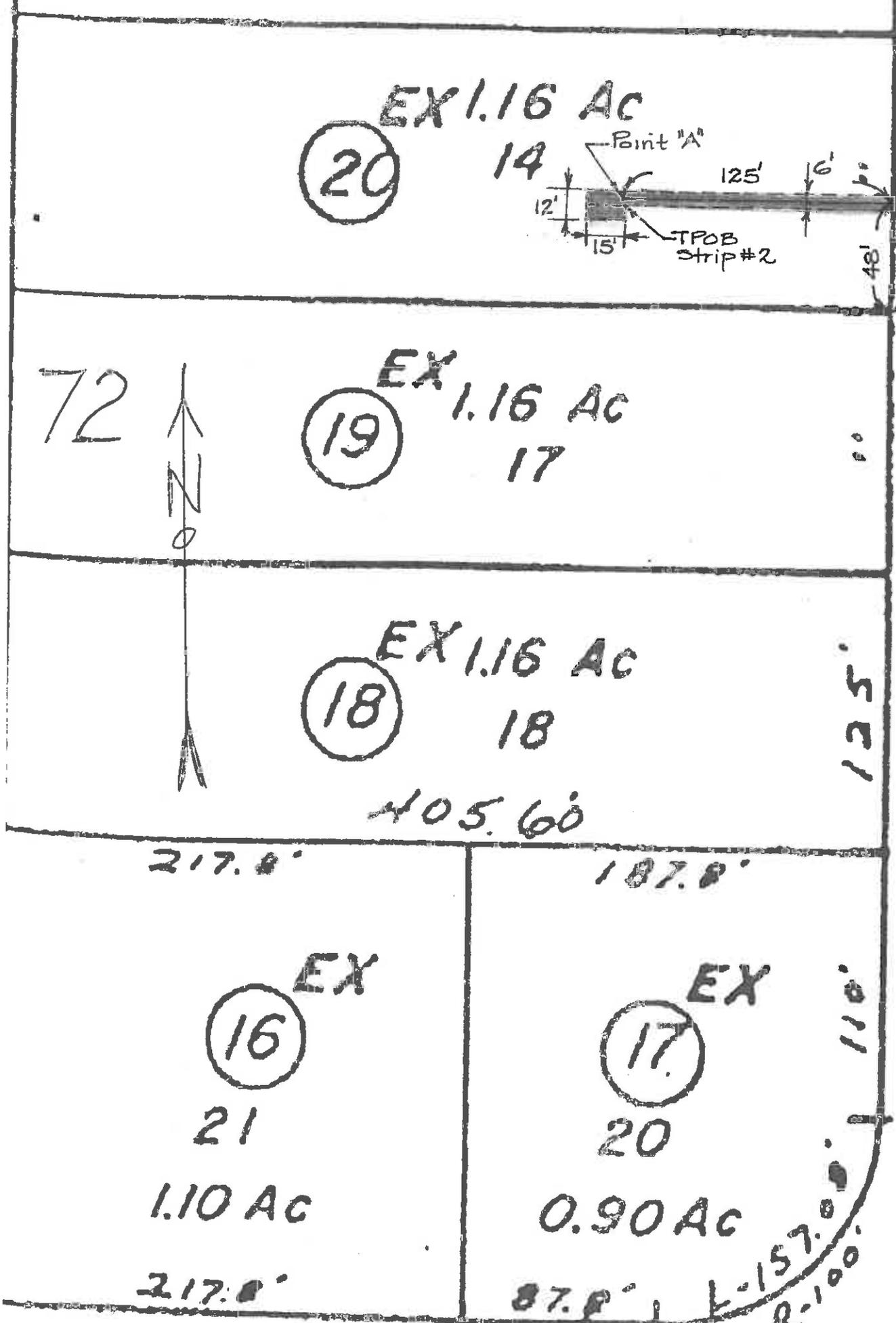
COMMENCING AT SAID POINT "A"; THENCE SOUTH 3.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE WEST 15.00 FEET.

This legal description was prepared pursuant to Sec. 8730(c) of the Business & Professions Code.

Grantor agrees for himself, his heirs and assigns, not to erect, place or maintain, nor to permit the erection, placement or maintenance of any building, planter boxes, earth fill or other structures except walls and fences on the above described real property. The Grantee, and its contractors, agents and employees, shall have the right to trim or cut tree roots as may endanger or interfere with said systems and shall have free access to said systems and every part thereof, at all times, for the purpose of exercising the rights herein granted; provided, however, that in making any excavation on said property of the Grantor, the Grantee shall make the same in such a manner as will cause the least injury to the surface of the ground around such excavation, and shall replace the earth so removed by it and restore the surface of the ground to as near the same condition as it was prior to such excavation as is practicable.

EXHIBIT "A"





WESTERN AVE

TPOB Strip #1

TPOB Strip #2

Point "A"

20

14

EX 1.16 AC

19

EX 1.16 AC

17

18

EX 1.16 AC

18

405.60

16

EX

21

1.10 AC

217.8'

17

EX

20

0.90 AC

87.8'

L=157.0'  
R=100'

ST VINE ST. (VACATED)

# 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: January 19, 2011

SUBJECT: Request to Amend the Traffic Signal and Street Lighting Maintenance Agreement between the City of Norco and the City of Corona

RECOMMENDATION: That the City Council approve amendment to Exhibit "A" of the Traffic Signal and Street Lighting Maintenance Agreement between the City of Norco and the City of Corona.

**SUMMARY:** The City of Norco first entered into a Signal and Street Lighting maintenance agreement with the City of Corona on October 7, 1992. The maintenance agreement addresses those traffic signals and safety lights that are located at intersections shared by both jurisdictions. Exhibit "A" of the agreement describes intersections that are partially owned and maintained by both public agencies, the agreement has been amended on two previous occasions as new traffic facilities were installed. Staff is recommending amending Exhibit "A" to include the new signalized intersection located at the intersection of River Road and Springbrook Street.

