

*For further information on an agenda item, please contact the City at  
101 North "D" Street, or call (951) 943-6100*

**AGENDA  
JOINT MEETING OF THE CITY COUNCIL, SUCCESSOR  
AGENCY TO THE REDEVELOPMENT AGENCY, PUBLIC  
FINANCE AUTHORITY, PUBLIC UTILITY AUTHORITY,  
HOUSING AUTHORITY, PERRIS JOINT POWERS  
AUTHORITY AND PERRIS COMMUNITY ECONOMIC  
DEVELOPMENT CORPORATION OF THE CITY OF PERRIS**

**Tuesday, February 14, 2017**

**6:30 P.M.**

**City Council Chambers  
(corner of San Jacinto and Perris Boulevard)  
101 North "D" Street  
Perris, California**

***ROLL CALL:***

Rabb, Rogers, Burke, Corona, Vargas

***CLOSED SESSION: 5:30 P.M.***

- A. Conference with Legal Counsel – Existing Litigation –  
Government Code Section 54956.9(d)(2); 1 case:  
Lin v. City of Perris
- B. Conference with Legal Counsel – Existing Litigation –  
Government Code Section 54956.9(d)(2); 1 case:
  - 1. Vincent Scarpino, et al. v. City of Perris, et al. Case Number RIC 1510034

**1. *CALL TO ORDER:* 6:30 P.M.**

**2. *ROLL CALL:***

Rabb, Rogers, Burke, Corona, Vargas

**3. *INVOCATION:***

Pastor Noland Turnage  
The Grove Community Church  
227 N. "D" Street  
Perris, CA 92570

**4. PLEDGE OF ALLEGIANCE:**

Mayor Pro Tem Rabb will lead the Pledge of Allegiance.

**5. REPORT ON CLOSED SESSION ITEMS:**

**6. PRESENTATIONS/ANNOUNCEMENTS:**

*At this time, the City Council may recognize citizens and organizations that have made significant contributions to the community and it may accept awards on behalf of the City.*

- A. Blanca Lopez, Inland Region Campaign Director for Golden State Opportunity Foundation will give a presentation on the California Earned Income Tax Credit (CALEITC).

**7. APPROVAL OF MINUTES:**

- A. Approve the Minutes of the Regular Joint Meeting of the City Council, Successor Agency to the Redevelopment Agency, Public Finance Authority, Public Utility Authority, Housing Authority, Perris Community Economic Development Corporation and Perris Joint Powers Authority held January 31, 2016.

**8. CONSENT CALENDAR:**

*Consent Calendar items are normally enacted in one motion. The Mayor or City Council may remove a Consent Calendar item for separate action. **Public comment is limited to three (3) minutes.***

- A. Adopt the Second Reading of Ordinance Number (next in order) approving Specific Plan Amendment (SPA) 16-05050 to change the land use designation of approximately 23.66 acres from Commercial to Light Industrial to facilitate an industrial development, located at the southeast corner of the I-215 Freeway and Harley Knox Boulevard. (Applicant: Jason Krotts, Perris Gateway Investors, LLC).

The Second Reading of Proposed Ordinance Number (next in order) is entitled:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA APPROVING SPECIFIC PLAN AMENDMENT 16-05050 TO CHANGE THE LAND USE DESIGNATION OF APPROXIMATELY 23.66 ACRES FROM COMMERCIAL (C) TO LIGHT INDUSTRIAL (LI) TO FACILITATE THE APPROVAL OF AN INDUSTRIAL DEVELOPMENT PROJECT LOCATED AT THE SOUTHEAST CORNER OF THE I-215 FREEWAY AND HARLEY KNOX BOULEVARD, AND MAKING FINDINGS IN SUPPORT THEREOF

- B. Adopt the Second Reading of Amended Ordinance Number (next in order) regarding the Perris Film Incentive Program.

The Second Reading of Proposed Ordinance Number (next in order) is entitled:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PERRIS, CALIFORNIA, AMENDING MUNICIPAL CODE CHAPTER 5.49 REGARDING REGULATIONS OF THE USE OF PUBLIC OR PRIVATE PROPERTY, FACILITY OR RESIDENT FOR MOTION PICTURE OR TELEVISION PHOTOGRAPHY

- C. Approve the Summer/Holiday City Council Meeting Schedule.
- D. Adopt Resolution Number (next in order) approving the Second Amendment to the Joint Use of Facilities Agreement between the Perris Union High School District and the City of Perris regarding the use of the Pinacate Middle School Gymnasium.

The Proposed Resolution Number (next in order) is entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, APPROVING AMENDMENT NUMBER TWO TO THE JOINT USE AND MAINTENANCE OF FACILITIES AGREEMENT BETWEEN THE PERRIS UNION HIGH SCHOOL DISTRICT AND THE CITY OF PERRIS

- E. Approve Award of Contract to David Taussig and Associates for Parks and Recreational Facilities Development Impact Fee Study.
- F. Approve Contract Services Agreement with “C Below Subsurface Imaging” regarding Nuevo Bridge project for utility verification.
- G. Approval of Assignment and Assumption of the three South Perris Development Agreements from FirstCal Industrial, LLC to the GM Gabrych Family Limited Partnership for projects located at the southwest corner of Mountain Avenue and Goetz Road, the northeast corner of Mapes Road and “A” Street and the northeast corner of Ellis Avenue and Redlands Avenue.
- H. Approve the Third Addendum to the Agreement for Professional Services with Willdan Financial Services for Special District Services provided for Perris Community Facilities Districts, Perris Financing Authority Administration, Joint Powers Authority Administration and RDA Successor Agency.

- I. Authorization to proceed with selection of environmental consultants for Ethanac Road Widening project.
- J. Receive and File the 2015-2016 Comprehensive Annual Financial Report (CAFR) and Financial Statements.

**9. PUBLIC HEARINGS:**

*The public is encouraged to express your views on any matter set for public hearing. It is our procedure to first receive the staff report, then to ask for public testimony, first from those in favor of the project followed by testimony from those in opposition to it, and if there is opposition, to allow those in favor, rebuttal testimony only as to the points brought up in opposition. To testify on the matter, you need to simply come forward to the speaker's podium at the appropriate time, give your name and address and make your statement. After a hearing is closed, you may not further speak on the matter unless requested to do so or are asked questions by the Mayor or a Member of the City Council. **Public comment is limited to three (3) minutes.***

- A. Consideration to introduce the First Reading of Ordinance Number (next in order) approving Ordinance Amendment OA 17-0508 to amend Sections 5.54.140(A) of the Perris Municipal Code to revise the "location restrictions" for medical marijuana dispensaries by expanding the minimum distance requirement from 600 feet to 1,000 feet from a school, park, place of worship, youth-oriented facility and community center.

The First Reading of Proposed Ordinance Number (next in order) is entitled:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PERRIS, CALIFORNIA, AMENDING SECTIONS 5.54.140(A) OF THE PERRIS MUNICIPAL CODE TO INCREASE LOCATION RESTRICTIONS FROM 600 FEET TO 1000 FEET, FOR MEDICAL MARIJUANA DISPENSARIES FROM SCHOOLS, PARKS, PLACES OF WORSHIP, YOUTH-ORIENTATED FACILITIES AND COMMUNITY CENTERS

Introduced by: Clara Miramontes, Director of Development Services

PUBLIC COMMENT;

**10. BUSINESS ITEMS: (not requiring a "Public Hearing"):**

*Public comment will be called for each non-hearing item. Please keep comments brief so that everyone who wishes to speak has the opportunity to do so. After public comment is closed, you may not further speak on the matter unless the Mayor or City Council requests further clarification of your statement. **Public Comment is limited to three (3) minutes.***

- A. Overview of Proposition 64 (Adult Use of Marijuana Act) – Recreational Use of Marijuana.

Introduced by: Clara Miramontes, Director of Development Services

PUBLIC COMMENT:

- B. Infrastructure Update.

Introduced by: Habib Motlagh, City Engineer

PUBLIC COMMENT:

**11. PUBLIC COMMENT/CITIZEN PARTICIPATION:**

*This is the time when any member of the public may bring a matter to the attention of the Mayor and the City Council that is within the jurisdiction of the City Council. The Ralph M. Brown act limits the Mayor's, City Council's and staff's ability to respond to comments on non-agendized matters at the time such comments are made. Thus, your comments may be agendized for a future meeting or referred to staff. The City Council may discuss or ask questions for clarification, if desired, at this time. **Public comment is limited to three (3) minutes.***

**12. COUNCIL COMMUNICATIONS:**

*(Committee Reports, Agenda Items, Meeting Requests and Review etc.)*

*This is an opportunity for the Mayor and City Councilmembers to report on their activities and the actions of the Committees upon which they sit, to bring a matter to the attention of the full Council and staff, and to request agenda items. Any matter that was considered during the public hearing portion is not appropriate for discussion in this section of the agenda. **NO ACTION CAN BE TAKEN AT THIS TIME.***

**13. CITY MANAGER'S REPORT:**

**14. ADJOURNMENT:**

*In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Building Official (951) 443-1029. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.*

**CITY COUNCIL/  
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY/  
PERRIS PUBLIC FINANCE AUTHORITY/  
PERRIS PUBLIC UTILITIES AUTHORITY/HOUSING  
AUTHORITY/PERRIS JOINT POWERS AUTHORITY/PERRIS  
COMMUNITY ECONOMIC DEVELOPMENT CORPORATION  
AGENDA SUBMITTAL**

TO: The Honorable Mayor and Members of the City Council  
FROM: Nancy Salazar, City Clerk *NS*  
DATE: February 14, 2017  
SUBJECT: *Approval of Minutes*

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**BACKGROUND:** None.

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**FISCAL IMPACT:** None.

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- **RECOMMENDATION:** Motion to approve the Minutes of the Regular Joint Meeting held on January 31, 2017 of the City Council, Successor Agency to the Redevelopment Agency, Public Finance Authority, Public Utility Authority, Housing Authority, Perris Community Economic Development Corporation and Perris Joint Powers Authority.

Prepared by: Judy L. Haughney, CMC, Records Clerk *JL*  
Approved by: Nancy Salazar, City Clerk

**Attachments:**

- Minutes of the Regular Joint Meeting held on January 31, 2017 of the City Council, Successor Agency to the Redevelopment Agency, Public Finance Authority, Public Utility Authority, Housing Authority, Perris Community Economic Development Corporation and Perris Joint Powers Authority

## ***CITY OF PERRIS***

### MINUTES:

Date of Meeting: January 31, 2017

06:30 PM

Place of Meeting: City Council Chambers

### CLOSED SESSION

**Mayor Vargas called the Closed Session to order at 5:31 p.m.**

### ROLL CALL

**Present: Rabb, Rogers, Burke, Vargas  
Councilman Corona arrived at 5:34 p.m.**

**Staff Present: City Manager Belmudez, City Attorney Dunn and City Clerk Salazar**

- A. Conference with Legal Counsel - Potential Litigation - Government Code Section 54956.9 (d)(2) - 2 cases
- B. Conference with Legal Counsel - Potential Litigation - Government Code Section 54956.9 (d)(4) - 2 cases

**The City Council adjourned to Closed Session at 5:32 p.m.**

- 1. CALL TO ORDER: 6:30 P.M.

**Mayor Vargas called the Regular City Council meeting to order at 6:31 p.m.**

- 2. ROLL CALL: Corona, Rabb, Rogers, Burke, Vargas

Present: Corona, Rabb, Rogers, Burke, Vargas

Staff Members Present: City Manager Belmudez, City Attorney Dunn, City Engineer Motlagh, Interim Assistant City Manager Madkin, Interim Deputy City Manager McDermott, Police Captain Ford, Fire Chief Barnett, Director of Development Services Miramontes, Assistant Director of Administrative Services Carlos, Assistant Director of Community Services and Housing Chavez, Assistant Finance Director Erwin, Assistant Director of Public Works Hartwill, Public Information Officer Vargo and City Clerk Salazar.

- 3. INVOCATION: Pastor James Baylark  
Good Hope Missionary Baptist Church

22876 Mountain Ave  
Perris, CA 92570

4. PLEDGE OF ALLEGIANCE:

**Councilman Corona led the Pledge of Allegiance.**

5. REPORT ON CLOSED SESSION ITEMS:

**City Attorney Dunn reported that the City Council met in Closed Session to discuss the items listed on the agenda. He noted that an update was given, direction was given to staff, but no reportable action was taken.**

6. PRESENTATIONS/ANNOUNCEMENTS:

- A. Marie Davis, Chief Executive Officer for 211 Community Connect will discuss the services available to Perris residents through the 211 Directory.
- B. Jacqueline Reliford, Youth Advisory Committee (YAC) Vice-President will be announcing the openings for the YAC application period for the 2017-2018 year.

7. APPROVAL OF MINUTES:

- A. Approved the Minutes of the Regular Joint Meeting of the City Council, Successor Agency to the Redevelopment Agency, Public Finance Authority, Public Utility Authority, Housing Authority, Perris Community Economic Development Corporation and Perris Joint Powers Authority held January 10, 2016.

The Mayor called for a motion.

M/S/C: Moved by David Starr Rabb, seconded by Rita Rogers to Approve the Minutes as presented.

AYES: Malcolm Corona, David Starr Rabb, Rita Rogers,  
Tonya Burke, Michael Vargas

NOES:

ABSENT:

ABSTAIN:

8. CONSENT CALENDAR:

**City Attorney Dunn requested that Item 8.H. be pulled from the Consent Calendar and continued to a future meeting.**

**Mayor Vargas called for Public Comment. There was no Public Comment.**

- A. Adopted Resolution Numbers 5073, 5074 and 5075 regarding Annexation of DPR 06-0140 to Landscape Maintenance District No. 1 (LMD 1). The 4.74 acre project, construction of an industrial building, is bordered on the east by Western Way and is located



approximately 300 feet north of Harley Knox Boulevard. (Ownership of: Investment Building Group).

Resolution Number 5073 is entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, INITIATING PROCEEDINGS, APPOINTING THE ENGINEER OF WORK, ORDERING THE PREPARATION OF A DISTRICT MAP INDICATING THE PROPOSED BOUNDARIES OF AN ANNEXATION TO THE CITY OF PERRIS LANDSCAPE MAINTENANCE DISTRICT NUMBER 1, AND FOR PROVIDING OTHER ENGINEERING SERVICES IN THE MATTER OF THE ANNEXATION OF BENEFIT ZONE 123 (DPR 06-0140) TO LANDSCAPE MAINTENANCE DISTRICT NUMBER 1

Resolution Number 5074 is entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, OF PRELIMINARY APPROVAL OF ENGINEER'S REPORT FOR ANNEXATION OF DPR 06-0140 TO BENEFIT ZONE 123, CITY OF PERRIS LANDSCAPE MAINTENANCE DISTRICT NUMBER 1

Resolution Number 5075 is entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DECLARING INTENTION TO ORDER THE ANNEXATION TO BENEFIT ZONE 123, CITY OF PERRIS LANDSCAPE MAINTENANCE DISTRICT NUMBER 1, DECLARING THE WORK TO BE OF MORE LOCAL THAN ORDINARY PUBLIC BENEFIT; SPECIFYING THE EXTERIOR BOUNDARIES OF THE AREA TO BE ANNEXED TO BENEFIT ZONE 123, LANDSCAPE MAINTENANCE DISTRICT NUMBER 1 AND TO BE ASSESSED THE COST AND EXPENSE THEREOF; DESIGNATING SAID ANNEXATION AS ANNEXATION OF DPR 06-0140 TO BENEFIT ZONE 123, LANDSCAPE MAINTENANCE DISTRICT NUMBER 1; DETERMINING THAT THESE PROCEEDINGS SHALL BE TAKEN PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972; AND OFFERING A TIME AND PLACE FOR HEARING OBJECTIONS THERETO ON MARCH 28, 2017

- B. Adopted Resolution Numbers 5076, 5077 and 5078 regarding annexation of DPR 06-0140 to Maintenance District No. 84-1. The 4.74 project, construction of an industrial building, is bordered on the East by Western Way, and is located approximately 300 feet north of Harley Knox Boulevard. (Ownership of: Investment Building Group).

Resolution Number 5076 is entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, INITIATING PROCEEDINGS, APPROVING THE ENGINEER

OF WORK, ORDERING THE PREPARATION OF A DISTRICT MAP INDICATING THE PROPOSED BOUNDARIES OF AN ANNEXATION TO THE CITY OF PERRIS MAINTENANCE DISTRICT NUMBER 84-1, AND FOR PROVIDING OTHER ENGINEERING SERVICES IN THE MATTER OF THE ANNEXATION OF DPR 06-0140 INTO MAINTENANCE DISTRICT NUMBER 84-1

Resolution Number 5077 is entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, OF PRELIMINARY APPROVAL OF ENGINEER'S REPORT FOR ANNEXATION OF DPR 06-0140 TO CITY OF PERRIS MAINTENANCE DISTRICT NUMBER 84-1

Resolution Number 5078 is entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DECLARING INTENTION TO ORDER THE ANNEXATION TO CITY OF PERRIS MAINTENANCE DISTRICT NUMBER 84-1, DECLARING THE WORK TO BE OF MORE LOCAL THAN ORDINARY PUBLIC BENEFIT; SPECIFYING THE EXTERIOR BOUNDARIES OF THE AREA TO BE ANNEXED TO MAINTENANCE DISTRICT NUMBER 84-1 AND TO BE ASSESSED THE COST AND EXPENSE THEREOF; DESIGNATING SAID ANNEXATION AS ANNEXATION OF DPR 06-0140 TO MAINTENANCE DISTRICT NUMBER 84-1; DETERMINING THAT THESE PROCEEDINGS SHALL BE TAKEN PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972; AND OFFERING A TIME AND PLACE FOR HEARING OBJECTIONS THERETO ON MARCH 28, 2017

- C. Adopted Resolution Number 5079 regarding Annexation of DPR 06-0140 to Flood Control MD No. 1. The 4.74 acre project, construction of an industrial building, is bordered on the east by Western Way and is located approximately 300 feet north of Harley Knox Boulevard. (Ownership of: Investment Building Group).

Resolution Number 5079 is entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DECLARING INTENTION TO AUTHORIZE LEVYING ASSESSMENTS UPON CERTAIN PARCELS OF REAL PROPERTY, TO ORDER ANNEXATION OF DPR 06-0140 TO BENEFIT ZONE 92, FLOOD CONTROL MAINTENANCE DISTRICT NUMBER 1, PURSUANT OF THE BENEFIT ASSESSMENT ACT OF 1982; AND OFFERING A TIME AND PLACE FOR HEARING OBJECTIONS THERETO ON MARCH 28, 2017

- D. Approved the RBBB Improvement Credit/Reimbursement Agreement with Perris Gateway Investors, LLC for improvements required for DPR 16-00003 and TPM 16-05049, located at the southeast corner of I-215 and Harley Knox Boulevard.

- E. Approved Street Vacation 16-05208, to summarily vacate an existing 116 foot long sidewalk easement recorded per Tentative Parcel Map 36469, located between 4565 and 4555 Redlands Avenue.  
(Applicant: Jon Kelley, IDI Gazeley).

Resolution Number 5080 is entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, TO SUMMARILY VACATE AN EXISTING 116-FOOT SIDEWALK EASEMENT RECORDED PER TENTATIVE PARCEL MAP 36469, LOCATED BETWEEN 4565 AND 4555 REDLANDS AVE., SUBJECT TO THE FINDINGS NOTED HEREIN

- F. Approved Extension of Time No. 16-05001 for Tentative Tract Map 32032, located at the southeast corner of Ellis Avenue and "A" Street. (Applicant: Gregory Lansing).
- G. Approved the amended lease with Grove Community Church for 227 North "D" Street.
- H. Approve the Perris Valley Storm Drain Improvement Credit/Reimbursement Agreement with O.R.E. Industrial LLC (Oakmont) for improvements to Line E/E-4 required for DPR 07-07-0029, located west of Indian Avenue between Ramona Expressway and Markham Street.

**This item was pulled from the Consent Calendar and continued to a future meeting.**

- I. Approved the annual contract with RK Engineering for traffic services.
- J. Adopted Resolution Number 5081 regarding the installation of new parking limit signs within the Metro lot and approve the installation of limited parking signs along "D" Street and approve installation of a 4-way stop sign at "D" Street and 3rd Street intersection.

Resolution Number 5081 is entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ESTABLISHING TIME LIMITED PARKING ON "D" STREET BETWEEN SAN JACINTO AVENUE AND FOURTH STREET

- K. Approved award of bid to Eleanor Belco Electric, Inc. for the "A" Street at 4th Street traffic signal modification project.
- L. Approved award of bid to CalStripe, Inc. for the Murrieta Road at Orange Avenue and Rider Street at Avalon Parkway signage and striping project.

M.

Approved award of bid to West Coast Structures, Inc. for miscellaneous bridge rehabilitation project.

- N. Received and filed the quarterly investment report for the quarters ended September 30, 2016 and December 31, 2016.
- O. Approved the Check Register for December 2016.

The Mayor called for a motion.

M/S/C: Moved by Tonya Burke, seconded by David Starr Rabb to Approve the Consent Calendar as presented, with the exception of Item 8.H. which was continued to a future meeting.

AYES: Malcolm Corona, David Starr Rabb, Rita Rogers, Tonya Burke, Michael Vargas

NOES:

ABSENT:

ABSTAIN:

9. PUBLIC HEARINGS:

- A. Adopted Resolution Number 5082 and introduced the First Reading of Ordinance Number 1337 regarding Development Plan Review (DPR) 16-00003, Specific Plan Amendment (SPA) 16-05050 and Tentative Parcel Map (TPM) 16- 05049 (TPM 37055), a development plan review for a proposal to construct a 380,000 square foot industrial building on approximately 21.63 acres of vacant land. A Tentative Parcel Map to consolidate 8 lots into one parcel; a Specific Plan Amendment to change the land use designation from Commercial to Light Industrial on 23.66 acres of land to facilitate the development, located at the southeast corner of the I-215 Freeway and Harley Knox Boulevard. (Applicant: Jason Krotts, Perris Gateway Investors, LLC).

Resolution Number 5082 is entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ADOPTING MITIGATED NEGATIVE DECLARATION 2326 AND APPROVING DEVELOPMENT PLAN REVIEW (DPR) 16-00003 AND TENTATIVE PARCEL MAP 16-05049 (TPM 37055) TO CONSTRUCT A 380,000 SQUARE FOOT INDUSTRIAL BUILDING ON APPROXIMATELY 21.63 ACRES OF VACANT LAND AND TENTATIVE PARCEL MAP TO CONSOLIDATE 8 LOTS INTO ONE PARCEL TO FACILITATE THE DEVELOPMENT LOCATED AT THE SOUTHEAST CORNER OF THE I-215 FREEWAY AND HARLEY KNOX BOULEVARD; AND MAKING FINDINGS IN SUPPORT THEREOF

The first reading of Ordinance Number 1337 is entitled:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA APPROVING SPECIFIC PLAN AMENDMENT 16-05050 TO CHANGE THE LAND USE DESIGNATION OF

APPROXIMATELY 23.66 ACRES FROM COMMERCIAL (C) TO LIGHT INDUSTRIAL (LI) TO FACILITATE THE APPROVAL OF AN INDUSTRIAL DEVELOPMENT PROJECT LOCATED AT THE SOUTHEAST CORNER OF THE I-215 FREEWAY AND HARLEY KNOX BOULEVARD, AND MAKING FINDINGS IN SUPPORT THEREOF

**This item was presented by Contract Planner Phung.**

**The Mayor opened the Public Hearing at 7:00 p.m.**

**The following people spoke:**

**Mike Day**

**Jason Krotts**

**Alfred Fraijo**

**The Mayor closed the Public Hearing at 7:20 p.m.**

**Councilmember Rabb left the City Council Chambers at 7:12 p.m. and returned at 7:13 p.m.**

**The following Councilmember's spoke:**

**Corona**

**Burke**

**Rabb**

**Rogers**

**Vargas**

**Councilmember Rogers left the City Council Chambers at 7:26 p.m. and returned at 7:29 p.m.**

**The Mayor called for a motion.**

**M/S/C: Moved by Tonya Burke, seconded by Malcolm Corona to Approve Resolution Number 5082 and Introduced the First Reading of Ordinance Number 1337 as presented.**

**AYES: Malcolm Corona, David Starr Rabb, Rita Rogers, Tonya Burke, Michael Vargas**

**NOES:**

**ABSENT:**

**ABSTAIN:**

- B. Introduced the First Reading of Amended Ordinance Number 1338 regarding the Perris Film Incentive Program.**

**The First Reading of Ordinance Number 1338 is entitled:**  
**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PERRIS, CALIFORNIA, AMENDING MUNICIPAL CODE CHAPTER 5.49 REGARDING REGULATIONS OF THE USE OF PUBLIC OR PRIVATE PROPERTY, FACILITY OR RESIDENT FOR MOTION PICTURE OR TELEVISION PHOTOGRAPHY**

**This item was presented by Management Analyst Ogawa.**

**There was no Public Comment.**

**The Following City Councilmember's spoke:**

**Corona  
Rogers  
Burke  
Vargas**

The Mayor called for a motion.

M/S/C: Moved by Tonya Burke, seconded by Malcolm Corona to Approve the First Reading of Ordinance Number 1338 as presented.

AYES: Malcolm Corona, David Starr Rabb, Rita Rogers, Tonya Burke, Michael Vargas

NOES:

ABSENT:

ABSTAIN:

10. **BUSINESS ITEMS:**

- A. **Proposed an Ordinance requiring food establishments in the City of Perris to provide a healthy beverage as the "default" beverage in children's meals.**

**This item was presented by Assistant Director of Administrative Services Carlos.**

**The Mayor called for Public Comment. The following people spoke at Public Comment:**

**Eric Lopez Morales  
Andrea Morey**

**The following Councilmember's spoke:**

**Rabb  
Corona  
Rogers  
Burke**

**Direction was given to staff to bring back the proposed Ordinance at a future meeting.**

- B. **City of Perris Update and consideration to approve request for contract extension for grant writing services.**

**This item was presented by Redevelopment Project Manager Miranda.**

**The Mayor called for Public Comment. There was no Public Comment.**

**The following Councilmember spoke:  
Burke**

The Mayor called for a motion.

M/S/C: Moved by Rita Rogers, seconded by Tonya Burke to Approve the item as presented, extending the subject contracts for a period of six (6) months.

AYES: Malcolm Corona, David Starr Rabb, Rita Rogers,  
Tonya Burke, Michael Vargas

NOES:

ABSENT:

ABSTAIN:

**C. Approved emergency funding for City repairs after the recent storms.**

**This item was presented by Assistant Director of Public Works Hartwill.**

**The Mayor called for Public Comment. The following person spoke at Public Comment:**

**Sherry Kreissig**

**The following Councilmember's spoke:**

**Rogers**

**Vargas**

**Corona**

The Mayor called for a motion.

M/S/C: Moved by David Starr Rabb, seconded by Tonya Burke to Approve the emergency funding as requested.

AYES: Malcolm Corona, David Starr Rabb, Rita Rogers,  
Tonya Burke, Michael Vargas

NOES:

ABSENT:

ABSTAIN:

**D. Consideration to establish a Human Resources Ad Hoc Sub-Committee and a Campaign Transparency Ad Hoc Sub-Committee.**

**This item was presented by City Manager Belmudez.**

**The Mayor called for Public Comment. There was no Public Comment.**

**The following Councilmember's spoke:**

**Corona**

**Rabb**

**Mayor Vargas made the following appointments:**

**Human Resources Ad Hoc Sub-Committee: Mayor Vargas and Councilmember Burke**

**Campaign Transparency Ad Hoc Sub-Committee: Mayor Pro Tem Rabb and Councilmember Corona**

The Mayor called for a motion.

M/S/C: Moved by Malcolm Corona, seconded by David Starr Rabb to Approve the appointments as recommended by Mayor Vargas

AYES: Malcolm Corona, David Starr Rabb, Rita Rogers, Tonya Burke, Michael Vargas

NOES:

ABSENT:

ABSTAIN:

11. PUBLIC COMMENT/CITIZEN PARTICIPATION:

**The following people spoke at Public Comment:**

**Raul Ruiz**

**Connie Alavarez**

**John Alano**

**Lovella Singer**

**Julie Vargas**

**Julio Rodriguez**

**Sabrina Chavez**

**Catherine Fields**

**Juanita Thompson**

**Blanca Lopez**

**Sherri Kreissig**

12. COUNCIL COMMUNICATIONS:

**The following Councilmember's spoke:**

**Burke**

**Corona**

**Rogers**

**Rabb**

**Vargas**

13. CITY MANAGER'S REPORT:



14. ADJOURNMENT:

**There being no further business Mayor Vargas adjourned the Regular City Council meeting at 9:26 p.m.**

**Respectfully Submitted,**

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**Nancy Salazar, City Clerk**

CITY COUNCIL  
AGENDA SUBMITTAL

Meeting Date: February 14, 2017

**SUBJECT:** **Second Reading of Ordinance No. 1337** approving Specific Plan Amendment (SPA) 16-05050 to change the land use designation of approximately 23.66 acres from Commercial to Light Industrial to facilitate an industrial development, located at the southeast corner of the I-215 Freeway and Harley Knox Blvd. **Applicant:** Jason Krotts, Perris Gateway Investors, LLC

**REQUESTED ACTION:** **ADOPT Ordinance No. 1337** approving Specific Plan Amendment (SPA) 16-05050, based upon the findings and information contained in this submittal.

**CONTACT:** Clara Miramontes, Development Services Director 

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**BACKGROUND/DISCUSSION:**

On January 31, 2017, the City Council voted unanimously to adopt Mitigated Negative Declaration 2326 and approve Development Review 16-00003, Tentative Parcel Map 16-05049 (TPM 37055) and Specific Plan Amendment 16-05050 to enable construction of a 380,000 square-foot industrial building on approximately 21.63 acres of vacant located at the southeast corner of the I-215 Freeway and Harley Knox Boulevard. The applicant has indicated that a prospect manufacturing company "Mat Holdings Inc." is looking to relocate to this site. However, construction timing is of concern for the manufacturing company and is also considering another site elsewhere in Riverside County. Therefore, a lease has not been finalized at this site. The applicant still plans to construct the building regardless whether or not Mat Holdings Inc. decides to occupy this site.

At the meeting, the City Council introduced first reading of Ordinance Number 1337 to approve Specific Plan Amendment 16-05050 to change the land use designation of approximately 23.66 acres from Commercial to Light Industrial to facilitate the development. Upon adoption, the Ordinance to change the land use will become enacted thirty days thereafter (March 16, 2017).


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**BUDGET (or FISCAL) IMPACT:** Costs for staff preparation of this item are borne by the applicant.

