

**CITY OF ONTARIO
CITY COUNCIL AND HOUSING AUTHORITY
AGENDA
DECEMBER 3, 2019**

Paul S. Leon
Mayor

Ruben Valencia
Mayor pro Tem

Alan D. Wapner
Council Member

Jim W. Bowman
Council Member

Debra Dorst-Porada
Council Member



Scott Ochoa
City Manager

Scott E. Huber
City Attorney

Sheila Mautz
City Clerk

James R. Milhiser
Treasurer

WELCOME to a meeting of the Ontario City Council.

- All documents for public review are on file with the Records Management/City Clerk's Department located at 303 East B Street, Ontario, CA 91764.
- Anyone wishing to speak during public comment or on a particular item will be required to fill out a blue slip. Blue slips must be turned in prior to public comment beginning or before an agenda item is taken up. The Clerk will not accept blue slips after that time.
- Comments will be limited to 3 minutes. Speakers will be alerted when they have 1 minute remaining and when their time is up. Speakers are then to return to their seats and no further comments will be permitted.
- In accordance with State Law, remarks during public comment are to be limited to subjects within Council's jurisdiction. Remarks on other agenda items will be limited to those items.
- Remarks from those seated or standing in the back of chambers will not be permitted. All those wishing to speak including Council and Staff need to be recognized by the Chair before speaking.

ORDER OF BUSINESS The regular City Council and Housing Authority meeting begins with Closed Session and Closed Session Comment at 6:00 p.m., Public Comment at 6:30 p.m. immediately followed by the Regular Meeting and Public Hearings. No agenda item will be introduced for consideration after 10:00 p.m. except by majority vote of the City Council.

(EQUIPMENT FOR THE HEARING IMPAIRED AVAILABLE IN THE RECORDS MANAGEMENT OFFICE)

CALL TO ORDER (*OPEN SESSION*)

6:00 p.m.

ROLL CALL

Valencia, Wapner, Bowman, Dorst-Porada, Mayor/Chairman Leon

CLOSED SESSION PUBLIC COMMENT The Closed Session Public Comment portion of the Council/Housing Authority meeting is limited to a maximum of 3 minutes for each speaker and comments will be limited to matters appearing on the Closed Session. Additional opportunities for further Public Comment will be given during and at the end of the meeting.

CLOSED SESSION

- GC 54956.9 (d)(2) and (e)(3), CONFERENCE WITH LEGAL COUNSEL, ANTICIPATED LITIGATION: *Two cases.*
- GC 54956.9 (d)(1), CONFERENCE WITH LEGAL COUNSEL, EXISTING LITIGATION: *City of Ontario, et al v. The Lanting Family, LLC, et al. San Bernardino Superior Court Case No. CIVDS1618637*
- GC 54956.95 CONFERENCE WITH LEGAL COUNSEL, *San Bernardino Workers' Compensation Appeals Board, EAMS Case No. ADJ11152576*

In attendance: Valencia, Wapner, Bowman, Dorst-Porada, Mayor/Chairman Leon

PLEDGE OF ALLEGIANCE

Council Member Wapner

INVOCATION

Pastor Ernest Benion Jr., The Church of God

REPORT ON CLOSED SESSION

City Attorney

PUBLIC COMMENTS

6:30 p.m.

The Public Comment portion of the Council/Housing Authority meeting is limited to 30 minutes with each speaker given a maximum of 3 minutes. An opportunity for further Public Comment may be given at the end of the meeting. Under provisions of the Brown Act, Council is prohibited from taking action on oral requests.

As previously noted -- if you wish to address the Council, fill out one of the blue slips at the rear of the chambers and give it to the City Clerk.

AGENDA REVIEW/ANNOUNCEMENTS The City Manager will go over all updated materials and correspondence received after the Agenda was distributed to ensure Council Members have received them. He will also make any necessary recommendations regarding Agenda modifications or announcements regarding Agenda items to be considered.

CONSENT CALENDAR

All matters listed under CONSENT CALENDAR will be enacted by one motion in the form listed below – there will be no separate discussion on these items prior to the time Council votes on them, unless a member of the Council requests a specific item be removed from the Consent Calendar for a separate vote.

Each member of the public wishing to address the City Council on items listed on the Consent Calendar will be given a total of 3 minutes.

1. APPROVAL OF MINUTES

Minutes for the regular meeting of the City Council and Housing Authority of November 5, 2019, approving same as on file in the Records Management Department.

2. BILLS/PAYROLL

Bills November 1, 2019 through November 14, 2019 and **Payroll** October 27, 2019 through November 9, 2019, when audited by the Finance Committee.

3. A MEMORANDUM OF ACKNOWLEDGEMENT OF EXPIRATION OF A WILLIAMSON ACT CONTRACT FOR CERTAIN PROPERTIES LOCATED ON THE NORTH SIDE OF MERRILL AVENUE, BETWEEN VINEYARD AND CARPENTER AVENUES (APNS: 0218-261-29 AND 0218-261-37)

That the City Council approve a Memorandum of Acknowledgement of Expiration; authorize the City Manager to execute the document; and direct recordation of said document.

4. FISCAL YEAR 2019-20 FIRST QUARTER BUDGET UPDATE REPORT

That the City Council approve the budget adjustments and recommendations as listed in the Fiscal Year 2019-20 First Quarter Budget Update Report.

5. A RESOLUTION AUTHORIZING A FIRST AMENDMENT TO ACQUISITION AND FUNDING AGREEMENT WITH STG COMMUNITIES II, LLC

That the City Council consider and adopt a resolution to authorize the execution of a First Amendment to Acquisition and Funding Agreement between the City and STG Communities II, LLC (on file in the Records Management Department) to provide for the acquisition of completed public facilities constructed by STG Communities II, LLC with the proceeds of Community Facilities District No. 42 (CFD No. 42 – West Haven) special tax bonds.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, AUTHORIZING THE EXECUTION AND DELIVERY OF A FIRST AMENDMENT TO ACQUISITION AND FUNDING AGREEMENT WITH STG COMMUNITIES II, LLC.

6. AN ORDINANCE LEVYING SPECIAL TAXES WITHIN CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 46 (AVENUE 176 FACILITIES)

That the City Council consider and adopt an ordinance authorizing the levy of special taxes within City of Ontario Community Facilities District No. 46 (Avenue 176 Facilities).

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, LEVYING SPECIAL TAXES WITHIN THE CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 46 (AVENUE 176 FACILITIES).

PUBLIC HEARINGS

Pursuant to Government Code Section 65009, if you challenge the City's zoning, planning or any other decision in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the City Council at, or prior to the public hearing.

7. A PUBLIC HEARING REGARDING AN ECONOMIC DEVELOPMENT SUBSIDY REPORT AND OPERATING COVENANT AGREEMENT BETWEEN THE CITY OF ONTARIO AND VF OUTDOOR, LLC PURSUANT TO GOVERNMENT CODE SECTION 53083; AND CONSIDERATION OF A RESOLUTION ACCEPTING THE ECONOMIC DEVELOPMENT SUBSIDY REPORT, APPROVING THE OPERATING COVENANT AGREEMENT AND MAKING RELATED FINDINGS

That the City Council take the following actions:

- (A) Hold the public hearing;
- (B) Adopt a resolution accepting the Economic Development Subsidy Report prepared pursuant to Government Code Section 53083 regarding an Operating Covenant Agreement (on file in the Records Management Department) by and between the City of Ontario and VF Outdoor, LLC., hereinafter referred to as “VF Outdoor”;
- (C) Adopt a resolution approving the Operating Covenant Agreement and authorizing the City Manager to execute the Agreement, and making related findings; and
- (D) Direct City staff to file a Notice of Exemption based upon the City Council’s finding that the impacts for this agreement is not a project and subject to environmental review and that there is no possibility that the activity in question may have a significant effect on the environment.

Notice of public hearing has been duly given and affidavits of compliance are on file in the Records Management Department.

Written communication.
Oral presentation.
Public hearing closed.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, ACCEPTING THE ECONOMIC DEVELOPMENT SUBSIDY REPORT PREPARED PURSUANT TO GOVERNMENT CODE SECTION 53083 REGARDING THE DEVELOPMENT OF A WAREHOUSE AND DISTRIBUTION CENTER BY VF OUTDOOR, LLC IN THE CITY OF ONTARIO AND APPROVING AN OPERATING COVENANT AGREEMENT.

8. A PUBLIC HEARING TO CONSIDER FOUR HISTORIC PROPERTY PRESERVATION AGREEMENTS (FILE NOS. PHP19-004, PHP19-007, PHP19-008 AND PHP19-010) FOR FOUR DESIGNATED HISTORIC PROPERTIES

That the City Council consider and adopt resolutions approving and authorizing the City Manager to enter into Historic Preservation Agreements (Mills Act contract) for the following properties:

- File No. PHP19-004, 205 East Sixth Street (APN: 1047-241-03), Darius Long
- File No. PHP19-007, 408 West Armsley Square (APN: 1047-341-09), Jason and Maria Lawliss
- File No. PHP19-008, 130 East J Street (APN: 1048-071-05), Peter Bugbee
- File No. PHP19-010, 907 North Euclid Avenue (APN: 1048-043-13), John Aylyng and Dianne Fife

Notice of public hearing has been duly given and affidavits of compliance are on file in the Records Management Department.

Written communication.

Oral presentation.

Public hearing closed.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, APPROVING FILE NO. PHP19-004, AND AUTHORIZING THE CITY OF ONTARIO TO ENTER INTO A HISTORIC PROPERTY PRESERVATION AGREEMENT WITH DARIUS LONG, FOR THE PROPERTY LOCATED AT 205 EAST SIXTH STREET (APN: 1047-241-03).

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, APPROVING FILE NO. PHP19-007, AND AUTHORIZING THE CITY OF ONTARIO TO ENTER INTO A HISTORIC PROPERTY PRESERVATION AGREEMENT WITH JASON AND MARIA LAWLISS, FOR THE PROPERTY LOCATED AT 408 WEST ARMSLEY SQUARE (APN: 1047-341-09).

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, APPROVING FILE NO. PHP19-008, AND AUTHORIZING THE CITY OF ONTARIO TO ENTER INTO A HISTORIC PROPERTY PRESERVATION AGREEMENT WITH PETER BUGBEE, FOR THE PROPERTY LOCATED AT 130 EAST J STREET (APN: 1048-071-05).

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, APPROVING FILE NO. PHP19-010, AND AUTHORIZING THE CITY OF ONTARIO TO ENTER INTO A HISTORIC PROPERTY PRESERVATION AGREEMENT WITH JOHN AYLYNG AND DIANNE FIFE, FOR THE PROPERTY LOCATED AT 907 NORTH EUCLID AVENUE (APN: 1048-043-13).

9. CONSIDERATION OF A SPENDING PLAN FOR CITIZEN'S OPTION FOR PUBLIC SAFETY/ENHANCING LAW ENFORCEMENT ACTIVITIES SUBACCOUNT GRANT PROGRAM

That the City Council receive public comment for the Fiscal Year 2019-20 Citizen's Option for Public Safety (COPS) / Enhancing Law Enforcement Activities Subaccount (ELEAS) Grant; and approve the proposed spending plan.

That the City Council receive public comment for the Fiscal Year 2019-20 Citizen's Option for Public Safety (COPS) / Enhancing Law Enforcement Activities Subaccount (ELEAS) Grant; and approve the proposed spending plan.

Notice of public hearing has been duly given and affidavits of compliance are on file in the Records Management Department.

Written communication.

Oral presentation.

Public hearing closed.

STAFF MATTERS

City Manager Ochoa

COUNCIL MATTERS

Mayor Leon

Mayor pro Tem Valencia

Council Member Wapner

Council Member Bowman

Council Member Dorst-Porada

ADJOURNMENT

**CITY OF ONTARIO
CLOSED SESSION REPORT**
City Council // Housing Authority // Other // (GC 54957.1)
December 3, 2019

ROLL CALL: Valencia __, Wapner __, Bowman __, Dorst-Porada__, Mayor / Chairman Leon __.

STAFF: City Manager / Executive Director __, City Attorney __

In attendance: Valencia __, Wapner __, Bowman __, Dorst-Porada__, Mayor / Chairman Leon __.

- GC 54956.9 (d)(2) and (e)(3), CONFERENCE WITH LEGAL COUNSEL, ANTICIPATED LITIGATION: *Two cases.*

No Reportable Action	Continue	Approved
//	//	//

Disposition: _____

In attendance: Valencia __, Wapner __, Bowman __, Dorst-Porada__, Mayor / Chairman Leon __.

- GC 54956.9 (d)(1), CONFERENCE WITH LEGAL COUNSEL, EXISTING LITIGATION: City of Ontario, et al v. The Lanting Family, LLC, et al. San Bernardino Superior Court Case No. CIVDS1618637

No Reportable Action	Continue	Approved
//	//	//

Disposition: _____

CITY OF ONTARIO
CLOSED SESSION REPORT
City Council // Housing Authority // Other // (GC 54957.1)
December 3, 2019
(continued)

In attendance: Valencia _, Wapner _, Bowman _, Dorst-Porada_, Mayor / Chairman Leon _.

- GC 54956.95 CONFERENCE WITH LEGAL COUNSEL, San Bernardino Workers' Compensation Appeals Board, EAMS Case No. ADJ11152576

No Reportable Action	Continue	Approved
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Disposition: _____

Reported by:

City Attorney / City Manager / Executive Director

CITY OF ONTARIO

Agenda Report
December 3, 2019

SECTION:
CONSENT CALENDAR

SUBJECT: A MEMORANDUM OF ACKNOWLEDGEMENT OF EXPIRATION OF A WILLIAMSON ACT CONTRACT FOR CERTAIN PROPERTIES LOCATED ON THE NORTH SIDE OF MERRILL AVENUE, BETWEEN VINEYARD AND CARPENTER AVENUES (APNS: 0218-261-29 AND 0218-261-37)

RECOMMENDATION: That the City Council approve a Memorandum of Acknowledgement of Expiration; authorize the City Manager to execute the document; and direct recordation of said document.

COUNCIL GOALS: Invest in the Growth and Evolution of the City's Economy

Operate in a Businesslike Manner

Focus Resources in Ontario's Commercial and Residential Neighborhoods

Ensure the Development of a Well Planned, Balanced, and Self-Sustaining Community in Ontario Ranch

FISCAL IMPACT: None.

BACKGROUND: Prior to November 1, 1999, the Ontario Ranch area of the City of Ontario was located within an agricultural preserve under the jurisdiction of the County of San Bernardino. The agricultural preserve was established in 1968 and provided opportunities for property owners to voluntarily enter into agricultural contracts, known as Williamson Act contracts, that assessed property taxes based on the agricultural use of the property, rather than residential or commercial valuation. Williamson Act contracts provide for property tax reductions so long as the property is used for agricultural purposes. Property owners may discontinue the contracts by filing for "non-renewal" which results in the gradual escalation of property taxes, over a ten-year period, based on the residential or commercial land use designation of the property. A property owner also has the option of "cancelling" a contract by paying a penalty equal to 12½ % of the current market value of the property.

With the annexation of Ontario Ranch to the City of Ontario, all responsibilities for monitoring Williamson Act contracts was transferred from the County to the City. A complete inventory of all

STAFF MEMBER PRESENTING: Scott Murphy, AICP, Executive Director Development Agency

Prepared by: Scott Murphy
Department: Development

City Manager
Approval: 

Submitted to Council/O.H.A. 12/03/2019

Approved: _____

Continued to: _____

Denied: _____

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active Williamson Act contracts was provided to the City and was used in the Environmental Impact Report prepared for the area then referred to as the New Model Colony. Since annexation, staff has been monitoring the Williamson Act contracts, including processing of contract non-renewals and cancellations.

Recently, it was brought to staff's attention that title reports on several properties indicated that active Williamson Act contracts were present that were not reflected in the City's inventory. These properties, owned by Prologis L.P., are generally located on the north side of Merrill Avenue between Vineyard and Carpenter Avenues (see Exhibit "A" – Location Map). In researching the matter, staff found San Bernardino County Tax Assessor information indicating that the "Notice of Non-Renewal" was filed with the County on December 11, 2002, and that the Williamson Act contract expired on December 31, 2011. Therefore, the Williamson Act contract on the properties was removed; and the property owners are not subject to the provisions of the Williamson Act.

In consultation with the City Attorney's Office and the applicant's attorney, the attached "Memorandum of Acknowledgement of Expiration" was developed to assist in clarifying title on the subject properties. If approved by City Council, the memorandum will be executed by the City Manager and the property owner then and recorded against the properties.

Exhibit "A" – Location Map



RECORDING REQUESTED BY:

Clerk, City Council
City of Ontario

WHEN RECORDED MAIL TO:

City of Ontario
303 East B Street
Ontario, CA 91764
Attn: City Clerk

MEMORANDUM OF ACKNOWLEDGMENT OF EXPIRATION

THIS MEMORANDUM OF ACKNOWLEDGMENT OF EXPIRATION (this "**Memorandum**") dated as of _____, 2019, is executed and delivered by the CITY OF ONTARIO, a municipal corporation ("**City**"), to and in favor of 9052 Merrill Ave Ontario LLC, a Delaware limited liability company and its successors and assigns ("**Owner**").

RECITALS

A. Owner is the owner of certain real property in the City in what is now known as the Ontario Ranch area (formerly the New Model Colony), consisting of County of San Bernardino ("**County**") Assessor Parcel Numbers (APNs) 0218-261-29 and 0218-261-37 (the "**Property**").

B. On or about February 20, 1969, the previous owners of a portion of the Property entered into a contract pursuant to the Williamson Act (California Government Act § 51200 *et seq.*) with the County, entitled "Land Conservation Agreement," recorded with the County of San Bernardino Recorder's Office at Book 7190, Pages 509 through 516, as subsequently amended by an amendment recorded at Book 7616, Pages 849 through 854, attached to this Memorandum as Exhibit 1 (collectively, the "**509 Contract**").

C. On or about February 20, 1969, the previous owners of the other portion of the Property entered into a Land Conservation Agreement recorded with the County of San Bernardino Recorder's Office at Book 7190, Page 525 through 532, as subsequently amended by an amendment recorded at Book 7616, Pages 789 through 794, and thereafter terminated by a Notice of Non-Renewal of Land Conservative Contract Number 69-150, dated October 1, 2002, recorded with the County of San Bernardino Recorder's Office as Document #2002-0675183 (the "**525 Non-Renewal**"), attached to this Memorandum as Exhibit 2 (collectively, the "**525 Contract**"). The 525 Contract together with the 509 Contract are collectively referred to herein as the "**Contracts**". The Contracts were entered into as part of the County's establishment of the Agricultural Preserve.

D. In 1994, the County of San Bernardino Local Agency Formation Commission ("**LAFCO**") approved placing 8,200 acres of the Agriculture Preserve area, including the Property, into the City's sphere of influence. In 1998, the City certified an environmental impact report

(“EIR”) analyzing the impacts of future development of these 8,200 acres with 31,188 dwelling units.

E. In May 1999, LAFCO approved the annexation of this entire 8,200 acre area, which was approved and officially annexed by the City on July 12, 1999, which became known as the New Model Colony (now Ontario Ranch). The City’s annexation took the 8,200 acres out of the Agricultural Preserve and rezoned the entire area “Specific Plan,” which contemplates the development of residential, public, commercial, industrial and specialty uses, not agricultural uses. As part of this annexation, the City expressly succeeded all rights, duties and powers of the County for all existing Williamson Act contracts applicable to all properties annexed by the City, including the Property.

F. Both the City and Owner agree that by the terms of the 509 Contract, the annexation of the Property into the City and the City’s approval of the New Model Colony development – which removed the Property from the County’s Agricultural Preserve – the 509 Contract was not renewed and therefore expired, notwithstanding any failure to record a notice of renewal, no later than December 31, 2011.

G. The 525 Non-Renewal inadvertently excluded from its legal description portions of the Property to which the 525 Contract applied, even though the 525 Non-Renewal was intended to terminate the 525 Contract in its entirety.

H. The City and Owner both wish to enter into this Memorandum to correct any historical inadvertence with respect to recording, and confirm that the Contracts have expired and no longer has any force and effect.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and confessed, the City hereby represents and warrants to, and covenants and agrees with, Owner as follows:

1. By virtue of its Resolution No. 2647, the City succeeded the County as the party to all Williamson Act contracts applicable to property in the New Model Colony (now Ontario Ranch) area, specifically including the Contract.
2. The City’s July 12, 1999 annexation of the Property disestablished the Agricultural Preserve, at least with respect to the Property, and was equivalent to a notice of nonrenewal under the Williamson Act and the terms of the Contract.
3. The 525 Non-Renewal effectively canceled the 525 Contract in its entirety notwithstanding the inadvertent clerical error in the omission of a portion of the Property.
3. The Contracts (as amended) currently appearing on title for the Property and attached hereto as Exhibit 1 and Exhibit 2 have expired, and no longer have any force and effect.
4. This Memorandum shall inure to the benefit of Owner and its successors and assigns and shall be binding on the City and its successors and assigns.

IN WITNESS WHEREOF, City and Owner have executed this Memorandum as of the date first written above.

[Signatures on Following Page]

City of Ontario,
a municipal corporation

By: _____
Scott Ochoa, City Manager

Owner
9052 Merrill Ave Ontario LLC
a Delaware Limited Liability Company

By: _____
Name: _____
Title: _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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 Bernardino

On _____ before me _____, Notary Public
(insert name and title of the officer)

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.