**BACKGROUND/ANALYSIS:** The City of Corona currently performs traffic signal maintenance in-house and has performed signal maintenance on intersections under joint jurisdictional responsibility. The Traffic Signal and Street Lighting Maintenance Agreement was executed in 1992 and amended in 1999 to include improved intersections with dual party responsibilities. The River Road and Springbrook Street intersection has been improved and the new traffic signal will require monthly maintenance and occasional repairs. Timing and maintenance of this intersection without an agreement would cause each agency to schedule redundant and costly maintenance services. Staff supports an agreement that allows for each agency to pay its proportionate share based on number of legs each city is responsible to maintain.

Staff has worked with the City of Corona very closely on common street and intersection issues and has been pleased with their professionalism and response during emergency situations.

**FINANCIAL IMPACT:** Approximately \$750.00 Annually, Gas Tax Fund, Street Operations (133-801)

Attachments: Existing Agreement  
Exhibit "A"

**Agenda Item 6.K.**

*Peter*

**TRAFFIC SIGNAL AND STREET LIGHTING MAINTENANCE AGREEMENT**

THIS AGREEMENT, made and entered into this 7th day of October, 1992, by and between CITY OF CORONA a municipal corporation, hereinafter designated as "CORONA" and CITY OF NORCO, a municipal corporation, hereinafter designated as "NORCO."

**W I T N E S S E T H**

WHEREAS, CORONA and NORCO have various traffic signal and intersection lighting installations that are partially in an area under the jurisdiction of NORCO and partially in an area under the jurisdiction of CORONA, AND

WHEREAS, the provisions of Title 1, Division 7, Chapter 5, Article 1, of the California Government Code entitled "Joint Powers Agreements" authorize two or more public agencies to jointly exercise any power common to the contracting parties.

NOW, THEREFORE, IT IS AGREED by the parties hereto as follows:

I. This Agreement shall supersede all previous Agreements with respect to maintenance of traffic signals and intersection lighting.

II. Routine maintenance work to be performed will include contracting for and/or furnishing of, electrical energies and the necessary repairs or replacements as required to insure a satisfactory service. Installation of additional facilities is not a maintenance function under the provisions of this Agreement.

III. The maintenance and operational costs for traffic signal and intersection lighting installations shall be borne by the parties hereto and shall be based on the actual maintenance and operational

costs incurred at each installation; CORONA's share of said cost at each installation shall be a sum, bearing the same proportion to the total cost of maintenance, as the number of legs of the intersection under jurisdiction of CORONA at the location involved, bears to the total number of legs of the intersection at such location; NORCO's share of said cost at each installation shall be a sum, bearing the same proportion to the total cost of maintenance, as the number of legs of the intersection under jurisdiction of NORCO at the location involved, bears to the total number of legs of the intersection at such location.

IV. Either city shall be responsible for its pro-rata share of maintenance cost as a common intersection where it has jurisdiction over at least one-half (1/2) of one (1) leg of the intersection.

V. For purposes of determining the number of intersection legs applicable to each jurisdiction, the CITY limits shall be as they exist at the time the maintenance costs are incurred.

VI. The traffic signal and street lighting installations at which the cost of maintenance is shared by CORONA and NORCO, along with the proportion of costs for each agency, are shown on Exhibit "A", attached hereto and made a part thereof.

VII. CORONA will furnish, service and/or perform such maintenance work as is specifically delegated to it, and NORCO will furnish, service and/or perform the work not otherwise assigned to CORONA, all as shown on Exhibit "A", attached.

VIII. The agency assuming the maintenance responsibilities in accordance with Sections VI and VII above will strictly account for all funds received and disbursed and will bill the other involved

agency, as provided for in this agreement, and will promptly be reimbursed by the billed agency for the appropriate maintenance cost.

IX. Exhibit "A" of this Agreement may be amended as required for future traffic signal and street lighting installations upon the mutual consent of the respective City Councils.

X. It is mutually understood and agreed:

- (a) That neither NORCO nor any officer or employee thereof shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by CORONA under or in connection with any work, authority or jurisdiction delegated to CORONA under this Agreement. It is also understood and agreed that, pursuant to Government Code Section 895.4, CORONA shall fully indemnify, defend and hold NORCO harmless from any liability imposed for injury (as defined by Government Code Section 810.8), occurring by reason of anything done or omitted to be done by CORONA under or in connection with any work, authority or jurisdiction delegated to CORONA under this Agreement.
- (b) That neither CORONA nor any officer or employee thereof shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by NORCO under or in connection with any work, authority or jurisdiction not delegated to CORONA under this Agreement. It is also understood and agreed that, pursuant to Government Code Section 895.4, NORCO shall fully

indemnify, defend and hold CORONA harmless from any liability imposed for injury (as defined by Government Code Section 810.8) occurring by reason of anything done or omitted to be done by NORCO under or in connection with any work, authority or jurisdiction not delegated to CORONA under this agreement.

IN WITNESS WHEREOF, CORONA has caused this Agreement to be executed by its Mayor, and attested by its Clerk, and NORCO has caused this Agreement to be executed by its Mayor and attested by its Clerk, all thereunto duly authorized by Minute Order of CORONA and NORCO.

CITY OF CORONA,  
a municipal corporation

Dated: November 4, 1992

By *F. Gary Miller*  
MAYOR PRO TEM

ATTEST:

APPROVED AS TO FORM

*Shirley D. Lingenfelt*  
City Clerk

By *Dallas Holmes*  
CITY ATTORNEY

CITY OF NORCO,  
a municipal corporation

Dated: 10/7/92

By *Barbara J. Carmichael*  
MAYOR

ATTEST:

APPROVED AS TO FORM

*Deanna M. Knight*  
City Clerk

By \_\_\_\_\_  
CITY ATTORNEY

# EXHIBIT "A"

A Part of an Agreement Between  
City of Corona and City of Norco

Traffic Signal Location	Responsible Agency	Total Legs	Division of Costs					
			CORONA		NORCO			
			Legs	% of Cost	Legs	% of Cost		
River Road @ Country Club	CORONA	4	2	50	2	50		
River Road @ Corydon	CORONA	4	1	25	3	75		
Hidden Valley @ Parkridge	CORONA	4	2	50	2	50		
APPROVAL BY THE CITY OF CORONA DIRECTOR OF PUBLIC WORKS			APPROVAL BY THE CITY OF NORCO DIRECTOR OF PUBLIC WORKS			DATE		
<i>Jan. Lindt</i>			<i>Joseph S. Schenk</i>			<i>10/29/99</i>		



# 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: January 19, 2011

SUBJECT: Accept Bids and Award Contract for the Second Street Improvement Project

RECOMMENDATION: Award the contract for the Second Street Improvement Project to All American Asphalt in the amount of \$1,050,000 and authorize the City Manager to approve contract change orders up to 10 percent of the contract amount.