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**Prepared by:** Kenneth Phung, Project Planner

**City Attorney:** N/A

**Interim Assistant City Manager:** Darren Madkin 

**Assistance Director of Finance:** Jennifer Erwin 

**Consent:** February 14, 2017

**Attachments:**

- Attachment 1** City Council Ordinance including land use map
- Attachment 2** City Council Submittal dated January 31, 2017

**ORDINANCE NUMBER 1337**

**A SECOND READING OF ORDINANCE NUMBER 1337 OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA APPROVING SPECIFIC PLAN AMENDMENT 16-05050 TO CHANGE THE LAND USE DESIGNATION OF APPROXIMATELY 23.66 ACRES FROM COMMERCIAL (C) TO LIGHT INDUSTRIAL (LI) TO FACILITATE THE APPROVAL OF AN INDUSTRIAL DEVELOPMENT LOCATED AT THE SOUTHEAST CORNER OF THE I-215 FREEWAY AND HARLEY KNOX BOULEVARD, AND MAKING FINDINGS IN SUPPORT THEREOF.**

**WHEREAS**, a Specific Plan Amendment application was submitted to enable an industrial development known as the Perris Gateway Project by changing the land use designation of approximately 23.66 acres from Commercial (C) to Light Industrial (LI); and

**WHEREAS**, the proposed Specific Plan Amendment (“SPA”) is consistent with the goals, policies, and implementation measures set forth in the General Plan; and

**WHEREAS**, by Resolution Number 5082, the City Council adopted Mitigated Negative Declaration 2326 (*State Clearinghouse # 2016091012*) for the SPA; and

**WHEREAS**, on January 18, 2017, the Planning Commission conducted a duly noticed public hearing on the SPA and at the meeting recommended approval of the SPA after considering public testimony and materials in the staff report and accompanying documents; and

**WHEREAS**, on January 31, 2017, the City Council conducted a duly noticed public hearing on the project, at which time all interested persons were given full opportunity to be heard to present evidence; and

**WHEREAS**, prior to taking action, the City Council has heard, been presented with, and/or reviewed all of the information and data which constitutes the administrative record for the above-mentioned approvals, including all oral and written evidence presented to the City during all project meetings and hearings; and

**WHEREAS**, all other legal prerequisites to the adoption of this Ordinance have occurred.

**NOW, THEREFORE**, City Council of the City of Perris hereby ordains as follows:

**Section 1.** The above recitals are all true and correct and are incorporated herein as if set forth in full.

**Section 2.** City Council Resolution No. 5082 found that although the proposed project could have a significant effect on the environment, there would not be an adverse effect by this project because revisions in the project have been made by or agreed to by the project proponent with the adopted Mitigated Negative Declaration 2326.

**Section 3.** The City Council further finds, based upon the information contained within the staff report and accompanying attachments, as well as all oral and written testimony made at the public hearing, with respect to the Perris Gateway Project, the following regarding Specific Plan Amendment 16-05050:

- A. The proposed Specific Plan Amendment will not result in a significant adverse effect on the environment and will not affect public health, safety and welfare.
- B. The Specific Plan Amendment is consistent with and will contribute to achieving the goals and objectives established by the General Plan and Perris Valley Commerce Center Specific Plan to (1) restrict development in areas at risk of damage due to disasters as the site is within Compatibility Zone B2 of the ALUC Plan and (2) to accommodate diversity in the local economy as a light industrial land use is more in line with what is allowed in Compatibility Zone B2.
- C. The Specific Plan Amendment seeks to change the land use designation of approximately 23.66 acres from Commercial to Light Industrial to be consistent with the surrounding industrial land uses to allow continuity with the ongoing industrial development in the surrounding area.

**Section 4.** The City Council hereby adopts second reading of Ordinance Number 1337 to approve Specific Plan Amendment 16-05050 to change approximately 23.66 acres from Commercial (C) to Light Industrial (LI) to enable the Perris Gateway Project.

**Section 5.** The City Council declares that should any provision, section, paragraph, sentence, or word of this Ordinance be rendered or declared invalid by any court of competent jurisdiction, or by reason of any preemptive legislation, the remaining provisions, sections, paragraphs, sentences and words of this Ordinance shall remain in full force and effect.

**Section 6.** The Mayor shall sign this Ordinance and the City Clerk shall certify to the adoption of this Ordinance, and shall cause the same to be published and posted pursuant to the provisions of law in this regard, and this Ordinance shall take effect thirty days after its final passage.

***ADOPTED, SIGNED and APPROVED this \_\_\_\_ day of \_\_\_\_, 2017.***

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Mayor, Michael M. Vargas

ATTEST:

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City Clerk, Nancy Salazar

STATE OF CALIFORNIA )  
COUNTY OF RIVERSIDE ) §  
CITY OF PERRIS )

I, **Nancy Salazar**, CITY CLERK OF THE CITY OF PERRIS, CALIFORNIA, DO HEREBY CERTIFY that the foregoing Ordinance Number 1337 was duly and regularly adopted by the City Council of the City of Perris at a regular meeting held the 14<sup>th</sup> day of February 2017, by the following called vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

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City Clerk, Nancy Salazar

**Attachment:** SPA Land Use Amendment

# Specific Plan Land Use Map – Existing and Proposed



## EXISTING LANDUSE

- LEGEND**
- SPECIFIC PLAN BOUNDARY
  - POTENTIAL BASIN AREAS
  - FUTURE PERRIS VALLEY STORM DRAIN
  - CLEAR ZONE
  - ACCIDENT POTENTIAL ZONE I
  - ACCIDENT POTENTIAL ZONE II



## PROPOSED LANDUSE CHANGE

- BUSINESS PROFESSIONAL OFFICE
- LIGHT INDUSTRIAL
- GENERAL INDUSTRIAL
- PUBLIC/SEMI-PUBLIC FACILITY
- TRAIL

City Council – January 31, 2017  
 DPR 16-00003, SPA 16-05050 & TPM 16-05049 (TTM 37055)

# ATTACHMENT 1

CITY COUNCIL  
AGENDA SUBMITTAL

**Meeting Date: January 31, 2017**

**SUBJECT:**                   **Development Plan Review (DPR) 16-00003, Specific Plan Amendment (SPA) 16-05050 & Tentative Parcel Map (TPM) 16-05049 (TPM 37055)** – Development Plan review for a proposal to construct a 380,000 square-foot industrial building on approximately 21.63 acres of vacant land; A Tentative Parcel Map to consolidate 8 lots into one parcel; A Specific Plan Amendment to change the land use designation from Commercial to Light Industrial on 23.66 acres of land to facilitate the development, located at the southeast corner of the I-215 Freeway and Harley Knox Blvd. **Applicant:** Jason Krotts, Perris Gateway Investors, LLC

**REQUESTED ACTION:**       **Approve Resolution No. (next in order)** to provide findings and adopt Mitigated Negative Declaration 2326, and approve Development Review (DPR) 16-00003, & Tentative Parcel Map (TPM) 16-05049 (TPM 37055).

**Introduce First Reading of Ordinance No. (next in order)** to provide findings and approve Specific Plan Amendment (SPA) 16-05050 to change 23.66 acres from Commercial to Light Industrial to facilitate the development.

**CONTACT:**                   Clara Miramontes, Development Services Director

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**BACKGROUND/DISCUSSION:**

On January 18, 2017, the Planning Commission voted unanimously to approve the Perris Gateway project, subject to the condition that Planning Condition No. 38.f be modified to specify that graffiti shall be removed within 48 hours. The proposal involves construction of a 380,000 square-foot industrial building on approximately 21.63 acres of vacant located at the southeast corner of the I-215 Freeway and Harley Knox Boulevard consisting of 43 docking bays, 216 passenger vehicle parking stalls, 98 trailer parking stalls, 205,000 square feet of landscaping and two detention basins. The following applications were submitted as part of the project: 1) Specific Plan Amendment to change the land use designation from Commercial to Light Industrial to facilitate the development; 2) Tentative Parcel Map to consolidate 8 lots into one parcel; and 3) Development Plan Review to approve the site layout and architecture.

At the Planning Commission meeting, two individuals spoke in support of the project. The first individual was a resident who said the development would be a welcomed improvement to a vacant site and would provide an attractive building leading into the City. The second individual was from the law firm Lozeau-Drury LLP representing the Laborers International Union of North America (LIUNA), stated that they are not opposed the project as they had reached a settlement agreement with the applicant. There was one individual representing the Golden State Environmental Justice Alliance who expressed concern regarding the number of potential employees stated in the EIR in relation to air quality impacts. The applicant's environmental consultant explained that the air quality analysis in the EIR takes into account the highest potential and most current data available for project operations. In any case, the number of employees stated in the EIR would not result in significant air quality impacts, with mitigation. Therefore, no changes to the Mitigated Negative Declaration are necessary.

The Planning Commission unanimously supported the project, as well as the findings for the land use change. The project is consistent with General Plan policies to reduce risk of damage due to disaster, since the property is located within Compatibility Zone B2 of the March Airport Land use Compatibility (ALUC) Plan. This plan prohibits sensitive land uses, limits average intensities to 100 people per acre and is located approximately 1,000-feet east of the runway/landing strip Clear Zone where no development is allowed. Although some retail land uses would be allowed under the current Commercial designation it would be restricted to around 20-percent lot coverage (i.e. 200,000 sf. building area for the 23 acres site) and no more than approximately 10-percent of the overall building square footage can be dedicated for restaurant uses per the average intensity concentration formula of the ALUC plan. A Light Industrial operation/land use would be more appropriate as it would allow land uses compatible with what is allowed in Compatibility Zone B2 as the following uses typically allowed in the Commercial



zone would be prohibited: children's schools, day care centers, libraries, hospitals, congregate care facilities, hotels/motels, places of assembly, buildings with greater than 3 stories above ground habitable floors, noise-sensitive outdoor nonresidential uses, critical community infrastructure facilities and operations with hazards to flight.

In addition, the property is surrounded by industrial-related land uses, and fronts Harley Knox Boulevard – a designated truck route – where all truck traffic in north Perris is instructed to access and exit the I-215 Freeway. In light of the limitations placed on the site as a result of its location within Compatibility Zone B2 of the ALUC plan, being surrounded by industrial land uses and Harley Knox Boulevard being a heavily traveled truck route, an industrial land use designation seems appropriate for the property.

An Initial Study was prepared for the project in accordance with the City's guidelines implementing the California Environmental Quality Act (CEQA). On the basis of this Initial Study, staff concluded that all potential significant effects on the environment can be reduced to a less than significant level through mitigation measures. The Initial Study was made available for public review from September 7, 2016 through October 6, 2016. Comments received on the Draft IS/MND have been addressed in a Final IS/MND. All potential effects of the proposed project have been reduced to less than significant levels with implementation of mitigation measures. Therefore, a final Mitigated Negative Declaration (IS/MND) has been prepared. The project was also reviewed by the Airport Land Use Commission, and a finding of consistency was determined.

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**BUDGET (or FISCAL) IMPACT:** Costs for staff preparation of this item are borne by the applicant.

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**Prepared by:** Kenneth Phung, Project Planner

**City Attorney:** N/A

**Interim Assistant City Manager:** Darren Madkin

**Assistance Director of Finance:** Jennifer Erwin

**Public Hearing:** **January 31, 2017**

**Attachments:**

- Attachment 1** City Council Resolution Approving the DPR and TPM (*includes Planning, Engineering, Public Works, Fire and Building Conditions of Approval*)
- Attachment 2** City Council Ordinance for SPA
- Attachment 3** Planning Commission Staff Report Package dated January 18, 2017

Initial Study/MND and Associated Studies on File with the Planning Department and available on line at <http://www.cityofperris.org/city-hall/departments/development/planning.html>

CITY COUNCIL / SUCCESSOR AGENCY  
AGENDA SUBMITTAL  
Meeting Date: February 14, 2017

**SUBJECT:** Perris Film Incentive Program

**REQUESTED ACTION:** Adopt the Second Reading of Ordinance 1338 to amend municipal code chapter 5.49 regarding regulations of the use of public or private property, facility or residence for motion picture or television photography.

**CONTACT:** Michael McDermott, Interim Deputy City Manager

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**BACKGROUND/DISCUSSION:**

"Perris Film Incentive Program" which seeks to encourage film makers and advertising photographers to shoot on location in Perris. Elements of the program include waiver of base film permit fee, incentives, resource support services, creation of a "one stop shop" film permitting / marketing office and a dedicated web site through the City and the Perris CEDC. Establishing a virtual film office online to provide comprehensive information for filming and photo shoots. Links will be provided to film permit information and updated forms and a location photo library.

The purpose is to stimulate additional economic activity generated by film/photo crews who stay in hotels or vacation rentals, eat in City restaurants and utilize various local production resources. As filming/photo shoots can take place over days, weeks and in some cases months, the economic impact can be substantial.

**Incentive Program •**

For motion picture filming (movies/television shows) a \$5,000 grant (either in cash or offset for "in-kind" services) will be available if production expenditures in the City of Perris total a minimum of \$25,000 (e.g. lodging, meals, other resources, etc.). Additionally, to be eligible for the grant, the movie/television show must acknowledge the "Perris Film Incentive Program" in its credits. Staff proposes an initial program budget of \$30,000 which would cover marketing costs and at least five productions.

**Marketing •**

Additional Outreach detailing program to:  
University California Riverside Film School, Inland Empire Film Commission and the California Film Commission

**BUDGET (or FISCAL) IMPACT:** Program is a budgeted expense in the current Perris CEDC budget.

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**Prepared By:**

Michele Ogawa, Management Analyst

**Reviewed by:**

Interim Assistant City Manager 

Interim Deputy City Manager 

Assistant, Director of Finance 

**Attachments:** Amended Ordinance

Consent Calendar: February 14, 2017 XXX

**ORDINANCE NO. (NEXT IN ORDER)**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PERRIS, CALIFORNIA, AMENDING MUNICIPAL CODE CHAPTER 5.49 REGARDING REGULATIONS OF THE USE OF PUBLIC OR PRIVATE PROPERTY, FACILITY OR RESIDENCE FOR MOTION PICTURE OR TELEVISION PHOTOGRAPHY**

**WHEREAS**, Chapter 5.49 (Filming Permits) of Title 5 of the Perris Municipal Code has not been revised since 1995; and

**WHEREAS**, the City Council desires to streamline the process of obtaining a permit to film within the City of Perris by assigning the review of film permit applications to the city manager, or the city manager's designee, and by permitting the city manager to set related fees..

**THE CITY COUNCIL OF THE CITY OF PERRIS HEREBY ORDAINS AS FOLLOWS:**

**Section 1. Recitals Incorporated.** The foregoing Recitals are incorporated herein by reference as if set forth in full.

**Section 2. Amendment to Chapter 5.49 of the Perris Municipal Code.** Chapter 5.49 (Filming Permits) of the Perris Municipal Code is hereby amended to read in its entirety as follows:

**“5.49.010 - Definitions.**

As used in this chapter the following words shall have the following meanings:

- A. "Motion picture and television photography" means all activity attendant to the staging or shooting of commercial motion pictures, television programs and advertisements.
- B. "Charitable films" means motion picture or television photography produced by a nonprofit organization which qualifies under Internal Revenue Code Section 501(c)(3) as a charitable organization, for which no person, directly or indirectly, receives a profit from the marketing, production or display of the work.
- C. "News coverage" means filming or videotaping by individuals in the employ of newspapers, news services, and similar entities of on-the-spot,

current coverage of news events concerning persons, scenes and occurrences which are in the news and of general public interest.

- D. "Student films" means motion picture or television photography produced as part of the instructional program of an accredited school or college.

**5.49.020 - Permit required.**

- A. No person shall use any public or private property, facility or residence for motion picture or television photography without first obtaining a filming permit from and paying a permit issuance fee to the city. Provided, no permit issuance fee shall be required for charitable films, student films or local access productions, and further provided that no permit or permit issuance fee shall be required for news coverage.
- B. The permit issuance fee shall be determined from time to time by the city manager or the city manager's designee. Such permit issuance fee shall not exceed the reasonable cost of issuing the permit, and shall be in addition to any fee payable for the use of public property for such purposes.

**5.49.030 - Fire permit.**

An applicant must notify the Riverside County fire department prior to commencing any filming activity. The fire department may require that a safety officer be present during the filming.

**5.49.040 - Permit applications.**

- A. Applications shall be filed at least five working days before the day filming is to begin. Provided, upon payment of an expedited permit issuance fee to cover the increased costs of special handling, an applicant may request a permit be issued in less than five working days. This expedited permit issuance fee shall be set by the city manager or the city manager's designee.
- B. Applications shall be filed with the city manager or the city manager's designee as film permit coordinator.
- C. Applications shall include:

1. The name, address and telephone number of the person or persons of the filming activity;
2. The name, address and telephone number of the property owner or properties at which the activity will take place;
3. The specific location at each property at which the activity will take place;
4. The hours and dates at which the activity will take place;
5. A general statement of the character or nature of the proposed activity;
6. The number of personnel to be involved;
7. The nature of any planned use of animals or pyrotechnics;
8. The number and type of vehicles and equipment to be used.

**5.49.050 - Payment for special city services.**

The applicant shall pay the city for any special personnel provided or required (e.g., to control traffic, close streets, supervise special utility arrangements) at the rates established for such services by the city manager or city manager's designee.

**5.49.060 - Permit modification.**

If there is any substantial change in the production from that is described in the permit application, an amended application shall be filed, an amended permit shall be obtained and permit issuance fee paid before commencing any activity regulated by this chapter.

**5.49.070 - Rules and regulations.**

The city manager or the city manager's designee is authorized and directed to promulgate rules and regulations governing the form, time and location of any motion picture or television photography within the city, and procedures for issuing permits. Such rules shall take into consideration the health and safety of all persons,

the avoidance of undue disruption of persons by filming activity, the safety of property within the city, and the avoidance of excessive traffic congestion.

**5.49.080 - Liability provisions.**

- A. **Liability Insurance.** Before a permit is issued, the applicant shall provide the city with a certificate of insurance, or copies of policies if requested, of general commercial liability insurance in the amount of one million dollars naming the city as a co-insured 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 days written notice to the city.
- B. **Worker's Compensation Insurance.** An applicant shall provide a certificate of insurance, or copies of policies if requested, evidencing compliance with all applicable requirements for worker's compensation insurance for all persons operating under a permit.
- C. **Hold Harmless Agreement.** An applicant shall execute a hold harmless agreement as provided by the city prior to the issuance of a permit under this chapter.
- D. **Faithful Performance Bond.** To ensure cleanup and restoration of the site, an applicant may be required to post a refundable faithful performance bond in the amount not to exceed the estimated reasonable cost of ensuring cleanup and restoration as determined by the city manager or the city manager's designee at the time application is submitted. Upon completion of filming and inspection of the site by the city, the bond may be returned to the applicant.
- E. In his or her sole discretion, the city manager or the city manager's designee may waive compliance with any part, or the entirety of, this Section provided that the applicant may submit a written request for such waiver. Such waiver shall be done in writing.

**5.49.090 - Failure to obtain a permit or abide by its terms.**

Failure to comply with the terms of a permit shall constitute grounds for its revocation by the city manager or the city manager's designee. Violation of any

provision of this chapter shall constitute an infraction punishable as provided in Section 1.16.010 of this code.”

**Section 3. Effective Date.** This Ordinance shall take effect 30 days after its adoption.

**Section 4. Severability.** If any section, subsection, subdivision, sentence, clause, phrase or portion 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 this Ordinance. The City Council hereby declares that it would have adopted this Ordinance, and each section, subsection, subdivision, sentence, clause, phrase, or portions thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases or portions thereof be declared invalid or unconstitutional.

**Section 5. Certification.** The City Clerk shall certify as to the passage and adoption of this Ordinance and shall cause the same to be posted at the designated locations in the City of Perris.

**ADOPTED, SIGNED and APPROVED** this \_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
Michael M. Vargas, Mayor

ATTEST:

\_\_\_\_\_  
Nancy Salazar, City Clerk

STATE OF CALIFORNIA )  
COUNTY OF RIVERSIDE )  
CITY OF PERRIS )

I, Nancy Salazar, City Clerk of the City of Perris that the foregoing Ordinance Number \_\_\_\_ was duly adopted by the City Council of the City of Perris at a regular meeting of said Council on the \_\_\_ day of \_\_\_\_\_, 2017, and that it was so adopted by the following vote:

AYES:  
NOES:  
ABSENT:

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Nancy Salazar, City Clerk



**CITY COUNCIL/SUCCESSOR AGENCY TO THE  
REDEVELOPMENT AGENCY/PUBLIC FINANCE  
AUTHORITY/PUBLIC UTILITY  
AUTHORITY/HOUSING AUTHORITY/PERRIS  
COMMUNITY ECONOMIC DEVELOPMENT  
CORPORATION**

**AGENDA SUBMITTAL**

**Meeting Date: February 14, 2017**

**SUBJECT:** Summer/Holiday City Council Meeting Schedule

**REQUESTED ACTION:** That the City Council Approve the City Council Meeting Schedule for June-August and December, 2017

**CONTACT:** Richard Belmudez, City Manager

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**BACKGROUND/DISCUSSION:**

Many local City Councils take a legislative recess from their regularly scheduled meetings during the summer months and holidays to allow their members time for vacations and a general break from the demanding meeting schedule. As in previous years, a summer schedule is proposed this year that will include one monthly meeting, as required by Government Code Section 36805, during June-August and December 2017.

The proposed dates for the summer month meetings are:

June 13<sup>th</sup>  
July 11<sup>th</sup>  
August 29<sup>th</sup>

The regularly scheduled meetings proposed to be cancelled for the summer months are:

June 27<sup>th</sup>  
July 25<sup>th</sup>  
August 8<sup>th</sup>

In December, it is proposed that the meeting of December 12<sup>th</sup> be held, and the meeting of December 26<sup>th</sup> be cancelled. Should an urgent matter emerge, a special meeting of the City Council may be called. It is recommended that the City Council approve the meeting schedule for City Council meetings during the months of June-August and December 2017.

**BUDGET (or FISCAL) IMPACT:**

None

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Reviewed by:

City Attorney:

Assistant City Manager

*DM*

*Assistant Director of Finance - JE*

Consent: Yes

Public Hearing:


Business Item:

CITY COUNCIL  
AGENDA SUBMITTAL

Meeting Date: February 14, 2017

**SUBJECT:** Resolution approving the Second amendment to the Joint Use of Facilities Agreement between the Perris Union High School District and the City of Perris regarding the use of the Pinacate Middle School Gymnasium

**REQUESTED ACTION:** That the City Council approve the attached resolution amending the Joint Use of Facilities agreement with the Perris Union High School District

**CONTACT:** Darren Madkin, Interim Assistant City Manager 

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**BACKGROUND:**

The City of Perris and the Perris Union High School District mutually developed a facilities joint use agreement in 2000. to share the use of school district facilities for community and recreational youth programs. The agreement was subsequently updated with new terms and conditions and approved by the City Council in October 2014. In September 2016, the City Council approved an amendment to the joint use agreement which allows the City to use the District's gymnasium at Perris High School, and CMI to use the Bob Glass Gymnasium and no cost to each other. However, this agreement did not include the use of Pinacate Middle School's gymnasium by the City. Both the City and the Perris High School District now desire to revise the joint use agreement to address the City's use of the gym at Pinacate Middle School.


It is recommended that the City Council approve the attached resolution authorizing the execution of an amendment to the joint use agreement with the Perris Union High School District which will allow the City to utilize the Pinacate Middle School gymnasium at no charge to the City.

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**BUDGET (or FISCAL) IMPACT:** There is no fiscal impact with this action. There will be a cost savings to the Recreation Division budget as the result of not paying usage fees.

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Reviewed by:

Assistant Finance Director 

Attachment: Resolution

Amendment No. 2 to the Joint Use Agreement

RESOLUTION NUMBER \_\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA,  
APPROVING AMENDMENT NUMBER TWO TO THE JOINT USE AND  
MAINTENANCE OF FACILITIES AGREEMENT BETWEEN THE PERRIS UNION  
HIGH SCHOOL DISTRICT AND THE CITY OF PERRIS

WHEREAS, Perris Union High School District (District) is a public school district organized and operating in the County of Riverside, California; and

WHEREAS, City of Perris (City) is a municipal corporation operating in Riverside County, California, and

WHEREAS, the California Military Institute ("CMI") is a charter school authorized by the District and utilizing facilities owned by the District, and

WHEREAS, the District and the City entered into a Joint Facility Use Agreement dated October 15, 2014 ("Agreement"), for the planning, use, operation and/or maintenance of specified public facilities throughout the City of Perris, and

WHEREAS, the District and the City approved Amendment Number 1 on September 13, 2016, to provide CMI the ability to utilize the Bob Glass Gymnasium and the City to utilize Perris High School Gymnasium, and

WHEREAS, the District and the City desire to enter Amendment Number 2, to allow the City to utilize the District's facility, Pinacate Middle School Gymnasium, for the City's youth sports programs at no charge to the City.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Perris as follows:

Section 1. The City Council approves Amendment No. 2 to the Joint Facility Use Agreement, subject to the terms and conditions of the attached amendment marked "Amendment No. 2". The parties mutually agree that City will have the ability to utilize the District's facility, Pinacate Middle School Gymnasium, for their youth sports programs with no charge to the City.

Section 2. The City Clerk shall certify as to the adoption of this Resolution.

ADOPTED, SIGNED and APPROVED this 14<sup>th</sup> day of February, 2017

\_\_\_\_\_  
MAYOR OF THE CITY OF PERRIS

Attest:

\_\_\_\_\_  
City Clerk

STATE OF CALIFORNIA    )  
COUNTY OF RIVERSIDE   ) ss  
CITY OF PERRIS            )

I, \_\_\_\_\_, City Clerk of the City of Perris, California, do hereby certify that the foregoing Resolution Number \_\_\_\_\_ was duly and regularly adopted by the City Council of the City of Perris at a regular meeting thereof held on the 14<sup>th</sup> day of February 2017, by the following called vote:

Ayes:

Noes:

Absent:

**Amendment No. 2**  
**Joint Facility Use Agreement**  
**The Perris Union High School District and the City of Perris**

This Amendment No. 2 ("Amendment") is effective this 14th day of February of 2017, between the Perris Union High School District ("District") and the City of Perris ("City").

Whereas, the District and the City entered into a Joint Facility Use Agreement dated October 15, 2014 ("Agreement"), for the planning, use, operation and/or maintenance of specified public facilities throughout the City of Perris.

Whereas, the District and the City entered into Amendment No. 1 effective September 13, 2016 to provide California Military Institute ("CMI") the ability to utilize the Bob Glass Gymnasium for their athletic programs with no charge to the District or CMI, and the City to utilize the Perris High School Gymnasium for their youth sports programs with no charge to the City.

Whereas, with Amendment No. 1, if there were to be any cost to the District for the City use of Perris High School Gymnasium, the cost is borne by CMI.

Whereas, this Amendment No. 2 would allow for the City to also utilize the Pinacate Middle School Gymnasium.

Now, Therefore, the District and the City agree as follows:

1. The City shall have the ability to utilize the District's facility, Pinacate Middle School Gymnasium for their youth sports programs with no charge to the City.
2. Such use shall only occur during the regular operating hours of Pinacate Middle School, as determined solely by Pinacate Middle School and the District.
3. Should any use of the Pinacate Middle School Gymnasium occur outside of regular operating hours, the City shall pay all costs in accordance with the previously approved Agreement.
4. To the best of their abilities, in advance of each fiscal year, the District, Pinacate Middle School and the City shall establish a master schedule of facilities use with the dates and times for the use of the Bob Glass and Pinacate Middle School Gymnasiums.
5. Such use shall also be coordinated through the facilities use application processes at both the City and the District, including all required insurance and indemnification documentation.
6. Except as expressly modified by this Amendment, the terms of the Agreement shall remain in full force and effect.

This Amendment No. 2 is executed by the duly authorized representatives of the Perris Union High School District and the City of Perris as of the date first herein above written.

**Perris Union High School District**

\_\_\_\_\_  
Candace Reines, Assistant Superintendent of Business Services

\_\_\_\_\_  
Date

"City"

ATTEST:

CITY OF PERRIS

By: \_\_\_\_\_  
Nancy Salazar, City Clerk

By: \_\_\_\_\_  
Michael Vargas, Mayor

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP


\_\_\_\_\_  
Eric L. Dunn, City Attorney

CITY COUNCIL  
AGENDA SUBMITTAL

Meeting Date: February 14, 2017

SUBJECT: Award of Contract to David Taussig and Associates for a Parks and Recreational Facilities Development Impact Fee Study.

REQUESTED ACTION: That the City Council award a contract in the amount of \$28,645, plus administrative expenses (not to exceed \$32,000) to, David Taussig and Associates.

CONTACT: Darren Madkin, Interim Assistant City Manager 

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BACKGROUND/DISCUSSION:

In 2006, Taussig and Associates prepared a Development Impact Fee (DIF) study for the City of Perris which included park fees for residential development only. The fee study conducted at that time examined the appropriate fee justification methodology and fee levels for residential development to support specific types of City selected parks and recreational facilities to serve new growth. In 2006, non-residential developments were not included in the DIF study. Since that time, non-residential development has significantly increased, none of which adequately offset the impacts to the City's recreation system as a result of their projects.

Taussig and Associates submitted a proposal to prepare an updated Parks and Recreational Facility DIF Study for the City. The updated fee study would expand on the 2006 version by including new cost estimates for an expanded park and recreational facility system. It is estimated that 15 weeks will be required to prepare the study at a total cost of \$28,645, plus expenses, as shown in the attached proposal. It is recommended that the City Council approve a contract with Taussig and Associates not to exceed \$32,000. It is further recommended that the City Council amend the Recreation Department budget to include a line item labeled "Recreational Facilities DIF Study" and allocate \$32,000 from general fund reserves to the Recreational Facilities DIF Study budget for FY 2016-17.

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BUDGET (or FISCAL) IMPACT: This project is not included in the FY 2016-2017 budget. Staff requests that the City Council amend the Recreation Department budget to include a line item labeled "Recreational Facilities DIF Study" and allocate \$32,000 from general fund reserves to the Recreational Facilities DIF Study budget for FY 2016-17.

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Reviewed by:  
Assistant Finance Director 

Attachments: Contract Services Agreement for David Taussig and Associates

Consent: X  
Public Hearing:  
Business Item:  
Other:



## CITY OF PERRIS

### CONTRACT SERVICES AGREEMENT WITH DAVID TAUSSIG AND ASSOCIATES FOR A PARKS AND RECREATIONAL FACILITIES DEVELOPMENT IMPACT FEE STUDY

This Contract Services Agreement ("Agreement") is made and entered into this 14<sup>th</sup> day of February, 2017, by and between the City of Perris, a municipal corporation ("City"), and David Taussig and Associates, a California corporation ("Consultant").

NOW, THEREFORE, the parties hereto agree as follows:

#### 1.0 SERVICES OF CONSULTANT

1.1 Scope of Services. In compliance with all of the terms and conditions of this Agreement, Consultant shall perform the work or services set forth in the "Scope of Services" attached hereto as *Exhibit "A"* and incorporated herein by reference. Consultant warrants that all work or services set forth in the Scope of Services will be performed in a competent, professional and satisfactory manner. Additional terms and conditions of this Agreement, if any, which are made a part hereof are set forth in the "Special Requirements" attached hereto as *Exhibit "B"* and incorporated herein by this reference. In the event of a conflict between the provisions of *Exhibit "B"* and any other provisions of this Agreement, the provisions of *Exhibit "B"* shall govern.

1.2 Compliance With Law. All work and services rendered hereunder shall be provided in accordance with all ordinances, resolutions, statutes, rules and regulations of the City and any federal, state or local governmental agency of competent jurisdiction.

1.3 Licenses, Permits, Fees and Assessments. Consultant shall obtain, at its sole cost and expense, such licenses, permits and approvals as may be required by law for the performance of the services required by this Agreement.

#### 2.0 COMPENSATION

2.1 Contract Sum. For the services rendered pursuant to this Agreement, Consultant shall be compensated in accordance with the "Schedule of Compensation" attached hereto as *Exhibit "C"* and incorporated herein by this reference, but not exceeding the maximum contract amount of thirty two thousand dollars (\$32,000) ("Contract Sum").

2.2 Method of Payment. Provided that Consultant is not in default under the terms of this Agreement, Consultant shall be paid upon receipt of an invoice, in a form approved by the City Manager, describing the services performed.

### 3.0 COORDINATION OF WORK

3.1 Representative of Consultant. David Taussig is hereby designated as being the representative of Consultant authorized to act on its behalf with respect to the work or services specified herein and make all decisions in connection therewith.