Exhibit 1

509 Contract

(to follow this page)

69-147

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BOOK 7190 PAGE 509

RECORDED AT REQUEST
Board of Supervisors
BOOK 7190 PAGE 509
'69 FEB 28 P 4:34

NO FEE
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OFFICIAL RECORDS
SAN BERNARDINO CO. CALIF.
Ted R. Carpenter
COUNTY RECORDER

LAND CONSERVATION AGREEMENT

THIS AGREEMENT is made and entered into this 20th day of FEBRUARY, 19 69, by and between

GEORGE M. VANDERHAM and ALICE M. VANDERHAM

(All owners, including multiple owners, and spouses, must be entered above. If unmarried, so indicate.) hereinafter referred to as "OWNER" (for both singular and plural), and the COUNTY OF SAN BERNARDINO, a political subdivision of the State of California, hereinafter referred to as "COUNTY":

WITNESSETH

WHEREAS, OWNER possesses certain real property located within the COUNTY, which property is presently devoted to agricultural and compatible uses and is particularly described in Exhibit "A", attached hereto and made a part hereof, and

WHEREAS, said property is located in an agricultural preserve heretofore established by COUNTY by Resolution No. 2/4/69, and

WHEREAS, both OWNER and COUNTY desire to limit the use of said property to agricultural and compatible uses in order to discourage premature and unnecessary conversion of such lands from agricultural uses, recognizing that such land has definite public value as open space and that the preservation of such land in agricultural production constitutes an important physical, social, esthetic and economic asset to the COUNTY to maintain the agricultural economy of the COUNTY and the State of California, and

WHEREAS, both OWNER and COUNTY intend that the terms, conditions and restrictions of this Agreement are substantially similar to contracts authorized by the California Land Conservation Act of 1965 so as to be an enforceable restriction under the provisions of California Revenue and Taxation Code Section 422; and

WHEREAS, it is the intent of COUNTY and OWNER that the continued existence of the within Agreement is made dependent upon the existence of legislation or other law implementing Article XXVIII of the California Constitution so the effect of the terms, conditions and restrictions of the Agreement on property values for taxation purposes is as favorable to OWNER as the legislation existing on the last renewal date.

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NOW, THEREFORE, the parties in consideration of the mutual covenants and conditions set forth herein and the substantial public benefits to be derived therefrom, do hereby agree as follows:

1. California Land Conservation Act of 1965 - The within Agreement is made and entered into pursuant to the California Land Conservation Act of 1965 (Chapter 7 of Part 1 of Division 1 of Title 5 of the California Government Code commencing with Section 51200) and is subject to all the provisions, including any amendments thereto which may be enacted, which are specifically applicable to Article 3.5 Agreements.

2. Agricultural and Compatible Uses - During the term of this Agreement or any renewals thereof, the above described land shall not be used for any purpose, other than the production of agricultural commodities for commercial purposes and compatible uses as listed in the resolution establishing the preserve within which the land is located, a copy of such list is being attached hereto and marked as Exhibit "B".

3. Additional Agricultural Uses - The Board of Supervisors of COUNTY may from time to time and during the term of this Agreement or any extensions thereof, by resolution add to those uses listed in the resolution establishing the preserve within which the land is located; provided, however, said Board shall not eliminate, without written consent of OWNER, a compatible use during the term of this Agreement or any renewals thereof.

4. Condemnation - Upon the filing of any action in eminent domain for the condemnation of the fee title of any land described herein or of less than a fee interest which will prevent the land being used for any authorized use, or upon the acquisition in lieu of condemnation of the fee title of any land described herein or of less than a fee interest which will prevent the land being used for any authorized use, this Agreement is null and void upon such filing or acquisition as to the land so condemned or so acquired and the condemning agency shall proceed as if the Agreement never existed.

5. Term of Agreement - This Agreement shall be effective commencing on February 28, 1969 and shall remain in effect for a period ending December 31, 1978, and during such renewals of this Agreement.

This Agreement shall be automatically renewed for a period of one year on the first day of each January (so that the unexpired term is ten (10) years from the first day of each January), unless notice of non-renewal is given pursuant to Government Code Sections 51245 et seq. Upon receipt of notice of non-renewal by the other party this Agreement shall remain in effect for the balance of the term remaining since the original execution or the last renewal of this Agreement, as the case may be. A notice of non-renewal irrespective of which party gives the notice shall be recorded by the COUNTY. A copy of the recorded notice of non-renewal shall be forwarded by COUNTY to the California Director of Agriculture. Under no circumstances shall a notice of renewal be required of either party to effectuate the automatic renewal option of this paragraph.

6. No Payments by County - OWNER shall not receive any payment from COUNTY in consideration of the obligations imposed hereunder, it being recognized and agreed that the consideration for the execution of the within Agreement is the substantial public benefit to be derived therefrom and the advantage which will accrue to OWNER as a result of the effect on the method of determining the assessed value of land described herein and any reduction thereon due to the imposition of the limitations on its use contained herein.

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7. Successors in Interest - The within Agreement shall run with the land described herein, and shall be binding upon the heirs, successors and assigns of OWNER.

8. Cancellation - Except as provided in Clause 9, below, this Agreement may be cancelled as to any or all of the land described in Exhibit "A" by mutual agreement of COUNTY and OWNER after public hearing has been held in accordance with the provisions of Section 51284 of the Government Code. Neither party hereto can cancel this agreement unilaterally. To be effective a mutual agreement to cancel must be based on one of the following: (a) The cancellation is not inconsistent with the purposes of the California Land Conservation Act of 1965; (b) the cancellation is in the public interest; or (c) the cancellation is in accordance with clause 9, below. The Assessor of the County of San Bernardino shall revalue the land to which the cancellation applies as soon as possible after the cancellation, use the cancellation date as the valuation date, and apply the County's announced ratio to the full cash value to determine the assessed value. The assessed value shall be subject to equalization pursuant to Section 1604 of the Revenue and Taxation Code. When the assessed valuation becomes final, the OWNER shall pay COUNTY, as deferred taxes, an amount equal to 50% (fifty percentum) of the new assessed valuation of the property. If after the effective date of the cancellation, the announced County ratio of assessed value to full cash value is changed, the percentage payment to the County shall be changed so that no greater percentage of full cash value will be paid. If, at the date of the cancellation, the Agreement previously has been subject to a notice of non-renewal, the amount due shall be reduced by the proportion that the whole number of years the Agreement remained in effect measured from the date the notice of non-renewal was given bears to the number of tax lien dates, included in the term covered by Clause 5.

9. Restrictive Law Alteration - This Agreement may be cancelled by mutual agreement of COUNTY and OWNER without payments or public hearing if it is replaced by an enforceable restriction authorized by Article XXVIII of the California Constitution or whenever there is no operative legislation or other law implementing said Article at the time the cancellation is requested by OWNER.

10. Cancellation Recordation - The notice of cancellation shall be recorded with the County Recorder and the California Director of Agriculture and the regularity of procedures as required by this Agreement shall operate as provided in Section 51286 of the Government Code.

11. Division of Land under Agreement - In the event the land under this Agreement is divided, an agreement identical to the agreement then covering the original parcel shall be executed by OWNER on each parcel created by the division at the time of the division. Any agency making an order of division or the County which has jurisdiction shall require, as a condition of the approval of the division, the execution of the agreements provided for in this paragraph.

12. Distribution of Taxes - Upon receipt of deferred taxes payable pursuant to Clause 8, said taxes shall be distributed as provided in Section 51283(c) of the Government Code.

13. Lien or Charge upon Cancellation - Section 51283.3 of the Government Code shall be applicable to the deferred tax payments payable pursuant to Clause 8, except references to the Director of Agriculture shall be construed to refer to the Board of Supervisors of the County.

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14. Information from Owner - OWNER, upon request of COUNTY, shall provide information relating to OWNER'S obligation under this Agreement.

15. Acts of Non-Renewal by County - Removal of any land under this Agreement from an agricultural preserve either by change of boundaries of the preserve, disestablishment of the preserve or nulling and voiding of the preserve pursuant to Sections 51201.1 and 51243(b) of the Government Code shall be the equivalent of a notice of non-renewal by COUNTY for purposes of Section 422 of the Revenue and Taxation Code.

16. Termination Document Recordation - In the event of termination of this Agreement by (1) notice of non-renewal, (2) cancellation, (3) nullification by annexation or condemnation, the COUNTY shall record the appropriate documents in the County Recorder's Office and file a copy with the Director of Agriculture.


17. Annexation of Land Within One Mile - In the event that any portion of the land of the OWNER, which is included in Exhibit "A" and is within one mile of a city at the time this Agreement is executed, is subsequently annexed by such city, but such city does not affirmatively indicate its intention to succeed to all the rights, duties and powers of this Agreement, then the OWNER and such portion of the land shall be subject to a charge amounting to the differential (for the last five assessments prior to annexation, or the actual number of assessments, if less than five, during the existence of this Agreement) between the taxes as actually computed under this Agreement, and the taxes which would have been computed without the benefit of the restrictions of this Agreement.

18. Notices - Any notices required to be given hereunder or required to be given by law shall be given by United States Registered Mail, return receipt requested, and any notice to the COUNTY shall be sent to the Clerk to the Board of Supervisors of San Bernardino County, San Bernardino, California, and any notice to the OWNER shall be sent to the last known address as shown on the latest assessment roll. Such address shall be the proper address for every person in the case of multiple OWNERS.

19. Severability - It is further understood and agreed by the parties hereto that if any of these provisions shall contravene, or be invalid under any law, such contravention or invalidity shall not invalidate the whole Agreement, but it shall be construed as if not containing the particular provision or provisions held to be invalid, and the rights and obligations of the parties shall be construed and enforced accordingly.

IN WITNESS WHEREOF, OWNER and COUNTY have executed this Agreement on the day and year first above written.

COUNTY OF SAN BERNARDINO

By: 
CHAIRMAN of the Board of Supervisors.

REAL

ATTEST:

V. DENNIS WARDLE, County Clerk
and ex officio Clerk of the
Board of Supervisors

By: 
Deputy

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO) ss.

On this 24th day of February, 19 69, before me,
Edith D. Smith, a Notary Public in and for said
County and State, residing therein, duly commissioned and sworn, personally
appeared _____

GEORGE M. VANDERHAM and ALICE M. VANDERHAM

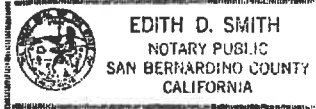
known to me to be the person(s) whose name(s) ~~is~~ (are) subscribed to the
within instrument, and acknowledged that ~~he~~ (they) executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my
official seal the day and year in this Certificate first above written.

Edith D. Smith
NOTARY PUBLIC in and for said
County and State

Edith D. Smith

(SEAL)



STATE OF CALIFORNIA)
COUNTY OF _____) ss.

On this _____ day of _____, 19____, before
me, _____, a Notary Public in and for said County
and State, residing therein, duly commissioned and sworn, personally
appeared _____

known to me to be the person(s) whose name(s) is (are) subscribed to the
within instrument, and acknowledged that he (they) executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my
official seal the day and year in this Certificate first above written.

NOTARY PUBLIC in and for said
County and State

(SEAL)

EXHIBIT "A"

DESCRIPTION OF PROPERTY

TAX PARCEL
NUMBER

EXACT DESCRIPTION FROM LAST TAX STATEMENT

218 261 26

Ptn Lots 8, 9, 24, 25 and Sly 1/2 Eucalyptus Ave. vacated adj on N RANCHO SANTA ANA DEL CHINO, Sec. 22, Tp 2 S, R 7 W lying westerly of fol desc 11 beg at intersection E 11 Vineyard Ave. 66 ft wide and N 11 Merrill Ave. 66 ft wide; th N 89 deg 56 min 33 seconds E 568.52 ft alg N 11 Merrill Ave. to true FOB; th N 0 deg 20 min 16 seconds E 2606.28 ft to pt on C/L Eucalyptus Ave. vacated N 89 deg 56 min 26 seconds E 616.91 ft from intersection C/L sd Vineyard Ave. w/ C/L sd Eucalyptus Ave. Ex wellsite. 34.49 Ac M/L.

EXHIBIT "A"

Page 1

EXHIBIT "B"

AGRICULTURAL AND
COMPATIBLE USES

The following uses are hereby determined to be agricultural and compatible uses within an agricultural preserve, and all other uses of land are prohibited therein:

(1) Agricultural use, described as any use of land for the purpose of producing an agricultural commodity, consisting of any and all plant and animal products, for commercial purposes, provided such use is permitted by the applicable zoning and not prohibited by other law or ordinance.

(2) A stand for display and sale of agricultural commodities produced on the premises or on other premises within the preserve.

(3) Gas, electric, water and communication utility facilities, and public service facilities of like nature operated by a public agency or mutual water company.

(4) Public highways.

(5) Fire protection works and facilities.

(6) Flood control works, including channel rectification and alteration.

(7) Public works required for fish and wildlife enhancement and preservation.

(8) Improvements for the primary benefit of the lands within the preserve.

(9) State improvements described in Section 51293(d) and (e) of the Government Code.

(10) One-family dwellings for the use only of an owner or manager of land within the agricultural preserve, or a person employed on said land, if such use is permitted by the applicable zoning, but not exceeding three (3) dwellings for each parcel of not less than 10 acres.

(11) Farm labor camps, including temporary trailer housing, subject to the conditions of law or ordinance otherwise applicable.

(12) Drying, packing or other processing of an agricultural commodity usually performed on the premises where it is produced.

(13) Any use existing on the date the land is included within an agricultural preserve, but such use once discontinued for two (2) years shall not be resumed unless permitted under these rules.

(14) Any use required to be permitted by any amendment to the California Land Conservation Act of 1965 hereafter adopted.

(15) Any use determined to be a compatible use in all agricultural preserves by the Board of Supervisors, after public hearing on ten (10) days' published notice and such other notice, if any, as they may specify. Thereafter such use shall be deemed a compatible use in any agricultural preserve, providing that it is not inconsistent with uses listed in paragraph (1) above.

EXHIBIT "B"

Page 1.

737

RECORDED
AT REQUEST

Board of Supervisors

1971 FEB 20 PM 12 10

BOOK 7616 PAGE 849
OFFICIAL RECORDS
SAN BERNARDINO COUNTY, CALIF.

NO FEE
B

AMENDMENT TO

LAND CONSERVATION AGREEMENT

THIS AMENDMENT TO THE LAND CONSERVATION AGREEMENT is made and entered into this 3rd day of February, 1971, by and between Marinus Costen and Anthonia Costen

See Exhibit "A" for tax parcels covered by this Amendment.
(All owners, including multiple owners, and spouses, must be entered above. If unmarried, so indicate.) hereinafter referred to as "OWNER" (for both singular and plural), and the COUNTY OF SAN BERNARDINO, a political subdivision of the State of California, hereinafter referred to as "COUNTY":

WITNESSETH

WHEREAS, OWNER, or OWNER'S predecessors in interest, and COUNTY executed a LAND CONSERVATION AGREEMENT on February 20, 1969, which AGREEMENT was recorded in Book 7190 page 509, in the San Bernardino County Recorder's Office on February 28, 1969, and _____ 19____, and

WHEREAS, the LAND CONSERVATION AGREEMENT, identified above, is incorporated herein and made a part hereof as though set forth in full in this AMENDMENT, and

WHEREAS, the State Board of Equalization, in conformance with the powers and duties granted to it by the Legislature in California Government Code Section 15606, has determined that Clause 8 in the covenant section of the AGREEMENT, previously identified, is not sufficiently restrictive so that the AGREEMENT is substantially similar to a CONTRACT, as defined and required by the legislation in existence at the time the AGREEMENT was executed, and

WHEREAS, OWNER, or OWNER'S predecessor, and COUNTY intended (as set forth on the first page of the AGREEMENT) "that the terms and conditions and restrictions of this Agreement are substantially similar to contracts authorized by the California Land Conservation Act of 1965 so as to be an enforceable restriction under provisions of California Revenue and Taxation Code Section 422;"

NOW THEREFORE, the parties, in consideration of the mutual covenants and conditions set forth herein and in the AGREEMENT AS AMENDED and the substantial benefits to be derived by OWNER and COUNTY therefrom, do hereby agree as follows:

1. Clause 8 in the covenant section of the AGREEMENT is amended to read as follows:

"8. Cancellation - Except as provided in Clause 9 of this AGREEMENT, this AGREEMENT may be cancelled as to any or all of the land if the following procedures and provisions are complied with:

- a.) Cancellation must be by mutual agreement of the OWNER and the COUNTY and as a result of a request by the OWNER and approval by the Board of Supervisors of the COUNTY.
- b.) There must be a public hearing as to such request for cancellation before the Board of Supervisors.
- c.) A notice of the public hearing must be sent by mail to each owner in the agricultural preserve of land under agreement and there must be publication of notice pursuant to Section 6061 of the Government Code.
- d.) The Board of Supervisors shall make findings that cancellation is not inconsistent with the purposes of the Land Conservation Act of 1965 and is in the public interest. The existence of an opportunity for another use of the land shall not be sufficient reason for cancellation. A potential alternative use of the land may be considered only if there is no proximate land not subject to a Land Conservation Act contract or agreement suitable for the use to which it is proposed the subject land be put. The uneconomic character of an existing agricultural use shall not be sufficient reason for cancellation. The uneconomic character of the existing use may be considered only if there is no reasonable or comparable agricultural use to which the land may be put.
- e.) If the cancellation is approved and agreed upon, the Assessor of the County of San Bernardino shall revalue the land, without the restriction, to which the cancellation applies as soon as possible after the cancellation, use the cancellation date as the valuation date, and apply the latest assessment ratio that has been published pursuant to Section 251 of Volume 18 of the Administrative Code in order to determine the assessed value. The assessed value shall be subject to equalization pursuant to Section 1604 of the Revenue and Taxation Code. When the assessed valuation becomes final, the OWNER shall pay COUNTY, as deferred taxes, an amount equal to 50% (fifty percentum) of the new assessed valuation of the property. If after the effective date of the cancellation, the announced County ratio of assessed value to full cash value is changed, the percentage payment to the County shall be changed so that no greater percentage of full cash value will have been paid. If, at the date of the cancellation, the Agreement previously has been subject to a notice of nonrenewal, the amount due

shall be reduced by the proportion that the whole number of years the Agreement remained in effect measured from the date the notice of nonrenewal was given bears to the number of tax lien dates, included in the term covered by Clause 5 in the Agreement."

IN WITNESS WHEREOF, OWNER and COUNTY have executed this Amendment to Land Conservation Agreement on the day and year first above written.

COUNTY OF SAN BERNARDINO

BY *Richard J. Puyale*
CHAIRMAN of the
Board of Supervisors

ATTEST:

V. FENNIS WARDLE, County Clerk
and ex officio Clerk of the
Board of Supervisors

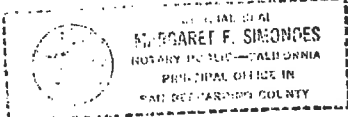
BY *Liona Lopez*
Deputy

WAT:

STATE OF CALIFORNIA }
COUNTY OF SAN BERNARDINO } ss.

On this 22nd day of February, 1971, before me, Margaret F. Simondes, a Notary Public in and for said County and State, residing therein, duly commissioned and sworn, personally appeared Ruben S. Ayala, known to me to be the Chairman of the Board of Supervisors of the County of San Bernardino that executed the within Contract and acknowledged to me that said County of San Bernardino did execute the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this Certificate first above written.



(SEAL)

Margaret F. Simondes
NOTARY PUBLIC in and for said
County and State

MARGARET F. SIMONDES
My Commission Expires June 20, 1972

NOTE: All owners, including multiple owners, and spouses, must execute this Amendment. All signatures must be notarized, either separately or collectively. Please obtain the certification sheets necessary for the signatures and attach them after this page.

OWNER(S)

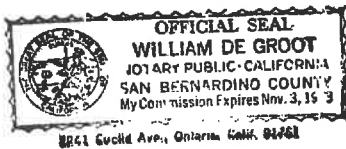
Marius Dartin
Anthony Dartin

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO) ss.

On this 22nd day of February, 1971, before me
William DeGroot, a Notary Public in and for said
County and State, residing therein, duly commissioned and sworn, personally
appeared MARIANUS COSTA, ANTONIA COSTA

known to me to be the person(s) whose name(s) is (are) subscribed to the
within instrument, and acknowledged that he (they) executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my
official seal the day and year in this Certificate first above written.



William DeGroot
NOTARY PUBLIC in and for said
County and State

(SEAL)

STATE OF CALIFORNIA)
COUNTY OF _____) ss.

On this _____ day of _____, 19____, before me
_____, a Notary Public in and for said
County and State, residing therein, duly commissioned and sworn, personally
appeared _____

known to me to be the person(s) whose name(s) is (are) subscribed to the
within instrument, and acknowledged that he (they) executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my
official seal the day and year in this Certificate first above written.

NOTARY PUBLIC in and for said
County and State

(SEAL)

EXHIBIT "A"

DESCRIPTION OF PROPERTYTAX PARCEL
NUMBEREXACT DESCRIPTION FROM LAST TAX STATEMENT

218 261 26

Ptn Lots 8, 9, 24, 25 and sly 1/2 Eucalyptus Ave. vacated adj on N RANCHO SANTA ANA DEL CHINO, Sec. 22, Tp 2 S, R 7 W lying westerly of fol desc 11 beg at intersection E 11 Vineyard Ave. 66 ft wide and N 11 Merrill Ave. 66 ft wide; th N 89 deg 56 min 33 seconds E 568.52 ft alg N 11 Merrill Ave. to true POB; th N 0 deg 20 min 16 seconds E 2506.28 ft to p. on C/L Eucalyptus Ave. vacated N 89 deg 56 min 26 seconds E 616.91 ft from intersection C/L sd Vineyard Ave. w/ C/L sd Eucalyptus Ave. Ex wellsite. 34.49 Ac M/L.

EXHIBIT "A"

Page 1

END OF DOCUMENT

Exhibit 2

525 Contract

(to follow this page)

69-157

778

BOOK 7190 PAGE 525

RECORDED AT REQUEST
Board of Supervisors

BOOK 7190 PAGE 525

FEB 28 PM 4:34

OFFICIAL RECORDS
SAN BERNARDINO CO. CALIF.

Ed. R. ...

