



MINUTES CITY OF NORCO

CITY COUNCIL/COMMUNITY REDEVELOPMENT AGENCY
REGULAR MEETING
CITY COUNCIL CHAMBERS – 2820 CLARK AVENUE
JANUARY 19, 2011

CALL TO ORDER: Mayor Hanna called the meeting to order at 6:00 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 54956.8 – Conference with Real Property Negotiator

Street Address or Parcel Number: APNs 152-060-004-0; 152-060-011-6; 152-070-001-8; 152-070-002-9; & 152-070-011-7

Negotiating Parties: Norco Redevelopment Agency and Balboa Management Group, LLC

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

RECONVENE PUBLIC SESSION: With nothing to report from Closed Session, Mayor Hanna reconvened the meeting at 7:00 p.m.

PLEDGE OF ALLEGIANCE: Council Member Bash

INVOCATION: Council Member Sullivan

COMMENDATION: Deputy Brett Johnson
Mayor Hanna presented Deputy Johnson with a certificate of commendation noting his accomplishments while being assigned to Norco for the last five years and congratulating him on his appointment to the Sheriff's Emergency Response Team.

PRESENTATIONS: Norco Junior All American Football Panthers
Certificates of Accomplishment
So Cal JAAF Super Bowl 2010 Winners
Mayor Hanna, along with Stefanie Benvenuto, Field Representative for Assemblyman Jeff Miller, presented certificates to the NJAAF Panthers players, coaches and cheerleaders.

REGULAR COMMUNITY REDEVELOPMENT AGENCY (CRA) AGENDA AS FOLLOWS:

1. CRA CONSENT CALENDAR ITEMS:

M/S Bash/Sullivan 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: NEWTON ON THE MINUTES FROM THE REGULAR MEETING OF DECEMBER 15, 2010

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

2. CRA PUBLIC HEARINGS:

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

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

Recommended Action: Adopt CRA Resolution No. 2011-___, approving an Owner Participation Agreement, by and between the Norco Redevelopment Agency and Yam Kwan Wong as part of the Norco Façade Improvement Program, at 2395 Hamner Avenue. (Contract Economic Development Specialist)

Economic Development Specialist Grody presented the CRA Public Hearing item.

Agency Board Member Sullivan inquired from Mr. Jerry Wolff, property manager of the center, information regarding complaints received about the landscape vegetation in front of the center on Hamner Avenue causing visibility problems for traffic.

In response to Agency Board Member Sullivan, Mr. Wolff stated that the owners are willing, once the sign is up, to trim the vegetation facing Hamner Avenue so that the sign will be better seen.

Chairman Hanna OPENED the public hearing, indicating that proper notification had been made and asked for the appearance of those wishing to speak. With no one wishing to speak, Chairman Hanna CLOSED the public hearing.

The Agency Board Members all commented on their support for the proposed sign. Comments were also made regarding how the new sign will improve the corner. Staff was commended for their work on the project and the success of the Norco Façade Improvement Program.

M/S Bash/Azevedo to adopt CRA Resolution No. 2011-02, approving an Owner Participation Agreement, by and between the Norco Redevelopment Agency and Yam Kwan Wong as part of the Norco Façade Improvement Program, at 2395 Hamner Avenue. The motion was carried by the following roll call vote:

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

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

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

Recommended Action: Adopt CRA Resolution No. 2011-___, approving an Owner Participation Agreement, by and between the Norco Redevelopment Agency and West Coast Servicing, LLC as part of the Norco Façade Improvement Program, at 2641 Hamner Avenue. (Contract Economic Development Specialist)

Economic Development Specialist Grody presented the CRA Public Hearing item.

Chairman Hanna OPENED the public hearing, indicating that proper notification had been made and asked for the appearance of those wishing to speak. With no one wishing to speak, Chairman Hanna CLOSED the public hearing.

The Agency Board Members all commented on their support for the proposed sign. It was also noted that the sign will bring exposure to all of the tenants in the center. Staff was also commended for their work on the project.

