



AGENDA
CITY OF NORCO
CITY COUNCIL/COMMUNITY REDEVELOPMENT AGENCY
REGULAR MEETING
CITY COUNCIL CHAMBERS – 2820 CLARK AVENUE
FEBRUARY 16, 2011

CALL TO ORDER: 5:00 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 54957.6 – Conference with Labor Negotiator

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

Employee Organizations: Management
Middle Management, Professional, and
Confidential Service
Norco Battalion Chiefs Association
Norco Firefighters Association
Norco General Employees Association
Norco Public Works & Parks Maintenance
Workers Association

RECONVENE PUBLIC SESSION: 7:00 p.m.

PLEDGE OF ALLEGIANCE: Council Member Sullivan

INVOCATION: Grace Fellowship Church
Pastor Vernie Fletcher

MAYOR PRESENTATIONS: Eagle Scout Court of Honor
Andrew Stephen Curp
Sean Andrew Pokryska

REGULAR COMMUNITY REDEVELOPMENT AGENCY (CRA) AGENDA AS FOLLOWS:

1. CRA CONSENT CALENDAR ITEMS: *(All items listed under the Consent Calendar are considered to be routine and may be enacted by one motion. Prior to the motion to consider any action by the Agency, any public comments on any of the Consent Items will be heard. There will be no separate action unless Members of the Agency Board request specific items be removed from the Consent Calendar)*

- A. CRA Minutes:
Regular Meeting of February 2, 2011
Recommended Action: Approve the CRA Minutes (City Clerk)

2. CRA PUBLIC HEARING:

- A. Approval of the Redevelopment Agency's 2009/10 through 2013/14 Five-Year Implementation Plan

Assembly Bill 1290 (AB 1290), entitled the Community Redevelopment Law Reform Act of 1993, took effect on January 1, 1994, and added Section 33490 to the Health and Safety Code. Section 33490 mandates that each redevelopment agency adopt a five-year implementation plan commencing with the initial plan for projects adopted prior to January 1, 1994; to be adopted that calendar year. The Five-Year Implementation Plan for Fiscal Years 2009-10 through 2013-14 is the fourth Implementation Plan adopted by the Norco Redevelopment Agency.

Recommended Action: Adopt CRA Resolution No. 2011-____, approving the 2010-2014 Five-Year Implementation Plan. (Urban Futures, Inc.)

3. JOINT CRA/CITY COUNCIL ACTION ITEM:

- A. Mid-Year Budget Amendments to Fiscal Year 2010-11 Annual Operating Budget

This item provides recommended mid-year revisions to the City and Redevelopment Agency Operating budget by Fund for FY 2010-2011. The recommended adjustments to the General Fund will result in a net decrease of \$178,943 to revenues and a \$277,266 net decrease to expenditures. Water Fund revenues are recommended to be decreased by \$644,077 while expenditures are recommended to be increased by \$601,550. For the Redevelopment Agency Operating Fund, the recommended revisions will result in a net increase of revenue estimate by \$348,994 while expenditures will be increased by \$212,278. Redevelopment Agency Housing Fund revenues are recommended to be increased by \$735,000 while expenditures are recommended to be increased by \$960,000.

Recommended Actions:

1) That the Norco Redevelopment Agency Adopt CRA Resolution No. 2011-____, approving various mid-year amendments to the Fiscal Year 2010-11 Annual Budget and authorizing changes in appropriations and revenues thereto; and

2) That the City Council Adopt Resolution No. 2011-___, approving various mid-year amendments to the Fiscal Year 2010-11 Annual Budget and authorizing changes in appropriations and revenues thereto. (Deputy City Manager/Director of Finance)

4. OTHER CRA MATTERS:

ADJOURNMENT OF CRA:

REGULAR CITY COUNCIL AGENDA AS FOLLOWS:

5. CITY COUNCIL CONSENT CALENDAR ITEMS: *(All items listed under the Consent Calendar are considered to be routine and may be enacted by one motion. Prior to the motion to consider any action by the Council, any public comments on any of the Consent Items will be heard. There will be no separate action unless members of the Council or the audience request specific items be removed from the Consent Calendar. Items removed from the Consent Calendar will be separately considered under Item No. 6 of the Agenda)*

- A. City Council Minutes:
Regular Meeting of February 2, 2011
Recommended Action: Approve the City Council Minutes (City Clerk)
- B. Recap of Actions Taken at the Planning Commission Regular Meeting of February 9, 2011. **Recommended Action: Receive and File (Planning Director)**
- C. Procedural Step to Approve Ordinance after Reading of Title Only.
Recommended Action: Approval (City Clerk)
- D. Approval of Lease Agreement between T-Mobile West Corporation, a Delaware corporation, and the City of Norco to Construct a Telecommunications Facility at Wayne Makin Sports Complex.
Recommended Action: Approval (Parks, Recreation and Community Services Director)
- E. Fiscal Year 2011 Second Quarter Budget Performance Report.
Recommended Action: Receive and file the report. (Deputy City Manager/Director of Finance)
- F. Extension of the Term of the Declaration of a Local Emergency Dated December 22, 2010. **Recommended Action: Extend the term of the declaration of the existence of a Local Emergency two weeks, to March 2, 2011. (City Manager)**

- G. Request for Ratification of the Increase in Expenditures for the Rehabilitation of Well No. 14. **Recommended Action: Ratify an expenditure increase in the amount of \$55,000 for the rehabilitation of Well No. 14.** (Director of Public Works)
6. ITEMS PULLED FROM CITY COUNCIL CONSENT CALENDAR:
7. 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. 930, Second Reading.** City-Initiated Proposal to Amend the Norco Municipal Code Adding Chapter 5.10 Establishing Regulations for Filming Permits (Code Amendment 2011-01). **Recommended Action: Adopt Ordinance No. 930 for Second Reading.** (City Clerk)
8. CITY COUNCIL PUBLIC HEARING:
- A. Annexation 24; General Plan Amendment 2010-02; Specific Plan 90-01 – Amendment 9; and Zone Change 2010-02; Proposals to: Amend the General Plan by Annexing 2.01 Acres with a Land Use Designation of Specific Plan on 1.81 Acres, Amend Specific Plan 90-01 (Gateway Specific Plan) by Adding 1.81 acres to the Industrial Land Use District, and Pre-Zone 1.81 Acres as Specific Plan located on the Southwest side of Parkridge Avenue, North of Cota Street (APN 119-070-013)
- The recommended motions are being proposed to accommodate the transfer of 2.01 acres from the City of Corona to the City of Norco located on the southwest side of Parkridge Avenue, north of Cota Street. The acreage being considered consists of 1.81 acres of isolated vacant property and .2 acre of street right-of-way. There is no development that staff is aware of being proposed at this time.*
- Recommended Action: Adopt the following documents individually:**
- a. **Resolution No. 2011-___, approving Annexation 24 and authorizing that an application be initiated with the Local Agency Formation Commission (LAFCO);**
- b. **Resolution No. 2011___, concurring in the transfer of property tax revenue from that area proposed to be detached from the City of Corona and Annexed by the City of Norco in Annexation 24;**

- c. **Resolution No. 2011-___, consenting with an application initiated by Fuscoe Engineering, Inc. requesting that the Riverside County Local Agency Formation Commission take proceedings for a minor Sphere of Influence Amendment and Boundary Reorganization to include the annexation of about 2.01 acres all of which will be detached from the City of Corona in Annexation 24;**
- d. **Resolution No. 2011-___, approving General Plan Amendment 2010-02;**
- e. **Resolution No. 2011-___, approving Specific Plan 90-01 (Gateway Specific Plan) – Amendment 9; and**
- f. **Ordinance No. ___, approving Zone Change 2010-02 (Pre-Zone).**
(Planning Director)

9. CITY COUNCIL ACTION ITEM:

- A. Appointment to the Planning Commission

On December 13, 2010, the City Council appointed Greg Newton to fill the vacant seat of Council Member Malcolm Miller for a term of office beginning on December 15, 2010. As Mr. Newton served on the Planning Commission, that seat was then vacated. Therefore, the Council is requested to make one appointment to the Planning Commission to complete the term of Greg Newton, which expires in June of 2014. Eight applications were received for the Council's consideration.

Recommended Action: Staff recommends that the City Council make one appointment to the Planning Commission to fill the vacated seat to complete the term expiring in June of 2014. (City Clerk)

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 THE CARD IN THE BACK OF THE ROOM AND PRESENT IT TO THE CITY CLERK SO THAT YOU MAY BE RECOGNIZED.

11. OTHER MATTERS – COUNCIL:

- A. Presentation of a Certificate by Council Member Sullivan.

12. OTHER MATTERS – STAFF:

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).

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-77457



MINUTES
CITY OF NORCO
CITY COUNCIL/COMMUNITY REDEVELOPMENT AGENCY
REGULAR MEETING
CITY COUNCIL CHAMBERS – 2820 CLARK AVENUE
FEBRUARY 2, 2011

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

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**

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 54957.6 – Conference with Labor Negotiator

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

Employee Organization: Norco Firefighters Association

RECONVENE PUBLIC SESSION: With nothing to report from Closed Session, Mayor Pro Tem Hanna reconvened the meeting at 7:10 p.m.

PLEDGE OF ALLEGIANCE: Council Member Azevedo

INVOCATION: Grace Fellowship Church
Pastor Vernie Fletcher

REGULAR COMMUNITY REDEVELOPMENT AGENCY (CRA) AGENDA AS FOLLOWS:

1. CRA CONSENT CALENDAR ITEMS:

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

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

- A. CRA Minutes:
Regular Meeting of January 19, 2011
Recommended Action: Approve the CRA Minutes (City Clerk)

2. OTHER CRA MATTERS: No other CRA Matters

ADJOURNMENT OF CRA: 7:15 p.m.

REGULAR CITY COUNCIL AGENDA AS FOLLOWS:

3. CITY COUNCIL CONSENT CALENDAR ITEMS:

Council Member Sullivan pulled Item 3.B. Item 3.F. was pulled by the public.

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

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

- A. City Council Minutes:
Special Meeting of January 25, 2011
Regular Meeting of January 19, 2011
Recommended Action: Approve the City Council Minutes (City Clerk)
- B. Recap of Actions Taken at the Planning Commission Regular Meeting of January 26, 2011. **Recommended Action: Receive and File (Planning Director) PULLED FOR DISCUSSION**
- C. Procedural Step to Approve Ordinance after Reading of Title Only.
Recommended Action: Approval (City Clerk)

- D. Approval of Fire Department Discipline and Administrative Review Policy and Procedure **Recommended Action: Adopt Resolution No. 2011 05, approving the Fire Department Discipline and Administrative Review Policy and Procedure.** (Deputy City Manager/Director of Finance)
- E. Award of a Professional Services Contract to Design a New Traffic Signal Project at the Intersection of Hamner Avenue and Detroit Street. **Recommended Action: Award a professional services contract to W.G. Zimmerman, Inc. to design a new traffic signal at the intersection of Hamner Avenue and Detroit Street Project in an amount not-to-exceed \$12,500; and adopt Resolution No. 2011-06, appropriating \$12,500 for the design of the new traffic signal.** (Contract City Engineer)
- F. Extension of the Term of the Declaration of a Local Emergency Dated December 22, 2010. **Recommended Action: Extend the term of the declaration of the existence of a Local Emergency two weeks, to February 16, 2011.** (City Manager) **PULLED FOR DISCUSSION**

4. ITEMS PULLED FROM CITY COUNCIL CONSENT CALENDAR:

- 3.B. Recap of Actions Taken at the Planning Commission Regular Meeting of January 26, 2011. **Recommended Action: Receive and File** (Planning Director)

Council Member Sullivan appealed Item 9.B. and recommended that it be placed on a future Council agenda.

M/S Sullivan/Bash to appeal Item 9. B. and receive and file the remaining items on the recap of actions taken at the Planning Commission regular meeting of January 26, 2011. The motion was carried by the following roll call vote:

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

- 3.F. Extension of the Term of the Declaration of a Local Emergency Dated December 22, 2010. **Recommended Action: Extend the term of the declaration of the existence of a Local Emergency two weeks, to February 16, 2011.** (City Manager)

Jodie Webber. Ms. Webber inquired if there is a list of projects available to review, as submitted to FEMA, and asked if there was a timeline included. City Manager Groves responded that there is a process for submitting damage reports. She added that

FEMA has already reviewed the Norco damage and the next step will be to continue the process and submit the requests to FEMA once we know what qualifies for reimbursement. City Manager Groves stated that FEMA will reimburse up to 75% of the cost for restoration purposes and is limited to public property.

M/S Sullivan/Bash to extend the term of the declaration of the existence of a Local Emergency two weeks, to February 16, 2011. The motion was carried by the following roll call vote:

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

5. CITY COUNCIL PUBLIC HEARING:

- A. City-Initiated Proposal to Amend the Norco Municipal Code Adding Chapter 5.10 Establishing Regulations for Filming Permits (Code Amendment 2011-01)

There are currently no codified regulations governing the filming of motion pictures, television and commercials in the City of Norco. Currently, production companies obtain special event permits for film shoots in the community. The establishment of new film regulations would provide a clear, predictable and equitable permitting process, while creating restrictions that mitigate the impact of filming on streets and neighborhoods.

Recommended Action: Adopt Ordinance No. 930 for first reading.
(Contract Economic Development Specialist)

Economic Development Specialist Grody presented the public hearing item. He noted that this will help create temporary jobs, fill hotels and restaurants, and generate interest in Horsetown USA as a tourist destination.

Council Member Azevedo asked if staff time would be covered through this permit. City Manager Groves responded that if this is approved tonight, there will be permit fee amounts set to pay for the staff services, in addition to the filming permit.

Council Member Newton asked if there are any health standards that would be required for onsite food services. ED Specialist Grody noted that any catering onsite would need to get required permits and inspections.

Mayor Pro Tem Bash commented on the ranches and staging areas in Norco that would be of assistance for filming purposes. He added that he hopes that we can keep our fees down and added that the big draw is commercials.

Council Member Sullivan asked about filming done in the past adjacent to the City. ED Specialist Grody noted that one of the things we anticipate doing is collaborating with the Inland Empire Film Commission and through that, Norco sites can gain greater exposure.

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

Brian Boyd. Mr. Boyd noted that there are persons in the community that are members of the Screen Actors Guild that could assist with these efforts.

Mayor Hanna CLOSED the public hearing.

M/S Sullivan/Bash to adopt Ordinance No. 930 for first reading. The motion was carried by the following roll call vote:

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

6. PUBLIC COMMENTS OR QUESTIONS:

Brian Boyd. Mr. Boyd commented on the events that took place at the last Council Meeting and publically apologized to Mayor Hanna. He commented further on the events that took place after the Council Meeting held on January 19, 2011.

Marla Capps. Ms. Capps commented on her concerns about the frivolous lawsuits that could take place regarding the loss of a horse as a result of the flooding. She noted the great work of the NART and thanked them for their efforts.

Amy Kaleta. Ms. Kaleta noted that she lives on one of the steepest streets in the Norco hills and stated concerns about the drains that are going to be installed, as she does not believe that they will work. She further commented that the builder should be accountable for the expense of putting in the drains, not the homeowners through LMD funds. Ms. Kaleta requested quarterly updates on LMD No. 4 be made available to those property owners.

Katherine Bish. Ms. Bish commented on the River Trails flooding event and requested that a debriefing be presented to the public, as it was a major incident. She further noted that Norco City Council and immediate family members are incompatible to be

included on volunteer rescue units within Norco that interact with Agencies that receive City funds.

Jodie Webber. Ms. Webber commented on the LMD No. 4 Equestrian Trail Drainage Improvements Project included on the January 19, 2011 City Council agenda and noted that the public should be noticed when these LMD issues are on the agendas. She further noted that there should be an open public hearing when direct tax assessments are being discussed and added that she questioned if the purchase and installation of the drains is a proper use of LMD funds. Ms. Webber also requested that LMD No. 4 issues and financial information be provided on a quarterly basis. She noted concerns regarding the electricity for the pumps and added that this was supposed to be discussed with Edison.

Pamela Smith. Ms. Smith reminded everyone of 15th Annual Casino Night to be held on April 9th.

Karen Leonard. Ms. Leonard noted that she has sponsorship applications available for Casino Night and added that pre-sale tickets are for sale at \$10.

Su Bacon. Ms. Bacon noted her support of the NART. She added that it is a difficult thing that happened with the loss of a horse and it is easy to point fingers. Ms. Bacon stated that she is familiar with the chain of command and noted that NART was under the swift water rescue team at the River Trails flooding/rescue event.

Linda Dixon. Ms. Dixon commented on the NART and noted what a great organization they are under the Norco Fire Department. She added that they do not operate as an independent group. She praised Parks, Recreation & Community Services Director Petree for his contributions to the City and noted that she has worked with him many years and he has always been there working extra hours and is a kind and helpful person.

7. OTHER MATTERS – COUNCIL:

Council Member Newton:

- ↓ Asked City Manager Groves about the Volunteer Code Enforcement Program. City Manager Groves noted that the City's Code Compliance Officer, Ken Swank, is coordinating the first round of the Program and 4 individuals have been contacted who have shown interest. She added that the City is looking for 4-6 volunteers to assist with the first noticing for sign enforcement. City Manager Groves stated that there is a volunteer application on the City's web site for any interested persons.
- ↓ Thanked Bill Thompson for his department repairing the trail heads on Vandermolen Drive that were burned. He added that this makes for easier access to the hills.

Mayor Pro Tem Bash:

- ✚ Commented that he was in favor of the Volunteer Program implementation.
- ✚ Thanked Director Petree for his efforts in coordinating the great youth basketball program in the City and also for the improvements to the Animal Control Program.
- ✚ Spoke on the 82nd Anniversary of the opening of the Norconian and presented old photographs of the City and the Norconian Hotel. He further noted that he is encouraged that direction was given from Sacramento to fix the leaky roof on the historic Norconian Hotel.

Council Member Azevedo:

- ✚ Commented on the presentation made by Council Member Bash and complimented him on his efforts to make the Norconian visible.
- ✚ Noted that the 2011 California Preservation Conference will be held in Santa Monica from May 15 – 18 and Council Member Bash will be presenting information on the historic Norconian Hotel at the conference.
- ✚ Stated that she took an active role Monday night by attending a Clean Energy Seminar in Riverside. She shared with the attendees that the City received the grant for the horse manure-to-energy plant and they were all very impressed.
- ✚ Reported that a meeting was held with Congressman Calvert regarding the cleanup efforts in the City resulting from the flooding event.
- ✚ Stated that Senator Emmerson is supporting the efforts of the preservation of the Norconian Hotel.

Council Member Sullivan:

- ✚ Inquired if there has been any headway in requesting the name change for the Navy Base from Corona to Norco. In response, City Manager Groves noted that there are two parties involved on the Base and Seal Beach Naval Weapons Station, as the land owner, has been contacted to change the name from the Corona Detachment to the Norco Detachment. She further noted that the Naval Surface Warfare Center, Corona Division is the name given by the Navy.
- ✚ Thanked Mayor Pro Tem Bash for his preservation efforts on the historic Norconian Hotel. He added that someday, the Norconian will add a great amount of interest and money to the City.
- ✚ Noted that the loss of the horse following the flooding event at River Trails was a tragedy and added that nobody is trying to blame NART. He added that he does not like it that we keep talking about it at Council meetings, noting that the debriefing should take place somewhere else.
- ✚ Commented that he does not have a problem with agendizing LMD No. 4 information every quarter. He further commented on the steps to take if the property owners are unhappy with the way the LMD functions.

Mayor Hanna

- ↓ Commented on the orange fencing on the trail on Crestview to stop people from going into the open space, noting that there is another possible place for the orange fencing on River Drive at Hillside where the trail washes out and is dangerous. Public Works Director Thompson noted that the trail will be closed, as it is maintained by the City.
- ↓ Reminded everyone that the Equine Affaire starts tomorrow, where the City has a booth.
- ↓ Noted that the Norco Winter Rodeo Classic 2011 to be held on February 4th and 5th at the George Ingalls Equestrian Event Center.

8. OTHER MATTERS – STAFF:

City Manager Groves:

- ↓ Noted that the City has had a very active volunteer program for a long time and added that volunteer applications are available on the City's website.
- ↓ Commented on the 3/50 project <http://www.the350project.net/about.html> noting that this project is all about supporting small independent businesses in the community.

Public Works Director Thompson:

- ↓ Stated that everyone can now ride on the west side of the DMV, as the weeds have been removed from the trail.

9. ADJOURNMENT: There being no further business to come before the City Council, Mayor Hanna adjourned the meeting at 8:25 p.m.

BRENDA K. JACOBS, CMC
CITY CLERK

CITY OF NORCO STAFF REPORT

TO: Chairman and Members of the Norco Redevelopment Agency

FROM: Beth Groves, Executive Director 

PREPARED BY: David Gruchow, Urban Futures, Inc.

DATE: February 16, 2011

SUBJECT: Approval of the Redevelopment Agency's 2009/10 through 2013/14 Five-Year Implementation Plan

RECOMMENDATION: Hold a public hearing concerning the Redevelopment Agency's 2010-2014 Five-Year Implementation Plan and adopt **CRA Resolution No. 2011-_____**, approving the 2010-2014 Five-Year Implementation Plan.

SUMMARY: Assembly Bill 1290 (AB 1290), entitled the Community Redevelopment Law Reform Act of 1993, took effect on January 1, 1994, and added Section 33490 to the Health and Safety Code. Section 33490 mandates that each redevelopment agency adopt a five-year implementation plan commencing with the initial plan for projects adopted prior to January 1, 1994; to be adopted that calendar year. The Five-Year Implementation Plan for Fiscal Years 2009-10 through 2013-14 is the fourth Implementation Plan adopted by the Norco Redevelopment Agency.

The 2010-2014 Implementation Plan, prepared pursuant to Community Redevelopment Law ("CRL") Sections 33490(a)(1) and 33413(b)(4), contains the following:

- Agency accomplishments during the Preceding Implementation Plan term;
- Agency goals, objectives, programs, and projects for the next five years;
- Estimated revenue and expenditures to enable implementation of Agency programs and projects;
- An explanation of how the Agency's goals and objectives, programs, and expenditures will eliminate blight within the project areas;
- An Affordable Housing Production Plan that outlines how the Agency will meet its affordable housing obligations pursuant to CRL requirements over the next five years

BACKGROUND/ANALYSIS: This Implementation Plan identifies potential Agency-related redevelopment programs and projects, and housing activities targeting low- and moderate-income households, for Project Area One (the "Project Area") during the five-

year period beginning in fiscal year 2009-10, and ending in fiscal year 2013-14. Implementation Plans are generally intended as policy statements rather than a specific course of action. It identifies priorities for potential programs and projects, and demonstrates how such programs and projects will address essential near-term revitalization objectives for the Project Area. This Implementation Plan is not intended to restrict the Agency to the programs and projects identified in it, since conditions, values, expectations, resources, and the needs of the community may change during the term of the Implementation Plan.

It is important to emphasize that the preparation and adoption of an Implementation Plan does not mean that the Agency must undertake a sudden change in direction, set new goals, or discontinue on-going activities and programs. Accordingly, the emphasis of this Implementation Plan is on maintaining a continuity of actions and consistency with established policies while remaining aware of potential activities that may arise or become feasible during the five-year term of this Implementation Plan.

Community Development

Since adoption of the preceding Implementation Plan, the Agency has engaged in a number of successful projects and programs aimed at economic revitalization, blight reduction, and improving affordable housing. In terms of community development, the Agency's primary emphasis has been on working with the local community to improve commercial and retail opportunities. Examples of these efforts include the Façade Improvement Program, Restaurant Tenant Improvement Program, Old Town banner poles, and the implementation of an aggressive community branding campaign. In addition, the Agency has actively assisted in several commercial projects including the Suzuki Owner Participation Agreement, the Silverlakes Master Plan, the adaptive re-use of Caltrans properties, construction of the Hampton Inn, and the development of industrial/retail projects on Hamner Avenue, Parkridge Avenue, Sixth Street, and the Gateway to Horse Town.

The Agency has also funded several public improvements such as pavement improvements, street lighting, irrigation, traffic signals, Community Center parking, and right-of-way acquisition for future street widenings.

During the five years of the proposed Implementation Plan, the Agency will continue its efforts to revitalize the Norco Auto Mall and promote commercial and community activity. In addition to continuing the Façade Improvement Program and Restaurant Tenant Improvement Program, the Agency will also focus on historic preservation and will work with the Historic Preservation Commission in developing a strategic plan.

In terms of public infrastructure, the Plan envisions the widening of Sixth Street and Hamner Avenue, storm drain improvements on Mountain Avenue, funding for a new Animal Control facility, and various improvements at the Wayne Makin Sports Complex, the Community Center, and Ingalls Park.

Housing Compliance

The Agency has continued to meet the affordable housing requirements provided for under the Community Redevelopment Law. During the preceding Implementation Plan period, the Agency focused on providing financial assistance to qualified individuals and families for home improvement and/or repair, first-time homebuyers, sewer hookups, infill home acquisition, and utility bill subsidies. Funding for these programs is proposed to continue during the five years of the proposed Implementation Plan.

Because the Agency's Project Area was created after January 1, 1976, it must comply with the inclusionary housing requirements contained in CRL Sections 33413 et. seq. Based on an assessment of the Agency's housing production efforts, the previous Implementation Plan period ended with a total of 147 housing units provided against an inclusionary housing obligation of 128 units, leaving a surplus of 19 units. It is anticipated that construction activity in the Project Area during the next five-year period will result in an additional inclusionary obligation of 24 units. With the Agency's 19-unit surplus, plus credit it receives for 12 affordability covenants acquired from the Heritage Park senior project, it is projected that the Agency will end the 2010-2014 Implementation Plan period with a surplus of 7 units against its inclusionary housing requirement.

Revenues and Expenditures

Although the Agency is continuing to implement its community development and economic development goals, the success of its programs and projects is largely dependent upon the strength of the national, state, and regional economies. Tax increment revenue in the Project Area is projected to remain flat for fiscal years 2010-11 and 2011-12 with minimal growth (1% to 2%) in the following fiscal years.

In July 2009, the State legislature again voted to balance the State budget with the taking of redevelopment funds. The adopted State budget added a Supplemental Educational Revenue Augmentation Fund (SERAF) payment of \$1.7 billion statewide in 2009-10 and re-instated the \$350 million for payment in 2010-11. The first of the SERAF takings occurred last May with the Norco Redevelopment Agency paying \$4.9 million (\$3 million of which was a loan from the Agency's LMI Housing Fund). Norco's 2010-11 payment of \$1 million is due by May 10, 2011 with one-half being loaned again from the LMI Housing Fund.

Based on current projections of tax increment revenues and budgeted expenses, the Norco Redevelopment Project Area will continue to experience positive fund balances through fiscal year 2013-14. However, these balances will be reduced by annual shortfalls of expenditures over revenues. The anticipated balance at June 30, 2014 is \$82,753. The Agency's SERAF obligation is a major cause of this diminishing balance.

The \$82,753 closing fund balance projected for the end of the Implementation Plan period indicates that the Agency will likely experience a significant shortfall during the first year of the next Implementation Plan period (fiscal year 2014-15). The cash flow issues to be addressed at that point will be exacerbated by the required \$3 million repayment of the 2009-10 SERAF loan from the LMI Housing Fund.

Proposed State Budget for 2011-12

As part of its 2011-12 budget proposal, the Governor has proposed permanently shutting down local redevelopment agencies in order to utilize tax increment revenue to help balance the State's budget. While the Governor's initial proposal and subsequent statewide speculation has caused many agencies to seek ways to protect their tax increment revenues, the absence of any final, definitive legislation makes it very difficult to gauge the actual ramifications on the Norco Redevelopment Agency. Consequently, this proposed Implementation Plan has been created under the provisions of the current CRL. Obviously, if any attempt to eliminate redevelopment is successful, this Plan will likely be rendered moot.

FINANCIAL IMPACT: The adoption of CRA Resolution No. 2011-_____ will not, in and of itself, have any financial impact on the Agency. The funding of redevelopment programs and projects envisioned by this Implementation Plan will be subject to the Agency's and City Council's future budgetary discretion.

Attachments: CRA Resolution No. 2011-_____
2009/10 through 2013/14 Five-Year Implementation Plan

/rg-77730

CRA RESOLUTION NO. 2011-_____

A RESOLUTION OF THE NORCO REDEVELOPMENT AGENCY ADOPTING THE FIVE YEAR IMPLEMENTATION PLAN FOR FISCAL YEARS 2009-10 THROUGH 2013-14 FOR NORCO REDEVELOPMENT PROJECT AREA

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, Section 33490 of the Health and Safety Code (California Community Redevelopment Law) requires the Agency to adopt an Implementation Plan containing specific goals and objectives of the Agency, and the specific programs and expenditures proposed to be made during the next five years; and

WHEREAS, subdivision (4)(c) of Section 33490 of the Health and Safety Code requires the Agency to conduct a public hearing and hear testimony of all interested parties for the purpose of reviewing the Redevelopment Plan and corresponding Implementation Plan for each redevelopment project area within the jurisdiction and evaluating the progress of the redevelopment project; and

WHEREAS, the public hearing notices required by Section 33490, Subsection (d) of California Health and Safety Code, and pursuant to Section 6063 of the Government Code were posted in at least four permanent places within the project area for a period of three weeks and published for a period of three weeks in the Press-Enterprise; and,

WHEREAS, on February 16, 2011, the Norco Redevelopment Agency conducted and concluded the above referenced public hearing; and

WHEREAS, pursuant to Health and Safety Code Section 33490 (a) (1) (B) the adoption of the implementation plan shall not constitute a project within the meaning of Public Resources Code Section 21000; and

WHEREAS, all legal prerequisites to the adoption of the Resolution have occurred.

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

SECTION 1: This Agency hereby specifically finds all of the facts stated in the Recitals above to be true and correct.

SECTION 2: Pursuant to California Health and Safety Code Section 33490, the Agency has conducted a public hearing and has reviewed and approved the "Norco Redevelopment Agency Five-Year Implementation Plan 2009/10 Through 2013/14" dated February 16, 2011 attached hereto as Exhibit "A" and incorporated herein by this reference as the Implementation Plan for the Norco Redevelopment Project Area as maybe modified pursuant to direction received from the Agency following the public hearing.

SECTION 3: The Secretary of the Agency shall certify to the adoption of this Resolution.

PASSED AND ADOPTED by the Norco Redevelopment Agency at a regular meeting held on February 16, 2011.

Chairman
Norco Redevelopment Agency

ATTEST:

Secretary, Norco Redevelopment Agency

I, BRENDA K. 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 February 16, 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 February 16, 2011.

Secretary, Norco Redevelopment Agency

/rg-77729



FIVE YEAR IMPLEMENTATION PLAN 2009-10 THROUGH 2013-14

REDEVELOPMENT AGENCY OF THE CITY OF NORCO



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**FIVE YEAR
IMPLEMENTATION PLAN
FISCAL YEAR 2010 THROUGH 2014
and
CCRL SECTION 33413(b) (4) HOUSING COMPLIANCE PLAN**

NORCO REDEVELOPMENT PROJECT AREA

Prepared for the



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In Cooperation with the:
City of Norco Redevelopment Agency

February 16, 2010



Five Year Implementation Plan FY 2010 through FY 2014 for the Norco Redevelopment Project Area Number One

CITY COUNCIL/ REDEVELOPMENT AGENCY BOARD MEMBERS

Berwin Hanna, *Mayor/Chairman*
Kevin Bash, *Mayor Pro Tem/Vice Chairman*
Kathy Azevedo, *Council Member/Agency Member*
Greg Newton, *Council Member/Agency Member*
Harvey Sullivan, *Council Member/Agency Member*

CITY/REDEVELOPMENT AGENCY STAFF

Beth Groves, *City Manager/Executive Director*
Andy Okoro, *Finance Director/Deputy City Manager*
Steve King, *Planning Director*
John Harper, *City Attorney*
Roger Grody, *Economic Development Specialist*
Deborah DeGrado, *Housing Manager*



Five Year Implementation Plan FY 2010 through FY 2014 for the Norco Redevelopment Project Area Number One

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PREFACE

This Five-Year Implementation Plan (this "Implementation Plan") was prepared by the Redevelopment Agency of the City of Norco (the "Agency") pursuant to Section 33490 et seq. of California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.; the "CCRL").

This Implementation Plan identifies potential Agency-related redevelopment programs and projects, and housing activities targeting low and moderate income households, for the Norco Redevelopment Project Area (the "Project," or the "Project Area," as appropriate) during the five-year period beginning in fiscal year 2009-10, and ending in fiscal year 2014-15.

This Implementation Plan is generally intended as a policy statement rather than a specific course of action. It identifies priorities for potential programs and projects, and demonstrates how such programs and projects will address essential near-term revitalization objectives for the Project Area. This Implementation Plan is not intended to restrict the Agency to the programs and projects identified herein, since conditions, values, expectations, resources, and the needs of the community may change during the term of this Implementation Plan.

It is important to emphasize that the Agency is a mature agency with many years of experience in implementing a broad range of redevelopment activities and programs. The preparation and adoption of an updated Implementation Plan does not mean that the Agency must undertake a sudden change in direction, set new goals, or discontinue on-going activities and programs. Accordingly, the emphasis of this Implementation Plan is on maintaining a continuity of actions and consistency with established policies while remaining cognizant of potential activities that may arise or become feasible during the five-year term of this Implementation Plan.