COUNTY IN ORDER

NO FEE
D

LAND CONSERVATION AGREEMENT

THIS AGREEMENT is made and entered into this 20th day of
FEBRUARY, 19 69, by and between

ALFRED V. HIGHSTREET, EVADA V. HIGHSTREET, GEORGE M. VANDERRAM

and ALICE M. VANDERRAM

(All owners, including multiple owners, and spouses, must be entered above. If unmarried, so indicate.) hereinafter referred to as "OWNER" (for both singular and plural), and the COUNTY OF SAN BERNARDINO, a political subdivision of the State of California, hereinafter referred to as "COUNTY":

WITNESSETH

WHEREAS, OWNER possesses certain real property located within the COUNTY, which property is presently devoted to agricultural and compatible uses and is particularly described in Exhibit "A", attached hereto and made a part hereof, and

WHEREAS, said property is located in an agricultural preserve heretofore established by COUNTY by Resolution No. 2/4/69, and

WHEREAS, both OWNER and COUNTY desire to limit the use of said property to agricultural and compatible uses in order to discourage premature and unnecessary conversion of such lands from agricultural uses, recognizing that such land has definite public value as open space and that the preservation of such land in agricultural production constitutes an important physical, social, esthetic and economic asset to the COUNTY to maintain the agricultural economy of the COUNTY and the State of California, and

WHEREAS, both OWNER and COUNTY intend that the terms, conditions and restrictions of this Agreement are substantially similar to contracts authorized by the California Land Conservation Act of 1965 so as to be an enforceable restriction under the provisions of California Revenue and Taxation Code Section 422; and

WHEREAS, it is the intent of COUNTY and OWNER that the continued existence of the within Agreement is made dependent upon the existence of legislation or other law implementing Article XXVIII of the California Constitution so the effect of the terms, conditions and restrictions of the Agreement on property values for taxation purposes is as favorable to OWNER as the legislation existing on the last renewal date.

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.....

NOW, THEREFORE, the parties in consideration of the mutual covenants and conditions set forth herein and the substantial public benefits to be derived therefrom, do hereby agree as follows:

1. California Land Conservation Act of 1965 - The within Agreement is made and entered into pursuant to the California Land Conservation Act of 1965 (Chapter 7 of Part 1 of Division 1 of Title 5 of the California Government Code commencing with Section 51200) and is subject to all the provisions, including any amendments thereto which may be enacted, which are specifically applicable to Article 3.5 Agreements.

2. Agricultural and Compatible Uses - During the term of this Agreement or any renewals thereof, the above described land shall not be used for any purpose, other than the production of agricultural commodities for commercial purposes and compatible uses as listed in the resolution establishing the preserve within which the land is located, a copy of such list is being attached hereto and marked as Exhibit "B".

3. Additional Agricultural Uses - The Board of Supervisors of COUNTY may from time to time and during the term of this Agreement or any extensions thereof, by resolution add to those uses listed in the resolution establishing the preserve within which the land is located; provided, however, said Board shall not eliminate, without written consent of OWNER, a compatible use during the term of this Agreement or any renewals thereof.

4. Condemnation - Upon the filing of any action in eminent domain for the condemnation of the fee title of any land described herein or of less than a fee interest which will prevent the land being used for any authorized use, or upon the acquisition in lieu of condemnation of the fee title of any land described herein or of less than a fee interest which will prevent the land being used for any authorized use, this Agreement is null and void upon such filing or acquisition as to the land so condemned or so acquired and the condemning agency shall proceed as if the Agreement never existed.

5. Term of Agreement - This Agreement shall be effective commencing on February 28, 1969 and shall remain in effect for a period ending December 31, 1978, and during such renewals of this Agreement.

This Agreement shall be automatically renewed for a period of one year on the first day of each January (so that the unexpired term is ten (10) years from the first day of each January), unless notice of non-renewal is given pursuant to Government Code Sections 51245 et seq. Upon receipt of notice of non-renewal by the other party this Agreement shall remain in effect for the balance of the term remaining since the original execution or the last renewal of this Agreement, as the case may be. A notice of non-renewal irrespective of which party gives the notice shall be recorded by the COUNTY. A copy of the recorded notice of non-renewal shall be forwarded by COUNTY to the California Director of Agriculture. Under no circumstances shall a notice of renewal be required of either party to effectuate the automatic renewal option of this paragraph.

6. No Payments by County - OWNER shall not receive any payment from COUNTY in consideration of the obligations imposed hereunder, it being recognized and agreed that the consideration for the execution of the within Agreement is the substantial public benefit to be derived therefrom and the advantage which will accrue to OWNER as a result of the effect on the method of determining the assessed value of land described herein and any reduction thereon due to the imposition of the limitations on its use contained herein.

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OWNER'S NEGLIGENCE
Liability of this document
has been reviewed, unsatisfactory
for microfilming.

7. Successors in Interest - The within Agreement shall run with the land described herein, and shall be binding upon the heirs, successors and assigns of OWNER.

8. Cancellation - Except as provided in Clause 9, below, this Agreement may be cancelled as to any or all of the land described in Exhibit "A" by mutual agreement of COUNTY and OWNER after public hearing has been held in accordance with the provisions of Section 51284 of the Government Code. Neither party hereto can cancel this agreement unilaterally. To be effective a mutual agreement to cancel must be based on one of the following: (a) The cancellation is not inconsistent with the purposes of the California Land Conservation Act of 1965; (b) the cancellation is in the public interest; or (c) the cancellation is in accordance with clause 9, below. The Assessor of the County of San Bernardino shall revalue the land to which the cancellation applies as soon as possible after the cancellation, use the cancellation date as the valuation date, and apply the County's announced ratio to the full cash value to determine the assessed value. The assessed value shall be subject to equalization pursuant to Section 1604 of the Revenue and Taxation Code. When the assessed valuation becomes final, the OWNER shall pay COUNTY, as deferred taxes, an amount equal to 50% (fifty percentum) of the new assessed valuation of the property. If after the effective date of the cancellation, the announced County ratio of assessed value to full cash value is changed, the percentage payment to the County shall be changed so that no greater percentage of full cash value will be paid. If, at the date of the cancellation, the Agreement previously has been subject to a notice of non-renewal, the amount due shall be reduced by the proportion that the whole number of years the Agreement remained in effect measured from the date the notice of non-renewal was given bears to the number of tax lien dates, included in the term covered by Clause 5.

9. Restrictive Law Alteration - This Agreement may be cancelled by mutual agreement of COUNTY and OWNER without payments or public hearing if it is replaced by an enforceable restriction authorized by Article XXVIII of the California Constitution or whenever there is no operative legislation or other law implementing said Article at the time the cancellation is requested by OWNER.

10. Cancellation Recordation - The notice of cancellation shall be recorded with the County Recorder and the California Director of Agriculture and the regularity of procedures as required by this Agreement shall operate as provided in Section 51286 of the Government Code.

11. Division of Land under Agreement - In the event the land under this Agreement is divided, an agreement identical to the agreement then covering the original parcel shall be executed by OWNER on each parcel created by the division at the time of the division. Any agency making an order of division or the County which has jurisdiction shall require, as a condition of the approval of the division, the execution of the agreements provided for in this paragraph.

12. Distribution of Taxes - Upon receipt of deferred taxes payable pursuant to Clause 8, said taxes shall be distributed as provided in Section 51283(c) of the Government Code.

13. Lien or Charge upon Cancellation - Section 51283.3 of the Government Code shall be applicable to the deferred tax payments payable pursuant to Clause 8, except references to the Director of Agriculture shall be construed to refer to the Board of Supervisors of the County.

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14. Information from Owner - OWNER, upon request of COUNTY, shall provide information relating to OWNER'S obligation under this Agreement.

15. Acts of Non-Renewal by County - Removal of any land under this Agreement from an agricultural preserve either by change of boundaries of the preserve, disestablishment of the preserve or nulling and voiding of the preserve pursuant to Sections 51201.1 and 51243(b) of the Government Code shall be the equivalent of a notice of non-renewal by COUNTY for purposes of Section 422 of the Revenue and Taxation Code.

16. Termination Document Recordation - In the event of termination of this Agreement by (1) notice of non-renewal, (2) cancellation, (3) nullification by annexation or condemnation, the COUNTY shall record the appropriate documents in the County Recorder's Office and file a copy with the Director of Agriculture.

17. Annexation of Land Within One Mile - In the event that any portion of the land of the OWNER, which is included in Exhibit "A" and is within one mile of a city at the time this Agreement is executed, is subsequently annexed by such city, but such city does not affirmatively indicate its intention to succeed to all the rights, duties and powers of this Agreement, then the OWNER and such portion of the land shall be subject to a charge amounting to the differential (for the last five assessments prior to annexation, or the actual number of assessments, if less than five, during the existence of this Agreement) between the taxes as actually computed under this Agreement, and the taxes which would have been computed without the benefit of the restrictions of this Agreement.


18. Notices - Any notices required to be given hereunder or required to be given by law shall be given by United States Registered Mail, return receipt requested, and any notice to the COUNTY shall be sent to the Clerk to the Board of Supervisors of San Bernardino County, San Bernardino, California, and any notice to the OWNER shall be sent to the last known address as shown on the latest assessment roll. Such address shall be the proper address for every person in the case of multiple OWNERS.

19. Severability - It is further understood and agreed by the parties hereto that if any of these provisions shall contravene, or be invalid under any law, such contravention or invalidity shall not invalidate the whole Agreement, but it shall be construed as if not containing the particular provision or provisions held to be invalid, and the rights and obligations of the parties shall be construed and enforced accordingly.

IN WITNESS WHEREOF, OWNER and COUNTY have executed this Agreement on the day and year first above written.

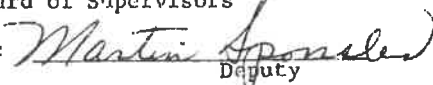
COUNTY OF SAN BERNARDINO

SEAL

By: 
CHAIRMAN of the Board of Supervisors

ATTEST:

V. DENNIS WARDLE, County Clerk
and ex officio Clerk of the
Board of Supervisors

By: 
Deputy

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO) ss.

On this 28th day of February, 1969, before me, Margaret J. Simonides, a Notary Public in and for said County and State, residing therein, duly commissioned and sworn, personally appeared Steven S. Apple known to me to be the Chairman of the Board of Supervisors of the County of San Bernardino that executed the within Agreement and acknowledged to me that said County of San Bernardino did execute the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this Certificate first above written.

Margaret J. Simonides
NOTARY PUBLIC in and for said
County and State

(SEAL)

NOTE: All owners, including multiple owners, and spouses, must execute this Agreement. All signatures must be notarized, either separately or collectively. Please obtain the certification sheets necessary for the signatures and attach them after this page.

OWNER(S):

Alfred V. Highstreet
Evada V. Highstreet
Alfred V. Highstreet
Evada V. Highstreet

George M. Vanderham
Alice M. Vanderham
George M. Vanderham
Alice M. Vanderham

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO) ss.

On this 24th day of February, 19 69, before me,
_____, a Notary Public in and for said
County and State, residing therein, duly commissioned and sworn, personally
appeared _____

GEORGE M. VANDERHAM and ALICE M. VANDERHAM

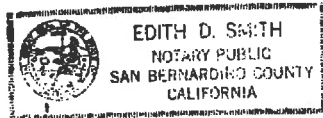
known to me to be the person(s) whose name(s) ~~is~~ (are) subscribed to the
within instrument, and acknowledged that ~~he~~ (they) executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my
official seal the day and year in this Certificate first above written.

Edith D. Smith
NOTARY PUBLIC in and for said
County and State

Edith D. Smith

(SEAL)



STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO) ss.

On this 27th day of February, 19 69, before
me, _____, a Notary Public in and for said County
and State, residing therein, duly commissioned and sworn, personally
appeared _____

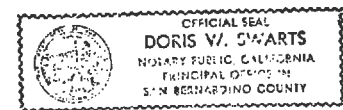
ALFRED V. HIGHSTREET and EVADA V. HIGHSTREET

known to me to be the person(s) whose name(s) ~~is~~ (are) subscribed to the
within instrument, and acknowledged that ~~he~~ (they) executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my
official seal the day and year in this Certificate first above written.

Doris V. Swarts
NOTARY PUBLIC in and for said
County and State

(SEAL)



My Commission Expires May 14, 1971

EXHIBIT "A"

DESCRIPTION OF PROPERTY

TAX PARCEL NUMBER	EXACT DESCRIPTION FROM LAST TAX STATEMENT
218 261 25	Ptn Lots 7 8 9 10 23 24 25 and S1/2 Eucalyptus Ave Vacated Adj on N Rancho Santa Ana Del Chino Sec. 22 Tp 25 R 7W Lying Ely of Pol Desc Li Beg At Intersection E Li Vineyard Ave 66 Ft Wide And N Li Merrill Ave 66 Ft Wide Th N 89 Deg 56 Min 33 Seconds E 568.52 Ft Alg N Li Merrill Ave to True POB Th N 0 Deg 20 Min 16 Seconds E 2606.28 Ft to Pt on C/L Eucalyptus Ave Vacated N 89 Deg 56 Min 26 Seconds E 616.91 Ft From Intersection C/L Sd Vineyard Ave With C/L Sd Eucalyptus Ave Ex Wellsite 31.124 Ac M/L
218 261 27	Wellsite Ptn Lot 7 Sec 22 Tp 25 R 7 W Rancho Santa Ana Del Chino Desc As Follows Beg at Pt in C/L Eucalyptus Ave Vacated At Pt Intersection With Nly Prolongation Ely Li Lot 7 Th S 89 Deg 56 Min 26 Seconds W 346 Ft Alg C/L Eucalyptus Ave Th S 0 Deg 03 Min 34 Seconds E 315.50 Ft To True POB Th S 20 Ft th W 20 Ft Th N 20 ft Th E 20 Ft to True POB
218 261 28	Wellsite Ptn Lot 23 Sec 22 Tp 25 R 7 W Rancho Santa Ana Del Chino Desc As Follows Com at Pt on E Li Sd Lot 23 Which is N 0 Deg 34 Min 06 Seconds E 1283 Ft From C/L Merrill Ave Th N 89 Deg 25 Min 54 Seconds W 37 Ft to True POB Th N 20 Ft Th W 20 Ft Th S 20 Ft Th E 20 Ft to True POB
218 261 29	Wellsite Ptn Lot 25 sec 22 Tp 25 R 7W Rancho Santa Ana Del Chino Desc as Follows Com at Pt on N Li Merrill Ave Which is N 89 Deg 56 Min 33 Seconds E 437.52 Ft From Intersection Sd N Li With E Li Vineyard Ave Th N 00 Deg 03 Min 37 Seconds W 104.50 Ft to True POB Th N 20 Ft Th W 20 Ft Th S 20 Ft Th E 20 Ft To True POB

EXHIBIT "B"

AGRICULTURAL AND
COMPATIBLE USES

The following uses are hereby determined to be agricultural and compatible uses within an agricultural preserve, and all other uses of land are prohibited therein:

- (1) Agricultural use, described as any use of land for the purpose of producing an agricultural commodity, consisting of any and all plant and animal products, for commercial purposes, provided such use is permitted by the applicable zoning and not prohibited by other law or ordinance.
- (2) A stand for display and sale of agricultural commodities produced on the premises or on other premises within the preserve.
- (3) Gas, electric, water and communication utility facilities, and public service facilities of like nature operated by a public agency or mutual water company.
- (4) Public highways.
- (5) Fire protection works and facilities.
- (6) Flood control works, including channel rectification and alteration.
- (7) Public works required for fish and wildlife enhancement and preservation.
- (8) Improvements for the primary benefit of the lands within the preserve.
- (9) State improvements described in Section 51293(d) and (e) of the Government Code.
- (10) One-family dwellings for the use only of an owner or manager of land within the agricultural preserve, or a person employed on said land, if such use is permitted by the applicable zoning, but not exceeding three (3) dwellings for each parcel of not less than 10 acres.
- (11) Farm labor camps, including temporary trailer housing, subject to the conditions of law or ordinance otherwise applicable.
- (12) Drying, packing or other processing of an agricultural commodity usually performed on the premises where it is produced.
- (13) Any use existing on the date the land is included within an agricultural preserve, but such use once discontinued for two (2) years shall not be resumed unless permitted under these rules.
- (14) Any use required to be permitted by any amendment to the California Land Conservation Act of 1965 hereafter adopted.
- (15) Any use determined to be a compatible use in all agricultural preserves by the Board of Supervisors, after public hearing on ten (10) days' published notice and such other notice, if any, as they may specify. Thereafter such use shall be deemed a compatible use in any agricultural preserve, providing that it is not inconsistent with uses listed in Paragraph (1) above.

EXHIBIT "B"

Page 1.

727 RECORDED AT REQUEST

BOOK 7616 PAGE 789

Board of Supervisors

1971 FEB 26 PM 12 10

BOOK 7616 PAGE 789
OFFICIAL RECORDS
SAN BERNARDINO CO. CALIF.



NO FEE B

AMENDMENT TO

LAND CONSERVATION AGREEMENT

THIS AMENDMENT TO THE LAND CONSERVATION AGREEMENT is made and entered into this 3rd day of February, 1971, by and between Alfred V. Highstreet and Evada V. Highstreet

See Exhibit "A" for tax parcels covered by this Amendment.
(All owners, including multiple owners, and spouses, must be entered above. If unmarried, so indicate.) hereinafter referred to as "OWNER" (for both singular and plural), and the COUNTY OF SAN BERNARDINO, a political subdivision of the State of California, hereinafter referred to as "COUNTY":

WITNESSETH.

WHEREAS, OWNER, or OWNER'S predecessors in interest, and COUNTY executed a LAND CONSERVATION AGREEMENT on February 20, 1969, which AGREEMENT was recorded in Book 7190 page 525, in the San Bernardino County Recorder's Office on February 28, 1969, and

WHEREAS, the LAND CONSERVATION AGREEMENT, identified above, is incorporated herein and made a part hereof as though set forth in full in this AMENDMENT, and

WHEREAS, the State Board of Equalization, in conformance with the powers and duties granted to it by the Legislature in California Government Code Section 15606, has determined that Clause 8 in the covenant section of the AGREEMENT, previously identified, is not sufficiently restrictive so that the AGREEMENT is substantially similar to a CONTRACT, as defined and required by the legislation in existence at the time the AGREEMENT was executed, and

WHEREAS, OWNER, or OWNER'S predecessor, and COUNTY intended (as set forth on the first page of the AGREEMENT) "that the terms and conditions and restrictions of this Agreement are substantially similar to contracts authorized by the California Land Conservation Act of 1965 so as to be an enforceable restriction under provisions of California Revenue and Taxation Code Section 422,"

NOW THEREFORE, the parties, in consideration of the mutual covenants and conditions set forth herein and in the AGREEMENT AS AMENDED and the substantial benefits to be derived by OWNER and COUNTY therefrom, do hereby agree as follows:

1. Clause 8 in the covenant section of the AGREEMENT is amended to read as follows:

"8. Cancellation - Except as provided in Clause 9 of this AGREEMENT, this AGREEMENT may be cancelled as to any or all of the land if the following procedures and provisions are complied with:

a.) Cancellation must be by mutual agreement of the OWNER and the COUNTY and as a result of a request by the OWNER and approval by the Board of Supervisors of the COUNTY.

b.) There must be a public hearing as to such request for cancellation before the Board of Supervisors.

c.) A notice of the public hearing must be sent by mail to each owner in the agricultural preserve of land under agreement and there must be publication of notice pursuant to Section 6031 of the Government Code.

d.) The Board of Supervisors shall make findings that cancellation is not inconsistent with the purposes of the Land Conservation Act of 1965 and is in the public interest. - The existence of an opportunity for another use of the land shall not be sufficient reason for cancellation. A potential alternative use of the land may be considered only if there is no proximate land not subject to a Land Conservation Act contract or agreement suitable for the use to which it is proposed the subject land be put. The uneconomic character of an existing agricultural use shall not be sufficient reason for cancellation. The uneconomic character of the existing use may be considered only if there is no reasonable or comparable agricultural use to which the land may be put.

e.) If the cancellation is approved and agreed upon, the Assessor of the County of San Bernardino shall revalue the land, without the restriction, to which the cancellation applies as soon as possible after the cancellation, use the cancellation date as the valuation date, and apply the latest assessment ratio that has been published pursuant to Section 251 of Volume 18 of the Administrative Code in order to determine the assessed value. The assessed value shall be subject to equalization pursuant to Section 1604 of the Revenue and Taxation Code. When the assessed valuation becomes final, the OWNER shall pay COUNTY, as deferred taxes, an amount equal to 50% (fifty per centum) of the new assessed valuation of the property. If after the effective date of the cancellation, the announced County ratio of assessed value to full cash value is changed, the percentage payment to the County shall be changed so that no greater percentage of full cash value will have been paid. If, at the date of the cancellation, the Agreement previously has been subject to a notice of nonrenewal, the amount due

shall be reduced by the proportion that the whole number of years the Agreement remained in effect measured from the date the notice of nonrenewal was given bears to the number of tax lien dates, included in the term covered by Clause 5 in the Agreement."

IN WITNESS WHEREOF, OWNER and COUNTY have executed this Amendment to Land Conservation Agreement on the day and year first above written.

COUNTY OF SAN BERNARDINO

BY *Richard J. Poyale*
CHAIRMAN of the
Board of Supervisors

ATTEST:

V. DENNIS WARDLE, County Clerk
and ex officio Clerk of the
Board of Supervisors

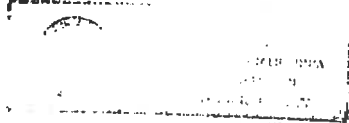
BY *Lona Lopez*
Deputy

SEAL

STATE OF CALIFORNIA }
COUNTY OF SAN BERNARDINO } ss.

On this 25th day of February, 1971, before me, Margaret J. Summels, a Notary Public in and for said County and State, residing therein, duly commissioned and sworn, personally appeared Ruben S. Arala known to me to be the Chairman of the Board of Supervisors of the County of San Bernardino that executed the within Contract and acknowledged to me that said County of San Bernardino did execute the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this Certificate first above written.