**SUMMARY:** Bids for the Second Street Improvement Project were opened on January 11, 2011 with All American Asphalt being the lowest responsible bidder. It is recommended that the City Council award a contract to All American Asphalt in the amount of \$1,050,000.

**BACKGROUND/ANALYSIS:** Staff completed plans and specifications for bidding purposes and on January 11, 2011 bids were received. A total of eleven (11) bids were received with the combined bids ranging between \$1,050,000.00 to \$1,456,744.73 with the lowest responsible bid submitted by All American Asphalt. This is five percent below staff's estimate of \$1,100,000.

Staff evaluated the \$1,050,000 bid amount and will meet with representatives from All American Asphalt to finalize the project scope. The City Council, at their May 18, 2010 Special Budget Workshop meeting, reviewed the proposed project and funding sources. Per City Council request, plans and specifications were designed with an add alternative, allowing for project construction options. All American Asphalt submitted a base bid in the amount of \$1,012,155 to construct full improvements on Second Street from the I-15 east to Valley View Avenue and street improvements excluding curb and gutter from Valley View to Corona. The add alternative included the installation of curb and gutter from Valley View Avenue to Corona Avenue in the amount of \$37,845 for a total project amount of \$1,050,000.

The contractor's license and references were checked and found to be satisfactory. The bid summary sheet has been attached for Council's review. It is staff's recommendation to award a combination of the base bid and the add alternate for a total project cost of \$1,050,000.

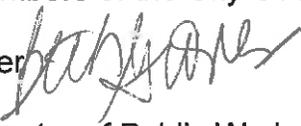
**FINANCIAL IMPACT:** \$1,177,145 is available within the current fiscal year Street Capital Improvement Fund (149).

/wrt-77547

Attachment: Bid Summary

## 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 *WRT*

DATE: January 19, 2011

SUBJECT: Acceptance of the Sierra Avenue Street Improvement Project as Complete

RECOMMENDATION: That the City Council accept the Sierra Avenue Street Improvement Project as complete and direct the City Clerk to file the Notice of Completion with the County Recorder's Office.

**SUMMARY:** The Sierra Avenue Street Improvement Project consisted of the installation of curb & gutter, storm drain, driveway, equestrian trail, and roadway improvements on Sierra Avenue between Third and Fourth Streets. The project required Council-approved change orders totaling \$46,309.75 for various items of work.

**BACKGROUND/ANALYSIS:** On April 7, 2010, the City Council awarded a Public Works contract to All American Asphalt in the amount of \$535,025.40 for the Sierra Avenue Street Improvement Project. The final contract amount is \$581,335.15 which is 8% over the base contract award amount. The final contract amount is based on the actual quantity of material used on the project as verified by staff.

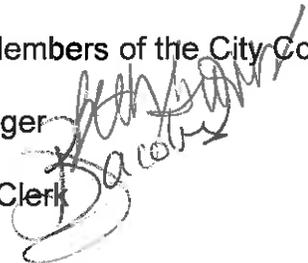
Work on the project has been completed to the satisfaction of the City Engineer and a Notice of Completion has been prepared. Staff is requesting that the City Council accept the work performed by All American Asphalt and direct the City Clerk to record the Notice of Completion.

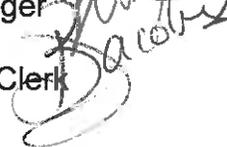
**FINANCIAL IMPACT:** Total \$581,335.15 (Funds 137 and 149)

177541

# 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: January 19, 2011

SUBJECT: **Ordinance No. 928, Second Reading.** Amending Chapters 2.20.040, 2.22.040, 2.23.040 and 2.26.040 of Title 2 of the Norco Municipal Code to Add "Never Been Convicted of a Felony" as a Requirement for Membership on a City Commission (Code Change 2010-05)

RECOMMENDATION: Adopt **Ordinance No. 928** for second reading.

SUMMARY: The first reading of Ordinance No. 928 was held on December 15, 2010 and was adopted by the City Council with a 4-0 vote. Staff is recommending that the City Council adopt Ordinance No. 928 for second reading. The ordinance amends specific sections of the Norco Municipal Code the Norco adding "Never Been Convicted of a Felony" as a requirement for membership on a City commission, and standardizes all of the requirements to serve on a City commission.

/bj-77479

Attachment: Ordinance No. 928

# ORDINANCE NO. 928

## AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF NORCO AMENDING CHAPTERS 2.20.040, 2.22.040, 2.23.040 AND 2.26.040 OF TITLE 2 OF THE NORCO MUNICIPAL CODE TO ADD "NEVER BEEN CONVICTED OF A FELONY" AS A REQUIREMENT FOR MEMBERSHIP ON A CITY COMMISSION (CODE CHANGE 2010-05)

The City Council of the City of Norco does hereby ordain as follows:

SECTION 1: Title 2 of the Norco Municipal Code (Administration and Personnel) is hereby amended to read as follows:

### Chapter 2.20.040 – Planning Commission

#### **2.20.040 Requirements for membership.**

All members of the Planning Commission shall meet the following requirements:

- (1) Be a citizen of the United States.
- (2) Be at least eighteen years of age.
- (3) Be a permanent resident of the city.
- (4) Have taken and filed with the City Clerk the oath required by Section 36507 of the Government Code.
- (5) Have never been convicted of a felony.

### Chapter 2.22.040 – Parks, Recreation and Community Services Commission

#### **2.22.040 Requirements for Membership.**

All members of the Parks, Recreation and Community Services Commission shall meet the following requirements:

- (1) Be a citizen of the United States.
- (2) Be at least eighteen years of age.
- (3) Be a permanent resident of the City.
- (4) Have taken and filed with the City Clerk, the oath required by Section 36507 of the Government Code.
- (5) Have never been convicted of a felony.