3.2 Contract Officer. The City's City Manager is hereby designated as being the representative the City authorized to act in its behalf with respect to the work and services specified herein and make all decisions in connection therewith ("Contract Officer"). The City may designate another Contract Officer by providing written notice to Consultant.

3.3 Prohibition Against Subcontracting or Assignment. Consultant shall not contract with any entity to perform in whole or in part the work or services required hereunder without the express written approval of the City. Neither this Agreement nor any interest herein may be assigned or transferred, voluntarily or by operation of law, without the prior written approval of City. Any such prohibited assignment or transfer shall be void.

3.4 Independent Contractor. Neither the City nor any of its employees shall have any control over the manner, mode or means by which Consultant, its agents or employees, perform the services required herein, except as otherwise set forth on *Exhibit "A"*. Consultant shall perform all services required herein as an independent contractor of City and shall remain under only such obligations as are consistent with that role. Consultant shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of City.

### 4.0 INSURANCE AND INDEMNIFICATION

4.1 Insurance. Consultant shall procure and maintain, at its sole cost and expense, in a form and content satisfactory to City, during the entire term of this Agreement including any extension thereof, the following policies of insurance:

(a) Commercial General Liability Insurance. A policy of commercial general liability insurance using Insurance Services Office "Commercial General Liability" policy form CG 00 01, with an edition date prior to 2004, or the exact equivalent. Coverage for an additional insured shall not be limited to its vicarious liability. Defense costs must be paid in addition to limits. Limits shall be no less than \$1,000,00.00 per occurrence for all covered losses and no less than \$2,000,000.00 general aggregate.

(b) Workers' Compensation Insurance. A policy of workers' compensation insurance on a state-approved policy form providing statutory benefits as required by law with employer's liability limits no less than \$1,000,000 per accident for all covered losses.

(c) Automotive Insurance. A policy of comprehensive automobile liability insurance written on a per occurrence basis in an amount not less than \$1,000,000.00 per accident, combined single limit. Said policy shall include coverage for owned, non owned, leased and hired cars.

(d) Professional Liability or Error and Omissions Insurance. A policy of general liability insurance in an amount not less than \$1,000,000.00 per claim with respect to loss arising from the actions of Consultant performing professional services hereunder on behalf of the City.

All of the above policies of insurance shall be primary insurance. The general liability policy shall name the City, its officers, employees and agents ("City Parties") as additional insureds and shall waive all rights of subrogation and contribution it may have against the City and the City's Parties and their respective insurers. All of said policies of insurance shall provide that said insurance may be not cancelled without providing thirty (30) days prior written notice by registered mail to the City. In the event any of said policies of insurance are cancelled or amended, Consultant shall, prior to the cancellation or amendment date, submit new evidence of insurance in conformance with this Section 4.1 to the Contract Officer. No work or services under this Agreement shall commence until Consultant has provided City with Certificates of Insurance or appropriate insurance binders evidencing the above insurance coverages and said Certificates of Insurance or binders are approved by City.

Consultant agrees that the provisions of this Section 4.1 shall not be construed as limiting in any way the extent to which Consultant may be held responsible for the payment of damages to any persons or property resulting from Consultant's activities or the activities of any person or persons for which Consultant is otherwise responsible.

The insurance required by this Agreement shall be satisfactory only if issued by companies qualified to do business in California, rated "A" or better in the most recent edition of Best Rating Guide. The Key Rating Guide or in the Federal Register, and only if they are of a financial category Class VII or better, unless such requirements are waived by the Risk Manager of the City due to unique circumstances.

In the event that the Consultant is authorized to subcontract any portion of the work or services provided pursuant to this Agreement, the contract between the Consultant and such subcontractor shall require the subcontractor to maintain the same policies of insurance that the Consultant is required to maintain pursuant to this Section 4.1.

#### 4.2 Indemnification.

(a) Indemnity for Professional Liability. When the law establishes a professional standard of care for Consultant's services, to the fullest extent permitted by law, Consultant shall indemnify, defend and hold harmless City and the City's Parties from and against any and all losses, liabilities, damages, costs and expenses, including attorneys' fees and costs to the extent same are caused in whole or in part by any negligent or wrongful act, error or omission of Consultant, its officers, agents, employees of subcontractors (or any entity or individual for which Consultant shall bear legal liability) in the performance of professional services under this Agreement.

(b) Indemnity for Other Than Professional Liability. Other than in the performance of professional services and to the full extent permitted by law, Consultant shall indemnify, defend and hold harmless City and City's Parties from and against any liability

(including liability for claims, suits, actions, losses, expenses or costs of any kind, whether actual, alleged or threatened, including attorneys' fees and costs, court costs, defense costs and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this Agreement by Consultant or by any individual or entity for which Consultant is legally liable, including but not limited to officers, agents, employees or subcontractors of Consultant.

## 5.0 TERM

5.1 Term. Unless earlier terminated in accordance with Section 5.2 below, this Agreement shall continue in full force and effect until August 14, 2017.

5.2 Termination Prior to Expiration of Term. Either party may terminate this Agreement at any time, with or without cause, upon thirty (30) days' written notice to the other party. Upon receipt of the notice of termination, the Consultant shall immediately cease all work or services hereunder except as may be specifically approved by the Contract Officer. In the event of termination by the City, Consultant shall be entitled to compensation for all services rendered prior to the effectiveness of the notice of termination and for such additional services specifically authorized by the Contract Officer and City shall be entitled to reimbursement for any compensation paid in excess of the services rendered.

## 6.0 MISCELLANEOUS

6.1 Covenant Against Discrimination. Consultant covenants that, by and for itself, its heirs, executors, assigns and all persons claiming under or through it, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the performance of this Agreement. Consultant shall take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, marital status, national origin or ancestry.

6.2 Non-liability of City Officers and Employees. No officer or employee of the City shall be personally liable to the Consultant, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to the Consultant or to its successor, or for breach of any obligation of the terms of this Agreement.

6.3 Conflict of Interest. No officer or employee of the City shall have any financial interest in this Agreement nor shall any such officer or employee participate in any decision relating to the Agreement which affects his financial interest or the financial interest of any corporation, partnership or association in which he is, directly or indirectly, interested, in violation of any state statute or regulation. The Consultant warrants that it has not paid or given and will not pay or give any third party any money or other consideration for obtaining this Agreement. When requested by the Contract Officer, prior to the City's execution of this Agreement, Consultant shall provide the City with an executed statement of economic interest.

6.4 Notice. Any notice or other communication either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid, first class mail, in the case of the City, to the City Manager and to

the attention of the Contract Officer, City of Perris, 101 North "D" Street, Perris, CA 92570, and in the case of the Consultant, to the person at the address designated on the execution page of this Agreement.

6.5 Interpretation. The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

6.6 Integration; Amendment. It is understood that there are no oral agreements between the parties hereto affecting this Agreement and that this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings, if any, between the parties, and none shall be used to interpret this Agreement. This Agreement may be amended at any time by a writing signed by both parties.

6.7 Severability. In the event that part of this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining portions of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties hereunder unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.

6.8 Waiver. No delay or omission in the exercise of any right or remedy by a non-defaulting party on any default shall impair such right or remedy or be construed as a waiver. A party's consent to or approval of any act by the other party requiring the party's consent or approval shall not be deemed to waive or render unnecessary the other party's consent to or approval of any subsequent act. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

6.9 Attorneys' Fees. If either party to this Agreement is required to initiate, defend or made a party to any action or proceeding in any way connected with this Agreement, the prevailing party in such action or proceeding, in addition to any other relief which may be granted, shall be entitled to reasonable attorneys' fees, whether or not the matter proceeds to judgment.

6.10 Corporate Authority. The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said party is bound.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the parties have executed and entered into this Agreement as of the date first written above.

ATTEST:

"CITY"  
CITY OF PERRIS

By: \_\_\_\_\_  
Nancy Salazar, City Clerk

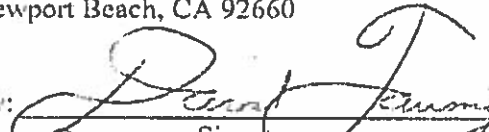
By: \_\_\_\_\_  
Richard Belmudez, City Manager

APPROVED AS TO FORM:

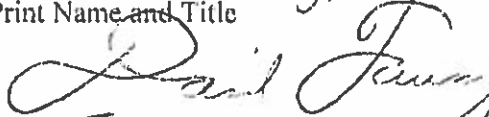
ALESHIRE & WYNDER, LLP

\_\_\_\_\_  
Eric L. Dunn, City Attorney

"CONSULTANT"  
David Taussig and Associates  
5000 Birch Street, Suite 6000  
Newport Beach, CA 92660

By:   
Signature

David Taussig, President  
Print Name and Title

  
C.F.O.

(Corporations require two signatures; one from each of the following: A. Chairman of Board, President, any Vice President; AND B. Secretary, Assistant Secretary, Treasurer, Assistant Treasurer, or Chief Financial Officer.)

[END OF SIGNATURES]

EXHIBIT "A"

SCOPE OF SERVICES

[See attached Proposal from David Taussig and Associates]

EXHIBIT "B"

SPECIAL REQUIREMENTS

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EXHIBIT "C"

SCHEDULE OF COMPENSATION

City agrees to compensate Consultant for the services outlined in Exhibit "A" not to exceed the contract sum of \$32,000.00. Consultant shall be paid within thirty (30) days after City's receipt and approval of an invoice submitted by Consultant. Such invoice shall be in a form approved by the City Manager and shall include details as to the number of hours worked and the services performed. Consultant shall be paid for actual work completed on the project.

## CITY OF PERRIS

### PARKS AND RECREATIONAL FACILITIES DEVELOPMENT IMPACT FEE STUDY

RESPONSE TO REQUEST FOR  
PROPOSALS/QUALIFICATIONS

SUBMISSION DEADLINE:  
February 6, 2017

PREPARED BY:  
David Taussig and Associates  
5000 Birch Street, Suite 6000  
Newport Beach, CA 92660

Public Finance  
Public Private Partnerships  
Urban Economics  
Clean Energy Bonds

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Newport Beach, CA  
San Francisco, CA  
San Jose, CA  
Riverside, CA  
Dallas, TX  
Houston, TX

## LETTER OF INTEREST

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Darren Madkin  
Deputy City Manager  
Perris City Hall  
101 North D Street  
Perris, CA 92570

**RE: Consulting Services for Preparation of a City of Perris Parks and Recreational Facilities Development Impact Fee Study**

Dear Mr. Madkin:

DAVID TAUSSIG & ASSOCIATES, INC. ("DTA") is pleased to submit this proposal to prepare an updated AB 1600 Parks and Recreational Facilities Development Impact Fee ("DIF") Study ("Fee Study") for the City. This Fee Study would recommend the appropriate fee justification methodology and fee levels for both residential and non-residential development to support specific types of City-selected parks and recreational facilities to serve new growth. The Fee Study would also further the City's objectives, such as the fundamental goals related to Environment, Urbanization, Agriculture, and Open Lands per the Land Use Element of the City's General Plan. In addition, DTA is a registered Municipal Advisor with the Securities and Exchange Commission ("SEC") and the Municipal Securities Rulemaking Board (MSRB ID # K0961).

As explained in the proposal, DTA has been working on impact fee studies since the approval of AB 1600 in 1987. In addition to conducting AB 1600-compliant Fee Studies, DTA is involved in the planning and implementation of financing mechanisms, as well as the fiscal and economic analysis of land development impacts, project feasibility studies, and economic development studies. Our firm previously worked with the City on the preparation of its 2006 DIF Study, which included park fees for residential development. The updated Fee Study would expand upon the 2006 version by including new cost estimates and expanded park and recreational facilities, and sharing the costs between residential and non-residential development.

DTA has assembled a project team for the City Fee Study with the breadth of experience to provide impact fee consulting services in a professional and timely manner. This project would be primarily handled out of DTA's Newport Beach office. David Taussig, the President of DTA, would be the Principal-in-Charge and have the City's primary account responsibility. Mr. Taussig would be assisted by Nathan Perez, ESQ., a Managing Director at DTA; Kuda Wekwete, a Vice President at DTA; and other support staff. Brief resumes for each of our senior team members are included in Section 2 of this proposal.

Notably, DTA has included a kickoff meeting plus three additional meetings in our Scope of Work, including one meeting with stakeholders, such as the Building Industry Association, NAIOP and other concerned community representatives. We have found during prior Fee Study engagements that involving these groups in the development of the infrastructure Needs List and the review of the draft Fee Study provides the political support needed by the City Council in its deliberations and approval of the Fee Study.

If you have questions regarding this proposal, please feel free to call me at 800-969-4382. We look forward to working with you on this engagement.

Best regards,



David Taussig  
President

**TABLE OF CONTENTS**

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<b>SECTION</b>		<b>PAGE</b>
LETTER OF INTEREST .....		1
SECTION 1.	DTA EXPERIENCE AND APPROACH TO CITY FEE STUDY .....	4
SECTION 2.	PROJECT MANAGER/KEY STAFF .....	14
SECTION 3.	PROPOSED SCOPE OF WORK.....	18
SECTION 4.	BUDGET AND SCHEDULE.....	23

**1. DTA EXPERIENCE AND APPROACH TO CITY FEE STUDY**

**A. OVERVIEW OF DTA QUALIFICATIONS**

DAVID TAUSSIG & ASSOCIATES, INC. (“DTA”) is pleased to submit this Statement of Qualifications to the City of Perris (the “City”). DTA is a public finance and urban economics consulting firm founded in 1985 that specializes in infrastructure and public services finance. Our firm has offices in Newport Beach, San Francisco, San Jose, and Riverside, California, and branch offices in Dallas, Texas and Houston, Texas, to service our clients in the Midwestern and Southwestern United States. Additional information on DTA is available on our website ([www.taussig.com](http://www.taussig.com)).

In brief, it is our understanding that the City is seeking a consultant to work with City staff to update its existing development impact fee program (the “Fee Program”) and prepare an updated AB 1600–compliant nexus fee study (the “Study”). The Study shall utilize an updated facility needs list that reflects the City’s current infrastructure needs and costs, and existing and future population, employment, and development forecasts.

DTA has been performing public facilities fee consulting services for 29 years, since 1987. Development impact fees (“DIFs”) were enacted under Assembly Bill 1600 by the California Legislature in 1987 and codified under California Government Code §66000 et seq., also called the Mitigation Fee Act (the “Act” or “AB 1600”). DTA has had extensive experience preparing development impact fee studies that have complied with Section 66000 et seq. of the Government Code and have withstood legal scrutiny to where none of our prior studies have been subject to any litigation. DTA also retains in-house legal counsel engaged in this project and can assist our firm in clarifying legal issues that may arise related to the review or preparation of a Nexus Study.

This project would be primarily handled out of DTA’s Newport Beach office, which is located at:

**David Taussig & Associates, Inc.**  
5000 Birch Street, Suite 6000  
(800) 969-4382

DTA has a staff of over 60 employees, all of whom are directly involved solely in public finance. Staff members come from backgrounds in several fields, including land development, public administration, civil engineering, investment banking, economic consulting, redevelopment, law, and land-use planning. This diversity of experience and expertise allows DTA to meet a wide-variety of challenges, both related to the actual work-product and to client-management. All of DTA’s personnel have considerable experience in computer-based financial analysis and modeling, which is a key component of the firm’s consulting services. This ensures that the development of computer models utilized in the potential Nexus Study will be in experienced hands. Please see Section 1C. of this proposal (below) for more information about the team members assigned to this engagement.

Since its establishment in 1985, DTA has completed consulting assignments for over 2,500 clients in ten (10) states. During this period, the firm has been involved in the formation of over 1,500 public finance districts, with total bond authorizations exceeding \$60 billion. Our financing programs have utilized a variety of public financing mechanisms such as Assessment Districts (“ADs”), Community Facilities Districts (“CFDs”), Certificates of Participation, Tax Allocation Bonds, Sewer and Water Revenue Bonds, Marks-Roos Bond Pools, Landscaping and

## SECTION 1 ■ DTA EXPERIENCE AND APPROACH

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Lighting Districts (“LLDs”), Integrated Financing Districts, and various types of fee programs.

Our experience implementing a variety of public financing mechanisms and analyzing City budgets has enabled our firm to prepare and implement Public Facilities Financing Plans that include capital financing alternatives and revenue projections, as well as infrastructure master plans, sewer and water rate analyses, and other related documents that transcend just the preparation of fee studies.

Regarding Fee Studies, all of DTA’s AB 1600 studies, and our Assessment District formation work, include a benefit cost analysis and determination of nexus between the facilities financed, existing and future land uses, and the specific financing mechanism. DTA has prepared approximately 350 fee justification studies and analyses throughout California, and in other States, involving fees for a variety of public improvements, including transportation, water, sewer and flood control facilities, fire and police stations, parks, libraries, and other types of infrastructure.

In recent years, our firm has prepared AB 1600-compliant development impact fee justification studies for the Cities of Anaheim, Blythe, Brawley, Calexico, Cathedral City, Chino Hills, Costa Mesa, Escalon, Firebaugh, Goleta, Kingsburg, Live Oak, Mammoth Lakes, Palo Alto, Pasadena, Paso Robles, Red Bluff, Reedley, Rialto, San Francisco, San Jacinto, San Luis Obispo, Torrance, and Victorville, and for the Counties of Colusa, Kings, Riverside, San Bernardino, and Yuba, among others.

In addition to the planning and implementation of financing mechanisms, DTA is also involved in the fiscal and economic analysis of land development impacts, project feasibility studies, and economic development studies. DTA staff has also prepared over 400 fiscal impact reports (“FIRs”) estimating the revenue and cost impacts of various land use decisions on cities, counties, and special districts.

Perhaps DTA’s most outstanding qualification is the dedication and loyalty of the senior employees, many whom have worked at DTA for 15 years or more and are available should any unique situations arise. DTA can offer a level of management expertise unequalled throughout the public finance consulting industry.

### **B. DTA’S GENERAL APPROACH TO DEVELOPMENT IMPACT NEXUS STUDIES**

With respect to the City’s revised development impact fee study for parks and recreational facilities, DTA would provide all-inclusive professional and technical assistance to the City in (1) assisting in the development of a conceptual project scope, (2) reviewing the existing Fee Program and applicable sections of the Perris City Code, (3) preparing a comprehensive review of required impact fee levels documented in a written report prepared under California Government Code 66000 et seq., and (4) preparing an appropriate Ordinance and implementation schedule for adoption and implementation of the Fee Program by the City, DTA’s final report (“Report”) would present a fee methodology that satisfies the “rational nexus” tests used by the courts to determine the legality of development exactions. Having been subjected to legal and developer scrutiny, DTA has developed a streamlined approach and methodology which establishes a rational and substantial nexus between new development and the need for public facilities.

In determining a reasonable nexus for each specific type of public facility, DTA will utilize one or more methodologies discussed below, depending upon the data and other information available

from the City, and its current infrastructure policies. The fee methodologies employ the concept of an Equivalent Dwelling Unit (“EDU”) to allocate benefit among various land use classes. EDUs are a means of quantifying different land uses in terms of their equivalence to a residential dwelling unit, where equivalence is measured in terms of potential infrastructure use or benefit from each type of public facility. For many types of facilities, EDUs are calculated based on the number of residents or employees generated by each land use class. For other facilities, different measures, such as number of service calls, number of trip-miles, or amount of storm water run-off more accurately represent the benefit provided to each land use class. Transportation facilities typically demand EDU calculations predicated on a per-unit, per-trip, or VMT basis.

The three fee methodologies used by DTA to establish EDUs for a public facility within a typical AB 1600 study are based on either (i) an existing infrastructure plan, (ii) a predetermined capacity amount, or (iii) a generic standard.

#### **PLAN-BASED FEES**

The first method of apportioning fees is based on a “Plan,” such as a Master Plan of Facilities, which identifies a finite set of improvements. These facilities plans generally identify a finite set of facilities needed by the public agency, and are developed according to assessments of facilities needs prepared by staff and/or outside consultants and adopted by the public agency’s legislative body. With this Plan-Based Approach, specific costs can be projected and assigned to all land uses planned, often with a specific time period in mind that reflects new development projections. In preparing an impact fee analysis, facilities costs can be allocated in proportion to the demand caused by each type of future development. This Plan-Based Approach is generally preferable to the two other approaches to cost allocation listed below, but requires the existence of a facilities plan, which is not always available. DTA understands that the City does have existing parks master plans that will be able to help select the facilities to be funded by the DIFs.

#### **CAPACITY-BASED FEES**

A second method of fee assessment is based on the “capacity” of a service or system, such as a water tank or a sewer plant. This kind of fee is not dependent on a particular land use plan (i.e., amount or intensity) but rather it is based on a rate or cost per unit of capacity that can be applied to any type of development, as long as the system has adequate capacity. This fee is useful when the costs of the facility or system are unknown at the outset, however, it requires that the capacity used by a particular land use type be measurable or estimable. Capacity-based impact fees are assessed based on the demand rate per unit. This fee would most typically be assessed for water or wastewater systems.

#### **STANDARD-BASED FEES**

A third method of assessing fees is based on “standards” where costs are based on units of demand. This method establishes a generic unit cost for capacity, which is then applied to each land use per unit of demand. Parks are an excellent example of this type of fee structure. California’s Quimby Act allows cities and counties to establish a service standard, typically three (3.0) to five (5.0) acres of parkland per thousand residents, which may be required of all new residential development. This standard is not based on cost but rather on a standard of service. This methodology provides several advantages, including not needing to know the cost of a specific facility, how much capacity or service is provided by the current system, or having to

commit to a specific size of facility.

In preparing its analysis, DTA will apply one or more of these three methodologies to each facility type to generate applicable fee levels. However, the results of our quantitative analyses will be tempered by real-world factors that need to be at least considered by the City prior to adopting revised fee levels. For example:

- *How do the proposed fee levels compare with those imposed in neighboring jurisdictions?*
- *Do any of the fee components need to be substantially modified or eliminated?*
- *Will the calculated fee levels be so high they discourage future development? If so, the list of needed facilities could be shortened, with more facilities being assigned to individual development projects through conditions of approval, so they are not funded through the City's fee program and therefore fee levels can be decreased.*
- *As the fees calculated by DTA are considered "maximum" fee levels as defined under the California Mitigation Fee Act, should the City impose lower fees for one or more land use types for a period of time to encourage certain types of land development?*
- *Should a "fee credit" program be established for developers who build or oversize facilities on the City's facilities needs list?*
- *Should a stakeholders' committee or group be established to ensure outside input prior to the preparation of a fee study?*
- *Should the automatic fee escalator be reviewed to possibly further mitigate the impacts of inflation on the fee program prior to the preparation and adoption of the next fee program by the City?*

These questions and related issues will be discussed during the Kickoff meeting, and will affect the implementation of the Scope of Work provided in Section 3, below.

### **C. DTA'S SPECIFIC APPROACH TO THE CITY OF PERRIS FEE STUDY**

In refining our work plan to meet or exceed the City's needs, DTA will review and clarify existing City standards, including references to the General Plan, Specific Plans, General Fund Budget, City Code, and other conceptual frameworks. DTA will conduct interviews with City staff (e.g., Community Services Department) to identify capital improvements to meet the outdoor recreational needs of a growing community and provide a high level of service for parks, recreation, open space, and trails. The project team will review the Land Use Element and Open Space Element of the General Plan. We also intend to utilize the CIP, facilities project lists, and estimated costs contained within plans provided by the Community Services Department. DTA will then apportion the facilities between existing and new development in consultation with City staff and in accordance with the nexus analysis conducted.

### **D. DTA DEVELOPMENT IMPACT FEE STUDY REFERENCES**

DTA has provided public finance consulting services to virtually every major City and City in the State. Our City clients are too numerous to list individually, but include the Cities of Anaheim, Fresno, Long Beach, Los Angeles, Reedley, Sacramento, San Diego, San Francisco, and San Jose. Our City clients have included the City of Santa Barbara as well as the Counties of Alameda,



## SECTION 1 ■ DTA EXPERIENCE AND APPROACH

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Butte, Contra Costa, Fresno, Imperial, Los Angeles, Madera, Marin, Orange, Placer, Riverside, Sacramento, San Bernardino, San Diego, San Francisco, Shasta, Sutter, Stanislaus, and Yuba. DTA has also provided public finance consulting services for over 250 school districts, water districts, and fire protection districts throughout California.

As noted previously, AB 1600 studies prepared by DTA in recent years include studies for the Cities of Anaheim, Blythe, Brawley, Calexico, Cathedral City, Chino Hills, Costa Mesa, Escalon, Firebaugh, Goleta, Kingsburg, Live Oak, Mammoth Lakes, Palo Alto, Pasadena, Paso Robles, Perris, Red Bluff, Reedley, Rialto, San Francisco, San Jacinto, San Luis Obispo, Torrance, and Victorville; and for the Counties of Colusa, Kings, Riverside, San Bernardino and Yuba, among others. Listed on the following pages are examples of five (5) of DTA's recent impact fee studies for municipalities in California, as well as our references for each of these five studies. The first reference for the City of Costa Mesa involved a park and recreational Fee Study similar to the proposed study for the City of Perris. The remaining references refer to more comprehensive Fee Program studies that included parks and recreational facilities as a component. We encourage you to contact our references to learn firsthand how well DTA staff meets the needs of its clients.

## SECTION 1 ■ DTA EXPERIENCE AND APPROACH

### CITY OF COSTA MESA, CA PROJECT LOCATION: Costa Mesa, CA



Lions Park, Costa Mesa, CA

#### CLIENT

- City of Costa Mesa  
Mr. Gary Armstrong  
Director/Deputy CEO  
Economic and Development  
Services  
77 Fair Drive  
Costa Mesa, CA 92628  
Phone: (714) 754-5182  
Gary.Armstrong@costamesaca.gov

#### SCOPE OF WORK

- Projections of future population, housing, and employment
- Coordination with the City to identify needed facilities
- Development of facilities cost estimates
- Calculation of fee amounts for residential land uses
- Documentation of all work and preparation of AB 1600 Fee Study

#### PROJECT DESCRIPTION AND FINAL OUTCOME

In order to adequately plan for new development and identify the public park and recreation facilities and costs associated with mitigating the direct and cumulative impacts of new development, DTA was retained by the City of Costa Mesa in 2015 to prepare an AB 1600 Fee Justification Study. The Park Fee Study identified the additional public park and recreation facilities required by new development ("Future Park Facilities"), as well as the amount of land needed to be acquired by the City for additional parks. DTA developed a database of park and recreational facilities costs to determine the cost of the specific facilities required by the City. The firm also used its subscription CoStar database to determine recent sales prices of properties within the City that are similar to those that would be purchased by the City for park purposes, in order to determine the land acquisition costs to be paid by the City. DTA also made changes to the Study based on specific input from the Planning Commission and the City Council, with the Council ultimately adopting fees to fund 4.3 acres of improved parks for every 1,000 new residents generated by new development.

## SECTION 1 ■ DTA EXPERIENCE AND APPROACH

### CITY OF PASO ROBLES, CA PROJECT LOCATION: Paso Robles, CA



Paso Robles, CA

#### CLIENT

- City of Paso Robles  
Mr. John Falkenstien  
City Engineer  
1000 Spring Street  
Paso Robles, CA 93446  
Phone: (805) 237-3860

#### SCOPE OF WORK

- Coordination with the City to identify needed facilities
- Calculation of fee amounts for residential and non-residential land uses
- Preparation of Fiscal Impact Analysis
- Preparation of fee ordinance
- Documentation of all work and preparation of AB 1600 Fee Study

#### PROJECT DESCRIPTION AND FINAL OUTCOME

DTA is currently working on an update to an original AB 1600 Fee Justification Study that our firm prepared for adoption by the Paso Robles' City Council in 2006. DTA's 2006 engagement involved the preparation of the Fee Justification Study and a Fiscal Impact Analysis for the City. DTA prepared its original work in 2006, and has prepared updates in 2009, 2012, and 2014. We are currently working with the City on an additional update to establish new land use categories for small apartments to encourage affordable housing. Major project objectives included a comprehensive review of existing City fee programs and ordinances, identification of needed backbone infrastructure, with emphasis on the transportation facilities required east of State Highway 101, as well as costs related to any existing infrastructure deficiencies in that area, an update of the City's existing fee program, and preparation of a draft ordinance to be utilized by the City for collection of fees.

In addition, DTA also successfully completed the formation of a City-wide Mello-Roos Community Facilities District to mitigate the police and fire protection services shortfalls determined through the preparation of the Fiscal Impact Analysis. Furthermore, DTA has very recently prepared a series of cash flow pro formas for each major infrastructure category of the City's Public Facilities Needs List (the "Needs List") for long term budget and financial planning purposes.

**CITY OF SAN BERNARDINO, CA**

**PROJECT LOCATION:** City of San Bernardino, CA



City of San Bernardino Courthouse, San Bernardino, CA

**CLIENT**

- **City of San Bernardino**  
Mr. Tom Hudson  
Director of Land Use Services  
Dept.  
385 North Arrowhead Ave.  
San Bernardino, CA 92515  
Phone: (909) 252-5105  
Tom.Hudson@lus.sbCity.gov


**SCOPE OF WORK**


- Projections of future population, housing, and employment
- Coordination with the City to identify needed facilities
- Review General Plan to identify needed facilities
- Calculation of fee amounts for residential and non-residential land uses
- Documentation of all work and preparation of AB 1600 Fee Study
- Formation and administration of special districts

**PROJECT DESCRIPTION AND FINAL OUTCOME**

DTA was hired in 2012 to prepare a fee study covering a variety of impact fees for all of the unincorporated portion of San Bernardino City, as well as selected fees that would be applied Citywide to cover those facilities, such as regional parks, that serve the entire City. The study covered parks, trails, road, flood control, sheriff, fire, detention center, library and museums. DTA used a standards-based approach for regional parks and trails fees, as well as fees for coroner-sheriff, detention, fire, library and museum facilities. Our firm then employed planned-based and capacity-based approaches for roads, flood control, water and wastewater facilities. The study was made more complicated by the benefits generated by certain unincorporated City facilities that were shared with existing and new development within incorporated cities (e.g., flood control facilities), as well as the road fees, which were complicated by the existence of a separate fee for regional roads imposed by the San Bernardino Council of Governments. While the study itself has been completed, the City has never implemented a comprehensive fee program previously, and the fee program has not yet been officially adopted by the Board of Supervisors.

In addition, DTA has served as the City of San Bernardino's special tax consultant since 2002. In this role, we assisted in the formation of and special tax bond issuances for the City's 9 CFDs and Improvement Areas.