(SEAL)

Margaret J. Summels
NOTARY PUBLIC in and for said
County and State

NOTE: All owners, including multiple owners, and spouses, must execute this Amendment. All signatures must be notarized, either separately or collectively. Please obtain the certification sheets necessary for the signatures and attach them after this page.

OWNER(S)

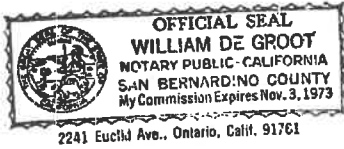
Evada V. Highstreet
Alfred V. Highstreet

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO) ss.

On this 22nd day of February, 1971, before me
_____, a Notary Public in and for said
County and State, residing therein, duly commissioned and sworn, personally
appeared EVADA V High STREET, ALFRED V High STREET

known to me to be the person(s) whose name(s) is (are) subscribed to the
within instrument, and acknowledged that he (they) executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my
official seal the day and year in this Certificate first above written.



William De Groot
NOTARY PUBLIC in and for said
County and State

(SEAL)

STATE OF CALIFORNIA)
COUNTY OF _____) ss.

On this _____ day of _____, 19____, before me
_____, a Notary Public in and for said
County and State, residing therein, duly commissioned and sworn, personally
appeared _____

known to me to be the person(s) whose name(s) is (are) subscribed to the
within instrument, and acknowledged that he (they) executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my
official seal the day and year in this Certificate first above written.

NOTARY PUBLIC in and for said
County and State

(SEAL)

EXHIBIT "A"

DESCRIPTION OF PROPERTY

TAX PARCEL NUMBER	EXACT DESCRIPTION FROM LAST TAX STATEMENT
218 261 25	Pln Lots 7 8 9 10 23 24 25 and Sly 1/2 Eucalyptus Ave Vacated Adj on N Rancho Santa Ana Del Chino Sec 22 Tp 28 R 7W Lying Ely of Fr. Desc Lt Reg At Intersection E Lt Vineyard Ave 66 Ft Wide And N Lt Merrill Ave 66 Ft Wide Th N 89 Deg 56 Min 33 Seconds E 568.52 Ft Alg N Lt Merrill Ave to True POB Th N 0 Deg 20 Min 16 Seconds E 2606.28 Ft to Pt on C/L Eucalyptus Ave Vacated N 89 Deg 56 Min 26 Seconds E 616.91 Ft From Intersection C/L Sd Vineyard Ave With C/L Sd Eucalyptus Ave Ex Wellst : 31.124 Ac M/L

EXHIBIT "A"

Page 1

END OF DOCUMENT

PLEASE COMPLETE THIS INFORMATION

RECORDING REQUESTED BY:

Jerry L. Blum

AND WHEN RECORDED MAIL TO:

Jerry L. Blum
City of Ontario
303 East "B" Street
Ontario, California

Recorded in Official Records, County of San Bernardino



LARRY WALKER
Auditor/Controller - Recorder

P Counter

12/11/2002
4:42 PM
MA

Doc#: 2002-0675183



Titles:	1	Pages:	8
Fees			0.00
Taxes			0.00
Other			1.25
PAID			\$1.25

SPACE ABOVE FOR RECORDER'S USE ONLY

Notice of Non-renewal of Land Conservation Contract Number 69-150

Title of Document

THIS PAGE ADDED TO PROVIDE ADEQUATE SPACE FOR RECORDING INFORMATION
(\$3.00 Additional Recording Fee Applies)

NOTICE OF NON-RENEWAL OF A LAND CONSERVATION CONTRACT

This Notice of Non-renewal of a Land Conservation Contract is executed on October 1, 192002 regarding Land Conservation Contract Number(s) 69-50. This contract was recorded with the San Bernardino County Recorder on Feb 28, 1969 in Book 7197, Page 575 of the public records (or as Instrument No. 718).

WHEREAS, NORMALEE ALEWYN and Ronald and Lorene Lanting

hereinafter referred to as "OWNER" are all the known current owners of the 26.48 acres of real property described in Exhibit "A", (see attached map and legal description), attached hereto and made a part thereof, which is in the City of Ontario and which is all of the property subject to the provisions of the above referenced contract; and

WHEREAS, the OWNER either made and entered into this contract on the 20 day of Feb, 1969, or accepted same as an heir, successor or assign of the previous OWNER; and

WHEREAS, the subject property was annexed to the City of Ontario on November 30, 1999; and

WHEREAS, the OWNER has filed this notice with the City of Ontario for Non-renewal of a Land Conservation Contract on October 1, 192002 and by so doing the OWNER understands and accepts the resulting change in property tax assessments under the provisions of the California Revenue and Taxation Code Section 426 and such other sections as are applicable; and

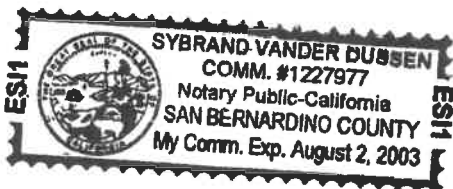
NOW, THEREFORE, the Non-renewal of Land Conservation Contract Number(s) 69-50 is deemed effective as of the 1st day of January, 2003 and the termination date will be the 31st day of December, 19~~99~~2011 as to that property described in Exhibit "A".

Normalee Alewyn
Owner (signature)

State of California
County of San Bernardino

On October 1, 2002 before me, Sybrand Vander Dussen
personally appeared Normalee Alewyn

personally known to me -or- proved



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

WITNESS my hand and official seal.

[Signature]

NOTICE OF NON-RENEWAL OF A LAND CONSERVATION CONTRACT

SIGNATURE PAGE


Owner

Date: 10-21-02


Owner

Date: 10-21-02

Owner

Date: _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

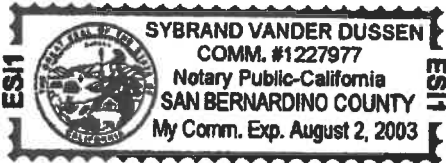
State of California

County of San Bernardino } ss.

On 10/21/02, before me, Sybrand Vander Dussen,
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Ronald and Lorene Lanting,
Name(s) of Signer(s)

- personally known to me
 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^(es), and that by his/her/their signature^(s) on the instrument the person^(s), or the entity upon behalf of which the person^(s) acted, executed the instrument.

WITNESS my hand and official seal.

Place Notary Seal Above

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____

- Individual
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Attorney in Fact
 Trustee
 Guardian or Conservator
 Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT
OF SIGNER

Top of thumb here



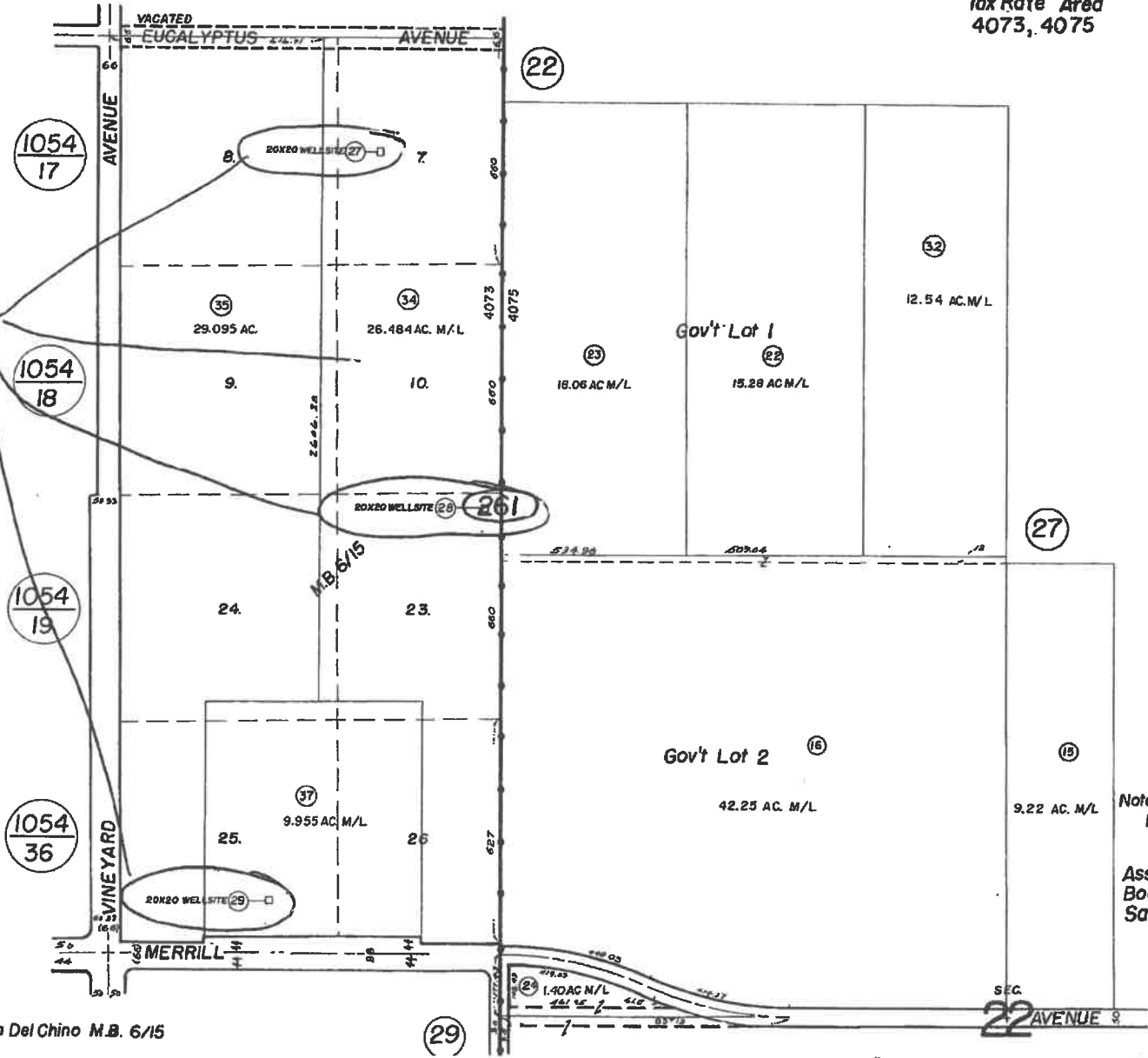
Exhibit "A"

NW 1/4 Sec. 22 T2S, R.7 W. S.B. & M.

City of Ontario
Tax Rate Area
4073, 4075

218-26

Subject property



Note-Assessor's Blk & Lot Numbers Shown in Circles

Assessor's Map
Book 218 Page 26
San Bernardino County

REVISED
9/30/96 ASS
9/21/99 KD
4-17-00 KMP
5-2-00 KMP
5-4-00 KMP
10/1/75 M.F.
5/6/93 C.P.

Par. Rancho Santa Ana Del Chino M.B. 6/15

GMP
Oct 1951

Exhibit 'A'

D 07

PAGE: 24702

NP870A00 SAN BERNARDINO COUNTY ASSESSOR SECURED ASSESSMENT ROLL PAGE: 24715

2002 ASSESSMENT YEAR

BILLED OR JOINT OWNER PROPERTY ADDRESS AND LEGAL DESCRIPTION	TAX RATE AREA	PARCEL BOOK PAGE LINE & SEQUENCE	LAND	IMPROVEMENTS	PERSONAL PROPERTY	HOMEOWNERS EXEMPTION	SPECIAL EXEMPTIONS	TOTAL NET TAXABLE VALUE
LANTING FAMILY LLC ETAL ALEXN. JAME C/O RONALD LANTING PO BOX 747 CHINO, CA 91708 WELLSITE PTH LOT 7 SEC 22 TP 2S R 7W RA NCHO SANTA ANA DEL CHINO DESC AS FOLLOWS BEG AT PT IN C/L EUCALYPTUS AVE VACATED AT PT INTERSECTION WITH NLY PROLONGATION ELY LI LOT 7 TH S 89 DEG 56 MIN 26 SECON DS W 346 FT ALG C/L EUCALYPTUS AVE TH S 0 DEG 03 MIN 34 SECONDS E 315.50 FT TO T RUE POB TH S 20 FT TH W 20 FT TH N 20 FT TH E 20 FT TO TRUE POB	4073	0218 261 27 0 000	DR= D					
		BY1998	416	1665				2081
LANTING FAMILY LLC ETAL ALEXN. JAME C/O RONALD LANTING PO BOX 747 CHINO, CA 91708 WELLSITE PTH LOT 23 SEC 22 TP 2S R 7W RA NCHO SANTA ANA DEL CHINO DESC AS FOLLOWS CON AT PT ON E LI SD LOT 23 WHICH IS N O DEG 34 MIN 06 SECONDS E 1203 FT FROM C/L MERRILL AVE TH N 89 DEG 25 MIN 54 SE CONDS W 37 FT TO TRUE POB TH N 20 FT TH W 20 FT TH S 20 FT TH E 20 FT TO TRUE PO B	4073	0218 261 28 0 000	DR= D					
		BY1998	416	3891				4307
LANTING, RONALD J ETAL OOSTEM, MARINUS AND ANTHONIA M TRS P O BOX 747 CHINO CA 91708 WELLSITE PTH LOT 25 SEC 22 TP 2S R 7W RA NCHO SANTA ANA DEL CHINO DESC AS FOLLOWS CON AT PT ON N LI MERRILL AVE WHICH IS N 89 DEG 56 MIN 33 SECONDS E 437.52 FT FROM INTERSECTION SD N LI WITH E LI VINE YARD AVE TH N 00 DEG 03 MIN 37 SECONDS W 104.50 FT TO TRUE POB TH N 20 FT TH W 20 FT TH S 20 FT TH E 20 FT TO TRUE POB	4073	0218 261 29 0 000	DR= D					
		BY1996	471	2162				2633
PAGE TOTALS			1303	7718				9021

Subject Property

FORM OF ASSESSMENT ROLL APPROVED BY THE STATE BOARD OF EQUALIZATION
PRELIMINARY ASSESSMENT ROLL PROPERTY OF THE COUNTY OF SAN BERNARDINO, CALIF.
PROPERTY ASSESSED PURSUANT TO CONSTITUTIONAL AND STATUTORY PROVISIONS
FOR DETAILED EXPLANATION OF ALL THE HEADINGS AND ENTRIES, SEE PAGE A.

E 07

PAGE: 24702

NP870A00 SAN BERNARDINO COUNTY ASSESSOR SECURED ASSESSMENT ROLL PAGE: 24716

2002 ASSESSMENT YEAR

BILLED OR JOINT OWNER PROPERTY	TAX RATE	PARCEL BOOK PAGE	PERSONAL	HOMEOWNERS	SPECIAL	TOTAL NET
--------------------------------	----------	------------------	----------	------------	---------	-----------

NET

NP870A00

2002 ASSESSMENT YEAR

BILLED OR JOINT OWNER PROPERTY ADDRESS AND LEGAL DESCRIPTION

VANDERHAM, COR
VANDERHAM, ELEF
13920 ADAMS
ONTARIO CA 917
PTN GOV LOTS 3 4 5
CON AT PT 129.75
3 TH E 2069.11 FT
I LOT 8 TH W ALG S
A DISTANCE OF 2069
TH N 1449.75 FT
GOV LOT 5 N 89 DEG
ON NW COR SD LOT 5
129.75 FT TH N 89
TH ALG A 15900 RAC
FROM A TANGENT WMC
H 10 SECONDS W 155
GOV LOT 8 TH S 89
TH N 0 DEG 06 MIN
AND EX NLY 588 FT
.2 FT THEREOF AND
WITHIN SAN BERNARDI
CL CHANNEL AND EX

COUNTY OF SAN B
C/O REAL ESTATE
825 E 3RD ST
SAN BERNARDINO
N 20 FT S 74.75 F
LOT 3 SEC 22 TP 2
INTEREST)

VANDERHAM, COR
VANDERHAM, COR
13920 ADAMS
ONTARIO CA 91
N 20 FT S 74.75 F
LOT 3 SEC 22 TP
INTEREST)

NP870A00

2002 ASSESSMENT YEAR

BILLED OR JOINT OWNER PROPERTY

Exhibit 'A'

E 07

GE: 24703

NET
VALUE

.757

7004

3508

080

304

453

Subject property

NP870A00

SAN BERNARDINO COUNTY ASSESSOR
SECURED ASSESSMENT ROLL

PAGE: 24716

2002 ASSESSMENT YEAR

BILLED OR JOINT OWNER PROPERTY ADDRESS AND LEGAL DESCRIPTION	TAX RATE AREA	PARCEL BOOK PAGE LINE & SEQUENCE	LAND	IMPROVEMENTS	PERSONAL PROPERTY	HOMEOWNERS EXEMPTION	SPECIAL EXEMPTIONS	TOTAL NET TAXABLE VALUE
6 H DAIRY 17094 CUCAMONGA AVE CORONA CA 92880 60V LOT 1 SEC 22 TP 2S R 7W EX S 12 FT A ND EX W 1044.02 FT 12.54 AC M/L	4075	0218 261 32 0 000 DR= D						
		BY1998	2638991	1695431				433442
ALEWYN, JAKE FAMILY TRUST ETAL DIRKSEN, THOMAS L C/O JACK W ALEWYN 9031 EUCALYPTUS AVE CHINO CA 91710 PTN LOTS 7 8 9 10 23 24 25 26 AND SLY 1/ 2 EUCALYPTUS AVE VACATED ADJ ON N RANCHO SANTA ANA DEL CHINO SEC 22 TP 2S R 7W LY ING ELY OF FOL DESC LI BEG AT INTERSECTION E LI VINEYARD AVE 66 FT WID E AND M LI MERRILL AVE 66 FT WIDE TH M 89 DEG 56 MIN 33 SECONDS E 568.52 FT TO PT 300 FT E OF W LI PARCEL 2 OF R/S RECORDED IN BOOK 25 PAGE 15 RECORD OF SU RVEYS SD PT BEING TRUE POB TH M 0 DEG 20 MIN 16 SECONDS E 693 FT TH 6 89 DEG 56 M IN 33 SECONDS W 300 FT TH M 0 DEG 20 MIN 16 SECONDS E 1913.28 FT TO PT OM C/L EUC ALYPTUS AVE VAC M 89 DEG 56 MIN 26 SECONDS E 616.91 FT FROM INTERSECTION C/ SD VINEYARD AVE WITH C/L SD EUCALYPTUS AVE EX WELL SITE 26.484 AC M/L	4073	0218 261 34 0 000 DR= D						
		BY1994	1132021	5931601				706362
		PAGE TOTALS	3771011	7627031				1139804

FORM OF ASSESSMENT ROLL APPROVED BY THE STATE BOARD OF EQUALIZATION
PRELIMINARY ASSESSMENT ROLL PROPERTY OF THE COUNTY OF SAN BERNARDINO, CALIF.
PROPERTY ASSESSED PURSUANT TO CONSTITUTIONAL AND STATUTORY PROVISIONS
FOR DETAILED EXPLANATION OF ALL THE HEADINGS AND ENTRIES, SEE PAGE A.

F 07

GE: 24704

NP870A00

SAN BERNARDINO COUNTY ASSESSOR
SECURED ASSESSMENT ROLL

PAGE: 24717

2002 ASSESSMENT YEAR

NP870A00

2002 ASSESSMENT YEAR

BILLED OR JOINT
ADDRESS AND LE

C A VANDERHART
13920 HAMMER A
ONTARIO CA 917
SLY 639.2 FT FOL
ND 8 SEC 22 TP 2S
FT M OF SW COR SD
TH S 1449.75 FT T
LI SD LOT 8 AND L
.11 FT TO SW COR
TO POB EX COM ON
36 MIN E 656.71 F
M 0 DEG 06 MIN E
6 MIN W 79.29 FT
RADIUS CURVE TO R
BEARS S 7 DEG 41
1554.26 FT TO PT C
89 DEG 36 MIN E 35
MIN E 1399.9 FT TO
WITHIN SAN BERNAR
CONTROL CHANNEL AN
ION C/L REMINGTON
TH ELY ALG C/L SD
FT TH NLY AT R/A
SBOFC R/W SD PT BE
SD R/W 29.56 FT TH
PARALLEL WITH SD F
R/W TH SWLY ALG S

COUNTY OF SAN B
C/O REAL ESTATE
825 E 3RD ST
SAN BERNARDINO
60V LOT 3 SEC 27
LYING E OF SLY E
CORNER AVE 14

NP870A00

IN WITNESS THEREOF, the City Clerk of the City of Ontario has executed this
NOTICE OF NON-RENEWAL OF LAND CONSERVATION CONTRACT
NUMBER 69-150.

Date: December 10, 2002



City Clerk
City of Ontario

State of California
County of San Bernardino

On December 10, 2002, before me, Traci R. McGinley
a Notary Public in and for said County and State, personally appeared
Robert Heitzman

personally known to me (or proved to me on the basis of satisfactory evidence) to be the
person 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 of their person(s), or the entity upon behalf of
which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature



Traci R. McGinley



CITY OF ONTARIO

Agenda Report
December 3, 2019

SECTION:
CONSENT CALENDAR

SUBJECT: FISCAL YEAR 2019-20 FIRST QUARTER BUDGET UPDATE REPORT

RECOMMENDATION: That the City Council approve the budget adjustments and recommendations as listed in the Fiscal Year 2019-20 First Quarter Budget Update Report.

COUNCIL GOALS: Operate in a Businesslike Manner

FISCAL IMPACT: The recommended actions will affect several fund budgets as outlined in the Fiscal Year 2019-20 First Quarter Budget Update Report.

BACKGROUND: This First Quarter Budget Update Report for Fiscal Year 2019-20 reflects the Financial Services Agency's continued efforts to provide timely, accurate, and understandable financial information to assist the City Council with decision making and achieve their core goals. All funds have been reviewed in preparing this report. The emphasis of this report is on the General Fund, which funds most government services including public safety, recreation, library, museum, parks, building and planning.