### Chapter 2.23.040 – Streets, Trails and Utilities Commission

#### **2.23.040 Requirements for membership.**

All members of the streets, trails and utilities commission shall meet the following requirements:

- (1) Be a citizen of the United States.
- (2) Be at least eighteen years of age.
- (3) Be a permanent resident of the City.
- (4) Have taken and filed with the City Clerk, the oath required by Section 36507 of the Government Code.
- (5) Have never been convicted of a felony.

**Chapter 2.26.040 – Historic Preservation Commission**

**2.26.040 Requirements for membership.**

Commission members shall be persons who, as a result of their education, training, knowledge, and experience, are qualified to analyze and interpret architectural and site planning information, including but not limited to licensed landscape architects and architects, urban planners, engineers, and licensed general contractors. At least two of the members shall have professional experience in urban planning, architectural history or historic preservation, archaeology, American studies, cultural geography, cultural anthropology and shall have general knowledge of architectural styles prevalent in the historic old town of Norco. All members of the historic preservation commission shall meet the following requirements:

- (1) Be a citizen of the United States.
- (2) Be at least eighteen years of age.
- (3) Be a legal resident of the City.
- (4) Possess the qualifications as listed in this section.
- (5) Have taken and filed with the City Clerk, the oath required by Section 36507 of the Government Code.
- (6) Have never been convicted of a felony.

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

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

**SECTION 4: POSTING:** The Mayor shall sign this Ordinance and the City Clerk shall attest thereto and shall cause the same within 15 days of its passage to be posted at no less than five public places within the City of Norco.

PASSED AND ADOPTED by the City Council of the City of Norco at a regular meeting held January 19, 2011.

\_\_\_\_\_  
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 Ordinance was introduced at a regular meeting of the City Council of the City of Norco, California, duly held on December 15, 2010 and thereafter at a regular meeting of said City Council duly held on January 19, 2011, it was duly passed and adopted by the following vote of the City Council:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

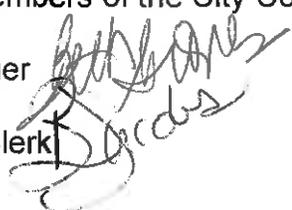
IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Norco, California, on January 19, 2011.

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

/bj-77200

# 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: January 19, 2011

SUBJECT: **Ordinance No. 929, Second Reading.** Extending the Temporary TUMF Reduction of the Western Riverside County Transportation Mitigation Fee (TUMF) Program

RECOMMENDATION: Adopt **Ordinance No. 929** for second reading.

SUMMARY: The first reading of Ordinance No. 929 was held on December 15, 2010 and was adopted by the City Council with a 4-0 vote. Staff is recommending that the City Council adopt Ordinance No. 929 for second reading. The Ordinance reaffirms the continuing impact of the economic recession on development and construction in Western Riverside County, as originally discussed in the Addendum to the 2009 Nexus Study. It also makes a finding that the extension of the temporary fifty percent (50%) TUMF fee will continue to encourage economic development by reducing the overall cost of development and will not have a material effect on the ability to fulfill the purposes of the TUMF program.

/bj-77480

Attachment: Ordinance No. 929

## **ORDINANCE NO. 929**

### **AN ORDINANCE OF THE CITY OF NORCO, CALIFORNIA AMENDING ORDINANCE NO. 912 EXTENDING THE TEMPORARY TUMF REDUCTION OF THE WESTERN RIVERSIDE COUNTY TRANSPORTATION MITIGATION FEE(TUMF) PROGRAM**

The City Council of the City of Norco resolves as follows:

SECTION 1. TITLE: This Ordinance shall be known as the "Western Riverside County Transportation Uniform Mitigation Fee Temporary Fee Reduction Ordinance of 2010" ("Ordinance").

#### SECTION 2. FINDINGS:

A. City Council reaffirms the continuing impact of the economic recession on development and construction in Western Riverside County, as originally discussed in the Addendum to the 2009 Nexus Study, and incorporated as part of the 2009 Nexus Study. Therefore, the City Council finds that a one-year extension of the temporary fifty percent (50%) TUMF fee will continue to encourage economic development by reducing the overall cost of development. The City Council further understands that the same adjustment of the entire TUMF Program will be necessary to assure that each development continues to contribute a fair share of the total Program costs without unduly burdening later projects to make up the TUMF revenues that would be effectively forfeited during the extended reduction period. The City Council finds that a one-year extension will result in a limited decrease in TUMF revenues and will not have a material effect on the ability to fulfill the purposes of the TUMF program or the ability to make the findings recited herein and in Ordinance No. 912.

B. The City Council also understands that any long-term continuation of the TUMF reduction period can jeopardize the applicability of the Nexus Study and the integrity of the TUMF Program, and the ability to deliver currently programmed and future planned projects. To protect the integrity of the TUMF Program, this temporary fee reduction will not be permitted to exceed a maximum cap of \$20 million for all uncollected TUMF revenues resulting from the fee reduction period since its original implementation upon notification of letter by WRCOG Executive Director at the direction of the WRCOG the Executive Committee.

SECTION 3. TEMPORARY FEE REDUCTION PERIOD: By extending this fee reduction period, the City Council understands that it will have an obligation to backfill uncollected TUMF revenue based on the fifty percent (50%) fee reduction through recommended specific, effective cost savings and repayment methods as determined by WRCOG in coordination with the individual Zone Committees. This action in no manner relieves the City Council of any past and future program funding backfill obligations previously required before this action. The City Council understands and hereby agrees to make monthly reports to WRCOG, in a format determined by WRCOG

in its sole discretion, of the outstanding amount of uncollected TUMF revenue resulting from the fifty percent (50%) temporary fee reduction since its original implementation.