<p style="text-align: center;"><b>CITY OF PALO ALTO, CA</b> PROJECT LOCATION: Palo Alto, CA</p>  <p style="text-align: center;">City of Palo Alto, CA</p>	<p><b>CLIENT</b></p> <ul style="list-style-type: none"> <li>■ City of Palo Alto Ms. Nancy Nagel Senior Management Analyst Administrative Services 250 Hamilton Ave Palo Alto, CA 94301 Phone: (650) 329-2223 Nancy.Nagel@cityofpaloalto.org</li> </ul> <p><b>SCOPE OF WORK</b></p> <ul style="list-style-type: none"> <li>■ Projections of future population, housing, and employment, coordination with ABAG</li> <li>■ Coordination with numerous City departments to identify needed facilities</li> <li>■ Review General Plan to identify needed facilities</li> <li>■ Calculation of fee amounts for residential and non-residential land uses</li> <li>■ Documentation of all work and preparation of AB 1600 Fee Study</li> <li>■ Preparation of CFD cashflows to mitigate gap funding</li> </ul>
<p><b>PROJECT DESCRIPTION</b></p> <p>DTA recently completed a City-wide development impact fee update as part of a comprehensive review of fiscal strategies.</p> <p><u>DTA worked with over a half-dozen City Departments to develop a “fair share” method of apportioning all costs in this unique, largely built-out community.</u></p> <p>The purpose of the updated study was to recommend appropriate fee justification methodologies and fee levels, based on a legally supportable analysis of City-wide impact fees required for new residential and non-residential development within the City. DTA reviewed the City’s impact fees levels against eight (8) peer communities, and ultimately created two (2) entirely new fees – Public Safety (fire, police, etc.) and General Government Facilities.</p> <p>The required impact fee levels which were documented in a written report prepared pursuant to California Government Code 66000 (AB 1600). DTA further assisted with cost estimating, demographic research, presentations before the City Council, and benchmarking current and proposed fees against those of peer communities.</p>	

<p align="center"><b>CITY OF TUSTIN, CA</b> PROJECT LOCATION: Tustin, CA</p>  <p align="center">Tustin, CA</p>	<p><b>CLIENT</b> City of Tustin</p> <table border="0"> <tr> <td>Mr. John Buchanan RDA Program Manager 300 Centennial Way Tustin, CA 92780 Phone: (714) 573-3107 jbuchanan@tustinca.org</td> <td>Ms. Christine Shingleton Former Assistant City Manager Community Strategic Phone: (949) 650-8478 cshingleton@roadrunner.com</td> </tr> </table> <p><b>SCOPE OF WORK</b></p> <ul style="list-style-type: none"> <li>■ Projections of future population, housing, and employment</li> <li>■ Coordination with the City to identify needed facilities</li> <li>■ Review General Plan to identify needed facilities</li> <li>■ Calculation of fee amounts for residential and non-residential land uses</li> <li>■ Documentation of all work and preparation of AB 1600 Fee Study</li> <li>■ Preparation of Fiscal Impact Analysis</li> </ul>	Mr. John Buchanan RDA Program Manager 300 Centennial Way Tustin, CA 92780 Phone: (714) 573-3107 jbuchanan@tustinca.org	Ms. Christine Shingleton Former Assistant City Manager Community Strategic Phone: (949) 650-8478 cshingleton@roadrunner.com
Mr. John Buchanan RDA Program Manager 300 Centennial Way Tustin, CA 92780 Phone: (714) 573-3107 jbuchanan@tustinca.org	Ms. Christine Shingleton Former Assistant City Manager Community Strategic Phone: (949) 650-8478 cshingleton@roadrunner.com		
<p><b>PROJECT DESCRIPTION</b></p> <p>This project involved the preparation and updates for an AB 1600 Fee Justification Study and a Fiscal Impact Analysis for the City of Tustin so it could proceed with the redevelopment of the Tustin Marine Corps Air Station, which has been renamed the Tustin Legacy project and is anticipated to include almost 5,000 housing units and 9,000,000 square feet of non-residential development. DTA prepared its original work in 2004, and has prepared updates in 2008 and 2011. DTA identified needed public facilities in the areas of transportation, flood control, public safety, park and open space, community amenities, and government services required by the new development were identified. Additionally, the levels of fees that need to be imposed to finance the expansion or creation of these facilities to adequately serve projected future development in the City were identified.</p> <p>DTA also successfully completed the formation of a Mello-Roos Community Facilities District to finance infrastructure and public services for the Project.</p>			

## 2. DTA STAFFING FOR CITY OF PERRIS ENGAGEMENT

DTA has assembled a project team with the breadth of experience needed to assist the District in the preparation of an updated impact fee study. David Taussig, CEO/President, will serve as Principal-in-Charge of DTA's project team and will handle primary account responsibilities for this engagement. Mr. Taussig will attend meetings as necessary and supervise all project staff.

Kuda Wekwete, a DTA Vice President, will serve as Project Manager for the DTA team and will be the City's primary point of contact throughout the course of this engagement. Mr. Wekwete will be responsible for the ongoing execution and completion of the entire work plan – matching DTA's work and deliverables with the City's needs and objectives. He will also manage the work of DTA's project team, leading data collection efforts, directing the development of our technical model, providing senior-level analysis, reviewing progress and work products with District staff and stakeholders, presenting study findings at project meetings, and finalizing study documentation.

Nathan Perez, Esq., a DTA Managing Director, will be responsible for legal reviews of DTA's work product. Mr. Perez is intimately familiar with case law on both a State and Federal level regarding the California Mitigation Fee Act and other nexus issues, and is an important component of the DTA Team

DTA has an enviable reputation for producing high quality work in a quick and efficient manner to correspond with even the most aggressive project schedule. DTA's clients also receive high levels of personal attention from senior staff, with the President or a Vice President always available to meet with public agency staff and other groups.

According to the Securities and Exchange Commission (SEC), as of September 12, 2017 (due to a new regulatory requirement), representatives of municipal advisor firms must have earned the Series 50 license in order to engage in municipal advisory activities. DTA requires that all of our managers at the Vice President level and above obtain the Series 50 qualification by September 12, 2017. Currently, our CEO/President and a Managing Director, Nathan Perez, are both Series 50 licensed and therefore duly authorized by the SEC/MSRB to engage in municipal advisory activities.

The qualifications and experience of the senior staff to be utilized by DTA on this engagement are listed below:

### **DAVID TAUSSIG**

President | [dtadavid@taussig.com](mailto:dtadavid@taussig.com)

*Project Role – Principal-in-Charge*

Mr. Taussig has over 40 years of experience in the fields of real estate finance and urban economics. His areas of expertise include municipal finance programs for infrastructure and public facilities development, fiscal and redevelopment impact analysis, and land development project feasibility studies. Mr. Taussig is Series 50 Qualified as a Municipal Advisor by the SEC and MSRB.

Mr. Taussig has an extensive background in computerized financial analysis. Since founding DTA in 1985, Mr. Taussig has developed a number of state-of-the-art analytical methods and

modeling approaches, as well as personally directed the formation of more than 1,000 public financing districts, and the subsequent sale of tax-exempt municipal bonds. These districts have funded public infrastructure and services for a variety of types of residential and non-residential development, and have included several hundred master planned communities built throughout California, as well as in several other western states. Mr. Taussig's work has involved both the preparation and implementation of financing plans, and his public sector clients have included virtually every major urban City and city within California, as well as hundreds of special districts. He has provided similar consulting services to many of the largest land development firms in the State. The financing programs implemented by Mr. Taussig have ranged from land-secured Community Facilities Districts to redevelopment tax-increment programs and lease revenue-based Certificates of Participation. He is also responsible for DTA's successful efforts related to funding opportunities through State grants and various tax credit programs.

Mr. Taussig has also overseen the preparation of numerous feasibility and impact studies involving the computerized analysis of project cash-flows and/or impacts on public agencies and landowners. He has assumed project management responsibilities for over 100 AB 1600 Development Fee Justification Studies, including recent studies prepared on behalf of the cities of Blythe, Chino Hills, Coachella, Live Oak, Paso Robles, Pasadena, Perris, Red Bluff, San Luis Obispo, Torrance and Tustin, as well as the Counties of Colusa and San Bernardino. He has also been responsible for the preparation of over 100 fiscal impact studies utilized by public agencies to determine the impact of new development or annexations on a municipality.

Prior to establishing his own firm, Mr. Taussig was Director of Finance for Gfeller Development Company, where he was responsible for all take-out and construction financing for the Company's residential projects and infrastructure. He also prepared development project pro formas that were used by prospective lenders and joint venture partners to evaluate the Company's proposed projects.

Mr. Taussig was previously employed for six years by Mission Viejo Company (MVC) where, as Manager of Housing and Community Development, he was involved in the planning and financing of two planned communities encompassing over 50,000 homes. Mr. Taussig was responsible for a substantial portion of MVC's mortgage financing and infrastructure financing during that period. He also worked for five years in the public sector as the administrator of a federal housing and community development program, and as a land-use planner. Mr. Taussig's educational background includes a Master's in City Planning from the University of California at Berkeley and a B.A. in Economics from Cornell University. He received full certification from the American Institute of Certified Planners in 1982, and he is a Registered Investment Advisor. Mr. Taussig is also a member of the national Urban Land Institute's Public Private Partnership Council.

**NATHAN PEREZ, ESQ.**

Managing Director | [nperez@taussig.com](mailto:nperez@taussig.com)

*Project Role – Legal Review*

Mr. Perez has a background in law, economics, business administration, and statistical analysis. Since joining DTA, Mr. Perez has been involved in all aspects of the formation and implementation of numerous Mello-Roos Community Facilities Districts located throughout California, with responsibilities related to the development of tax spread proforma analyses and the preparation of rate and method of apportionments, Public Reports, and overlapping debt



analyses. Mr. Taussig is Series 50 Qualified as a Municipal Advisor by the SEC and MSRB.

Mr. Perez also has extensive expertise in the preparation, peer-review, and defense of development impact fee studies. This includes considerable work related to the preparation of facilities needs lists and the apportionment of infrastructure and services costs to a variety of land uses based on benefit criteria. He has also specialized in the apportionment of costs and the setting of service levels for the construction and maintenance of law enforcement and fire protection facilities, open space acquisition, parkland, transportation facilities, drainage facilities, government services facilities, community centers, and library facilities. Finally, his experience as an attorney has allowed Mr. Perez to effectively and efficiently evaluate dozens of state and Federal legal, regulatory, and administrative frameworks related to nexus-based financing of public facilities. Mr. Perez' recent work on development impact fee studies has included engagements for the cities of Escalon, Firebaugh, Goleta, Kingsburg, Palo Alto, Pasadena, Paso Robles, Reedley, Rialto, San Jacinto, San Luis Obispo, and the Kings, San Bernardino, and Yuba,

Mr. Perez has also completed nearly 100 fiscal impact reports and 50 economic development analyses for a variety of residential, commercial, and mixed-use developments throughout California, New Mexico, Washington, and Texas.

Prior to joining DTA, Mr. Perez worked for the Boston office of an international law firm, where he advised sponsors, managers, and investors on the tax aspects of fund formation and investment. Mr. Perez is admitted to the bar in both Massachusetts and California. Mr. Perez received his law degree from Harvard Law School, and his B.A. in Economics and History, with highest distinction, from the University of North Carolina at Chapel Hill. Mr. Perez is an active member of the Urban Land Institute, the California Bar Association, and the Hispanic National Bar Association.

#### **KUDA WEKWETE**

Vice President | [kwekwete@taussig.com](mailto:kwekwete@taussig.com)

*Project Role – Project Manager*

Mr. Wekwete has a background in mathematical modeling and statistical analysis. Since joining DTA in 2005, Mr. Wekwete has been assisting senior staff at DTA in the formation of Community Facilities Districts, Assessment Districts, Landscaping and Lighting Maintenance Districts, and the sale of special district bonds. His work has involved the preparation of tax spreads and overlapping debt analyses for the formation and/or sale of bonds for over 75 special districts established throughout California. In this role, Mr. Wekwete has prepared Rates and Methods of Apportionment, CFD and Engineers' Reports, and documents required for the formation of a CFD, the sale of property, and the annual levying of a special tax.

Mr. Wekwete has also been actively involved in the preparation of impact fee studies, especially in the areas of transportation infrastructure costing and the apportionment of these costs over various land use types based on benefit criteria. His engineering background has enabled him to assist DTA's Vice President of Engineering Services in applying a variety of apportionment methodologies to the development of fee studies and the establishment of benefit assessment districts for public sector clients. Mr. Wekwete has served in a variety of project management and support roles for the impact fee studies undertaken by Mr. Taussig and Mr. Perez (see above).

Mr. Wekwete also has experience in the preparation of Fiscal Impact Reports, Tax Increment Analyses, and Public Facilities Financing Plans, and has performed due diligence services and disclosure documentation for land purchasers, public agencies, and lenders.

Mr. Wekwete received his B.S. in Operations Research & Industrial Engineering from Cornell University.

### 3. SCOPE OF WORK FOR DEVELOPMENT IMPACT FEE STUDY

#### A. PROPOSED WORK PLAN

Since its establishment in 1985, DTA has been at the forefront of establishing innovative solutions and methodologies for our clients. Having prepared numerous AB 1600 fee studies since the adoption of this legislation by the State, DTA has pioneered many of the industry's techniques and standards. While some of our competitors have attempted to use our work methodology, they have often been unable to modify our methodology to account for the unique circumstances that impact a particular situation. Today, DTA continues to seek innovative solutions and refine our work product to better serve and protect our clients.

DTA's experience gives us the ability to analyze a client's needs and match those needs with specific financing mechanisms to maximize the capacity of a financing program while minimizing burdens on property owners. The variety of financing structures for which we have provided our services have given us a perspective and level of experience that is unique to our industry. DTA's financial consulting services and work products reflect the scrutiny and refinement that can only come through such extensive experience. This experience can be crucial in identifying and resolving issues and helping our clients avoid the pitfalls we have seen cause problems for other municipalities.

The Scope of Work listed above has been devised to include all tasks necessary to evaluate and update the City's current parks and recreational facilities Fee Program so that it continues to comply with California Government Code Section 66000 *et seq.* in concert with the jurisprudence developed by various Federal District and State Courts. DTA's General Counsel regularly reviews state and federal legal and administrative opinions, regulations, and statutes that might affect or modify Development Impact Fee Nexus Studies in California.

Work products stemming from the Work Plan described in this section will include:

- A memorandum summarizing the fee methodology options
- Facility/Capital Needs List
- The draft and final administrative reports
- Fee implementation ordinance

#### TASK NO. 1 – DEVELOP PROJECT STRATEGY AND KICK-OFF MEETING (WEEKS 1-3)

DTA staff will meet with City staff in a project kick-off meeting to finalize the details of the project, deliverables, timetables, and tasks, discuss the fee methodologies and best practices, identify needed information (i.e., reports, project/needs lists, stakeholder groups, data, etc.), prepare final schedule, discuss the public process, and resolve other concerns as appropriate.

#### TASK NO. 2 - DEVELOP POPULATION AND DWELLING UNIT PROJECTIONS (WEEKS 1-3)

DTA will compile and document existing and future population and development estimates for the City. The projections resulting from this task will ultimately be used to calculate fee levels. At this stage DTA would evaluate City resources, influences, and all factors affecting the existing Study, and the various current and proposed/new fees.

This task comprises four subtasks:

**Subtask 2(A) – Population Projections**

DTA will gather existing information on present and future population for the City from various sources, including City Staff, the General Plan, existing Master Plans, the U.S. Census, the State Department of Finance, and from other data sources, including the City's Capital Improvement Program (CIP).

**Subtask 2(B) – Conduct Entitlement Research and Projections**

DTA will coordinate with the City Planning Department to determine existing and future residential and non-residential development within the City over the planning horizon (2035, or such other horizon as selected by City staff.) To complete this subtask, DTA will:

- Review the General Plan/CIP and related plans to determine expected development land use patterns in the City.
- Review City records to identify existing entitlements for dwelling units and commercial/industrial development.
- Project the number of new dwelling units and commercial/industrial development based on existing entitlements and on population projections through 2035, or such other target year as selected by City staff.

**Subtask 2(C) - Review Current City Fee Structure**

DTA shall review and summarize the City's current development fee structures, and current City policies and procedures and other regulatory requirements affecting potential fee structures and revenue program requirements.

**Subtask 2(D) - Review Prior City Fee Justification Studies**

DTA shall review the approach and methodology utilized in prior City fee justification studies so that they can be evaluated in light of the City's current needs.

**TASK NO. 3 - PREPARE/REVIEW FACILITY / CAPITAL NEEDS AND LEVELS OF SERVICE (WEEKS 4-9)**

This task entails review of the facility and capital needs required to serve the new development in the study area projected in Task 2. DTA will use existing City materials (and any relevant developers' facilities reports) as base documents and focus our effort on updating this information.

For any fee program to be comprehensive in its scope, it is necessary to complete a thorough identification and review of all the facilities impacted by additional growth, including those already discussed in the General Plan or CIP, as well as an audit trail for future changes to these facilities and/or their costs. This task will require close coordination with all City departments.

**Subtask 3(A) – Survey/Interview City Staff**

DTA shall survey/interview City staff to review projected facilities in the City, along with major equipment needs, the timing at which improvements will be needed, and any physical data that would assist in developing the costs estimated below in Subtask 3(C). Based upon the results of the surveys and interviews, DTA will verify and, if appropriate, expand the list of new facilities found in the General Plan/CIP to be included within the fee program for the City.

**Subtask 3(B) – Facilities List**

Based on the information collected in Subtask 3(A), DTA shall work with the City to prepare a

facilities needs list that details the new facilities and equipment to serve new development in the City.

Subtask 3(C) – Review Cost Estimates

DTA's engineering and technical staff will, as necessary: consult with City department heads and/or engineering staff or equivalent to ascertain and understand in-house cost data for existing and projected facilities and equipment; apply appropriate inflation and cost of living escalators to the list of projected public facilities to determine future costs; review and/or refine existing cost data; examine major sources of revenue to fund construction of new public facilities; and provide a proportional estimate between projected costs for new facilities and projected revenue from mitigation fees and other sources.

TASK NO. 4 - DEVELOP METHODOLOGY FOR CALCULATING UPDATED FEE AMOUNTS (WEEKS 7-9)

This task entails developing the methodology used to establish the fee amount for each fee component to the extent appropriate. Two critical issues must be considered in developing a Fee Program. The Fee Program must generate revenues in a timely manner and the methodology must meet the nexus or benefit requirements of AB 1600. Since fees of any are controversial, it is critical that any fee established be legally defensible.

DTA's Fee Study methodology must meet the nexus or benefit requirements of AB 1600, which requires that there be a nexus between fees imposed, the use of the fees, and the development projects on which the fees are imposed. Furthermore, there must be a relationship between the amount of the fee and the cost of the improvements. In order to impose a fee as a condition for a development project, the methodology must accomplish the following:

- *Identify the purpose of the fee.*
- *Identify the use to which the fee is to be put. If the use is financing public facilities, the facilities must be identified.*
- *Determine how there is a reasonable relationship between the fee's use and the development project on which the fee is imposed.*
- *Determine how there is a reasonable relationship between the need for the public facility and the development project on which the fee is being imposed.*

Implicit in these requirements is a stipulation that a public agency cannot impose a fee to cure existing deficiencies in public facilities or improve public facilities beyond what is required based on the specific impacts of new development. The benefit methodology established in this subtask will be documented in the Report.

DTA shall prepare a memorandum to City staff summarizing available methodologies and their pros and cons, and providing detailed examples of other counties' or agencies' impact fee programs. Methodologies to review will include programs based on park and recreational facility usage by City residents and employees depending on land use type. The memo will also discuss, as applicable, context-sensitive "credits" for capital improvements required as part of a project application, and discuss various treatments of pass-through trips to ensure "fair share" fees. DTA will recommend a fee expenditure plan to ensure that projects can be fully funded and implemented within any required time limits for expenditures of such funds, as well as possible flexibility to allow collected fees to be used to provide the City match for grant applications. Finally, the memo will include recommendations for methodology, stakeholder outreach, and next steps. Upon review and discussion by City staff, a methodology will be selected.

**Deliverable:** Memorandum summarizing the fee methodology options and communications strategy.

**TASK NO. 5 - DETERMINE FEE LEVELS (WEEKS 7-12)**

This task entails calculating the fee levels based upon the dwelling unit and commercial/industrial development projections completed in Task No. 2, facilities needs and costs determined in Task No. 3, and the methodology selected in Task No. 4. An annual administrative charge shall also be included within the fee.

**Subtask 5(A) – Calculate Recommended Fee Amounts**

DTA shall calculate the fees for the City by inputting the data compiled under the preceding tasks, and computing the amount of each fee to be levied. This work will be done in a spreadsheet format, which can be updated annually.

**Subtask 5(B) – Document Fee Derivation**

DTA shall document the methodology utilized for the fee calculation model that can be understood by the City and the public. DTA shall prepare written statements documenting the validity of the methodology for deriving each of the fees for the City. These statements will be made to meet the requirements of AB 1600 and will be documented in the Final Report discussed below.

**Deliverable:** Memorandum listing recommended fee levels and supporting documentation.

**TASK NO. 6 - PREPARE DRAFT AND FINAL REPORTS (WEEKS 7-15)**

This task entails preparation of the draft and final reports for consideration by City staff and the City Council.

**Subtask 6(A) – Prepare Draft Report for Comments**

Based on the work completed in Task Nos. 1 through 5, DTA will prepare the Draft Report for review and consideration by City staff. The report will be prepared under the standards of AB 1600 and is expected to include:

- Executive Summary
- Population Projections
- Facilities and Improvements List
- Areas of Benefit (if applicable)
- Fee Calculations
- Recommended Fee Levels
- Recommended Process for Keeping Fees Current
- Fee Credit Mechanisms
- Implementation Ordinance

**Subtask 6(B) – Prepare Final Report**

Based on the incorporation of City staff comments and concerns on the Draft Report, DTA will prepare the Final Report for presentation to the City Council and City staff.

**Deliverable:** Draft and Final Report and Draft Implementation Ordinance.

**TASK NO. 7 – ATTEND MEETINGS AND PUBLIC OUTREACH (WEEKS 4-15)**

This task entails attendance at three (3) additional meetings/workshops beyond the kickoff meeting, including meetings with the City Manager (or similar), other City staff, the stakeholders, and the City Council to present interim status of the study, preliminary, and final report and obtain input. Included in this task shall be one meeting with stakeholders, such as the Building Industry Association, NAIOP and/or other concerned community representatives. We have found during prior Fee Study engagements that involving these groups in the development of the infrastructure Needs List and the review of the draft Fee Study provides the political support needed by the City in its deliberations and approval of the Study. DTA shall prepare presentations and handouts for these meetings to better educate the stakeholders, City staff, and the City Board of Supervisors. Additional meetings beyond these three (3) may also be held, but shall require additional budget.

4. BUDGET AND SCHEDULE

A. SCHEDULE

Task	AB 1600 Nexus Study	Weeks 1 to 3	Weeks 4 to 6	Weeks 7 to 9	Weeks 10 to 12	Weeks 13 to 15
1	Develop Project Strategy & Hold Kick-Off Meeting					
2	Develop Population and Demographic Projections					
3	Prepare/Identify Facility / Capital Needs & Levels of Service*					
4	Develop Methodology for Calculating Updated Fee Levels					
5	Determine Updated Fee Levels					
6	Prepare Draft and Final Reports					
7	Attend 3 Additional Meetings (Including One Stakeholder Meeting and One Presentation to Board)					

\* In DTA's experience, the time needed to prepare the Needs List for all facilities is dependent on the cooperation of staff from the various City departments. The fifteen (15) week schedule listed above assumes a reasonable level of cooperation from all City departments financing their facilities through the Fee Program.



**SECTION 4 ■ BUDGET AND SCHEDULE**

**B. BUDGET**

The table below reflects the charges for each of the seven tasks listed in the Scope of Work described in Section 3 (above). The City will be invoiced as each one of the tasks is completed. The total cost to complete the work will be \$27,135, plus up to \$2,000 for out-of-pocket expenses (as further described below).

DESCRIPTION	TITLE	ESTIMATED HOURS	HOURLY RATE	EXTENDED RATE/COST
Task #1: Develop Project Strategy & Kick-Off Meeting	President	6	\$225	\$1,350
	Vice President	6	\$180	\$1,080
	Engineer	0	\$180	\$0
	Senior Analyst	0	\$130	\$0
<b>TOTAL NOT TO EXCEED TASK 1</b>		12	NA	\$2,430
Task #2: Develop Population and Demographic Projections	President	1	\$225	\$225
	Vice President	8	\$180	\$1,440
	Engineer	0	\$180	\$0
	Senior Analyst	12	\$130	\$1,560
<b>TOTAL NOT TO EXCEED TASK 2</b>		21	NA	\$3,225
Task #3: Prepare/Identify Facility / Capital Needs & Levels of Service	President	6	\$225	\$1,350
	Vice President	12	\$180	\$2,160
	Engineer	0	\$180	\$0
	Senior Analyst	12	\$130	\$1,560
<b>TOTAL NOT TO EXCEED TASK 3</b>		30	NA	\$5,070
Task #4: Develop Methodology for Calculating Updated Fee Levels	President	4	\$225	\$900
	Vice President	8	\$180	\$1,440
	Engineer	0	\$180	\$0
	Senior Analyst	8	\$130	\$1,040
<b>TOTAL NOT TO EXCEED TASK 4</b>		20	NA	\$3,380

**SECTION 4 ■ BUDGET AND  
SCHEDULE**

DESCRIPTION	TITLE	ESTIMATED HOURS	HOURLY RATE	EXTENDED RATE/COST
Task #5: Determine Updated Fee Levels	President	4	\$225	\$900
	Vice President	8	\$180	\$1,440
	Engineer	0	\$180	\$0
	Senior Analyst	16	\$130	\$2,080
<b>TOTAL NOT TO EXCEED TASK 5</b>		28	NA	\$4,420
Task #6: Prepare Draft and Final Reports	President	8	\$225	\$1,800
	Vice President	8	\$180	\$1,440
	Engineer	0	\$180	\$0
	Senior Analyst	16	\$130	\$2,080
<b>TOTAL NOT TO EXCEED TASK 6</b>		32	NA	\$5,320
Task #7: Attend 4 Additional Meetings (Including Two Stakeholder Meetings and One Presentation to Board)	President	0	\$225	\$0
	Vice President	18	\$180	\$3,240
	Engineer	0	\$180	\$0
	Senior Analyst	12	\$130	\$1,560
<b>TOTAL NOT TO EXCEED TASK 7</b>		30	NA	\$4,800
<b>TOTAL NOT TO EXCEED ALL TASKS *TASK 1 to 7*</b>	President	29	\$225	\$6,525
	Vice President	68	\$180	\$12,240
	Engineer	0	\$180	\$0
	Senior Analyst	76	\$130	\$13,440
	<b>Total</b>	173	NA	\$28,645

In addition to fees for services, the City shall reimburse DTA for out-of-pocket and administrative expenses by paying a charge equal to 3% of DTA's monthly billings for labor, plus clerical time at \$75 per hour, travel costs, and any outside vendor payments, not to exceed \$2,000.

Fees for services shall be charged at the completion of each of the seven tasks listed in the Scope of Work and in the Payment Schedule. Any additional tasks not listed in the Scope of Work that have been assigned by the City shall be charged at the hourly rates listed above. Additional meetings (over the four (4) included in the base rate) shall be charged at the rate of \$2,000 per meeting.

**Legal Defense & Annual Updating (Optional)**

As a licensed attorney in California, DTA's in-house-counsel for this engagement, Nathan Perez, Esq., is uniquely situated to efficiently and affordably review legal challenges to the City's fees and assessments.

## SECTION 4 ■ BUDGET AND SCHEDULE

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Other DTA senior staff is well-versed in current Impact Fee and Prop 218 law and all DTA staffers are experienced in receiving and responding to property owner calls and inquiries. Through comprehensive, considerate explanations, DTA can nearly always resolve complaints on or shortly after the first inquiry. Should a legal challenge be mounted however, Mr. Perez and other DTA staff will (i) coordinate with City legal counsel, (ii) turn over and explain all work-product, (iii) immediately respond to all information requests, (iv) assist the City in researching and responding to the challenge, and (v) as necessary, provide a list of comparable districts engaging in comparable practices.

These efforts, along with any services required for Annual Updating (or other ancillary tasks), will be billed at the hourly rates noted above.

### Limitations

The labor costs in the table above include attendance at four (4) formal meetings with City staff, stakeholders, and the City Board of Supervisors. Attendance at over four (4) meetings, detailed written responses to resolve disputes, or preparation of more than one set of major revisions to the draft report will be classified as Additional Work and may require additional billing at hourly rates identified in the table above if the maximum fee levels have been exceeded.

Other examples of Additional Work shall include:

- ◊ Additional analyses based on revised assumptions requested by the City, including (a) possible changes in Facilities Needs List, infrastructure costs, population projections, and related data once preparation of draft administrative report has been initiated, and (b) adjustments to assumptions once the draft administrative report has been approved.
- ◊ Preparation of a complete Master Facilities Plan for the City without significant input from City staff, including existing lists of improvements to be included on Needs List
- ◊ Negotiations with stakeholders once the Report has been prepared.
- ◊ Actual implementation of fee programs.
- ◊ Reproduction of over five (5) bound copies of the Report.

All hourly rates for services apply for a 12-month period from execution of the agreement and are subject to a cost-of-living increase every 12 months. On or about the first two weeks of each month during which Consulting Services are rendered, DTA shall present to the City an invoice covering the current consulting services performed and the reimbursable expenses incurred. The maximum fees listed above assume the review and implementation of the Fee Program with a schedule between initiation of services and public outreach that is no longer than eight (8) months.

### Information to be Provided by the City

DTA requests this information be provided by the City at no charge and in a timely manner so that the project does not extend beyond eight (8) months from authorization to proceed:

## SECTION 4 ■ BUDGET AND SCHEDULE

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- ◇ City's latest draft of its Master Plan of Park and Recreation Master Plan, as well as pertinent updates as they arise.
- ◇ To the extent available, detailed description of the proposed public facilities, including the facility name and number of square feet, acres, etc. (as applicable for each type of facility)
- ◇ Inventory of completed facilities within the City, including type, size, and location of facility
- ◇ Cost estimates for proposed facilities (DTA anticipates that the City's cost data and estimates will be reviewed by DTA staff and discussed with City staff)
- ◇ Identification of any committed revenue sources pledged to fund proposed facilities on the Needs List
- ◇ Existing City Fee Ordinances and/or Resolutions.
- ◇ Current Annual and Five-Year Reports per Government Code Sections 66006 and 66001.
- ◇ Identification of any committed revenue sources pledged to fund proposed facilities



**DTA** DAVID TAUSSIG  
& ASSOCIATES

Public Finance  
Public Private Partnerships  
Urban Economics  
Clean Energy Bonds

5000 Birch Street, Suite 6000  
Newport Beach, CA 92660  
Phone: (800) 969-4382

CITY COUNCIL  
AGENDA SUBMITTAL

Meeting Date: February 14, 2017

**SUBJECT:** Nuevo Bridge Project - Utility Verification

**REQUESTED ACTION:** That the City Council Award Utility Verification Contract Services to C Below Subsurface Imaging and Authorize City Engineer to Approve

**CONTACT:** Habib Motlagh, City Engineer

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**BACKGROUND:**

The existing bridge crossing at Nuevo Road at the Perris Valley storm Channel requires replacement to meet the current and future growth. The City had obtained services of CHO Design Associates, Inc. previously to prepare the bridge design; and there are existing utilities in conflict with the proposed bridge and road widening and need to be relocated.

Staff obtained two proposals from qualified underground utility verification companies and had determined that C Below Subsurface Imaging was qualified to perform the utility verification and recommend their services. Their price for this work is \$19,365.00 in comparison with California Boring amount of \$65,395.00.

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**BUDGET (or FISCAL) IMPACT:** This project is identified in current CIP (S076) with funding sources from Drainage Fees & TUMF.