The primary purposes of this report are to:

- Discuss Fiscal Year 2018-19 results and provide a reconciliation of budgeted-to-actual financial data;
- Address annual carryforward appropriations across all funds;
- Recognize budgetary carryforward amounts for prior year-approved Capital Improvement Projects and Grant appropriations, which are ongoing;
- Revise the City's budget to reflect the City Council's actions taken since the beginning of the current fiscal year;
- Recommend personnel and organizational changes to enhance program operations and efficiency;
- Recommend budget adjustments that are consistent with City Council goals and objectives; and
- Comment on significant budget and economic trends which may impact fiscal year's budget development.

STAFF MEMBER PRESENTING: Armen Harkalyan, Executive Director of Finance

Prepared by: Claudia Hernandez
Department: Fiscal Services

City Manager
Approval: 

Submitted to Council/O.H.A. 12/03/2019

Approved: _____

Continued to: _____

Denied: _____

4

Fiscal Year 2018-19 General Fund Results

The General Fund activity for FY 2018-19 resulted in a positive year-end balance, primarily due to higher investment returns, increases in development related revenue, and receipt of one-time revenues. In addition, there was an overall one-time expenditure savings of approximately \$7.0 million as a result of unfilled and vacant positions citywide. It is strongly recommended that these funds be set aside in reserve accounts for future use.

First Quarter Budget Update Recommendations

First Quarter Budget Update recommendations are routine in nature and comprised predominately by City Council actions taken since the beginning of the fiscal year, encumbrance carryforward items to rollover purchase orders that have not yet been expended, and Capital Improvement Program (CIP) carryforward items to rollover budget from approved projects that have not yet been completed. For the General Fund, the net result of these actions will bring the General Fund estimated available and unencumbered ending fund balance to \$50,942,921; this amount achieves the 18 percent goal set by City Council as a reserve for specific and defined emergency events (such as an earthquake) and to address immediate needs in resources without impacting City services.

General Fund Highlights

- \$20.0 million Transfer-in from Other Post Employment Benefits (OPEB) for the establishment of an Economic Uncertainties Reserve to help with choppy economic waters in the coming years by smoothing out revenue and expenditure contingencies
- \$1.6 million Easement Agreement (Meredith International Centre LED sign) (City Council approved 9/17/2019)
- \$853,000 Additional purchase of equipment (new police helicopter) (City Council approved 9/17/2019)
- \$747,277 Additional transfers-in from Communities Facilities Districts for city services (City Council approved 6/18/2019)
- \$157,000 Operating and professional services (New Department: Innovation, Performance and Audit)
- \$150,000 City property assessments (Downtown Ontario Community Benefit District) (City Council approved 8/20/2019)
- \$125,000 Transfer-out to Capital Projects for De Anza Teen Center improvements
- \$105,000 Part-time salaries for youth programs

Other Funds (i.e., non-General Fund) Highlights

- \$140.0 million Contribution to the OPEB Section 115 Trust (City Council approved 7/16/2019)
- \$14.1 million Water Rights Purchase (City Council approved 10/15/2019)
- \$8.1 million Great Park Land Purchase Agreement (City Council approved 11/5/2019)
- \$5.0 million State of California Department of Housing and Community Development Grant (City Council approved 10/15/2019)
- \$3.65 million High Speed Telecommunication System
- \$1.7 million Public Improvements-funded from Assessment Districts surplus (City Council approved 6/18/2019)

- \$1.1 million Reimbursement Agreement (Airport Drive Sewer Main project) (City Council approved 11/5/2019)
- \$1.0 million Reimbursement Agreement (Grove Avenue Sewer Main project) (City Council approved 11/5/2019)
- \$830,227 Multimodal Transportation Center Needs Assessment and Siting Criteria (California Department of Transportation Grant plus matching funds from Gas Tax) (City Council approved 7/12/2019)
- \$874,580 New Grants (Police, Fire, and Community Life & Culture)
- \$760,000 Street Pavement Rehabilitation SB 1 Projects

Interim budget updates also present recommendations for personnel and organizational changes necessary to enhance program operations and efficiency. Current recommendations include organizational changes to the Financial Services Agency, Fire Department, Human Resources Agency, Information Technology Agency, and Public Works Agency. The proposed recommendations will result in a net increase of three positions and an overall General Fund annual increase of \$266,484 (partially offset by increase in fire inspection fees revenue of approximately \$213,233).

Economy

Economic growth continues to be steady with job gains, consistent consumer spending, and improvement in the housing market. However, the U.S. trade dispute with China, political uncertainty, and inflationary risks are factors that can slowdown the economy. The following economic indicators are the most recent measures of economic activity.

- Gross Domestic Product (GDP): the broadest measure of economic output, increased at an annual rate of 1.9 percent in the third quarter of 2019 (advance estimate).
- Unemployment Rate: the national rate for October ticked up to 3.6 percent from 3.5 percent in September. California's preliminary unemployment rate for September declined to 4.0 percent from 4.1 percent in August. Locally, preliminary September estimates show a decrease in unemployment to 3.6 percent from 4.4 percent in the prior month. The labor market continues to support economic growth and be the strongest driver in the economy.
- Employment: California's labor force has reversed a six-month contraction, growing slightly in September. California's nonfarm payroll grew by approximately 21,300 in September, with thirty percent of that growth, or approximately 6,300, realized in the local economy.
- Consumer Confidence Index (CCI): has decreased for a second month in October to 125.9, down from September's index of 126.3. While Consumer Confidence increased with respect to the current business environment and the job market, confidence in the job market and business environment in the upcoming six months indicates a decline.
- Purchasing Manager's Index (PMI): for October increased by 0.5 percentage points to 48.3 percent from the September reading of 47.8 percent, nationally. The local region's PMI also dropped slightly from 50.0 percent in August to 49.7 percent in September. Both are due to weakening activity in the manufacturing sector.
- Housing market: home sales are falling, price growth is slowing, and buyer demand is softening. Nationally, existing single-family home sales dropped 2.2 percent in the month of September with each of the four major regions showing sales declines, although sales are up

3.9 percent from September 2018. Statewide home sales as of September are down 3.1 percent for calendar year 2019. Furthermore, existing single-family home sales dropped a half percent in September from August, although sales are 5.8 percent higher than they were a year earlier. The same can be said for median home prices, which dipped 1.9 percent from August to September, but are 4.7 percent higher than September 2018. San Bernardino County's median home price year-over-year gain was the second largest in Southern California at 5 percent, just behind Riverside County's 5.8 percent.

CalPERS

The California State Public Employees Retirement System (CalPERS) is considerably underfunded, primarily due to the lower than projected earning rates combined with significant investment losses incurred during the Great Recession. Over the last several years, CalPERS has made significant changes to the assumptions used in the calculations of local agencies' pension liabilities. These changes have resulted in (1) an increased overall unfunded pension liability as the discount rate has been reduced from 7.5 percent to 7.0 percent, and (2) sharp increases in annual payments to CalPERS in earlier years followed by declining payments in later years due to the method of amortizing the UAL (Unfunded Accrued Liability) payments. CalPERS' proposed rates will increase by nearly 45 percent by Fiscal Year 2024-25 and more than 80 percent by Fiscal Year 2030.

As of June 30, 2018, which is the most current financial information available, the City's UAL for all citywide employees and retirees has increased 21 percent to approximately \$323 million. The City's UAL is expected to be \$337 million by June 30, 2020. Approximately 70 percent of the UAL is related to public safety (police and fire) employees and 30 percent to non-safety employees.

To address the difficulty of paying these large amounts to CalPERS over the next 10 to 15 years, City Council approved a resolution on October 1, 2019, to begin the process of issuing pension obligation bonds for the refinancing of certain pension obligations of the City of Ontario, which will allow the City to prepay up to 100 percent of its three CalPERS plans' (police, fire, and miscellaneous) projected UAL, based on the 2018 valuation date report just released by CalPERS.

Conclusion

In summary, while the economy remains relatively stable, economic indicators suggest slightly softer growth in the next couple of years. As a result, Ontario needs to be cognizant of a modest growth in sales tax revenues for calendar year 2020. The City will also be experiencing rapidly increasing pension expenses that will far outpace the growth in revenue in the forthcoming fiscal years. Other major challenges the City continues to contend with locally are the rapidly rising cost of medical benefits for active employees and the unfunded liabilities for CalPERS. For the City to successfully manage these significant budget issues, it is recommended that Ontario practice fiscal discipline and establish proactive measures to safely navigate these upcoming fiscal challenges.

The Adopted Operating Budget for Fiscal Year 2019-20, as modified through this First Quarter Budget Update, reflects the City Council's continued commitment to support high quality public safety and municipal services, provides for the maintenance and expansion needs of the City's infrastructure and facilities, profiles an aggressive economic development strategy, and assures the investment and reinvestment of City resources into the community—all in the name of affording Ontario residents and businesses an exceptional quality of life. With the City Council's leadership and their prudent fiscal policies, the City's long-term fiscal health will further solidify its standing as the economic leader in the Inland Empire, and a formidable player in California and the nation.

Fiscal Year 2019-20 First Quarter Budget Update

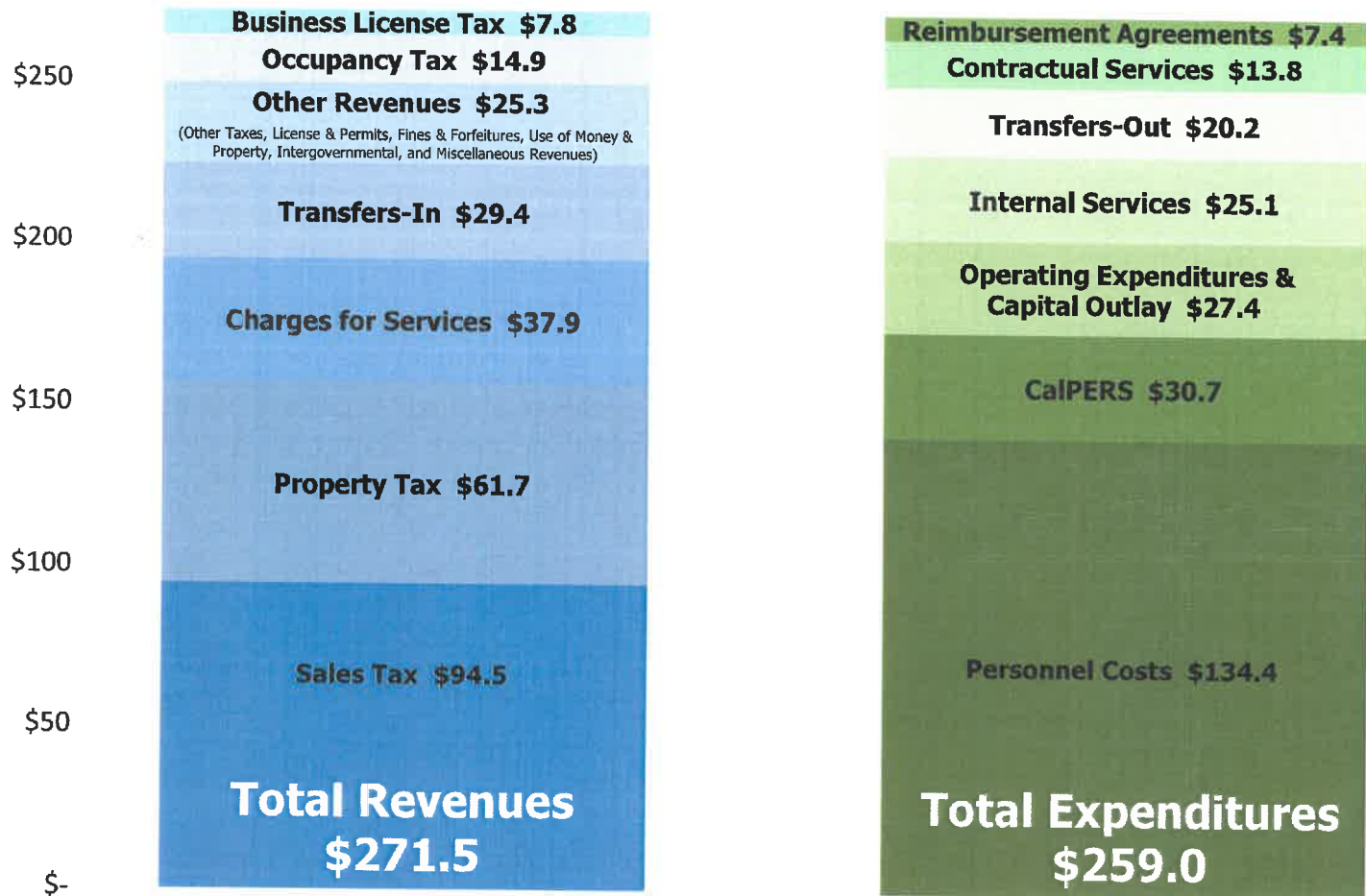


December 3, 2019

**City of Ontario
Five-Year General Fund Financial Forecast
Fiscal Year 2019-20
First Quarter Budget Update**

	FY 2019-20 Revised Budget	FY 2020-21 Projected	FY 2021-22 Projected	FY 2022-23 Projected	FY 2023-24 Projected	FY 2024-25 Projected
Total Revenues	\$ 237,462,024	\$ 240,888,854	\$ 246,662,920	\$ 255,444,914	\$ 264,704,957	\$ 272,023,003
Transfers-In	<u>58,033,612</u>	<u>27,502,266</u>	<u>22,877,507</u>	<u>23,413,280</u>	<u>23,725,198</u>	<u>23,894,033</u>
Total Revenues & Transfers-In	<u>\$ 295,495,636</u>	<u>\$ 268,391,120</u>	<u>\$ 269,540,427</u>	<u>\$ 278,858,194</u>	<u>\$ 288,430,155</u>	<u>\$ 295,917,036</u>
Total Expenditures	\$ 268,967,845	\$ 265,454,090	\$ 273,398,597	\$ 280,187,854	\$ 286,994,737	\$ 293,693,889
Transfers-Out	<u>14,048,382</u>	<u>10,097,620</u>	<u>10,175,172</u>	<u>10,254,276</u>	<u>10,334,961</u>	<u>10,417,260</u>
Total Expenditures & Transfers-Out	<u>\$ 283,016,227</u>	<u>\$ 275,551,710</u>	<u>\$ 283,573,769</u>	<u>\$ 290,442,130</u>	<u>\$ 297,329,698</u>	<u>\$ 304,111,149</u>
Less: Economic Uncertainties Reserve Transfer	\$ 20,000,000	\$ -	\$ -	\$ -	\$ -	\$ -
Use of Fund Balance	<u>\$ 7,520,591</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Surplus/(Deficit)	<u>\$ -</u>	<u>\$ (7,160,590)</u>	<u>\$ (14,033,342)</u>	<u>\$ (11,583,936)</u>	<u>\$ (8,899,543)</u>	<u>\$ (8,194,113)</u>

**City of Ontario
General Fund Year-End Results
Fiscal Year 2018-19
(in millions)**



**City of Ontario
General Fund Year-End Results
Fiscal Year 2018-19**

Total Revenues	\$ 242,118,615
Transfers-In	\$ 29,361,612
Total Revenues & Transfers-In	\$ 271,480,227
Total Expenditures	\$ (238,808,049)
Transfers-Out	\$ (20,236,402)
Total Expenditures & Transfers-Out	\$ (259,044,451)
General Fund 18% Additional Reserve Needed for FY 2019-20	\$ (5,801,562)
Public Facilities Reserve	\$ (2,996,649)
FY 2019-20 Previously Approved & New Budget Recommendations	\$ (3,637,565)
FY 2018-19 General Fund Ending Balance	\$ -

**City of Ontario
Citywide Personnel Ratios
Fiscal Year 2019-20**

	FY 2017-18 Actuals	FY 2018-19 Actuals*	FY 2019-20 Adopted	% Change from FY 2018-19
Salaries & Benefits	\$ 216,656,608	\$ 221,010,892	\$ 235,128,079	6.4%
Operating Costs	\$ 197,665,784	\$ 246,947,158	\$ 267,284,112	8.2%
Total Operating Costs**	\$ 414,322,392	\$ 467,958,050	\$ 502,412,191	7.4%
Salaries & Benefits % of Total Costs	52.3%	47.2%	46.8%	-0.9%
Total FTE Count	1,212	1,277	1,301	1.9%
Average FTE Cost	\$ 178,760	\$ 173,070	\$ 180,729	4.4%

Non-Management	1,008	1,072	1,093	2.0%
Management	204	205	208	1.5%
Non-Management	83.2%	83.9%	84.0%	0.1%
Management	16.8%	16.1%	16.0%	-0.6%

Staffing ratio (total personnel versus total citywide operating budget) does not meet target of <45%
Management ratio (management versus non-management) meets target of <20%

*FY 2018-19 Actuals are unaudited

**Excludes Transfers-out, Debt Service and Capital Outlay

**City of Ontario
General Fund Personnel Ratios
Fiscal Year 2019-20**

	FY 2017-18 Actuals	FY 2018-19 Actuals*	FY 2019-20 Adopted	% Change from FY 2018-19
Salaries & Benefits	\$ 168,198,313	\$ 171,907,660	\$ 192,931,541	12.2%
Operating Costs**	\$ 52,201,967	\$ 53,835,493	\$ 55,968,747	4.0%
Total Costs	\$ 220,400,280	\$ 225,743,153	\$ 248,900,288	10.3%
Salaries & Benefits % of Total Costs	76.3%	76.2%	77.5%	1.8%
Total FTE Count	916	955	977	2.3%
Average FTE Cost	\$ 183,623	\$ 180,008	\$ 197,473	9.7%

Staffing ratio (total personnel versus total GF operating budget) does not meet target of <75%

*FY 2018-19 Actuals are unaudited

**Excludes Transfers-out, Reimbursement Agreements and Capital Outlay

City of Ontario
General Fund Year-End Results by Agency
Fiscal Year 2018-19

	FY 2018-19 Current Budget	FY 2018-19 Actuals *	FY 2018-19 Budget Variance	% Variance
Community Life & Culture	\$ 12,425,595	\$ 12,018,039	\$ 407,556	3.3%
Development	\$ 19,359,180	\$ 17,112,733	\$ 2,246,447	11.6%
Economic Development	\$ 14,125,822	\$ 12,575,085	\$ 1,550,737	11.0%
Elected Officials	\$ 601,877	\$ 513,505	\$ 88,372	14.7%
Financial Services	\$ 13,245,992	\$ 12,553,382	\$ 692,610	5.2%
Fire Department	\$ 58,172,076	\$ 58,013,197	\$ 158,879	0.3%
Housing & Neighborhood Preservation	\$ 4,075,553	\$ 3,738,128	\$ 337,426	8.3%
Human Resources	\$ 3,359,112	\$ 3,346,846	\$ 12,266	0.4%
Management Services	\$ 5,248,619	\$ 5,037,581	\$ 211,038	4.0%
Police Department	\$ 95,612,556	\$ 94,218,899	\$ 1,393,657	1.5%
Public Works	\$ 21,187,576	\$ 19,680,656	\$ 1,506,920	7.1%
Transfers-Out	\$ 20,207,361	\$ 20,236,402	\$ (29,041)	-0.1%
Grand Total	\$ 267,621,319	\$ 259,044,451	\$ 8,576,868	3.2%

*FY 2018-19 Actuals are unaudited

City of Ontario
General Fund Reconciliation
Fiscal Year 2019-20
First Quarter Budget Update

Estimated Beginning Fund Balance - 7/1/2019	\$ 61,460,161
Fiscal Year 2019-20 Adopted Budget:	
Revenues & Transfers-In	\$ 273,237,994
Expenditures & Transfers-Out	\$ (275,415,470)
First Quarter Recommendations:	
Revenues & Transfers-In	\$ 22,257,642
Expenditures & Transfers-Out	\$ (3,692,681)
Fiscal Year 2018-19 Carryforward Encumbrances	\$ (3,908,076)
Estimated Ending Fund Balance - 6/30/2020	\$ 73,939,570
Less: Economic Uncertainties Reserve	\$ 22,996,649
18% Fund Balance Reserve	\$ 50,942,921
Percentage of General Fund Recurring Appropriations	18%

City of Ontario
General Fund Budget Summary
Fiscal Year 2019-20
First Quarter Budget Update

Total General Fund Adopted Revenue	\$ 273,237,994
Revenue Adjustments	
Charges for Services	\$ 263,955
Miscellaneous Revenues	\$ 643,410
Transfers-In	\$ 21,350,277
Total General Fund Revenue Budget Adjustments	\$ 22,257,642
Total Revised General Fund Revenue	\$ 295,495,636
Total General Fund Adopted Expenditures	
Total General Fund Adopted Expenditures	\$ 275,415,470
Expenditure Adjustments	
Community Life & Culture	\$ 105,000
Development	\$ 127,048
Economic Development	\$ 1,929,788
Financial Services	\$ (16,755)
Fire Department	\$ 195,016
Management Services	\$ 224,000
Police Department	\$ 853,000
Public Works	\$ 85,384
Transfers-Out	\$ 190,200
FY 2018-19 Carryforward Encumbrances	\$ 3,908,076
Total General Fund Expenditure Budget Adjustments	\$ 7,600,757
Total Revised General Fund Expenditures	\$ 283,016,227

**City of Ontario
General Fund Revenue Budget
Fiscal Year 2019-20
First Quarter Budget Update**

	Adopted Budget	Recommended First Quarter Budget Update Adjustments	Revised Budget	Actuals as of 9/30/2019	Percent of Budget Received
Property Tax	\$ 65,325,000	\$ -	\$ 65,325,000	\$ -	0.0%
Sales Tax	96,155,000	-	96,155,000	7,439,912	7.7%
Occupancy Tax	15,500,000	-	15,500,000	2,584,351	16.7%
Business License Tax	8,211,000	-	8,211,000	337,205	4.1%
Parking Tax	3,350,000	-	3,350,000	583,552	17.4%
Other Taxes	4,078,000	-	4,078,000	226,641	5.6%
License & Permits	3,675,000	-	3,675,000	1,300,613	35.4%
Intergovernmental	222,200	-	222,200	68,817	31.0%
Charges for Services	6,914,000	263,955	7,177,955	2,271,603	31.6%
Use of Money & Property	2,864,185	-	2,864,185	-	0.0%
Fines & Forfeitures	928,800	-	928,800	182,454	19.6%
Miscellaneous	29,331,474	643,410	29,974,884	3,952,272	13.2%
Total General Fund Revenues	\$ 236,554,659	\$ 907,365	\$ 237,462,024	\$ 18,947,420	8.0%
Transfers-In	36,683,335	21,350,277	58,033,612	12,245,831	
TOTAL REVENUES & TRANSFERS-INS	\$ 273,237,994	\$ 22,257,642	\$ 295,495,636	\$ 31,193,251	10.6%