The Implementation Plan is presented in five sections plus an Executive Summary:

Executive Summary: This section summarizes the data analysis, findings and recommendations contained in the Implementation Plan.

- 1.0 Introduction:** This section includes definitions of the terms used in the Implementation Plan, an overview of redevelopment law as it applies to the Implementation Plan, the public participation process, and project area locations, boundaries, and maps.
- 2.0 Review of Agency Activities:** This section presents an historic overview of plan adoptions and chronology, a discussion of recent CCRL legislation and the Agency's compliance, and a summary of historic goals, objectives, and accomplishments.
- 3.0 Community Development Implementation Program:** This section discusses the Agency's plan to eliminate blight in the project area, presents the goals and objectives nexus to blight elimination, and projects revenues and expenditures for the Agency's community development program.
- 4.0 Housing Compliance Plan and Implementation Program:** This section demonstrates the Agency's compliance with inclusionary housing requirements and presents the housing programs and projects that the Agency anticipates

implementing over the next five years in the project area in correlation to projected revenues and expenditures.

- 5.0 *Plan Administration:*** This section describes the Implementation Plan process including a general description of financial resources that will be used to fund the housing and non-housing activities over the term of the Implementation Plan. This section also includes recommendations for future Agency action.

EXECUTIVE SUMMARY

Introduction

Assembly Bill 1290 (AB 1290), entitled the Community Redevelopment Law Reform Act of 1993, took effect on January 1, 1994, and added CCRL Section 33490 to the Health and Safety Code. Section 33490 mandates that each redevelopment agency adopt a five-year implementation plan commencing with the initial plan for projects adopted prior to January 1, 1994; to be adopted that calendar year. CCRL Section 33490(b) allows one implementation plan for more than one project area. The Agency adopted its first Implementation Plan on December 7, 1994 and its second implementation plan on December 15, 1999. The Preceding Implementation Plan was adopted on December 21, 2005 and updated in June 2009. For data collection purposes, this fourth Implementation Plan covers the period July 1, 2009 through June 30, 2014.

The 2010-2014 Implementation Plan, prepared pursuant to CCRL Sections 33490(a)(1) and 33413(b)(4), contains the following:

- Agency accomplishments during the Preceding Implementation Plan term;
- Agency goals, objectives, programs, and projects for the next five years;
- Estimated revenue and expenditures to enable implementation of Agency programs and projects;
- An explanation of how the Agency's goals and objectives, programs, and expenditures will eliminate blight within the project area;
- An Affordable Housing Production Plan that outlines how the Agency will meet its affordable housing obligations pursuant to CCRL requirements over the next five years; and
- An estimate of the number of units to be provided over the next five and ten years to meet the Agency's 15% inclusionary housing requirements.

Agency's Community Development Accomplishments

Since adoption of the Redevelopment Plan, the Agency has, both unilaterally and through participation in joint public/private partnerships, facilitated a number of successful projects and programs aimed at economic revitalization, blight reduction, and affordable housing production. Key accomplishments during the Preceding Implementation Plan period include:

Financial/Administrative

- **Plan Amendments:** The Agency adopted redevelopment plan amendments and ordinances for the Project Area in 2007-08 which extended plan effectiveness dates, extended dates for receiving tax increment and repaying debt, and eliminated the time limits for incurring debt.

Economic Development

- **Industrial/Commercial:** Assisted in the development of several commercial and industrial projects including the Gateway to Horsetown Center, Parkridge Avenue, Norco Country Center, Hampton Inn, the office/retail complex at 2641 Hamner, and the completion of Lonesome Dove.
- **Business Development:** Assisted in the planning and promoting of existing and future business ventures such as the Citywide branding Program, Silverlakes Master Plan, Neil Snipes Park, and the reuse of certain Caltrans properties.
- **Façade Improvement:** Continued emphasis on improving commercial and retail building façades with significant projects at Ken's Sporting Goods and Stater Brothers.
- **Auto Mall:** Assisted in the development and retention of the Mitsubishi, Suzuki and Dodge/Mazda sites.

Public Improvements/Infrastructure

- **Traffic Signals:** New traffic signal improvements at Hamner/Four Wheel (Auto Mall), Chaparral Center, and River Road/Second Street.
- **Old Town Improvements:** Street and roadway improvements including street lighting, pavement, irrigation, banner poles, etc. in the Old Town.
- **Right-of-Way:** Acquired right-of-way for street widening on Second Street and Hamner Avenue.
- **Other Infrastructure:** Street improvements at Sixth Street/Hamner and expansion of the Community Center parking lot.

Agency Blight Elimination

The success of Agency programs and projects during the Implementation Plan term are largely dependent on the strength of the national, state, and regional economies. Tax increment revenue is estimated for purposes of this report as flat or modest growth rates. Additionally, the state of California has once again sought to balance its budget by taking local redevelopment funds. The first of two new Supplemental Educational Revenue Augmentation Fund (SERAF) takings occurred last May with the Norco Redevelopment Agency utilizing \$1.9 million from its General Redevelopment Fund and a \$3 million loan from its LMI Housing Fund (\$4.9 million total). Norco's 2010-11 payment of \$1 million is due by May 10, 2011 with one-half being proposed as a loan from the LMI Housing Fund.

The Agency's 2010-2014 Community Development Program to eliminate blight includes:

- Support for private sector development projects that leverage new industrial and commercial development leading to an increase in local employment;
- Implementation of economic development programs such as marketing, business retention, façade improvement, and professional assistance;
- Implementation of business retention and recruitment programs that promote new and expanded commercial and industrial growth;

- Through the leveraged use of fiscal resources, coordination of improvements to public infrastructure including streets, traffic signals, water, sewer, and storm drains;
- Consideration of development site incentives such as land acquisition, off-site improvements, and improvement assistance; and
- Pursuit of collaborative economic development partnerships with other public and private entities.

Anticipated projects during the next five years include the continuation of the Façade Improvement Program, an historic resources survey and the development of an Historic Preservation Strategic Plan, the development of a strategic marketing plan to promote Hamner Avenue and Sixth Street, miscellaneous land acquisition and assemblage to support new commercial and industrial development, additional street improvements and widening along Hamner Avenue and Sixth Street, storm drain improvements on Mountain Avenue, and funding for new/enhanced public facilities (Animal Control Facility, Wayne Makin Sports Complex, Ingalls Park, Community Center).

Agency's Housing Compliance Programs

The Agency has been very diligent in meeting both its inclusionary housing requirements and its regional housing allocation. Key components of the Agency's Housing Compliance Program include:

- **Emergency Grant Program** Emergency Grants are available to income-qualified applicants for specific emergency repairs.
- **Home Improvement Grant Program** Home Improvement Grants are available to income-qualified homeowners over age 62 for exterior and/or interior repairs and improvements costing up to \$10,000, or to income-qualified homeowners where the head of household or spouse is disabled.
- **Deferred Loan Program** The Deferred Loan Program is designed for exterior/interior repairs, and improvements that will cost more than the \$10,000 offered through the Home Improvement Grant. To qualify for Home Improvement Programs, applicants must fall within the moderate-income level established for the County of Riverside.
- **First Time Home Buyer Program** This down-payment assistance program is available to eligible moderate-income families or individuals seeking to purchase a home in Norco.
- **Infill Program** This assistance program is available to income-eligible families or individuals that qualify to purchase homes that are owned by the Redevelopment Agency. Homes are usually on lots of less than one-half acre and may be manufactured houses.
- **Sewer Loan Program** The Agency offers loans at either 3% or 5% interest (depending on income) to assist with the cost to install a lateral hook-up into the City's main sewer system.
- **SWAT (Sewer, Water and Trash Discount) Program** Income eligible seniors 62 or older and disabled individuals may receive assistance to reduce their monthly utility bills.

Conclusions and Recommendations

To date, the Agency has pursued a number of housing and non-housing programs to achieve its goal of eliminating blight and promoting economic growth. However, the generally negative economic climate in the state of California has affected the Agency's revenue stream through reductions in tax increment growth which has further affected its ability to manage its resources. In addition, the Agency's \$4.9 million SERAF obligation has added to its cash flow difficulties. Based on the projections of anticipated tax increment revenue and Agency expenses through the end of fiscal year 2013-14, the general Redevelopment Fund will end the five-year planning period covered by this Implementation Plan with a balance of just \$82,753.

The Agency is projected to experience positive fund balances in its LMI Housing Fund during the next five years. Through its previous housing programs and projects, the Agency has been successful in meeting its inclusionary housing obligation in the Project Area. The Agency is projected to begin the 2010-14 planning period with an overall surplus of 19 inclusionary housing units which is made up of a 92-unit surplus of very-low units against a deficit of 73 low/moderate income units. The 158 new housing units that are anticipated to be built in the Project Areas during the next Implementation Plan period will generate an additional inclusionary housing obligation of 24 affordable units which are already accounted for by the Agency's surplus.

Recommended actions:

1. Continue to assess Agency tax increment receipts and expenditures to maintain adequate annual cash flows.
2. Utilize \$500,000 from the Agency's LMI Housing Fund to help meet the \$1 million SERAF payment for fiscal year 2010-11.
3. To the extent that Project Area tax increment revenues increase beyond the levels projected in this Five-Year Implementation Plan, consider prefunding a portion of the payback of the loans from the LMI Housing Fund for the 2009-10 and 2010-11 SERAF payments.
4. Assess the Administrative Charges to the general Redevelopment Fund to ascertain potential for reallocating a greater share to the LMI Housing Fund.
5. Defer a portion of the budgeted 2010-11 Capital Improvement Program expenditures to fiscal years 2011-12 and 2013-14 to improve cash flow.
6. Monitor all previous bond issues to take advantage of opportunities to lower costs through refinancing and consolidation.

1.0 INTRODUCTION

1.1 DEFINITIONS

The following **bold** terms shall have the following meanings unless the context in which they are used clearly requires otherwise:

"Agency" means the Norco Redevelopment Agency.

"Agency Board" means the Board of Directors of the Agency. The members of the Agency Board are also the members of the City Council.

"CCRL" means the California Community Redevelopment Law, Section 33000 et seq. of the Health and Safety Code as currently drafted or as it may be amended from time to time.

"City" means the City of Norco.

"ERAF" means the Educational Revenue Augmentation Fund, which is the state property tax allocation system that shifts property taxes from local governments to local education agencies.

"HCD" means the Housing and Community Development Department of the State of California. HCD monitors the Agency's Housing Compliance Plan and LMI fund expenditures for compliance with State redevelopment law.

"Implementation Plan" means this 2010-14 Implementation Plan for the Norco Redevelopment Project covering the time period of July 1, 2009 through June 30, 2014.

"LMI Housing Fund" means the Low and Moderate Income Fund of the Agency established pursuant to CCRL Section 33334.3 as it presently exists and as it may be increased or decreased by future Agency actions.

"Preceding Implementation Plan" means the 2005-09 Implementation Plan covering the period July 1, 2005 through June 30, 2009.

"SERAF" means the two-year, \$5.9 million Supplemental Educational Revenue Augmentation Fund payment for fiscal years 2009-10 and 2010-11 which was authorized by the state of California in order to help balance the state budget.

"Tax Increment" means the funds allocated to the Agency from the Project Area pursuant to CCRL Section 33670.

"Norco Redevelopment Project Area One" means the areas included within the boundaries of the Redevelopment Project, as amended.

"UFI" means Urban Futures, Inc., redevelopment consultants, retained by the Agency to assist it in the development and adoption of the Implementation Plan.

1.2 OVERVIEW OF REDEVELOPMENT LAW AS IT APPLIES TO THE IMPLEMENTATION PLAN

On February 2, 1980, the City Council of the City of Norco established the Norco Redevelopment Agency pursuant to Ordinance 434. The original 290-acre Project Area was adopted on July 15, 1981 and has been amended five times. The 1983 amendment added 5,400 acres to the project and the 1993 amendment added 13 acres. Some 720 acres were removed from the project in the 1985 amendment. The Project Area currently encompasses approximately 4,991 acres, or roughly 55% of the City.

On January 1, 1994, Assembly Bill 1290 (AB 1290), entitled the Community Redevelopment Law Reform Act of 1993, took effect and added CCRL Section 33490 to the Health and Safety Code. Section 33490 mandates that each agency adopt a five-year implementation plan commencing with the initial plan for projects adopted prior to January 1, 1994 to be adopted that calendar year. The Agency adopted its first Implementation Plan on December 7, 1994 and its second Implementation Plan on December 15, 1999. The Preceding Implementation Plan was adopted on December 21, 2005 and updated in June 2009. For data collection purposes, this fourth Implementation Plan covers the period July 1, 2009 through June 30, 2014.

CCRL Section 33490, among other things, requires an implementation plan to contain:

- Specific goals and objectives of the Agency for the project area(s) for the next five years;
- Specific programs, including potential projects, and estimated expenditures proposed to be made during the next five years;
- An explanation of how the goals and objectives, programs, and expenditures will eliminate blight within the project area(s);
- An explanation on how the Agency's goals, objectives and expenditures will implement its affordable housing obligations pursuant to CCRL requirements over the next five years;
- An explanation of how the LMI Housing Fund will be used annually over the term of the implementation plan, along with the amounts now available in the LMI Housing Fund, and projected deposits thereto. Also included shall be estimates of the number of units to be assisted in each of the five years;
- An estimate of the number of units to be provided over the next five and ten years to meet the Agency's 15% inclusionary housing requirements, if applicable;
- An estimate of the number of units to be provided at the end of the Plan's effectiveness to meet the Agency's inclusionary housing requirements, if applicable;
- The number of qualifying very-low, low, and moderate income units that have been produced in the project area or outside the project area and

the number of additional units that will be required to meet the inclusionary housing requirements;

- The number of units that will be developed by the Agency, if any, including the number of units that will be available for very-low, low, and moderate income households; and
- The Project Area Affordable Housing Production Plan required by Health & Safety Code Section 33413 (b) (4).

Under current law, agencies that administer redevelopment project areas or portions of project areas established on or after January 1, 1976, have an obligation to ensure that specified percentages of new or substantially rehabilitated housing are available at affordable cost to very-low, low, and moderate income households. In addition, under Section 33413.5 of the CCRL, whenever dwelling units housing persons of very-low, low or moderate incomes are destroyed or removed from the affordable housing inventory as part of a redevelopment project, the Agency is required to replace those units with an equal number of units within four years after the units were removed. The replacement dwelling units must have an equal or greater number of bedrooms as those units destroyed or removed and all must be affordable to very-low, low or moderate income households. In the event that suitable land cannot be found within a project area to build the replacement housing, the CCRL permits an Agency to count affordable housing units outside a project area towards the Agency's requirements on a two-for-one basis; that is, two affordable housing units will count the same towards the Agency's inclusionary housing requirements as one unit created inside the project area. Affordable housing developed outside of a project area can be of direct benefit to the redevelopment projects by accomplishing project objectives regarding affordable housing thus redevelopment agencies adopt findings at the time of plan adoption that create this nexus for future implementation.

Implementation Plans also address a number of financial issues as they apply to affordable housing per Section 33334 of the CCRL. Of particular importance in regards to the Implementation Plan are the following:

- Section 33334.2: establishes Agency obligation to use 20% of its tax increment revenue to increase, improve and preserve the community's supply of very-low, low, and moderate income housing.
- Section 33334.4: provides that the amount of money that can be spent from the Agency's twenty percent tax increment set-aside for senior housing is limited to the same proportion that low income senior households bear to the number of low income households in the City of Norco.
- Section 33334.6: sets forth various requirements for management of the Low and Moderate Income (LMI) Housing Fund.

The financial section of the Plan must address the amount available in the LMI Housing Fund and the estimated amounts which will be deposited into the LMI Housing Fund during each of the next five years as well as estimates of the expenditures of monies from the LMI Housing Fund during each of the five years.

Historic information contained in this Implementation Plan (including data for the first year of this Plan, fiscal year 2009-10) is based on a review of Agency reports and budgets, the Preceding Implementation Plan, the Mid-term Update approved by the Agency in June 2009, and discussions with Agency staff. Information for fiscal year 2010-11 is based on the Agency's budget. Projections for fiscal years 2011-12, 2012-13, and 2013-14 are based upon discussions with Agency staff and UFI 's calculations and projections.

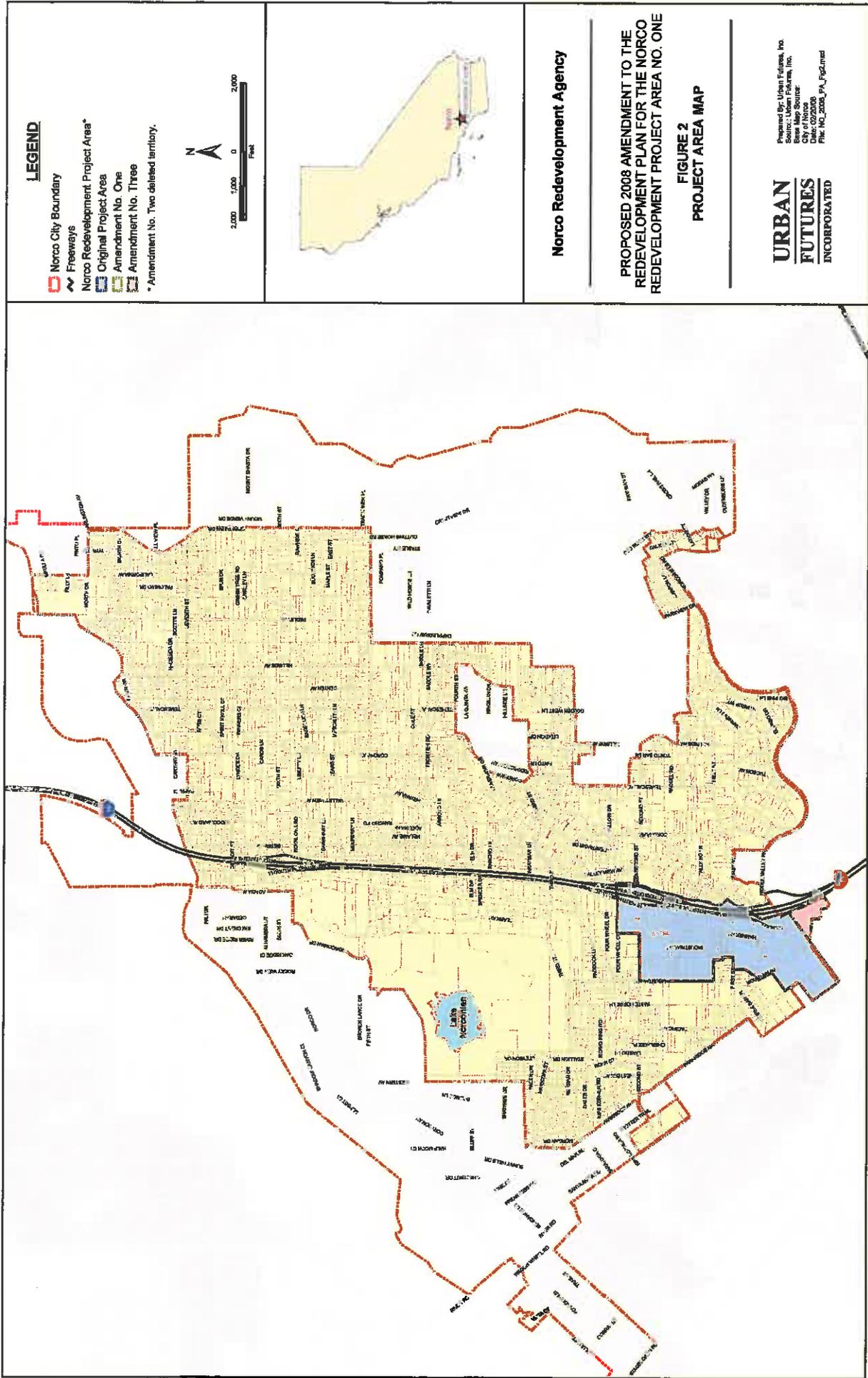
1.3 PUBLIC PARTICIPATION IN THE IMPLEMENTATION PLAN PROCESS

Pursuant to CCRL Section 33490, the adoption of an Implementation Plan must be preceded by a duly noticed public hearing. Notice of the public hearing was published in the local paper with a minimum three week notice and posted in four places in the Project Area not less than ten days prior to the public hearing.

In addition, CCRL Section 33490 (c) states that between two and three years after adoption of an implementation plan, an Agency must conduct a public hearing to review the redevelopment plan and implementation plan. The purpose of the mid-term review is to assess the extent to which an Agency's actual activities conform to the activities described in the preceding implementation plan. Therefore, the Agency will need to conduct a mid-term review of this Implementation Plan during 2011 or 2012.

1.4 PROJECT AREAS LOCATIONS AND BOUNDARIES

The location and boundaries of the Norco Redevelopment Project Area One is shown in Figure 1.





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2.0 REVIEW OF AGENCY ACTIVITIES

2.1 HISTORICAL OVERVIEW

The City of Norco established its Redevelopment Agency for the primary purpose of eliminating blight and stimulating the City's economic base. Establishment of a redevelopment plan authorizes the collection of tax increment funds for the purpose of financing programs that eliminate physical blight and to establish a Low- and Moderate-Income Housing Fund that finances affordable housing production. Table 1 shows the history of the Agency, the Plans (along with those amendments where territory was added), and certain time limits associated with the Plans.

Table 1 Norco Redevelopment Agency Plan Chronology			
	Original Project Area One (See Notes 1, 2, 3)	1983 Amend. 1 Area (See Notes 1, 2, 3)	1993 Amend. 3 Area (See Notes 1, 3)
Plan Adoption			
Date of Adoption	7/15/1981	11/16/1983	12/1/1993
Ordinance Number	458	502	683
Number of Years Plan is Effective	33	33	31
Project Area Size (Acres)	290	5,400	13
Time Limits			
For Commencement of Eminent Domain	Expired		
For Incurring Debt	Eliminated		
For Effectiveness of Plan	7/15/2024	11/16/2026	12/1/2034
For Repayment of Indebtedness	7/15/2034	11/16/2036	12/1/2044
Financial Limits			
Maximum Lifetime Tax Increment	Combined \$750,000,000		
Maximum Bonded Debt	Combined \$375,000,000		
(1) Plan effectiveness and time limit for repaying debt extended by one year per Ord. 841 on Feb. 2, 2006 (SB 1045)			
(2) Plan effectiveness and time limit for repaying debt extended by two years per Ord. 921 on April 7, 2010 (SB 1096)			
(3) Limits on incurring debt eliminated per Ordinance 827 on October 20, 2004 (SB 211)			

2.2 STATE LEGISLATION

Subsequent to the preparation of the Preceding Implementation Plan cycle (i.e., 2005-09), several legislative measures affecting redevelopment plans were enacted. These new laws are briefly described below.

REQUIRED ACTION:

SB 53 - Senate Bill 53 requires all redevelopment agencies with a redevelopment plan adopted prior to December 31, 2006 to adopt an ordinance setting forth the agency's authority to use eminent domain and its program for eminent domain activities, even if it no longer has the authority under its redevelopment plan.

Status of Agency Compliance: The Agency complied with SB 53 with the adoption of its eminent domain ordinance on June 6, 2001.

SB 1809 - Senate Bill 1809 requires that all new and existing redevelopment plans authorize the agency to acquire property by eminent domain to record a statement with the county recorder which contains the following:

- The project area description; and
- A prominent heading in boldface type noting that the property that is the subject of the statement is located within a redevelopment project area; and
- A general description of the provisions of the redevelopment plan that authorize the use of eminent domain by the agency; and
- A general description of any limitation on the use of eminent domain contained in the redevelopment plan and the time limit required by CCRL Section 33333.2.

Status of Agency Compliance: Since Agency does not have eminent domain authority, staff is researching compliance.

AB 987 - Assembly Bill 987 requires all redevelopment agencies to create, maintain, and make available to the public on the Internet an affordable housing database that describes existing and substantially rehabilitated housing units that were developed or otherwise assisted with Low and Moderate Income Housing Funds including inclusionary and replacement housing units. The database must be updated annually and include the following data:

1. The address and parcel number of the property;
2. The number of units with number of bedrooms per unit;
3. The year of construction completion;
4. The date the affordability covenant or restriction was recorded;
5. The document number of the recording;
6. The expiration date of the covenant or restriction; and
7. The date and document number of any covenants or notices that may be recorded when an ownership unit is sold.

Status of Agency Compliance: The Agency has complied with AB 987.

AB 1389 - Assembly Bill 1389 requires all redevelopment agencies to submit to the county auditor on or before October 1, 2008, the statutory pass-through payments made by the agency pursuant to Health and Safety Code sections 33607.5 through 33607.7 between July 1, 2003 and June 30, 2008. If concurrence is not achieved between the agency and the county auditor by February 9, 2009 on the amounts that are owed to local educational agencies, the agency may, after a specified procedure, be subject to severe restrictions on its activities, including a prohibition on encumbering funds, incurring new debt, adding or expanding a project area, or be required to reduce its monthly administrative costs.

Status of Agency Compliance: The Agency has complied with the provisions of AB 1389.

DISCRETIONARY OPPORTUNITIES:

SB 211 - Senate Bill 211 states that redevelopment agencies may repeal the timeline for incurring debt on redevelopment plans adopted prior to January 1, 1994 without complying with normal amendment procedures. It also allows for the extension of the time limits for plan expiration and for receiving tax increment revenues up to ten (10) additional years if the agency can make the following findings:

1. Significant blight remains;
2. The local Housing Element is certified;
3. There are no major redevelopment violations; and
4. The agency is not in a state of "Excess Surplus" with its LMI Housing fund.

Agencies that choose to adopt a ordinance authorizing the SB 211 provisions, would also be required to pay statutory pass-through payments to all affected tax entities that that currently do not have contractual fiscal agreements.

Status of Agency Compliance: The Agency repealed the time limits for incurring debt with the adoption of Ordinance 827 on October 20, 2004.

SB 1045 - Senate Bill 1045 authorizes redevelopment agencies that made ERAF payments in fiscal year 2003-2004 to recover the ERAF payments by amending their redevelopment plans by ordinance to extend the time of effectiveness of the plan and the agency's ability to collect tax increment by one (1) year. Modifications to statutory pass-through payments are not triggered by the bill.

Status of Agency Compliance: The Agency extended its plan effectiveness dates with the adoption of Ordinance 841 on January 1, 2006 for the Original Norco project Area One and the two Amendment Areas.

SB 1096 - Senate Bill 1096 required every redevelopment agency to make an ERAF payment to the county auditor for two (2) consecutive fiscal years, 2004-2005 and 2005-2006. Recognizing that ERAF payments are a financial burden on redevelopment agencies, SB 1096 authorizes agencies to recover the ERAF payments by amending their redevelopment plans by ordinance to extend the time of effectiveness of the plan by one (1) year for each year of the ERAF payments. The extension can be made if the

existing time limit has no more than ten (10) years remaining with no other requirements, or if the existing time limit is between ten (10) years and twenty (20) years provided that the agency can make the following findings:

1. Agency is in compliance with Housing Fund requirements;
2. Agency has an adopted Implementation Plan;
3. Agency is in compliance with applicable replacement housing production requirements; and
4. Agency is not subject to sanctions for LMI Housing Fund excess surplus.

Status of Agency Compliance: The Agency extended its plan effectiveness dates with the adoption of Ordinance 921 on April 7, 2010 for the Original Norco Project Area One and the First Amendment Area.

2.3 GOALS AND OBJECTIVES NEXUS TO BLIGHT ELIMINATION

CCRL Section 33490(a)(1)(A) requires that each implementation plan contain an "...explanation of how the goals and objectives...will eliminate blight within the project area...". Although the current definition of blight for consistency with state law has changed since the preparation of the Preceding Implementation Plan, the physical and economic conditions addressed by the previous plan remain accurate (see Table 2).

Table 2 Statutory Blight Definition	
Physical Blight: CCRL Section 33031(a)	
•	Unsafe buildings
•	Sub-standard, defective or obsolete design or construction
•	Incompatible land uses
•	Irregular and inadequate lots under multiple ownership
Economic Blight: CCRL Section 33031(b)	
•	Depreciated or stagnant property values
•	Abnormally high business vacancies, low lease rates, or high number of abandoned buildings
•	Serious lack of commercial facilities
•	Serious residential overcrowding
•	High crime rate
Public Infrastructure: CCRL 33030(C)	
•	Inadequate public improvements
•	Inadequate water or sewer facilities

2.4 SUMMARY OF HISTORIC IMPLEMENTATION PLAN GOALS AND OBJECTIVES

Redevelopment plans are long-term documents and, accordingly, include generalized goals and objectives over the term of their effectiveness. The purpose and objective of the Norco Redevelopment Plan and the Amendments was to reverse conditions of blight and economic decline in the Project Area.

As described above, implementation plans span a period of five years; consequently, the goals and objectives set forth in these "short-term" implementation plans are more specific and are intended to be modified over time as they are met and/or events require their modification. The goals contained in the Preceding Implementation Plan are as follows:

2.4.1 2005-09 Implementation Plan Goals

In order to address and mitigate blight conditions in the Project Area, the Preceding Implementation Plan included three key goals along with specific objectives:

Goal 1: Encourage Economic Development

- Objectives:
- 1.1 Land acquisition for lot assemblage and widening of Hamner Avenue
 - 1.2 Various development incentives for future enterprises
 - 1.3 Relocation assistance as needed for local businesses and residents
 - 1.4 Banner and pole improvements along Sixth Street
 - 1.5 Improvements to the Sixth Street irrigation system
 - 1.6 Commercial façade improvements
 - 1.7 Replacement assistance for non-conforming signs

Goal 2 A: Improve Public Infrastructure (Circulation)

- Objectives:
- 2.1 Valley View Avenue right-of-way acquisition
 - 2.2 Second Street right-of-way acquisition
 - 2.3 Participation in Hamner Avenue widening
 - 2.4 Assistance with improvements to Mountain Avenue between First and Second Streets

Goal 2 B: Improve Public Infrastructure (Public Facilities)

- Objectives:
- 2.5 Financial assistance for improvements to Ingalls Park
 - 2.6 Capital facilities assistance for the animal control facility

Goal 3: Provide for Quality Housing in the Community

- Objective:
- 3.1 Affordable housing programs planning and implementation to increase, preserve and improve the community's housing supply.

2.5 DESCRIPTION OF HOW THE AGENCY HAS IMPLEMENTED THE GOALS OF THE PRECEDING IMPLEMENTATION PLAN

To accomplish its goals, the Agency has worked diligently with community leaders, private sector businesses, and other governmental agencies. The economic downturn that began in late 2006 negatively impacted the Agency's ability to execute its economic

development program. Nonetheless, the Agency continued to actively promote its economic development programs.

Key achievements during the Preceding Implementation Plan time period (2005-2009) are highlighted in Table 3. This table also illustrates how the various programs and activities relate to the Agency's stated goals and how they address the conditions of blight in the Project Area as defined by statute (i.e., physical blight, economic blight, and lack of capital improvements/public infrastructure).

Table 3 Achievement of Agency Goals and Objectives (2005 – 2009)		
GOAL SATISFACTION a – Economic Development b – Infrastructure/Public Improvements	BLIGHT CONDITIONS ADDRESSED A – Physical Blight B – Economic Blight C – Public Infrastructure	
Programs/Projects	Goal Satisfaction	Blight Condition
Funded Western style street lights for "Old Town" Norco & installed pavers in the horse trails to cover excavated driveways in "Old Town" on Sixth Street	b	C
Funded new irrigation system for "Old Town" Norco	b	C
Designed new traffic signal at Hamner Ave. & Four Wheel Dr. in the Norco Auto Mall	b	C
Constructed traffic signals at Chaparral Center and Fifth St./Hamner Avenue	b	C
Installed Banner poles in "Old Town" Norco	b	C
Implemented "branding" campaign for Norco's Economic Development program including development of a marketing brochure, trade show booth, advertising campaign, design of entry and monument signage/ initiated same campaign for Norco Horsetown USA	a	B
Commenced negotiations with Caltrans on relocation of a materials testing site and Park & Ride facility	a	A
Continue planning development of the Silverlakes Master Plan/entered into Lease Agreement with Belstarr Sports Management	a, b	B, C
Approved an Owner Participation Agreement for a Suzuki dealership at Auto Mall Site Nine	a	B
Installation of traffic signal equipment related to the street improvements at River Rd. & Second Street	b	C
Received development approvals for Gateway to Horsetown shopping center in connection with funding agreement for street right-of-way acquisition for future cul-de-sac	a	B
Reimbursed developer per right-of-way agreement for completion of Lonesome Dove (formerly called Valley View extension)	a, b	C
Issued an RFQ/P to facilitate the sale or lease of 122 acres known as the Silverlakes property for development of an equestrian/soccer park/camping/riding stables/trail riding facility	a, b	A, B, C
Initiated the planning process to develop a new multi-use public facility on Neil Snipes Park with uses including a branch library, conference center, teen center, and commercial uses along Hamner Avenue	a, b	C

Table 3
Achievement of Agency Goals and Objectives (2005 – 2009)

GOAL SATISFACTION a – Economic Development b – Infrastructure/Public Improvements	BLIGHT CONDITIONS ADDRESSED A – Physical Blight B – Economic Blight C – Public Infrastructure	
Programs/Projects	Goal Satisfaction	Blight Condition
In partnership with Caltrans, facilitated procurement of a developer to purchase a 16.2-acre site located at Fourth St. & Hamner Ave. for retail/mixed use	a	B
Implemented a business Façade Improvement Program	a	A, B
Implemented the 2008 Plan Amendment to increase the plan's financial limits	a, b	A, B, C
Installed street lights in "Old Town" on Sixth Street	b	C
Completed façade improvements for Ken's Sporting Goods	a	A, B
Acquired right-of-way on Second St. for the Second St. widening project	b	C
Acquired right-of-way on Hamner Ave. for the Hamner Ave. widening project	b	C
Completed development of a new industrial park project at 680-698 Parkridge Avenue	a	B
Completed 28,100 sf project within Norco Country Center at 940 Sixth Street	a	B
Construction completed on a 83-room Hampton Inn	a	B
Developed a 20,160 sf retail/office complex at 2641 Hamner Avenue, a 25,888 sf retail/office complex at 2741 Hamner Avenue, and a 17,644 sf retail/office complex at 2743 Hamner Avenue	a	B
Completion of Stater Bros. façade improvements	a	A, B
Bid award for traffic signal improvements at Second Street & River Road	b	C
Acquisition of 1.63-acre site on Norco Auto Mall Dr. for future expansion of Mitsubishi dealership	a	B
Approval of Line of Credit Agreements with Frahm Dodge & Norco Mazda	a	B
Sixth Street/Hamner Ave. Intersection Improvements	b	C
1.38-acre Parking Lot expansion at Norco Community Center	b	C

As shown above, the Agency has focused on goals and objectives as set forth in the 2005-2009 Implementation Plan which relates directly to the provision, improvement, and rehabilitation of public infrastructure to lessen conditions of blight and to improve the overall economic and physical condition of the Project Area. However, while the Agency has spent substantial numbers of dollars on blight remediation, the projects identified above have not been able to fully ameliorate the conditions of blight described in CCRL Sections 33031(a), 33031(b), and 33030(c) and conditions of blight continue to detract from more positive aspects of the Project Area. Available Agency resources will continue to play an integral role in the City's ability to remedy negative physical and economic conditions still affecting the Project Area.