M/S Sullivan/Bash to adopt CRA Resolution No. 2011-03, approving an Owner Participation Agreement, by and between the Norco Redevelopment Agency and West Coast Servicing, LLC as part of the Norco Façade Improvement Program, at 2641 Hamner Avenue. The motion was carried by the following roll call vote:

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

3. **JOINT CRA/CITY COUNCIL PUBLIC HEARING: The Joint CRA/City Council Public Hearing was cancelled. City Manager Groves provided some brief comments on the unprecedented storm damage to the Silverlakes property and the remediation opportunities being assessed. She further stated that City staff and the Balboa team will work together to come up with a viable course of action.**

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

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

A. Norco Silverlakes Master Ground Lease by and between the Norco Redevelopment Agency (Landlord) and the City of Norco (Tenant).

B. Norco Silverlakes Ground Lease by and between the City of Norco (Landlord) and Balboa Management Group, LLC (Tenant).

C. Norco Silverlakes Shared Use Agreement by and between the City of Norco (Landlord) and Balboa Management Group, LLC (Tenant).

D. Report of the Norco Redevelopment Agency Concerning the Disposition of the Redevelopment Agency Property pursuant to California Health & Safety Code Section 33433.

- E. Report of the Norco Redevelopment Agency Concerning Disposition of the Redevelopment Agency Property pursuant to California Health & Safety Code Section 33679.
- F. **Resolution No. 2010-___**, Restating and Amending Resolution No. 2009-08 (Adopted on March 4, 2009) Relating to Conditional Use Permit No. 2008-09 for the Silverlakes Equestrian & Sports Park Located on the East Side of Hamner Avenue North of the Santa Ana River.
- G. **Ordinance No. ___ for first reading**. Approving the Development Agreement by and among the City of Norco, the Norco Redevelopment Agency and Balboa Management Group, LLC for the Silverlakes Equestrian & Sports Park.
- H. **Resolution No. 2010-___**, Finding the Silverlakes Project Consistent with the Property Deed Restriction.
- I. Funding, Construction and Acquisition Agreement by and between the City of Norco and Balboa Management Group, LLC, a Delaware Limited Liability Company.

4. OTHER CRA MATTERS: No other CRA matters.

5. ADJOURNMENT OF CRA: 7:33 p.m.

REGULAR CITY COUNCIL AGENDA AS FOLLOWS:

6. CITY COUNCIL CONSENT CALENDAR ITEMS:

Council Member Sullivan pulled Item 6.I. Council Member Newton noted that he would abstain on the minutes from the Regular Meeting of December 15, 2010 and the Special Meeting of December 13, 2010. Council Member Newton pulled Items 6.E., G., & L.

M/S Sullivan/Azevedo 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: NEWTON ON THE MINUTES FROM THE SPECIAL MEETING OF DECEMBER 13, 2010 AND THE REGULAR MEETING OF DECEMBER 15, 2010

- A. City Council Minutes:
Special Meeting of January 10, 2011
Regular Meeting of December 15, 2010
Special Meeting of December 13, 2010
Recommended Action: **Approve the City Council Minutes** (City Clerk)
- B. Recap of Actions Taken at the Planning Commission Regular Meeting of January 12, 2011. **Recommended Action: Receive and File** (Planning Director)
- C. Approval of a Resolution for Employer Pick-Up to Tax Defer Member Paid Contributions – Internal Revenue Code 414(h)(2). **Recommended Action: Adopt Resolution No. 2011-01, approving employer pick-up to tax defer member paid contributions.** (Deputy City Manager/Director of Finance)
- D. Quarterly Investment Report for Quarter Ended December 31, 2010. **Recommended Action: Receive and File** (Deputy City Manager/Director of Finance)
- E. Report on Fiscal Year 2010 Audited Financial Reports. **Recommended Action: Receive and File** (Deputy City Manager/Director of Finance)
PULLED FOR DISCUSSION
- F. Ratification of the Proclamation of a Local Emergency Dated December 22, 2010. **Adopt Resolution No. 2011-02, ratifying the Proclamation of a Local Emergency declared on December 22, 2010.** (City Manager)
- G. Approval of a Contract with Philips Healthcare for the Purchase of Replacement Advanced Life Support Defibrillator/Monitors. **Recommended Action: Approve a contract with Philips Healthcare for the purchase of two (2) replacement Advanced Life Support Defibrillator/Monitors in the amount of \$49,353.25, through a cooperative purchasing effort using the City of Corona's formal completed competitive bid process.** (Fire Chief) **PULLED FOR DISCUSSION**
- H. Acceptance of the Ingalls Park Security Fencing Project as Complete. **Recommended Action: Accept the Ingalls Park Security Fencing Project as complete and direct the City Clerk to file a Notice of Completion with the County Recorder's Office.** (Director of Parks, Recreation & Community Services)
- I. Professional Services Agreement with Chevron Energy Solutions -- Manure-to-Energy Project. **Recommended Action: Adopt Resolution No. 2011-03, authorizing execution of a Professional Services Agreement with Chevron Energy Solutions for performance of engineering study of a horse manure-to-energy project.** (Deputy City Manager/Director of Finance) **PULLED FOR DISCUSSION**