**City of Ontario
General Fund Budget by Category
Fiscal Year 2019-20
First Quarter Budget Update**

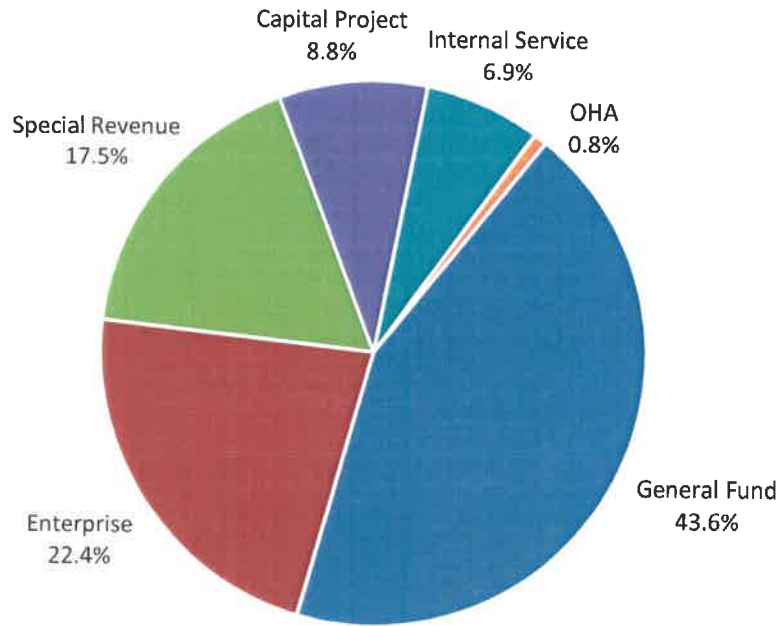
	Adopted Budget	First Quarter Budget Update	Revised Budget
Personnel Costs	\$ 185,385,140	\$ 238,242	\$ 185,623,382
Operating Expenditures	28,992,598	457,003	29,449,601
Contractual Services	11,930,984	209,448	12,140,432
Internal Service Allocations	22,591,566	-	22,591,566
Reimbursement Agreements	7,427,000	1,664,788	9,091,788
Capital Outlay	5,230,000	933,000	6,163,000
Transfers-Out	13,858,182	190,200	14,048,382
FY 2018-19 Carryforward Encumbrances	-	3,908,076	3,908,076
Total General Fund Budget	\$ 275,415,470	\$ 7,600,757	\$ 283,016,227

**City of Ontario
Citywide Budget by Fund Type
Fiscal Year 2019-20
First Quarter Budget Update**

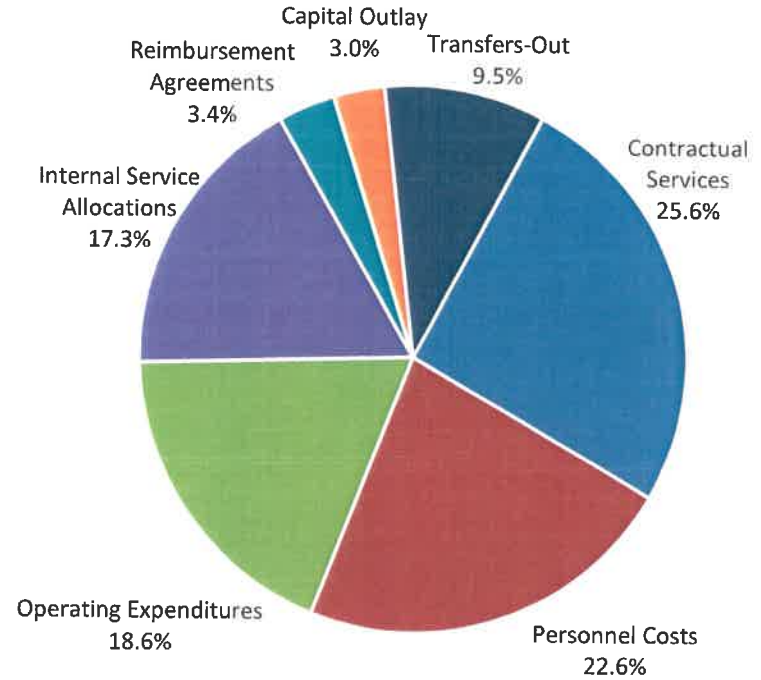
	Adopted Budget	First Quarter Budget Update	Revised Budget
General Fund	\$ 275,415,470	\$ 7,600,757	\$ 283,016,227
General Fund Trust	4,301,406	603,000	4,904,406
Special Revenue	78,081,059	47,358,027	125,439,086
Capital Project	21,372,097	87,402,106	108,774,203
Enterprise	194,716,592	71,929,738	266,646,330
Internal Service	58,319,607	174,097,688	232,417,295
Total City Funds	<u>\$ 632,206,231</u>	<u>\$ 388,991,316</u>	<u>\$ 1,021,197,547</u>
Agency Funds (OHA)	1,709,434	5,121,560	6,830,994
Total All Funds	<u>\$ 633,915,665</u>	<u>\$ 394,112,876</u>	<u>\$ 1,028,028,541</u>

**City of Ontario
Citywide Budget - All Funds
Fiscal Year 2019-20
First Quarter Budget Update**

Sources \$689,540,208
(By Fund Type)



Uses \$1,028,028,541
(By Category)



City of Ontario
Detail of Recommended Budget Adjustments by Fund
Fiscal Year 2019-20
First Quarter Budget Update

Description	Appropriation Adjustments	Revenue Adjustments	Operating Transfers-In	Operating Transfers-Out	Fund Balance Impact
GENERAL FUND					
Fund 001 - General Fund					
Transfers-in (from OPEB Fund 099) Economic Uncertainties Reserve					
Easement Agreement ref: Meredith Int'l Centre LED sign (CC Apprvd 9/17/2019)			20,000,000		20,000,000
Police helicopter equipment (CC Apprvd 9/17/2019) (Sale proceeds offset & Public Safety Reserve Transfer-In from Fund 098)	1,594,788				(1,594,788)
New - Innovation, Performance and Audit Department operating budget	853,000	250,000	603,000		-
Downtown Ontario Community Benefit District (CBD) property assessments (CC Apprvd 8/20/2019)	157,000				(157,000)
Inspection fees - Fire/Revise budget	150,000				(150,000)
Toyota Arena property taxes		106,616			106,616
Sales tax incentive reimbursement agreement ref: automotive services (CC Apprvd 6/18/2019)	85,000				(85,000)
Mill Creek Wetlands study (NMC Builders pass-thru)	70,000				(70,000)
Other Professional Services ref: Merrill Commerce Center Specific Plan-EIR (pass-thru)	68,000	68,000			-
Communications and Media Management professional services (CC Apprvd 9/17/2019)	59,048	59,048			-
Other Professional Services ref: Downtown Community Benefit District (one-time expense to establish district)	57,000				(57,000)
Replace vandalized playground at Creekside Park (offset with donation from Niagara)	30,000				(30,000)
New - Landscape maintenance services along Eucalyptus Avenue (Ontario Ranch)	34,960	34,960			-
I-10 Express Lanes right-of-way agreements (CC Apprvd 9/17/2019) (Transfer-out to Fund 017)	7,043				(7,043)
Transfers-in (from Funds 062, 064, 079, 332, 344, 345 & 350 Community Facilities Districts) for City services (CC Apprvd 6/18/2019)		358,450		54,200	304,250
Passport services (offset with Charges for Services revenue) (CC Apprvd 08/20/2019)			747,277		747,277
Training and materials for recommended personnel changes - Fire	10,000	10,000			-
Vehicles for recommended personnel changes - Fire	8,400				(8,400)
Part-time staffing/Youth Programs	80,000				(80,000)
Transfer-out (to Fund 017) for De Anza Teen Center improvements	105,000				(105,000)
Recommended personnel changes				125,000	(125,000)
FY 2018-19 Carryforward Encumbrances	133,242				(133,242)
GENERAL FUND TOTAL	7,410,557	907,365	21,350,277	190,200	14,656,885
GENERAL FUND TRUST					
Fund 098 - General Fund Trust					
Public Safety Reserve Transfer-Out (to Fund 001) Police helicopter equipment (CC Apprvd 9/17/2019)				603,000	(603,000)
GENERAL FUND TRUST TOTAL	-	-	-	603,000	(603,000)

City of Ontario
Detail of Recommended Budget Adjustments by Fund
Fiscal Year 2019-20
First Quarter Budget Update

Description	Appropriation Adjustments	Revenue Adjustments	Operating Transfers-In	Operating Transfers-Out	Fund Balance Impact
SPECIAL REVENUE FUNDS					
Fund 003 - Gas Tax					
<i>New - Parco Avenue Pavement Rehabilitation (RMRA)</i>	425,000				(425,000)
<i>New - Walnut Street Pavement Rehabilitation (RMRA)</i>	335,000				(335,000)
<i>New - Multimodal Transportation Center Needs Assessment and Siting Criteria (City match) (CC Apprvd 7/2/2019)</i>	95,227				(95,227)
<i>New - Public Improvements ref: Sixth Street and Mountain Avenue (CC Apprvd 10/15/2019)</i>	73,427				(73,427)
State Route 60 at Archibald Avenue interchange improvements/Revise budget	755,380				(755,380)
Grove Avenue Trail Connector Project/Revise budget	41,722				(41,722)
Traffic Signal: Grove/Francis/Revise funding source (assessment district surplus funding/ CC Apprvd 10/1/2019)	(45,000)				45,000
Philadelphia Avenue Pavement Rehab/Revise funding source (assessment district surplus funding/ CC Apprvd 10/1/2019)	(876,921)				876,921
Carryforward Encumbrances from FY 2018-19	1,465,742	5,738			(1,460,004)
Carryforward CIP Appropriations from FY 2018-19	431,832	207,784			(224,048)
	<u>2,701,409</u>	<u>213,522</u>	<u>-</u>	<u>-</u>	<u>(2,487,887)</u>
Fund 004 - Measure I					
Carryforward Encumbrances from FY 2018-19	257,739				(257,739)
Carryforward CIP Appropriations from FY 2018-19	406,600				(406,600)
	<u>664,339</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(664,339)</u>
Fund 005 - Measure I-Valley Major Projects					
Carryforward Encumbrances from FY 2018-19	276,219	276,219			-
Carryforward CIP Appropriations from FY 2018-19	27,095,009	27,095,009			-
	<u>27,371,228</u>	<u>27,371,228</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund 006 - Cable Access Fund					
Green room and video production equipment	75,000				(75,000)
Council Chambers camera and broadcast equipment	74,217				(74,217)
	<u>149,217</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(149,217)</u>
Fund 007 - Park Impact/Quimby					
Great Park land purchase agreement (CC Apprvd 11/5/2019)	8,100,000				(8,100,000)
	<u>8,100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,100,000)</u>
Fund 008 - Community Development Block Grant					
Community Development Block Grant and ESG Grant Program/Revise budget	(69,486)	(77,120)		(7,634)	-
Carryforward Encumbrances from FY 2018-19	182,150	182,150			-
	<u>112,664</u>	<u>105,030</u>	<u>-</u>	<u>(7,634)</u>	<u>-</u>

City of Ontario
 Detail of Recommended Budget Adjustments by Fund
 Fiscal Year 2019-20
 First Quarter Budget Update

Description	Appropriation Adjustments	Revenue Adjustments	Operating Transfers-In	Operating Transfers-Out	Fund Balance Impact
Fund 009 - HOME Grants					
Home Grant Program/Revise budget	109,561	108,389		(1,172)	-
	<u>109,561</u>	<u>108,389</u>	-	<u>(1,172)</u>	-
Fund 010 - Asset Seizure					
Frontline police equipment	50,000				(50,000)
	<u>50,000</u>	-	-	-	<u>(50,000)</u>
Fund 013 - A.D. Administration					
<i>New - Sidewalk construction and repairs (assessment district surplus funding/ CC Apprvd 10/1/2019)</i>	640,000				(640,000)
<i>New - Haven Lift Station Improvements (assessment district surplus funding/ CC Apprvd 10/1/2019)</i>	130,044				(130,044)
<i>New - Stormwater maintenance (assessment district surplus funding/ CC Apprvd 10/1/2019)</i>	25,000				(25,000)
Philadelphia Avenue Pavement Rehabilitation/Revise funding source (assessment district surplus funding/ CC Apprvd 10/1/2019)	876,921			-	(876,921)
Traffic Signal: Grove/Francis/Revise funding source (assessment district surplus funding/ CC Apprvd 10/1/2019)	45,000				(45,000)
	<u>1,716,965</u>	-	-	-	<u>(1,716,965)</u>
Fund 014 - Mobile Source Air					
Carryforward Encumbrances from FY 2018-19	80,330				(80,330)
	<u>80,330</u>	-	-	-	<u>(80,330)</u>
Fund 015 - General Fund Grants					
<i>New - Multimodal Transportation Center Needs Assessment and Siting Criteria (Caltrans) (CC Apprvd 7/2/2019)</i>	735,000	735,000			-
<i>New - FY 2020 OTS STEP Grant (CC Apprvd 3/5/2019)</i>	550,000	550,000			-
<i>New - California Volunteers "Ontario Promise Corps Program" (CC Apprvd 8/20/2019)</i>	75,000	75,000			-
<i>New - California State Library "Little Learners, Big Futures" (CC Apprvd 8/20/2019)</i>	71,000	71,000			-
<i>New - FY 2019 Office of Planning & Research (OPR) California Volunteers Grant (Fire)</i>	30,000	30,000			-
<i>New - FY 2019 Emergency Management Performance Grant (Fire)</i>	26,727	26,727			-
<i>New - FY 2020 ABC-OTS Grant</i>	20,000	20,000			-
<i>New - FY 2019 Safe Routes to School (Police)</i>	7,200	7,200			-
FY 2017 UASI/Additional grant allocation (Fire)	60,480	60,480			-
California Firefighters Joint Apprenticeship Committee Grant (CAL-JAC)/Additional grant allocation (Fire)	32,070	32,070			-
Transformative Climate Communities Grant/Revise budget (Retiree Medical Transfer-Out to Fund 099) (Reallocated to OHA Fund 048)	7,181				-
FY 2019 HSGP/Additional grant allocation (Fire)	2,104	2,104		(7,181)	-
Carryforward Encumbrances from FY 2018-19	839,401	839,401			-
Carryforward Grant Appropriations from FY 2018-19	2,986,660	2,986,660			-
	<u>5,442,823</u>	<u>5,435,642</u>	-	<u>(7,181)</u>	-

City of Ontario
 Detail of Recommended Budget Adjustments by Fund
 Fiscal Year 2019-20
 First Quarter Budget Update

Description	Appropriation Adjustments	Revenue Adjustments	Operating Transfers-In	Operating Transfers-Out	Fund Balance Impact
Fund 062 - NMC CFD #23 - Park Place Services					
Special tax revenue/Revise budget (CC Apprvd 6/18/2019) / Transfer-out (to Fund 001) for City services		115,000		115,000	-
	-	115,000	-	115,000	-
Fund 064 - NMC CFD #27 - New Haven Services					
Special tax revenue/Revise budget (CC Apprvd 6/18/2019) / Transfer-out (to Fund 001) for City services		193,478		193,478	-
	-	193,478	-	193,478	-
Fund 070- Street Light Maintenance					
District No. 1 revenue/Revise budget (CC Apprvd 6/18/2019)		12,888			12,888
District No. 2 revenue/Revise budget (CC Apprvd 6/18/2019)		3,365			3,365
	-	16,253	-	-	16,253
Fund 076 - Facility Maintenance					
Carryforward Encumbrances from FY 2018-19	91,201				(91,201)
	91,201	-	-	-	(91,201)
Fund 079 - NMC CFD #37 - Park & Turner-NE RF					
Special tax revenue/Revise budget (CC Apprvd 6/18/2019) / Transfer-out (to Fund 001) for City services		23,441		23,441	-
	-	23,441	-	23,441	-
Fund 332 - NMC CFD #32 Archibald/SchaeferSrvcs					
Special tax revenue/Revise budget (CC Apprvd 6/18/2019) / Transfer-out (to Fund 001) for City services		49,223		49,223	-
	-	49,223	-	49,223	-
Fund 340 - NMC CFD #40 Emerald Park					
Special tax revenue/Revise budget and administrative costs (CC Apprvd 6/18/2019)	14,000	157,797			143,797
	14,000	157,797	-	-	143,797
Fund 344 - NMC CFD #44 Esperanza Services					
Special tax revenue/Revise budget (CC Apprvd 6/18/2019) / Transfer-out (to Fund 001) for City services		9,182		9,182	-
	-	9,182	-	9,182	-
Fund 345 - NMC CFD #45 Nrthpk&CntrysideSvc					
Special tax revenue/Revise budget (CC Apprvd 6/18/2019) / Transfer-out (to Fund 001) for City services		8,637		8,637	-
	-	8,637	-	8,637	-

City of Ontario
Detail of Recommended Budget Adjustments by Fund
Fiscal Year 2019-20
First Quarter Budget Update

Description	Appropriation Adjustments	Revenue Adjustments	Operating Transfers-In	Operating Transfers-Out	Fund Balance Impact
Fund 350 - CFD #50 NMC W Ont Legis Cntr Svc					
Special tax revenue (CC Apprvd 6/18/2019) and administrative costs / Transfer-out (to Fund 001) for City services	23,000	371,316		348,316	-
	<u>23,000</u>	<u>371,316</u>	-	<u>348,316</u>	-
Fund 533 - CFD #33 Archibald/SchaeferFacilit					
Special tax revenue (CC Apprvd 6/18/2019)		350,105			350,105
	-	<u>350,105</u>	-	-	<u>350,105</u>
Fund 543 - CFD #43 ParkPlaceFacilitiesPhs4					
Special tax revenue (CC Apprvd 6/18/2019)		465,136			465,136
	-	<u>465,136</u>	-	-	<u>465,136</u>
SPECIAL REVENUE FUNDS TOTAL	46,626,737	34,993,379	-	731,290	(12,364,648)
CAPITAL PROJECT FUNDS					
Fund 016 - Ground Access					
Carryforward Encumbrances from FY 2018-19	718,663	718,663			-
Carryforward CIP Appropriations from FY 2018-19	1,303,509	1,303,509			-
	<u>2,022,172</u>	<u>2,022,172</u>	-	-	-
Fund 017 - Capital Projects					
Finance and Human Resources office furniture and workstations installation (CC Apprvd 11/5/2019)	225,651				(225,651)
Finance and Human Resources office space reconfiguration	54,500				(54,500)
Public Improvements ref: Sixth Street and Mountain Avenue project (CC Apprvd 10/15/2019)	235,517				(235,517)
De Anza Teen Center improvements	125,000				-
Fire Station No. 5 fuel equipment relocation ref: 1-10 Express Lanes agreement (CC Apprvd 9/17/2019) (Transfer-in from Fund 001)	54,200		125,000		-
Recycled water retrofits project for median parkways and park facilities	30,000		54,200		(30,000)
Carryforward Encumbrances from FY 2018-19	8,116,106	578,046			(7,538,060)
Carryforward CIP Appropriations from FY 2018-19	21,876,959	115,850			(21,761,109)
	<u>30,717,933</u>	<u>693,896</u>	<u>179,200</u>	-	<u>(29,844,837)</u>
Fund 109 - Public Meeting Impact					
Carryforward CIP Appropriations from FY 2018-19	1,300,000				(1,300,000)
	<u>1,300,000</u>	-	-	-	<u>(1,300,000)</u>
Fund 170 - OMC Regional Streets					
Carryforward Encumbrances from FY 2018-19	1,408				(1,408)
Carryforward CIP Appropriations from FY 2018-19	6,617,644				(6,617,644)
	<u>6,619,052</u>	-	-	-	<u>(6,619,052)</u>

City of Ontario
 Detail of Recommended Budget Adjustments by Fund
 Fiscal Year 2019-20
 First Quarter Budget Update

Description	Appropriation Adjustments	Revenue Adjustments	Operating Transfers-In	Operating Transfers-Out	Fund Balance Impact
Fund 171 - OMC Local Adjacent Streets					
Carryforward Encumbrances from FY 2018-19	203,197				(203,197)
Carryforward CIP Appropriations from FY 2018-19	12,009,450				(12,009,450)
	12,212,647	-	-	-	(12,212,647)
Fund 173 - OMC Local Adjacent Storm Drain					
Development Impact Fee refunds and reimbursements	206,000				(206,000)
Carryforward Encumbrances from FY 2018-19 (Transfer-in from Fund 001)	2,524,817		11,000		(2,513,817)
Carryforward CIP Appropriations from FY 2018-19	3,806,469				(3,806,469)
	6,537,286	-	11,000	-	(6,526,286)
Fund 177 - OMC Local Adjacent Sewer					
Airport Drive sewer main project reimbursement agreement (CC 11/5/2019)	1,119,771				(1,119,771)
Grove Avenue sewer main project reimbursement agreement (CC 11/5/2019)	1,007,495				(1,007,495)
Carryforward CIP Appropriations from FY 2018-19	3,500,000				(3,500,000)
	5,627,266	-	-	-	(5,627,266)
Fund 178 - OMC Fire Impact					
Carryforward Encumbrances from FY 2018-19	1,618,554				(1,618,554)
Carryforward CIP Appropriations from FY 2018-19	94,636				(94,636)
	1,713,190	-	-	-	(1,713,190)
Fund 180 - NMC Regional Streets					
Development Impact Fee refunds	97,716				(97,716)
Carryforward CIP Appropriations from FY 2018-19	2,736,468				(2,736,468)
	2,834,184	-	-	-	(2,834,184)
Fund 185 - NMC Local Adjacent Water					
Carryforward CIP Appropriations from FY 2018-19	2,000,000				(2,000,000)
	2,000,000	-	-	-	(2,000,000)
Fund 187 - NMC - Local Adjacent Sewer					
Development Impact Fee refunds	84,000				(84,000)
	84,000	-	-	-	(84,000)
Fund 188 - NMC-Regional Fiber					
High-Speed Telecommunications System-NMC project	950,000				(950,000)
	950,000	-	-	-	(950,000)