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Reviewed by:

City Attorney \_\_\_\_\_

Interim Assistant City Manager *DM*

Assistant Finance Director *J*

Attachments – C Below Subsurface Imaging Proposal  
Utility Verification and Potholing Exhibit  
CIP Sheet S076

Consent: X

Public Hearing:

Business Item:



**Estimate**  
**Job No.** 17-0157  
**Quote No.** Q-00778  
**Date:** 1/24/2017 2:21:08 PM  
**Expires on:** 2/23/2017 12:00:00 AM  
**Payment Terms:**

**C Below | Subsurface Imaging**  
*Call Before you cut, core, drill or dig.*

14280 Euclid Ave Chino, CA 91710  
Phone: (888) 902-3569 Fax: (909)606-6555  
www.cbelow.com

**Bill To**  
Tri Lake Consultants  
24 S D St #100  
Perris  
CA  
92570

**Job Name**  
**Nuevo Rd Potholing**  
Revision 1  
Prevailing Wage

**Primary Contact**  
Rudy Tri Lake  
(951) 654-3530  
rudy@trilakeconsultants.com

**Jobsite Address**  
Nuevo Rd  
Perris  
CA,

Sales Rep	Ext.	Email	Cell
Nick Loera	210	nickl@cbelow.com	(310) 749-9351

C Below, Inc. submits this proposal for the Nuevo Rd Potholing project. Our proposal is based on the enclosed estimated hourly breakdown and the C Below Schedule of Fees. In order to successfully complete the outlined scope of services in this proposal our field technicians will need uninterrupted clear access to the work area and the appropriate project documentation. We appreciate the opportunity to provide you with our services and look forward to helping assure a safe and successful project.



**Estimate**

**Job No.** 17-0157  
**Quote No.** Q-00778  
**Date:** 1/24/2017 2:21:08 PM  
**Expires on:** 2/23/2017 12:00:00 AM  
**Payment Terms:**

**Scope of Work**

**Error! Unknown op code for conditional.**





**Estimate**  
 Job No. 17-0157  
 Quote No. Q-00778  
 Date: 1/24/2017 2:21:08 PM  
 Expires on: 2/23/2017 12:00:00 AM  
 Payment Terms:

**Product Line Items**

Product	Quantity	Sales Price	Total Price
Admin	2	\$95.00	\$190.00
Locating   Supervising Technician	4	\$175.00	\$700.00
Mobilization   Potholing	3	\$225.00	\$675.00
Mobilization   Single Tech	1	\$110.00	\$110.00
Pothole   5'-10' Deep	4	\$600.00	\$2,400.00
Project Coordination	2	\$95.00	\$190.00
Traffic Control   25-55 MPH	4	\$800.00	\$3,200.00
Permitting	2	\$750.00	\$1,500.00
Pothole   0'-5' Deep	14	\$550.00	\$7,700.00
Pothole   15'-20' Deep	3	\$900.00	\$2,700.00
<b>Total USD</b>			<b>\$19,365.00</b>

**Product Descriptions**

Product Item	Description
Admin	Administration
Locating   Supervising Technician	Locate Utilities   Electrical, Comm, Water, Power, Gas, Sewer, Storm Drain
Mobilization   Potholing	Mobilization for Potholing Crew Plus Equipment
Mobilization   Single Tech	Mobilization for Technician and Equipment. Per Technician.
Pothole   5'-10' Deep	Standard Pothole   Includes standard Perma-Patch repair.
Project Coordination	
Traffic Control   25-55 MPH	Traffic Control setup for 25-55 MPH zones. Subject to Change based on Approved Agency.
Permitting	Permitting Fee. Subject to Change based on actual agency prices.
Pothole   0'-5' Deep	Standard Pothole   Includes standard Perma-Patch repair.
Pothole   15'-20' Deep	Standard Pothole   Includes standard Perma-Patch repair.

## General Terms and Conditions for Services

Provided by C Below, Inc.

For the remainder of this document, C Below, Inc. will be referred to as CBI and the Owner or Owner's representative will be referred to as the CLIENT.

### ANTICIPATED COSTS

CBI's estimated budget is based upon information provided by the Client. Our ability to perform within the estimated budget depends heavily on the accuracy of the information provided, as well as the cooperation and attentiveness of the Client's management staff. Our accounting department will provide the Client with a percentage of the estimated budget used on each invoice. The Client's management staff shall monitor the percentage of work remaining to assure CBI's services are not greater than the estimated budget. If CBI performs less work than the estimated budget, the Client's costs will be less. Likewise, if the duration of our services exceeds our estimated budget, the Client will incur more cost. Verbal requests made by project representatives to perform services beyond our estimated budget are considered authorization to perform billable work. Project actual budget totals may vary. Estimated budget hours are based on a 40-hour/Monday - Friday workweek, 8-hours per day, excluding weekends, holidays and overtime. The Client agrees that any "budget estimates", "anticipated costs" or other like documentation prepared by CBI is NOT a "not to exceed budget", "guaranteed maximum" or "lump sum". The Client will be invoiced for all work performed based on CBI's Schedule of Fees and these Terms & Conditions.

### MINIMUM CHARGES

All locating services are based on a minimum of four hours. Over four hours shall be a minimum of eight hours. If a technician is scheduled to perform a service and no work is performed, a two hour minimum charge shall apply (show-up charge).

### WORKING HOURS

CBI's regular workweek is Monday - Friday. Normal work hours are 7:00 am – 5:00 pm. For work performed Monday – Friday, overtime hours (1.5 times the contracted hourly rate) apply after eight hours worked per day. Premium time hours (2 times the contracted hourly rate) apply after twelve hours worked per day. Work performed on Saturday shall be billed at 1.5 times the contracted hourly rate. Work performed on Sundays and Holidays shall be billed at 2.0 times the contracted hourly rate. Holidays observed by CBI are New Year's Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving, the day after Thanksgiving and Christmas. Overtime hour charges shall be in one-hour increments.

### SCHEDULING & CANCELLATION

A minimum of 24-hours notice is required when scheduling CBI's services. If services are requested the same day or after 2:00 pm the preceding day, a premium expedite fee of \$75 per technician will apply. If services are canceled less than 24-hours before the scheduled start time, a fee of \$75 per technician will apply.

### PREVAILING WAGE

The prices quoted within are NOT Prevailing Wage or Union unless specifically stated on the first page of this document. If this project requires Prevailing Wage, our hourly rates will increase the proportional percentage increase every July 1 in accordance with the wage listed by the Director of Industrial Relations which is tied to any applicable union or collective bargaining agreement documented annual increases plus corresponding changes in our general administration and overhead expenses. These adjustments shall become the agreed upon basis for charges by CBI to the Client.

### CERTIFIED PAYROLL

Certified payroll requests will have a processing fee applied for each project, billed on every invoice in the amount of \$75.00.

### C.O.D.

Projects totaling less than \$5,000.00 in services for Clients that have not submitted credit approval through the CBI accounting department shall be performed on Cash on Delivery (C.O.D.) basis. Prior to the start of our services the CBI technician will collect a check from the Client. For all other projects, please see the TERMS OF PAYMENT section of this document.

### TERMS OF PAYMENT

The Client agrees invoices rendered for professional or technical services will be prepared bi-monthly and are due upon presentation. Invoices will be deemed past due if unpaid within thirty (30) days from date of invoice, and will be subject to a monthly finance charge of 1.5% of invoice total for each month unpaid. All invoice errors or necessary corrections shall be submitted to CBI within fifteen (15) days of receipt of the invoice; thereafter the Client acknowledges the invoice is correct and valid for payment due to CBI. CBI reserves the right to terminate services to the Client without notice if the Client's account is not paid currently. Upon such termination of services, the entire amount accrued for all services performed shall immediately become due and payable to CBI. The Client waives any and all claims against CBI, its subsidiaries, affiliates, servants and agents in connection with termination of work/services pursuant to this agreement. In the event CBI deems it necessary to refer a past due account to an attorney or to file suit for collections, the Client agrees to pay all actual expenses and costs incurred there by, including CBI staff costs, actual attorney fees & costs, and all related costs in such litigation. Jurisdiction and venue of all such actions and any other actions arising from this agreement or the provision of services by CBI shall be in San Bernardino County, State of California.

### INSURANCE

CBI carries all insurance required by law. Additional insurance coverage can be obtained at an additional cost to the Client. These costs can be obtained by quotation from CBI. CBI will process Waiver of Subrogation, Additional Insured's, and Additional insurance certificates upon request from the Client. An additional charge of \$150 will apply for each document required and will be invoiced to the Client.

### REIMBURSABLE EXPENSES

Outside services performed by others and direct costs expended on the Client's behalf, are charged at cost plus 15%. Equipment and materials purchased/rented by CBI exclusively for the project will be invoiced at cost plus 15%. Business license fees for project specific requirements will be invoiced at cost plus 15%.

### SERVICE AUTHORIZATION

Verbal request will be considered authorization to perform billable work. The Client shall designate member(s) of their staff who have authority to request our services and notify CBI in writing as to their authorized representative. Otherwise all service requests are billable.

### PROPOSAL VALID DURATION

Proposed Master Fee Schedule of Rates, Term & Conditions and General Conditions stated within are valid for 30 days from proposal date.



**Estimate**  
**Job No.** 17-0157  
**Quote No.** Q-00778  
**Date:** 1/24/2017 2:21:08 PM  
**Expires on:** 2/23/2017 12:00:00 AM  
**Payment Terms:**

Please review the following page on our services capabilities and limitations before signing. Should you have any questions about our services, please contact your sales representative before signing this agreement.

**Signature:** \_\_\_\_\_ **Effective Date:** \_\_\_\_\_  
**Name (Print):** \_\_\_\_\_ **Title:** \_\_\_\_\_

**Client Billing Information**

**Bill to Name** \_\_\_\_\_  
**Attention** \_\_\_\_\_  
**Address** \_\_\_\_\_  
**City** \_\_\_\_\_ **ST** \_\_\_\_\_ **Zip** \_\_\_\_\_  
**Email** \_\_\_\_\_

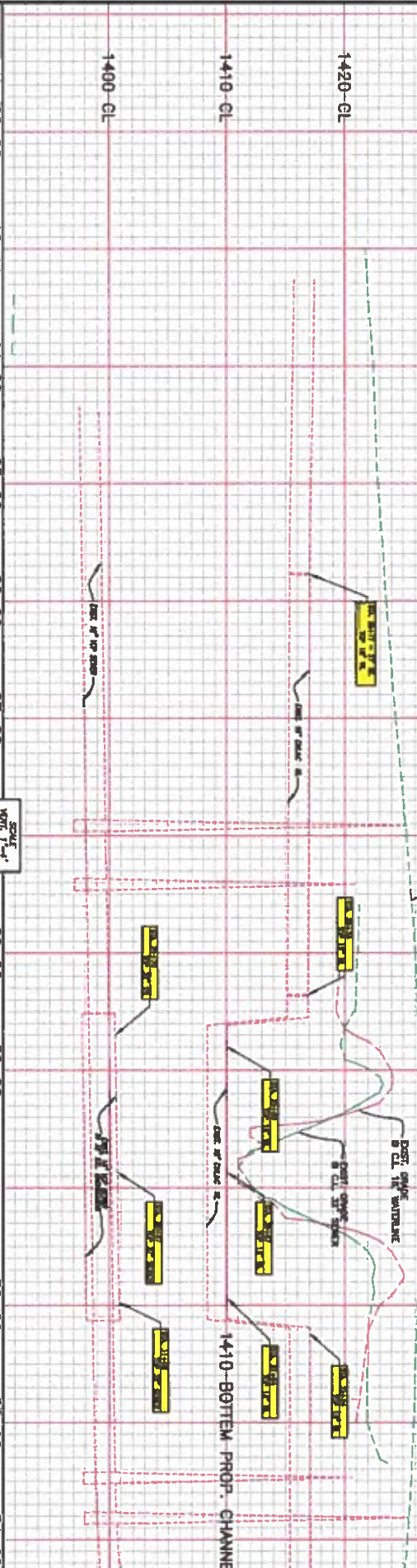
**C Below Signature:** \_\_\_\_\_ **Effective Date:** \_\_\_\_\_  
**C Below Name (Print):** \_\_\_\_\_ **Title:** \_\_\_\_\_

Please sign and email to Nick Loera at nickl@cbelow.com.

After C Below receives this signed agreement, **Dispatch** will be notified immediately to begin the scheduling process. Service availability changes throughout the day. Service date and time can only be confirmed by dispatch after receiving this agreement.

**THANK YOU FOR YOUR BUSINESS!**

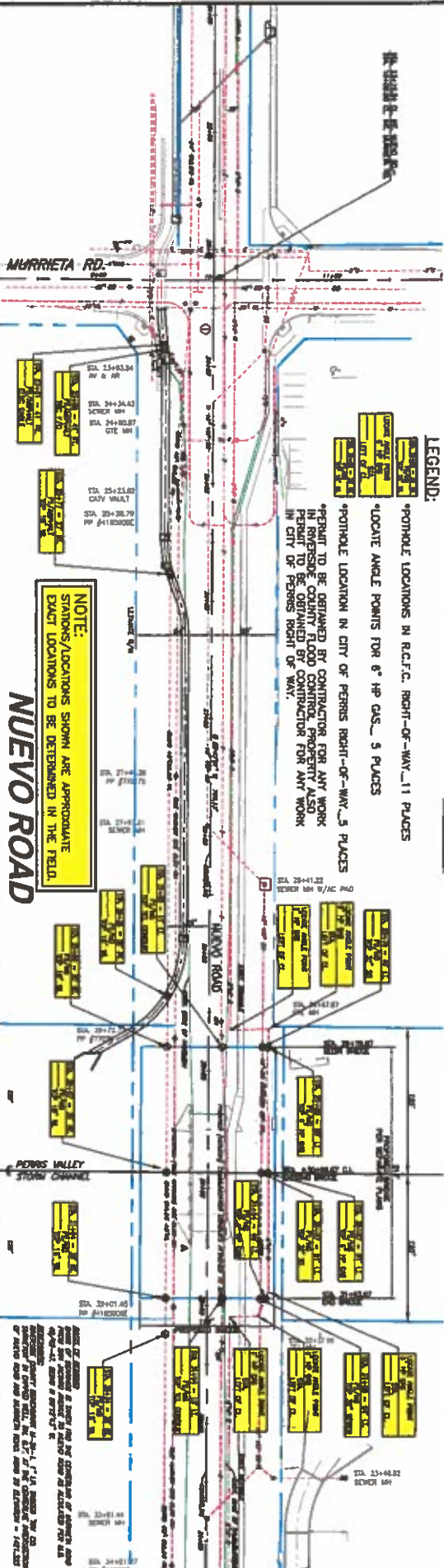
**NOTE:**  
STATIONS/LOCATIONS SHOWN ARE APPROXIMATE  
EXACT LOCATIONS TO BE DETERMINED IN THE FIELD.



**LEGEND:**

- POTHOLE LOCATIONS IN R.C.T.C. RIGHT-OF-WAY-11 PLACES
- POTHOLE LOCATION IN CITY OF PERRIS RIGHT-OF-WAY-5 PLACES
- POTHOLE ANGLE POINTS FOR 8" HP GAS- 3 PLACES

\*PERMIT TO BE OBTAINED BY CONTRACTOR FOR ANY WORK  
IN PERRIS COUNTY TO BE CONDUCTED PRESENTLY ALSO  
IN CITY OF PERRIS RIGHT OF WAY.



**NOTE:**  
STATIONS/LOCATIONS SHOWN ARE APPROXIMATE  
EXACT LOCATIONS TO BE DETERMINED IN THE FIELD.

# NUEVO ROAD

		<p>APPROVED BY: _____ DATE: 07/27/2016</p>	<p>SCALE: AS SHOWN</p>
<p>DATE: 07/27/2016</p>	<p>DATE: 07/27/2016</p>	<p>DATE: 07/27/2016</p>	<p>DATE: 07/27/2016</p>
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<p>DATE: 07/27/2016</p>	<p>DATE: 07/27/2016</p>	<p>DATE: 07/27/2016</p>	<p>DATE: 07/27/2016</p>

**THE LAKE CONSULTANTS, INC.**  
CITY ENGINEER

**CITY OF PERRIS, CALIFORNIA**  
NUEVO ROAD BRIDGE PROJECT  
BRIDGE # 1410  
FOR HOLE LOCATIONS

DATE: 07/27/2016

PROJECT NUMBER: 1410

SCALE: AS SHOWN

SHEET NO. 1

# CITY OF PERRIS


## Capital Improvement Program Project Details

Project Title: Nuevo Bridge Widening and Road Improvements


**Project Description:** Widening Nuevo Road from 2 to 4 lanes between Murrieta and Dunlap (within City Limits) and from Dunlap to Menifee (within County of Riverside limits). Also, widening of Nuevo Road bridge over Perris Valley Storm Drain to accommodate additional lanes.

Project Number:  
**S076**

Managing Department(s)  
**City Engineer**

	<b>Project Status:</b> <input type="checkbox"/> New <input checked="" type="checkbox"/> Pending <input type="checkbox"/> RFP Prepared <input type="checkbox"/> In Design <input type="checkbox"/> Out to Bid <input type="checkbox"/> Under Construction	<b>Impact on Future Operating Costs</b> <input checked="" type="checkbox"/> Increase <input type="checkbox"/> Decrease <input type="checkbox"/> Minimal	<b>Project Statistics:</b> Project related to: Origination Yr. <u>FY 09/10</u> <input type="checkbox"/> Safety & Health <input checked="" type="checkbox"/> Masterplan <input type="checkbox"/> Council Goal
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### Financial Requirements:

<b>Initial Cost Estimate by Category</b>	<b>Estimate</b>		<b>Project Summary</b> Total Funded \$ <u>4,660,955</u> Total Project Costs \$ <u>138,186</u> Sub-total \$ <u>4,522,769</u> Restricted Funds \$ _____ Available Funds \$ <u>4,522,769</u>
Land Acquisition / Right of Way	_____		Restricted Funding <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Engineering / Architecture	_____		
Internal Costs (staff/operational Exp)	_____		
Construction	_____		
Construction Mgmt / Inspection	_____		
Other - Specify _____	_____		
<b>Total</b>	<b>5,250,000</b>		

### Funding Allocation

Funding Source(s)	Fund	Budget 2014/2015	Budget 2015/2016	Plan 2016/2017	Plan 2017/2018	Plan 2018/2019	Plan 2019/2020	Plan 2020+
Master Drainage	160	4,410,489						
External Contribution - TUMF	157	239,141						
<b>Total</b>		<b>4,649,630</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Initial Cost Estimate	5,250,000
Remains Unfunded	589,045

### Budget Amendment Notes

Date	Description / Action	Adopted Budget	Amendment	Amended Budget
2010/11	Budget Master Drainage	250,000		\$ 250,000
2011/12	Budget Master Drainage	4,161,149		\$ 4,411,149
2012/13	External Contribution - TUMF		249,806	\$ 4,660,955
	Initial fund will be utilized toward planning and engineering.			
	Future years may require loan to drainage funds with possible TUMF reimbursement			

CITY COUNCIL  
AGENDA SUBMITTAL

**Meeting Date: February 14, 2017**

**SUBJECT: Consent to the Assignment & Assumption of the three South Perris Development Agreements from FirstCal Industrial, LLC to the GM Gabrych Family Limited Partnership for projects located at the southwest corner of Mountain Avenue and Goetz Road, the northeast corner of Mapes Road and "A" Street, and the northeast corner of Ellis Avenue and Redlands Avenue**

**REQUESTED ACTION:** Approval of Assignment and Assumption Agreements for each of the Project's three Phases.

**CONTACT:** Eric Dunn, City Attorney

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**BACKGROUND/DISCUSSION:**

On August 31, 2010, the City Council adopted Ordinances 1269, 1270 and 1271 approving three Development Agreements for entitlements granted to three affiliates of FirstCal Industrial, LLC for the development of three industrial logistic distribution campuses on three different sites encompassing 458 acres at locations described below. Each property was defined as a "Phase" and are collectively known as the South Perris Properties Project. The three Phases are shown on the attached map.

The Project's three Phases are:

- a. **Phase I:** Ordinance 1269      Instrument 20174-0092054  
Riverside County Official Records  
Owner: FR/CAL Goetz, LLC  
Location: 38 acres located at the southwest corner of Mountain Avenue and Goetz Road
  
- b. **Phase II:** Ordinance 1270      Instrument 2014-0092059  
Riverside County Official Records  
Owner: FR/CAL Goetz Road, LLC  
Location: 205 acres located at the northeast corner of Mapes Road and "A" Street
  
- c. **Phase III:** Ordinance 1271      Instrument 2014-0092090  
Riverside County Official Records  
Owner: FR/CAL Ellis, LLC  
Location: 217 acres located at the northeast corner of Ellis Avenue and Redlands Avenue

The Effective Date for all three Development Agreements is as of September 30, 2011, and each has a Term of fifteen (15) years, through September 30, 2026. The Development Agreements

allow for the original developer and its respective affiliates to assign its rights and obligations to another party, provided the City of Perris consents to and approves the respective Assignment & Assumption Agreement for each Phase. Pursuant to the terms of the Development Agreements, the City must approve the Assignment & Assumption Agreements absent good cause.

The Assignee (New Developer / Buyer) is the GM Gabrych Family Limited Partnership who has completed various projects in Perris and the surrounding area. The following information was provided by the New Developer:

As New Developer, GM GABRYCH FAMILY LIMITED PARTNERSHIP is a California limited partnership, whose principal is a high net worth individual. The Lansing Companies is the managing/development partner. Lansing has processed projects in and around the City of Perris and County of Riverside for over thirty years.

- Processed the specific plan (with Strata Equities as our partner) on the Riverwoods Specific Plan in South Perris. Touted as a great plan by the then City Council.
- Sold 500 acres (in 1984 to the current owners) which is now the Parkwest and East West Specific Plan.
- Processed the Tentative Tract Map on 77 lots on Mountain Avenue next to Pinacate Middle School.
- Own 108 lots Tentative Tract Map ready to record at southwest corner of Ellis and "A" street.
- Currently processing in the City a 165 unit Senior apartment project at the northwest corner of Ellis and "A" street.
- Assisted in multiple engineering efforts regarding the channelization of the San Jacinto River.
- Worked with EMWD on many projects.
- Own and have processed Specific Plan to the east of the City 240 acres Nuevo Road.
- Processing in the county 267 lots next to former ski land lake , project called Nuevo Meadows.
- Previously owned the 205 acres south on Goetz Road, subject of this project.
- Also owned in the 1980's part of the Ellis property , subject of this project.
- Worked with Lakeview Nuevo on their community plans over the years (mostly back in the 1990's).
- Processed in the County just to the South the Menifee North Specific Plan and the Winchester Hills Specific Plan.
- Worked on future alignment of Hwy 74 by-pass from Perris to Elsinore.
- In the 1990's owned the Regency Apartments 72 units off Perris Boulevard.

The Lansing Companies website contains further information at:  
[www.lansingcompanies.com](http://www.lansingcompanies.com).

Staff has reviewed the original developer's request for consent by the City to the three Assignment & Assumption Agreements for each of the Project's Phases, and has found no good cause to deny such consent, and therefor recommends approval. The agreements are attached.

**BUDGET (or FISCAL) IMPACT:**

None to the City.

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Reviewed by:

Interim Assistant City Manager DM

Assistant Director of Finance JE

City Attorney X

**Attachments:**

1. Site Map
2. Assignment and Assumption Agreement (Phase I) by and between FR/CAL Goetz, LLC (Assignor) and GM Gabrych Family Limited Partnership (Assignee)
3. Assignment and Assumption Agreement (Phase II) by and between FR/CAL Goetz Road, LLC (Assignor) and GM Gabrych Family Limited Partnership (Assignee)
4. Assignment and Assumption Agreement (Phase III) by and between FR/CAL Ellis, LLC (Assignor) and GM Gabrych Family Limited Partnership (Assignee)

Consent: X

Public Hearing:

Business Item:

Other:





Redlands Ave

PLC North  
PHASE III

215

Ellis Avenue

Case Road

Perris  
Airport

Goetz Road

Ethanac Road

PLC West  
PHASE I

Mapes Road

PLC South  
PHASE II

RECORDING REQUESTED BY  
AND WHEN RECORDED  
MAIL TO

City of Perris  
101 North "D" Street  
Perris, CA 92570  
Attn: City Clerk

---

Space Above This Line for Recorder's Use  
(Exempt from Recording Fee per Gov't Code § 6103)

**ASSIGNMENT AND ASSUMPTION AGREEMENT**  
**(PHASE I)**

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (PHASE I) (this "Assignment") is made and entered into as of \_\_\_\_\_, 2017 ("Effective Date"), by and between FR/CAL GOETZ, LLC, a Delaware limited liability company (the "Developer" or "Assignor") and GM GABRYCH FAMILY LIMITED PARTNERSHIP, a California limited partnership ("Assignee"), with reference to the following Recitals.

**RECITALS**

A. Assignor owns the approximately thirty-eight (38) acre parcel of real property ("Site") located at the SW corner of Mountain Avenue and Goetz Road (commonly known as APN 330-070-008), which is within the City of Perris, County of Riverside, State of California. The Site is legally described in Exhibit "A" attached hereto.

B. Assignor, as "Developer," and the City of Perris, a California municipal corporation ("City"), have entered into that certain Development Agreement dated September 30, 2011 (the "Development Agreement"). The Development Agreement is recorded as instrument 2014-0092054 in Riverside County Official Records.

C. Capitalized terms not defined herein shall have the same meaning as set forth in the Development Agreement.

D. Concurrently with the Effective Date of this Assignment, Assignor shall have conveyed to Assignee the Site.

E. In accordance with Section 2.3 of the Development Agreement, Assignor now desires to assign all of its obligations and its right, title, and interest in and to the Development Agreement as it relates to the Site, and Assignee desires to accept such assignment on, and subject to, the terms and conditions set forth in this Assignment.

F. The City of Perris desires to consent to same assignment and assumption and to release Developer as provided by its signature below.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

### AGREEMENT

1. Assignment. From and after the Effective Date of this Assignment, Assignor hereby assigns, conveys, transfers and delivers to Assignee all of Assignor's right, title, interest, and obligation in, to and under the Development Agreement as such rights, title, interest and obligation apply to the Site, and Assignee hereby accepts such assignment and agrees to assume performance of all terms, covenants, obligations and conditions occurring or arising under the Development Agreement (with respect to the Site) from and after the Effective Date.

2. Assumption of Obligations. By acceptance of this Assignment, Assignee hereby agrees to assume all of Assignor's right, title, interest and obligation in, to and under the Development Agreement to the extent rights, title, interest and obligation apply to the Site, and Assignee agrees to timely discharge, perform or cause to be performed and to be bound by all of the liabilities, duties and obligations imposed in connection with the Development Agreement as such rights, title, interest and obligation apply to the Site, from and after the Effective Date to the same extent as if Assignee had been the original party thereto. Assignor is hereby released from all future liabilities, duties and obligations created by the Development Agreement with respect to the Site.

3. City Release of Developer. The City agrees that, by the City's approval of this Assignment, Assignor is hereby released and discharged from all rights, privileges, obligations and liabilities under the Development Agreement first arising and accruing from and after the Effective Date, and the City and Assignee each hereby acknowledge that, as of the Effective Date, Assignee enjoys all such right and privileges and is responsible for satisfying all such obligations and liabilities of the same as if the Development Agreement had originally been executed between the City and Assignee.

4. Successors and Assigns. This Assignment shall be binding upon and shall inure to the benefit of the successors and assigns of the respective parties hereto.

5. Governing Law. This Assignment shall be governed by and construed in accordance with the laws of the State of California without regard to conflict of law principles.

6. Further Assurances. The parties covenant and agree that they will execute such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out this Assignment.

7. Authority of Signatories to Bind Principals. The persons executing this Assignment on behalf of their respective principals represent that (i) they have been authorized to do so and that they thereby bind the principals to the terms and conditions of this Assignment and (ii) their respective principals are properly and duly organized and existing under the laws of, and permitted to do business in, the State of California.

8. Interpretation. The paragraph headings of this Assignment are for reference and convenience only and are not part of this Assignment. They have no effect upon the construction or interpretation of any part hereof. The provisions of this Assignment shall be construed in a reasonable manner to effect the purposes of the parties and of this Assignment.

9. Counterparts. This Assignment may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

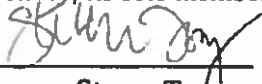
IN WITNESS WHEREOF, this Assignment and Assumption Agreement (Phase I) has been executed by the parties as of the date set forth above.

“Assignor”

FR/CAL GOETZ, LLC,  
a Delaware limited liability company

By: FirstCal Industrial, LLC,  
a Delaware limited liability company, its  
sole member

By: California State Teachers’  
Retirement System,  
a public entity, its sole member

By:   
Name: Steven Tong  
Title: Director, Innovation & Risk

“Assignee”

GM GABRYCH FAMILY LIMITED  
PARTNERSHIP, a California limited  
partnership

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**CONSENT**

The City of Perris, a California municipal corporation, hereby consents to this Assignment for purposes of Section 2.3 of the Development Agreement and hereby releases Developer pursuant to Section 2.4 of the Development Agreement of its obligations and responsibilities under the Development Agreement to the extent such obligations and responsibilities relate to the Site, as provided in Section 3 of this Assignment.

CITY OF PERRIS, a municipal corporation

By: \_\_\_\_\_  
Michael M. Vargas  
Mayor, City of Perris

ATTEST:

By: \_\_\_\_\_  
Nancy Salazar, City Clerk

IN WITNESS WHEREOF, this Assignment and Assumption Agreement (Phase I) has been executed by the parties as of the date set forth above.

"Assignor"

"Assignee"

FR/CAL GOETZ, LLC,  
a Delaware limited liability company

GM GABRYCH FAMILY LIMITED  
PARTNERSHIP, a California limited  
partnership

By: FirstCal Industrial, LLC,  
a Delaware limited liability company, its  
sole member

By:  Eugene M. Gabrych   
Name:  EUGENE M. GABRYCH   
Title:  PARTNER

By: California State Teachers'  
Retirement System,  
a public entity, its sole member

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**CONSENT**

The City of Perris, a California municipal corporation, hereby consents to this Assignment for purposes of Section 2.3 of the Development Agreement and hereby releases Developer pursuant to Section 2.4 of the Development Agreement of its obligations and responsibilities under the Development Agreement to the extent such obligations and responsibilities relate to the Site, as provided in Section 3 of this Assignment.

CITY OF PERRIS, a municipal corporation

By: \_\_\_\_\_  
Michael M. Vargas  
Mayor, City of Perris

ATTEST:

By: \_\_\_\_\_  
Nancy Salazar, City Clerk

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document

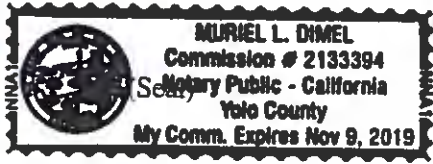
State of California )  
County of Yolo )

On February 6, 2017, before me, Muriel L. Dimel, Notary Public, personally appeared Steven Tong, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature *Muriel L. Dimel*



A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document

State of California )  
County of \_\_\_\_\_ )

On \_\_\_\_\_, 2017, before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document

State of California )  
County of Yolo )

On \_\_\_\_\_, 2017, before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document

State of California )  
County of San Diego )

On Feb 6, 2017, before me, D. Paz, Notary Public, personally appeared Eugene M Gabrych who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature D. Paz (Seal)





**EXHIBIT A**

THE NORTHEAST ¼ OF THE SOUTHEAST ¼ OF SECTION 6 TOWNSHIP 5 SOUTH, RANGE 3 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPTING THEREFROM ANY PORTIONS IN GOETZ ROAD AND MOUNTAIN AVENUE.

ALSO EXCEPTING THEREFROM THAT PORTION OF SAID LAND CONVEYED TO THE CITY OF PERRIS BY GRANT DEED RECORDED MARCH 3, 1988 AS INSTRUMENT NO. 88-56389 OF OFFICIAL RECORDS.

SAID PROPERTY IS ALSO SHOWN ON RECORD OF SURVEY ON FILE IN BOOK 17, PAGE 93 OF RECORDS OF SURVEY, RECORDS OF RIVERSIDE COUNTY.