NOT THEREFORE The City Council of the City of Norco further resolves as follows:

SECTION 1. Norco Municipal Code Chapter 3.50 is hereby amended to read as follows:

**Section 3.50.030 Establishment of the Transportation Uniform Mitigation Fee.**

D. Temporary Fee Reduction Period.

1. Notwithstanding, under Section 3.50.030 of Ordinance No. 912 and the adopted TUMF schedule, the City Council may, by separate resolution, adopt a reduced TUMF fee schedule applicable only through December 31, 2011 or until such time the City receives written notice from the WRCOG Executive Director under direction of the WRCOG Executive Committee that the \$20 million aggregate cap in uncollected TUMF revenues has been reached, whichever occurs earlier. The TUMF may be so reduced by up to 50 percent of fees established in the schedule adopted pursuant to this section. If fees are reduced, all other sections of Ordinance No. 912 shall still be in effect during the temporary fee reduction period. After December 31, 2011, the regular TUMF schedule, as adopted by the City Council and revised from time to time pursuant to this section, shall automatically apply.

**Section 3.50.090 Ordinance 912.**

If, for whatever reason, the ordinance codified in this chapter is declared invalid or unenforceable by a court of competent jurisdiction, Ordinance No. 912 and all other related ordinances, resolutions, and policies shall remain in full force and effect.

SECTION 2. EFFECT: No provisions of this Ordinance shall entitle any person who has already paid the TUMF to receive a refund, credit, or reimbursement of such payment. This Ordinance does not create any new TUMF.

SECTION 3. SEVERABILITY: If any one or more of the terms, provisions or sections of this Ordinance shall to any extent be judged invalid, unenforceable and/or voidable for any reason whatsoever by a court of competent jurisdiction, then each and all of the remaining terms, provisions and sections of this Ordinance shall not be affected thereby and shall be valid and enforceable.

SECTION 4. EFFECTIVE DATE: This Ordinance shall take effect thirty (30) days after its adoption.

SECTION 5. POSTING: The mayor shall sign this Ordinance and the City Clerk shall attest thereto and shall cause the same within fifteen (15) days of its passage to be posted at no less than five (5) public places within the City of Norco.

PASSED AND ADOPTED by the City Council of the City of Norco at a regular meeting held on January 19, 2011.

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

ATTEST:

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

I, BRENDA K. JACOBS, City Clerk of the City of Norco, California, do hereby certify that the foregoing Ordinance was introduced at a regular meeting of the City Council of the City of Norco, California, duly held on December 15, 2010 and thereafter at a regular meeting of said City Council duly held on January 19, 2011, it was duly passed and adopted by the following vote of the City Council:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

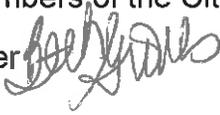
IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Norco, California, on January 19, 2011.

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

/bj-77259

# 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: January 19, 2011

SUBJECT: Approval of a Five-Year Lease Agreement with the Norco Fair Committee for a Community Fair at the George Ingalls Equestrian Event Center

RECOMMENDATION: Approve the five-year Lease Agreement with the Norco Fair Committee for a Community Fair at the George Ingalls Equestrian Event Center.

**SUMMARY:** The Norco Fair Committee has requested a five-year Lease Agreement with the City of Norco from February 2, 2011 through January 31, 2016 for the annual Norco Community Fair at the George Ingalls Equestrian Event Center.

**BACKGROUND/ANALYSIS:** The Norco Fair Committee (NFC) describes itself as a grass roots group of volunteers, service groups and non-profits who wish to host the Norco Community Fair at the George Ingalls Equestrian Event Center. The NFC is comprised of local volunteers who have demonstrated a successful model that promotes the City's image and sense of place.

The NFC has requested that the City Council consider waiving facility rental fees for a five-year term. Rather than a complete fee waiver, staff is recommending that the facility rental fee be waived in the first year and prorated over the next four years in 25% increments. By 2015 the facility rental fees will be covered at 100%. As part of the proposed agreement, all City departments' direct costs will be paid at 100% with 8% overhead each year.

The NFC has agreed with the recommended terms of the agreement and believes it outlines their responsibilities and provides a clear understanding of use of the facility and fiscal responsibilities with the City of Norco.

**FINANCIAL IMPACT:** Lessee covenants and agrees that it will pay all direct costs plus 8% overhead with a facility fee reduction. The recommended fee reduction is estimated to be \$11,600 in fiscal year 2012, \$8,700 in fiscal year 2013, \$5,800 in fiscal year 2014, \$2,900 in fiscal year 2015 with no reduction in fiscal year 2016. The reduced rate will be based on the rate of \$11,600 plus the Riverside County Cost Price Index increase over the term of the agreement. There is a required deposit bond of \$5,000 for security/damage, cleaning, and it is refundable if all terms and condition of this Lease are met.

/bp77511

Attachment: Norco Fair Committee Lease Agreement

**CITY OF NORCO**  
**PARKS, RECREATION AND COMMUNITY SERVICES**  
**LEASE AGREEMENT**

THIS LEASE AGREEMENT, hereinafter referred to as "LEASE" made and entered into on the day and year as set forth below, by and between the **CITY OF NORCO**, a municipal corporation of the State of California, hereinafter referred to as "LESSOR," and the **NORCO FAIR COMMITTEE**, a community-based organization located in Norco, California, hereinafter referred to as "LESSEE."

**WITNESSETH:**

Lessor, subject to the covenants and agreement hereinafter contained by the Lessee to be kept and performed, demises, leases and lets unto said Lessee and Lessee does lease from Lessor those certain premises in the City of Norco, County of Riverside, State of California, described as follows:

The real property, George Ingalls Equestrian Event Center, (hereinafter referred to as "Event Center"), including all areas and parking lots, on and off site, to have and to hold unto said Lessee on the following terms and conditions:

1.     **PURPOSE**

Lessee shall have sole control of the aforementioned premises for the term of this Lease and may use said premises solely for the purpose of conducting the NORCO FAIR, said Fair to include amusements for people of all ages, eating and drinking concessions, concerts, horse shows, bull riding, exhibits and entertainment. Lessee shall be able to sell alcoholic beverages and allowed to be consumed on said premises during the term of this Lease.

2.     **TERM**

This Lease covers a five - year period from January 19, 2011 through January 31, 2016. Terms and conditions of the lease will be reviewed by Lessor and Lessee annually 160 days prior to each annual event use.