City of Ontario
Detail of Recommended Budget Adjustments by Fund
Fiscal Year 2019-20
First Quarter Budget Update

Description	Appropriation Adjustments	Revenue Adjustments	Operating Transfers-In	Operating Transfers-Out	Fund Balance Impact
Fund 189 - NMC-Local Adjacent Fiber					
High-Speed Telecommunications System-NMC project	1,700,000				(1,700,000)
	<u>1,700,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,700,000)</u>
Fund 190 - NMC Fire Impact					
Interim Fire Station No. 9 project/Revise budget (CC Apprvd 8/20/2019)	210,331				(210,331)
Carryforward Encumbrances from FY 2018-19	86,125				(86,125)
Carryforward CIP Appropriations from FY 2018-19	12,787,920				(12,787,920)
	<u>13,084,376</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,084,376)</u>
CAPITAL PROJECT FUNDS TOTAL	87,402,106	2,716,068	190,200	-	(84,495,838)
ENTERPRISE FUNDS					
Fund 024 - Water Operating					
Recommended personnel change	25,745				(25,745)
Carryforward Encumbrances from FY 2018-19	447,767				(447,767)
	<u>473,512</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(473,512)</u>
Fund 025 - Water Capital					
New - Onsite Chlorine Generators design phase	173,913				(173,913)
Water Rights Purchase (CC Apprvd 10/15/2019)	14,129,250				(14,129,250)
Mountain & Holt water main improvements project/Revise budget	770,000				(770,000)
Bon View water service improvements project/Revise budget	187,000				(187,000)
Parco Avenue water pipeline replacement project/Revise budget (CC Apprvd 9/17/2019)	168,300				(168,300)
Carryforward Encumbrances from FY 2018-19	5,975,619				(5,975,619)
Carryforward CIP Appropriations from FY 2018-19	38,993,565				(38,993,565)
	<u>60,397,647</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(60,397,647)</u>
Fund 026 - Sewer Operating					
Recommended personnel change	7,355				(7,355)
Carryforward Encumbrances from FY 2018-19	113,485				(113,485)
	<u>120,840</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(120,840)</u>
Fund 027 - Sewer Capital					
Carryforward Encumbrances from FY 2018-19	389,776				(389,776)
Carryforward CIP Appropriations from FY 2018-19	708,235				(708,235)
	<u>1,098,011</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,098,011)</u>

City of Ontario
 Detail of Recommended Budget Adjustments by Fund
 Fiscal Year 2019-20
 First Quarter Budget Update

Description	Appropriation Adjustments	Revenue Adjustments	Operating Transfers-In	Operating Transfers-Out	Fund Balance Impact
Fund 029 - Integrated Waste					
FY 2018-19 Bottle Bill Grant <i>(CC Apprvd 11/20/2018)</i>	43,489	43,489			-
Recommended personnel change	40,455				(40,455)
Carryforward Encumbrances from FY 2018-19	860,350				(860,350)
Carryforward CIP Appropriations from FY 2018-19	1,586,630	107,585			(1,479,045)
	2,530,924	151,074	-	-	(2,379,850)
Fund 031 - Integrated Waste Facilities					
Carryforward Encumbrances from FY 2018-19	2,673				(2,673)
Carryforward CIP Appropriations from FY 2018-19	54,510				(54,510)
	57,183	-	-	-	(57,183)
Fund 035 - Information Technology Broadband					
High-Speed Telecommunications System project - Downtown Euclid	1,000,000				(1,000,000)
Carryforward Encumbrances from FY 2018-19	1,669,831				(1,669,831)
Carryforward CIP Appropriations from FY 2018-19	4,581,790				(4,581,790)
	7,251,621	-	-	-	(7,251,621)
ENTERPRISE FUNDS TOTAL	71,929,738	151,074	-	-	(71,778,664)
INTERNAL SERVICE FUNDS					
Fund 032 - Equipment Services					
Recommended personnel changes	(57,136)				57,136
Carryforward Encumbrances from FY 2018-19	9,176,930				(9,176,930)
Carryforward CIP Appropriations from FY 2018-19	247,072				(247,072)
	9,366,866	-	-	-	(9,366,866)
Fund 033 - Self Insurance					
Carryforward Encumbrances from FY 2018-19	19,790				(19,790)
	19,790	-	-	-	(19,790)
Fund 034 - Information Technology					
Recommended personnel changes	(16,666)				16,666
Carryforward Encumbrances from FY 2018-19	792,647				(792,647)
Carryforward CIP Appropriations from FY 2018-19	3,935,051				(3,935,051)
	4,711,032	-	-	-	(4,711,032)

City of Ontario
Detail of Recommended Budget Adjustments by Fund
Fiscal Year 2019-20
First Quarter Budget Update

Description	Appropriation Adjustments	Revenue Adjustments	Operating Transfers-In	Operating Transfers-Out	Fund Balance Impact
Fund 099 - Other Post Employment Benefits					
OPEB §115 Trust contribution (CC Apprvd 7/16/2019)	140,000,000				(140,000,000)
Transfer-out to Fund 001 ref: Economic Uncertainties Reserve				20,000,000	(20,000,000)
Retiree Medical/Revise budget		15,987	(15,987)		-
	<u>140,000,000</u>	<u>15,987</u>	<u>(15,987)</u>	<u>20,000,000</u>	<u>(160,000,000)</u>
INTERNAL SERVICE FUNDS TOTAL	154,097,688	15,987	(15,987)	20,000,000	(174,097,688)
TOTAL CITY FUNDS BUDGET ADJUSTMENTS					
	367,466,826	38,783,873	21,524,490	21,524,490	(328,682,953)
AGENCY FUNDS (OHA)					
Fund 048 - Ontario Housing Authority					
Housing & Community Development (HCD) Grant (CC 10/15/2019)	5,000,000	5,000,000			-
Retiree Medical/Revise budget (Reallocated from Funds 008, 009 & 015)	15,987				(15,987)
Carryforward Encumbrances from FY 2018-19	32,933				(32,933)
	<u>5,048,920</u>	<u>5,000,000</u>	<u>-</u>	<u>-</u>	<u>(48,920)</u>
Fund 166 - Housing Asset Fund					
Continuum of Care Program Services (CC Apprvd 6/18/2019)	72,640				(72,640)
	<u>72,640</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(72,640)</u>
AGENCY FUNDS (OHA) TOTAL	5,121,560	5,000,000	-	-	(121,560)
TOTAL ALL FUNDS BUDGET ADJUSTMENTS					
	372,588,386	43,783,873	21,524,490	21,524,490	(328,804,513)

City of Ontario
Recommended Personnel and Organizational Changes
Fiscal Year 2019-20
First Quarter Budget Update

Agency	Proposed Change	Position	Action	Salary Range	
Financial Services	(1)	Chief Investment Bond Officer	Deletion	\$10,478 - \$ 12,733	
	1	Investment Officer	Addition	\$ 8,055 - \$ 9,790	
	<u>-</u>				
Information Technology	(1)	Principal IT Analyst	Deletion	\$ 8,741 - \$ 10,625	
	1	System Specialist	Addition	\$ 5,366 - \$ 6,524	
	(1)	Principal IT Analyst	Deletion	\$ 8,741 - \$ 10,625	
	1	IT Applications Director	Addition	\$10,804 - \$ 13,130	
	<u>-</u>				
Fire Department	<u>2</u>	Fire Safety Technician	Addition	\$ 4,758 - \$ 5,782	
	2				
Human Resources	<u>1</u>	Human Resources Analyst (funded by Enterprise Funds)	Addition	\$ 6,401 - \$ 7,777	
	1				
Public Works	(1)	Assistant Director Facilities & Municipal Services	Deletion	\$ 8,055 - \$ 9,790	
	1	Project Manager	Addition	\$ 7,920 - \$ 9,620	
	<u>-</u>				
Total Additions/(Deletions)	<u>3</u>				
	<u>Impact by Fund</u>				
			Current (6 months)	Annual	
				Net FTE Change	
	Fund 001	General Fund	\$ 133,242	\$ 266,484	2.00
	Fund 024	Water Operating	25,745	51,490	0.35
	Fund 026	Sewer Operating	7,355	14,710	0.10
	Fund 029	Integrated Waste	40,455	80,910	0.55
	Fund 032	Equipment Services	(57,136)	(114,272)	-
	Fund 034	Information Technology	(16,666)	(33,332)	-
	Total		<u>\$ 132,995</u>	<u>\$ 265,990</u>	<u>3.00</u>

CITY OF ONTARIO

Agenda Report
December 3, 2019

SECTION:
CONSENT CALENDAR

SUBJECT: A RESOLUTION AUTHORIZING A FIRST AMENDMENT TO ACQUISITION AND FUNDING AGREEMENT WITH STG COMMUNITIES II, LLC

RECOMMENDATION: That the City Council consider and adopt a resolution to authorize the execution of a First Amendment to Acquisition and Funding Agreement between the City and STG Communities II, LLC (on file in the Records Management Department) to provide for the acquisition of completed public facilities constructed by STG Communities II, LLC with the proceeds of Community Facilities District No. 42 (CFD No. 42 – West Haven) special tax bonds.

COUNCIL GOALS: Operate in a Businesslike Manner

Focus Resources in Ontario's Commercial and Residential Neighborhoods

Invest in the City's Infrastructure (Water, Streets, Sewers, Parks, Storm Drain and Public Facilities)


Ensure the Development of a Well Planned, Balanced, and Self-Sustaining Community in Ontario Ranch

FISCAL IMPACT: As proposed, for the projects included in the First Amendment to Acquisition and Funding Agreement, the maximum total cost for the facilities to be acquired with CFD No. 42 bond proceeds is \$4,076,986. There is no fiscal impact at this time; however, there will be proposed levies in future fiscal years that will require City Council approval.

BACKGROUND: The Mello-Roos Community Facilities Act of 1982 provides local government, with the approval of the property owners, the authority to establish community facilities districts for the purpose of levying special taxes to fund governmental services and to finance various kinds of public facilities. In the First Amended and Restated Construction Agreement between the City and the NMC Builders LLC, the City agreed to cooperate with the members of NMC Builders in the formation of CFDs to assist in the financing of the public improvements.

On August 1, 2018, the City and STG Communities II, LLC entered into an Acquisition and Funding Agreement to provide a mechanism for the purchase of completed public infrastructure improvements

STAFF MEMBER PRESENTING: Armen Harkalyan, Executive Director of Finance

Prepared by: Bob Chandler
Department: General Services
City Manager Approval: 

Submitted to Council/O.H.A. 12/03/2019
Approved: _____
Continued to: _____
Denied: _____

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constructed by STG Communities II, LLC using special tax bond proceeds. In 2019, STG Communities II, LLC, requested that the City amend the existing Acquisition and Funding Agreement to include storm drain infrastructure. In addition to adding the storm drain infrastructure, a modification was also made to update the recycled water pipeline from 16" to 12". The changes being made to the original Acquisition and Funding Agreement are reflected in the amendment/update of the Exhibit A facilities. All other terms of the original Acquisition and Funding Agreement remain in full force and effect. As noted, the total cost for the facilities to be acquired under the First Amendment to Acquisition and Funding Agreement is estimated to be approximately \$4.0 million.

The West Haven project addresses the development of approximately 46 gross acres located generally east of Turner Avenue, west of Haven Avenue, south of Riverside Drive, and north of Schaefer Avenue. At build out, the development is projected to include 196 detached units.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, AUTHORIZING THE EXECUTION AND DELIVERY OF A FIRST AMENDMENT TO ACQUISITION AND FUNDING AGREEMENT WITH STG COMMUNITIES II, LLC.

WHEREAS, certain real property within the boundaries of the City located generally south of State Route 60 is commonly known as the New Model Colony; and

WHEREAS, the City has approved a General Plan Amendment for the New Model Colony, which has been supplemented by certain water, recycled water and sewer master plans (as so supplemented, the "General Plan Amendment") and has certified an Environmental Impact Report and adopted a Mitigated Negative Declaration in connection with the General Plan Amendment (together, the "Environmental Impact Report"); and

WHEREAS, the City has specified in the General Plan Amendment and the Environmental Impact Report the major backbone transportation, water, sewer, storm drainage, parks, public safety infrastructure and fiber optic systems required to serve the New Model Colony; and

WHEREAS, the New Model Colony is now commonly referred to as the Ontario Ranch; and

WHEREAS, STG Communities II, LLC, a California limited liability company (the "Developer"), is developing certain of the property within the Ontario Ranch (the "Property"); and

WHEREAS, certain of such major backbone infrastructure is required to serve the Property; and

WHEREAS, the City and the Developer desire to provide a mechanism to fund, in a timely manner, the costs of certain of such major backbone infrastructure required to serve the Ontario Ranch (the "Facilities") so that such development may occur; and

WHEREAS, in order to provide such a mechanism, the City has, pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982 (the "Act"), established City of Ontario Community Facilities District No. 42 (West Haven) (the "Community Facilities District"), the boundaries of which include the Property; and

WHEREAS, in connection therewith, the City and the Developer entered into the Acquisition and Funding Agreement, dated as of August 1, 2018 (the "Original Acquisition Agreement"), pursuant to which, in accordance with the terms set forth therein, the Developer is to construct or cause to be constructed certain of the Facilities, which, upon satisfaction of the conditions specified therein, the City is to acquire and take title thereto, which acquisitions are to be funded by the Community Facilities District; and

WHEREAS, the City and the Developer desire to amend the Original Acquisition Agreement in order to reflect certain changes to the facilities financed or anticipated to be financed by the Community Facilities, including to certain acquisition costs specified therein for such facilities; and

WHEREAS, there has been presented to this meeting a form of a First Amendment to Acquisition and Funding Agreement that so amends the Original Acquisition Agreement (such First Amendment to Acquisition and Funding Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the "First Amendment"); and

WHEREAS, the City Council is the legislative body of the Community Facilities District;

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

SECTION 1. The First Amendment, in substantially the form submitted to this meeting and made a part hereof as though set forth herein, be and the same is hereby approved. Each of the Mayor of the City, and such other member of the City Council as the Mayor may designate, the City Manager of the City, the Assistant City Manager of the City, the Executive Director of Finance of the City, the General Services Director of the City, and such other officer or employee of the City as the City Manager may designate (the "Authorized Officers"), is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name of the City, to execute and deliver the First Amendment in the form submitted to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the First Amendment by such Authorized Officer.

SECTION 2. The officers, employees and agents of the City are hereby authorized and directed to take all actions and do all things which they, or any of them, may deem necessary or desirable to accomplish the purposes of this Resolution and not inconsistent with the provisions hereof.

SECTION 3. This Resolution shall take effect immediately upon its adoption.

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

PASSED, APPROVED, AND ADOPTED this 3rd day of December 2019.

PAUL S. LEON, MAYOR

ATTEST:

SHEILA MAUTZ, CITY CLERK

APPROVED AS TO FORM:

COLE HUBER LLP
CITY ATTORNEY

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)
CITY OF ONTARIO)

I, SHEILA MAUTZ, City Clerk of the City of Ontario, DO HEREBY CERTIFY that foregoing Resolution No. 2019- was duly passed and adopted by the City Council of the City of Ontario at their regular meeting held December 3, 2019 by the following roll call vote, to wit:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

SHEILA MAUTZ, CITY CLERK

(SEAL)

The foregoing is the original of Resolution No. 2019- duly passed and adopted by the Ontario City Council at their regular meeting held December 3, 2019.

SHEILA MAUTZ, CITY CLERK

(SEAL)

CITY OF ONTARIO

Agenda Report
December 3, 2019

**SECTION:
CONSENT CALENDAR**

**SUBJECT: AN ORDINANCE LEVYING SPECIAL TAXES WITHIN CITY OF ONTARIO
COMMUNITY FACILITIES DISTRICT NO. 46 (AVENUE 176 FACILITIES)**

RECOMMENDATION: That the City Council consider and adopt an ordinance authorizing the levy of special taxes within City of Ontario Community Facilities District No. 46 (Avenue 176 Facilities).

COUNCIL GOALS: Operate in a Businesslike Manner

Focus Resources in Ontario's Commercial and Residential Neighborhoods

Invest in the City's Infrastructure (Water, Streets, Sewers, Parks, Storm Drains and Public Facilities)

Ensure the Development of a Well Planned, Balanced, and Self-Sustaining Community in Ontario Ranch

FISCAL IMPACT: The use of Mello-Roos financing for facilities in the residential development of the Avenue 176 project is estimated to generate approximately \$7.3 million, which will be used to help fund a portion of the public infrastructure improvements that will serve the project. Since Mello-Roos bonds are not a direct obligation of the City, and are paid from special taxes levied on each taxable parcel in the district, there is no General Fund impact from the issuance of Mello-Roos bonds. There is no fiscal impact at this time; however, there will be proposed levies in future years that will require City Council approval.

BACKGROUND: At a public hearing conducted by the City Council on November 19, 2019, the City Council adopted the resolution of formation for Community Facilities District No. 46 (Avenue 176 Facilities) and introduced and waived further reading of an ordinance levying special taxes within the District. Adoption of the ordinance will conclude the formation process for City of Ontario Community Facilities District No. 46 (Avenue 176 Facilities).

The Mello-Roos Community Facilities Act of 1982 provides local government, with the consent from a majority of the property owners, the authority to establish community facilities districts for the purpose of levying special taxes to fund governmental services and to finance various kinds of public infrastructure facilities. Under the Mello-Roos Act, the initial steps in the formation of a community

STAFF MEMBER PRESENTING: Armen Harkalyan, Executive Director of Finance

Prepared by: Bob Chandler
Department: General Services
City Manager Approval: 

Submitted to Council/O.H.A. 12/03/2019
Approved: _____
Continued to: _____
Denied: _____

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facilities district to finance public improvements are adopting resolutions declaring the City's intention to establish a community facilities district and levy special taxes, and to issue bonds. On October 1, 2019, the City Council approved Resolution No. 2019-139, a Resolution of Intention to establish City of Ontario Community Facilities District No. 46 (Avenue 176 Facilities) and authorize the levy of special taxes; and adopted Resolution No. 2019-140, declaring its intention to issue bonds for the district. The Resolution of Intention set a public hearing date for the regularly scheduled City Council meeting of November 19, 2019 to consider formation matters. On November 19, 2019, the City Council conducted a public hearing on the formation of the District, adopted the resolution of formation, and introduced and waived further reading of the ordinance authorizing the levy of special taxes within City of Ontario Community Facilities District No. 46 (Avenue 176 Facilities).

The Avenue 176 project addresses the development of approximately 38 gross acres located generally east of Archibald Avenue, generally west of Turner Avenue, south of La Avenida Drive, and north of Ontario Ranch Road. At build out, the development is projected to include 176 detached units. The Community Facilities District is being formed pursuant to the provisions of the Lennar Homes of California Inc. Agreement, and the First Amended and Restated Construction Agreement between the City and NMC Builders.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, LEVYING SPECIAL TAXES WITHIN THE CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 46 (AVENUE 176 FACILITIES).

WHEREAS, on October 1, 2019, the City Council (the "City Council") of the City of Ontario (the "City"), pursuant to the Mello-Roos Community Facilities Act of 1982 (the "Act"), adopted a resolution entitled "A Resolution of the City Council of the City of Ontario, California, of Intention to Establish a Community Facilities District, Proposed to be Named City of Ontario Community Facilities District No. 46 (Avenue 176 Facilities), and to Authorize the Levy of Special Taxes" stating its intention to establish City of Ontario Community Facilities District No. 46 (Avenue 176 Facilities) (the "Community Facilities District") and to finance certain public facilities (the "Facilities") and services (the "Services"); and

WHEREAS, on November 19, 2019, the City Council held a noticed public hearing on the establishment of the Community Facilities District, as required by the Act; and

WHEREAS, subsequent to the close of said hearing, the City Council adopted resolutions entitled "A Resolution of the City Council of the City of Ontario, California, of Formation of the City of Ontario Community Facilities District No. 46 (Avenue 176 Facilities), Authorizing the Levy of a Special Tax within the Community Facilities District and Establishing an Appropriations Limit for the Community Facilities District" (the "Resolution of Formation"), "A Resolution of the City Council of the City of Ontario, California, Deeming it Necessary to Incur Bonded Indebtedness within the City of Ontario Community Facilities District No. 46 (Avenue 176 Facilities)" and "A Resolution of the City Council of the City of Ontario, California, Calling Special Election for City of Ontario Community Facilities District No. 46 (Avenue 176 Facilities)", which resolutions established the Community Facilities District, authorized the levy of a special tax within the Community Facilities District and called an election within the Community Facilities District on the proposition of incurring indebtedness, levying a special tax within the Community Facilities District and establishing an appropriations limit for the Community Facilities District, respectively; and

WHEREAS, on November 19, 2019, an election was held in which the qualified electors of the Community Facilities District approved said proposition by more than the two-thirds vote required by the Act.

THE CITY COUNCIL OF THE CITY OF ONTARIO DOES ORDAIN AS FOLLOWS:

SECTION. 1. The City Council hereby authorizes and levies special taxes within the Community Facilities District pursuant to Sections 53328 and 53340 of the Act, at the rate and in accordance with the method of apportionment set forth in Exhibit B to the Resolution of Formation (the "Rate and Method of Apportionment"). The special taxes are hereby levied commencing in fiscal year 2020-21 and in each fiscal year thereafter

until the last fiscal year in which such special taxes are authorized to be levied pursuant to the Rate and Method of Apportionment.