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3.0 COMMUNITY DEVELOPMENT IMPLEMENTATION PLAN

3.1 GOALS AND OBJECTIVES: FISCAL YEARS 2010 - 2014

CCRL Section 33490(a)(1)(A) states that an implementation plan shall contain an Agency's specific goals and objectives for the project area(s). These goals and objectives are divided into two distinct categories: programs related to the provision or replacement of affordable housing, and all other non-housing programs that the Agency may pursue under the adopted redevelopment plan. This chapter focuses specifically on the Agency's potential non-housing activities during the ensuing five-year period. The chapter will describe specific projects and expenditures and explain how said projects and expenditures will address conditions of blight in the Project Area. Potential housing activities are discussed in Chapter 4.

During the five-year period covered by this Implementation Plan, the Agency will pursue the following goals and objectives:

Objectives Key	Objectives
	<i>GOAL NO. 1: Physical Blight - Enhance the physical and visual environment by: (1) promoting high quality economic development projects and the use of development standards that may exceed those required by City codes; (2) assisting local businesses in the repair and maintenance of commercial properties, and (3) developing programs to preserve and rehabilitate aging and historic properties.</i>
1.1	Continue to review development proposals to ensure quality and consistency with Redevelopment Plan goals.
1.2	Require that property maintenance and land use controls are incorporated into development agreements to ensure adequate long-term maintenance of projects throughout the Project Areas.
1.3	Consistent with state, federal and local laws, encourage and facilitate repairs to buildings and structures to meet building code standards for seismic safety, including green building initiative
1.4	Consistent with state, federal and local laws, encourage and facilitate the preservation of historic resources within the Project Area

Objectives Key	Objectives
	<i>GOAL NO. 2: Economic Development - Maintain the City's economic base by encouraging new investment by local business; work to attract new businesses that preserve/expand the job base and otherwise promote new investments through the implementation of economic development programs.</i>
2.1	Collaborate with the private sector to attract new, desirable commercial and retail venues to the Project Area.
2.2	Consistent with State law, provide assistance and/or support to Redevelopment Project Area owners and tenants desiring to remain or relocate within the Project Areas.
2.3	Encourage the use of vacant parcels and revitalize older developments to achieve the best economic return.

Objectives Key	Objectives
<i>GOAL NO. 3: Public Infrastructure - Contribute to the elimination of physical and visual blight in the Project Area by providing and improving public infrastructure and facilities.</i>	
3.1	Support efforts to enhance Hamner Avenue properties through revitalization programs funded by federal, state, and local government loans and grants and private investment.
3.2	As required, develop, improve and upgrade public facilities and infrastructure, including buildings, structures, facilities, parking or other improvements, utilities, sewers, drainage facilities and streets.

3.2 ECONOMIC AND COMMUNITY DEVELOPMENT PROJECTS AND PROGRAMS

Expectations for the successful completion of economic development projects and programs during the next five years are cautionary due to the current recessionary economic climate and financial crisis that the nation is experiencing. Tax increment is dependent upon the taxable value of land or improvements in the Project Area. It is anticipated that revenue flows may diminish or not increase at the previous rate due to events not controlled by the Agency.

At this time, the Agency's fiscal condition is conducive only to a limited number of discretionary projects and programs. For the next five years, the Agency will have to occupy itself with meeting obligations tied to servicing bonded debt, making required pass-through payments to other taxing entities, and allocating resources to the LMI Fund for affordable housing. In addition, the Agency will utilize its tax increment revenue to pay for its annual administrative costs. Agency staff will closely monitor the status of available tax increment revenue and will make specific proposals for new programs and projects as available resources are identified

While many of the following programs and projects that are being contemplated for 2010-14 are carried over from the Preceding Implementation Plan, others reflect newly identified needs and opportunities.

Proposed Programs and Projects – Blight Elimination

- **Auto Mall Improvements Phases:** Explore revitalization of Norco Auto Mall by facilitating potential expansion and/or improvement.
- **Façade Improvement:** Continue to offer assistance to local businesses through a Façade Improvement Program.
- **Historic Preservation:** In conjunction with the Norco Historic Preservation Commission, develop a Norconian Preservation Strategic Plan and obtain a certified Local Government grant for a Citywide historic resources survey.

Proposed Programs and Projects – Economic Development

- **Hamner Corridor:** Promote and facilitate commercial development along Hamner Avenue.

- **Commercial Marketing:** Develop a strategic plan for marketing and promoting Hamner Avenue and Sixth Street.
- **Community Marketing:** Continue to implement a “branding campaign” for Norco, Horsetown USA.
- **Land Assemblage:** Consider land acquisition/assemblage on a case-by-case basis to create development opportunities.

Proposed Programs and Projects – Public Infrastructure

- **Street Improvements:** Provide funding for the acquisition of Second Street right-of-way and street widening. Also, provide funding for the widening of the east side of Hamner Avenue.
- **Storm Drain Improvements:** Provide funding for new storm drain improvements on Mountain Avenue between first and Second Streets.
- **Community Facilities:** Provide funding for a new Animal Control Facility, lighting improvements at Wayne Makin Sports Complex, expansion of the Community Center parking lot, and various improvements at Ingalls Park.
- **Community Development:** Provide funding for entry monuments and wayfinding signs.

Table 4 shows the relationship of the Agency's specific five-year work program to its objectives and to the eradication of remaining blight, as defined in CCRL Sections 33030 and 33031 for the Project Area.

Program/Project	Satisfies Objective Number ¹	Satisfies Blight Condition: A – Physical Blight B – Economic Blight C – Public Infrastructure
Façade Improvement Program	1.2, 1.3	A
Historic Preservation	1.4	A
Auto Mall Improvements	1.2, 2.1, 2.3	A, B
Hamner Corridor	2.1	B
Commercial Marketing	2.1	B
Community Marketing	2.1	B
Land Assemblage	2.1, 2.2, 2.3	B
Street Improvements	3.1, 3.2	C
Storm Drain Improvements	3.2	C
Community Facilities	3.2	C
Community Development	2.1, 3.2	B, C
¹ Refer to Section 3.1 ² Refer to Section 3.3		

3.4 PROGRAM AMENDMENTS

The Agency has identified the projects and programs shown herein as the most probable implementation activities for the term of this Implementation Plan. Since other public and private projects, not foreseen today, may be deemed feasible and preferential in eliminating blight, it may be necessary from time to time for the Agency to make changes to programs and activities.

Whether or not listed herein, specific projects and programs may be constructed or funded by the Agency during the period covered by this Implementation Plan, if the Agency finds that:

1. The goals and objectives of the Redevelopment Plan are furthered;
2. Specific conditions of physical or economic blight within the Project Area will be mitigated in whole or in part through implementation of the project; and
3. Specific conditions relative to a development project, including the financial feasibility thereof, require that the public improvement project be constructed at the time in question.

3.5 PROJECTED AGENCY GENERAL REDEVELOPMENT FUND INCOME AND EXPENDITURES

The Agency has identified several major sources of funds for the programs and activities planned over the next five years. These funding sources may include, but are not limited to:

- Sale of tax allocation bonds supported by tax increment revenues from the project area.
- Tax increment revenues over and above the amounts required to cover debt service on the tax allocation bands, payments to taxing agencies such as the County of Riverside, and deposits in the LMI Housing Fund.
- Community Development Block Grant (CDBG) funds, which are only to be used to provide community facilities, services, and residential rehabilitation programs in low and moderate income areas.
- Other Federal and State grants and loan programs.

Although the Agency is continuing to aggressively implement its community development and economic development goals, the success of its programs and projects is largely dependent upon the strength of the national, state, and regional economies. Tax increment revenue in the Project Area is projected to remain flat for fiscal years 2010-11 and 2011-12 with minimal growth (1% to 2%) in the following fiscal years.

In July 2009, the State legislature again voted to balance the State budget with the taking of redevelopment funds. The adopted State budget added a Supplemental Educational Revenue Augmentation Fund (SERAF) payment of \$1.7 billion statewide in 2009-10 and re-instated the \$350 million for payment in 2010-11. The first of the SERAF takings occurred last May with the Norco Redevelopment Agency paying \$4.9 million (\$3 million of which was a loan from the Agency's LMI Housing Fund). Norco's 2010-11 payment of \$1 million is due by May 10, 2011 with one-half being loaned again from the LMI Housing Fund.

The Projected Income and Expenditure Table (Table 5) summarize the anticipated revenues and expenditures for the Norco Redevelopment Project Area through fiscal year 2013-14. These numbers are not to be used for bonding purposes; they are solely intended to reflect general trends and assumptions.

The following summarizes some of the key assumptions and observations regarding the figures shown in Table 5:

- **Fiscal Condition** – Based on current projections of tax increment revenues and budgeted expenses, the Norco Redevelopment Project Area will continue to experience positive fund balances through fiscal year 2013-14. However, these balances will be reduced by annual shortfalls of expenditures over revenues. The anticipated balance at June 30, 2014 is \$82,753. The Agency's SERAF obligation is a major cause of this diminishing balance.

The \$82,753 closing fund balance projected for the end of the Implementation Plan period indicates that the Agency will likely experience a significant shortfall during the first year of the next Implementation Plan period (fiscal year 2014-15). The cash flow issues to be addressed at that point will be exacerbated by the required \$3 million repayment of the 2009-10 SERAF loan from the LMI Housing Fund.

- **SERAF** – As previously noted, the state-mandated SERAF shift for the Norco Redevelopment Agency in 2009-10 was \$4.9 million with another \$1 million in 2010-11 for a two-year total of over \$5.9 million. These shifts have been programmed into the cash flow analysis for the Norco Redevelopment Project and are reflected in Table 5. In 2009-10, the Agency borrowed \$3 million from the LMI Fund in order to help make its SERAF payment. Pursuant to CRA Resolution No. 2010-14, this loan is to be repaid on or before June 30, 2015.

The cash flow analysis depicted in Table 5 also anticipates that one-half of the Agency's \$1 million SERAF obligation for the current fiscal year will be met with loan proceeds from the LMI Housing Fund. The funds will need to be repaid on or before June 30, 2016.

- **Capital Projects** – The Agency's budget for fiscal year 2010-11 reflects some \$7.2 million in Agency-funded Capital Projects. In order to better manage the Agency's cash flow for the next four years, the proposed Implementation Plan suggests that approximately \$2.6 million of this be deferred to next fiscal year and another \$100,000 be deferred to fiscal year 2013-14. This will also have the effect of generating additional interest income.
- **RDA Administration** – The proposed Implementation Plan provides for \$1.1 million annually for Agency administration. No growth in these transfers is being proposed.

*Norco Redevelopment Project Areas
Implementation Plan 2010-2014*

**Table 5
General Redevelopment Fund
Projected Revenues and Expenditures**

Fund Activity	Fiscal Year					Totals
	2009-10	2010-11	2011-12	2012-13	2013-14	
Yearly Beginning Balances ⁽¹⁾	23,857,405	15,823,813	8,703,480	4,148,122	2,141,709	23,857,405
Revenues						
A. Tax Increment ⁽²⁾	14,623,704	13,739,148	13,739,148	13,902,624	14,232,846	70,237,469
B. Agency's Share of Excess CNUSD ⁽³⁾	297,855	259,494	296,770	336,829	377,374	1,568,322
C. Interest Income ⁽⁴⁾	438,220	290,657	159,868	76,194	39,340	1,004,278
D. Bond/Note Proceeds ⁽⁵⁾	89,490	0	0	0	0	89,490
E. Rental Income ⁽⁶⁾	4,703	0	0	0	0	4,703
F. Transfer in for School Bonds Debt Service ⁽⁷⁾	1,966,346	2,054,386	2,057,441	2,053,929	2,053,174	10,185,276
G. Other Income ⁽⁸⁾	485,852	85,000	85,000	85,000	85,000	825,852
H. Transfer In From LMI (SERAF Loan) ⁽⁹⁾	3,000,000	500,000	0	0	0	3,500,000
Total Revenues	20,906,170	16,928,684	16,338,227	16,454,576	16,787,734	87,415,390
Total Available	44,773,575	32,752,497	25,041,706	20,602,698	18,929,443	111,272,795
Expenditures/Uses						
A. LMI Housing Fund Set-Aside ⁽¹⁰⁾	2,924,741	2,747,830	2,747,830	2,780,525	2,846,569	14,047,494
B. RDA Administration	1,096,752	1,096,752	1,096,752	1,096,752	1,096,752	5,483,759
C. Professional Services	837,695	400,000	300,000	300,000	300,000	2,137,695
D. CRA Programs	45,723	300,000	100,000	100,000	100,000	645,723
E. CIP Redevelopment Fund ⁽¹¹⁾	4,872,955	4,650,207	2,578,000	0	100,000	12,201,162
F. Bond Debt Service ⁽¹²⁾	6,124,293	5,853,056	6,173,842	6,171,059	6,167,014	30,489,264
G. Pass-Throughs	8,132,776	7,997,716	7,897,161	8,012,654	8,236,356	40,276,662
H. SERAF Payment	4,904,827	1,003,457	0	0	0	5,908,284
	28,939,762	24,049,017	20,893,584	18,460,989	18,846,690	111,190,043
Revenues in Excess of Expenditures	(8,033,592)	(7,120,333)	(4,555,357)	(2,006,413)	(2,058,956)	82,753
Other Financing Sources/Uses						0
Prior Period Adjustments						0
Yearly Ending Balances	15,823,813	8,703,480	4,148,122	2,141,709	82,753	

(1) Est. beginning working capital balance taken from FY 2008-09 Financial Statements ending capital balance. Excludes cash held with fiscal agent for debt service and reserve fund balances.
(2) 2009-10 from RDA actual receipts. Projected tax increment forecasted by Urban Futures, Inc.
(3) Agency's share of excess CNUSD pass-through funds after payment of school pass-through bonds debt service.
(4) Estimated interest earnings for 2010-11 through 2013-14 based on actual interest earnings from 2009-10.
(5) From the issuance of the 2010 Refunding Tax Allocation Bonds.
(6) Consists of "Residential Rental" revenues.
(7) Transfer in from Corona Norco Unified School District to pay debt service for 2001, 2004 and 2009 Pass-Through Tax Allocation Bonds.
(8) Includes loan payments and reimbursements.
(9) A five year interest free loan due and payable on June 30, 2015.
(10) Constitutes 20% of Gross Tax Increment.
(11) Taken from 2011-2015 Five-Year Capital Improvement Program Redevelopment Projects Fund Uses.
(12) Includes the General Redevelopment Fund's 80% share of debt service on the Agency's outstanding 2001, 2003, 2005 & 2010 Tax Allocation Bonds. Also includes all debt service for School District Pass-Through Bonds 2001, 2004, 2009.

4.0 HOUSING COMPLIANCE PLAN

CCRL Section 33413(b)(4) requires each redevelopment agency to adopt a compliance plan as part of the implementation plan required by CCRL Section 33490 indicating how the agency will comply with the requirements set forth in CCRL Section 33413(b). This section of the Implementation Plan complies with this requirement and is the Agency's Housing Compliance Plan. It describes how the Agency intends to expend monies in the LMI Housing Fund consistent with the provisions of CCRL Section 33334.4 as amended by Assembly Bill 637 and made effective on January 1, 2002 and Senate Bill 701 (Torlakson) effective January 1, 2003. These bills clarified and added housing compliance plan requirements. Since a redevelopment agency may expend funds from its LMI Housing Fund anywhere in the community, it is not necessary to segregate LMI Housing Fund monies generated from within each Project Area.

This Compliance Plan update takes into account all residential construction or substantial rehabilitation that has occurred within the Project Area since adoption of the Compliance Plan, in order to determine whether the Agency is still meeting its affordable housing production needs. New construction and substantial rehabilitation statistics was obtained via a review of the City's building permits, previously prepared documents, and discussions with City staff.

The CCRL defines and limits assisted income categories as follows (the CCRL does not separate the extremely low and very-low income categories; the federal housing programs do make a distinction):

Very-low Income – persons or households whose gross income does not exceed 50% of the area's median income;

Low Income – persons or households whose gross income is greater than 50%, but does not exceed 80% of the area's income; and

Moderate Income – persons or households whose gross income is greater than 80%, but does not exceed 120% of the area's median income.

Affordable housing cost is defined as:

Very-low Income – Not more than 30% of 50% of the County median household income;

Low Income – Not more than 30% of 70% (or 60% for rental projects) of the County median household income; and

Moderate Income – Not more than 35% of 110% (or 30% of 120% for rental projects) of the County median household income.

4.1 HOUSING PRODUCTION REQUIREMENTS

One of the fundamental goals of redevelopment in California is the production, improvement and preservation of the supply of housing affordable to very-low, low, and moderate income households. This goal is accomplished, in part, through the execution of four different, but interrelated requirements imposed on redevelopment agencies by the CCRL. These requirements are:

- An agency must use at least 20 percent of its tax increment revenue to increase, improve and preserve the supply of low and moderate income housing in the community (CCRL Section 33334.2);
- An agency must replace, in equal or greater number, very-low, low, and moderate income housing units and bedrooms which are destroyed or removed as a result of a redevelopment project (the "replacement rule," CCRL Section 33413(a));
- An agency must ensure that a fixed percentage of all new or substantially rehabilitated dwelling units are affordable to very-low, low, and moderate income persons and families (the "inclusionary rule," CCRL Section 33413(b)(1))
 - At least 30 percent of all new or substantially rehabilitated dwelling units developed by the Agency must be available to persons or families of low or moderate income. Of these, 50 percent must be available to very-low income households. This requirement would apply to housing developed directly by the Agency, but not to housing projects developed by a private party under an agreement with the Agency.
 - At least 15 percent of all new dwelling units developed by parties other than the Agency or substantially rehabilitated dwelling units developed with Agency assistance shall be available at affordable costs to persons or families of low or moderate income. Of these, 40 percent must be available at affordable costs to very-low income households. This requirement applies in the aggregate, and not to each individual housing development project. These low and moderate income dwelling units may be provided outside the Project Area, but will only be counted on a two-for-one basis. In other words, if the Agency has an inclusionary housing need of 10 units inside the Project Area, then 20 units outside the Project Area would satisfy the overall requirement on a two-for-one basis.
 - Only low and moderate income housing units whose affordability is guaranteed on an on-going basis over the long term may be counted in meeting these requirements. For the purposes of this plan, long-term affordability is defined as not less than 55 years for rental units and 45 years for home ownership, or as otherwise defined in CRL Section 33413(c).

4.2 PAST HOUSING PRODUCTION

This section presents an analysis of the Agency's compliance with CCRL Sections 33490, 33413, 33334.2 or 33334.6, 33334.3, and 33334.4 regarding the Agency's housing production program for the Preceding Implementation Plan time period. The information provided through fiscal year 2008-09 is factual, based on several empirical data sources such as the Agency's annual Agency reports to HCD of housing activity, the preceding implementation plan, the Housing Element, and building permit data. Inclusionary units are those units in which the Agency holds the affordability covenants.

Affordable units located within the Project Area, but with covenants held by another party are not credited towards the Agency's inclusionary requirement.

As outlined above, housing production requirements are based upon replacement housing and inclusionary housing requirements. To determine whether an Agency has met those requirements, each category must be reviewed.

Replacement Housing Requirement

As of the end of fiscal year 2008-09, the Agency has not destroyed or removed any housing units from within the Project Areas.

Inclusionary Housing Obligation in the Project Areas: Agency Developed

During the five-year period covered by the Preceding Implementation Plan, the Agency did not produce any housing units in the Project Areas that would have imposed an inclusionary housing obligation.

Inclusionary Housing Obligation Outside the Project Areas: Agency Developed

During the five-year period covered by the Preceding Implementation Plan, no housing units were built or substantially rehabilitated outside of the Project Areas by the Agency.

Inclusionary Housing Obligation Inside the Project Areas: Non-Agency Developed

According to the City's building permit records, 27 new residential units received their certificate of occupancy between July 1, 2004 and June 30, 2009. All of the units were market-rate units. The fifteen percent inclusionary housing requirement, therefore, is four units.

Summary of Inclusionary Housing Compliance

As shown in Table 6, on July 1, 2004, the Agency began the 2005-2009 Implementation Plan period with a surplus of 30 very-low income units and a deficit of 71 low/moderate income units. The beginning totals reflect an inclusionary obligation of 124 units and the production of 80 very-low income units from the Clark Terrace senior housing project, and 3 infill housing units, one low and two moderate income units. The 86-unit Heritage Park senior project was not reflected in these beginning numbers because it had reverted to a market rate complex and was removed from the affordable housing totals. During the five subsequent years (2005-2009), there were no new affordable housing units constructed in the Project Area; however, the Agency did re-establish the affordability of Heritage Park and one additional home by securing covenants for 64 very-low and 23 low/moderate income units.

With the four-unit affordable housing obligation from the Preceding Implementation Plan period, as of June 30, 2009, the Agency had an inclusionary obligation of 128 units and had restricted 170 units. However, pursuant to CCRL Section 33413(b)(2)(C), not more than fifty percent of an Agency's inclusionary requirement may be met through the purchase of affordability covenants for existing residential units. Therefore, although the Agency purchased 87 affordability covenants, only 64 (half of the 128 unit obligation) may be counted towards the meeting the inclusionary obligation for the 2005-2009

Implementation Plan term. The remaining 23 units may be carried over to the 2010-2014 Implementation Plan. For purposes of this report, the 23 excess covenants were taken from the low/moderate income category.

Pursuant to CCRL Section 333413(b)(2)(A)(i), not less than forty percent of the inclusionary units are available at affordable cost to, and occupied by, persons and families of very-low income. As of June 30, 2009, the Agency had a cumulative 19-unit inclusionary housing surplus with a surplus of 92 very-low income units and deficit of 73 low/moderate income units.

Table 6
Inclusionary Housing Obligation
Project Area Adoption through June 30, 2009 ⁽¹⁾

	Units Made Affordable at Affordable Housing Cost ²						Project Area Cumulative Total		
	Dwelling Units Produced	Total Inclusionary Obligation	Very-low ⁽²⁾		Low/Moderate ⁽³⁾		Very-low	Low-Mod	Total
			Inclusionary Obligation	Actual Units Restricted	Inclusionary Obligation	Actual Units Restricted			
Balance Forward ⁽⁴⁾	829	124	50	80	74	3	30	-71	-41
2005-09 Agency Developed ⁽⁵⁾	0	0	0	0	0	0	0	0	0
2005-09 Non-Agency Developed ⁽⁶⁾⁽⁷⁾	27	4	2	0	2	0	-2	-2	-4
2005-09 Covenants Purchased ⁽⁸⁾	--	--	--	64	0	23	64	23	87
Excess Covenants ⁽⁹⁾	--	--	--	--	--	(23)	--	(23)	(23)
New Balance Forward ⁽⁸⁾	856	128	52	144	76	3	92	-73	19

¹ Compliance with Sections 33413(b)(1),(c),(d)(1) and 33490(a)

² "Very-low Income" as defined by Health and Safety Code 50105.

³ "Low/Moderate Income" as defined by Health and Safety Code 50093.

⁴ Per the previous AB 1290 Implementation Plan for 2004-05 to 2008-09.

⁵ Inclusionary obligation for an Agency-developed project is 30% of units produced with 50% restricted to very-low income.

⁶ Inclusionary obligation for privately-developed projects is 15% of units produced with 40% restricted to very-low income.

⁷ Per Certificates of Occupancy issued by the Building Department for FYs 2004-05 to 2008-09.

⁸ Heritage Park – 86 units; single family residence – one.

⁹ Pursuant to CCRL Section 33413(b)(2)(C), only fifty percent of the Agency's inclusionary requirement may be met by the purchase of affordability covenants for existing residential units. The 23 unit difference was subtracted from the low/mod balance.

⁸ This becomes the beginning balance for the 2010-2014 Implementation Plan.

4.3 PROJECTED HOUSING PRODUCTION

The same analysis applies to projected housing production for the current Implementation Plan to anticipate the Agency's continued compliance with CCRL Sections 33490, 33413, 33334.2 or 33334.6, 33334.3, and 33334.4. The data is estimated based upon staff discussions, the Housing Element, and other empirical data.

Replacement Housing Obligation

The Agency is not anticipating destroying or removing any housing units from within the Project Areas.

Inclusionary Housing Obligation in the Project Areas: Agency Developed

The Agency does not anticipate directly producing units within the Project Areas.

Inclusionary Housing Obligation Outside the Project Areas: Agency Developed

The Agency does not anticipate directly producing units or contracting with private entities to produce units outside of the Project Areas.

Inclusionary Housing Obligation Inside the Project Areas: Non-Agency Developed

The City's Draft 2008-2014 Housing Element identifies seven sites that combined are adequate to accommodate the jurisdiction's share of the region's projected growth. Of these sites, six are located within the Project Areas. As shown in Table 7 (Table 6.12 of the Housing Element), the six sites have the capacity to produce 949 units at build-out, which is determined to be thirty years for purposes of this report. Assuming a liner build-out, approximately 31 units per year or 158 units during each five year implementation plan cycle would be built in the Project Areas.

Site	Capacity
1	65
2	73
3	84
4	NA
5	87
6	103
7	537
30- YEAR BUILD-OUT	949
10-YEAR ESTIMATE	316
5-YEAR ESTIMATE	158

The inclusionary housing requirement for 158 units is 24 units with nine of the units restricted to households of very-low income.

Summary of Inclusionary Housing Compliance

The Agency does not anticipate producing any new affordable housing units in the 2009-2014 Implementation Plan term; however, the Agency has an affordability covenant surplus of 23 units. Pursuant to CCRL Section 33413(b)(2)(C), not more than fifty percent of an Agency's inclusionary requirement may be met through the purchase of affordability covenants. As discussed above, the inclusionary housing requirement for 2010 -2014 is anticipated to be 24 units creating a 152-unit total obligation, allowing 76 units to be met through the purchase of affordability covenants. Sixty-four units were credited in the Preceding Implementation Plan; therefore, twelve more may be credited during the 2009-2014 Implementation Plan term.

**Table 8
Inclusionary Housing Obligation
Project Area Adoption through June 30, 2014 ⁽¹⁾**

	Units Made Affordable at Affordable Housing Cost						Project Area Cumulative Total		
	Dwelling Units Produced	Total Inclusionary Obligation	Very-Low ⁽²⁾		Low/Moderate ⁽³⁾		Very-low	Low-Mod	Total
			Inclusionary Obligation	Actual Units Restricted	Inclusionary Obligation	Actual Units Restricted			
New Balance Forward ⁽⁴⁾	856	128	52	144	76	3	92	-73	19
2010-14 Agency Developed ⁽⁵⁾	0	0	0	0	0	0	0	0	0
2010-14 Non-Agency Developed ⁽⁶⁾⁽⁷⁾	158	24	9	0	15	0	-9	-15	-24
2005-2009 Excess Covenants ⁽⁸⁾	--	--	--	--	--	23	0	23	23
2010-2014 Excess Covenants ⁽⁹⁾	--	--	--	--	--	-11	--	-11	-11
New Balance Forward ⁽¹⁰⁾	1,014	152	61	144	91	15	83	-76	7

¹ Compliance with Sections 33413(b)(1),(c),(d)(1) and 33490(a)
² "Very-Low Income" as defined by Health and Safety Code 50105.
³ "Low/Moderate Income" as defined by Health and Safety Code 50093.
⁴ Per the Table 2 of this 2010-2014 Implementation Plan.
⁵ Inclusionary obligation for an Agency-developed project is 30% of units produced with 50% restricted to Very-Low Income.
⁶ Inclusionary obligation for privately-developed projects is 15% of units produced with 40% restricted to Very-Low Income.
⁷ Per residential unit capacity determined by the available sites inventory of the 2008 Housing Element; Table 3 of this 2010-2014 Implementation Plan.
⁸ Covenants purchased for Heritage Park in the 2005-2009 Implementation Plan term, but not credited towards the 2005-2009 inclusionary housing obligation pursuant to CCRL Section 33413(b)(2)(C).
⁹ Pursuant to CCRL Section 33413(b)(2)(C), only fifty percent of the Agency's inclusionary requirement may be met by the purchase of affordability covenants for existing residential units. Fifty percent of 24 units is 12 units. There are 23 excess covenants; the 11 unit difference was subtracted from the low/mod balance and will be carried over to the 2015-2019 Implementation Plan term.
¹⁰ This becomes the beginning balance for the 2015-2019 Implementation Plan.

4.4 LOW AND MODERATE INCOME HOUSING GOAL

GOAL: INCREASE, IMPROVE AND PRESERVE THE QUALITY OF LOW/MODERATE INCOME HOUSING THROUGHOUT THE PROJECT AREAS AND THE CITY

OBJECTIVES

- 1.1. Secure long-term covenants on existing affordable housing units to create and preserve affordable housing options.
- 1.2. Continue the single-family housing rehabilitation programs by offering grants and loans to lower income households for emergency repairs and eligible home improvements.
- 1.3. Continue the First Time Home Buyer and Infill Housing Programs to assist lower income families purchase a home.
- 1.4. Continue the Sewer, Water, and Trash Subsidy Program to assist low income households with utility expenses.

- 1.5. Carry-out any other affordable housing oriented project or program consistent with the CCRL and the Redevelopment Plan.

4.5 PROJECTED HOUSING NEEDS

CCRL Section 33334.4(a) requires that an agency must expend its LMI Housing Fund monies towards assisting housing for persons of very-low, low, and moderate income in at least the same proportion as the total number of housing units needed for each of these income groups bears to the total number of units needed for very-low, low, and moderate income households within the community, as those needs have been determined by the most recent Regional Housing Needs Assessment (RHNA). This requirement must be met over the same 10-year implementation plan period as the requirements of CCRL Section 33413(b).

CCRL Section 33334.4(b) requires an Agency to expend LMI Housing Fund monies in at least the same proportion as the households under the age of 65 bears to the total households of the community as identified by the most recent census.

4.5.1 Regional Housing Needs Assessment

The state legislature adopted Assembly Bill 2853 in 1980 requiring all councils of government to develop regional allocations of housing needs (new and existing) for all income categories (fair share of housing) based on regional housing needs. As Table 9 shows, the Regional Housing Needs Assessment (RHNA) issued by the Southern California Association of Governments established the fair share for the City of Norco for period ending on June 30, 2014 at units.

Income Group	No. of Units	Percent of Total Housing Units	Percent of Affordable Housing Units
Affordable Housing Units			
Very-low (0 - 50% County Median Income)	236	25.0	41.0
Low (50 - 80% County Median Income)	162	17.0	28.0
Moderate (80 - 120% County Median Income)	177	19.0	31.0
Above Moderate (Market rate units)	374	39.0	--
TOTAL UNITS*	949	100.00	100.0

Source: Southern California Association of Governments

Table 9 also identifies the City's estimated housing need by income limits for very-low, low, moderate and above moderate income households within the community by percentage of total housing units. Per CCRL Section 33334.4(a), these percentages are to be applied to Agency LMI Housing Fund spending. Based on the housing needs determined through the Fair Share Allocation process, at least 41 percent of all LMI Housing Fund expenditures must be made towards assisting very-low income headed households and at least 28 percent must be made towards assisting low income headed households. Approximately

31 percent of all LMI Housing Fund expenditures can be used to assist moderate income households.

4.5.2 Senior Housing Need Assessment

CCRL Section 33334.4(b) limits the amount of money an agency can utilize from its LMI Housing Fund to assist senior, affordable housing. An agency must limit its LMI Fund expenditures to the same proportion that senior low income households bear to the total low income households in the community, as determined in the most recent U.S. Census.¹ Prior to 2005, the agency limitation was based on the proportion that the senior population represented in the entire community. In 2005, SB 527 shifted the emphasis to low income households due to the fact that in many communities, the senior population has a greater proportion of low income earners and, therefore, a greater need for housing assistance than the general population. For example, seniors could represent only ten 10% of the overall population of a community, but constitute 25% of the low income population of the community. In such a circumstance, SB 527 allows an agency to provide assistance to a greater proportion of senior housing than the previous law allowed.