APN: 330-070-008

RECORDING REQUESTED BY  
AND WHEN RECORDED  
MAIL TO

City of Perris  
101 North "D" Street  
Perris, CA 92570  
Attn: City Clerk

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Space Above This Line for Recorder's Use  
(Exempt from Recording Fee per Gov't Code § 6103)

**ASSIGNMENT AND ASSUMPTION AGREEMENT**  
**(PHASE II)**

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (PHASE II) (this "Assignment") is made and entered into as of \_\_\_\_\_, 2017 ("Effective Date"), by and between FR/CAL GOETZ ROAD, LLC, a Delaware limited liability company (the "Developer" or "Assignor") and GM GABRYCH FAMILY LIMITED PARTNERSHIP, a California limited partnership ("Assignee"), with reference to the following Recitals.

**RECITALS**

A. Assignor owns the approximately two hundred five (205) acre parcel of real property ("Site") located at the NE corner of Mapes Road and "A" Street (commonly known as APN 330-125-002-5 (Lots 3 and 8), 330-120-003-6 (Lots 2 and 9), 330-120-008-1 (Portion of Lots 1 and 10), 330-120-009-2 (Portion of Lot 10), 330-120-010-2 (Portion of Lots 1 and 10) and 330-120-011-3 (Portion of Lot 10)), which is within the City of Perris, County of Riverside, State of California. The Site is legally described in Exhibit "A" attached hereto.

B. Assignor, as "Developer," and the City of Perris, a California municipal corporation ("City"), have entered into that certain Development Agreement dated September 30, 2011 (the "Development Agreement"). The Development Agreement is recorded as instrument 2014-0092059 in Riverside County Official Records.

C. Capitalized terms not defined herein shall have the same meaning as set forth in the Development Agreement.

D. Concurrently with the Effective Date of the Assignment, Assignor shall have conveyed to Assignee the Site.

E. In accordance with Section 2.3 of the Development Agreement, Assignor now desires to assign all of its obligations and its right, title, and interest in and to the Development

Agreement as it relates to the Site, and Assignee desires to accept such assignment on, and subject to, the terms and conditions set forth in this Assignment.

F. The City of Perris desires to consent to same assignment and assumption and to release Developer as provided by its signature below.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

### AGREEMENT

1. Assignment. From and after the Effective Date of this Assignment, Assignor hereby assigns, conveys, transfers and delivers to Assignee all of Assignor's right, title, interest, and obligation in, to and under the Development Agreement as such rights, title, interest and obligation apply to the Site, and Assignee hereby accepts such assignment and agrees to assume performance of all terms, covenants, obligations and conditions occurring or arising under the Development Agreement (with respect to the Site) from and after the Effective Date.

2. Assumption of Obligations. By acceptance of this Assignment, Assignee hereby agrees to assume all of Assignor's right, title, interest and obligation in, to and under the Development Agreement to the extent rights, title, interest and obligation apply to the Site, and Assignee agrees to timely discharge, perform or cause to be performed and to be bound by all of the liabilities, duties and obligations imposed in connection with the Development Agreement as such rights, title, interest and obligation apply to the Site, from and after the Effective Date to the same extent as if Assignee had been the original party thereto. Assignor is hereby released from all future liabilities, duties and obligations created by the Development Agreement with respect to the Site.

3. City Release of Developer. The City agrees that, by the City's approval of this Assignment, Assignor is hereby released and discharged from all rights, privileges, obligations and liabilities under the Development Agreement first arising and accruing from and after the Effective Date, and the City and Assignee each hereby acknowledge that, as of the Effective Date, Assignee enjoys all such right and privileges and is responsible for satisfying all such obligations and liabilities of the same as if the Development Agreement had originally been executed between the City and Assignee.

4. Successors and Assigns. This Assignment shall be binding upon and shall inure to the benefit of the successors and assigns of the respective parties hereto.

5. Governing Law. This Assignment shall be governed by and construed in accordance with the laws of the State of California without regard to conflict of law principles.

6. Further Assurances. The parties covenant and agree that they will execute such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out this Assignment.

7. Authority of Signatories to Bind Principals. The persons executing this Assignment on behalf of their respective principals represent that (i) they have been authorized

to do so and that they thereby bind the principals to the terms and conditions of this Assignment and (ii) their respective principals are properly and duly organized and existing under the laws of, and permitted to do business in, the State of California.

8. Interpretation. The paragraph headings of this Assignment are for reference and convenience only and are not part of this Assignment. They have no effect upon the construction or interpretation of any part hereof. The provisions of this Assignment shall be construed in a reasonable manner to effect the purposes of the parties and of this Assignment.

9. Counterparts. This Assignment may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, this Assignment and Assumption Agreement (Phase II) has been executed by the parties as of the date set forth above.

“Assignor”

“Assignee”

FR/CAL GOETZ ROAD, LLC,  
a Delaware limited liability company

GM GABRYCH FAMILY LIMITED  
PARTNERSHIP, a California limited  
partnership

By: FirstCal Industrial, LLC,  
a Delaware limited liability company, its  
sole member

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

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

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

By: California State Teachers’  
Retirement System,  
a public entity, its sole member

By: 

Name: Steven Tong

Title: Director, Innovation & Risk

**CONSENT**

The City of Perris, a California municipal corporation, hereby consents to this Assignment for purposes of Section 2.3 of the Development Agreement and hereby releases Developer pursuant to Section 2.4 of the Development Agreement of its obligations and responsibilities under the Development Agreement to the extent such obligations and responsibilities relate to the Site, as provided in Section 3 of this Assignment.

CITY OF PERRIS, a municipal corporation

By: \_\_\_\_\_  
Michael M. Vargas  
Mayor, City of Perris

ATTEST:

By: \_\_\_\_\_  
Nancy Salazar, City Clerk

IN WITNESS WHEREOF, this Assignment and Assumption Agreement (Phase II) has been executed by the parties as of the date set forth above.

"Assignor"

FR/CAL GOETZ ROAD, LLC,  
a Delaware limited liability company

By: FirstCal Industrial, LLC,  
a Delaware limited liability company, its  
sole member

By: California State Teachers'  
Retirement System,  
a public entity, its sole member

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

"Assignee"

GM GABRYCH FAMILY LIMITED  
PARTNERSHIP, a California limited  
partnership

By: Ernest M. Gabrych  
Name: ERNEST M. GABRYCH  
Title: Partner

**CONSENT**

The City of Perris, a California municipal corporation, hereby consents to this Assignment for purposes of Section 2.3 of the Development Agreement and hereby releases Developer pursuant to Section 2.4 of the Development Agreement of its obligations and responsibilities under the Development Agreement to the extent such obligations and responsibilities relate to the Site, as provided in Section 3 of this Assignment.

CITY OF PERRIS, a municipal corporation

By: \_\_\_\_\_  
Michael M. Vargas  
Mayor, City of Perris

ATTEST:

By: \_\_\_\_\_  
Nancy Salazar, City Clerk

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document

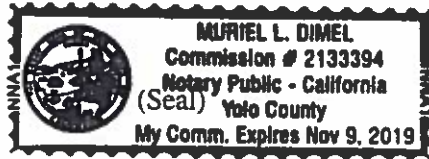
State of California )  
County of Yolo )

On February 6, 2017, before me, Muriel L. Dimel, Notary Public, personally appeared Steven Tong, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature



A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document

State of California )  
County of \_\_\_\_\_ )

On \_\_\_\_\_, 2017, before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

\_\_\_\_\_

(Seal)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document

State of California )  
County of Yolo )

On \_\_\_\_\_, 2017, before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document

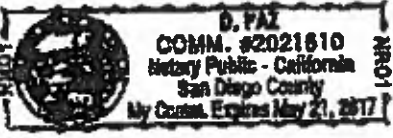
State of California )  
County of San Diego )

On Feb. 6, 2017, before me, D. Paz, Notary Public, personally appeared Eugene M. Gibrich who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature D. Paz (Seal)





**EXHIBIT A**

Real property in the City of Perris, County of Riverside, State of California, described as follows:

**LOTS 1, 2, 3, 8, 9, AND 10 OF JOHNSON'S SUBDIVISION, AS SHOWN BY MAP ON FILE IN BOOK 15, PAGE 705 OF MAPS, RECORDS OF SAN DIEGO COUNTY, CALIFORNIA, TOGETHER WITH THAT CERTAIN UNNAMED ROAD LYING SOUTH OF LOTS 1, 2 AND 3, AND NORTH OF LOTS 8, 9, AND 10, AS ABANDONED BY THE COUNTY OF RIVERSIDE BY RESOLUTION ABANDONING COUNTY HIGHWAY, A CERTIFIED COPY OF WHICH WAS RECORDED JULY 19, 1960, AS INSTRUMENT NO. 64051 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA**

**EXCEPTING THEREFROM THE EAST 30 FEET OF LOTS 1 AND 10 FOR ROAD PURPOSES.**

**APN: 330-120-002-5 and 330-120-003-6 and 330-120-008-1 and 330-120-009-2 and 330-120-010-2 and 330-120-011-3**

**RECORDING REQUESTED BY  
AND WHEN RECORDED  
MAIL TO**

City of Perris  
101 North "D" Street  
Perris, CA 92570  
Attn: City Clerk

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Space Above This Line for Recorder's Use  
(Exempt from Recording Fee per Gov't Code § 6103)

**ASSIGNMENT AND ASSUMPTION AGREEMENT**  
**(PHASE III)**

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (PHASE III) (this "Assignment") is made and entered into as of \_\_\_\_\_, 2017 ("Effective Date"), by and between FR/CAL ELLIS, LLC, a Delaware limited liability company (the "Developer" or "Assignor") and GM GABRYCH FAMILY LIMITED PARTNERSHIP, a California limited partnership ("Assignee"), with reference to the following Recitals.

**RECITALS**

A. Assignor owns the approximately two hundred seventeen (217) acre parcel of real property ("Site") located at the NE corner of Ellis Avenue and Redlands Avenue (commonly known as APN 310-170-006-8 (Parcel 1), 310-170-007-9 (Parcel 2), 310-170-008-0 (Portion of Parcel 3) and 310-220-050-1 (Portion of Parcel 3)), which is within the City of Perris, County of Riverside, State of California. The Site is legally described in Exhibit "A" attached hereto.

B. Assignor, as "Developer," and the City of Perris, a California municipal corporation ("City"), have entered into that certain Development Agreement dated September 30, 2011 (the "Development Agreement"). The Development Agreement is recorded as instrument 2014-0092090 in Riverside County Official Records.

C. Capitalized terms not defined herein shall have the same meaning as set forth in the Development Agreement.

D. Concurrently with the Effective Date of the Assignment, Assignor shall have conveyed to Assignee the Site.

E. In accordance with Section 2.3 of the Development Agreement, Assignor now desires to assign all of its obligations and its right, title, and interest in and to the Development Agreement as it relates to the Site, and Assignee desires to accept such assignment on, and subject to, the terms and conditions set forth in this Assignment.

F. The City of Perris desires to consent to same assignment and assumption and to release Developer as provided by its signature below.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

### AGREEMENT

1. Assignment. From and after the Effective Date of the Assignment, Assignor hereby assigns, conveys, transfers and delivers to Assignee all of Assignor's right, title, interest, and obligation in, to and under the Development Agreement as such rights, title, interest and obligation apply to the Site, and Assignee hereby accepts such assignment and agrees to assume performance of all terms, covenants, obligations and conditions occurring or arising under the Development Agreement (with respect to the Site) from and after the Effective Date.

2. Assumption of Obligations. By acceptance of this Assignment, Assignee hereby agrees to assume all of Assignor's right, title, interest and obligation in, to and under the Development Agreement to the extent rights, title, interest and obligation apply to the Site, and Assignee agrees to timely discharge, perform or cause to be performed and to be bound by all of the liabilities, duties and obligations imposed in connection with the Development Agreement as such rights, title, interest and obligation apply to the Site, from and after the Effective Date to the same extent as if Assignee had been the original party thereto. Assignor is hereby released from all future liabilities, duties and obligations created by the Development Agreement with respect to the Site.

3. City Release of Developer. The City agrees that, by the City's approval of this Assignment, Assignor is hereby released and discharged from all rights, privileges, obligations and liabilities under the Development Agreement first arising and accruing from and after the Effective Date, and the City and Assignee each hereby acknowledge that, as of the Effective Date, Assignee enjoys all such right and privileges and is responsible for satisfying all such obligations and liabilities of the same as if the Development Agreement had originally been executed between the City and Assignee.

4. Successors and Assigns. This Assignment shall be binding upon and shall inure to the benefit of the successors and assigns of the respective parties hereto.

5. Governing Law. This Assignment shall be governed by and construed in accordance with the laws of the State of California without regard to conflict of law principles.

6. Further Assurances. The parties covenant and agree that they will execute such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out this Assignment.

7. Authority of Signatories to Bind Principals. The persons executing this Assignment on behalf of their respective principals represent that (i) they have been authorized to do so and that they thereby bind the principals to the terms and conditions of this Assignment and (ii) their respective principals are properly and duly organized and existing under the laws of, and permitted to do business in, the State of California.

8. Interpretation. The paragraph headings of this Assignment are for reference and convenience only and are not part of this Assignment. They have no effect upon the construction or interpretation of any part hereof. The provisions of this Assignment shall be construed in a reasonable manner to effect the purposes of the parties and of this Assignment.

9. Counterparts. This Assignment may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, this Assignment and Assumption Agreement (Phase III) has been executed by the parties as of the date set forth above.

“Assignor”

“Assignee”

FR/CAL ELLIS, LLC,  
a Delaware limited liability company

GM GABRYCH FAMILY LIMITED  
PARTNERSHIP, a California limited  
partnership

By: FirstCal Industrial, LLC,  
a Delaware limited liability company, its  
sole member

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

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

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

By: California State Teachers’  
Retirement System,  
a public entity, its sole member

By: 

Name: Steven Tong

Title: Director, Innovation & Risk

**CONSENT**

The City of Perris, a California municipal corporation, hereby consents to this Assignment for purposes of Section 2.3 of the Development Agreement and hereby releases Developer pursuant to Section 2.4 of the Development Agreement of its obligations and responsibilities under the Development Agreement to the extent such obligations and responsibilities relate to the Site, as provided in Section 3 of this Assignment.

CITY OF PERRIS, a municipal corporation

By: \_\_\_\_\_  
Michael M. Vargas  
Mayor, City of Perris

ATTEST:

By: \_\_\_\_\_  
Nancy Salazar, City Clerk

IN WITNESS WHEREOF, this Assignment and Assumption Agreement (Phase III) has been executed by the parties as of the date set forth above.

"Assignor"

"Assignee"

FR/CAL ELLIS, LLC,  
a Delaware limited liability company

GM GABRYCH FAMILY LIMITED  
PARTNERSHIP, a California limited  
partnership

By: FirstCal Industrial, LLC,  
a Delaware limited liability company, its  
sole member

By: Eugene M. Gabrych  
Name: EUGENE M. GABRYCH  
Title: PARTNER

By: California State Teachers'  
Retirement System,  
a public entity, its sole member

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**CONSENT**

The City of Perris, a California municipal corporation, hereby consents to this Assignment for purposes of Section 2.3 of the Development Agreement and hereby releases Developer pursuant to Section 2.4 of the Development Agreement of its obligations and responsibilities under the Development Agreement to the extent such obligations and responsibilities relate to the Site, as provided in Section 3 of this Assignment.

CITY OF PERRIS, a municipal corporation

By: \_\_\_\_\_  
Michael M. Vargas  
Mayor, City of Perris

ATTEST:

By: \_\_\_\_\_  
Nancy Salazar, City Clerk

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document

State of California )  
County of Yolo )

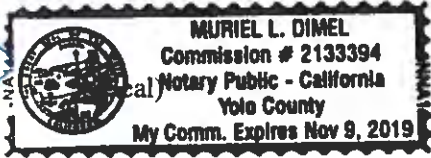
On February 6, 2017, before me, Muriel L. Dimel, Notary Public, personally appeared Steven Tong, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

*[Handwritten signature in blue ink]*



A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document

State of California )  
County of \_\_\_\_\_ )

On \_\_\_\_\_, 2017, before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

\_\_\_\_\_

(Seal)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )  
County of Yolo )

On \_\_\_\_\_, 2017, before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )  
County of San Diego )

On Feb 6, 2017, before me, D. Paz, Notary Public, personally appeared Eugene M Gabrych, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature D. Paz  
D. PAZ

(Seal) 



**EXHIBIT A**

PARCEL 1:

THAT PORTION OF THE SOUTHEAST QUARTER OF SECTION 32, TOWNSHIP 4 SOUTH, RANGE 3 WEST, SAN BERNARDINO COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SOUTHEAST QUARTER, SAID CORNER BEING ON THE CENTER LINE OF REDLANDS AVENUE (FORMERLY KITCHING STREET), AS SHOWN BY RECORD OF SURVEY ON FILE IN BOOK 62 OF RECORD OF SURVEYS AT PAGES 61 AND 62 THEREOF, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA;

THENCE SOUTH 00° 10' 39" EAST ALONG SAID CENTERLINE OF REDLANDS AVENUE, A DISTANCE OF 823.38 FEET;

NORTH 89° 49' 21" EAST, A DISTANCE OF 44.00 FEET FOR THE TRUE POINT OF BEGINNING, SAID POINT BEING ON THE EAST RIGHT-OF-WAY LINE OF REDLANDS AVENUE CONVEYED TO THE COUNTY OF RIVERSIDE BY DEED RECORDED MAY 6, 1963 AS INSTRUMENT NO. 46411, OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

THENCE NORTH 00° 10' 39" WEST ALONG SAID EAST RIGHT-OF-WAY LINE, A DISTANCE OF 753.38 FEET TO THE SOUTHWEST CORNER OF PARCEL 4270-2 OF SAID RECORD OF SURVEY;

THENCE NORTH 89° 49' 59" EAST ALONG THE SOUTH LINE OF SAID PARCEL 4270-2, A

DISTANCE OF 973.37 FEET;

THENCE SOUTH 52° 05' 22" WEST, A DISTANCE OF 1230.76 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 2:

THAT PORTION OF THE SOUTHEAST QUARTER OF SECTION 32, TOWNSHIP 4 SOUTH, RANGE 3 WEST, SAN BERNARDINO COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SOUTHEAST QUARTER, SAID CORNER BEING ON THE CENTER LINE OF REDLANDS AVENUE (FORMERLY KITCHING STREET), AS SHOWN BY RECORD OF SURVEY ON FILE IN BOOK 62 OF RECORD OF SURVEYS AT PAGES 61 AND 62 THEREOF, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA;

THENCE SOUTH 00° 10' 39" EAST ALONG SAID CENTERLINE OF REDLANDS AVENUE, A DISTANCE OF 823.38 FEET;

THENCE NORTH 89° 49' 21" EAST, A DISTANCE OF 44.00 FEET FOR THE TRUE POINT OF BEGINNING, SAID POINT BEING ON THE EAST RIGHT-OF-WAY LINE OF REDLANDS AVENUE CONVEYED TO THE COUNTY OF RIVERSIDE BY DEED RECORDED MAY 6, 1963 AS INSTRUMENT NO. 46411; OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA;

THENCE SOUTH 00° 10' 39" EAST ALONG SAID RIGHT-OF-WAY LINE, A DISTANCE OF 1816.45 FEET TO A POINT ON THE CENTERLINE OF ELLIS AVENUE (60.00 FEET IN WIDTH);

THENCE NORTH 89° 49' 34" EAST ALONG SAID CENTER LINE, A DISTANCE OF 669.71 FEET;

THENCE NORTH 00° 10' 26" WEST, A DISTANCE OF 64.00 FEET;

THENCE NORTH 52° 05' 22" EAST, A DISTANCE OF 2409.79 FEET TO A POINT ON THE WEST RIGHT-OF-WAY LINE OF MURRIETA ROAD (60.00 FEET IN WIDTH);

THENCE NORTH 89° 42' 28" EAST, A DISTANCE OF 30.00 FEET TO A POINT ON THE EAST LINE OF SAID SECTION 32, SAID POINT ALSO BEING ON THE CENTERLINE OF SAID MURRIETA ROAD;

THENCE NORTH 00° 17' 32" WEST ALONG SAID EAST LINE AND ALONG SAID CENTERLINE, A DISTANCE OF 740.84 FEET TO THE MOST SOUTHERLY CORNER OF PARCEL 4270-2;

THENCE NORTH 51° 49' 22" WEST ALONG THE SOUTHWESTERLY LINE OF SAID PARCEL 4270-2, A DISTANCE OF 340.13 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 365.00 FEET;

THENCE NORTHWESTERLY ALONG SAID SOUTHWESTERLY LINE AND ALONG SAID CURVE, TO THE LEFT, THROUGH A CENTRAL ANGLE OF 38° 20' 39", AN ARC DISTANCE OF 244.27 FEET;

THENCE SOUTH 89° 49' 59" WEST TANGENT TO SAID CURVE AND ALONG THE SOUTH LINE OF SAID PARCEL 4270-2, A DISTANCE OF 1137.54 FEET;

THENCE SOUTH 52° 05' 22" WEST, A DISTANCE OF 1230.76 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 3:

THAT PORTION OF THE SOUTHEAST QUARTER OF SECTION 32, TOGETHER WITH THAT PORTION OF THE SOUTHWEST QUARTER OF SECTION 33, TOWNSHIP 4 SOUTH, RANGE 3 WEST, SAN BERNARDINO COUNTY, CALIFORNIA, SAID PORTIONS BEING DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SOUTHEAST QUARTER, SAID CORNER BEING ON THE CENTER LINE REDLANDS AVENUE (FORMERLY KITCHING STREET), AS SHOWN BY RECORD OF SURVEY ON FILE IN BOOK 62 OF RECORD OF SURVEYS AT PAGES 61 AND 62 THEREOF, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA;

THENCE SOUTH 00° 10' 39" EAST, A DISTANCE OF 823.38 FEET;

THENCE NORTH 89° 49' 21" EAST, A DISTANCE OF 44.00 FEET, SAID POINT BEING ON THE EAST RIGHT-OF-WAY LINE OF REDLANDS AVENUE CONVEYED TO THE COUNTY OF RIVERSIDE BY DEED RECORDED MAY 6, 1963 AS INSTRUMENT NO. 46411, OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA;

THENCE SOUTH 00° 10' 39" EAST ALONG SAID EAST RIGHT-OF-WAY LINE, A DISTANCE OF 1816.45 FEET TO A POINT ON THE CENTERLINE OF ELLIS AVENUE (60.00 FEET IN WIDTH);

THENCE NORTH 89° 49' 34" EAST ALONG SAID CENTER LINE, A DISTANCE OF 669.71 FEET FOR THE TRUE POINT OF BEGINNING;

THENCE NORTH 00° 10' 26" WEST, A DISTANCE OF 64.00 FEET;

THENCE NORTH 52° 05' 22" EAST, A DISTANCE OF 2409.79 FEET TO A POINT ON THE WEST RIGHT-OF-WAY LINE OF MURRIETA ROAD (60.00 FEET IN WIDTH);

THENCE NORTH 89° 42' 28" EAST, A DISTANCE OF 30.00 FEET TO A POINT ON THE EAST LINE OF SAID SECTION 32, SAID POINT ALSO BEING ON THE CENTERLINE OF SAID MURRIETA ROAD;

THENCE NORTH 00° 17' 32" WEST ALONG SAID SAID EAST LINE AND ALONG SAID CENTERLINE, A DISTANCE OF 440.71 FEET TO THE SOUTHWEST CORNER OF THE NORTH HALF OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 33;

THENCE NORTH 89° 58' 42" EAST ALONG THE SOUTH LINE OF SAID NORTH HALF OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER, A DISTANCE OF 373.52 FEET TO A POINT ON THE SOUTHWESTERLY LINE OF PARCEL 4270-1 OF SAID RECORD OF SURVEY;

THENCE SOUTH 51° 49' 22" EAST ALONG SAID PARCEL 4270-1, A DISTANCE OF 2566.04 FEET;

THENCE SOUTH 38° 08' 42" WEST, A DISTANCE OF 339.49 FEET;

THENCE SOUTH 41° 33' 24" WEST, A DISTANCE OF 130.70 FEET TO A POINT ON A LINE PARALLEL WITH AND DISTANT NORTHERLY 30.00 FEET, MEASURED AT A RIGHT ANGLE, FROM SAID ELLIS AVENUE;

THENCE NORTH 89° 58' 12" WEST ALONG SAID PARALLEL LINE, A DISTANCE OF 762.51 FEET TO A POINT ON THE WEST LINE OF THE EAST HALF OF THE SOUTHWEST QUARTER OF SAID SECTION 33;

THENCE SOUTH 00° 10' 46" EAST ALONG SAID WEST LINE, A DISTANCE OF 30.00 FEET TO A POINT ON THE SOUTH LINE OF SAID SOUTHWEST QUARTER OF SECTION 33, SAID POINT ALSO BEING ON THE CENTERLINE OF SAID ELLIS AVENUE (60.00 FEET IN WIDTH);

THENCE NORTH 89° 58' 12" WEST ALONG SAID SOUTH LINE AND ALONG SAID CENTERLINE, A DISTANCE OF 660.90 FEET TO THE SOUTHEAST CORNER OF THE EAST HALF OF THE WEST HALF OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 33;

THENCE NORTH 00° 14' 09" WEST ALONG THE EAST LINE OF SAID EAST HALF OF THE WEST HALF OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER, A DISTANCE OF 44.00 FEET TO A POINT ON A LINE PARALLEL WITH AND DISTANT NORTHERLY 44.00 FEET, MEASURED AT A RIGHT ANGLE, FROM SAID CENTERLINE OF ELLIS AVENUE;

THENCE NORTH 89° 58' 12" WEST ALONG SAID PARALLEL LINE, A DISTANCE OF 330.47 FEET TO A POINT ON THE WEST LINE OF SAID EAST HALF OF THE WEST HALF OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER;

THENCE SOUTH 00° 15' 51" EAST ALONG SAID WEST LINE OF THE EAST HALF OF THE WEST HALF OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER, A DISTANCE OF 44.00 FEET TO A POINT ON SAID CENTER LINE OF ELLIS AVENUE;

THENCE NORTH 89° 58' 12" WEST ALONG SAID CENTERLINE, A DISTANCE OF 330.45 FEET TO THE SOUTHWEST CORNER OF SAID SECTION 33;

THENCE SOUTH 89° 49' 34" WEST ALONG THE SOUTH LINE OF SAID SECTION 32 AND ALONG SAID CENTERLINE OF ELLIS AVENUE, A DISTANCE OF 1938.92 FEET TO THE TRUE POINT OF BEGINNING.

SAID LAND IS SHOWN AS PARCEL ONE, PARCEL TWO AND PARCEL THREE OF LOT LINE ADJUSTMENT NO. 99-0103 RECORDED FEBRUARY 16, 2000 AS INSTRUMENT NO. 2000-058251 OF OFFICIAL RECORDS OF SAID COUNTY.

APN: 310-170-006-8 (Affects Parcel 1)  
310-170-007-9 (Affects Parcel 2)  
310-170-008-0 (Affects Portion Parcel 3)  
310-220-050-1 (Affects Portion Parcel 3)

CITY COUNCIL  
AGENDA SUBMITTAL

**Meeting Date: February 14, 2017**

**SUBJECT:** Special District Services provided for Perris Community Facilities Districts, Perris Financing Authority Administration, Joint Powers Authority Administration, and RDA Successor

**REQUESTED ACTION:** Approve and Authorize the City Manager to sign the Third Addendum to the Agreement for Professional Services from Willdan Financial Services

**CONTACT:** Jennifer Erwin, Assistant Director of Finance

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**BACKGROUND/DISCUSSION:**

The City of Perris currently contracts professional services for the formation, administration, and annual reporting requirements of its Community Facilities Districts (CFD), Perris Financing Authority (PFA), Perris Joint Powers Authority (JPA), and Redevelopment Agency (RDA) with an independent consultant, Willdan Financial Services. City staff took action in FY10-11 to consolidate these services to streamline the formation, administration, and annual reporting requirements process. It is in the best interest of the City to keep continuity with the same consultant firm to ensure proper reporting and compliance in addition to reducing the economies of scale in terms of familiarity with the City.

The term of the previous agreement with Willdan Financial Services will end on February 25, 2017. This contract addendum, presented for the City Council's consideration, represents a 1-year continuance of services provided to the City. There is no increase in the contract cost at this time and the level of service provided by Willdan will remain intact as previously approved by the City Council.


Staff recommends that the City Council authorize the third addendum to the agreement attached.

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**BUDGET (or FISCAL) IMPACT:** No change in cost for the professional services Willdan provides. Willdan's services are paid for by each Special District and developer deposits.

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Reviewed by:  
Assistant City Manager 

Assistant Director of Finance 

**Attachments:**

1. Third Addendum to the Agreement for Professional Services
2. Agreement for Professional Services-Approved by City Council 2/26/13

Consent

# Attachment 1



February 6, 2017

Ms. Jennifer Erwin, CPA  
Assistant Director of Finance  
City of Perris  
101 North D Street  
Perris, California 92570

**Re: *Third Addendum to City of Perris Agreement to Provide Community Facilities District and Perris Financing Authority Administration Services***

Dear Ms. Erwin:

Per your request, attached is the third addendum to the original Contract Services Agreement for Professional Services to provide Community Facilities District and Perris Financing Authority Administration Services, dated February 26, 2013. The purpose of the following is to initiate the third of three one-year renewals.

If acceptable, please sign and date, and return to our contracts administrator, via email at [nstormon@willdan.com](mailto:nstormon@willdan.com), a fully executed electronic copy will be returned to you.

We look forward to continuing to serve the City of Perris and working with you and your staff. If you have any questions, please feel free to contact me directly at (951) 587-3564, or via email to [dlouie@willdan.com](mailto:dlouie@willdan.com).

Sincerely,

WILLDAN FINANCIAL SERVICES

A handwritten signature in blue ink that reads 'Daniel Louie' in a cursive script.

Daniel Louie  
Project Manager  
District Administration Services

# THIRD ADDENDUM TO AGREEMENT

The agreement between the City of Perris and Willdan Financial Services, dated February 26, 2013, (hereinafter, the "Agreement") is amended as follows:

- A. Section 5 entitled "TERM" is amended to initiate the first of three one-year renewals, extending the expiration date to February 25, 2018.

All other terms, fees and conditions contained in the Agreement shall remain in full force and effect. Executed on February \_\_\_\_, 2017.

**CITY OF PERRIS**

**WILLDAN FINANCIAL SERVICES**

By: \_\_\_\_\_  
Richard Belmudez, City Manager

By: \_\_\_\_\_  
Mark Risco, President



## Attachment 2

**CITY OF PERRIS**  
**CONTRACT SERVICES AGREEMENT FOR**  
**PROFESSIONAL SERVICES**

This Contract Services Agreement ("Agreement") is made and entered into this 26<sup>th</sup> day of February, 2013, by and between the City of Perris, a municipal corporation ("City"), and Willdan Financial Services, a California corporation ("Consultant").

NOW, THEREFORE, the parties hereto agree as follows:

**1.0 SERVICES OF CONSULTANT**

1.1 Scope of Services. In compliance with all of the terms and conditions of this Agreement, Consultant shall perform the work or services set forth in the "Scope of Services" attached hereto as *Exhibit "A"* and incorporated herein by reference. Consultant warrants that all work or services set forth in the Scope of Services will be performed in a competent, professional, and satisfactory manner. If authorized, Consultant shall furnish additional services and to the extent that the additional services have been identified in this Agreement, they are itemized in "Exhibit A" and will be paid for by the City, as indicated in Section 2.0 hereof. As further additional services are requested by City, this Agreement may be modified and subject to mutual consent by execution of an addendum by authorized representatives of both parties, setting forth the additional scope of services to be performed, the performance time schedule and the compensation for such services.