The event use for the Event Center shall be for a period of five (5) days, with preparation commencing seven days prior to Labor Day and post clean up to include all equipment and policing of trash and debris by noon of the fourth day following the closure of the event or the Lessor will remove all equipment at the sole expense of the Lessee. Any exception must be approved by the City of Norco, Department of Parks, Recreation and Community Services.

The arenas of the south portion of the Event Center will be watered and prepared by the Lessor prior to the commencement of the annual term of the Lease. Lessee will have full control of areas of the Event Center as defined herein including any and all activities of the Event Center to include Pikes Peak Park during the Norco Community Fair. Lessee will direct the parking of vehicles during the Fair. Lessee recognizes that the Event Center is a publicly owned facility and, subject to Lessee's

admission charges and reasonable rules governing conduct upon admission, may not refuse admission to any member of the public at large.

### 3. LESSEE'S CONSIDERATION

Lessee covenants and agrees that it will pay a deposit bond of \$5,000 security/damage, cleaning, and is refundable if all terms and condition of this Lease are met. Said fees shall be paid no later than August 1<sup>st</sup> of each year.

By May 1<sup>st</sup> of each year, Lessee shall submit the annual proposed budget identifying revenues and expenditures for the Lessee for that years' event, as well as an organizational chart and committee assignments and responsibilities identifying management of the Norco Fair. Ninety (90) days after the conclusion of the annual event, the Lessee shall submit an actual accounting of expenditures and revenue for said event.

### OTHER CONSIDERATION

- Lessee understands that the City of Norco will waive its facility rental fees of \$11,600 for the Norco Fair for its 2011 event. These event facility fees will be reduced by 75% for 2012, 50% for 2013, 25% for 2014 and full rental fees will be paid for 2015. The reduced rate will be based on the rate of \$11,600 plus the Riverside County Cost Price Index increase over the term of the agreement. Exception will be of those direct costs by city departments with 8% overhead associated to the fair event identified in this Lease by City departments. All deposit bonds are required, and are not surrendered in this Lease. All fees and conditions shall be performed as set forth in the Lease. In addition, the City will require a \$3,150 flat rate seat fee during the scheduled event for Moreno Arena bleacher use only when a separate gate fee is collected elsewhere at the Event Center. If damage or other city costs exceed that of the deposit bond, the Norco Fair Committee will be billed for the difference of all costs.

### 4. INDEMNIFICATION AND INSURANCE FOR LIABILITY

Lessee agrees and covenants that as part of its consideration to Lessor for leasing said premises, it shall hold and save Lessor and Lessor's officers, agents, City Council Members, City employees and Riverside County Sheriff Department Employees and Citizens on Patrol free, clear and harmless from any and all demands, claims, actions, causes of action by any person or persons whosoever, loss, cost or damage that may arise out of or in connection with Lessee's sponsorship of said Norco Fair and/or use of the aforementioned premises by Lessee, its officers, agent and employees or any other person during the term of this Lease.

Lessee further agrees to deliver on or before August 1<sup>st</sup> of each year, to Lessor two executed copies of a continuing Public Liability and Property Damage Insurance Policy and all endorsements naming the City of Norco and its employees and agents as additional insured's in a form that is satisfactory to Lessor to effectually indemnify and hold Lessor, its officers, agents, City Council Members, City employees and Riverside County Sheriff Department Employees harmless against any and all claims related to all activities associated at the Norco Fair (including the parade and animal-related events) in the amount of \$1,000,000 for injury to any one person in any one incident, \$2,000,000 for injuries sustained by more than one person in a single incident, \$100,000 for property damage sustained by any one person in a single incident, and \$1,000,000 for liquor liability and shall keep the same in full effect and force during the

term of this Lease. Insurance will need to be submitted by August 1<sup>st</sup> of each year. The insurance policy must be approved by the City's insurer PERMA and list the City of Norco as additional insured on the insurance policy and all endorsements required for individual activities to secure all liability risks included in the event. The carnival concessionaire obtained by the Lessee for the Norco Fair must provide to the Lessor a liability insurance policy that names not only the Lessee as additionally insured, but must name the City of Norco as an additionally insured endorsement and must satisfy the City of Norco and PERMA requirements for general liability and not less than \$4 million dollars per occurrence.

## 5. REPAIRS AND MAINTENANCE

Lessee represents that it has inspected and examined the demised premises and accepts them in their present conditions as of the effective date of the term of this Lease contingent upon a re-inspection and acceptance to be conducted prior to the annual term of the Lease. Lessor agrees that all electrical, plumbing and drainage facilities will be in complete operating condition to allow full utilization of said premises. Lessee agrees that Lessor shall not be required to make any improvements whatsoever in or upon the premises hereby demised or any part thereof. Lessor agrees to make any repairs deemed necessary to place the facility in a safe operating condition prior to the start of the Lease period. Lessee agrees to make all reasonable repairs to said premises during the term of the Lease, at Lessee's sole cost and expense. Lessee further agrees to keep said premises safe and in good condition and order at all times during the Lease period and upon expiration of this Lease or at any sooner termination thereof, the Lessee will quit and surrender possession of said premises quietly and peaceably and in as good order and condition as the same at the commencement hereof, reasonable wear, tear and damage by the elements excepted; Lessee further agrees to keep and lease said premises free from all nuisance and dangerous and defective conditions.

Lessee further covenants and agrees to keep at its own expense any and all building and structures clean and free of garbage, refuse and debris. Said cleaning operations shall be properly supervised and subject to the continuing approval of Lessor.

Lessee will furnish on an on-call basis, during the term of the Lease, a licensed electrician and plumber to handle any electrical or plumbing problems that may arise during the event period. At no time will any major changes be made with regard to electrical or plumbing implementation without the Parks, Recreation and Community Services Director's approval. Any and all call-outs by the Lessee for the Lessor during the term will be reimbursed back to the City at the Lessee's sole cost and expense.

Lessee will be responsible for the supervision of all cleaning of the facilities which includes all parking lots and lands surrounding grounds and streets. Upon failure to return facilities within Event Center and surrounding grounds and streets back to an acceptable standard by the Lessee, the Lessor shall correct all areas at the sole cost and expense of the Lessee.