In order to compute the ratio of low income senior households, 2000 Census data is used. Table 10 summarizes the calculation for Norco's LMI Housing Fund.

Table 10 Distribution of Low Income Senior Households ⁽¹⁾	
Total Number of Low Income Households	1,285
Number of Low Income Senior Households ⁽²⁾	368
Ratio of Senior Households to Total	29 percent
¹ Source: U.S. Census Bureau - 2000 Census, Comprehensive Housing Affordability Strategy (CHAS) data	
² Includes both renters and owners	

According to the 2000 Census, 29 percent of the City's low income households (368) were occupied by low income seniors. Therefore, in carrying out the requirements of CCRL Section 33334.4(a), no more than 29 percent of LMI Housing Fund expenditures may be allocated towards exclusively assisting senior restricted housing.

4.6 LOW AND MODERATE INCOME HOUSING PROGRAM

To address the housing needs noted above, the Agency intends to implement an affordable housing program. As noted previously, the national financial crisis has significantly impacted both the private and the public sector's ability to construct decent and affordable housing. Nonetheless, the Agency intends to pursue implementation of the several programs and projects during the term of this Implementation Plan, subject to funding availability. Affordable housing programs that the Agency plans to continue or initiate include:

¹ It should be noted that the Census data considers age 62 and over to be "senior" whereas the CCRL utilizes age 65 and over. Also, the income levels in the Census are based on "Median Family Income" rather than the "Area Median Income" specified in the CCRL. These discrepancies are not addressed in 33334.4 and no case law currently exists to provide clarity. The approach used to compute the ratio of senior households reflects best industry practices.

Emergency Grant Program: Emergency Grants are available to income-qualified applicants for specific emergency repairs.

Home Improvement Grant Program: Home Improvement Grants are available to income-qualified homeowners over age 62 for exterior and/or interior repairs and improvements costing up to \$10,000, or to income-qualified homeowners where the head of household or spouse is disabled.

Deferred Loan Program: The Deferred Loan Program is designed for exterior/interior repairs, and improvements that will cost more than the \$10,000 offered through the Home Improvement Grant. To qualify for Home Improvement Programs, applicants must fall within the moderate income level established for the County of Riverside.

CalHome Rehabilitation Loan Program: This State-funded program provides low-interest or zero-interest loans to very-low and low income homeowners for interior and exterior improvements.

First Time Home Buyer Program: This down-payment assistance program is available to eligible moderate income families or individuals seeking to purchase a home in Norco.

Infill Program: This assistance program is available to income-eligible families or individuals that qualify to purchase homes that are owned by the Redevelopment Agency. Homes are usually on lots of less than one-half acre and may be manufactured houses.

Sewer Loan Program: The Agency offers loans at either 3% or 5% interest (depending on income) to assist with the cost to install a lateral hook-up into the City's main sewer system for residents who exceed income guidelines for grant programs.

SWAT (Sewer, Water and Trash Discount) Program: Income eligible seniors 62 or older and disabled individuals may receive assistance to reduce the monthly utility bills.

4.7 LOW AND MODERATE INCOME HOUSING FUND

Funding for the Agency's housing program comes from several sources including state CalHFA funds and tax increment financing. The purpose of the Implementation Plan is document compliance with state redevelopment law; therefore, this report only analyzes tax increment financing and its relationship to housing plan compliance.

4.7.1 Tax Increment Financing

As required by redevelopment law, the Agency will set aside twenty percent of its gross tax increment toward increasing, improving, and preserving affordable housing in the City of Norco. Table 11 summarizes the anticipated revenues and expenditures in the LMI Housing Fund. These numbers are based on the Agency's fiscal reports, not the budget, and reflect actual expenditure rates. The numbers should not to be used for bonding purposes; they are solely intended to reflect general trends and assumptions.

Tax increment set-aside is the primary source of revenue and is expected to average approximately \$2.8 million annually. Interest income on the fund's cash balance is the only expected recurring source of revenue, although the Agency is expecting to receive bond and grant proceeds.

Recurring expenditures include the Agency's affordable housing programs, debt service, and administrative expenses. Affordable housing programs include housing rehabilitation programs, the First Time Home Buyer Program, and the Sewer Tax Reimbursement Program. Additionally, the Agency is lending the General Redevelopment Fund a percentage of the amount needed to meet its SERAF payment obligation. The loan will be repaid, as required by State law, prior to June 30, 2015. Grant expenditures are in the same amount as the grant revenue; therefore, do not impact the fund balances.

The LMI Housing Fund is sufficiently healthy. The Agency has the resources to implement the housing programs and projects that are discussed in this Implementation Plan.

4.7.2 Excess Surplus

Excess Surplus is defined and calculated based on provisions in Health & Safety Code Section 33334.12. Excess Surplus is determined on the first day of each fiscal year. The calculation requires comparing the sum of property tax increment deposited over the previous four fiscal years against the agency's adjusted beginning balance (prior year's ending adjusted unencumbered balance) to determine which amount is greater. Agencies are allowed to adjust their unencumbered balance to exclude the amount of unspent proceeds from the sale of bonds and the difference between the price of land sold during the reporting period compared to the land's fair market value. By statutory definition, Excess Surplus exists when the adjusted unencumbered balance exceeds the greater of: (1) \$1 million or (2) the combined amount of property tax increment revenue deposited over the preceding four fiscal years.

As the analysis in Table 11 shows, the Agency is not at risk of an excess surplus situation.

Norco Redevelopment Project Area
Implementation Plan 2010-2014

Fund Activity	Fiscal Year					Totals
	2009-10	2010-11	2011-12	2012-13	2013-14	
Yearly Beginning Balances⁽¹⁾	6,049,446	3,945,063	4,332,718	5,144,010	5,994,242	6,049,446
Revenues						
A. Tax Increment ⁽²⁾	2,924,741	2,747,830	2,747,830	2,780,525	2,846,569	14,047,494
B. Interest Income ⁽³⁾	47,918	31,249	34,320	40,746	47,481	201,713
C. Bond/Note Proceeds ⁽⁴⁾	22,373	0	0	0	0	22,373
D. Federal/State Grants	1,831,087	700,000	0	0	0	2,531,087
Total Revenues	4,826,119	3,479,079	2,782,149	2,821,271	2,894,050	16,802,667
Total Available	10,875,565	7,424,142	7,114,867	7,965,281	8,888,292	22,852,113
Expenditures/Uses						
A. LMI Administration	313,225	412,757	412,757	412,757	412,757	1,661,027
B. NSP & Grant Expenditures ⁽⁵⁾	1,831,087	700,000	0	0	0	2,531,087
C. Disposal/Loss on Land Sales	310,609	0	0	0	0	310,609
D. LMI Housing Projects ⁽⁶⁾	0	0	0	0	0	0
E. LMI Housing Programs ⁽⁷⁾	445,174	529,000	529,000	529,000	529,000	2,561,174
F. SERAF Loan to RDA General Fund ⁽⁸⁾	3,000,000	500,000	0	0	0	3,500,000
G. Debt Service	1,030,407	949,667	1,029,100	1,029,282	1,028,460	5,066,917
Total Expenditures	6,930,502	3,091,424	1,970,857	1,971,039	1,970,217	15,620,814
Revenues in Excess of Expenditures	(2,104,383)	387,654	811,293	850,232	923,833	1,181,854
Other Financing Sources/Uses						0
Prior Period Adjustments						0
Yearly Ending Balances	3,945,063	4,332,718	5,144,010	5,994,242	6,918,075	7,231,300
Excess Surplus Analysis						
A. Maximum Allowable Fund Balance	10,862,611	11,408,701	11,515,423	11,334,737	11,094,242	
B. Yearly Adjusted Beginning Fund Balance	6,049,446	3,945,063	4,332,718	5,144,010	5,994,242	
C. Less. Bond Proceeds Held by Fiscal Agent ⁽⁹⁾	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	
D. Adjusted Ending Balance	4,449,446	2,345,063	2,732,718	3,544,010	4,394,242	
E. Excess surplus	0	0	0	0	0	0

(1) Est. beginning working capital balance taken from FY 2008-09 Financial Statements ending capital balance. Excludes cash held with fiscal agent for debt service and reserve fund balances.
(2) Constitutes 20% of Gross Tax Increment.
(3) Estimated interest earnings for 2010-11 through 2013-14 based on actual interest earnings from 2009-10.
(4) From the issuance of the 2010 Refunding Tax Allocation Bonds.
(5) Funds used for Infill Housing Program, Home Improvement Grant and Home Improvement Emergency Grant in 2009-10.
(6) The Agency has \$3.1 million in unspent bond proceeds in the LMI fund in 2009-10. No projects were funded in 2009-10 and none are budgeted for 2010-11. Consequently, no projects are envisioned for 2011-12 through 2013-14.
(7) Programs include: First-Time Home Buyers, Deferred Loan Program, Lead and Asbestos Abatement, Sewer Assistance (SWAT) and Sewer Loan Program.
(8) A five year interest free loan due and payable on June 30, 2015 used for a portion of the 2009-10 SERAF payment.
(9) \$3,100,000 of bond proceeds less \$1,500,000 loaned to the RDA fund for the SERAF Loan is available for Housing Projects.

4.7.3 Other Funding Programs

Table 12 outlines other funding that may be available to the City and the Agency to further implement its Housing Production Plan.

Table 12 Financial Resources Available for Housing Activities			
Program Type	Program Name	Description	Eligible Activities
1. Federal Programs	Community Development Block Grant (CDBG)	Annual grants awarded to the City on a formula basis for housing & community development activities. Administered by HUD.	<ul style="list-style-type: none"> • Acquisition • Rehabilitation • Homebuyer Assistance • Homeless Assistance • Public Services
	Home Investment Partnership Act (HOME)	Formula grants to states and localities that communities use-often in partnership with local nonprofit groups-to fund a wide range of activities to low income people.	<ul style="list-style-type: none"> • New Construction • Acquisition • Rehabilitation • Tenant-Based Rental Assistance
	Section 8 Rental Assistance Program	Rental assistance payments to owners of private market rate units on behalf of very-low income tenants. Administered by HUD.	<ul style="list-style-type: none"> • Rental Assistance
	Section 202	Grants to non-profit developers of supportive housing for the elderly. Administered by HUD.	<ul style="list-style-type: none"> • Acquisition • Rehabilitation • New Construction • Rental Assistance • Support Services
	California Housing Finance Agency (CHFA) Home Mortgage Purchase Program	CHFA sells tax exempt bonds for below market rate loans to first-time homebuyers. Program operates through participating lenders who originate loans for CHFA purchase.	<ul style="list-style-type: none"> • Homebuyer Assistance
2. State Programs	California Housing Finance Agency (CHFA) Multiple Rental Housing Programs	Below market rate financing offered to builders & developers of multi-family and elderly rental housing. Tax-exempt bonds provide below-market mortgage money.	<ul style="list-style-type: none"> • New Construction • Rehabilitation • Acquisition
	Low Income Housing Tax Credit (LIHTC)	Tax credits available to individuals & corporations that invest in low income rental housing. Tax credits sold to people with high tax liability, & proceeds are used to create housing.	<ul style="list-style-type: none"> • New Construction • Rehabilitation • Acquisition of Properties from 20 to 150 Units

Table 12 Financial Resources Available for Housing Activities			
Program Type	Program Name	Description	Eligible Activities
	Multi-Family Housing Program (MHP)	Deferred payment loans for new construction, rehabilitation & preservation of rental housing. Administered by HCD.	<ul style="list-style-type: none"> • New Construction • Rehabilitation • Preservation
	CalHome Program	Provides low-interest loans to first-time homebuyers and rehabilitation loans to income-qualified owner-occupants.	<ul style="list-style-type: none"> • Homebuyer Assistance • Rehabilitation
3. Local/County Program	Redevelopment Housing Set-Aside Funds	20 percent of Agency tax increment funds are set-aside for affordable housing activities.	<ul style="list-style-type: none"> • New Construction • Rehabilitation • Acquisition
	Mortgage Credit Certificate (MCC) Program	Income tax credits available to first-time home buyers for the purchase of new or existing single-family housing. Eligible participating city's or unincorporated areas.	<ul style="list-style-type: none"> • Homebuyer Assistance
	Mortgage Assistance Program (MAP)	Deferred payment down payment assistance loan. Subject to availability by county for participating cities and unincorporated areas of a county.	<ul style="list-style-type: none"> • Homebuyer Assistance
4. Private Resources/ Financing Programs	Federal National Mortgage Association (Fannie Mae)	Loan applicants apply to participating lenders for the following programs: fixed rate mortgages issued by private mortgage insurers; And related foreclosure prevention programs in underserved low income & minority communities.	<ul style="list-style-type: none"> • Homebuyer Assistance • Refinancing • Loan Modification • Foreclosure Prevention
	California Community Reinvestment Corporation (CCRC)	Non-profit mortgage banking consortium designed to provide tax-exempt private placement bond program financing for affordable multi-family & senior rental housing.	<ul style="list-style-type: none"> • New Construction • Rehabilitation • Acquisition • Permanent Financing
	Federal Home Loan Bank Affordable Housing Program	Provides grants and subsidized loans to support affordable rental housing and homeownership opportunities. Grants are awarded on a competitive basis.	<ul style="list-style-type: none"> • New Construction

Table 12 Financial Resources Available for Housing Activities			
Program Type	Program Name	Description	Eligible Activities
	Low Income Housing Fund (LIHF)	Non-profit lender offering below market interest, short term loans for affordable housing in both urban & rural areas. Eligible applicants include non-profits & government agencies. Grant opportunities are also available.	<ul style="list-style-type: none"> • Redevelopment Costs • Site Acquisition • Construction • Rehabilitation • Planning Grants • Energy Efficiency Grants • Child Care Centers • Quality Improvement Grants • Expansion Grants • Renovation & Repair Grants • Technical Assistance Grants
	Private Lenders	The Community Reinvestment Act (CRA) requires certain regulated financial institutions to achieve goals for lending in low & moderate income neighborhoods. As a result, most of the larger private lenders offer one or more affordable housing programs, including first-time homebuyer, housing rehabilitation, or new construction assistance.	<ul style="list-style-type: none"> • Varies (depending on individual program offered by bank)

4.8 TEN YEAR INCLUSIONARY HOUSING REQUIREMENTS

CCRL Section 33490(a) (2) (b) requires that the implementation plan provide certain "Ten-Year" and "Life-of-the-Plan" housing production and inclusionary information. According to the list of vacant and underutilized sites in the City's Housing Element, the potential exists to produce almost 1,000 affordable units throughout the Project Areas. Any non-Agency produced units built would be subject to the 15 percent inclusionary requirement. Based on the Agency's projected surplus of income-restricted units, the Agency should be able to meet its inclusionary housing requirements for the next ten years should any of these vacant or underutilized parcels in the Project Areas be developed.

4.9 CONSISTENCY WITH GENERAL PLAN

CCRL Section 33413(b) (4) requires that each agency, ". . .as part of the implementation plan required by Section 33490, shall adopt a [Housing Production] plan. . . ." Section 33413 (b)(4) requires that "[t]he plan shall be consistent with. . .the community's housing element." Additionally, "[t]he plan shall be reviewed and, if necessary, [be] amended at least every five years in conjunction with either the housing element cycle or the plan implementation cycle."

Chapter 9 of the State's General Plan Guidelines of 2003 (the "Guidelines") states the California Attorney General has opined that "the term 'consistent with' is used

interchangeably with 'conformity with.'" The general rule of consistency outlined in the Guidelines is that "[a]n action, program, or project is consistent with the general plan if, considering all its aspects, it will further the objectives and policies of the general plan and not obstruct their attainment."

The following Goals are contained within the City's Draft 2008-2014 Housing Element:

1. Promote and maintain the City's small-plot agricultural and animal-keeping lifestyle.
2. Remove or reduce constraints on the development of housing.
3. Maintain low income/affordable housing stock.
4. Provide adequate housing in the City by location, type, price, and tenure for all segments of the population.
5. Designate suitable sites for sound residential growth.
6. Improve and conserve existing residential neighborhoods.
7. Provide for a decent home and satisfying environment for all residents regardless of age, race, sex, marital status, ethnic background, income, or other arbitrary factors.
8. Encourage the conservation of energy in all residential development.

In compliance with CCRL Section 33490, the Agency has developed, and included in Section 4 of this Implementation Plan, a goal statement and related objectives specific to the development and implementation of Agency sponsored affordable housing programs in the City. These goals are consistent with the goals contained in the City's 2008-2014 Housing Element. It has established the projects and programs that it intends to implement to meet its housing goals and its housing production plan for consistency with the 2006-14 Housing Element.

The Agency, therefore, determines that the housing goal included in this Implementation Plan and related objectives, ongoing activities, and housing production plan, as outlined in this Implementation Plan, are consistent with the housing element of the City's General Plan.



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5.0 PLAN ADMINISTRATION

The Agency shall be responsible for administering the Implementation Plan and for monitoring redevelopment activities or programs undertaken pursuant to it.

5.1 PLAN REVIEW

At least once within the five year Implementation Plan term, the Agency shall conduct a public hearing and hear testimony of all interested parties for the purpose of reviewing the adopted Redevelopment Plan, the Implementation Plan, and evaluating the progress of the Project. The public hearing shall be held no earlier than two years and no later than three years after the date of adoption of this Plan.

Notice of public hearing to review the Redevelopment Plan and Implementation Plan shall be published pursuant to Section 6063 of the Government Code and posted in at least four permanent places within the Project Area for a period of at least three weeks. Publication and posting must be completed not less than ten days prior to the date set for hearing.

5.2 PLAN AMENDMENT

Pursuant to CCRL 33490, the Implementation Plan may be amended from time to time after holding a public hearing.

5.3 FINANCIAL COMMITMENTS SUBJECT TO AVAILABLE FUNDS

The Agency is authorized to utilize a wide variety of funding sources for implementing the Redevelopment Plan. Such funding sources include, but are not limited to, financial assistance from the City, State of California, federal government, property tax increment, interest income, Agency bonds secured by tax increment or other revenues or other legally available revenue source. Although the sources of revenue used by the Agency are generally deemed to be reliable from year to year, such funds are subject to legislative, program, or policy changes that could reduce the amount or the availability of the funding sources upon which the Agency relies.

In addition, with regard to the Agency's primary revenue source, tax increment revenues, it must be noted that revenue flows are subject to diminution caused by events not controlled by the Agency, which reduce the taxable value of land or improvements in the Project Area. Moreover, the formulas governing the amount or percentage of tax increment revenues payable to the Agency may be subject to legislative changes that directly or indirectly reduce the tax increment revenues available to the Agency.

Due to the above-described uncertainties in Agency funding, the projects described herein and the funding amounts estimated to be available are subject to modification, changes in priority, replacement with another project, or cancellation by the Agency.

5.4 REDEVELOPMENT PLAN CONTROLS

If there is a conflict between the Implementation Plan and the Redevelopment Plan or any other City or Agency plan or policy, the Redevelopment Plan shall control.

5.5 RECOMMENDATIONS

Recommended actions:

1. Continue to assess Agency tax increment receipts and expenditures to maintain adequate annual cash flows.
2. Utilize \$500,000 from the Agency's LMI Housing Fund to help meet the \$1 million SERAF payment for fiscal year 2010-11.
3. To the extent that Project Area tax increment revenues increase beyond the levels projected in this Five-Year Implementation Plan, consider prefunding a portion of the payback of the loans from the LMI Housing Fund for the 2009-10 and 2010-11 SERAF payments.
4. **Assess** the Administrative Charges to the general Redevelopment Fund to **ascertain** potential for reallocating a greater share to the LMI Housing Fund.
5. Defer a portion of the budgeted 2010-11 Capital Improvement Program expenditures to fiscal years 2011-12 and 2013-14 to improve cash flow.
6. Monitor all previous bond issues to take advantage of opportunities to lower costs through refinancing and consolidation.

**Appendix A
Summary of Affordability
Covenants**



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**CITY OF NORCO REDEVELOPMENT AGENCY
AB 987 AFFORDABLE HOUSING DATABASE**

In accordance with the provisions of AB 987, passed by the California State Legislature, a worksheet describing newly constructed and substantially rehabilitated housing units that were developed or otherwise assisted with Low & Moderate Income Housing Funds, including units counted toward the Agency's inclusionary and replacement housing obligations, is posted below for public review. Please be aware that this is only a summary of affordable housing units assisted with Low & Moderate Income Housing Funds and is not a listing of currently available housing. Pursuant to AB 987, this database is updated annually.

Street Address	Assessor's Parcel Number	Total Subsidized Units	Subsidized Units by Bedroom Size				Year Constructed/Rehabilitated/Assisted	Covenant Document No. & Date	Restrictions Expiration Date
			1 BR	2 BR	3 BR	4 BR			
Heritage Park 2685 Clark St Norco, CA 92860	128261001	86	64	22	0	0	2007	5/22/2007	5/22/2062
Clark Terrace I 2680 Clark St Norco, CA 92860	128240008	40	40	0	0	0	1985	12/20/1985	12/20/2035
Clark Terrace II 2680 Clark Ave. Norco, CA 92860	128240011	40	40	0	0	0	2000	7/28/2001	7/28/2041
Single-Family Home Norco, CA 92860	130162037	1	-	-	1	-	1984	#088298 2/17/1994	2/17/2024
Single-Family Home Norco, CA 92860	126240010	1	-	-	1	-	1988	#184322 4/28/1988	4/28/2028
Single-Family Home Norco, CA 92860	123081021	1	-	-	1	-	2001	#2001-108381 3/18/2001	3/18/2031
Single-Family Home Norco, CA 92860	133130011	1	1	-	-	-	1985	#302205 9/13/1985	9/13/2025
Single-Family Home Norco, CA 92860	131180027	1	-	-	-	1	1985	#218474 7/8/1985	7/8/2025
Single-Family Home Norco, CA 92860	127150021	1	-	-	1	-	1984	#448285 1/13/1984	1/13/2024
Single-Family Home Norco, CA 92860	128272002	1	-	-	1	-	1988	#957311 2/24/1988	2/24/2028

Norco Redevelopment Project Areas
Implementation Plan 2010-2014

Single-Family Home Norco, CA 92860	129281004	1	-	-	1	-	1985	#238976 6/22/1995	6/22/2025
Single-Family Home Norco, CA 92860	130162028	1	-	-	1	-	1985	N/A 3/15/1995	3/15/2025
Single-Family Home Norco, CA 92860	123060023	1	-	-	1	-	1987	#263042 8/8/1987	8/8/2027
Single-Family Home Norco, CA 92860	168020008	1	-	-	1	-	1984	#304346 10/13/1984	10/13/2024
Single-Family Home Norco, CA 92860	127342009	1	-	-	1	-	1989	#1989-330722 7/23/1989	7/23/2029
Single-Family Home Norco, CA 92860	125240003	1	-	-	1	-	1985	#327837 9/20/1985	9/20/2025
Single-Family Home Norco, CA 92860	131040021	1	-	-	1	-	1987	#115581 11/25/1987	11/25/2027
Single-Family Home Norco, CA 92860	125100042	1	-	-	1	-	2001	N/A 3/30/2001	3/30/2031
Single-Family Home Norco, CA 92860	153061002	1	-	-	1	-	1988	#283545 7/9/1988	7/9/2028
Single-Family Home Norco, CA 92860	125100024	1	-	-	1	-	1986	#48850 2/11/1988	2/11/2028
Single-Family Home Norco, CA 92860	131060017	1	-	-	1	-	1994	#410304 10/26/94	10/26/2024
Single-Family Home Norco, CA 92860	127030008	1	-	1	-	-	1989	#198549 2/25/1989	2/25/2029
Single-Family Home Norco, CA 92860	127100014	1	-	-	1	-	2009	#0098615 1/7/2009	1/7/2039
Single-Family Home Norco, CA 92860	123113004	1	-	-	1	-	2009	#0444605 8/19/2009	8/19/2039
Single-Family Home Norco, CA 92860	130422007	1	-	-	1	-	2010	Pending 5/26/2010	5/26/2040
Single-Family Home Norco, CA 92860	131030052	1	-	-	1	-	1984	#267797 6/30/1984	5/4/2024
Single-Family Home Norco, CA 92860	131030069	1	-	-	1	-	1985	#167142 5/24/1985	4/25/2025
Single-Family Home Norco, CA 92860	131060008	1	-	-	1	-	1984	#250769 6/21/1984	4/27/2024

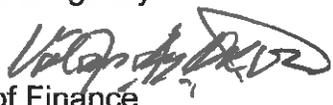
Norco Redevelopment Project Area
Implementation Plan 2010-2014

Single-Family Home Norco, CA 92860	133040018	1	-	-	1	-	2004	#230774 6/21/2004	4/27/2034
Single-Family Home Norco, CA 92860	122080035	1	-	-	1	-	2004	N/A 4/16/2004	1/7/2034
Single-Family Home Norco, CA 92860	13 1030070	1	-	-	1	-	2007	N/A 4/14/2007	3/21/2037
Single-Family Home Norco, CA 92860	13 1030071	1	-	-	1	-	1994	#478885 12/27/1994	12/21/2024
Single-Family Home Norco, CA 92860	125150018	1	-	-	1	-	2008	#0384870 7/1/2008	7/1/2038

Updated July 2010

CITY OF NORCO STAFF REPORT

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

FROM: Beth Groves, City Manager 
Andy Okoro, Deputy City Manager/Director of Finance 

DATE: February 16, 2010

SUBJECT: Mid-Year Amendments to Fiscal Year 2010-2011 Annual
Operating Budget

RECOMMENDATION: Staff Recommends:

1) That the Norco Redevelopment Agency Adopt **CRA Resolution No. 2011-___**, approving various Mid-Year Amendments to the Fiscal Year 2010-2011 Annual Budget and authorizing changes in appropriations and revenues thereto.

2) That the City Council Adopt **Resolution No. 2011-___**, approving various Mid-Year Amendments to the Fiscal Year 2010-2011 Annual Budget and authorizing changes in appropriations and revenues thereto.

SUMMARY: This item provides recommended mid-year revisions to the City and Redevelopment Agency Operating budget by Fund for the fiscal year 2010-2011. The recommended adjustments to the General Fund will result in a net decrease of \$178,943 to revenues and a \$277,266 net decrease to expenditures. Water Fund revenues are recommended to be decreased by \$644,077 while expenditures are recommended to be increased by \$601,550. For the Redevelopment Agency Operating Fund the recommended revisions will result in net increase of revenue estimate by \$348,994 while expenditures will be increased by \$212,278. Redevelopment Agency Housing Fund revenues are recommended to be increased by \$735,000 while expenditures are recommended to be increased by \$960,000.

The recommended changes to revenues and expenditures also result in changes to estimated fund balances. As a result of these revisions, total General Fund revenue is now estimated to be \$12,933,648 compared to total estimated expenditures of \$15,033,087 for FY 2010-2011. The revised estimated fund balance for the General Fund is \$1,282,924 at June 30, 2011. For the Redevelopment Agency Operating Fund, total estimated revenue is now revised to \$13,829,120 while total estimated expenditures are \$15,910,553. The revised estimated fund balance for the RDA Operating Fund at June 30, 2011 would be \$6,550,889. It is to be noted that the RDA estimated fund balance includes the proceeds of a \$3,000,000 loan from the Low to

Agenda Item 3.A.

Moderate Income Housing Fund to partially fund FY 2009-2010 SERAF payment. With the proposed revisions to the Water Fund, total estimated revenues for the fiscal year is now \$6,700,000 while expenditures are \$8,163,595. Estimated working capital balance at June 30, 2011 would be (\$2,015,442).

BACKGROUND/ANALYSIS: The City and Agency FY 2010-2011 Operating Budgets were approved by Council and Agency Board Members on June 16, 2010. Part of the City's financial planning and management process is to monitor the budget and to provide a mid-year budget update report to the City Council with recommendations for any necessary adjustments.

The recommended changes are summarized below.

City Revenues:

1. **Property Taxes:** The City's assessed value information was received from the county in August 2010 after the budget was adopted. The assessed value for 2010-2011 tax rolls reflected 2.1% decrease in assessed valuation compared to the valuation for previous year. The adopted budget anticipated about 2% decrease in assessed valuation for FY 2010-2011 tax rolls. Based on actual property tax receipts through January 31, 2010, staff believes that total receipts for the fiscal year will be slightly less than the amount budgeted for the year. Consequently, staff is recommending that the estimated property tax revenues be reduced \$46,650.
2. **Sales Tax:** Sales tax is a major component of General Fund revenues. Sales tax revenue for FY 2010-2011 budget year was estimated based on state-wide estimated increase of 4.7%. Based on actual sales tax receipts through last week, staff is now estimating that sales receipt for FY 2010-2011 will exceed the current budget amount by \$270,633.
3. **Other Taxes:** General Fund revenues included in this category consists of public safety sales tax, business license tax, transient occupancy tax and property transfer tax. Based on actual receipts through January 2011, staff is recommending reducing the public safety sales, property transfer tax and business license tax by \$59,000 while transient occupancy tax is recommended to be increased by \$18,850.
4. **Franchises:** Franchise revenues include revenues derived from cable, electric, gas and refuse franchise providers. Through January 31, 2011, the City has not received any revenues for gas or electric franchises. These items are received once every year during the month of March. Consequently, staff has no information to recommend any adjustment to the previously adopted budget revenue numbers for gas and electric franchises. Regarding refuse franchise, based on actual collections through December 31, 2010 staff is recommending that the current budget estimates be reduced by \$23,460 mainly due to non-payment of franchise fee by the School District and Community College contract refuse haulers.

5. **Vehicle License Fee:** Based on the amount received for the first installment, no change is being recommended to the original budget.
6. **Engineering Fees:** Engineering fees are estimated based on the value and volume of anticipated development projects in the City during the fiscal year. Based on the most current review, certain projects are no longer expected to be commenced during fiscal year 2010-2011. Therefore, engineering fees are now projected to be \$109,784 less than the amount previously projected in the adopted budget.
7. **Community Services Fees:** Community Services fees include charges for various park and recreation programs, facility rentals, Wee People Program and other related fees. Due to continuing decline in participation in the Wee People program, staff is recommending that revenue estimates be reduced by \$46,332. Expenditures are also recommended to be reduced by the same amount.
8. **Strike Team Revenues:** The General Fund revenue and expenditure budget includes a place holder amount for overtime related to strike team and USAR call outs (expenditures) and reimbursement by the State (revenues) for FY 2010-2011 in the amount of \$265,200. Because of the uncertainty pertaining to the occurrence of these events and the applicable amounts if and when the events do occur, staff believes that these items should be recognized in the budget when the events occur and the amounts are known. Staff recommends eliminating the revenue and the expenditure amount currently in the FY 2010-2011 adopted budget.
9. **Other General Fund Miscellaneous Revenues:** Examples of revenue items included in this category are; refuse billing and collection fees, dog licenses, voluntary EMS fees, penalties, business license inspection fees, mandated cost reimbursements etc. Based on actual receipts through December 31, 2010, staff is projecting that total receipts for the year will exceed budget by \$82,000 mainly due to increase in late payment penalties and reimbursements of insurance premium.

City General Fund Expenditures:

Wee People Program: Due to reduced demand for Wee People Program services caused by the ongoing economic slowdown, program revenues have been reduced by \$46,332. Program revenues are determined based the level of demand for services and service levels drive staffing levels. Based on revenue reduction of \$46,332 staff is recommending the same level of reduction to expenditures.

Strike Team Expenditures: The General Fund revenue and expenditure budget includes a place holder amount for overtime related to strike team and USAR call outs (expenditures) and subsequent reimbursement by the State (revenues) for FY 2010-2011 in the amount of \$265,200. Because of the uncertainty pertaining to the occurrence of these events and the applicable amounts if and when the events do occur, staff believes that these items should be recognized in the budget when the

events occur and the amounts are known. Staff recommends eliminating the revenue and the expenditure amount currently in the FY 2010-2011 adopted budget to properly reflect the change in budgeting.

City Attorney Services: Due to increase in the volume and complexity of litigated claims against the City requiring City Attorney services, it is estimated that the amount previously budgeted would not be sufficient to cover the remainder of the fiscal year. Staff is requesting additional appropriation of \$34,266 to prevent overspending the budget for the fiscal year.

Water Fund Revenues and Expenditures:

Based on actual expenditures to date, it is anticipated that Water Fund expenditures will exceed budget due to purchased water costs. The adopted budget includes \$3,900,000 for purchased water. It is now estimated that purchased water cost for the year would be \$4,501,550. Consequently, it is recommended that the budget for purchased water cost be increased by \$601,550. Similarly, based on actual revenues to date, it is now anticipated that total actual Water Fund revenues would be \$6,700,000 compared to \$7,344,077 in the adopted budget. As a result, it is also recommended that Water Fund budget revenues be reduced by \$644,077.