- J. Dedication of Easement to Southern California Edison. **Recommended Action: Adopt Resolution No. 2011-04, offering the dedication of a utility easement to Southern California Edison for the purpose of installing underground electric lines to power the new sewer auger/grinder located on Western Avenue.** (Director of Public Works)
- K. Request to Amend the Traffic Signal and Street Lighting Maintenance Agreement between the City of Norco and the City of Corona. **Recommended Action: Approve the amendment to Exhibit "A" of the Traffic Signal and Street Lighting Maintenance Agreement between the City of Norco and the City of Corona.** (Director of Public Works)
- L. Accept Bids and Award the Contract for the Second Street Improvement Project. **Recommended Action: Award the contract for the Second Street Improvement Project to All American Asphalt in the amount of \$1,050,000 and authorize the City Manager to approve contract change orders up to 10 percent of the contract amount.** (Director of Public Works) **PULLED FOR DISCUSSION**
- M. Acceptance of the Sierra Avenue Street Improvement Project as Complete. **Recommended Action: Accept the Sierra Avenue Street Improvement Project as complete and direct the City Clerk to file a Notice of Completion with the County Recorder's Office.** (Director of Public Works)

7. ITEMS PULLED FROM CITY COUNCIL CONSENT CALENDAR:

- 6.E. Report on Fiscal Year 2010 Audited Financial Reports. **Recommended Action: Receive and File** (Deputy City Manager/Director of Finance)

Council Member Newton commended Deputy City Manager/Director of Finance Okoro for his efforts in putting together the report and noted that the part he liked is that the numbers talk and tell a story, and don't talk back.

M/S Bash/Azevedo to receive and file the Report on Fiscal Year 2010 Audited Financial Reports. The motion was carried by the following roll call vote:

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

- 6.G. Approval of a Contract with Philips Healthcare for the Purchase of Replacement Advanced Life Support Defibrillator/Monitors. **Recommended Action: Approve a contract with Philips Healthcare for the purchase of two (2) replacement Advanced Life Support Defibrillator/Monitors in the amount of \$49,353.25, through a cooperative purchasing effort using the City of Corona's formal completed competitive bid process.** (Fire Chief)

Council Member Newton asked Fire Chief Carlson if the quote would still be honored, as the expiration date on the quote had expired. Fire Chief Carlson replied that it would be honored.

M/S Sullivan/Bash to approve a contract with Philips Healthcare for the purchase of two (2) replacement Advanced Life Support Defibrillator/Monitors in the amount of \$49,353.25, through a cooperative purchasing effort using the City of Corona's formal completed competitive bid process. The motion was carried by the following roll call vote:

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

6.I. Professional Services Agreement with Chevron Energy Solutions -- Manure-to-Energy Project. **Recommended Action: Adopt Resolution No. 2011-03, authorizing execution of a Professional Services Agreement with Chevron Energy Solutions for performance of engineering study of a horse manure-to-energy project.** (Deputy City Manager/Director of Finance)

Council Member Sullivan noted that this is a professional services contract with Chevron that should answer many of the concerns of the residents and further noted that the City has been working on this project for a long time. He also commented on the need to find a way to get rid of the City's manure without hauling it so far and added that this project would help to save the lifestyle in Norco.