It is the responsibility of the Lessee to provide adequate lighting in the parking area and all areas deemed necessary by the Lessor or its agent and to provide for operation and maintenance.

## 6. SANITATION FACILITIES

Lessee agrees to provide no less than Riverside County Health Department Standards and Uniform Building Codes (UBC) requirement for sanitation facilities on said premises, during the term of this Lease. A service schedule for the portable restrooms shall be required, and locations of the portable restrooms shall be provided with a site plan that designates the location of the restrooms, and is due to the City by August 1<sup>st</sup> of each year. City staff shall have the discretion to require additional toilets if needed for the health, safety and welfare of the public. The particular location of each toilet shall be determined by Lessee. Lessee further agrees to keep at its own expense, said toilets and those sanitation facilities provided by the Lessee clean and continually operational and properly maintained as to necessary supplies. Failure to return facilities back to an acceptable standard by Lessee, the Lessor shall correct all areas at the sole cost and expense of the Lessee.

## 7. IMPROVEMENTS

Lessee may, subject to prior written approval of Lessor's Agent, at Lessee's sole cost and expense, make such changes, temporary alteration or improvements as may be necessary to fit said premises for the purpose stated herein and improvements of every kind and nature, wherever installed by Lessee, shall remain the property of Lessee, who shall remove the same upon the termination of this Lease, provided that such removal shall be done in such a manner as not to injure or damage the demised premises and provided further, that should Lessee fail to remove said improvements as above provided, Lessor, at its option, shall require Lessee to remove the same. In the event that said Lessee shall fail to remove said improvements after receipt of notice from Lessor, Lessor may remove the same and dispose of the same as it sees fit. Lessee further agrees that should Lessor remove said improvements as above provided, that Lessee will pay Lessor upon demand the cost of such removal, plus the cost of transportation and disposition thereof.

## 8. ALCOHOLIC BEVERAGE CONCESSION

All alcoholic beverage concessions must be operated following the ABC Guidelines and the guidelines and restrictions specified by the Lessor and the Riverside County Sheriff's Department. The following conditions must be met:

- A. Alcohol possession and consumption will be restricted to Beverage "Alcohol" Zones.
- B. Beverage "Alcohol" Zones area map shall be provided.
- C. Conditions for Beverage "Alcohol" Zones:
  - i. The Lessee will provide the security staff. All security staff must sign in and out at the beginning and end of each shift at the Sheriff's Command Post at the Fair. The Lessee will pay the City of Norco \$50 per hour for each unfilled security position.
  - ii. The Lessee will provide a deposit bond based on the estimated hours for Sheriff services by August 1<sup>st</sup> of each year to the Norco Sheriff's Department for services provided. The cost is estimated at \$15,000 for

about 215 hours of Sheriff staff time. Any unused portion of Sheriff service costs will be reimbursed back to the Lessee within 30 days of close of the event.

- iii. All security staff must be employed by a security company, licensed in the State of California; or they must possess a valid current guard card issued by the State of California; or they must be off-duty peace officers. Security staff will wear a distinctive uniform so that they are easily identifiable by the public.
- iv. The Lessee will provide one security guard to monitor the 4-H area on the Sunday of each year when alcohol is permitted to be consumed in this area.
- v. The Lessee will not be charged the Jail Access Fee for persons who arrive at the fair intoxicated and who are detained by the security guard at one of the entry gates. However, the Lessee will pay the City of Norco \$400 for each person who is arrested at the Fairgrounds and booked for a misdemeanor crime.
- vi. The Lessee will obtain a license from the California Department of Alcoholic Beverage Control to sell alcoholic beverages and will abide by the conditions.
- vii. The Lessee will use tamper-resistant wrist bands to identify those who are 21 years or older and who purchase or consume alcoholic beverages. A different color wrist band will be used each day.
- viii. This staffing plan does not include "Battle of the Bands". Should this event be an addition to the Norco Fair, Sheriff staffing and security will be required. Any program that would include a Battle of the Bands must be submitted to the City and Sheriff Department by August 1<sup>st</sup> of each year.
- ix. At least one representative from the Lessee will be available to check identification cards from those attempting to purchase or in possession of alcoholic beverages. An additional Sheriff will be made available for this purpose if demand exists.
- x. The Sheriff's Department force will be increased at the discretion of the Sheriff's Department upon consultation with the Executive Board Members of the Lessee in non-emergency situations.

## 9. PROHIBITION AS TO ASSIGNMENT AND SUB LEASING

Neither the demised premises nor any portion thereof shall be sublet, nor shall this Lease, or any interest therein, be assigned, hypothecated or mortgaged by

Lessee and any such attempt shall be of no force or effect and shall confer no rights upon any assignee, sub-Lessee, mortgagee or pledge, provided, however, Lessee may provide a portion of the demised premises for 3<sup>rd</sup> party vendors providing the 3<sup>rd</sup> party vendor has an existing City business license or obtains a special event license from the City for the length of time of the scheduled event. Proof of license is the responsibility of the Lessee and license information can be obtained from the City Business License Clerk.

The special event license has a per-day charge with a one-time five dollar processing fee.

#### 10. COMPLIANCE WITH THE LAW

Lessee shall comply with all federal, state and local laws and ordinances pertaining to the operations and activity to be conducted upon said described premises by Lessee and shall not commit or allow violation of any law or ordinance on said premises.

#### 11. LIABILITY FOR INJURIES TO PERSONAL PROPERTY

Lessor shall not be liable to Lessee or Lessee's officers, agents, employees, members, guests, vendors or concessionaires for any damage caused to his or their persons or property by water, rain, fire storms and accidents, or by breakage, stoppage, or leakage of water, gas, heating and sewer pipes or plumbing upon, about or adjacent to said premises.

#### 12. LIABILITY FOR PROPERTY DAMAGE TO LESSOR'S FACILITIES

Lessee agrees to pay for any and all damages caused to any facilities, buildings, structures and improvements of Lessor on said described property, if said damages are a direct result of Lessee's use of the described premises during the term of this Lease. Said payment shall be made within 30 days after receipt from Lessor of an itemized invoice delineating damage and cost to repair such.

#### 13. INSPECTION BY LESSOR

Lessor and its duly authorized representatives shall have the right at all times to inspect said demised premises to determine whether or not the provisions of the Lease are being complied with by Lessee.