1.2 Compliance With Law. All work and services rendered hereunder shall be provided in accordance with all ordinances, resolutions, statutes, rules and regulations of the City and any federal, state, or local governmental agency of competent jurisdiction.

1.3 Licenses, Permits, Fees, and Assessments. Consultant shall obtain, at its sole cost and expense, such licenses, permits, and approvals as may be required by law for the performance of the services required by this Agreement.

**2.0 COMPENSATION**

2.1 Contract Sum. For the services rendered pursuant to this Agreement, Consultant shall be compensated in accordance with the "Schedule of Compensation" attached hereto as *Exhibit "B"* and incorporated herein by this reference.

2.2 Method of Payment. Provided that Consultant is not in default under the terms of this Agreement, Consultant shall be paid monthly. Consultant may submit monthly statements, and it is intended that City will make payments to Consultant within thirty (30) days of invoice. All invoices not paid within thirty (30) days shall bear interest at the rate of one and one-half percent per month or the then-legal rate allowed.

### 3.0 COORDINATION OF WORK

3.1 Representative of Consultant. Mark J. Risco is hereby designated as being the representative of Consultant authorized to act on its behalf with respect to the work or services specified herein and make all decisions in connection therewith.

3.2 Contract Officer. The City's City Manager is hereby designated as being the representative the City authorized to act in its behalf with respect to the work and services specified herein and make all decisions in connection therewith ("Contract Officer"). The City may designate another Contract Officer by providing written notice to Consultant.

3.3 Prohibition Against Subcontracting or Assignment. Consultant shall not contract with any entity to perform in whole or in part the work or services required hereunder without the express written approval of the City. Neither this Agreement nor any interest herein may be assigned or transferred, voluntarily or by operation of law, without the prior written approval of City. Any such prohibited assignment or transfer shall be void.

3.4 Independent Contractor. Neither the City nor any of its employees shall have any control over the manner, mode, or means by which Consultant, its agents, or employees, perform the services required herein, except as otherwise set forth on *Exhibit "A."* Consultant shall perform all services required herein as an independent contractor of City and shall remain under only such obligations as are consistent with that role. Consultant shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of City.

### 4.0 INSURANCE AND INDEMNIFICATION

4.1 Insurance. Consultant shall procure and maintain, at its sole cost and expense, in a form and content satisfactory to City, during the entire term of this Agreement including any extension thereof, the following policies of insurance:

Commercial General Liability Insurance. A policy of commercial general liability insurance using Insurance Services Office "Commercial General Liability" policy form CG 00 01, with an edition date prior to 2004, or the exact equivalent. Coverage for an additional insured shall not be limited to its vicarious liability. Defense costs must be paid in addition to limits. Limits shall be no less than \$1,000,00.00 per occurrence for all covered losses and no less than \$2,000,000.00 general aggregate.

Workers' Compensation Insurance. A policy of workers' compensation insurance on a state-approved policy form providing statutory benefits as required by law with employer's liability limits no less than \$1,000,000 per accident for all covered losses.

Automotive Insurance. A policy of comprehensive automobile liability insurance written on a per occurrence basis in an amount not less than \$1,000,000.00 per accident, combined single limit. Said policy shall include coverage for owned, non owned, leased, and hired cars.

**Professional Liability or Error and Omissions Insurance.** A policy of professional liability insurance in an amount not less than \$1,000,000.00 per claim with respect to loss arising from the actions of Consultant performing professional services hereunder on behalf of the City.

All of the above policies of insurance shall be primary insurance. The general liability policy shall name the City, its officers, employees and agents ("City Parties") as additional insureds and shall waive all rights of subrogation and contribution it may have against the City and the City's Parties and their respective insurers. All of said policies of insurance shall provide that said insurance may be not cancelled without providing ten (10) days prior written notice by registered mail to the City. In the event any of said policies of insurance are cancelled or amended, Consultant shall, prior to the cancellation or amendment date, submit new evidence of insurance in conformance with this Section 4.1 to the Contract Officer. No work or services under this Agreement shall commence until Consultant has provided City with Certificates of Insurance or appropriate insurance binders evidencing the above insurance coverages and said Certificates of Insurance or binders are approved by City.

Consultant agrees that the provisions of this Section 4.1 shall not be construed as limiting in any way the extent to which Consultant may be held responsible for the payment of damages to any persons or property resulting from Consultant's activities or the activities of any person or persons for which Consultant is otherwise responsible.

The insurance required by this Agreement shall be satisfactory only if issued by companies qualified to do business in California, rated "A" or better in the most recent edition of Best Rating Guide, The Key Rating Guide or in the Federal Register, and only if they are of a financial category Class VII or better, unless such requirements are waived by the Risk Manager of the City due to unique circumstances.

In the event that the Consultant is authorized to subcontract any portion of the work or services provided pursuant to this Agreement, the contract between the Consultant and such subcontractor shall require the subcontractor to maintain the same policies of insurance that the Consultant is required to maintain pursuant to this Section 4.1.

#### 4.2 **Indemnification.**

(a) **Indemnity for Professional Liability.** When the law establishes a professional standard of care for Consultant's services, to the fullest extent permitted by law, Consultant shall indemnify, defend, and hold harmless City and the City's Parties from and against any and all losses; liabilities; damages; costs; and expenses, including attorneys' fees and costs to the extent same are caused in whole or in part by any negligent or wrongful act, error or omission of Consultant, its officers, agents, employees of subcontractors (or any entity or individual for which Consultant shall bear legal liability) in the performance of professional services under this Agreement.

**Indemnity for Other Than Professional Liability.** Other than in the performance of professional services and to the full extent permitted by law, Consultant shall indemnify, defend, and hold harmless City and City's Parties from and against any liability

(including liability for claims, suits, actions, losses, expenses, or costs of any kind, whether actual, alleged or threatened, including attorneys' fees and costs, court costs, defense costs and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the negligence or other wrongful conduct in the performance of this Agreement by Consultant or by any individual or entity for which Consultant is legally liable, including, but not limited to, officers, agents, employees or subcontractors of Consultant.

## 5. TERM

5.1 Term. Unless earlier terminated in accordance with Section 5.2 below, this Agreement shall continue in full force and effect for two (2) years, subject to three (3) additional renewals, one (1) year at a time. Annual renewals shall be automatic, unless either party elects not to renew by providing written notice pursuant to Section 5.2.

5.2 Termination Prior to Expiration of Term. Either party may terminate this Agreement at any time, with or without cause, upon thirty (30) days' written notice to the other party. Upon receipt of the notice of termination, the Consultant shall immediately cease all work or services hereunder except as may be specifically approved by the Contract Officer. In the event of termination by the City, Consultant shall be entitled to compensation for all services rendered prior to the effectiveness of the notice of termination and for such additional services specifically authorized by the Contract Officer and City shall be entitled to reimbursement for any compensation paid in excess of the services rendered.

## 6. MISCELLANEOUS

Covenant Against Discrimination. Consultant covenants that, by and for itself, its heirs, executors, assigns, and all persons claiming under or through it, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the performance of this Agreement. Consultant shall take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, marital status, national origin, or ancestry.

Non-liability of City Officers and Employees. No officer or employee of the City shall be personally liable to the Consultant, or any successor in interest, in the event of any default or breach by the City or for any amount, which may become due to the Consultant or to its successor, or for breach of any obligation of the terms of this Agreement.

Conflict of Interest. No officer or employee of the City shall have any financial interest in this Agreement, nor shall any such officer or employee participate in any decision relating to the Agreement, which affects his financial interest or the financial interest of any corporation, partnership, or association in which he is, directly or indirectly, interested, in violation of any state statute or regulation. The Consultant warrants that it has not paid or given and will not pay or give any third party any money or other consideration for obtaining this Agreement. When requested by the Contract Officer, prior to the City's execution of this Agreement, Consultant shall provide the City with an executed statement of economic interest.

**Notice.** Any notice or other communication either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid, first-class mail, in the case of the City, to the City Manager and to the attention of the Contract Officer, City of Perris, 101 North "D" Street, Perris, California 92570, and in the case of the Consultant, to the person at the address designated on the execution page of this Agreement.

**Interpretation.** The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction, which might otherwise apply.

**Integration; Amendment.** It is understood that there are no oral agreements between the parties hereto affecting this Agreement and that this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements, and understandings, if any, between the parties, and none shall be used to interpret this Agreement. This Agreement may be amended at any time by a writing signed by both parties.

**Severability.** In the event that part of this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining portions of this Agreement, which are hereby declared as severable and shall be interpreted to carry out the intent of the parties hereunder, unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.

**Waiver.** No delay or omission in the exercise of any right or remedy by a non-defaulting party on any default shall impair such right or remedy or be construed as a waiver. A party's consent to or approval of any act by the other party requiring the party's consent or approval shall not be deemed to waive or render unnecessary the other party's consent to or approval of any subsequent act. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

**Attorneys' Fees.** If either party to this Agreement is required to initiate, defend or make a party to any action or proceeding in any way connected with this Agreement, the prevailing party in such action or proceeding, in addition to any other relief which may be granted, shall be entitled to reasonable attorneys' fees, whether or not the matter proceeds to judgment.

**Corporate Authority.** The persons executing this Agreement on behalf of the parties hereto warrant that (i) Such party is duly organized and existing, (ii) They are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) By so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) The entering into this Agreement does not violate any provision of any other Agreement to which said party is bound.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the parties have executed and entered into this Agreement as of the date first written above.

ATTEST:

By: Judy L. Haughney  
Judy L. Haughney, City Clerk

"CITY"  
CITY OF PERRIS

By: Richard Belmudez  
Richard Belmudez, City Manager

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

Eric L. Dunn  
Eric L. Dunn, City Attorney

"CONSULTANT"  
WILLDAN FINANCIAL SERVICES, a Corporation

By: Mark J. Risco  
Signature  
Mark J. Risco, President and CEO  
Print Name and Title

By: Roy Gill  
Signature  
Roy Gill, Corporate Secretary  
Print Name and Title

(Corporations require two signatures; one from each of the following: A. Chairman of Board, President, any Vice President; AND B. Secretary, Assistant Secretary, Treasurer, Assistant Treasurer, or Chief Financial Officer.)

[END OF SIGNATURES]

## EXHIBIT "A"

### SCOPE OF SERVICES

#### **SCOPE OF SERVICES**

"Exhibit A" contains scopes of work for each of the following services:

- CFD administration and land-based continuing disclosure services,
- Delinquency management services,
- Internet / Website access to data,
- CFD formation services,
- Periodic special tax consulting services,
- Arbitrage rebate compliance, and
- Nonland-based continuing disclosure services.

#### **CFD Administration and Land-based Continuing Disclosure Services**

All costs associated with CFD annual administration are fully recoverable, either through the special tax levy or payment by requestor for special services.

Willdan will:

1. Maintain and periodically update an electronic database containing parcel basis data and annual special tax levy amounts by Assessor's Parcel Number. This includes researching final tract and/or parcel map recordation information, gathering building permits, along with the appropriate building and parcel information, and certificate of compliance information for properties located within the boundaries of the CFDs.
2. Annually calculate and apportion the special taxes, as specified in the Rate and Method of Apportionment of Special Tax (RMA). This includes the assignment of special tax classes per each of the RMAs, and the setting of annual special tax rates that are necessary to satisfy the Special Tax Requirement.
3. Prepare, if necessary, an annual resolution that establishes the budget for the fiscal year and application of the special tax to be submitted to the County, including the Special Tax Summary for the fiscal year.
4. Provide special tax levies for each parcel by Assessor's Parcel Number to the County Auditor/Controller's Office in the media, format, and configuration required by the County for placement on the annual property tax roll.
5. Research parcel exceptions provided by the County and, if possible, resubmit installment amounts that are unapplied by the County Auditor/Controller's Office. Willdan will manually invoice special tax installments that cannot be collected on the County property tax roll on behalf of the City.
6. Provide a toll-free number to field inquiries from City staff, property owners, and other interested parties regarding special tax installments and related information.
7. Provide the City, for the term of the contract, 24/7 Internet access to the established and maintained electronic databases; and annually update (as necessary) to provide information to taxpayers.

Exhibit "A"

Page 1



8. Monitor delinquencies each February and May, and submit periodic delinquency reports to the City. (The Delinquency Management scope of services listed immediately following this section entails how we will assist the City in adhering to their foreclosure covenants.)
9. Monitor compliance with the fiscal agent / trust agreement.
10. Collect and review development information on an annual basis until the project's build out is complete. As needed, calculate the Special Tax Buydown; and issue Certificates of Satisfaction of Special Tax Buydown and Letters of Compliance (as defined in the RMAs).
11. Prepare an Annual Special Tax Report. This report will include:
  - The identification of CFD administrative cost items eligible for recovery by the City;
  - The review of fund balances to identify any surplus funds;
  - The requirements for debt service;
  - The delinquency summaries; and
  - A cover letter to the report providing related recommendations or issues, if any. The cover letter is not intended to be a component of the report.
12. Provide an annual report to the California Debt and Investment Advisory Commission (CDIAC) by October 30 if required by the California Government Code, Sections 53359.5(b), 6599.1(b), and 6599.1(c) (as amended).
13. Prepare "Notice of Special Tax" as required by the California Government Code, Sections 53340.2(b) and 53341.5, as amended. The fee for this service is \$15 per notice and is to be paid by the requestor.
14. Assist the City in the filing of a report with its governing body each year to comply with legislation that enforces additional reporting requirements. This annual filing shall meet with regulations imposed by the California Government Code, Section 50075.3 (a) & (b) and/or Section 53411 (a) & (b), as amended (Senate Bill 165).
15. Prepare an annual report (if requested by CFD property owner), as required by the California Government Code, Section 53343.1, as amended. The City may charge the requesting party a fee for the actual cost of preparing the report. The fee for this service is to be paid by the requestor.
16. Be available to attend public/City staff meetings to present and discuss various financing related issues and, as necessary, to perform related tasks.
17. Calculate written prepayment quotes for individual special tax liens, as described in the Rate and Method of Apportionment of Special Tax or by resolution. For parcels prepaying the special tax, Willdan will coordinate the removal of the lien. The fee for this service is \$250 per calculation and is to be paid by the requestor.
18. Perform required bond call spreads, and coordinate the early redemption of outstanding bonds. Additional efforts needed to complete bond calls, such as cash flow certificates, special analyses and/or atypical spread calculations, shall be charged hourly using our then current hourly rates (see "Additional Services" section). However, Willdan will not begin any additional work without prior approval from City staff.

19. Review pertinent documents relating to the debt issue, collect third-party data and other information required to be included in the Annual Financial Information Statement, create a draft of the Annual Financial Information Statement for review by the City, finalize and disseminate (through the central post office) the disclosure reports to all major repositories/depositories and to any other party directed by the City, and post the land-based disclosure reports on the Willdan's Website at [willdan.com/financial/cd.html](http://willdan.com/financial/cd.html). Upon request or if deemed necessary, Willdan will prepare the Notices of Significant Events covering events enumerated in Rule 15c2 12(b) for review by the City.
20. Perform other CFD administrative tasks, as assigned by City Staff.

### **Client Responsibilities for District Administration**

Willdan will rely on obtaining the following information from the City of Perris:

- Information regarding collections, taxes, funds, and payments and/or prepayments received by the City. Although Willdan will annually research information regarding issuance of building permits and/or certificates of occupancy, it may still be necessary to obtain additional assistance from the City.
- The budget summary to be incorporated into the annual resolution or district report establishing the budget.
- The City's Adopted Budget and Audited Financial Statements.
- Current balances on funds held at the City.

### **Delinquency Management Services**

Willdan would obtain and download County delinquency data into MuniMagic. The City would then be provided with a comprehensive record after both the December 10 and April 10 installments. Other services include:

1. Sending reminder letters to property owners, with results regularly reported to the City staff.
2. Reviewing the status of delinquencies with City staff, as covenant dates occur.
3. Working with the City's foreclosure attorney to complete the foreclosure process (if deemed necessary).

### **Internet / Website Access to Data**

Willdan will provide the following services upon the return of a valid MuniMagic™ licensing agreement:

1. Provide the City, for the term of the contract, 24/7 Internet access to the established and maintained electronic databases.
2. Provide an access password to the City of Perris specific Web pages.
3. Provide (as required) a user guide and additional phone support for efficient data access.

## **CFD Formation Services**

In order to undertake the formation of bonded Community Facilities Districts (CFD) for the City of Perris, Willdan's special district formations team will perform the below tasks. We understand that each formation project is unique; therefore, our scope of services will be adapted to fit the characteristics and participants of each. We also recognize the importance of working as part of the City's established financing team. In fact, for many of our projects, our CFD formation experts have worked with financing teams. As the work progresses, our approach is focused on keeping the interests of the City and property owners at the forefront of any project.

### **Task 1: Notice to Proceed, to Resolution of Intention**

#### **A. Project Kick-off Meeting**

Schedule an "All Hands" Kick-off Meeting with City staff and financing team. The primary objectives of this meeting is to understand the specific goals of a particular project, to identify key personnel involved in the project, and to establish effective lines of communication.

This meeting will likely include specific discussions of the City's funding goals and priorities, identification of the improvements, political considerations, overall project timeline, budget information, and access availability to pertinent documentation.

#### **B. Background Research**

Update research information related to the development, including site plan and proposed uses.

As necessary, work with the City, developers, and consultants to determine public improvements (or services, if appropriate) for inclusion in the CFD. Prepare a narrative description for the Community Facilities District Public Report; and a Map of Improvements to allow ease in presentation to the City Council, as well as an easily identifiable source for the financing team. As necessary, improvement Areas may be established and different methodologies developed to address varying levels of improvement benefits, as well as accommodate different development and bonding timelines. Careful discussion with both the City and the City's financial advisor will be critical during this stage of the project.

Willdan will research property ownership, and identify all property taxes and overlapping debt on the subject properties, including special assessments, taxes, and charges. Willdan will also prepare a cost estimate of the improvement items, incidentals, and issuance costs related to the CFD. To insure that appropriate costs have been included correctly, bond issuance costs will be discussed with the financing team (e.g., capitalized interest, Official Statement printing, reserve fund level, any required bond security, and the costs for various professionals involved in financing).

#### **C. Preliminary Tax Spread Analysis**

A preliminary pro forma of the CFDs' revenues and expenses will be presented to the financing team for evaluation and discussion. The maximum proposed special taxes will be designed to generate sufficient revenue to meet CFD objectives, protect bonds, and to fairly tax expected CFD properties.

Based on the gathered information, Willdan will begin to prepare a preliminary special tax analysis. As appropriate, this analysis will include value to lien calculations, overlapping tax analysis, and maximum special tax coverage computations. As required, the analysis will also incorporate multiple Improvement Areas.

As necessary, we will prepare calculations from our database, including:

1. Special tax runs identifying the maximum special tax coverage that can be expected in comparing the maximum special tax rates, to the amount estimated to be necessary to repay the bonds, including scenarios identifying the impact of an escalating special tax (in conjunction with escalating debt service).
2. Value-to-lien computations for each parcel; each property owner; and (if necessary) differentiating between developed and undeveloped property, while using the appraiser's data.
3. An overlapping debt table indicating property value, as compared to the new district debt; plus other Assessment or Community Facilities Districts' outstanding parcel debt.
4. Effective tax rate schedules showing the projected tax rate for parcels resulting from the new/prior debts. If requested, and as required, Willdan will prepare multiple spreads that are based on different assumptions.

Willdan will develop special tax categories for property types within the CFD. Special considerations will also be identified for financing team discussion, such as prepayment provisions.

Willdan will develop the special tax structure for the RMA based on the boundaries of the CFD, Improvement Areas, and/or zones; improvements to be funded; proposed development; and effective tax rate limitations. An analysis will be required to determine an equitable spread of the overall burden, while taking into account the nature of the public facilities to be constructed and the area served. To ensure considerations have been addressed, the method will be discussed with the financing team, and then included in both the Resolution of Intention and the Community Facilities District Public Report.

The method will consider the practical implications of annual administration; the developer's acceptance of the methodology; possible exemptions; and the effect, both financial and political, on the secondary property owner.

#### **D. Rate and Method of Apportionment of Special Tax**

Prepare a Rate and Method of Apportionment (RMA) of Special Tax for the Resolution of Intention. In order to equitably apportion the facilities cost on properties within the CFD and to increase issued bonds' security, establishing Improvement Areas and/or tax zones may be the preferred utilized approach. Considering possible phased approaches to construction and, therefore, bonding, this approach may be necessary to allow for the generation of sufficient project value as development progresses. Establishing Improvement Areas provides flexibility for the City in the following ways:

1. Provides the ability to group together similar developments in terms of schedule and product type. In so doing, the special tax structure will be more equitable and reasonable to the individual property owners and will relate to likely financing schedule and needs.
2. Structures the special tax to accommodate the potential phasing of multiple bond issuances, brought about by development schedules. This will provide the City with the ability to bond against development phases (Improvement Areas) that are ready to pull building permits without impacting, or having to wait on, the rest of the proposed development.
3. Provides the City with the ability to monitor the current real estate market and re evaluate each established Improvement Area (in that context) prior to the issuance of any additional bonds series. One phase of the development may not have the appropriate value to lien ratio or taxing capacity to issue or maximize bonds.

Typically, we propose that special taxes not only be levied for debt service, but also to finance the acquisition and construction of authorized future facilities. This will provide the City with the ability to levy the full special tax amount on property, regardless whether bonds have been issued or not. Based on comments received, a description of various alternatives for structuring the special tax will be provided to the City and financing team, and then incorporated into the RMA.

## **Task 2: Resolution of Intention, to Public Hearing**

### **A. Prepare and Record Boundary Map**

Willdan will prepare and record the boundary map with the appropriate local official and the County Recorder's Office. The boundary map for the proposed district will meet the requirements of the Community Facilities Act, City policies, and CFD procedures.

### **B. Community Facilities District Report**

Willdan will prepare a preliminary CFD Report that includes a description of public improvements to be constructed, cost estimates, incidental expenses, the RMA, and necessary information to meet Mello Roos Community Facilities Act requirements. The report will be submitted to the financing team for review and comment. As requested, Willdan will present the CFD Report to City Council and field questions received at the Intent Meeting and/or public hearing.

The CFD Report will include the following components:

- A description of the proposed public facilities to be funded;
- Costs and estimated construction dates of the proposed facilities;
- Estimates of bond issuance and other incidental costs;
- Projected bonded indebtedness, and the anticipated issuance dates; and
- A projection and explanation of the annual special tax rates (by classification) for each year that bonds are outstanding or services funded.

### **C. Registered Voters**

Contact the County Registrar of Voters to verify property ownership, and the number of registered voters within the CFD boundaries. If there are more than 12 registered voters within the boundaries, current legislation requires a registered voter election.

Willdan will assist in tallying the votes, and coordinate the recordation of the Notice of Special Tax Lien after successful formation of the CFD.

### **D. Document Review and Preparation**

Willdan will review resolutions, petitions, consent and waiver documents, and the notices and ballots; and, as Special Tax Consultant, provide our professional expertise.

## **Task 3: Bond Issuance Support**

We will work with the City, financial advisor, bond counsel, and investment bank to create and review financing documents. Typically, as the Community Facilities District Public Report is being finalized to include the best available project costs, the financing team begins preparing the Preliminary Official Statement (POS). The Willdan team will provide necessary expertise related to the development of the POS and OS (Official Statement) for the issuance of CFD bonds.

## **Client Responsibilities for District Formation**

Willdan will rely on obtaining the following information from the City:

- Guidance regarding policies and procedures for formation of CFDs, and objectives and goals concerning each district's use.
- Copies of the existing CFD Goals and Policies and other related documentation (as necessary).
- Information and data, including (as available) detailed cost estimates for the facilities and/or services to be financed by the CFDs.
- Information from the financing team regarding possible financing structure to be implemented in conjunction with the district formation.
- Property owner information on an "as-needed" basis.

## **Legal Opinions**

In preparing the resolutions and the notices and ballots, Willdan will provide our professional expertise. As we do not practice law, we ask that your attorney, or other designated counsel, prepare/review the documents. We will, however, assist your attorney/counsel in identifying pertinent legal issues and will defer to the City's legal counsel on matters related to the City's charter authority in these proceedings.

## **Periodic Special Tax Consulting Services**

We recognize the fact that CFD special tax consulting is not often confined to a strict timeline or set of formation tasks; particularly, in the current economy and in an environment as dynamic as that of the City of Perris. Economic conditions change, as do developer, property owner, and/or City expectations. These types of circumstances often lead to continual monitoring of CFDs; required adjustments and verifications of special tax revenue streams, after initial formation is completed; prior and after bond issuance; and, sometimes, prior to the special tax levy. This is an area where the integration of CFD formation and administration services yields invaluable efficiency and quality for the City. It is crucial that CFD formation and administration be highly coordinated on an ongoing basis. In this manner, required adjustments or changes are carried out with consistency and nothing is lost in transition. On an as needed basis, the Willdan special tax consulting team can provide additional services to the City of Perris, while working with City Staff and in close coordination with the members of the City's financing team. Periodic services provided to the City may include the following:

- Verify bond refunding and associated special tax revenue. If the refunding or restructuring of existing bonds is being considered, it may be necessary to model special taxes for the affected district, as based upon then existing levels of development; thus ensuring that adequate special tax revenues will be collected to support the new bonds.
- CFD annexations and projections of special tax revenue. As new property develops, it will most likely require annexation into an existing services district. We will perform the necessary analysis, present results, and assist with the preparation of the necessary documents for the completion of this annexation.
- Review development information for CFDs as build out progresses, bond issuance moves forward, or as special taxes are levied. Depending upon certain factors, it may be necessary to evaluate and/or restructure the special tax methodology; require developers to pay down or prepay taxes entirely for certain areas; and, in any case, remodel special tax revenue streams for presentation and discussion among the financing team. As necessary, Certificates of Satisfaction or Letters of Compliance can be prepared for any changes.

- Recalculate or restructure special tax rates should development parameters change (e.g., development schedule, product pricing, absorption, or product mix). If a developer requests a significant change in their proposed development plan in response to market or economic changes, it may be necessary to re evaluate many base assumptions used in the original special tax analysis for district formation. Following discussion with the financing team, Willdan will complete and present this analysis, and make any necessary adjustments.
- Model the CFD special tax revenues from any proposed changes in outstanding debt or district property use. This would also involve the creation of an updated special tax analysis that is similar to that which was completed during the original district formation.
- Identify effects of different “trigger” points for the special tax levy, and provide necessary coverage for the security of outstanding bonds. If the City were considering a change in the tax levy timing on specific property types (earlier in the development process), this analysis would be necessary.
- Outline the effects of special tax rate changes (owing to any number of factors) through the development of a special tax pro forma, and provide this information to the City and finance team for discussion.
- Prepare (if a district is to be officially restructured) an amended RMA, and assist with procedural steps when special tax rates are finalized.
- Provide acquisition auditing and documentation for improvements being acquired by the City from a developer.
- Attend the financing team or City Council meetings to discuss CFD related issues.

When a project fitting these descriptions is identified, Willdan will prepare a specific scope of work and fee tailored to the project. For the purposes of brevity, representative detailed scopes of work for each have not been provided. The bulleted items above are based upon our experience working with other cities in the ongoing administration and consulting for their CFDs.

## Arbitrage Rebate Compliance Services

The following three (3) phases will be performed to address the City’s long-term tax-exempt financings that are subject to arbitrage rebate compliance:

### Phase One — Setup

1. Willdan will assign an analyst to manage the arbitrage rebate consulting activities.
2. The analyst will review tax-exempt financings that are subject to federal compliance regulations, and discuss the work plan.
3. The analyst will review pertinent documents related to the debt to confirm that financing is subject to arbitrage rebate requirements; and identify relevant exceptions, elections, and yield restrictions.
4. The subject bond issues will be loaded into Willdan’s proprietary tracking system with their respective target calculation dates.
5. Bond documents and cash flow information required for the reports will be collected.

## **Phase Two — Report Preparation**

Pursuant to Section 148(f) of the Internal Revenue Code, the analyst shall perform the following activities to determine the cumulative arbitrage liability:

1. Calculate the bond yield, and identify all gross proceeds and transferred proceeds (advance refunding issues) allocated to the issue.
2. Compare allowable arbitrage earnings, to actual earnings, to determine cumulative arbitrage liability.
3. Review and consider application of alternative regulatory provisions that may improve the arbitrage liability.
4. Verify that two (2) senior analysts will review the calculation and summary findings.
5. Engage, upon request and at additional fee, the services of a tax counsel, whereby an independent legal opinion shall be rendered.
6. A comprehensive rebate report will be produced and will include the following:
  - Computation summary;
  - Summary analysis of all relevant dates and assumptions;
  - Sources and uses of funds;
  - Arbitrage yield and yield restriction requirements;
  - Rebate liability by fund and aggregate liability for the issue;
  - Arbitrage/investment yield comparison graph;
  - Rebate calculations (by fund);
  - Outstanding investments summary; and
  - Preparation of IRS Form 8038 T, with filing instructions.

## **Phase Three — Ongoing Additional Support**

Willdan's support does not end with report production. Willdan analysts shall be available throughout the agreement period for the following activities:

1. Review current policies and procedures for tracking expenditure and investment earnings allocations. If these systems do not provide sufficient detail to adequately calculate and monitor rebate liability, Willdan will make recommendations to assist in complying with all applicable federal regulations.
2. Review current policy regarding records retention and, if requested, provide assistance and consultation.
3. Keep abreast of enforcement actions and code / regulation changes that may affect arbitrage compliance requirements. Retroactive changes requiring recalculation of a previously submitted arbitrage report shall be performed at our hourly rates (see "Additional Services" section of the Cost Proposal).
4. Assist staff in the event of a rebate calculation audit.
5. Consult with the City, upon request, regarding the structuring of new bond issues and other matters that will affect any eventual arbitrage liability.



## **Client Responsibilities for Arbitrage Rebate**

The analyst will need the following documents and financial information:

- Official Statement;
- Tax certificate (arbitrage certificate, non-arbitrage certificate);
- IRS Form 8038-G (governmental) or Form 8038 (private activity);
- Escrow verification (refunding issues only);
- Cash / asset and investment activity statements (or internal records of expenditure and earnings activity); and
- Current balances on funds held by the City of Perris.

## **Nonland-based Continuing Disclosure Services**

Willdan will provide assistance and advice on ongoing disclosure matters. With regard to the City of Perris' outstanding debt financings, Willdan will provide guidance and direction to the City in preparing disclosure reports. Willdan will help the City provide required financial and operating data requested by investors and which would, otherwise, be considered material in keeping securities holders informed of the investment quality of the debt issue. Willdan will also assist the City in responding to questions from investors and from other market participants.

In addition, with respect to new debt issues, Willdan will assist the City in developing reporting requirements for disclosure documents to meet relevant compliance requirements, as well as to meet marketplace information demands.

## **Annual Financial Information Statement Preparation**

In connection with the preparation of the Annual Financial Information Statement, Willdan will, through City's direction, provide one or all of the following services:

1. Review pertinent documents relating to the debt issue, including the Official Statement, financial statements, and annual reports.
2. Collect directly from Trustees, fiscal agents, state, County agencies, or others any third-party data or other required information (as applicable) for inclusion within the Annual Financial Information Statement.
3. Analyze the information for accuracy, materiality, and appropriateness.
4. Provide advice and direction on inclusion and presentation of the information in the Annual Financial Information Statement.
5. Create a draft of the Annual Financial Information Statement for review by the City.
6. Discuss any relevant issues with the City regarding the report, and address questions the City may have regarding disclosure matters.
7. Finalize and disseminate the Annual Financial Information Statement, including, as necessary, arranging for electronic and paper reproduction and distribution.