Council Member Newton asked Deputy City Manager/Director of Finance Okoro for clarification on the cost for the Agreement with Chevron and the grant amount received from the Department of Energy (DOE). Okoro stated that the initial proposal received from Chevron was in the amount of \$690,000, but the DEO would not fund money for the next phase of the project, which was a part of the amount. Okoro also noted that the Agreement amount with Chevron would be in the amount of \$681,692 and added that Chevron will provide the City with information on additional grants and incentives to use as a part of this Agreement. Okoro added that there will be no additional compensation. In response to Council Member Newton, Okoro stated that progress reports from Chevron will be required in order for the DOE to provide the reimbursement payments.

Council Member Azevedo noted that this is exciting that the DEO gave the City a grant for the feasibility study. She added that no site/size for/of the building has been determined. Council Member Azevedo commented on the need for a long term plan to get rid of the manure, and the potential to make money doing so.

Jim Isler. Mr. Isler stated that he is concerned about the smells resulting from the project and added that the Council needs to keep in mind that the people in Norco have a right to live in this City without the smell.

Patrick Duke. Mr. Duke stated that the money is great but there will be smell. He added that he is concerned about explosions from the methane and having it located so close to his neighborhood. He noted many additional concerns and observations from information he has read about this type of manure management.

Don Gensler. Mr. Gensler stated that he enjoys the lifestyle in Norco but is concerned with additional smells that will affect his neighborhood. He noted that he is not in favor of bringing this project next to residential properties and added that it should be constructed where there are not people living so close.

Marian Beecher. Ms. Beecher commented on the luxury of having horses in Norco and noted that she is willing to pay for it to be removed. Ms. Beecher asked the following questions for the record: Where are other similar chevron plants located? When the EIR is completed, how much time will the residents have for rebuttal and research? How many tons of waste does the City haul away? Where will the site be located? Public Works Director Thompson responded as follows: As far as similar plants developed by Chevron, he does not know as the City has not yet defined what type of plant will be built. He added that a number of technologies are available and the City is planning on composting, with the goal of a zero impact on the residents. The feasibility study will cover all of the concerns brought up and the goal for the results will be a zero impact for the residents of Norco environmentally. When the EIR is completed there will be a time set for rebuttals and research, including public hearings set. In response to the question posed by Ms. Beecher regarding the depreciated value of properties caused by this project, Director Thompson noted that all of these considerations will be evaluated as a part of this study. Director Thompson stated that different sites will be evaluated for the best location for the project, and will be evaluated as a part of the feasibility study.

Council Member Newton stated that the first step of this project is to make a determination if there is a project. He encouraged everyone to research Assembly Bill 32 and what California is going to be required to do in the next five years.

Mayor Pro Tem Bash noted that many of the fears are premature. He noted that he does not like the site at Corydon at River and Bluff, as it is too small. Mayor Pro Tem Bash noted that the City is far ahead of everybody else because we need to get rid of the manure. He added that there will be lots of time for input from the residents, as this is part of the process.

Council Member Azevedo received verification from Public Works Director Thompson that the identification of sites is necessary for it to be feasible. She thanked everyone for coming and noting their concerns, adding that it is too premature to comment on any impacts from the project.

Council Member Sullivan commented on the City's in Riverside County being mandated to cut back 50% of what is deferred from the Landfill, which could be raised to 75%. He noted that the City of Norco was the first city in Riverside County to meet that requirement.

Mayor Hanna asked Public Works Director Thompson about information received regarding refuse burned, which did not include cow manure. Director Thompson stated that burning cow manure is a whole different process.