#### 14. PARKS AND RECREATION

Lessee will pay all direct fees associated to the operation, maintenance and facilitation at the Event Center and Pikes Peak Park to include an 8% overhead. This is to include pre, post and event usage. By August 1<sup>st</sup> of each year, Lessee will provide a site plan for each usage of the Event Center will Lessee agrees to pay the City of Norco for said services within 14 days of receiving the invoice.

#### 15. POLICE PROTECTION

Lessee shall provide at its own expense that law enforcement and police protection which Lessor deems necessary to protect persons using the demised premises of the purpose of which said property is leased and the structures and improvements on said premises. By August 1<sup>st</sup> of each year, the Lessee is required to provide the Lessor's designated representative a security plan, which the Riverside County Sheriff's Department will review and approve prior to use. The approval will include Riverside County Sheriff's Department's estimated cost for the law enforcement protection

required herein under. Lessee agrees to pay the Riverside County Sheriff's Department for said services in the amount of \$15,000 for about 215 hours of Sheriff staff time. This payment shall be held in retention as a security/bond. Any unused portion of Sheriff service cost will be reimbursed back to the Lessee with 45 days of close of the event. Lessor may at any time during the term of this Lease on reasonable notice require Lessee to provide additional law enforcement protection at its own expense.

#### 16. FIRE PROTECTION & EMERGENCY MEDICAL SERVICES

Lessee shall provide that fire protection and emergency medical services which Lessor deems necessary to protect the improvements and structures on said premises during the term of this Lease. The City of Norco Fire Chief, or other designated representative, shall advise Lessee no later than August 1<sup>st</sup> of each year as to the fire protection emergency medical services that must be provided by Lessee. Lessor may at any time during the term of this Lease notify Lessee that it must provide at its own expense additional fire protection services. Lessee agrees to pay the City of Norco for said direct services with 8% overhead within 14 days of receiving the invoice

#### 17. PUBLIC WORKS/ ENGINEERING

By August 1<sup>st</sup> of each year, the Lessee is required to provide the Lessor's designated representative a traffic handling plan to include the annual Labor Day Parade which the Public Works Department will review and approve prior to activity. The approval will include the Public Works Department requirements for a plan to move vehicle traffic in and out of the event center safely, as well as addressing event parking and the Labor Day Parade route and conditions of approval. Any cost for the Public Works Department's assistance, i.e. traffic control, Parade route assistance, equipment, or staff that is outside of normal staffing schedule or is not provided in the Lessee's plan will be billed to the Lessee. Lessee agrees to pay the City of Norco for said direct services with 8% overhead within 14 days of receiving the invoice.

#### 18. ANIMAL CONTROL SERVICES

Lessee shall provide to Lessor's designated representative a proposed schedule of all livestock or animal related events by August 1<sup>st</sup> of each year. All livestock or animal related events are subject to conditions and or imposed restrictions by the Animal Control. Lessee will pay for any expense related to Animal Control Services outside of the normal scheduled staffing. Lessee agrees to pay the City of Norco for said services within 14 days of receiving the invoice. Livestock contractor and stand by vet information is due by August 1<sup>st</sup> of each year, to the City.

#### 19. RETURN OF PREMISES

Lessee shall return to City the said described premises and all structures and improvements thereon in the same condition as they were at the time of receipt of premises, normal wear and tear excepted. A **mandatory** pre walk-thru must take place before Lessee takes possession of the facility along with a **mandatory** post walk-thru taking place prior to the Lessee returning the facility to the Lessor.

#### 20. TERMINATION BY LESSOR

Lessor may terminate this Lease at any time should the Lessee fail to timely comply with the provisions of Section 2 or 4, or it be determined by the City Council that the public peace, health, safety and welfare of the City of Norco requires it to do so by

serving upon Lessee in the manner hereinafter provided a written notice of its election to so terminate, which said notice shall be served at least 24 hours prior to the date in said notice named for such termination.

## 21. DEFAULT

In the event that Lessee shall be in default or fail to perform any of the terms or conditions herein agreed to be kept and performed by the Lessee, Lessor may terminate and end this Lease forthwith and Lessor may enter upon said premises and remove all persons and property there from and Lessee shall not be entitled to any money paid hereunder or any part thereof.

## 22. WAIVER

Waiver by Lessor of any default in performance by Lessee of any of the terms, covenants or conditions contained herein, shall not be deemed a continuing waiver of the same or any subsequent default herein.

## 23. ATTORNEY'S FEES

Should Lessor bring any legal action for the purposes of protecting or enforcing its rights under this Lease, the prevailing party is entitled to reasonable attorneys' fees and costs.

## 24. TIME OF PERFORMANCE

TIME IS OF THE ESSENCE IN THIS LEASE. All covenants must be performed promptly and payment made on the date herein provided. If any default shall be made in any of the covenants on the part of the Lessee, Lessor may declare said tenancy terminated and may enter upon the premises and repossess the same for which purpose the consent of Lessee is hereby expressly given.

## 25. NOTICES

Any notices which are required hereunder or which either Lessor or Lessee may desire to service upon the other, shall be writing and shall be deemed served when delivered personally or when deposited in the United States Mail, postage prepaid, addressed to the Lessor as follows to City of Norco, 2870 Clark Avenue, Norco, California, 92860 and addressed to Lessee at P.O. Box 27, Norco, California, 92860.

- A. Either Party has the right to terminate this Lease by written notice 120 days prior to the event. Written notice must be sent by Certified Mail.

## 26. SUCCESSORS OF THE PARTIES

This Lease shall bind the successors of the parties hereto unless notice of termination as hereinabove agreed upon is given.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed on \_\_\_\_, \_\_\_\_, 2011.

CITY OF NORCO, CALIFORNIA  
A Municipal Corporation

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

\_\_\_\_\_  
Dated

ATTEST:

\_\_\_\_\_  
City Clerk

NORCO FAIR COMMITTEE

By: \_\_\_\_\_  
Norco Fair Committee Chair

By: \_\_\_\_\_  
Norco Fair Committee Secretary

\_\_\_\_\_  
Dated