Redevelopment Agency Revenues and Expenditures:

The following changes are being proposed to the RDA Operating Budget:

1. **RDA Tax Increment Revenues:** Property tax increment revenue is the primary source of revenue for the RDA Operating Fund. The City's assessed value information was received from the county in August 2010 after the budget was adopted. The RDA assessed value for 2010-2011 tax year reflected 2.28% decrease in assessed valuation compared to the valuation for previous year. Based on actual property tax receipts through January 31, 2011, staff believes that total receipts for the fiscal year will be more than the amount in the original budget by \$231,716.
2. **Investment Earnings:** Redevelopment Agency Operating Fund investment earnings are projected to exceed the original adopted budget by \$55,000. The adopted budget beginning fund balance did not include the proceeds of the \$3 million loan from Low to Moderate Income Housing Fund.
3. **Miscellaneous Revenues:** The main revenue item included in this category is third party reimbursement of costs initially paid by the RDA. The cost reimbursements primarily relate to the Silverlakes project. As a result of revisions to the reimbursement agreement, actual reimbursement to date which was not included in the adopted budget is \$62,278. Staff recommends recognizing the additional revenue in the amount of \$62,278 in the budget.
4. **Contractual Services:** As a result of the revisions to the reimbursement agreement described in item #3 pertaining to reimbursed costs for the Silverlakes project, staff is recommending that budget appropriation for contracted services be increased by \$62,278.

5. **Development Incentives – Façade Program:** The FY 2010-2011 budget allocation for the Agency's Façade Program in the amount of \$150,000 was inadvertently put in the Agency's Capital Improvement Program Budget instead of the Operating Budget. Staff is recommending that the Operating Budget be amended to properly reflect the allocation for the Façade Program.
6. **Redevelopment Agency Housing Programs:** The budget for certain housing programs requires amendments to properly reflect revisions to available grant allocations and increased program demands. The recommended revisions are as follows:
 - a. **California Home Grant Program:** During fiscal year 2009-2010, the Agency received an upfront payment of \$225,000 for home repairs grant to low and very low income eligible participants. This program commenced during this fiscal year. Due to high demand under the program, the Agency expects to spend \$675,000 of the total available \$900,000 allocation during the fiscal year. Consequently, staff is recommending approval of appropriation in the amount of \$675,000 to be offset by recognition of \$675,000 in grant revenues.
 - b. **Neighborhood Stabilization Program:** The Agency has been participating in the County's Neighborhood Stabilization Program over the last two fiscal years. Under that program, the Agency was awarded \$1,627,000 in fiscal year 2009-2010. Of this amount, \$700,000 was carried over to the current fiscal year. The program is now being completed but would require additional \$60,000 funding from the County to wrap up. Staff is requesting additional expenditure authorization of \$60,000 which will be offset by \$60,000 grant revenues from the County.
 - c. **Agency Home Improvement Grant and Loan Programs:** Due to increase in demand, current year allocation for the Agency's home improvement grant and loan programs have been overspent. To continue these programs for the remainder of the fiscal year, staff is requesting additional budget authorization in the amount of \$150,000 and \$75,000 for the home improvement grant and home improvement loan programs respectively.

FISCAL IMPACT: Attachment A provides a summary of the fiscal impact of the recommended adjustments by Fund.

/ao-77744

Attachments: CRA Resolution No. 2010-____
CC Resolution No. 2010-____

CRA RESOLUTION NO. 2011-____

A RESOLUTION OF THE NORCO REDEVELOPMENT AGENCY APPROVING VARIOUS MID-YEAR AMENDMENTS TO FISCAL YEAR 2010-11 ANNUAL BUDGET AND AUTHORIZING CHANGES IN APPROPRIATIONS THERETO

WHEREAS, the Fiscal Year 2010-11 annual budget for the Norco Redevelopment Agency ("Agency") was adopted by the Agency on June 16, 2010; and

WHEREAS, certain expenditure items listed and attached hereto were not included in the adopted budget; and

WHEREAS, these expenditure changes are necessary to accurately reflect the Agency's expenditure budget for Fiscal Year 2010-11.

NOW, THEREFORE, BE IT RESOLVED that the Norco Redevelopment Agency at a regular meeting held on February 16, 2011 approved the budget changes listed on Attachment "A", subject to budgetary controls.

PASSED AND ADOPTED by the Norco Redevelopment Agency at a regular meeting held on February 16, 2011.

Chairman
Norco Redevelopment Agency

ATTEST:

Secretary, Norco Redevelopment Agency

CRA Reso. No. 2011-____
Page 2
February 16, 2011

I, BRENDA K. JACOBS, Secretary of the Norco Redevelopment Agency, do hereby certify that the foregoing Resolution was adopted by the Norco Redevelopment Agency at a regular meeting thereof held on February 16, 2011, by the following vote of the 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 February 16, 2011.

Secretary, Norco Redevelopment Agency

/jk-77724
Attachment: Attachment "A"

RESOLUTION NO. 2011-____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NORCO, CALIFORNIA, APPROVING VARIOUS MID YEAR AMENDMENTS TO FISCAL YEAR 2010-11 ANNUAL BUDGET AND AUTHORIZING CHANGES IN APPROPRIATIONS AND REVENUES THERETO

WHEREAS, the Fiscal Year 2010-11 annual budget for the City of Norco, California was adopted by the City Council on June 18, 2008; and

WHEREAS, certain expenditure items listed and attached hereto were not included in the adopted budget; and

WHEREAS, these expenditure changes are necessary to accurately reflect the City's expenditure and revenue budget for Fiscal Year 2010-11.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Norco at a regular meeting held on February 16, 2011 approved the budget changes listed on Attachment "A", subject to budgetary controls; side letter agreements to the said MOU; and staff layoffs.

PASSED AND ADOPTED by the City Council of the City of Norco at a regular meeting held on February 16, 2011

Mayor of the City of Norco, California

ATTEST:

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

Reso. No. 2011-____
Page 2
February 16, 2011

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 February 16, 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 February 16, 2011

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

/jk-77724
Attachment: Attachment "A"

FY 2010-2011 Mid-Year Budget Revisions - City and Redevelopment Agency

Revenue Description	Increase	Decrease
Property Taxes	\$ -	(46,650)
Sales Tax	270,633	-
Business License, Property Transfer and Pblc Safety	-	(59,000)
Transient Occupancy Tax	18,850	-
Franchise Fees	-	(23,460)
Encroachment Fees	-	(45,443)
Improvement Plan Check	-	(64,341)
Miscellaneous, Penalties, Reimbursements	82,000	-
Strike Team/USAR Revenues	-	(265,200)
Wee People Program Revenues	-	(46,332)
Totals	371,483	(550,426)

Net Increase (Decrease) to GF Revenues \$ (178,943)

Expenditure Description	Increase	Decrease
Strike Team/USAR	-	(265,200)
Wee People Program Expenditures	-	(46,332)
City Attorney Services	34,266	-
Totals	34,266	(311,532)

Net Increase (Decrease) to GF Expenditures \$ (277,266)

Redevelopment Operating Fund	Increase	Decrease
Tax Increment	231,716	-
Reimbursements/Contributions	62,278	-
Interest Income	55,000	-
Net Increase (Decrease) to RDA Revenues	348,994	-

Redevelopment Fund Expenditures	Increase	Decrease
Contractual Services	62,278	-
Development Incentives - Façade Program	150,000	-
Net Increase (Decrease) to RDA Expenditures	212,278	-

Redevelopment Agency Housing	Increase	Decrease
California Home Grant Revenues	675,000	-
NSP Grant Revenues	60,000	-
Net Increase (Decrease) to Housing Revenues	735,000	-

RDA Housing Home Improvement Grant Expenditures	150,000	-
RDA Housing Home Improvement Loan Expenditures	75,000	-
California Home Grant Expenditures	675,000	-
NSP Grant Expenditures	60,000	-
Net Increase (Decrease) to Housing Expenditures	960,000	-

Water Fund	Increase	Decrease
Purchased Water - Expenditures	601,550	-
Water Fund service Revenues	-	644,077



**RECAP OF ACTIONS TAKEN
CITY OF NORCO
PLANNING COMMISSION
CITY COUNCIL CHAMBERS – 2820 CLARK AVENUE
REGULAR MEETING
FEBRUARY 9, 2011**

1. CALLED TO ORDER: 7:00 p.m.
2. ROLL CALL **Chair Hedges, Vice-Chair Wright, Commissioners Henderson, Jaffarian**
3. STAFF PRESENT: **PD King, SP Robles, DCC Germain**
4. PLEDGE OF ALLEGIANCE: **Commissioner Henderson**
5. APPEAL NOTICE: **Read by staff.**
6. HEARING FROM THE AUDIENCE ON ITEMS NOT LISTED ON THE AGENDA: **No items.**
7. APPROVAL OF MINUTES: Minutes of January 26, 2011; **Approved with corrections, 4-0**
8. CONTINUED ITEMS: **None**
9. PUBLIC HEARINGS
 - A. Resolution 2011-13: Conditional Use Permit 2011-02 (Todora): A Request for Approval to allow a 900 Square-Foot Accessory Storage Building at 2421 Broken Lance Drive Located within the A-1-20 (Agricultural – Low Density) Zone. *Recommendation: Approval (Senior Planner Robles); Action: Approved 4-0; this action is final unless appealed to City Council.*
 - B. Resolution 2011-___: Conditional Use Permit 2010-05 (T-Mobile): A Request for Approval to allow an Unmanned Wireless Communications Facility to Consist of a 50-Foot Tall Mounting Pole with Antennas Designed as a Palm Tree, and Associated Ground Mounted Equipment at 4780 California Avenue Located within the C-G (Commercial General) Zone. *Recommendation: Denial without prejudice (Planning Director King); Action: Continued 4-0 to next meeting at the request of the applicant.*
 - C. Resolution 2011-12: Conditional Use Permit 2010-10 (Melanson): A Request for Approval to allow an Auto Body Shop at 1113/1155 Hamner Avenue Located within the Commercial District of the Gateway Specific Plan.

Recommendation: Approval (Senior Planner Robles); Action: Approved 4-0; this action is final unless appealed to City Council.

10. BUSINESS ITEMS:

A. Resolution 2011-11: Site Plan 2011-11 (Nagata): A Request for Approval to Allow a 400 Square-Foot Accessory Storage Shed at 2651 Bronco Lane Located within the A-1-20 (Agricultural – Low Density) Zone. *Recommendation: Approval (Senior Planner Robles); Action: Approved, this action is final unless appealed to City Council.*

B. Resolution 2011-14: Conditional Use Permit 2010-09 (Klinkenborg): Adopt a Resolution of Denial Reflecting Action Taken by the Planning Commission at the January 26, 2011 meeting. *Recommendation: Adopt Resolution 2011-14 (Planning Director King); Action: Adopted Resolution 2011-14 (4-0) reflecting action taken by the Planning Commission at its January 26, 2011 meeting with no further discussion on the merits of the project or the decision of the Planning Commission. The action of the Planning Commission on January 26, 2011 has been appealed to City Council and will be advertised for the March 2, 2011 meeting.*

11. CITY COUNCIL:

A. Recap of Actions Taken at the February 2, 2011 City Council/Community Redevelopment Agency Meeting.

B. City Council Minutes dated January 25, 2011 (Special Meeting) and January 19, 2011

Received and filed.

12. PLANNING COMMISSION: Oral Reports from Various Committees; **No reports.**

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

14. OTHER MATTERS: (Director King)

A. Follow-up on Items from Previous Meetings (Oral Reports); **Received and filed.**

15. ADJOURNMENT: **8:00 p.m.**

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: February 16, 2011

SUBJECT: Approval of Lease Agreement between T-Mobile West Corporation, a Delaware Corporation, and the City of Norco to Construct a Telecommunications Facility at Wayne Makin Sports Complex

RECOMMENDATION: Approve Lease Agreement between T-Mobile West Corporation, a Delaware corporation, and City of Norco to construct a telecommunications facility at Wayne Makin Sports Complex.

SUMMARY: Over the past several months, staff has been working with representatives of T-Mobile West Corporation, a Delaware corporation, to discuss leasing property at Wayne Makin Sports Complex, commonly known as 3364 Western Avenue, Norco CA 92860, for the construction of a telecommunications facility. Staff is recommending approval of a License Agreement with T-Mobile West Corporation to lease the property at Wayne Makin Sports Complex.

BACKGROUND ANALYSIS: T-Mobile West Corporation, a Delaware corporation, offers mobile phone services to consumers and businesses. T-Mobile West Corporation shall construct an antenna facility commonly referred to in the industry as a "light standard" type of facility (the "Light Standard"). They may install, place, use and operate on the property such antennas, radio transmitting and receiving equipment, conduits, wires, batteries, back-up generators, utility lines and facilities, supporting structures, storage facilities, telephone facilities, microwave equipment, and related equipment as they deem necessary for the operation of its wireless communications site on the property. The Light Standard, constructed for the purpose of concealing the cables and wires, and for attaching the antenna fixtures, shall be constructed by T-Mobile West Corporation, but shall be owned and maintained by the City of Norco.

Conditions for site development are identified in the General Regulations and Development Standards for Commercial Telecommunications Facilities (Exhibit "A"). Project site plans for development are identified at Wayne Makin Sports Complex (Exhibit "B").

The License Agreement (Exhibit "C") between the City and T-Mobile West Corporation would provide valuable revenue to offset costs of park operations, as well as lighting costs associated with our youth sports organizations use.

T-Mobile West Corporation License Agreement

Page 2

February 16, 2011

The proposed License Agreement contains the standard industry language for these types of installations. The term of this Lease Agreement ("Term") shall be five (5) years commencing on the date of the exercise of the Option ("the Commencement Date"), and terminating at midnight on the last day of the month of the initial term. During the option period, and at the expense of the Tenant, Tenant shall obtain all licenses and permits or authorizations required, including a Conditional Use Permit (CUP), for Tenant's use of the premises.

The City shall receive rent on the Commencement Date or twelve (12) months from the last date of execution by a party to this Agreement, whichever occurs first. Tenant shall have the right to extend the Term of this Lease Agreement for five (5) additional terms of five (5) years each. The monthly rental rate will be \$1999 with a 3.5 % increase each year. Additionally, Tenant shall pay City a one-time Capital Contribution Fee of \$20,000 to be deposited to the Parks and Recreation Capital Improvement Development Fund to be used as Landlord sees fit.

T-Mobile West Corporation is required to maintain insurance for bodily injury and property damage of at least one million dollars per occurrence, with the City of Norco named as additionally insured.

The City, acting as the Licensor, will be responsible to maintain the area around the facility. T-Mobile West Corporation acting as the Licensee, will retain ownership of cell site equipment it places on the premises except for the athletic field light standards and lights, when and if the License Agreement expires or is terminated.

FINANCIAL IMPACT: The revenue stream associated with the License Agreement would be \$23,988 annually. Revenue generated will be deposited into the general fund and will assist to offset costs associated with park operations within in the City.

/ma-77617

Attachments: General Regulations and Development Standards for Commercial
Telecommunication Facilities – Exhibit "A"
Project Site Plan – Exhibit "B"
Site Lease with Option – Exhibit "C"

Section 18.57.10 GENERAL REGULATIONS AND DEVELOPMENT STANDARDS FOR COMMERCIAL TELECOMMUNICATION FACILITIES.

The following regulations and development standards apply to commercial telecommunication facilities, normally installed by companies providing wireless telecommunication services to a wide range of customers.

1). On each commercial wireless antenna, space shall be made available at no cost to the City, if needed as determined by the City in its sound discretion, for emergency communication purposes, such as, but not limited to repeaters, boosters, antennas, etc. Any necessary ancillary equipment and/or utilities shall also be made available at no cost to the City, to ensure the viability of the communication site.

2). Freestanding Antennas and Associated Equipment Rooms

a) Freestanding antennas, and associated equipment rooms, shall be permitted in all zones, except residential and agricultural zones, subject to the approval of a conditional use permit provided that both the antennas and the equipment rooms comply with the regulations of this chapter and the underlying zone.

b) Co-location on an existing freestanding antenna structure is encouraged and may be subject to staff review.

c) Freestanding antennas shall not be allowed within front yard or street side yard setbacks for the underlying zone.

d) The maximum height of any wireless telecommunication antenna shall be 50 feet; an increase in height exceeding 50 feet shall require the approval of a variance. Freestanding antennas, which are designed for co-location, shall be given special consideration for an increase in maximum height allowed.

e) All freestanding antennas shall be sited on property to minimize visual impacts to adjacent properties and adjacent public right-of-way, and designed to blend into the surrounding environment. Designs used to blend in with the surrounding environment shall include: clock/bell towers, signs, light poles, or other structures. Landscaping may be required adjacent to the antenna for screening, to include trees and/or shrubs.

f) Wherever possible, antennas shall be integrated into other existing structures, such as light poles, utility poles, signs or other communication towers.

g) All antenna sites shall be enclosed with a six (6) foot high fence and posted with warning signs alerting people to keep their distance from the antenna site. The design and material of the fence must be compatible with the site. All wireless communication providers shall abide by ANSI standards.

h) Antennas shall not be allowed to have any type of advertising sign copy, unless signage is for on-site business and meets all code regulations.

i) The owner of the antenna shall pay an annual business license fee, in an amount as specified by resolution of the City Council.

SITE LEASE WITH OPTION

THIS SITE LEASE WITH OPTION (this "Lease") is by and between City of Norco, a municipal corporation ("Landlord") and T-Mobile West Corporation, a Delaware corporation ("Tenant").

1. Option to Lease.

(a) In consideration of the payment of one thousand and no/100 dollars (\$1,000.00) (the "Option Fee") by Tenant to Landlord, Landlord hereby grants to Tenant an option to lease the use of a portion of the real property described in the attached Exhibit A (the "Property"), on the terms and conditions set forth herein (the "Option"). The Option shall be for an initial term of twelve (12) months, commencing on the Effective Date (as defined below) (the "Option Period"). The Option Period may be extended by Tenant for an additional twelve (12) months upon written notice to Landlord and payment of the sum of one hundred and no/100 dollars (\$100.00) ("Additional Option Fee") at any time prior to the end of the Option Period.

(b) During the Option Period and any extension thereof, and during the term of this Lease, Landlord agrees to cooperate with Tenant in obtaining, at Tenant's expense, all licenses and permits or authorizations required for Tenant's use of the Premises (as defined below) from all applicable government and/or regulatory entities (including, without limitation, zoning and land use authorities, and the Federal Communications Commission ("FCC") ("Governmental Approvals"), including all land use and zoning permit applications, and Landlord agrees to cooperate with and to allow Tenant, at no cost to Landlord, to obtain a title report, zoning approvals and variances, land-use permits, and Landlord expressly grants to Tenant a right of access to the Property to perform surveys, soils tests, and other engineering procedures or environmental investigations on the Property necessary to determine that Tenant's use of the Premises will be compatible with Tenant's engineering specifications, system design, operations and Governmental Approvals. Notwithstanding the foregoing, Tenant may not change the zoning classification of the Property without first obtaining Landlord's written consent. During the Option Period and any extension thereof, Landlord agrees that it will not interfere with Tenant's efforts to secure other licenses and permits or authorizations that relate to other property. During the Option Period and any extension thereof, Tenant may exercise the Option by so notifying Landlord in writing, at Landlord's address in accordance with Section 12 hereof.

(c) If Tenant exercises the Option, then, subject to the following terms and conditions, Landlord hereby leases to Tenant the use of that portion of the Property sufficient for placement of the Antenna Facilities (as defined below), together with all necessary space and easements for access and utilities, as generally described and depicted in the attached Exhibit B (collectively referred to hereinafter as the "Premises"). The Premises, located at 3364 Western Avenue, Norco, CA 92860, comprises approximately 368 square feet.

2. Term. The initial term of this Lease shall be five (5) years commencing on the date of the exercise of the Option (the "Commencement Date"), and terminating at midnight on the last day of the month of the initial term (the "Initial Term").

3. Renewal. Tenant shall have the right to extend this Lease for five (5) additional and successive five-year terms (each a "Renewal Term") on the same terms and conditions as set forth herein. This Lease shall automatically renew for each successive Renewal Term unless Tenant notifies Landlord, in writing, of Tenant's intention not to renew this Lease, at least thirty (30) days prior to the expiration of the Initial Term or any Renewal Term. If Tenant shall remain in possession of the Premises at the expiration of this Lease or any Renewal Term without a written agreement, such tenancy shall be deemed a month-to-month tenancy under the same terms and conditions of this Lease.

4. Rent.

(a) From and after the Commencement Date, Tenant shall pay Landlord or designee, as rent, one thousand nine hundred ninety nine and no/100 dollars (\$1,999.00) per month ("Rent"). The first payment of Rent shall be due within twenty (20) days following the Commencement Date and shall be prorated based on the days remaining in the month following the Commencement Date, and thereafter Rent will be payable monthly in advance by the fifth day of each month to Landlord at the address specified in Section 12 below. If this Lease is terminated for any reason (other than a default by Tenant) at a time other than on the last day of a month, Rent shall be prorated as of the date of termination and all prepaid Rent shall be immediately refunded to Tenant. Landlord, its successors, assigns and/or designee, if any, will submit to Tenant any documents required by Tenant in connection with the payment of Rent, including, without limitation, an IRS Form W-9.

(b) Upon the commencement of any Renewal Term hereunder, Rent will be increased for each such Renewal Term over the monthly or annual installment of Rent payable during the preceding Renewal Term by SEE ADDENDUM percent (SEE ADDENDUM).

5. Permitted Use. The Premises may be used by Tenant for the transmission and reception of radio communication signals and for the construction, installation, operation, maintenance, repair, removal or replacement of related facilities, including, without limitation, tower and base, antennas, microwave dishes, equipment shelters and/or cabinets and related activities.

6. Interference. Tenant shall not use the Premises in any way which interferes with the use of the Property by Landlord, or lessees or licensees of Landlord with equipment installed prior in time to Tenant's installation. Similarly, Landlord shall not use, nor shall Landlord permit its lessees, licensees, employees, invitees or agents to use, any portion of the Property in any way which interferes with the operations of Tenant. Such interference shall be deemed a material breach by the interfering party, who shall, upon written notice from the other, be responsible for terminating said interference. In the event any such interference does not cease promptly, the parties acknowledge that continuing interference may cause

irreparable injury and, therefore, the injured party shall have the right, in addition to any other rights that it may have at law or in equity, to bring a court action to enjoin such interference or to terminate this Lease immediately upon written notice.

7. Improvements; Utilities; Access.

(a) Tenant shall have the right, at its expense, to erect and maintain on the Premises improvements, personal property and facilities necessary to operate its communications system, including, without limitation, radio transmitting and receiving antennas, microwave dishes, tower and base, equipment shelters and/or cabinets and related cables and utility lines and a location based system, including, without limitation, antenna(s), coaxial cable, base units, location based systems, and other associated equipment (collectively, the "Antenna Facilities"). Tenant shall have the right to alter, replace, expand, enhance and upgrade the Antenna Facilities at any time during the term of this Lease. Tenant shall cause all construction to occur lien-free and in compliance with all applicable laws and ordinances, and shall discharge or bond any mechanic's lien filed or recorded. Landlord acknowledges that it shall not interfere with any aspects of construction, including, without limitation, attempting to direct construction personnel as to the location of or method of installation of the Antenna Facilities and the Easements (as defined below) ("Construction Interference"). Landlord further acknowledges that it will be responsible for any costs and damages (including, fines and penalties) that are directly attributable to Landlord's Construction Interference. The Antenna Facilities shall remain the exclusive property of Tenant and shall not be considered fixtures. Tenant shall have the right to remove the Antenna Facilities at any time during and upon the expiration or termination of this Lease.

(b) Tenant, at its expense, may use any and all appropriate means of restricting access to the Antenna Facilities, including, without limitation, the construction of a fence.

(c) Tenant shall, at Tenant's expense, keep and maintain the Antenna Facilities now or hereafter located on the Property in commercially reasonable condition and repair during the term of this Lease, normal wear and tear and casualty excepted. Upon termination or expiration of this Lease, the Premises shall be returned to Landlord in good, usable condition, normal wear and tear and casualty excepted.

(d) Tenant shall have the right to install utilities, at Tenant's expense, and to improve the present utilities on the Property (including, but not limited to, the installation of emergency power generators). Landlord agrees to use reasonable efforts in assisting Tenant to acquire necessary utility service. Tenant shall, wherever practicable, install separate meters for utilities used on the Property by Tenant. Landlord shall diligently correct any variation, interruption or failure of utility service.

(e) As partial consideration for Rent paid under this Lease, Landlord hereby grants Tenant an easement in, under and across the Property for ingress, egress, utilities and access (including access for the purposes described in Section 1) to the Premises adequate to install and maintain utilities, which include, but are not limited to, the installation of power and telephone service cable, and to service the Premises and the Antenna Facilities at all times during the Initial Term of this Lease and any Renewal Term (collectively, the "Easements"). The Easements provided hereunder shall have the same term as this Lease.

(f) Tenant shall have 24-hours-a-day, 7-days-a-week access to the Premises ("Access") at all times during the Initial Term of this Lease and any Renewal Term at no additional charge to the Tenant. In the event Landlord, its employees or agents impede or deny Access to Tenant, its employees or agents, Tenant shall, without waiving any other rights that it may have at law or in equity, deduct from Rent amounts due under this Lease an amount equal to five hundred and no/100 dollars (\$500.00) per day for each day that Access is impeded or denied.

8. Termination. Except as otherwise provided herein, this Lease may be terminated, without any penalty or further liability as follows:

(a) upon thirty (30) days' written notice by Landlord if Tenant fails to cure a default for payment of amounts due under this Lease within that thirty (30) day period;

(b) immediately if Tenant notifies Landlord of unacceptable results of any title report, environmental or soil tests prior to Tenant's installation of the Antenna Facilities on the Premises, or if Tenant is unable to obtain, maintain, or otherwise forfeits or cancels any license (including, without limitation, an FCC license), permit or any Governmental Approval necessary to the installation and/or operation of the Antenna Facilities or Tenant's business;

(c) upon thirty (30) days' written notice by Tenant if the Property or the Antenna Facilities are, or become unacceptable under Tenant's design or engineering specifications for its Antenna Facilities or the communications system to which the Antenna Facilities belong;

(d) immediately upon written notice by Tenant if the Premises or the Antenna Facilities are destroyed or damaged so as in Tenant's reasonable judgment to substantially and adversely affect the effective use of the Antenna Facilities. In such event, all rights and obligations of the parties shall cease as of the date of the damage or destruction, and Tenant shall be entitled to the reimbursement of any Rent prepaid by Tenant. If Tenant elects to continue this Lease, then all Rent shall abate until the Premises and/or the Antenna Facilities are restored to the condition existing immediately prior to such damage or destruction; or

(e) at the time title to the Property transfers to a condemning authority, pursuant to a taking of all or a portion of the Property sufficient in Tenant's determination to render the Premises unsuitable for Tenant's use. Landlord and Tenant shall each be entitled to pursue their own separate awards with respect to such taking. Sale of all or part of the Property to a purchaser with the power of eminent domain in the face of the exercise of the power shall be treated as a taking by condemnation; or

(f) upon thirty (30) days written notice by Tenant if Tenant determines that the Property or Antenna Facilities are inappropriate or unnecessary for Tenant's operations due to economic reasons.

9. **Default and Right to Cure.** Notwithstanding anything contained herein to the contrary and without waiving any other rights granted to it at law or in equity, each party shall have the right, but not the obligation, to terminate this Lease on written notice pursuant to Section 12 hereof, to take effect immediately, if the other party (i) fails to perform any covenant for a period of thirty (30) days after receipt of written notice thereof to cure.

10. **Taxes.** Landlord shall pay when due all real property taxes for the Property, including the Premises. In the event that Landlord fails to pay any such real property taxes or other fees and assessments, Tenant shall have the right, but not the obligation, to pay such owed amounts and deduct them from Rent amounts due under this Lease. Notwithstanding the foregoing, Tenant shall pay any personal property tax, real property tax or any other tax or fee which are directly attributable to the presence or installation of the Tenant's Antenna Facilities, only for so long as this Lease has not expired of its own terms or is not terminated by either party. Landlord hereby grants to Tenant the right to challenge, whether in a Court, Administrative Proceeding, or other venue, on behalf of Landlord and/or Tenant, any personal property or real property tax assessments that may affect Tenant. If Landlord receives notice of any personal property or real property tax assessment against the Landlord, which may affect Tenant and is directly attributable to Tenant's installation, Landlord shall provide timely notice of the assessment to Tenant sufficient to allow Tenant to consent to or challenge such assessment. Further, Landlord shall provide to Tenant any and all documentation associated with the assessment and shall execute any and all documents reasonably necessary to effectuate the intent of this Section 10.

11. **Insurance and Subrogation and Indemnification.**

(a) Tenant shall provide Commercial General Liability Insurance in an aggregate amount of One Million and no/100 dollars (\$1,000,000.00). Tenant may satisfy this requirement by obtaining the appropriate endorsement to any master policy of liability insurance Tenant may maintain.

(b) Landlord and Tenant hereby mutually release each other (and their successors or assigns) from liability and waive all right of recovery against the other for any loss or damage covered by their respective first party property insurance policies for all perils insured thereunder. In the event of such insured loss, neither party's insurance company shall have a subrogated claim against the other. To the extent loss or damage is not covered by their first party property insurance policies, Landlord and Tenant each agree to indemnify and hold harmless the other party from and against any and all claims, damages, cost and expenses, including reasonable attorney fees, to the extent caused by or arising out of (a) the negligent acts or omissions or willful misconduct in the operations or activities on the Property by the indemnifying party or the employees, agents, contractors, licensees, tenants and/or subtenants of the indemnifying party, or (b) a breach of any obligation of the indemnifying party under this Lease. Notwithstanding the foregoing, this indemnification shall not extend to indirect, special, incidental or consequential damages, including, without limitation, loss of profits, income or business opportunities to the indemnified party or anyone claiming through the indemnified party. The indemnifying party's obligations under this section are contingent upon (i) its receiving prompt written notice of any event giving rise to an obligation to indemnify the other party and (ii) the indemnified party's granting it the right to control the defense and settlement of the same. Notwithstanding anything to the contrary in this Lease, the parties hereby confirm that the provisions of this section shall survive the expiration or termination of this Lease. Tenant shall not be responsible to Landlord, or any third-party, for any claims, costs or damages (including, fines and penalties) attributable to any pre-existing violations of applicable codes, statutes or other regulations governing the Property, including the Premises.

12. **Notices.** All notices, requests, demands and other communications shall be in writing and are effective three (3) days after deposit in the U.S. mail, certified and postage paid, or upon receipt if personally delivered or sent by next-business-day delivery via a nationally recognized overnight courier to the addresses set forth below. Landlord or Tenant may from time to time designate any other address for this purpose by providing written notice to the other party.

If to Tenant, to:

T-Mobile USA, Inc.
12920 SE 38th Street
Bellevue, WA 98006
Attn: PCS Lease Administrator/ IE04784-D

With a copy to:

Attn: Legal Dept. / IE04784-D

And with a copy to:

T-Mobile West Corporation
2008 McGaw Avenue
Irvine, CA 92614
Attn: Lease Administration Manager/ IE04784-D

If to Landlord, to:

City of Norco,
2870 Clark Avenue
Norco, CA 92860
Attn: Parks & Recreation

And with a copy to:

Harper & Burns, LLP
453 South Glassell Street
Orange, CA 92866
Attn: John Harper

Send Rent payments to:

City of Norco
2870 Clark Avenue
Norco, CA 92860
Attn: Parks & Recreation

13. Quiet Enjoyment, Title and Authority. Landlord covenants and warrants to Tenant that (i) Landlord has full right, power and authority to execute this Lease; (ii) it has good and unencumbered title to the Property free and clear of any liens or mortgages, except those disclosed to Tenant and which will not interfere with Tenant's rights to or use of the Premises; and (iii) execution and performance of this Lease will not violate any laws, ordinances, covenants, or the provisions of any mortgage, lease, or other agreement binding on Landlord. Landlord covenants that at all times during the term of this Lease, Tenant's quiet enjoyment of the Premises or any part thereof shall not be disturbed as long as Tenant is not in default beyond any applicable grace or cure period.

14. Environmental Laws. Landlord represents that it has no knowledge of any substance, chemical or waste (collectively, "Hazardous Substance") on the Property that is identified as hazardous, toxic or dangerous in any applicable federal, state or local law or regulation. Landlord and Tenant shall not introduce or use any Hazardous Substance on the Property in violation of any applicable law. Landlord shall be responsible for, and shall promptly conduct any investigation and remediation as required by any applicable environmental laws, all spills or other releases of any Hazardous Substance not caused solely by Tenant, that have occurred or which may occur on the Property. Each party agrees to defend, indemnify and hold harmless the other from and against any and all administrative and judicial actions and rulings, claims, causes of action, demands and liability (collectively, "Claims") including, but not limited to, damages, costs, expenses, assessments, penalties, fines, losses, judgments and reasonable attorney fees that the indemnitee may suffer or incur due to the existence or discovery of any Hazardous Substances on the Property or the migration of any Hazardous Substance to other properties or the release of any Hazardous Substance into the environment (collectively, "Actions"), that relate to or arise from the indemnitor's activities on the Property. Landlord agrees to defend, indemnify and hold Tenant harmless from Claims resulting from Actions on the Property not caused by Landlord or Tenant prior to and during the Initial Term and any Renewal Term of this Lease. The indemnifications in this section specifically include, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any governmental authority. This Section 14 shall survive the termination or expiration of this Lease.

15. Assignment and Subleasing.

(a) Tenant may assign this Lease and the Easements (as defined above) granted herein upon written notice to Landlord. Upon such assignment, Tenant shall be relieved of all liabilities and obligations hereunder and Landlord shall look solely to the assignee for performance under this Lease and all obligations hereunder. Tenant may sublease the Premises, upon written notice to Landlord.