M/S Sullivan/Bash to adopt Resolution No. 2011-03, authorizing execution of a Professional Services Agreement with Chevron Energy Solutions for performance of engineering study of a horse manure-to-energy project. The motion was carried by the following roll call vote:

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

6.L. Accept Bids and Award the Contract for the Second Street Improvement Project.
Recommended Action: Award the contract for the Second Street Improvement Project to All American Asphalt in the amount of \$1,050,000 and authorize the City Manager to approve contract change orders up to 10 percent of the contract amount. (Director of Public Works)

Council Member Newton asked for information from Public Works Director on the scope of work for this project. Director Thompson stated that the scope of the project is on Second Street from the northbound on/off ramp of Interstate 15 to Hillside Avenue; widening from Interstate 15 to Corona Avenue only; and an asphalt overlay from Corona Avenue to Hillside Avenue. Also, as a part of this project, there will be a modification done to the intersection of Valley View Avenue and second street; some additional curb and gutters and storm drain improvements; and a full trail added from the Interstate 15 on/off ramps east to Corona Avenue on the south side of the street. He further noted that the funding for this project is Redevelopment Agency funds and grant funds from RCTC.

Council Member Azevedo noted that she has not been a proponent of this project in the past as her biggest fear is that the widening would make Second Street a second Sixth Street. In response to her question regarding the City's General Plan, Planning Director King stated that in the General Plan, the four lanes on Second Street end at Corona Avenue, and two lanes continue east of Corona Avenue. In response to her question regarding merge lanes, Public Works Director Thompson stated that there will be merge lanes before Corona Avenue for traffic flow.

Council Member Sullivan noted that he is pleased on the low bid that came in for the project.

Curtis Coombs. Mr. Coombs stated that he respectfully disagrees with Council Member Azevedo as there are traffic impacts on the roads when school is in session. He added that this needs to be addressed with all of the activity on Second Street.

M/S Sullivan/Bash to award the contract for the Second Street Improvement Project to All American Asphalt in the amount of \$1,050,000 and authorize the City Manager to approve contract change orders up to 10 percent of the contract amount. The motion was carried by the following roll call vote:

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

8. LEGISLATIVE MATTERS -- SECOND READING: *(No new evidence will be heard from the public as the public hearing has been closed regarding all items listed.)*

- A. **Ordinance No. 928, Second Reading.** Amending Chapters 2.20.040, 2.22.040, 2.23.040 and 2.26.040 of Title 2 of the Norco Municipal Code to Add "Never Been Convicted of a Felony" as a Requirement for Membership on a City Commission (Code Change 2010-05). **Recommended Action: Adopt Ordinance No. 928 for Second Reading.** (City Clerk)

M/S Bash/Azevedo to adopt Ordinance No. 928 for Second Reading. The motion was carried by the following roll call vote:

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

- B. **Ordinance No. 929, Second Reading.** Extending the Temporary TUMF Reduction of the Western Riverside County Transportation Mitigation Fee (TUMF) Program. **Recommended Action: Adopt Ordinance No. 929 for Second Reading.** (City Clerk)

M/S Azevedo/Bashto adopt Ordinance No. 929 for Second Reading. The motion was carried by the following roll call vote:

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

9. CITY COUNCIL ITEM FOR ACTION:

- A. Approval of a Five-Year Lease Agreement with the Norco Fair Committee for a Community Fair at the George Ingalls Equestrian Event Center

The Norco Fair Committee has requested a five-year Lease Agreement with the City of Norco from February 2, 2011 through January 31, 2016 for the annual Norco Community Fair at the George Ingalls Equestrian Event Center.

Recommended Action: Approve the five-year Lease Agreement with the Norco Fair Committee for a Community Fair at the George Ingalls Equestrian Event Center. (Director of Parks, Recreation & Community Services)

Director Petree presented the City Council Action item, noting the terms of the negotiated five-year Lease Agreement with the Norco Fair Committee.