## **Significant Event Notices**

Upon notification by the City and/or if Willdan becomes aware, and if deemed to be material, Willdan will prepare Notices of Significant Events covering events enumerated in Rule 15c2 12(b) for the City's review.

## **Dissemination**

Willdan will disseminate the disclosure reports to the new "EMMA" system established by the Municipal Securities Rulemaking Board (MSRB); to the State Information Depository (SID); and to any other party, as directed by the City. Willdan will also assist the City when requests for information are received, and respond to questions from investors and other market participants. The disclosure reports will also be placed on Willdan's Website for easy access by City staff and investors.

The City of Perris acknowledges that Willdan shall be relying upon the accuracy and validity of the information provided by the City, and agrees that Willdan shall not be liable for any inaccuracies contained therein.

**EXHIBIT "B"**

**SCHEDULE OF COMPENSATION**

**FEE FOR SERVICES**

**CFD Administration and Land-based Continuing Disclosure Services**

Willdan will provide special district administration services as described by our scope of services. The number of parcels and districts shown in the following fee table is the basis of this proposal.

District	Parcel Count	Annual Fee <sup>(1)</sup>
CFD 88-1 (Triple Crown Ranch)	710	\$ 2,900
CFD 88-3	748	2,900
CFD 90-1	238	2,900
CFD 90-2 (Green Valley)	60	2,900
CFD 91-1	30	2,900
CFD 93-1	619	2,900
CFD 93-2	67	2,900
CFD 2001-1 (May Farms) IA No. 1	85	2,900
CFD 2001-1 (May Farms) IA No. 2	239	2,900
CFD 2001-1 (May Farms) IA No. 3	499	2,900
CFD 2001-1 (May Farms) IA No. 4	402	2,900
CFD 2001-1 (May Farms) IA No. 5	201	2,900
CFD 2001-1 (May Farms) IA No. 6	279	2,900
CFD 2001-1 (May Farms) IA No. 7	340	2,900
CFD 2001-2, (Villages of Avalon)	1,387	2,900
CFD 2001-3 (N. Perris Public Safety CFD)	334	2,900
CFD 2002-1 (Willowbrook)	113	2,900
CFD 2003-1 (Chaparral Ridge)	103	2,900
CFD 2004-1 (Amber Oaks)	205	2,900
CFD 2004-2 (Corman Leigh Communities)	292	2,900
CFD 2004-3 (Monument Ranch) IA No. 1	228	2,900

District	Parcel Count	Annual Fee <sup>(1)</sup>
CFD 2004-3 (Monument Ranch) IA No. 2	96	\$ 2,900
CFD 2004-5 (Amber Oaks II)	170	2,900
CFD 2005-1 (Perris Valley Vistas) IA No. 3	75	2,900
CFD 2005-1 (Perris Valley Vistas) IA No. 4	383	2,900
CFD 2005-2 (Harmony Grove)	375	2,900
CFD 2005-4 (Stratford Ranch)	112	2,900
CFD 2006-1 (Meritage Homes)	133	2,900
CFD 2006-2 (Monument Park Estates II)	349	2,900
CFD 2006-3 (Alder)	83	2,900
CFD 2007-2 (Pacific Heritage)	505	2,900
CFD 1-S (South Perris Public Safety CFD)	710	2,900
<b>Total</b>	<b>10,170</b>	<b>\$ 92,800</b>
CFD Payoff Quotes <sup>(2)</sup>		\$ 250
New Districts (Flat Fee)		2,900
Land-based Continuing Disclosure Services (Per Debt Issue)		750

<sup>(1)</sup> Owing to savings resulting from Willdan's long time familiarity with the City, the annual fees have been reduced.

<sup>(2)</sup> Fees are paid directly to Willdan by the requestor.

### Delinquency Management Services

As the service is rendered, the following per parcel / per district fees are invoiced to the City:

Services	Fees
Fees Ultimately Reimbursed to Agency by Property Owner:	
Delinquency Reminder Letter	\$ 10
Delinquency Demand Letter	35
Foreclosure Letter	53
Effect Removal from Tax Roll and Record Subsequent Notice of Satisfaction <sup>(1)</sup>	102
Payment Plan	200
Subsequent Foreclosure Services	150

Exhibit "B"

Page 2

Services	Fees
Fees Paid Directly to Willdan by Requestor:	
Delinquency Demand Payoff <sup>(1)</sup>	\$ 50
Zero Demand <sup>(2)</sup>	50

**Please Note:** The delinquent property owner(s) will, ultimately, reimburse all payments made by the City to Willdan for Delinquency Monitoring and judicial foreclosure services.

<sup>(1)</sup> This fee complies with Section 8833 of the California Streets and Highways Code and/or Section 53356.2 of the California Government Code, which requires recording of a Notice of Intent to Remove Delinquent Special Assessments and/or Special Taxes from the County tax roll. It DOES NOT include the County tax roll removal charge, or similar fee, if any.

<sup>(2)</sup> This fee is waived for the property owner (except for escrow purposes) or for the City of Perris.

### Internet / Website Access to Data

Selection	Service	Fee
Read-only Internet Access to Data	<b>Setup Fee</b> Includes setup of electronic database and access to Web pages for the first year of maintenance for two users.	Waived
	<b>Annual Maintenance Fee</b> For year two and subsequent years.	Waived

### CFD Formation Services

Task	Service Description	Fee Range
1	Notice to Proceed, to Resolution of Intention	\$ 9,500 –17,000
2	Resolution of Intention, to Public Hearing	6,000 –12,000
3	Bond Issuance	2,500 – 7,500
	Periodic Special Tax Consulting (hourly rates; if requested, specific estimate can be provided)	2,500 – 5,000
	Future Annexations (Per Annexation)	3,500 – 5,500

**Please Note:** the following conditions apply for the aforesated fees related to CFD Formation services:

- Are not contingent upon the CFD formation outcome.
- Include all direct expenses associated with this project.

- A specific not-to-exceed fee will be provided when an actual CFD formation project and number of proposed developments to be included have been identified.
- Telephone conference calls are not considered meetings and are, therefore, not limited by our proposal.

### Arbitrage Rebate Compliance Services

Issue Date	Original Principal	Issue Name	Next Report Date	Next Fee
<b>Initial Contract Period</b>				
10/16/2003	\$12,380,000	CFD No. 2001-1 (May Farms)	09/01/2013	\$2,000
05/13/2004	2,375,000	CFD No. 2004-1, 2004 Series A	09/01/2013	2,000
05/13/2004	4,890,000	CFD No. 2004-2, 2004 Series B	09/01/2013	2,000
10/26/1988	11,150,000	CFD No. 88-2 (McCanna Ranch) 1988 A	10/26/2013	2,000
02/19/2009	4,055,000	Tax Allocation Revenue Bonds, 2009 Series A	02/19/2014	2,000
03/26/2009	7,605,000	Tax Allocation Revenue Bonds, 2009 Series B	03/26/2014	2,000
07/02/2009	5,490,000	Tax Allocation Revenue Bonds (Central North Project Loan) 2009 Series C	07/02/2014	2,000
07/29/2004	8,955,000	2004 Local Agency Revenue Bonds, Series A	07/29/2014	2,000
03/23/1995	6,795,000	Perris PFA Local Agency Revenue Bonds, 1995 Series D, CFD 93-2 (Perris Plaza)	09/01/2014	2,000
12/09/2004	1,810,000	CFD No. 2004-5 (Amber Oaks II) Special Tax Revenue Bonds 2004 Series A	09/01/2014	2,000
06/09/2005	8,430,000	CFD No. 2004-3 (Monument Ranch), 2005 Series A	09/01/2014	2,000
08/11/2005	5,210,000	CFD No. 2001-2 (Villages of Avalon), 2005 Series B	09/01/2014	2,000
04/22/2010	7,180,000	TARB (Housing Loan), 2010 Series A	10/01/2014	2,000
<b>First Optional Renewal</b>				
04/19/1991	\$ 8,010,000	CFD No. 91-1	09/01/2015	\$2,000
09/29/2005	16,475,00	CFD No. 2001-1 (May Farms), 2005 Series A	09/01/2015	2,000
11/17/2005	14,740,000	CFD No. 2005-2 (Harmony Grove), 2005 Series A	09/01/2015	2,000
04/22/1991	31,320,000	CFD No. 90-2, 1991 Special Tax Bonds	10/01/2015	2,000
06/28/2001	10,745,000	TAB 2001 Series A (PFA)	10/01/2015	2,000
06/28/2001	1,280,000	TAB 2001 Series B (PFA)	10/01/2015	2,000
05/09/2006	31,005,000	2006 Tax Allocation Revenue Bonds	10/01/2015	2,000

Exhibit "B"

Page 4

Issue Date	Original Principal	Issue Name	Next Report Date	Next Fee
<b>Second Optional Renewal</b>				
03/28/2002	\$ 8,020,000	CFD No. 93-1, 2002 Series A	08/15/2016	\$2,000
03/07/2002	16,890,000	CFD No. 2001-2, Villages of Avalon of the City of Perris, Special Tax Revenue Bonds, 2002 Series A	09/01/2016	2,000
03/27/2007	3,385,000	CFD No. 2005-1 (Perris Valley Vistas), 2007 Series A	09/01/2016	2,000
11/30/2006	9,680,000	CFD No. 2001-1 (May Farms), 2006 Series A	09/01/2016	2,000
08/27/2002	6,740,000	TARB, 2002 Series B & C	10/01/2016	2,000
<b>Third Optional Renewal</b>				
02/06/2003	\$ 5,860,000	CFD 2002-1 (Willowbrook), Special Tax Bonds, 2003 Series A	09/01/2017	\$2,000
07/24/2003	3,060,000	CFD 2003-1 (Chaparral Ridge), Special Tax Revenue Bonds, 2003 Series A	09/01/2017	2,000
11/13/2007	14,630,000	Revenue Bonds (May Farms) 2007 Series D	09/01/2017	2,000
03/26/2008	5,640,000	CFD 2005-4, 2008 Series A	09/01/2017	2,000
05/28/2008	4,375,000	Local Agency Revenue Bonds, 2008 Series B	09/01/2017	2,000
12/19/2007	2,775,000	Local Agency Revenue Bonds (CFD 2006-1) 2007 Series C	09/01/2017	2,000
09/06/2007	13,760,000	Revenue Refunding Bonds Series A & B	09/06/2017	2,000

### Additional Fees

Description of Additional Fees Additional Fees May or May Not Apply)	Fees
Commingled Funds Analysis	\$250 Per Bond Year
Variable Rate Yield Period Optimization	\$500
Preparation of IRS Form 8038T (Payment)	No Charge
Request for Refund of Overpayment	No Charge
IRS Audit Assistance	Hourly Rates
<b>New Bond Issues</b>	
First-year Calculation	\$ 1,750
Fifth-year Calculation	2,000

## Nonland-based Continuing Disclosure Services

Item	Fee
Annual Continuing Disclosure Report	\$ 1,000
Annual CDIAC Report Fee	300
Setup Fee	Waived *

- \* To provide assistance to the City during these difficult economic times, the setup fee has been waived.

## Reimbursable Expenses

Willdan will be reimbursed for out-of-pocket expenses, not-to-exceed \$500 annually. Examples of reimbursable expenses include, but are not limited to:

- Postage,
- Travel expenses,
- Mileage (55.5¢ per mile),
- Maps,
- Electronic data furnished from the county and/or other applicable resources,
- Construction cost periodicals, and
- Copying (currently 6¢ per copy).

Any additional expense for reports or from outside services will be billed to the City, or other parties regarding services not listed in the Exhibit A will be at our then current hourly rates (see "Hourly Rates" section). In the event that a third party requests any documents, Willdan may, in accordance with Willdan's applicable rate schedule, charge such third party for providing said documents.

The fees for preparation of disclosure reports assumes that the City of Perris will provide, if requested and as necessary, information that may be reasonably accessible to the City in an electronic format (as appropriate). Other than those specified in the scope of services, Willdan reserves the right to charge fees directly to parties requesting copies of disclosure reports.

## Hourly Rates

Additional authorized services will be billed at Willdan's then-current hourly consulting rates. Our current hourly rates are presented below.

Title	Hourly Rate
Group Manager	\$ 210
Principal Engineer / Principal Consultant	200
Senior Project Manager	165
Project Manager	145
Senior Project Analyst	130
Senior Analyst	120
Analyst	100
Analyst Assistant	75
Property Owner Services Representative	55
Support Staff	50

Exhibit "B"  
Page 6



CITY COUNCIL  
AGENDA SUBMITTAL

Meeting Date: February 14, 2017

**SUBJECT:** Professional Environmental Services to obtain CEQA  
(California Environmental Quality Act) clearance for Ethanac  
Road widening

**REQUESTED ACTION:** Authorize City Manager to select the most qualified consultant  
and sign the agreement

**CONTACT:** Habib Motlagh, City Engineer

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**BACKGROUND:**

The Ethanac Road widening project is well underway and with tentative construction schedule set to mid to late 2018 subject to availability of funds and SCE relocation of 35 poles. To implement this project as presently proposed, significant environmental studies and reports must be prepared prior to start of construction. Staff received 3 proposals from various consultants for the above work, these proposals range from \$85,000 to \$128,000. We may also continue to review other proposals or options to reduce time and cost necessary for the above work.

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**BUDGET (or FISCAL) IMPACT:** Cost for these services will be fully funded by TUMF and local transportation fees.

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Reviewed by:

City Attorney \_\_\_\_\_

Interim Assistant City Manager 

Assistant Finance Director 

Attachments –

Consent: Yes

Public Hearing:

Business Item:

CITY COUNCIL  
AGENDA SUBMITTAL

**Meeting Date: February 14, 2017**

**SUBJECT:** 2015-2016 CAFR and Financial Statements

**REQUESTED ACTION:** Receive and File the City's Comprehensive Annual Financial Report, Public Utility Authority, Public Financing Authority, Joint Powers Authority, Community Economic Development Corporation (CEDC), and Housing Authority Financial Statements for 2015-16

**CONTACT:** Jennifer Erwin, Assistant Director of Finance

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**BACKGROUND/DISCUSSION:**

The purpose of this report is to present the City's Comprehensive Annual Financial Report (CAFR) and annual financial statements for the Council's approval. Each year the City of Perris is required to have an audit of its financial statements. The scope of this audit includes the City itself, the City's Federal Grant Programs (Single Audit), the Public Utility Authority, the Public Financing Authority, the Joint Powers Authority, the Community Economic Development Corporation (CEDC), and the Housing Authority. The period under review spans the previous fiscal year which, in this case, represents July 1, 2015 through June 30, 2016. The audit was conducted by the firm of Teaman, Ramirez, & Smith, Inc. (TRS), an independent CPA firm appointed by, and reporting directly to, the City Council. The purpose of the Audit is to provide a professional opinion with regards to the accuracy of the City's stated financial position and results of operations.

After conducting the audit, TRS has issued the opinion that the City's, the Public Utility Authority, the Public Financing Authority, the Joint Powers Authority, and the Housing Authority's financial statements:

*Present fairly, in all material respects, the financial position of the City of Perris, the Public Utility Authority, the Public Financing Authority, and the Housing Authority as of June 30, 2016, and the results of their operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.*

An audit is an evidence gathering process. Audit evidence is used to evaluate how well audit criteria are being met. Audits must be objective, impartial, and independent, and the audit process must be both systematic and documented. Findings include criteria or basis for determining that a problem does exist, a condition or situation that was observed, the effect or impact of the condition, and the root cause of the problem to the extent that it can be determined. Findings should result in recommendations that resolve the issue and are helpful to management. The fiscal year 2015-16 audit resulted in two findings based upon the timing of reconciling operating and fiscal agent accounts. Although Finance staff is

able to keep a daily log of banking transactions and cash balance, staff changes prohibited a timely reconciliation, and thus any adjusting entries needed, from being done throughout the fiscal year. Most adjusting entries occurred near the end of the fiscal year and during the audit at the close of the fiscal year. Both TRS and the City's Finance management team recognizes the significance of timely reconciliations and the effect of not having skilled staff on hand to complete them. City Finance management has filled the necessary position and is working to establish a second, cross trained staff member to prevent any reconciliation delays in the future. Any deficiencies in reconciliations for fiscal year 2016-17 are expected to be mitigated prior to June 30, 2017.

The Single Audit Report outlines these findings and contains management's response to the audit comments. These are the audit recommendations from TRS and City Finance management responses.

### **Bank Reconciliations**

***Audit Recommendation:** It is our understanding that the City has trained a staff member to prepare the bank reconciliations more timely. Therefore, we recommend that the City also train an alternate person in case the staff assigned to the reconciliations should become unavailable to perform the reconciliations in a timely manner.*

***Management's Response:** The City has filled the vacancy created by the separation of a former staff of the Finance Department who had responsibility for reconciliation of the bank accounts. The new staff has received necessary training and obtained adequate practical experience to ensure prompt reconciliation of the bank accounts. As recommended, the City will train an alternate person who will perform the reconciliation in the absence of the primary staff assigned to perform the routine reconciliations.*

### **Cash and Investments with the Fiscal Agent**

***Audit Recommendation:** It is our understanding that the City has trained and hired staff to prepare the cash and investments with fiscal agent reconciliations more timely. Therefore, we recommend that the City also train an alternate person in case the staff assigned to the reconciliations should become unavailable to perform those reconciliations in a timely manner.*


***Management's Response:** As indicated under Findings 2016-001, the City has filled the vacancy created by the separation of a former staff of the Finance Department who had responsibility for reconciliation of the cash and investments accounts. The new staff has obtained adequate practical experience to ensure prompt reconciliation of the Cash and Investments with the Fiscal Agent. Further, the City has an alternate employee who can easily step in and perform the reconciliations in the absence of the staff assigned to perform the monthly reconciliations.*


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**BUDGET (or FISCAL) IMPACT:** No direct fiscal impact.

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Reviewed by:

Assistant City Manager 

Assistant Director of Finance 

**Attachments Provided Under Separate Cover:**

- 1. City CAFR, Single Audit Report, and Financial Statements for the Public Utility Authority, Public Financing Authority, Joint Powers Authority, Community Economic Development Corporations (CEDC), and Housing Authority for the year ended June 30, 2016**
- 2. SAS-114 Conclusion Letter**
- 3. Report on Appropriations Limit**

**Consent Item:   X**

CITY COUNCIL  
AGENDA SUBMITTAL

Meeting Date: February 14, 2017

**SUBJECT:** Ordinance Amendment OA 17-05028 – Proposal to amend Sections 5.54.140 (A) of the Perris Municipal Code to revise the “location restrictions” for medical marijuana dispensaries by expanding the minimum distance requirement from 600-feet to 1,000-feet from a school, park, place of worship, youth-oriented facility and community center.

**REQUESTED ACTION:** Consider Introducing First Reading of Ordinance No. (next in order) approving Ordinance Amendment OA 17-0508 to amend Sections 5.54.140(A) of the Perris Municipal Code to revise the “location restrictions” for medical marijuana dispensaries by expanding the minimum distance requirement from 600-feet to 1,000-feet from a school, park, place of worship, youth-oriented facility and community center.

**CONTACT:** Clara Miramontes, Director of Development Services 

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**BACKGROUND/DISCUSSION:**

Per the direction of the City Council, this amendment of the Perris Municipal Code proposes to increase the minimum distance requirement for the location of medical marijuana dispensary to a school, park, place of worship, youth-oriented facility and community center from 600-feet to 1,000-feet. Measure K (Ordinance No. 1330) was passed by the City’s voters at the November 8, 2016, election which established Chapter 5.54 of Title 5 of the Perris Municipal Code which permits and regulates medical marijuana dispensaries. Pursuant to the authority of Section 5.54.220 of Measure K, the City Council may amend and/or repeal Chapter 5.54, in part or in whole, by ordinance passed by a majority vote of the City Council. The purpose of this amendment is to better protect the quality of life and safety for children, minors, and family oriented places.

Several California cities have reported negative impacts of activities related to marijuana dispensaries, including but not limited to offensive odors, criminal trespassing, theft, violent robberies and robbery attempts, and the illegal sale and distribution of marijuana. Thus, increasing the distance requirements for dispensaries from 600-feet to 1000-feet from schools, parks, places of worship, youth-oriented facilities and community centers will serve the purpose of protecting and safeguarding against detrimental secondary negative effects and adverse impacts of medical marijuana facilities upon the community, because it mitigates the immediate impact of having medical marijuana dispensaries near schools, parks, places of worship, youth-oriented facilities and community centers. By making medical marijuana dispensaries further from places in which minors, children, and students gather, the deleterious impacts of medical marijuana are also further minimized. Moreover, minimizing these impacts allows the City to preserve more of its public safety resources in that those public safety resources would not be utilized to address the secondary negative effects and adverse impacts of medical marijuana facilities.

Staff conducted an analysis of the areas that would meet the 1,000-foot distance requirement for the location of medical marijuana dispensaries in relation to the above-listed sensitive uses (see attached distance analysis map). It was determined that the areas designated industrial in the northern portion of the City are more likely to accommodate these uses. A cap on the number of permits could also be established if the Council feels that there is potential for an oversaturation of permits throughout the City. An ordinance to establish a cap on the number of permits would be brought back to the City Council at a later date.

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Staff recommends that the City Council approve the attached ordinance to increase the minimum distance requirement for the location of medical marijuana dispensary to a school, park, place of worship, youth-oriented facility and community center from 600-feet to 1,000-feet.

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**BUDGET (or FISCAL) IMPACT:**

Cost for staff preparation of this item has been budgeted in the 2016-2017 budget.

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**Prepared by:** Clara Miramontes, Director of Development

**City Attorney:** Eric Dunn  
**Interim Assistant City Manager:** Darren Madkin *DM*  
**Assistant Director of Finance:** Jennifer Erwin *JE*

**Public Hearing:** February 14, 2017

**Attachments:**

Exhibit 1 - Ordinance  
Exhibit 2 - 1,000-ft. Radius Distance Map for Sensitive Uses

ORDINANCE NO. (NEXT IN ORDER)

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PERRIS, CALIFORNIA, AMENDING SECTIONS 5.54.140(A) OF THE PERRIS MUNICIPAL CODE TO INCREASE LOCATION RESTRICTIONS FROM 600 FEET TO 1000 FEET, FOR MEDICAL MARIJUANA DISPENSARIES, FROM SCHOOLS, PARKS, PLACES OF WORSHIP, YOUTH-ORIENTATED FACILITIES AND COMMUNITY CENTERS

WHEREAS, at the November 8, 2016 general municipal election, the City of Perris' voters approved Measure K, which establishes the "Medical Marijuana Dispensary Regulatory Program" (codified under Chapter 5.54 of Title 5 of the Perris Municipal Code);

WHEREAS, as approved by the City's voters, Section 5.54.220 of Chapter 5.54 of the Perris Municipal Code permits the City Council to amend or repeal, in part or in whole, the Medical Marijuana Dispensary Regulatory Program;

WHEREAS, several California cities have reported negative impacts of marijuana dispensaries, including but not limited to offensive odors, criminal trespassing, theft, violent robberies and robbery attempts, and the illegal sale and distribution of marijuana; and

WHEREAS, the City Council finds that the public health, safety, and general welfare of the City and its residents necessitates and requires the adoption of this Ordinance, which amends Section 5.54.140(A) of the Perris Municipal Code such that medical marijuana dispensaries shall not be located within one thousand feet of a school, park, place of worship, youth-oriented facility and community center, in order to: (a) protect and safeguard against the detrimental secondary negative effects and adverse impacts upon the community of facilities dispensing medical marijuana; (b) preserve and safeguard minors, children, and students in the community from the deleterious impacts of medical marijuana facilities; and (c) preserve the City's law enforcement services, in that monitoring and addressing the negative secondary effects and adverse impacts will likely burden the City's law enforcement resources.

THE CITY COUNCIL OF THE CITY OF PERRIS DOES ORDAIN AS FOLLOWS:

**Section 1.** Recitals Incorporated. The foregoing Recitals are incorporated herein by reference as if set forth in full.

**Section 2.** Amendment to Section 5.54.140(A) of Chapter 5.54 of the Perris Municipal Code. Section 5.54.140(A) of Chapter 5.54 of the Perris Municipal Code is hereby amended as follows (where *bold & italics* indicates new language while ~~strikethrough~~ indicates deleted language):

"A. Medical marijuana dispensaries shall not be located within ~~six hundred~~ *one thousand* feet of a school, park, place of worship, youth-oriented facility or community center."

**Section 3.** Effective Date. This Ordinance shall take effect 30 days after its adoption.

**Section 4.** Severability. If any section, subsection, subdivision, sentence, clause, phrase or portion 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 this Ordinance. The City Council hereby declares that it would have adopted this Ordinance, and each section, subsection, subdivision, sentence, clause, phrase, or portions thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases or portions thereof be declared invalid or unconstitutional.

**Section 5.** Certification. The City Clerk shall certify as to the passage and adoption of this Ordinance, shall make a minute of the passage and adoption thereof in the records of and the proceedings of the City Council at which the same is passed and adopted, and shall cause a summary of this Ordinance to be published in accordance with Government Code section 36933 in a newspaper of general circulation which is hereby designated for that purpose.

**ADOPTED, SIGNED and APPROVED** this \_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
Michael M. Vargas, Mayor

ATTEST:

\_\_\_\_\_  
Nancy Salazar, City Clerk



STATE OF CALIFORNIA )  
COUNTY OF RIVERSIDE )  
CITY OF PERRIS )

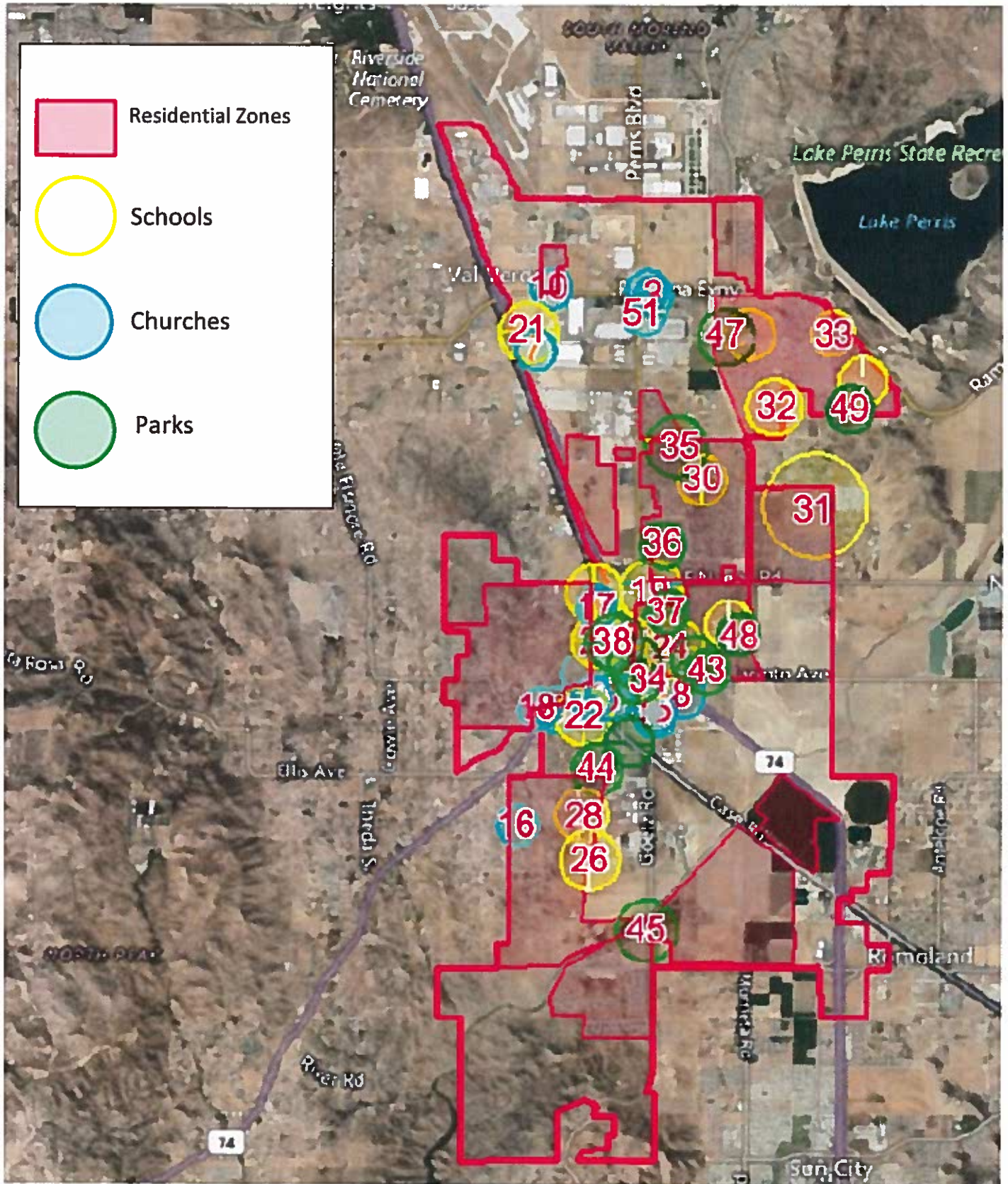
I, Nancy Salazar, City Clerk of the City of Perris that the foregoing Ordinance Number \_\_\_\_ was duly adopted by the City Council of the City of Perris at a regular meeting of said Council on the \_\_\_\_ day of \_\_\_\_\_, 2017, and that it was so adopted by the following vote:

AYES:  
NOES:  
ABSENT:

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Nancy Salazar, City Clerk

# 1,000 –Foot Radius Distance Analysis from Sensitive Uses (School, Playgrounds, Churches)



CITY COUNCIL  
AGENDA SUBMITTAL

Meeting Date: February 14, 2017

SUBJECT: Proposition 64 (Adult Use of Marijuana Act) - Recreational Use of Marijuana

REQUESTED  
ACTION: Overview of Proposition 64

CONTACT: Clara Miramontes, Director of Development Services



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BACKGROUND/DISCUSSION:

On November 8, 2016, California voters adopted Proposition 64, the Control, Regulate and Tax Adult Use of Marijuana Act (AUMA).

AUMA legalized for individuals 21 years of age or older the personal use of marijuana, personal possession of up to one ounce of marijuana (and eight grams of concentrated marijuana), and personal cultivation of up to six marijuana plants. AUMA largely preempts local control over these personal activities. However, cities may completely prohibit outdoor personal cultivation and may also regulate - though not ban - limited indoor cultivation of up to six marijuana plants. Examples of such regulations would be odor control, security provisions and fire department inspections.

On or about January 1, 2018, AUMA provides for the issuance by the State of California of (if certain conditions are met) 19 different state licenses for commercial *recreational/nonmedical* marijuana businesses for various types of cultivation, manufacturing, testing, distribution and retail sales. AUMA also establishes a statewide marijuana regulatory system to be administered by a new Bureau of Marijuana Control. A state license will be required to operate one of these commercial recreational/nonmedical marijuana businesses. AUMA further authorizes cities to define, regulate and/or prohibit all commercial recreational/nonmedical marijuana businesses.

The 2016 Medical Marijuana Regulation and Safety Act (MMRSA) established provisions - similar to AUMA's provisions - for commercial *medical* marijuana businesses, including authority for cities to define, regulate and/or prohibit commercial medical marijuana businesses.

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BUDGET (or FISCAL) IMPACT:

Cost for staff preparation of this item has been budgeted in the 2016-2017 budget.

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Prepared by: Clara Miramontes, Director of Development

City Attorney: Eric Dunn  
Interim Assistant City Manager: Darren Madkin   
Assistant Director of Finance: Jennifer Erwin 

Business Item: February 14, 2017

# Verbal Presentation