(b) Additionally, Tenant may, upon notice to Landlord, collaterally assign or grant a security interest in this Lease and the Antenna Facilities, and may assign this Lease and the Antenna Facilities to any mortgagees or holders of security interests, including their successors or assigns (collectively "Secured Parties"). In such event, Landlord shall execute such consent to leasehold financing as may reasonably be required by such Secured Parties.

16. Successors and Assigns. This Lease and the Easements granted herein shall run with the land, and shall be binding upon and inure to the benefit of the parties, their respective successors, personal representatives and assigns.

17. Waiver of Landlord's Lien. Landlord hereby waives any and all lien rights it may have, statutory or otherwise, concerning the Antenna Facilities or any portion thereof, which shall be deemed personal property for the purposes of this Lease, whether or not the same is deemed real or personal property under applicable laws, and Landlord gives Tenant and Secured Parties the right to remove all or any portion of the same from time to time, whether before or after a default under this Lease, in Tenant's and/or Secured Parties' sole discretion and without Landlord's consent.

18. Miscellaneous.

(a) The prevailing party in any litigation arising hereunder shall be entitled to its reasonable attorneys' fees and court costs, including appeals, if any.

(b) Each party agrees to furnish to the other, within twenty (20) days after request, such truthful estoppel information as the other may reasonably request.

(c) This Lease constitutes the entire agreement and understanding of the parties, and supersedes all offers, negotiations and other agreements. There are no representations or understandings of any kind not set forth herein. Any amendments to this Lease must be in writing and executed by both parties.

(d) Each party agrees to cooperate with the other in executing any documents including a Memorandum of Lease necessary to protect its rights or use of the Premises. The Memorandum of Lease may be recorded in place of this Lease by either party. In the event the Property is encumbered by a mortgage or deed of trust, Landlord agrees, upon request of Tenant, to obtain and furnish to Tenant a non-disturbance and attornment agreement for each such mortgage or deed of trust, in a form reasonably acceptable to Tenant. Tenant may obtain title insurance on its interest in the Premises. Landlord agrees to execute such documents as the title company may require in connection therewith.

(e) This Lease shall be construed in accordance with the laws of the state in which the Property is located.

(f) If any term of this Lease is found to be void or invalid, such finding shall not affect the remaining terms of this Lease, which shall continue in full force and effect. The parties agree that if any provisions are deemed not enforceable, they shall be deemed modified to the extent necessary to make them enforceable. Any questions of particular interpretation shall not be interpreted against the draftsman, but rather in

accordance with the fair meaning thereof. No provision of this Lease will be deemed waived by either party unless expressly waived in writing signed by the waiving party. No waiver shall be implied by delay or any other act or omission of either party. No waiver by either party of any provision of this Lease shall be deemed a waiver of such provision with respect to any subsequent matter relating to such provision.

(g) The persons who have executed this Lease represent and warrant that they are duly authorized to execute this Lease in their individual or representative capacity as indicated.

(h) This Lease may be executed in any number of counterpart copies, each of which shall be deemed an original, but all of which together shall constitute a single instrument.

(i) All Exhibits referred to herein and any Addenda are incorporated herein for all purposes. The parties understand and acknowledge that Exhibit A (the legal description of the Property) and Exhibit B (the Premises location within the Property), may be attached to this Lease and the Memorandum of Lease, in preliminary form. Accordingly, the parties agree that upon the preparation of final, more complete exhibits, Exhibits A, and/or B, as the case may be, which may have been attached hereto in preliminary form, may be replaced by Tenant with such final, more complete exhibit(s). The terms of all Exhibits are incorporated herein for all purposes.

(j) If Landlord is represented by any broker or any other leasing agent, Landlord is responsible for all commission fee or other payment to such agent, and agrees to indemnify and hold Tenant harmless from all claims by such broker or anyone claiming through such broker. If Tenant is represented by any broker or any other leasing agent, Tenant is responsible for all commission fee or other payment to such agent, and agrees to indemnify and hold Landlord harmless from all claims by such broker or anyone claiming through such broker.

The effective date of this Lease is the date of execution by the last party to sign (the "Effective Date").

LANDLORD: City of Norco, a municipal corporation

By: _____
Printed Name: Berwin Hanna
Title: Mayor
Date: _____

TENANT: T-Mobile West Corporation, a Delaware corporation

By: _____
Printed Name: _____
Title: _____
Date: _____

T-Mobile Legal Approval

**EXHIBIT A
Legal Description**

The Property is legally described as follows:

APN: 129-020-023; 129-020-024; 129-020-025; 129-020-039; 129-020-040

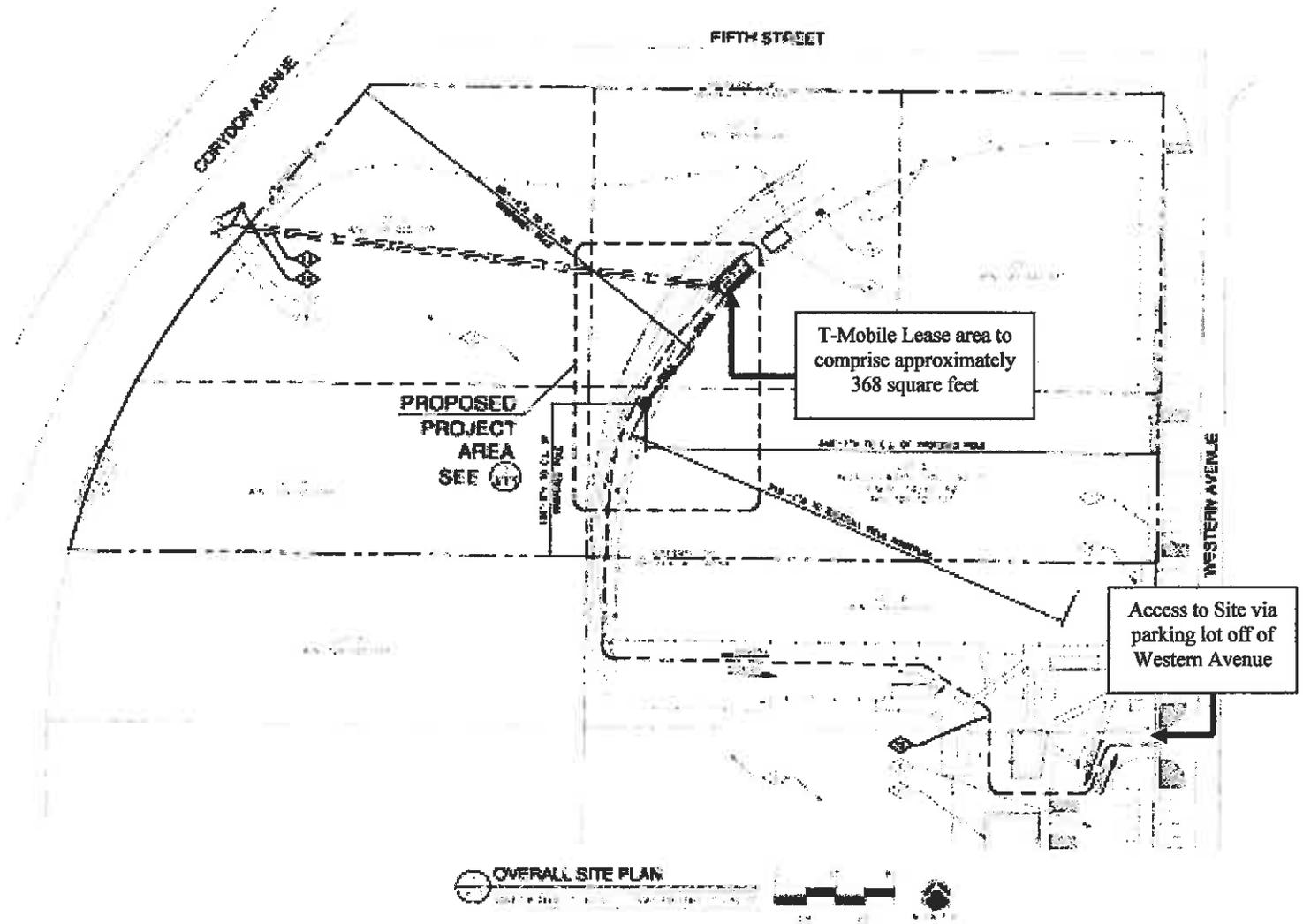
Lots 2, 5, 6, 9, 10, 13, 14, 17, 18, 20 and 21 in Block 72 of NORCO FARMS TRACT NO. 5,
as shown by Map on file in Book 14 pages 60 through 62 of Official Records of Riverside
County, California.

EXHIBIT B

The location of the Premises within the Property (together with access and utilities) is more particularly described and depicted as follows:

APN: 129-020-023; 129-020-024; 129-020-025; 129-020-039; 129-020-040

However, it is expressly agreed and understood by and between the Landlord and Tenant that the exact and precise location of the Tenant's Antenna Facilities are subject to review and approval by the planning and/or zoning Boards having jurisdiction over the "Premises". Therefore, it is expressly agreed and understood by and between Landlord and Tenant that the precise location of the Premises as shown on Exhibit "B" may be modified by the Tenant in order to comply with and obtain necessary planning and/or zoning approvals, and any and all other approvals necessary for Tenant's intended use of the property. The Premises as described herein may therefore be modified by the Tenant to reflect the final engineering design. An amended Exhibit "B" (if necessary) will be provided by the Tenant and attached to the lease in place of the existing Exhibit "B", a copy of which will be provided to the Landlord for review prior to being incorporated into the lease.



ADDENDUM TO SITE LEASE WITH OPTION
[Additional Terms]

In the event of conflict or inconsistency between the terms of this Addendum and this Lease, the terms of the Addendum shall govern and control. All capitalized terms shall have the same meaning as in this Lease.

Section 1. (a) is deleted in its entirety and is not replaced.

Section 1. (b) is deleted in its entirety and replaced by the following:

Due Diligence Period 1. (a) - Upon full execution of this Lease, and in consideration of the payment of One Thousand and no/100 dollars (\$1,000.00) ("the Due Diligence Fee") by Tenant to Landlord, Landlord hereby grants to Tenant the use of a portion of the real property described in the attached Exhibit A ("the Property"), on the terms and conditions set forth herein ("the Due Diligence Period"). The Due Diligence Period shall be for a Term of twelve (12) months, commencing on the Effective Date (as defined below) ("the Due Diligence Period"). During the Due Diligence Period and during the term of this Lease, Landlord agrees to cooperate with Tenant in obtaining, at Tenant's expense, all licenses and permits or authorizations required for Tenant's use of the Premises (as defined below) from all applicable government and/or regulatory entities (including, without limitation, zoning and land use authorities, and the Federal Communications Commission ("FCC") ("Governmental Approvals"), including all land use and zoning permit applications, and Landlord agrees to cooperate with and to allow Tenant, at no cost to Landlord, to obtain a title report, zoning approvals and variances, land-use permits, and Landlord expressly grants to Tenant a right of access to the Property to perform surveys, soils tests, and other engineering procedures or environmental investigations on the Property necessary to determine that Tenant's use of the Premises will be compatible with Tenant's engineering specifications, system design, operations and Governmental Approvals. Notwithstanding the foregoing, Tenant may not change the zoning classification of the Property without first obtaining Landlord's written consent. During the Due Diligence Period, Landlord agrees that it will not interfere with Tenant's efforts to secure other licenses and permits or authorizations that relate to other property.

Section 1. (c) is deleted in its entirety and replaced by the following:

Due Diligence Period 1. (b) - Upon the "Commencement Date" (as defined below), and subject to the following terms and conditions, Landlord hereby leases to Tenant the use of that portion of the Property sufficient for placement of the Antenna Facilities (as defined below), together with all necessary space and easements for access and utilities, as generally described and depicted in the attached Exhibit B (collectively referred to hereinafter as the "Premises"). The Premises, located at 3364 Western Avenue, Norco, CA 92860, comprises approximately 368 square feet.

Section 2. is deleted in its entirety and replaced by the following:

Term 2. - The initial term of this Lease Agreement shall be five (5) years commencing on the date: (a) Tenant begins construction of its Antenna Facilities on the Premises or (b) twelve (12) months from the last date of execution by a party to this Lease as reflected on the signature page below; whichever occurs first ("Commencement Date"), and shall terminate at midnight on the last day of the month of the initial term (the "Initial Term"). Tenant shall deliver written notice to Landlord of the Commencement Date promptly thereafter.

Section 3. is deleted in its entirety and replaced by the following:

Renewal 3. - Tenant shall have the right to extend this Lease for five (5) additional and successive five-year terms (each a "Renewal Term") on the same terms and conditions as set forth herein. This Lease shall automatically renew for each successive Renewal Term unless Tenant notifies Landlord, in writing, of Tenant's intention not to renew this Lease, at least thirty (30) days prior to the expiration of the Initial Term or any Renewal Term.

Section 4. (b) is deleted in its entirety and replaced by the following:

Rent 4. (b) - Rent will be increased on each annual anniversary of the Commencement Date to an amount equal to the amount of the monthly installments of Rent payable during the preceding year increased by three and one-half percent (3.5%).

Section 7. (d) is deleted in its entirety and replaced by the following:

Improvements; Utilities; Access 7. (d) - Tenant shall have the right to install utilities, at Tenant's expense, and to improve the present utilities on the Property (including, but not limited to, the installation of emergency power generators). Landlord agrees to use reasonable efforts in assisting Tenant to acquire necessary utility service. Tenant shall, wherever practicable, install separate meters for utilities used on the Property by Tenant. Prior to such installation, Tenant shall have the right to utilize electrical power directly from the existing utilities located on the Property as reasonably required for the operation of the Antenna Facilities. In such event, Tenant shall pay to Landlord a monthly fee in the amount of Two Hundred and 00/100 Dollars (\$200.00) per month (partial months to be prorated) as consideration for Tenant's use of Landlord's electrical utility power until such time as Tenant's separate utility meter is operational and Tenant is no longer using Landlord's electrical utility power. Tenant shall notify Landlord in writing of the commencement and cessation of use of Landlord's electrical power at the Property by Tenant. Landlord shall diligently correct any variation, interruption or failure of utility service.

Section 7. (e) is deleted in its entirety and replaced by the following:

Improvements; Utilities; Access 7. (e) - As partial consideration for Rent paid under this Lease, Landlord hereby grants Tenant an easement in, under and across the Property for ingress, egress, utilities and access (including access for the purposes described in Section 1) to the Premises adequate to install and maintain utilities, which include, but are not limited to, the installation of power and telephone service cable, and to service the Premises and the Antenna Facilities at all times during the Initial Term of this Lease and any Renewal Term (collectively, the "Easements"). The Easements provided hereunder shall have the same term as this Lease. Additionally, within twenty (20) days following the "Commencement Date", Tenant shall pay to Landlord a one-time easement fee ("Easement Fee") in the amount of Five Hundred and no/100 dollars (\$500.00), payable to the City of Norco as set forth in Section 12 below.

Section 7. (f) is deleted in its entirety and replaced by the following:

Improvements; Utilities; Access 7. (f) - Tenant shall have 24-hours-a-day, 7-days-a-week access to the Premises ("Access") at all times during the Initial Term of this Lease and any Renewal Term at no additional charge to the Tenant. Notwithstanding the foregoing, Tenant must provide notice to Landlord and receive approval from Landlord prior to performing any maintenance or improvements to the Premises which are reasonably anticipated to have a direct negative impact on permitted users at the Property; such approval will not be unreasonably withheld, conditioned or denied but may be subject to re-scheduling in order to avoid such negative impacts. Notwithstanding the foregoing however, in the event access is required to address an imminent service affecting condition or threat to the health or safety of persons or property, Tenant shall be provided immediate access thereto provided such access and related activities are performed in a manner so as to reasonably limit any such negative impact on Landlord or other permitted users of the Property.

Section 11. (a) is deleted in its entirety and replaced by the following:

Insurance and Subrogation and Indemnification 11. (a) - Tenant shall provide Commercial General Liability Insurance in an aggregate amount of One Million and no/100 dollars (\$1,000,000.00). Tenant may satisfy this requirement by obtaining the appropriate endorsement to any master policy of liability insurance Tenant may maintain. Additionally, Tenant shall name the City of Norco (Landlord) as an additional insured on such policy.

Section 15. (a), is deleted in its entirety and replaced by the following:

Assignment and Subleasing 15(a) - Tenant may assign this Lease and the Easements (as defined above) granted herein upon written notice to Landlord. Upon such assignment, Tenant shall be relieved of all liabilities and obligations hereunder and Landlord shall look solely to the assignee for performance under this Lease and all obligations hereunder. During its period of ownership of the Replacement Light Standard, as defined below, Tenant shall have the right to sublease space thereon to other third party collocators upon prior written notice and approval of Landlord provided that, in each case, all such installations are properly permitted and that Tenant shall require each such collocator to first obtain ground space in relation thereto from Landlord. In such event, Landlord shall be entitled to retain all revenue derived from its lease of ground space to such collocator(s) and Tenant shall be entitled to retain all revenue derived from its sublease of space on the Tower. Once Landlord takes ownership of the Replacement Light

Standard as set forth below, Landlord shall be entitled to all collocator rents derived therefrom.

Subsection 18. (k) is added to the Lease as follows:

Miscellaneous 18. (k) –

Tenant at its sole cost and expense, shall have the right to remove and dispose of, or (at Landlord’s request) transfer to Landlord’s storage area located within the immediately surrounding area, the two (2) existing light standards currently located within or adjacent to the Premises as more particularly described on the Exhibit B (collectively, the “Original Light Standard”). Such removal shall be reasonably coordinated between Landlord and Tenant pursuant to a mutually agreeable timeline. Tenant shall have the right to replace the Original Light Standard with a replacement light standard structurally capable of supporting Landlord’s light fixtures and Tenant’s antennas and other ancillary equipment (the “Replacement Light Standard”). The Replacement Light Standard shall be an energy efficient Musco light pole and upon installation thereof, License shall maintain the Replacement Light Standard during the term of this Lease provided that, after Tenant initially installs Landlord’s light fixtures on the Replacement Light Standard, Landlord shall thereafter be solely responsible for changing out any light fixtures located thereon as may be necessary. The light fixtures to be installed upon the Replacement Light Standard shall be supplied and continuously owned by Landlord during the entire term of this Lease. Upon the expiration or earlier termination of this Lease, title and ownership of the Replacement Light Standard shall automatically, without need for execution of further documentation transfer to Landlord in its “AS IS” and “WHERE IS” condition without warranty or representation of any kind, other than an assignable manufacturer’s warranty, if any, which Tenant shall transfer to Landlord at that time. Following such transfer, Landlord will be solely responsible for the ongoing maintenance and upkeep of the Replacement Light Standard and Tenant shall have no further responsibility or liability in relation thereto.

Subsection 18. (l) is added to the Lease as follows:

Miscellaneous 18. (l) - As partial consideration for the execution of this Lease, within thirty (30) days following the “Commencement Date”, Tenant shall pay Landlord a one-time “Capital Contribution Fee” in the amount of Twenty Thousand and 00/100 Dollars (\$20,000.00). This Capital Contribution Fee shall be deposited to the Parks and Recreation Capital Improvement Development Fund to be used by Landlord in its sole discretion.

Subsection 18. (m) is added to the Lease as follows:

Miscellaneous 18. (m) - As of the “Commencement Date”, Landlord shall provide Tenant with a temporary location on the Property to install and operate temporary transmitting and receiving facilities, including a so-called “COW” or cell-on-wheels until such time as the Antenna Facilities are commercially operational which Tenant agrees to use good faith diligent efforts to accomplish.

LANDLORD: City of Norco, a municipal corporation

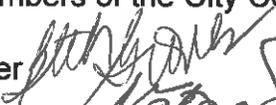
By: _____
Printed Name: Berwin Hanna
Title: Mayor
Date: _____

TENANT: T-Mobile West Corporation, a Delaware corporation

By: _____
Printed Name: _____
Title: _____
Date: _____

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: February 16, 2011

SUBJECT: Fiscal Year 2011 Second Quarter Budget Performance Report

RECOMMENDATION: Staff recommends that the City Council receive and file the Fiscal Year 2011 second quarter budget performance report.

SUMMARY: One of the department's annual goals is to inform City Council on actual operating budget results relative to the annual adopted budget. This report provides information on how actual results through December 31, 2010 compares to the adopted budget. Significant variances identified as a result of analyzing the budget performance through December 31, 2010 are being recommended as mid-year budget amendments. This report also includes a schedule of cash flow projection for the last six months of FY 2010-2011.

BACKGROUND/ANALYSIS: As part of revenue and expenditure reporting and monitoring program, staff has provided Council with quarterly budget performance reports since Fiscal Year 2004. This report provides status information as of the end of the second quarter for the City and Redevelopment Agency Operating Funds. As a result of timing differences, the first six months of actual recorded data may not be reflective of what the ultimate year-end numbers will be at June 30, 2011. However, these numbers have been analyzed in conjunction with other historic and currently available data through the first week of February in order to identify material variances from the adopted budget.

Attachment 1 provides a summary of revenues and expenditures for each operating fund through December 31, 2010.

General Fund Revenues

Including the effects of timing differences, few significant variances have been identified between adopted budget and actual results through December 31, 2010. Significant variances are being incorporated as part of the mid-year budget amendment.

- **Property Tax:** The low percentage of property tax revenue received as of December 31, 2010 is due to the uneven nature of property tax receipts. The bulk of property tax revenue is received in the months of January and May of each year. Based on the most recent assessed value and receipt information from the County, it is anticipated that actual property tax receipts by year-end will be slightly lower than the amount in the adopted budget.
- **Sales Tax:** There is usually a time lag between when sales transactions occur and the time the City receives payment from the state. Additionally, 25% of total projected sales tax revenues are received over two installments in January and June. Based on actual sales tax receipts through December 31, 2010 and known future receipts under the "triple flip" arrangement, sales tax revenue for the year is tracking ahead of budget.
- **Franchise Fees:** Most of the revenues in this category are from electric and gas franchises which are received once a year. The City is yet to receive any payment for electric or gas franchise fees. Refuse franchise revenues are received monthly while cable TV franchises are received quarterly. Refuse franchise revenues are tracking below budget while cable TV franchise revenues are tracking slightly ahead of budget.
- **Motor Vehicle In-Lieu Fees:** The low percentage of the budget received as of December 31, 2010 is due to the implementation of the "Triple Flip". Under this arrangement, the allocation of VLF is paid with property tax. The first installment of the replacement property tax amount was received last week. The amount received indicates that actual revenues will be within the budget amount.
- **Community Development Fees:** While building permits and planning division revenues are tracking within budget, engineering division revenues are tracking below budget due to delays in planned projects. Necessary adjustments have been recommended in the mid-year budget amendment report.
- **Community Services/Recreation:** Except for Wee People program revenues all other parks and recreation revenues are tracking within budget.

General Fund Expenditures

General Fund expenditures are tracking to the adopted budget. As shown on attachment A, expenditures in the Sheriff's department are below budget because County billing for contract services usually lag behind by at least 30 days.

General Fund Six Month Cash Flow Projection

During the first quarter of the fiscal year, staff presented a 24-month cash flow projection for the General Fund to help understand and forecast the impact of diminished fund balance on the General Fund's ability to pay for expenditures as they come due. The initial projection indicated that cash balance would reach a low balance of \$178,000 at the end of January. Actual cash balance at the end of January was \$557,000 for a favorable variance of \$380,000. This favorable balance was largely due to sales tax receipts that exceeded initial estimate by \$271,000 for the first half of the fiscal year.

Despite this favorable variance, the cash position of the General Fund continues to be delicate. As a result of this situation, a revised cash flow projection (Attachment B) for the next six months has been provided as a tool to gauge future cash flows. This revised projection shows that the cash position of the General Fund continues to be poor. Staff will continue to closely monitor cash flow on a weekly basis and if it appears that a negative cash balance position is likely, appropriate recommendation to address the situation will be brought to the Council for action.

Water Fund Revenues and Expenditures

Based on expenditures to date, Water Fund expenditures are tracking above budget due the cost of purchased water. Likewise, revenues are tracking below adopted budget numbers due to lower consumption and rates. The necessary budget adjustments have been recommended in the mid-year budget amendment agenda report.

Other City Funds

This second quarter report also provides summary information on the Sewer, Gas Tax, NPDES and Miscellaneous Grant Funds. Sewer Fund revenues and expenditures are tracking to the adopted budget amount. The lower than anticipated receipt in the Gas Tax Fund is due to delay by the state in making payments. Catch-up payments are expected to be received in April. NPDES expenditures are tracking to budget. The lower than anticipated revenue received through December for the NPDES Fund is due to the timing of property tax payments.

Redevelopment Agency Funds

Redevelopment Agency Operating Funds include the Administration/Debt Service Fund and the Low to Moderate Income Housing Fund. As of December 31, 2010, no tax increment revenues have been received from the County. The first installment payment was received in late January and thus not included in this report. Based on the January receipt, it is anticipated that tax increment revenues will come slightly above budget. School District bond payment reimbursement is paid to the Agency after the District

receives their tax increment pass-through payment from the County. Redevelopment administration expenditure budget category includes \$1 million for SERAF payment which is scheduled to be made in May. Pass-through expenditure payments are made by the County as part of the tax increment payment, the first installment of which is made in late January.

FISCAL IMPACT: This report is informational. Budget changes identified as a result of the second quarter budget to actual review are being included in the Mid-year budget amendment staff report.

/jk-77722

**Attachment: Budget and Actual Comparative Analysis – Attachment A
Six Month Cash Flow Projection – Attachment B**

City of Norco
Budget and Actual Comparative Analysis
For the Two Quarters Ended December 31, 2010

	Original Budget	Amended Budget	Year to Date Actual	Remaining Budget	% Achieved	
<u>GENERAL FUND</u>						
<u>REVENUES</u>						
Property taxes	\$ 1,239,850	1,239,850	370,320	869,530	30%	(1)
Sales taxes	3,479,000	3,479,000	1,069,150	2,409,850	31%	(2)
Other taxes	719,150	719,150	370,863	348,287	52%	(3)
Total taxes	5,438,000	5,438,000	1,810,333	3,627,667	33%	
Franchise Fees	1,080,460	1,080,460	232,116	848,344	21%	(3)
Motor vehicle in-lieu fees	2,025,756	2,025,756	23,746	2,002,010	1%	(4)
Intergovernmental	58,704	58,704	3,362	55,342	6%	(3)
Fines and Penalties	168,520	168,520	116,482	52,038	69%	
Interest income/Lease	115,334	115,334	58,473	56,861	51%	(5)
Community Development fees	431,435	431,435	241,042	190,393	56%	
Community Services/Recreation	694,914	694,914	352,275	342,639	51%	
Other revenues	1,424,201	1,424,201	738,078	686,123	52%	
Operating transfers	1,675,267	1,675,267	827,562	847,705	49%	
Total revenues	13,112,591	13,112,591	4,403,469	8,709,122	34%	
<u>EXPENDITURES</u>						
<u>Legislative</u>						
City Council	52,146	52,146	27,002	25,144	52%	
City Attorney	75,722	75,722	36,853	38,869	49%	
City Clerk	134,360	134,360	60,470	73,890	45%	
City Manager	128,399	128,399	63,100	65,299	49%	
<u>Parks, Recreation & Community Services</u>						
Recreation	856,136	856,088	342,979	513,109	40%	
Youth & Teen	319,065	319,065	120,109	198,956	38%	
Park Maintenance	663,878	663,878	280,596	383,282	42%	
Senior Citizens	131,189	131,237	53,770	77,467	41%	
Public Buildings	368,398	368,398	154,044	214,354	42%	
Animal Control	672,745	672,745	321,786	350,959	48%	
<u>Planning</u>						
Community Development	181,437	181,437	91,334	90,103	50%	
<u>Public Works/Engineering</u>						
Building & Safety	220,955	220,955	130,199	90,756	59%	
Engineering	217,864	217,864	101,816	116,048	47%	
Inspection	27,929	27,929	13,594	14,335	49%	
Parkway Maintenance	69,152	69,152	22,873	46,279	33%	
<u>Fire Department</u>						
Fire Suppression	2,847,798	2,847,798	1,357,062	1,490,736	48%	
Paramedic	1,391,209	1,391,209	694,158	697,051	50%	
Emergency Services	1,260	1,260	405	855	32%	
<u>Police Protection</u>						
Sheriff	4,923,580	4,870,113	1,725,110	3,145,003	35%	(6)
Citizens on Patrol	18,342	18,342	20,917	(2,575)	114%	(7)
Crossing Guards	64,589	64,589	22,915	41,674	35%	
<u>Fiscal and Support Services</u>						
Administrative	423,242	423,242	199,632	223,610	47%	
Non-Departmental	1,520,960	1,520,960	769,250	751,710	51%	
Total Expenditures	15,310,355	15,256,888	6,609,974	8,646,914	43%	
Net revenues and expenditures	(2,197,764)	(2,144,297)	(2,206,505)			

City of Norco
Budget and Actual Comparative Analysis
For the Two Quarters Ended December 31, 2010

	Original Budget	Amended Budget	Year to Date Actual	Remaining Budget	%	
					Achieved	
<u>REDEVELOPMENT AGENCY</u>						
<u>REVENUES</u>						
Tax Increment	11,258,740	11,258,740	-	11,258,740	0%	(8)
Interest and Lease Income	127,300	127,300	85,278	42,022	67%	
Reimbursements	-	-	62,278	(62,278)	NA	
School Bond	2,054,386	2,054,386	-	2,054,386	0%	(3)
Total Revenues	<u>13,440,426</u>	<u>13,440,426</u>	<u>147,556</u>	<u>13,292,870</u>	<u>1%</u>	
<u>EXPENDITURES</u>						
Redevelopment Administration	2,614,768	2,614,199	710,443	1,903,756	27%	
Redevelopment Agency Debt Service	4,931,142	4,931,142	1,979,762	2,951,380	40%	
Pass Thru Agreement	8,127,935	8,127,935	-	8,127,935	0%	(3)
Total Expenditures	<u>15,673,845</u>	<u>15,673,276</u>	<u>2,690,205</u>	<u>12,983,071</u>	<u>17%</u>	
Net revenues over (under) expenditures	<u>(2,233,419)</u>	<u>(2,232,850)</u>	<u>(2,542,649)</u>			
<u>LOW-MOD INCOME HOUSING</u>						
<u>REVENUES</u>						
Tax Increment	2,754,571	2,754,571	-	2,754,571	0%	(9)
Interest and Lease Income	20,000	20,000	4,035	15,965	20%	(5)
Neighborhood Stabilization Grant	700,000	700,000	108,177	591,823	15%	
Other Revenue	72,000	72,000	14,032	57,968	19%	
Total Revenues	<u>3,546,571</u>	<u>3,546,571</u>	<u>126,244</u>	<u>3,420,327</u>	<u>4%</u>	
<u>EXPENDITURES</u>						
Low-Mod Income Housing Program	475,259	475,259	188,463	286,796	40%	
Grant Programs	1,422,500	1,856,469	692,008	1,164,461	37%	
Redevelopment Agency Debt Service	719,189	719,189	310,018	409,171	43%	
Total Expenditures	<u>2,616,948</u>	<u>3,050,917</u>	<u>1,190,489</u>	<u>1,860,428</u>	<u>39%</u>	
Net revenues over (under) expenditures	<u>929,623</u>	<u>495,654</u>	<u>(1,064,245)</u>			
<u>COMMUNITY DEVELOPMENT</u>						
<u>BLOCK GRANT</u>						
Revenues	221,141	221,141	35,766	185,375	16%	
Expenditures	221,141	221,141	5,665	215,476	3%	
Net revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>30,101</u>			
<u>WATER FUND</u>						
Revenues	7,344,077	7,344,077	3,234,475	4,109,602	44%	
Expenditures	7,562,045	7,562,045	3,780,928	3,781,117	50%	
Net Revenues (Expenses)	<u>(217,968)</u>	<u>(217,968)</u>	<u>(546,453)</u>			
<u>SEWER FUND</u>						
Revenues	4,246,242	4,246,242	1,834,736	2,411,506	43%	
Expenditures	4,599,175	4,599,175	1,979,182	2,619,993	43%	
Net Revenues (Expenses)	<u>(352,933)</u>	<u>(352,933)</u>	<u>(144,446)</u>			
<u>GAS TAX</u>						
Revenues	707,026	707,026	146,519	560,507	21%	(9)
Expenditures	685,066	685,066	230,931	454,135	34%	
Net revenues and expenditures	<u>21,960</u>	<u>21,960</u>	<u>(84,412)</u>			

City of Norco
Budget and Actual Comparative Analysis
For the Two Quarters Ended December 31, 2010

	Original Budget	Amended Budget	Year to Date Actual	Remaining Budget	% Achieved
<u>NPDES FUND</u>					
Revenues	110,000	110,000	25,004	84,996	23%
Expenditures	104,146	104,146	53,073	51,073	51%
Net revenues and expenditures	<u>5,854</u>	<u>5,854</u>	<u>(28,069)</u>		
<u>MISCELLANEOUS GRANTS</u>					
Revenues	220,382	287,882	30,497	257,385	11%
Expenditures	220,382	287,882	101,342	186,540	35%
Net revenues and expenditures	<u>-</u>	<u>-</u>	<u>(70,845)</u>		

FOOTNOTES :

1. The secured property tax amount received to date represents the receipt of a portion of the payment by property owners of the first installment. The remainder of the first installment is usually received on the latter part of January.
2. Reflects receipts as of December 11 and excludes the triple flip allocations received in January and May. .
3. Other taxes include TOT, business license, public safety sales tax and property transfer tax. Receipts are uneven during the year
4. VLF is part of the Triple Flip arrangement implemented by the State - monthly installment payments replaced with two annual payments in February and May
5. Most of investment earnings are recognized on a quarterly basis in the month following the end of the quarter.
6. Payment for sheriff's services usually lag behind at least 30 days. Good for General Fund cash flows
7. Expenditures include \$12,081 of workers compensation cost not included in the budget
8. The City has not received the first installment of tax increment as of December. First installment was received in January.
9. Revenues include Prop 42 and gas tax. As of December 31, the City has not received any Prop 42 funds from the State

City of Norco California - FY 2010-2011 General Fund Budget Update - Cash Basis

Month - Year	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11
Estimated Beginning Cash Balance	65,562	556,691	1,042,869	790,707	391,385	163,819
Cash Inflows:						
Property Tax Receipts	157,000	89,000	-		336,000	259,850
Sales Tax	652,312	217,437	217,437	217,437	217,437	652,318
Other Taxes	80,000	37,300	80,000	37,300	37,300	39,050
Franchise Fees	85,000	43,000	312,460	208,000	43,000	47,000
Motor Vehicle License Fees	8,500	970,000	8,500	8,500	9,256	970,000
Community Development	35,000	35,000	35,000	35,000	35,000	38,275
Community Services	57,900	57,900	57,900	57,900	57,900	58,014
Transfers In	139,600	139,600	139,600	139,600	139,600	139,667
Other Revenues	147,800	147,800	147,800	147,800	147,800	148,119
Total Cash Inflows	1,363,112	1,737,037	998,697	851,537	1,023,293	2,352,293
Cash Outflows:						
Salaries and Benefits	574,535	574,535	574,535	574,535	574,535	574,548
Supplies and Services	54,569	54,569	54,569	54,569	54,569	354,427
Maintenance & Utilities	42,259	42,259	42,259	42,259	42,259	42,264
Contractual and Professional	485,620	485,620	485,620	485,620	485,620	485,624
Internal Service Fund Charges	84,176	84,176	84,176	84,176	84,176	84,175
Miscellaneous Expenditures	9,700	9,700	9,700	9,700	9,700	9,865
Total Cash Outflows	1,250,859	1,250,859	1,250,859	1,250,859	1,250,859	1,550,903
Net Cash Inflows (Outflows)	112,253	486,178	(252,162)	(399,322)	(227,566)	801,390
Ending Cash Balance	177,815	1,042,869	790,707	391,385	163,819	965,209
Actual Ending Balance	556,691					
Adjustment	378,876					

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: February 16, 2011

SUBJECT: Extension of the Term of the Declaration of a Local Emergency Dated December 22, 2010

RECOMMENDATION: Extend the term of the declaration of the existence of a Local Emergency two weeks to March 2, 2011.