Council Member Sullivan thanked the Fair Committee for the fantastic job they did last year and for paying off the City loan and its bills, with start-up money remaining. He noted that he is surprised that the Committee came back and asked the City for concessions, with the difficult time the City is having making ends meet, noting the City's cash flow problem. He stated that he would entertain a recommendation that if the Committee does not have enough money to pay the fees upfront, the City could put into the contract that after paying its bills from proceeds of fair, then the fees could be paid. He further commented on the costs to pay the Sheriff's Department and questioned the necessity for them to be there. Council Member Sullivan stated that he would be voting no on this item tonight, and encouraged the other Council Members to vote no as well for the good of the community.

Council Member Azevedo questioned if the City is waiving fees for the Mustang Challenge, and asked why that agreement is not being brought to the Council? Director Petree responded that this is the last year of the agreement approved by the Council. Council Member Azevedo commented on the history of the fair, noting that it is an icon and gives back to the community. She added that the fair is a revenue source for almost every non-profit in the community. She further commented on the money raised by the fair in the past, noting that she would support adding an addendum to the Lease Agreement requiring the fees to be paid in full once the Norco Fair Committee meets a net profit amount set.

Mayor Pro Tem Bash stated that he has concerns that the argument will come down between the two groups. He added that we have to do business in the City, as the reserve is no longer there. Mayor Pro Tem Bash commented on the need for the community to volunteer, and added that the fair is creating an opportunity to make money for City groups. He noted that the success of the fair will bring in more business to the City. He commented on the need to have a Sheriff presence at the fair because in the past there was a large gang presence at the fair.

Council Member Newton noted that the focus should be on the success of the fair. He added that there is not a check being written out of the General Fund. He received confirmation from Director Petree that the Lease Agreement states that all direct costs (Departmental costs) will be paid, including utility costs, and an 8% overhead added to cover administrative costs. Director Petree added that at the end of the term of the Agreement, everything is paid, noting that the fair creates community.

Linda Dixon. Ms. Dixon commented on the family-affordable fair that the Norco Fair Committee creates and noted that the loan amount last year was paid back to the City as required, and immediately. She commented on that participation from non-profits and noted that the Fair Committee made many donations to local events and non-profits. Ms. Dixon stated that she hopes that they can count on the City's support.

Ed Dixon. Mr. Dixon thanked the Council for the loan last year and noted that the fair was a success. He added that he does not think that asking the City to waive fees is out of order, as they help many businesses in Norco, noting that the fair results in additional tax dollars to the City.

Lance Gregory. Mr. Gregory noted that he understands the whole spectrum involved and commented on how effective the fair is in giving back to the community. He added that whatever the decision is, remember the financial problem the City is in. Mr. Gregory stated that the City needs to be run as a business when it comes to the facility fees.

Tommy Vaughan. Mr. Vaughan commented that he hopes that the decision made will not affect the entire community, noting the accelerating costs required to put on the fair. He further commented on the "seed" money available which could be used to pay the fees and stated that other non-profits should have fees reduced by the City.

Karen Leonard. Ms. Leonard commented that they are not asking for the waiver for free. She further noted that it has been proven that the Fair Community will keep its promises.

Curtis Coombs. Mr. Coombs commented on his attendance to the fair and noted that it does cost money to put on the fair. He noted that with hard times come hard decisions, adding that there is need to run the City as a business. He further commented that the obligations need to be put in black and white in the Agreement.

Jim Sassin. Mr. Sassin noted that there is a need for the Sheriff's Department at an event that large. He added that the whole motivation is so people can have a low cost event to attend with their families and noted that the City will financially benefit from the people that attend.

Tina Gregory. Ms. Gregory commented that there could possibly be a shorter duration of the event with the waiver of the fees.

Ruben Armas. Mr. Armas represents Narcotic Anonymous and commented on the higher facility fees they pay, noting that they are not sure if they will be able to hold its event because of the high fees. He asked why their fees can't be waived or reduced as they also bring in people to the City and are a non-Profit organization.

Vern Showalter. Mr. Showalter noted that if the City is going to continue to subsidize the event, it should be called a City event and get volunteers to run it.

Mayor Hanna noted that the fees are for the rental and not for the services. He commented on the money that is being given to local groups, noting that this is outstanding. Mayor Hanna stated that he has no problem supporting this as he sees what the Fair Committee did for the community.