SUMMARY: In December of 2010, the City Manager proclaimed the existence of a "Local Emergency" caused by excessive rains and flooding. On January 19, 2011, the City Council adopted a resolution ratifying the existence of a Local Emergency and extended the term of the declaration on February 2, 2011 two weeks, to February 16, 2011. The City Council is now being recommended to extend that declaration of the existence of a "Local Emergency" for two additional weeks, to March 2, 2011 in order to complete the applications required for submittal to FEMA.

BACKGROUND/ANALYSIS: 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 and President Obama signing disaster declarations.

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. At its meeting on February 2, 2011, the City Council approved the extension of the term of the current Local Emergency to February 16, 2011.

Based on the declaration approved by the President on January 26, 2011, the County of Riverside and all public agencies, as part of the California Disaster Assistance Act, were asked to attend a County-wide orientation hosted by the Governor's Office of Emergency Services, Cal-EMA ("California Emergency Management Agency") and FEMA on February 9, 2011. This is in response to public agency requests to make applications for Request for Public Assistance ("RPA") on publically owned land.

The orientation provided the type of eligible assistance the City of Norco, as well as other Riverside County Agencies, could be eligible for reimbursement.

Public Assistance for:

Emergency Work Debris Removal, Emergency Response and Protective Measures

Permanent Work for:

Roads and Bridges, Water Control Facilities, Buildings and Equipment, Utilities, Parks, Recreation Facilities

Hazard Mitigation Grant Program

404 Mitigation

The Council is recommended to approve the extension of the term of the Local Emergency another two weeks, to March 2, 2011, in order to complete the RPAs for submittal to FEMA. At that time, it will again be reviewed and determined if it has been deemed fit to terminate the emergency declaration.

/bj-77674

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: February 16, 2011

SUBJECT: Rehabilitation of Well No. 14

RECOMMENDATION: Ratify an expenditure increase in the amount of \$54,506.25 for the rehabilitation of Well No. 14.

SUMMARY: Well No. 14 is a critical component of the City's water distribution system, producing 750 gallons per minute (gpm) or 1.1 million gallons per day of high quality water. Staff is requesting City Council ratify an expenditure increase of \$54,506.25 for additional repairs required to complete the rehabilitation of Well No. 14.

BACKGROUND/ANALYSIS: At its meeting held on November 3, 2010, the City Council approved initial funding in the amount of \$50,000 for the rehabilitation of Well No. 14. Layne Christensen Company was retained to provide the necessary repairs. The pump equipment was removed from the well and video was performed to evaluate and survey the condition of the well casing. Review of the video revealed two locations where specific damage to the casing had occurred. Repairs to the casing required hydraulic swedges to be placed to properly patch or seal the holes in the casing. The additional cost to repair the casing, bail and swab the well and replace the suction cone is an additional \$55,000, bringing the complete cost to rehabilitate the well and pump equipment will be \$104,506.25.

Staff was informed that the Arlington Desalter will require emergency maintenance to the Santa Ana Regional Interceptor (SARI) line for a period of 30 days beginning in early March of 2011. The SARI line maintenance effort will require a complete shutdown of the Arlington Desalter which normally provides 60% of our daily water demands. Well No. 14 produces approximately 750 gallons per minute or 1.1 million gallons per day and will be a critical component of the city's water distribution system during the Arlington shutdown.

Staff is requesting that the City Council consider ratification of the additional \$54,506.25 for the unexpected repairs to the casing of Well No. 14.

FINANCIAL IMPACT: In order to fund the rehabilitation of Well No. 14, it will be necessary to utilize approved Water Capital Improvement Program Funds (144). Layne Christensen has revised their total project estimate, which includes labor, equipment and materials to perform the required rehabilitation in the amount of \$104,506.25.

Attachments: Deep Well Turbine Pump Diagram, Layne Christensen Quote



City of Norco
1281 5th Street
Norco, CA 92860
Phone: 951.270.5607
Fax: 951.735.0186

Project Estimate: Well 14 - Complete Scope of Work

Wednesday, February 02, 2011

Prepared For: Bill Thompson
General Manager
Prepared By: Michael Boyd
Account Manager

DESCRIPTION:

Thank you for choosing Layne Christensen Company, a leader in groundwater development. Layne Christensen continually works to tailor unique and practical solutions using Layne products and services to meet individual client needs within the water community. Layne Christensen has been maintaining life's most vital resource since 1882. Our full range of water-related services encompasses site selection, well field design and development, pump installation and repair, water treatment, aquifer maintenance and remediation, and well rehabilitation.

The scope of work for this project has been summarized on the following page. We have broken down the costing into all 3 phases of the project.

Thank you again for choosing Layne Christensen Company. As a representative of the company's Fontana, California based district office, I realize that Layne possesses the experience and technical expertise to solve your complex water supply issues. We will diligently work in a consistently courteous and professional manner to meet your specific site conditions and needs. We look forward to becoming your sole source provider for water-related services.

Thank you for the opportunity to be your water resource solution.



Project Estimate



Company: City of Norco
Contact: Bill Thompson
Address: 1281 5th Street
City, State, Zip: Norco, CA 92860
Project: Swedge, Brushing, Video-Log
Phone: 951.270.5607
Fax: 951.735.0186

Date: February 2, 2011
Estimated By: Michael Boyd
Location: Norco 13
Prevailing Wage: Yes
Type of Tax: Sales
Tax Rate: 8.75%

Description	Unit	Quantity	Price	Total
PHASE 1				
1. 4 Man Crew, 75 Ton Crane & Service Truck (Pull Pump)	Hours	16	\$580.00	\$9,280.00
2. Shop Labor	Hours	4	\$105.00	\$420.00
3. Video-Log Well	EA	1	\$800.00	\$800.00
4. 4 Man Crew, 75 Ton Crane & Service Truck (Install Pump)	Hours	16	\$580.00	\$9,280.00
PHASE 2				
1. 3 Man Crew and 75T Crane to Hydraulically Swedge 2 Patches in Casing.	LS	1	\$16,095.00	\$16,095.00
2. Brush & Bail Well. Includes all Lab and Disposal Fees.	LS	1	\$8,000.00	\$8,000.00
3. Video-Log Well. Post Swedge and Post Brushing.	EA	2	\$800.00	\$1,600.00
PHASE 3				
1. Shop Labor	Hours	16	\$105.00	\$1,680.00
2. Hydroflo 11ML 10 Stage Bowl 725GPM @ 625"TDH	EA	1	\$10,100.00	\$10,100.00
3. 8" x 20' Column Pipe	EA	20	\$625.00	\$12,500.00
4. 2 1/2" x 1 11/16" O/L Shaft Assemblies	EA	20	\$655.00	\$13,100.00
5. 1/4" SS Airline with Gauge	LS	1	\$1,160.00	\$1,160.00
6. 100' Engineered Suction	LS	1	\$7,300.00	\$7,300.00
7. Restriction Device for Cascading Water	LS	1	\$520.00	\$520.00
8. Discharge Head - Bolting and Gaskets	LS	1	\$200.00	\$200.00
9. New Head Shaft	LS	1	\$620.00	\$620.00
10. New Head Tube	LS	1	\$200.00	\$200.00
11. New Stretch Assembly Bushing	LS	1	\$100.00	\$100.00
12. Motor Repairs - Parts	LS	1	\$4,500.00	\$4,500.00
13. Motor Repairs - Labor	LS	1	\$2,650.00	\$2,650.00

Subtotal \$100,105.00
Sales Tax \$4,401.25
Total \$104,506.25

Clarifications

1. Client to provide legal access.
2. Client to provide all applicable permits.
3. Client to provide on-site water source.
4. This quote is valid for 30 days from above date.
5. Based upon Layne Christensen's attached Terms & Conditions.
6. Layne's payment terms are "Net Due Upon Receipt Of Invoice".
7. This estimate will be subject to a fuel surcharge per the attached Terms & Conditions.
8. Signing this project estimate authorizes Layne Christensen Company to proceed with your project.

Layne Christensen Company

City of Norco

Michael Boyd - Account Manager

2/2/2011
DATE

Bill Thompson

FEB. 4, 2011
DATE

Terms & Conditions

LIABILITY OF CONTRACTOR: Contractor shall not be liable for any bodily injury, death, or injury to or destruction of tangible property, except, as the same may have been caused by the negligence of Contractor. In no event shall Contractor be liable for any delay or special, indirect, incidental or consequential damages. Purchaser agrees that the total limit of Contractor's liability (whether based on negligence, warranty, strict liability or otherwise) hereunder, shall not exceed the aggregate amount due Contractor for services rendered under this contract. All claims, including claims for negligence or any other cause whatsoever, shall be deemed waived unless made in writing and received by Contractor within one (1) year after Contractor's completion of work hereunder.

INSURANCE: Contractor shall provide worker's compensation insurance, public liability and property damage insurance covering its employees and operation. Purchaser, at its option, may maintain such insurance as will protect it against claims arising out of the work.

PRICE ADJUSTMENT: Any cost estimates or time frames stated herein are subject to equitable adjustment in the event of differing or unforeseeable conditions, changes in applicable laws after the date of this contract, unforeseeable delays or difficulties caused by acts of God, Purchaser or any third parties. Prices of goods acquired by Contractor from others shall be adjusted to reflect Contractor's price in effect at time of shipment. The price of Contractor's goods will be adjusted to the price in effect at time of shipment in accordance with Contractor's current escalation policies or as specifically covered in this contract.

TERMS: Due upon Receipt. For extended projects, Contractor shall submit invoices on a monthly basis for any and all work completed and materials or equipment provided during the previous month. Past due invoices shall be subject to a delinquency charge of one and one-half percent (1-1/2%) per month (eighteen percent (18%) per annum) unless a lower charge is required under applicable law, in which case the lower rate shall apply. Purchaser agrees to pay all collection fees, attorneys' fees and costs incurred in the collection of any past due amounts arising out of this contract. Contractor shall have the right to immediately terminate this contract without further liability if Purchaser fails to make timely payment or otherwise materially breaches this contract.

MATERIAL SHORTAGES AND COST INCREASES: If any portion of materials or equipment which Contractor is required to furnish becomes unavailable, either temporarily or permanently, through causes beyond the control and without the fault of Contractor, then in the case of temporary unavailability any completion time frames shall be extended for such period of time as Contractor shall be delayed by such above-described unavailability, and in the case of permanent unavailability Contractor shall be excused from the requirement of furnishing such materials or equipment. Purchaser agrees to pay Contractor any increase in cost between the cost of the materials or equipment, which become permanently unavailable and the cost of the closest substitute, which is then reasonably available.

DELAYS: If Contractor is delayed at any time in the progress of work by labor disputes, fire, unusual delays in transportation, unavoidable casualties, weather, or any cause beyond Contractor's reasonable control, then any completion time frames shall be extended by a reasonable period of time, at least equal to the period of delay.

CHANGED CONDITIONS: The discovery of any hazardous waste, substances, pollutants, contaminants, underground obstructions or utilities on or in the job-site which were not brought to the attention of Contractor prior to the date of this contract will constitute a materially different site condition entitling Contractor, at its sole discretion to immediately terminate this contract without further liability.

GUARANTEE AND LIABILITY: Contractor warrants that its labor supplied hereunder shall be free from defect and shall conform to the standards of care in effect in its industry at the time of performance of such labor for a period of twelve (12) months after substantial completion of Contractor's work. Contractor agrees, to the extent it is permitted, to pass on any warranties provided by the manufacturers of materials and/or equipment furnished under this contract. Contractor itself provides no warranty, express, implied or otherwise, on any such materials or equipment. Contractor will not be responsible for; work done, material or equipment furnished or repairs or alterations made by others.

For any breach hereunder, Contractor shall be liable only for the values of the installation work or, if it wrongfully fails to install, then its liability is limited to the difference between the contract price herein, and the value of other similar installation work. If Contractor's breach damages any materials or equipment furnished hereunder, Contractor shall only be liable for the value of such materials or equipment. Under no circumstances will Contractor be liable for consequential, special or indirect damages, including without limitation, any crop loss or damage to other equipment, structures or property, nor for any other similar or dissimilar damages or losses whether due to delay, failure to furnish or install, delay in installation, defective material or equipment, defective workmanship, defective installation, delay in replacing, nor for any cause or breach whatsoever. In any event, Contractor's total liability towards Purchaser for alleged faulty performance or nonperformance under this contract shall be limited to the total contract price. No materials, equipment or services contracted herein carries any guarantee not mentioned in this contract. THE ABOVE WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES.

EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OR MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, WHICH ARE HEREBY DISCLAIMED.

TITLE AND OWNERSHIP: In case of default on Purchaser's part, Contractor shall have the right to enter the premises upon which any material or equipment furnished herein have been installed and retake such goods not then paid for and pursue any further remedy provided by law, including recovery of attorney's fees and any deficiency to the maximum extent and in the manner provided by law. Such materials and equipment shall retain their character as personal property of Contractor until Contractor receives payment in full, regardless of their mode of attachment. Unless prior specific written instructions are received to the contrary, surplus and replaced materials and equipment resulting from repair of installation work shall become the property of Contractor.

DELIVERY: Shipment schedules and dates, express or implied, are contingent on normal conditions. Contractor will not be responsible for any delays in shipment or completion caused by factors beyond its control such as, but not limited to, suppliers' failures, accidents, work stoppages or operation of or changes in the law. Shipments will be made as promptly as Contractor's ability to obtain materials and/or equipment and scheduling will permit. No delay in shipments or variances from shipping schedule shall be cause of cancellation or any claim for damage. Any changes in layout or design requested after acceptance of this contract will be made at Purchaser's additional cost. Any such change and/or time taken to supply engineering data or to approve drawings will automatically extend shipping schedules. Equipment will be shipped "knocked down" to the extent Contractor considers necessary, with small parts stripped from equipment and crated. On and after delivery to the carrier for transportation to the Purchaser's site, Purchaser shall be responsible for all loss or damage to materials or equipment due to any cause, including but not limited to loss or damage resulting from casualty.

INDEMNIFICATION: Purchaser agrees to indemnify and hold Contractor, its directors, officers, stockholders, employees, agents and subcontractors, harmless from and against any and all claims, demands, causes of action (including third party claims, demands or causes of actions for contribution or indemnification), liability and costs (including attorneys' fees and other costs of defense) asserted and/or filed by Purchaser or any third party(ies), including without limitation Purchaser's employees, and arising out of or as a result of: (i) the presence of Contractor or its subcontractors at the job-site, (ii) the work performed by Contractor or its subcontractors, or (iii) any negligent act or omission of Purchaser, its employees, agents, consultants, or other contractors or any person or entity under Purchaser's control; except to the extent that such claims, demands, causes of action, liabilities or costs are caused by the negligence of Contractor or its subcontractors.

INTERPRETATION: This contract shall be governed by and construed in accordance with the laws of the state of the job-site location. In any term, provision or condition contained herein shall, to any extent, be in aid or unenforceable, pursuant to state law or otherwise, the remainder of the terms, provisions and conditions herein (or the application of such term, provision, or condition to persons or circumstances other than those in respect of which it is invalid or unenforceable) shall not be affected thereby, and each term, provision and condition of this contract shall be valid and enforceable to the fullest extent permitted by law.

ASSIGNMENT AND SUBLETTING: Purchaser shall not have the right to transfer or assign its rights and/or obligations under this contract to any third party, related or unrelated, without the express written consent of Contractor. Contractor shall have the right to transfer, assign or sublet all or any portion of its rights or obligations hereunder, but such transfer, assignment or subletting shall not relieve Contractor from its full obligations to Purchaser unless such transfer, assignment or subletting is pursuant to the sale of Contractor, or the division of Contractor responsible for this contract, to a third party.

FUEL: A fuel surcharge will be applied to all hourly charges (except for equipment rates stated without fuel). The fuel surcharge is a 0.75% increase in hourly rates for every \$0.10 cost increase in the average cost of diesel fuel above the \$4.00 baseline. The cost of fuel over the billing period is defined as the average Retail On-Highway Diesel Prices for the region where the work was completed, published by the Energy Information Administration, posted on eia.doe.gov.

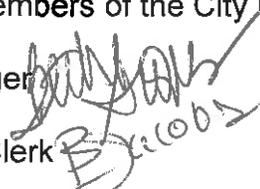
Based on the defined scope of work we estimate the fuel surcharge for this project to be \$0.00. The fuel surcharge will appear on your final bill as a separate line item.

OPERATING COST: An operating supply charge of 1% of the applicable rig operating hourly rates will be added to the invoice to cover daily expendable items (lubricants, rags).

MISCELLANEOUS: The terms and conditions set forth herein constitute the entire understanding of the parties relating to the work to be performed, and materials and equipment to be provided, by Contractor for the Purchaser. All previous proposals, offers and other communications relative to the provisions of the subject work, oral or written, are hereby superseded, except to the extent that they have been expressly incorporated herein. Any modifications or revisions of any provisions herein or any additional provisions contained in any purchase order, acknowledgement, or other form of the Purchaser are hereby expressly objected to by Contractor and shall not operate to modify this contract. This contract shall take effect upon acceptance and execution by both parties.

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: February 16, 2011

SUBJECT: **Ordinance No. 930, Second Reading.** City-Initiated Proposal to Amend the Norco Municipal Code Adding Chapter 5.10 Establishing Regulations for Filming Permits. (Code Amendment 2011-01)

RECOMMENDATION: Adopt **Ordinance No. 930** for second reading.

SUMMARY: The first reading of Ordinance No. 930 was held on February 2, 2011 and was adopted by the City Council with a 5-0 vote. Staff is recommending that the City Council adopt Ordinance No. 930 for second reading. The establishment of new film regulations would provide a clear, predictable and equitable permitting process, while creating restrictions that mitigate the impact of filming on streets and neighborhoods.

/bj-77672

Attachment: Ordinance No. 930

ORDINANCE NO. 930

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF NORCO, CALIFORNIA, AMENDING TITLE 5 OF THE CITY OF NORCO MUNICIPAL CODE, BY ADDING THERETO A NEW CHAPTER 5.10 ESTABLISHING REGULATIONS FOR THE FILMING OF MOTION PICTURES, TELEVISION AND COMMERCIALS IN THE CITY OF NORCO. CODE AMENDMENT 2011-01.

WHEREAS, the City of Norco initiated Code Amendment 2011-01, an Amendment to the Norco Municipal Code adding Chapter 5.10 establishing regulations for filming permits; and

WHEREAS, the public hearing for said Code Amendment was duly noticed and scheduled by the City Council at its meeting of February 2, 2011, on or about 7:00 p.m. in the City Council Chambers, 2820 Clark Avenue, Norco, California 92860; and

WHEREAS, said City Council held a public hearing and received oral and written testimony pertaining to said Code Amendment.

NOW, THEREFORE, the City Council of the City of Norco does hereby ordain as follows:

Section 1: Norco Municipal Code Title 5 "Business Licenses and Regulations" is hereby amended to add Chapter 5.10 as follows:

Chapter 5.10 FILMING PERMIT REGULATIONS

Sections:

5.10.010	Purpose and Intent
5.10.020	Definitions
5.10.030	Permits and Exemptions
5.10.040	Rules and Regulations
5.10.050	Applications, Issuance and Fees
5.10.060	Liability Provisions
5.10.070	Filming Regulations
5.10.080	Permit Revocation, Suspension, Appeal
5.10.090	Appeals
5.10.100	Violation – Penalties

Section 5.10.010 Purpose and Intent.

It is the purpose and intent of the City of Norco to encourage the motion picture and television industries to utilize the scenic beauty and variety of backdrops afforded in the City as locations for filming and/or videotaping for commercial production. It is the purpose and intent of this Chapter to provide the means by which such activities may be reasonably regulated to preserve the public health and safety and provide for the protection of property, to not unduly restrict such activities, and to maintain harmonious relations between the community and those engaged in such activities.

Section 5.10.020 Definitions.

- A. "Charitable Films" shall mean commercials, motion pictures, television, or videotapes produced by a nonprofit organization, which qualifies under Section 501(c)(3) of the Internal Revenue Code as a charitable organization. No person, directly or indirectly, shall receive a profit from the marketing and production of the film or from showing the films, or tapes.
- B. "City Produced Government Access Films" shall mean motion pictures or programs produced by or in association with the City. No person, directly or indirectly, shall receive a profit from the marketing and production of the film or from showing the films or tapes.
- C. "Family or Personal Use Filming" shall mean the filming or videotaping of motion pictures solely for private, personal or family use.
- D. "Film" or "Filming" or "Filming Activity" shall mean all activities in preparation of, and attendant to, staging, making, striking, filming, videotaping, or electronic digital recording of commercial motion pictures, television shows, programs and commercials, including magazines or documentary programs.
- E. "Film Office" shall mean the City Manager's Office.
- F. "Film Permit Coordinator" shall mean the City Manager's designee responsible for routing and processing film permits.
- G. "News Media" shall mean the photographing, filming, videotaping, or electronic digital recording for the purpose of spontaneous, unplanned television news broadcast or reporting for print media by reporters, photographers or camera operators.
- H. "Student Films" shall mean motion pictures, television programs or commercials produced to satisfy a course or curriculum requirement at an educational institution. The student filmmaker must supply proof that he/she is currently enrolled.
- I. "Studio" shall mean a fixed place of business where filming activities are regularly conducted upon the premises.

Section 5.10.030 Permits and Exemptions.

- A. Film Permit Required: No person shall use any kind of public or private property, facility or residence for the purpose of taking commercial motion pictures or television pictures without first applying for and receiving a film permit from the coordinator designated by the City.
- B. Exemptions:
 - 1. News Media: The provisions of this Chapter shall not apply to or affect reporters, photographers or camera operators in the employ of a newspaper, news

service, or similar entity engaged in on-the-spot print media, publishing or broadcasting, of news events concerning those persons, scenes or occurrences which are in the news and of general public interest.

2. Family or Personal Use Video: The filming or videotaping of motion pictures solely for private-family use.

3. Charitable Films: Projects that qualify under Section 501(c)(3) of the Internal Revenue Code.

4. Photographers. This Ordinance does not apply to still photography produced with a cast and crew of less than five (5) persons.

5. Student Films.

6. City-Produced Government Access Films.

7. Studio Filming: Filming activities conducted at a studio with a current Certificate of Occupancy and Business License.

Section 5.10.040 Rules and Regulations.

A. Rules: The City Film Permit Coordinator is hereby authorized and directed to promulgate rules and regulations, subject to approval by Resolution of the City Council, governing the form, time and location of any film activity set forth within the City. He/she shall also provide for the issuance of film permits. The rules and regulations shall be based upon the following criteria:

1. The health and safety of all persons.
2. Avoidance of undue disruption of all persons within the affected area.
3. The safety of property within the City.
4. Traffic congestion at particular locations within the City.

B. Change of Date: Upon the request of the applicant, the issuing authority shall have the power, upon a showing of good cause, to change the date for which the film permit has been issued, provided established limitations are complied with in respect to time and location.

Section 5.10.050 Applications, Issuance and Fees.

A. Issuing Authority: The issuing authority shall be the City Film Permit Coordinator.

B. Applications: The following information shall be included in the film permit application:

1. The name of production company, name of the production company owner, the address and telephone number of the place at which the activity is to be conducted.

2. The specific location at such address or place.

3. The inclusive hours and dates such activity will transpire.

4. A general statement of the character or nature of the proposed filming activity.

5. The name, address and telephone number of the person or persons in charge of such filming activity.

6. The exact number of personnel to be involved.

7. Use of any animals.

8. Use of fire, pyrotechnics or other flammable, explosive or combustible special effects.

9. The exact amount/type of vehicles/equipment to be involved.

C. Film Permit Application Fee: The applicant shall pay a film permit application fee in the amount established by Resolution of the City Council of the City of Norco. The film permit application fee shall be paid to the City Film Permit Coordinator when the application form is submitted for approval. The film permit application fee is to cover the City's cost of processing a film permit application, notwithstanding supplemental costs for other related City services (including, but not limited to, law enforcement, traffic control, fire safety, trash hauling and attorney's fees). No film permit shall be issued to an applicant who owes the City money on a prior permit.

Section 5.10.060 Liability Provisions.

A. Liability Insurance: Before a film permit is issued, a certificate of insurance will be required in an amount established by the City, naming the City of Norco, and the Redevelopment Agency of the City of Norco as coinsured parties for protection against claims of third persons for personal injuries, wrongful deaths, and property damage. The City officers and employees shall be named as additional insureds. The certificate shall not be subject to cancellation or modification until after thirty (30) days written notice to the City Manager or his/her designee. A copy of the certificate will remain on file.

B. Worker's Compensation Insurance: An applicant shall conform to all applicable Federal and State requirements for Worker's Compensation Insurance for all persons operating under a film permit.

C. Hold Harmless Agreement: An applicant shall execute a hold harmless agreement as provided by the City prior to the issuance of a film permit under this Ordinance.

D. Performance Deposit: To ensure cleanup and restoration of the site, an applicant may be required to post a refundable deposit, or cash in lieu of bonds (amount to be determined) at the time application is submitted. Upon completion of filming, and inspection of the site by the City, the deposit may be returned to the applicant.

Section 5.10.070 Filming Regulations.

A. Acknowledgement: The applicant/permittee shall in the credits of the motion picture or television program, acknowledge the production was filmed in the City of Norco.

B. Advance Notice for Approval: An applicant will be required to submit a film permit application at least three (3) business days prior to the date on which such person desires to conduct an activity for which a film permit is required. If such activity interferes with traffic or involves potential public safety hazards, an application may be required at least five (5) working days in advance.

C. Filming, including setup and dismantling of film equipment, shall not be done before 7:00 a.m. or after 7:00 p.m. in a residential zone. The Film Permit Coordinator may extend these hours upon a showing of necessity and upon showing the exception would not unduly disturb the public.

D. Requests for the use of bull horns, explosives, gunfire, public address systems, sirens, or other noise-creating devices shall be reviewed by the Riverside County Sheriff's Department and City of Norco Fire Department.

E. Cleanup: The permittee shall conduct operations in an orderly fashion with continuous attention to the storage of equipment not in use and the cleanup of trash and debris. The area used shall be cleaned of trash and debris upon completion of shooting at the scene and restored to the original condition before leaving the site.

F. Filming on Private Property: An applicant is required to obtain the property owner's permission, consent, and/or lease for use of property not owned or controlled by the City.

G. Flood Control: When filming in a flood control channel, an applicant must vacate channel when film permit indicates because of water releases. When filming in or on flood control properties, the appropriate agency must be named as an additional insured.

H. Public Works Department (Roads and Streets): If the applicant must park equipment, trucks, and/or cars in zones that will not allow it, temporary "No Parking" signs must be posted by the City. The applicant must also obtain permission to string cable across sidewalks, or from generator to service point. Cable placed in public right-of-way shall be securely matted or covered.

I. Traffic Control: For filming that would impair traffic flow, an applicant must use California Highway Patrol (CHP) or Riverside County Sheriff's Office personnel and comply with all traffic control requirements deemed necessary.

1. An applicant shall furnish and install advance warning signs and any other traffic control devices in conformance with the Manual of Traffic Controls, State of California Department of Transportation. All appropriate safety precautions must be taken.

2. Traffic may be restricted to one 12-foot lane of traffic and/or stopped intermittently. The period of time that traffic may be restricted will be determined by the City, based on location.

3. Unless authorized by the City, the camera cars must be driven in the direction of traffic and must observe all traffic laws.

4. Any emergency roadwork or construction by City crews and/or private contractors, under permit or contract to the appropriate department, shall have priority over filming activities.

J. Fires and Campfires: When a scene requires a fire or campfire, any campfire not equipped with a fire ring shall require the assignment of a Fire Safety Advisor, Officer or a similarly qualified person.

K. Pyrotechnics: When a scene requires pyrotechnics or any other flammable or explosive effect, a Fire Safety Advisor, Officer or a similarly qualified person shall be assigned.

L. Parking Lots: When parking in a City-owned parking lot, an applicant may be billed according to the current rate schedule established by the City. In order to assure the safety of citizens in the surrounding community, access roads which serve as emergency service roads, must never be blocked. No relocation, alteration, or moving of structures will be permitted without prior approval.

M. Notification: It shall be the responsibility of the applicant to provide notification a minimum of three (3) business days prior to any filming activity on a designated City form to the following:

1. Owners and occupants, whether residents or businesses, of properties affected by filming activity by virtue of (a) filming on the property or in the public right-of-way adjacent to the property; (b) storage of equipment or vehicles associated with the film production either on the property or in a public right-of-way adjacent to the property; or (c) street closure, temporary restricted parking or other actions which affect the ability of persons or vehicles not associated with the filming to access the property or to park in front of the property. The determination of which properties may be affected shall be made by the permittee, subject to the approval of the City Film Permit Coordinator.

2. If filming exceeds two days, or if filming occurs between 7:00 p.m. and 7:00 a.m. (pursuant to subsection (C) of this section for residential zones), all owners or occupants of all properties within 500 feet of properties affected by the filming as described in subsection (M)(1) of this section must be notified. Notification requirements pursuant to this subsection may be waived in whole or in part if it has been determined by the City Film Permit Coordinator that the filming will not have any adverse affect upon the owners or occupants of such properties.

3. Responses to notification of proposed filming shall be considered in the evaluation of a film permit application and conditions on a film permit or denial of a film permit.

Section 5.10.080 Permit Revocation, Suspension, Appeal.

A. Permit Revocation. The City Film Permit Coordinator may revoke a film permit if the permittee, or any agent, employee, or contractor of the permittee fails to comply with the requirements set forth in this Chapter, or in the film permit, or if it is determined that the film permit application was false in any material detail.

1. Notice of the grounds for revocation of the film permit shall be provided in writing by the City Film Permit Coordinator to the permit applicant or person in charge at the location of the filming activity.

2. Appeals of the film permit revocation shall be conducted in the manner specified in this Chapter.

B. Permit Suspension. The Riverside County Sheriff's Office and/or Fire Department Officers assigned to supervise the filming activity site may suspend the film permit if at any time the filming activity poses an immediate hazard to persons or property and the location manager will not, or cannot, prevent the hazard after being instructed to do so by the Officer. The grounds for the film permit suspension shall be provided in writing by the City Film Permit Coordinator to the permittee within two (2) working days of the suspension.

C. Appeals of the film permit suspension shall be conducted in the manner specified in this Chapter.

Section 5.10.090 Appeals.

The film permit applicant or permittee may appeal a denial of a film permit, or a revocation, suspension, or permit condition. Such appeal shall be filed with the City

Manager or his/her designee not later than three (3) business days after the date on which written notice of the decision is made. Failure to timely file an appeal shall result in a waiver to the right to appeal. The appeal shall be reviewed by the City Manager or his/her designee. The decision of the City Manager or his/her designee shall be rendered in five (5) working days and shall be final and is subject to judicial review pursuant to Code of Civil Procedure Section 1094.5 et seq.

Section 5.10.100 Violation – Penalties.

With respect to the provisions of this Chapter, a person who violates a provision of this Chapter shall be punished in accordance with the provisions of Sections 1.01.200 through 1.01.230 of the City of Norco Municipal Code.

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 on February 16, 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 February 2, 2011, and thereafter at a regular meeting of said City Council duly held on February 16, 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 February 16, 2011.

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

/rg-77110

CITY OF NORCO STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Beth Groves, City Manager 

PREPARED BY: Steve King, Planning Director 

DATE: February 16, 2011

SUBJECT: Annexation 24; General Plan Amendment 2010-02; Specific Plan 90-01 – Amendment 9; and Zone Change 2010-02; Proposals to: Amend the General Plan by Annexing 2.01 Acres with a Land Use Designation of Specific Plan on 1.81 Acres, Amend Specific Plan 90-01 (Gateway Specific Plan) by Adding 1.81 acres to the Industrial Land Use District, and Pre-Zone 1.81 Acres as Specific Plan located on the Southwest side of Parkridge Avenue, North of Cota Street (APN 119-070-013)

RECOMMENDATION: Approve and Authorize the Initiation of Annexation 24 with the Local Agency Formation Commission (LAFCO); approve General Plan Amendment 2010-02, Zone Change 2010-02 (pre-zone), and Specific Plan 90-01 – Amendment 9 with the following motions:

Motion 1: Adopt Resolution No. 2011-____, approving Annexation 24 and authorizing an application be initiated with the Local Agency Formation Commission (LAFCO);

Motion 2: Adopt Resolution No. 2011-____, concurring in the transfer of property tax revenue from that area proposed to be detached from the City of Corona and annexed by the City of Norco in Annexation 24;

Motion 3: Adopt Resolution No. 2011-____, consenting with an application initiated by Fuscoe Engineering, Inc. requesting that the Riverside County Local Agency Formation Commission take proceedings for a minor Sphere of Influence Amendment and Boundary Reorganization to include the annexation of about 2.01 acres all of which will be detached from the City of Corona in Annexation 24;

Motion 4: Adopt Resolution No. 2011-____, approving General Plan Amendment 2010-02;

Motion 5: Adopt Resolution No. 2011-____, approving Specific Plan 90-01 (Gateway Specific Plan) – Amendment 9; and

Motion 6: Adopt Ordinance No. ____, approving Zone Change 2010-02 (Pre-Zone).

SUMMARY: The recommended motions are being proposed to accommodate the transfer of 2.01 acres from the City of Corona to the City of Norco located on the southwest side of Parkridge Avenue, north of Cota Street. The acreage being considered consists of 1.81 acres of isolated vacant property and .2 acre of street right-of-way. There is no development that staff is aware of being proposed at this time.

BACKGROUND/SETTING: The proposed annexation was initiated by the property owner (Fusco Engineering, Inc.), for 1.81 acres located in the City of Corona on the southwest side of Parkridge Avenue, north of Cota Street (Exhibit "A" – Location Map). The property is currently zoned R-3 (Multi-Family Residential) in the City of Corona but is surrounded on the north and south sides by property in the City of Norco. There is an existing flood control channel that physically bisects the property creating the 1.81 acres that are currently vacant. The remainder property that fronts on River Road in the City of Corona is developed with a multi-family development. There is not room for access through the existing multi-family development to the vacant 1.81 acres. That combined with the physical separation created by the flood channel makes more sense for the property to be located in Norco.

The City of Corona approved a Tentative Parcel Map that created the separate 1.81 acre lot. The City has also approved the proposed detachment from its boundary and sphere of influence.

In order for the property to be detached from Corona and annexed into Norco the annexation has to be approved by LAFCO and both City Councils have to agree to the transfer of tax revenue from one agency to the other to be filed with the State Board of Equalization. In addition the City of Norco has to approve a pre-zoning of the site. The pre-zoning is the zoning applicable once the annexation is complete. Once pre-zoning of the site has been adopted and both cities have adopted resolutions for the transfer of tax revenue, the annexation/detachment request is presented to the LAFCO Board for approval at a public hearing.

ANALYSIS:

Annexation. The annexation is being requested by the property owner because the property is isolated, surrounded on two sides by the City of Norco, a flood channel on the third, and Parkridge Avenue on the fourth. The total annexation includes 1.81 acres owned by the property owner and .2 acre of street right-of-way for the half-street of Parkridge Avenue that is currently in the City of Corona along the frontage of the property in question.

General Plan Amendment. The annexation requires an amendment to the City's General Plan to expand the City boundary and the Sphere of Influence to include the 2.01 acres. The sphere of influence is the probable ultimate city boundary and service area. Where there are no adjacent unincorporated areas the City boundary and sphere of influence are the same. In this case the spheres of influence for both cities are being adjusted to accommodate the annexation/detachment request.

Specific Plan Amendment. The proposed annexation would add the 1.81 acres to the Gateway Specific Plan – Industrial District. Properties to the north and south are also in the Industrial District for which all of the development standards have been adopted as part of the specific plan (Exhibit “B” – Portion Gateway Specific Plan Map).

Pre-Zoning. The current zoning in the City of Corona is R-3 Multi-Family. There is no corresponding R-3 zoning or regulations in the City of Norco and the surrounding zoning on both sides is “Specific Plan” consistent with the adopted Gateway Specific Plan. The pre-zoning for the property in question is also proposed to be “Specific Plan.”

No development is being proposed at this time but it is anticipated that future development will be consistent and compatible with adjacent existing development in the Gateway Specific Plan – Industrial District. The Norco Municipal Code allows consideration for changes of zoning requests without the accompaniment of development plans.

The project has been determined to be categorically exempt from the California Environmental Quality Act and the City of Norco Environmental Guidelines pursuant to Class 32 (In-Fill Development Projects).

/sk-77752

Attachments: Resolution No. 2011-____ – Annexation 24
Resolution No. 2011-____ – Concur in the Transfer of Property Tax
Resolution No. 2011-____ – Consent with Application to LAFCO
Resolution No. 2011-____ – General Plan Amendment 2010-02
Resolution No. 2011-____ – Specific Plan 90-01, Amendment 9
Ordinance No.____ – Zone Change 2010-02
Exhibit “A” – Location Map
Exhibit “B” – Portion Gateway Specific Plan Map

RESOLUTION NO. 2011-__

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NORCO, CALIFORNIA APPROVING AND AUTHORIZING ANNEXATION PROCEEDINGS BY THE PROPERTY OWNER FOR ANNEXATION 24, INCLUDING AN AMENDMENT TO THE CITY SPHERE OF INFLUENCE, FOR APPROXIMATELY 2.01 ACRES ON THE SOUTHWEST SIDE OF PARKRIDGE AVENUE NORTH OF COTA STREET. ANNEXATION 24

WHEREAS, FUSCOE ENGINEERING, INC. has initiated the application process for a sphere of influence amendment and annexation on property generally described as:

Being a portion of Lots 7 and 8 in Block 97 of Auburndale Colony and Townsite, in the City of Corona, County of Riverside, State of California, as shown by Map recorded in Book 6, Pages 20 and 21 of Maps, Records of San Bernardino County, California,

More generally described as approximately 2.01 acres located on the southwest side of Parkridge Avenue, north of Cota Street (APN 119-070-013); and

WHEREAS, said application has been duly submitted to said City of Norco Planning Commission for decision at a public hearing for which proper notice was given; and

WHEREAS, notice of public hearing on said petition has been given in the manner and for times required by law; and

WHEREAS, at the time set at 7 p.m. on January 12, 2011 within the Council Chambers at 2820 Clark Avenue, Norco, California, 92860, said petition was heard by the Planning Commission for the City of Norco; and

WHEREAS, at said time and place, said Planning Commission heard and considered both oral and written evidence, and

WHEREAS, said Planning Commission adopted Resolution 2011-01 recommending that the City Council approve Annexation 24;

WHEREAS, the proposed Annexation 24 was duly submitted to said City Council for decision at a public hearing for which proper notice was given; and

WHEREAS, the Annexation request was scheduled for public hearing on February 16, 2011 on or about 7 p.m. in the Council Chambers at 2820 Clark Avenue, Norco, California 92860; and

WHEREAS, at the time set, the City Council held a public hearing and received both oral and written testimony pertaining to the Annexation request; and

WHEREAS, the City of Norco, acting as the Lead Agency, has determined that the project is Categorically Exempt from the California Environmental Quality Act (CEQA) and the City of Norco Environmental Guidelines per Class 32.

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

I. FINDINGS:

- A. The proposed annexation does comply with all applicable requirements of the Norco Municipal Code, the Gateway Specific Plan and the General Plan in that the site is contiguous to the City boundary and will be designated the same land use as the contiguous property within the City boundary (Gateway Specific Plan, Industrial District).
- B. The site of the proposed annexation is of such a size and shape that use of the property can be done in compliance with the requirements of the Gateway Specific Plan.
- C. The proposed annexation is reasonably compatible with the area immediately surrounding the project site in that the area to the north and south, in the City of Norco, is zoned with the same zoning designation; and also, the site is physically separated by an open flood channel from developed residential property to the west in the City of Corona.
- D. The proposal is not detrimental, or non-desirable, to the public convenience or general welfare of the persons residing or working in the surrounding neighborhood.
- E. The proposal is not injurious to surrounding properties, nor does the project adversely impact the use of adjoining parcels.
- F. The City of Norco has been determined to be the lead agency for environmental reporting purposes pursuant to State and local environmental guidelines, and has determined that the project is exempt from the California Environmental Quality Act (CEQA) and the City of Norco Environmental Guidelines per Class 32.

- II. DETERMINATION: NOW THEREFORE, the City Council of the City of Norco, California, in session assembled February 16, 2011 does hereby approve Annexation 24 and authorizes that an application be submitted to the Local Agency Formation Commission.

PASSED AND ADOPTED by the City Council of the City of Norco at a regular meeting held on February 16, 2011.

Mayor of the City of Norco, California

ATTEST:

Brenda K. Jacobs
City Clerk
City of Norco, California

The City Clerk of the City of Norco, California, does certify that the foregoing Resolution was duly and regularly passed and adopted by the City Council of the City of Norco at a regular meeting thereof held on February 16, 2011 by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Norco, California, on February 16, 2011.

Brenda K. Jacobs
City Clerk
City of Norco, California

/sk-77491

RESOLUTION NO. 2011-__

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NORCO, CALIFORNIA, CONCURRING IN THE TRANSFER OF PROPERTY TAX REVENUE FROM THAT AREA PROPOSED TO BE DETACHED FROM THE CITY OF CORONA AND ANNEXED BY THE CITY OF NORCO IN ANNEXATION 24

WHEREAS, FUSCOE ENGINEERING, INC. initiated proceedings pursuant to the Cortese-Knox Local Government Reorganization Act of 1985, being Division 3 of Title 5 of the Government Code of the State of California (commencing with Section 56000) for the detachment from the City of Corona and concurrent annexation to the City of Norco of uninhabited territory located generally on the southwest side of Parkridge Avenue, north of Cota Street; and

WHEREAS, the City of Norco concurs with detachment from the City of Corona and the acceptance of property tax revenues from that area proposed to be detached; and consents in the transfer of such revenues to the City of Norco in Annexation 24; and

WHEREAS, based on the findings of fact, the City Council passed and adopted Resolution No. 2011-__ approving Annexation 24 and concurs in the transfer of property tax revenues; and

WHEREAS, the City of Norco and the City of Corona are the agencies whose area of responsibility for service would be affected following said detachment from the City of Corona and concurrent annexation to the City of Norco.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Norco, California, that it hereby consents to Annexation 24 and concurs in the transfer of property tax revenues from that area proposed to be detached from the City of Corona and annexed to the City of norco, and the City of Norco hereby consents to the transfer of such revenues to the City of Norco effective for tax purposes beginning on July 1 of the subsequent calendar year following the date of annexation of said territory to the City of Norco.

PASSED AND ADOPTED by the City Council of the City of Norco at a regular meeting held on February 16, 2011.

Mayor of the City of Norco, California

ATTEST:

Brenda K. Jacobs
City Clerk
City of Norco, California

The City Clerk of the City of Norco, California, does certify that the foregoing Resolution was duly and regularly passed and adopted by the City Council of the City of Norco at a regular meeting thereof held on February 16, 2011 by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Norco, California, on February 16, 2011.

Brenda K. Jacobs
City Clerk
City of Norco, California

/sk-77754

RESOLUTION NO. 2011-__

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NORCO, CALIFORNIA CONSENTING TO AN APPLICATION INITIATED BY FUSCOE ENGINEERING, INC. REQUESTING THE LOCAL AGENCY FORMATION COMMISSION TO TAKE PROCEEDINGS FOR A MINOR SPHERE OF INFLUENCE AMENDMENT TO THE CITY OF NORCO, CALIFORNIA AND BOUNDARY REORGANIZATION TO INCLUDE DETACHMENT OF APPROXIMATELY 2.01 ACRES FROM THE CITY OF CORONA WITH CONCURRENT ANNEXATION TO THE CITY OF NORCO, KNOWN AS ANNEXATION 24

WHEREAS, FUSCOE ENGINEERING, INC. initiated proceedings pursuant to the Cortese-Knox Local Government Reorganization Act of 1985, being Division 3 of Title 5 of the Government Code of the State of California (commencing with Section 56000) for the detachment from the City of Corona and concurrent annexation to the City of Norco of uninhabited territory located generally on the southwest side of Parkridge Avenue, north of Cota Street (Exhibit "A", on file in the Office of the City Clerk); and

WHEREAS, the City of Norco does hereby consent to an application by FUSCOE ENGINEERING, INC. to initiate proceedings pursuant to the Cortese/Knox/Hertzberg Local Government Reorganization Act of 2000, being Division 3 of Title 5 of the Government Code of the State of California (commencing with Section 56000) for the detachment of approximately 2.01 acres from the City of Corona with concurrent annexation to the City of Norco located on the southwest side of Parkridge Avenue south of Cota Street, generally described as:

Being a portion of Lots 7 and 8 in Block 97 of Auburndale Colony and Townsite, in the City of Corona, County of Riverside, State of California, as shown by Map recorded in Book 6, Pages 20 and 21 of Maps, Records of San Bernardino County, California,

WHEREAS, the City of Norco does consent to the Local Agency Formation Commission as Conducting Authority to waive protest proceedings for Annexation 24; and

WHEREAS, notice of intent to adopt this resolution of application has been given to affected agencies; and

WHEREAS, the territory to be detached from the City of Corona, with concurrent annexation to the City of Norco, is uninhabited, and a description of the boundaries of the territory is set forth in Exhibit "A" attached hereto and by this reference incorporated herein; and

WHEREAS, the reasons for the proposed detachment and concurrent annexation are as follows:

1. The subject property is physically separated from any feasible development from adjacent property in the City of Corona by an existing flood channel.
2. The subject property is surrounded on the north and south by property in the City of Norco.
3. The subject property can feasibly and reasonably be provided services by City of Norco public services and utilities whereas similar services would be cost-prohibitive from the City of Corona.

WHEREAS, the City of Norco acting as the Lead Agency has determined that the project is categorically exempt from the California Environmental Quality Act (CEQA) and the City of Norco Environmental Guidelines pursuant to Class 32.

NOW, THEREFORE, this Resolution of Application is hereby adopted and approved by the City Council of the City of Norco, and the Local Agency Formation Commission of Riverside County is hereby requested to take proceedings for the sphere of influence amendment to the City of Norco and Boundary Reorganization to include detachment from the City of Corona and annexation to the City of Norco.

PASSED AND ADOPTED by the City Council of the City of Norco at a regular meeting held on February 16, 2011.

Mayor of the City of Norco, California

ATTEST:

Brenda K. Jacobs
City Clerk
City of Norco, California

The City Clerk of the City of Norco, California, does certify that the foregoing Resolution was duly and regularly passed and adopted by the City Council of the City of Norco at a regular meeting thereof held on February 16, 2011 by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Norco, California, on February 16, 2011.

Brenda K. Jacobs
City Clerk
City of Norco, California

/sk-77755

RESOLUTION NO. 2011-__

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NORCO, CALIFORNIA APPROVING GENERAL PLAN AMENDMENT 2010-02 TO ADD APPROXIMATELY 1.8 ACRES, AND DESIGNATE SAID ACREAGE AS "SPECIFIC PLAN" ON THE SOUTHWEST SIDE OF PARKRIDGE AVENUE NORTH OF COTA STREET. GENERAL PLAN AMENDMENT 2010-02

WHEREAS, FUSCOE ENGINEERING, INC., initiated an application for a general plan amendment on property generally described as:

Being a portion of Lots 7 and 8 in Block 97 of Auburndale Colony and Townsite, in the City of Corona, County of Riverside, State of California, as shown by Map recorded in Book 6, Pages 20 and 21 of Maps, Records of San Bernardino County, California,

More generally described as approximately 2.01 acres located on the southwest side of Parkridge Avenue, north of Cota Street (APN 119-070-013); and

WHEREAS, said application has been duly submitted to said City's Planning Commission for decision at a public hearing for which proper notice was given; and

WHEREAS, notice of public hearing on said petition has been given in the manner and for times required by law; and

WHEREAS, at the time set at 7 p.m. on January 12, 2011, within the Council Chambers at 2820 Clark Avenue, Norco, California, 92860, said petition was heard by the Planning Commission for the City of Norco; and

WHEREAS, at said time and place, said Planning Commission heard and considered both oral and written evidence; and

WHEREAS, said Planning Commission adopted Resolution 2011-02 recommending that the City Council approve General Plan Amendment 2010-02; and

WHEREAS, the General Plan Amendment was duly submitted to said City Council for decision at a public hearing for which proper notice was given; and

WHEREAS, the General Plan Amendment was scheduled for public hearing on February 16, 2011 on or about 7 p.m. in the Council Chambers at 2820 Clark Avenue, Norco, California 92860; and

WHEREAS, at the time set, the City Council held a public hearing and received both oral and written testimony pertaining to the General Plan Amendment; and

WHEREAS, the City of Norco, acting as the Lead Agency, has determined that the project is exempt from the California Environmental Quality Act (CEQA) and the City of Norco Environmental Guidelines per Class 32.

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

I. FINDINGS:

- A. The proposed general plan amendment does comply with all applicable requirements of the Norco Municipal Code, the Gateway Specific Plan and the General Plan in that the site is contiguous to the City boundary and will be designated the same land use as the contiguous property within the City boundary (General Plan).
- B. The site of the general plan amendment is of such a size and shape that use of the property can be done in compliance with the requirements of the Gateway Specific Plan.
- C. The proposed general plan amendment is reasonably compatible with the area immediately surrounding the project site in that the area to the north and south, in the City of Norco, is zoned with the same zoning designation.
- D. The proposal is not detrimental, or non-desirable, to the public convenience or general welfare of the persons residing or working in the surrounding neighborhood.
- E. The proposal is not injurious to surrounding properties, nor does the project adversely impact the use of adjoining parcels.
- F. The City of Norco has been determined to be the lead agency for environmental reporting purposes pursuant to State and local environmental guidelines, and has determined that the project is exempt from CEQA and the City of Norco Environmental Guidelines.

- II. DETERMINATION: NOW THEREFORE, the City Council of the City of Norco, California, in session assembled February 16, 2011 does hereby approve General Plan Amendment 2010-02, changing the land use designation on said properties to Specific Plan.

PASSED AND ADOPTED by the City Council of the City of Norco at a regular meeting held on February 16, 2011.

Mayor of the City of Norco, California

ATTEST:

Brenda K. Jacobs
City Clerk
City of Norco, California

The City Clerk of the City of Norco, California, does certify that the foregoing Resolution was duly and regularly passed and adopted by the City Council of the City of Norco at a regular meeting thereof held on February 16, 2011 by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Norco, California, on February 16, 2011.

Brenda K. Jacobs
City Clerk
City of Norco, California

/sk-77757

RESOLUTION NO. 2011-__

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NORCO, CALIFORNIA APPROVING AMENDMENT NO. 9 TO SPECIFIC PLAN 90-01 (GATEWAY SPECIFIC PLAN). SPECIFIC PLAN 90-01, AMENDMENT NO. 9

WHEREAS, FUSCOE ENGINEERING, INC. initiated Amendment No. 9 to Specific Plan 90-01 to add approximately 1.8 acres on the southwest side of Parkridge Avenue Avenue, north of Cota Drive on property generally described as:

Being a portion of Lots 7 and 8 in Block 97 of Auburndale Colony and Townsite, in the City of Corona, County of Riverside, State of California, as shown by Map recorded in Book 6, Pages 20 and 21 of Maps, Records of San Bernardino County, California,

More generally described as approximately 2.01 acres located on the southwest side of Parkridge Avenue, north of Cota Street (APN 119-070-013); and

WHEREAS, the application for said specific plan amendment was duly submitted to said City's Planning Commission for decision at a public hearing for which proper notice was given; and

WHEREAS, notice of public hearing on said petition has been given in the manner and for times required by law; and

WHEREAS, at the time set at 7 p.m. on January 12, 2011 within the Council Chambers at 2820 Clark Avenue, Norco, California, California, 92860, said petition was heard by the Planning Commission for the City of Norco; and

WHEREAS, at said time and place, said Planning Commission heard and considered both oral and written evidence; and

WHEREAS, said Planning Commission adopted Resolution 2011-03 recommending that the City Council approve Specific Plan 90-01, Amendment 9; and

WHEREAS, the Specific Plan Amendment was duly submitted to said City Council for decision at a public hearing for which proper notice was given; and

WHEREAS, the Specific Plan Amendment was scheduled for public hearing on February 16, 2011 on or about 7 p.m. in the Council Chambers at 2820 Clark Avenue, Norco, California 92860; and

WHEREAS, at the time set, the City Council held a public hearing and received both oral and written testimony pertaining to the Specific Plan Amendment; and

WHEREAS, the City of Norco, acting as the Lead Agency, has determined that the project is Categorically Exempt from the California Environmental Quality Act (CEQA) and the City of Norco Environmental Guidelines per Class 32.

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

I. FINDINGS:

- A. The proposed specific plan amendment does comply with all applicable requirements of the Norco Municipal Code, the Gateway Specific Plan and the General Plan in that the site is contiguous to the City boundary and will be designated the same land use as the contiguous property within the City boundary (General Plan).
- B. The site of the specific plan amendment is of such a size and shape that use of the property can be done in compliance with the requirements of the Gateway Specific Plan.
- C. The proposed Specific Plan Amendment is reasonably compatible with the area immediately surrounding the project site in that the area to the north and south, in the City of Norco, is zoned with the same zoning designation.
- D. The proposal is not detrimental, or non-desirable, to the public convenience or general welfare of the persons residing or working in the surrounding neighborhood.
- E. The proposal is not injurious to surrounding properties, nor does the project adversely impact the use of adjoining parcels.
- F. The City of Norco has been determined to be the lead agency for environmental reporting purposes pursuant to State and local environmental guidelines, and has determined that the project is exempt from CEQA and the City of Norco Environmental Guidelines.

II. DETERMINATION:

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Norco, California, in session assembled February 16, 2011 does hereby approve Specific Plan 90-01, Amendment 9.

PASSED AND ADOPTED by the City Council of the City of Norco at a regular meeting held on February 16, 2011.

Mayor of the City of Norco, California

ATTEST:

Brenda K. Jacobs
City Clerk
City of Norco, California

The City Clerk of the City of Norco, California, does certify that the foregoing Resolution was duly and regularly passed and adopted by the City Council of the City of Norco at a regular meeting thereof held on February 16, 2011 by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Norco, California, on February 16, 2011.

Brenda K. Jacobs
City Clerk
City of Norco, California

/sk-77759

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF NORCO, CALIFORNIA AMENDING TITLE 18 OF THE NORCO ZONING ORDINANCE BY PRE-ZONING APPROXIMATELY 1.8± ACRES OF LAND AS "SP" (SPECIFIC PLAN) LOCATED ON THE SOUTHWEST SIDE OF PARKRIDGE AVENUE NORTH OF COTA STREET. ZONE CHANGE 2010-02 (PRE-ZONE)

WHEREAS, FUSCOE ENGINEERING, INC., initiated an application for a zone change (pre-zone) on property generally described as:

Being a portion of Lots 7 and 8 in Block 97 of Auburndale Colony and Townsite, in the City of Corona, County of Riverside, State of California, as shown by Map recorded in Book 6, Pages 20 and 21 of Maps, Records of San Bernardino County, California,

More generally described as approximately 2.01 acres located on the southwest side of Parkridge Avenue, north of Cota Street (APN 119-070-013); and

WHEREAS, said application has been duly submitted to said City's Planning Commission for decision at a public hearing for which proper notice was given; and

WHEREAS, notice of public hearing on said petition has been given in the manner and for times required by law; and

WHEREAS, at the time set at 7 p.m. on January 12, 2011, within the Council Chambers at 2820 Clark Avenue, Norco, California, 92860, said petition was heard by the Planning Commission for the City of Norco; and

WHEREAS, at said time and place, said Planning Commission heard and considered both oral and written evidence; and

WHEREAS, said Planning Commission adopted Resolution 2011-04 recommending that the City Council approve Zone Change 2010-02 (pre-zone); and

WHEREAS, the Zone Change (pre-zone) was duly submitted to said City Council for decision at a public hearing for which proper notice was given; and

WHEREAS, the Zone Change (pre-zone) was scheduled for public hearing on February 16, 2011 on or about 7 p.m. in the Council Chambers at 2820 Clark Avenue, Norco, California 92860; and

WHEREAS, at the time set, the City Council held a public hearing and received both oral and written testimony pertaining to the Zone Change; and

WHEREAS, the City of Norco, acting as the Lead Agency, has determined that the project is exempt from the California Environmental Quality Act (CEQA) and the City of Norco Environmental Guidelines per Class 32.

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

I. FINDINGS:

- A. The proposed zone change does comply with all applicable requirements of the Norco Municipal Code, the Zoning Ordinance and the General Plan in that the site is contiguous to the City boundary and will be designated the same land use as the contiguous property within the City boundary (Specific Plan).
- B. The site of the zone change is of such a size and shape that use of the property can be done in compliance with the requirements of the Norco Zoning Ordinance, Specific Plan Zone.
- C. The proposed zone change is reasonably compatible with the area immediately surrounding the project site in that the area to the north and south, in the City of Norco, is zoned with the same zoning designation.
- D. The proposal is not detrimental, or non-desirable, to the public convenience or general welfare of the persons residing or working in the surrounding neighborhood.
- E. The proposal is not injurious to surrounding properties, nor does the project adversely impact the use of adjoining parcels.
- F. The City of Norco has been determined to be the Lead Agency for environmental reporting purposes pursuant to State and local environmental guidelines, and has determined that the project is exempt from the California Environmental Quality Act (CEQA) and the City of Norco Environmental Guidelines per Class 32.

II. DETERMINATION:

NOW, THEREFORE, in light of evidence and testimony presented at the hearing on this application, and in conformity with the findings set forth hereinbefore, and with the requirements necessary for the approval of the Zone Change, the City Council for the City of Norco does hereby approve Zone Change 2010-02 (pre-zone).

PASSED AND ADOPTED by the City Council of the City of Norco at a regular meeting held March 2, 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 February 16, 2011 and thereafter at a regular meeting of said City Council duly held on March 2, 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 March 2, 2011.

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

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LOCATION MAP



Not to Scale

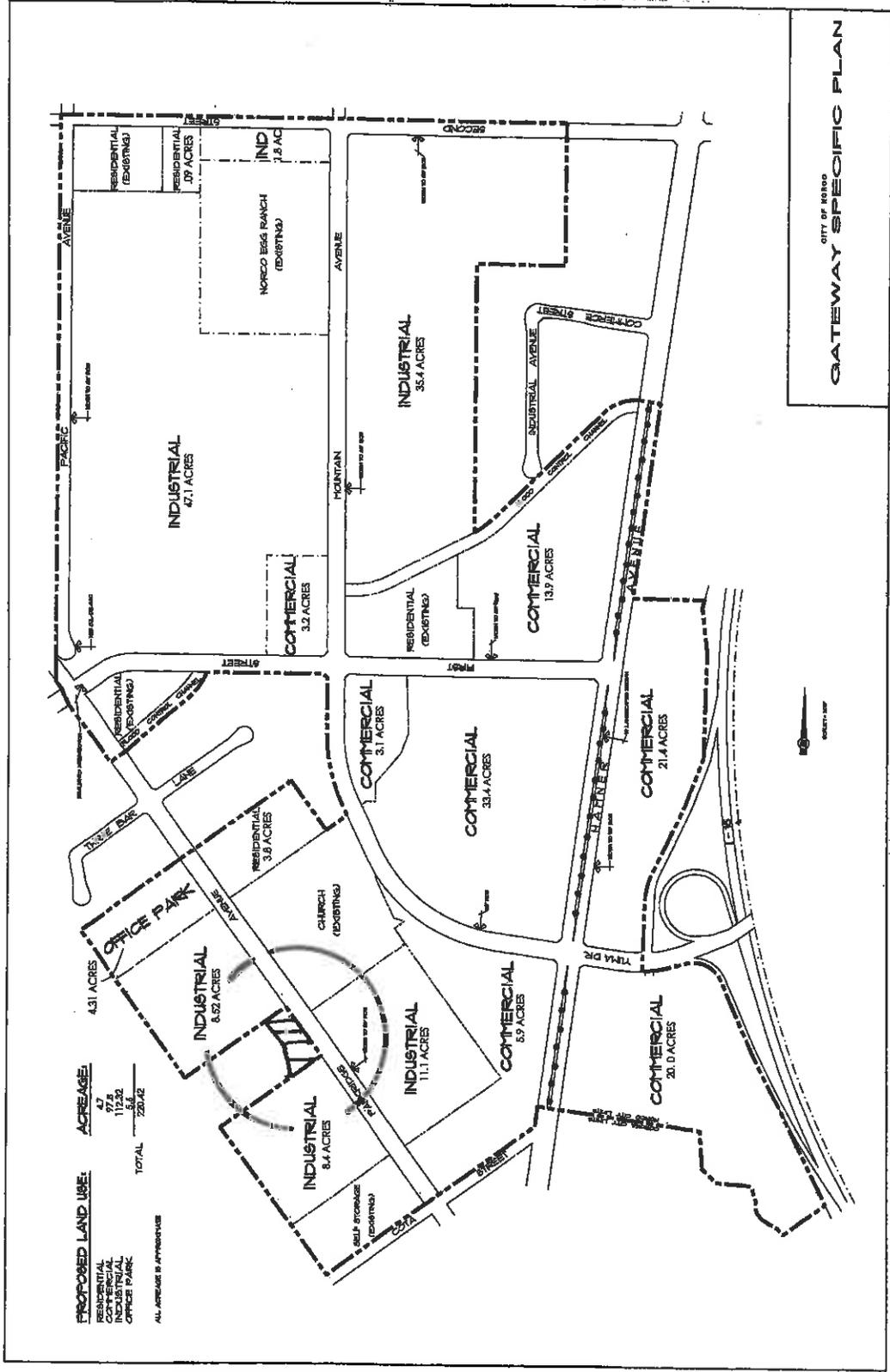


PROJECT: Annexation 24, General Plan Amendment 2010-02, Gateway Specific Plan Amendment 8, and Zone Change 2010-02

APPLICANT: Fuscoe Engineering, Inc

LOCATION: Southwest Side of Parkridge Avenue, North of Cota Street (A.P.N. 119-070-013).

Exhibit "A"



CITY OF REDDING
GATEWAY SPECIFIC PLAN

EXHIBIT "B"

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: February 16, 2011

SUBJECT: Appointment to the Planning Commission

RECOMMENDATION: Staff recommends that the City Council make one appointment to the Planning Commission to fill the vacated seat to complete the term expiring in June of 2014.

SUMMARY: On December 13, 2010, the City Council appointed Greg Newton to fill the vacant seat of Council Member Malcolm Miller for a term of office beginning on December 15, 2010. As Mr. Newton served on the Planning Commission, that seat was then vacated. Therefore, the Council is requested to make one appointment to the Planning Commission to complete the term of Greg Newton, which expires in June of 2014. Eight applications were received for the Council's consideration.

BACKGROUND/ANALYSIS: On December 20, 2010, a press release was released soliciting applications for one unscheduled vacancy on the Planning commission to fill an unexpired term, which expires in June of 2014. That unscheduled vacancy was created as a result of Greg Newton being appointed to serve on the City Council to fill the vacant seat following the passing of Malcolm Miller. The deadline for receipt of applications was 5 p.m. on Thursday, January 2, 2011. Following the receipt of the applications, the City Council received copies for review prior to making the appointment.

As stated in the press release, an appointment to the Planning Commission is an honor and a responsibility. The City Council has confidence in the judgment and integrity of its appointees and relies on them for information and recommendations on specific matters. As advisors to the Council, commission members are expected to regularly attend meetings, understand their duties and roles, and work to contribute to the betterment of the community.

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.

Applications were received from the following applicants for the Council's consideration:

Kim Calabrano
Curtis Coombs
Phil Cremo
Lance Gregory
Robert C. Leonard, Jr.
Barry E. Mileski
Larry Pasley
James M. Wilson

Staff recommends that the Council make one appointment to the Planning Commission.

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Applications are on file in the Office of the City Clerk