Further comments were made by the Council Members regarding the benefits to the City resulting from the fair.

Council Member Sullivan commented on the financial problems of the City and the fact that the facility fees have been set and approved by the Council.

M/S Azevedo/Bash to approve the five-year Lease Agreement as written, adding an addendum stating that if the net proceeds of the Community Fair exceed \$100,000 each individual year during the term of the Lease Agreement, the Norco Fair Committee will pay the full amount of the City facility fees for that year. The motion was carried by the following roll call vote:

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

Jim Sassin. Mr. Sassin stated that he would agree to the addendum added to the Lease Agreement.

RECESS: Mayor Hanna recessed the meeting at 9:30 p.m.

RECONVENE: Mayor Hanna reconvened the meeting at 9:38 p.m.

10. PUBLIC COMMENTS OR QUESTIONS:

Sigred Williams. Ms. Williams, Public Relations Officer for the Norco Mounted Posse, commented on the Posse membership. She noted that the Posse has donated over 250 volunteer hours to the City at no cost. She also noted the donations made to non-profits in the City. She added that currently, the Norco Mounted Posse is stronger than ever and is proactively recruiting new members.

Brian Boyd. Mr. Boyd commented on the rescue efforts of the horses following the most recent flooding. He stated that there needs to be an investigation regarding a Council Member being the director of the Norco Animal Rescue Team (“NART”). He further commented on his displeasure in the retrieval process in regards to rescuing the horses from the Santa Ana River and asked for an investigation into how that flooding took place.

Kaye O’Mara. Ms. O’Mara commented on an emergency preparedness class available. She also commented that she would like to see something done about Highland Elementary traffic problems.

Curtis Coombs. Mr. Coombs commented on the agenda and encouraged the City to look at itself as a business. He noted that there is an endless list of very noble groups that could use the waiver of fees, but the City needs to look at the bottom line.

Lance Gregory. Mr. Gregory commented that last weekend Norco Ridge Ranch was attacked by a tagger and thanked City staff and the Council for it being removed.

Dominique Ferraro. Ms. Ferraro commented on the River Trails flooding and the events that followed. She further commented on the NART response, noting that no team effort was in place to help the animals in distress and asked for this to be assessed.

Danny Azevedo. Mr. Azevedo spoke as a member of the NART and noted the chain of command at events that must be followed. He further noted that one should get all the information on the incident before judging.

11. OTHER MATTERS – COUNCIL:

Council Member Azevedo:

- ✚ Reported on a WRCOG meeting she attended noting the passage of AB 811 and the PACE Program, which will provide reduced rates to residents for improvements to their homes.

Council Member Sullivan:

- ✚ Reminded everyone about the Grand Opening of Back Country Chiropractic office, to be held on Saturday at 11:30 a.m.

Mayor Hanna:

- ✚ Thanked City workers for their assistance during the most recent storm. He noted that the NART was called out to the Gavilan Hills area a week following that storm, where a horse was stuck in the mud and safely rescued.

12. OTHER MATTERS – STAFF:

- A. Update on the Status of the LMD No. 4 Equestrian Trail Drainage Improvements Project. (City Engineer)

Consultant Dominic Milano updated the Council regarding the LMD No. 4 Trail Drainage Improvements Project, noting that the bids are out and due on February 15, 2011. An example was installed prior to the big rains, which helped in providing some adjustments to the plans. Trench-style drains will be installed across the driveways of approximately 102 homes, and terminating in catch basins. The hope is to pick up at least 90% to 95% of the water coming off of the private properties, which causes the erosion on the steep streets. Funding for the project is from the LMD itself. In response to questions from Council Members, Consultant Milano stated that the award of bid would be brought to the Council for approval in March and noted that a sandbag placement plan will be put in place.

13. ADJOURNMENT: There being no further business to come before the City Council, Mayor Hanna adjourned the meeting at 10:08 p.m.

BRENDA K. JACOBS
CITY CLERK

/bj-77585