SECTION. 2. The City Council may, in accordance with subdivision (b) of Section 53340 of the Act, provide, by resolution, for the levy of the special tax in future tax years at the same rate or at a lower rate than the rate provided by this Ordinance. In no event shall the special tax be levied on any parcel within the Community Facilities District in excess of the maximum tax specified therefor in the Rate and Method of Apportionment.

SECTION. 3. The special tax shall be levied on all of the parcels in the Community Facilities District, unless exempted by law or by the Rate and Method of Apportionment.

SECTION. 4. The proceeds of the special tax shall only be used to pay, in whole or in part, the cost of providing the Facilities and Services and incidental expenses pursuant to the Act.

SECTION. 5. The special tax shall be collected in the same manner as ordinary *ad valorem* property taxes are collected and shall be subject to the same penalties and the same procedure, sale and lien priority in the case of delinquency as is provided for *ad valorem* taxes, unless another procedure is adopted by the City Council.

SECTION. 6. If for any reason any portion of this Ordinance is found to be invalid, or if the special tax is found inapplicable to any particular parcel within the Community Facilities District, by a court of competent jurisdiction, the balance of this Ordinance and the application of the special tax to the remaining parcels within the Community Facilities District shall not be affected.

SECTION. 7. The Mayor shall sign this Ordinance and the City Clerk shall certify as to the adoption and shall cause a summary thereof to be published at least once, in a newspaper of general circulation in the City of Ontario, California within fifteen (15) days of the adoption. The City Clerk shall post a certified copy of this ordinance, including the vote for and against the same, in the Office of the City Clerk, in accordance with Government Code Section 36933.

PASSED, APPROVED, AND ADOPTED this 3rd day of December 2019.

PAUL S. LEON, MAYOR

ATTEST:

SHEILA MAUTZ, CITY CLERK

APPROVED AS TO FORM:

COLE HUBER, LLP
CITY ATTORNEY

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)
CITY OF ONTARIO)

I, SHEILA MAUTZ, City Clerk of the City of Ontario, DO HEREBY CERTIFY that foregoing Ordinance No. 3149 was duly introduced at a regular meeting of the City Council of the City of Ontario held on November 19, 2019 and adopted at the regular meeting held December 3, 2019 by the following roll call vote, to wit:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

SHEILA MAUTZ, CITY CLERK

(SEAL)

I hereby certify that the foregoing is the original of Ordinance No. 3149 duly passed and adopted by the Ontario City Council at their regular meeting held December 3, 2019 and that Summaries of the Ordinance were published on November 26, 2019 and December 10, 2019 in the Inland Valley Daily Bulletin newspaper.

SHEILA MAUTZ, CITY CLERK

(SEAL)

CITY OF ONTARIO

Agenda Report
December 3, 2019

SECTION:
PUBLIC HEARING

SUBJECT: A PUBLIC HEARING REGARDING AN ECONOMIC DEVELOPMENT SUBSIDY REPORT AND OPERATING COVENANT AGREEMENT BETWEEN THE CITY OF ONTARIO AND VF OUTDOOR, LLC PURSUANT TO GOVERNMENT CODE SECTION 53083; AND CONSIDERATION OF A RESOLUTION ACCEPTING THE ECONOMIC DEVELOPMENT SUBSIDY REPORT, APPROVING THE OPERATING COVENANT AGREEMENT AND MAKING RELATED FINDINGS

RECOMMENDATION: That the City Council take the following actions:

- (A) Hold the public hearing;
- (B) Adopt a resolution accepting the Economic Development Subsidy Report prepared pursuant to Government Code Section 53083 regarding an Operating Covenant Agreement (on file in the Records Management Department) by and between the City of Ontario and VF Outdoor, LLC., hereinafter referred to as "VF Outdoor";
- (C) Adopt a resolution approving the Operating Covenant Agreement and authorizing the City Manager to execute the Agreement, and making related findings; and
- (D) Direct City staff to file a Notice of Exemption based upon the City Council's finding that the impacts for this agreement is not a project and subject to environmental review and that there is no possibility that the activity in question may have a significant effect on the environment.

COUNCIL GOALS: Invest in the Growth and Evolution of the City's Economy
Operate in a Businesslike Manner

FISCAL IMPACT: Pursuant to the terms of the proposed Operating Covenant Agreement, the operating covenant payment between the City and VF Outdoor is calculated based on an amount equal to the sum of forty percent (40%) of the local sales tax revenues attributable to annual taxable sales up to

STAFF MEMBER PRESENTING: John P. Andrews, Executive Director Economic Development

Prepared by: Karla Tavera
Department: Economic Development

City Manager
Approval: 

Submitted to Council/O.H.A. 12/03/2019
Approved: _____
Continued to: _____
Denied: _____

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\$1,500,000 received by the City and an amount equal to the sum of fifty percent (50%) of the sales tax revenues attributable to annual taxable sales in excess of \$1,500,000. Per the Economic Development Subsidy Report, payment to VF Outdoor is estimated at \$1,350,000 annually for the duration of the agreement.

Entering into the Operating Covenant Agreement ensures that local sales tax revenue generated by VF Outdoor will be allocated to the city for no less than fifteen years.

BACKGROUND: The Bradley-Burns Uniform Local Sales and Use Tax Law authorizes counties and cities to impose local sales and use taxes in conformity with the Sales and Use Tax Law. The City of Ontario receives one percent (1%) of all taxable sales generated within the city under this law. Sales and Use Tax revenues are an important source of revenue for the city, which are used to provide essential city services, such as police, fire, infrastructure maintenance and community facilities.

VF Outdoor is a worldwide apparel, footwear and accessories company and is considering occupying a 1.2 million square foot warehouse and distribution facility, and sales office, within the City of Ontario. The incentives provided in this Agreement are intended to ensure VF Outdoor establishes a facility within the City, expands its operations as appropriate and remains in Ontario for no less than 15 years.

Entering into this agreement will generate substantial revenue for the City, create up to approximately 490 permanent jobs that will revitalize an underserved area of the City, and result in community and public improvements that might not otherwise be available to the community for many years. In light of the potential benefits VF Outdoor will have on the community, staff recommends an Operating Covenant Agreement to incentivize VF Outdoor to locate in the City and potentially expand operations in the future.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, ACCEPTING THE ECONOMIC DEVELOPMENT SUBSIDY REPORT PREPARED PURSUANT TO GOVERNMENT CODE SECTION 53083 REGARDING THE DEVELOPMENT OF A WAREHOUSE AND DISTRIBUTION CENTER BY VF OUTDOOR, LLC IN THE CITY OF ONTARIO AND APPROVING AN OPERATING COVENANT AGREEMENT.

WHEREAS, the City of Ontario ("City") and VF Outdoor, LLC ("Owner") have negotiated an Operating Covenant Agreement ("Agreement") for the establishment of a Warehouse and Distribution Center within the City; and

WHEREAS, pursuant to that Agreement Owner is committed to opening and operating a Warehouse and Distribution Center in the City for not less than 15 years; and

WHEREAS, Owner is also covenanted to, among other things, designate the City as the point of sale for certain merchandise transactions; and

WHEREAS, the City has agreed to purchase those covenants through quarterly payments equal to

- Forty percent (40%) of the Sales Tax Revenues attributable to annual taxable sales up to \$1,500,000 received by the City and an amount equal to the sum of fifty percent (50%) of the Sales Tax Revenues attributable to annual taxable sales in excess of \$1,500,000.

WHEREAS, based on information provided by City staff, and other such written and oral evidence as presented to the City, the City finds and determines that the allocation of funds to Owner pursuant to the Agreement is reasonably related to a legitimate governmental purpose in that the establishment of the Warehouse and Distribution Center will provide numerous public benefits including:

- Generating substantial revenue for the City through additional Local Sales Tax Revenue which may be used by the City for the funding of necessary public services and facilities, including but not limited to, public safety services and facilities, public improvements and recreational opportunities that otherwise may not be available to the community for many years; and
- The creation of high paying/management jobs and provide opportunity for additional job growth throughout the term of this Agreement.
- Helping the City achieve the building blocks set forth in the Ontario Plan (adopted by the City Council in 2010) including taking actions that help to achieve a "Dynamic Balance" that enables the community to confront the continued dynamic growth of the region and technological change with confidence and a sense of opportunity and a "Prosperous Economy" that sustains prosperity across our entire community; and

- Entering into this Agreement and ensuring the establishment of the Warehouse and Distribution Center may attract additional businesses and investment in the community due to increased services and economic activity in the area.

WHEREAS, in accordance with Government Code Section 53083, the City provided certain information in written form to the public and on its website, a copy of which is attached hereto as Exhibit A and incorporated herein by this reference, and held a noticed public hearing on December 3, 2019 to consider all written and oral comments on the Economic Development Subsidy Report; and

WHEREAS, Owner is a duly formed corporation and the creation of a centralized Warehouse and Distribution Center serves Owner's business purposes in that the advantageous location of the City and its business conducive environment will permit Owner to operate more efficiently and effectively, will better serve its customers, and may provide an avenue for business expansion in the future; and

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

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, AS FOLLOWS:

SECTION 1. Incorporation of Recitals. The foregoing recitals are true and correct and are incorporated herein and made an operative part of this Resolution.

SECTION 2. Findings. The City Council hereby finds that:

(a) Entering into this Agreement will serve the following public purposes:

(1) Through this Agreement, Owner, will be committed to opening and operating a Warehouse and Distribution Center in the City for transacting merchandise sales.

(2) The establishment of the Warehouse and Distribution Center within the City will generate substantial revenue for the City, create new jobs, revitalize an area of the City which has suffered a loss of jobs and businesses during the economic downturn of the mid-2000's, and result in community and public improvements that might not otherwise be available to the community for many years.

(3) By having a company like VF Outdoor, LLC establish a physical presence in the City, the City will be adding diversity to and generating new opportunities for economic growth.

(4) Further, the establishment of the new Warehouse and Distribution Center serves the public purpose of fostering a business and civic environment that may attract additional businesses and investment in the community due to the availability of the increased public and private services and economic activity resulting therefrom, thereby assisting the City in its goal of furthering the development of the community. The increased economic activity resulting from the Warehouse and Distribution Center and Owner's presence in the City will improve the economic and social viability and vitality of the local community.

(5) Entering into this Covenant Agreement will also further the City's efforts to achieve certain goals set forth in the 2010 Ontario Plan. The Ontario Plan included certain building blocks for the economic growth and improvement of the community. The Plan called upon the City to take actions that help to achieve a "Dynamic Balance" that enables the community to confront the continued dynamic growth of the region and technological change with confidence and a sense of opportunity and a "Prosperous Economy" that sustains prosperity across our entire community. The establishment of the Warehouse and Distribution Center is another step in achieving those goals.

(b) Based upon these and other public benefits the public purposes of the Agreement outweigh any private benefit to private persons or entities.

(c) Contingent Obligations. The City finds that each City obligation is contingent upon separate consideration by Owner including but not limited to quarterly sales tax generation.

SECTION 3. CEQA. The City Council hereby finds that pursuant to the California Environmental Quality Act ("CEQA") (Pub. Res. Code, § 21000 et seq.) and the State CEQA Guidelines (Cal. Code Regs, tit. 14 § 15000 et seq.), approval of the Agreement and acceptance of the Economic Development Subsidy Report is not a "project" for purposes of CEQA and therefore is not subject to CEQA review. The Agreement and acceptance of the Economic Development Subsidy Report is not a project pursuant to State CEQA Guidelines section 15378(b)(4), which states that government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant environmental impact are not subject to CEQA. Further, the Agreement and acceptance of the Economic Development Subsidy Report is not a project under State CEQA Guidelines section 15061(b)(3), which states that CEQA does not apply where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

SECTION 4. Acceptance of Economic Development Subsidy Report. The City Council finds and determines that this Economic Development Subsidy Report is in compliance with applicable law and specifically Government Code Section 53083.

SECTION 5. Approve Agreement. The City Council hereby approves the Operating Covenant Agreement in substantially final form as attached to this Resolution as Exhibit B. The City Council hereby authorizes the City Manager, with the concurrence of the City Attorney, to make any non-financially substantive changes determined to be appropriate and in the City's interest and execute said Agreement. City Manager is hereby authorized to take any additional steps necessary to facilitate the intent of this action.

SECTION 6. Severability. If any provision of this Resolution is held invalid, the remainder of this Resolution shall not be affected by such invalidity, and the provisions of this Resolution are severable.

SECTION 7. Effective Date. This Resolution shall become effective immediately upon its adoption.

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

PASSED, APPROVED, AND ADOPTED this 3rd day of December 2019.

PAUL S. LEON, MAYOR

ATTEST:

SHEILA MAUTZ, CITY CLERK

APPROVED AS TO FORM:

COLE HUBER LLP
CITY ATTORNEY

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)
CITY OF ONTARIO)

I, SHEILA MAUTZ, City Clerk of the City of Ontario, DO HEREBY CERTIFY that foregoing Resolution No. 2019- was duly passed and adopted by the City Council of the City of Ontario at their regular meeting held December 3, 2019 by the following roll call vote, to wit:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

SHEILA MAUTZ, CITY CLERK

(SEAL)

The foregoing is the original of Resolution No. 2019- duly passed and adopted by the Ontario City Council at their regular meeting held December 3, 2019.

SHEILA MAUTZ, CITY CLERK

(SEAL)

EXHIBIT A
ECONOMIC DEVELOPMENT SUBSIDY REPORT

[Attached behind this cover page]

**ECONOMIC DEVELOPMENT SUBSIDY REPORT
PURSUANT TO GOVERNMENT CODE SECTION 53083**

**FOR AN OPERATING COVENANT AGREEMENT
BY AND BETWEEN
CITY OF ONTARIO
AND
VF OUTDOOR, LLC**

Pursuant to Government Code Section 53083, the City Council of the City of Ontario must hold a noticed public hearing and, prior to the public hearing, provide all of the following information in written form and available to the public and through the City's website, regarding a proposed economic development subsidy to be provided by the City pursuant to an Operating Covenant Agreement by and between the City of Ontario and VF Outdoor, LLC. ("Agreement"). Notice was published in the local newspaper for a public hearing to be held on December 3, 2019.

The purpose of this report is to provide the information required pursuant to Government Code Section 53083 in regards to the Agreement. This report shall remain available to the public and posted on the City's website until the end date of the economic development subsidy, as further described in number 2 below.

- 1. The name and address of all corporations or any other business entities, except for sole proprietorships, that are the beneficiary of the economic development subsidy.**

The Agreement is with VF Outdoor, LLC, a Delaware corporation ("VF Outdoor"). VF Outdoor is the sole beneficiary of the economic development subsidy.

VF Outdoor, LLC
105 Corporate Center Blvd.
Greensboro, NC 27408
336-424-6000

- 2. The start and end dates and schedule, if applicable, for the economic development subsidy.**

If the Agreement is approved by the City Council the term will begin on the Effective Date of the Agreement and continue for no less than 15 years. The first Covenant Payment will be paid following the first Covenant Quarter in which VF Outdoor has performed its covenants and other obligations pursuant to the Agreement.

- 3. A description of the economic development subsidy, including the estimated total amount of the expenditure of public funds by, or of revenue lost to, the local agency as a result of the economic development subsidy.**

The economic development subsidy shall be the sum of (a) forty percent (40%) of the Sales Tax Revenues attributable to annual taxable sales up to \$1,500,000 received by the

City and (b) an amount equal to the sum of fifty percent (50%) of the Sales Tax Revenues attributable to annual taxable sales in excess of \$1,500,000.

The City estimates that the annual payment to VF Outdoor will be one million three hundred fifty thousand dollars (\$1,350,000), and that the total amount of the expenditure or loss of revenue of public funds as a result of the economic development subsidy will be up to twenty million two hundred fifty thousand dollars (\$20,250,000). However, VF Outdoor covenants to City will cause VF Outdoor Taxable Sales to be paid to the City which is estimated to be forty-five million dollars (\$45,000,000) over the 15-year minimum term of the agreement.

4. A statement of the public purposes for the economic development subsidy.

VF Outdoor, LLC is a national retailer of apparel, footwear, and accessories and is seeking to expand its business operations in order to serve customers within the southwestern region of the United States. Through this agreement, VF Outdoor will lease a newly constructed distribution center of approximately 1.2 million square feet within the City of Ontario. Without an agreement, VF Outdoor would not consider locating its distribution center in the City and possibly not in the State of California. The economic development subsidy will ensure that VF Outdoor locates within the City for a period of not less than fifteen years.

The City has determined that location of VF Outdoor, as described in the preceding paragraph, will generate substantial revenue for the City, allow for the creation of new jobs, revitalize an area of the City which has suffered a loss of jobs and businesses during the economic downturn of the mid-2000's, and result in community and public improvements that might not otherwise be available to the community for many years.

Further, the location of VF Outdoor serves the additional public purpose of fostering a business and civic environment that may attract additional businesses and investment in the community due to the availability of the increased public and private services and economic activity resulting therefrom, thereby assisting the City in its goal of furthering the development of the community. This Agreement furthers the policies of the City to be business friendly and support economic growth including the creation of new job opportunities and new sources of revenue that support residents and city services.

5. The projected tax revenue to the local agency as a result of the economic development subsidy.

The City anticipates that the location of VF Outdoor within the City will result in an approximate increase of annual sales tax revenue in the amount of three million dollars (\$3,000,000), minus the covenant payments to be paid to VF Outdoor, as set forth in number 2 above.

In addition, the value of the new improvements associated with the business is valued at approximately one hundred eighty-five million dollars (\$185,000,000) and will result in additional real property taxes in the amount of two thousand dollars (\$2,000) annually.

The City will receive an estimated twenty-four thousand dollars (\$24,000) in business license tax from VF Outdoor annually.

6. The estimated number of jobs created by the economic development subsidy, broken down by full-time, part-time, and temporary positions.

The location of VF Outdoor within the City is anticipated to result in the creation of 490 jobs at the facility, as follows:

- 300 full-time jobs
- 190 temporary positions

EXHIBIT B
OPERATING COVENANT AGREEMENT

[Attached behind this cover page]

OPERATING COVENANT AGREEMENT

between

THE CITY OF ONTARIO
a California municipal corporation,

and

VF Outdoor, LLC,
a Delaware corporation

[Dated as of December 3, 2019, for reference purposes only]

RECITALS

WHEREAS, VF Outdoor, LLC (“Owner”), a worldwide apparel, footwear and accessories company is considering occupying a 1,200,000 square feet Warehouse and Distribution Facility, with sales office, within the City of Ontario; and

WHEREAS, the incentives provided in this Agreement are intended to ensure VF Outdoor, LLC establishes the 1,200,000 square feet Warehouse and Distribution Facility, with sales office, within the City, expands its operations within the City as appropriate and remains in the City for not less than 15 years; and

WHEREAS, entering into this Agreement will generate substantial revenue for the City, create up to approximately 490 permanent jobs that will revitalize an underserved area of the City, and result in community and public improvements that might not otherwise be available to the community for many years; and

WHEREAS, Owner wishes to locate in the City because of the operational advantages including, but not limited to, a qualified workforce, cost advantages, access to customers, and capacity to staff a certain number of jobs in said City; and

WHEREAS, the incentives herein are intended exclusively to reward and encourage the Owner for job creation within the City of Ontario. The incentives are available to Owner for job creation regardless of where within the City the jobs are located (excluding jobs created at retail storefronts).

NOW, THEREFORE, in consideration of the mutual promises contained herein, and for such other good and valuable consideration, the receipt of which is hereby acknowledged, the City of Ontario and VF Outdoor, LLC agree as follows:

ARTICLE 1. EFFECTIVE DATE; PARTIES; DEFINITIONS

1.1 Effective Date of Covenant Agreement. This VF Outdoor, LLC Operating Covenant Agreement (“Covenant Agreement”) is dated December 3, 2019, for reference purposes only. This Covenant Agreement will not become effective until the date (“Effective Date”) on which all of the following are true:

1.1.1 This Covenant Agreement has been approved and executed by the appropriate authorities of Owner, as defined herein, and delivered to the City;

1.1.2 Following all legally required notices and hearings, this Covenant Agreement has been approved by the City Council;

1.1.3 This Covenant Agreement has been executed by the appropriate authorities of the City and delivered to Owner.

If all of the foregoing conditions precedent have not been satisfied by January 31, 2019, then this Covenant Agreement may not thereafter become effective and any prior signatures and approvals of the Parties will be deemed void and of no force or effect.

1.2 Parties to Covenant Agreement.

1.2.1 The City. The address of the City is 303 East B Street, Ontario, California 91764, Attention: Economic Development Agency; telephone 909-395-2005; facsimile 909-395-2102; with copies to Elizabeth Hull, Special Counsel, 18101 Von Karman Ave Suite 1000, Irvine, CA 92612, Telephone: (949) 263-2600.

The City represents and warrants to Owner that, to the best of City's actual current knowledge:

(a) The City is a public body, corporate and politic, exercising governmental functions and powers and organized and existing under the laws of the State of California;

(b) The City has taken all actions required by law to approve the execution of this Covenant Agreement;

(c) The City's entry into this Covenant Agreement and/or the performance of the City's obligations under this Covenant Agreement does not violate any contract, agreement or other legal obligation of the City;

(d) The City's entry into this Covenant Agreement and/or the performance of the City's obligations under this Covenant Agreement does not constitute a violation of any state or federal statute or judicial decision to which the City is subject;

(e) There are no pending lawsuits or other actions or proceedings which would prevent or impair the timely performance of the City's obligations under this Covenant Agreement;

(f) The City has the legal right, power and authority to enter into this Covenant Agreement and to consummate the transactions contemplated hereby, and the execution, delivery and performance of this Covenant Agreement has been duly authorized and no other action by the City is requisite to the valid and binding execution, delivery and performance of this Covenant Agreement, except as otherwise expressly set forth herein; and

(g) The individual executing this Covenant Agreement is authorized to execute this Covenant Agreement on behalf of the City.

The representations and warranties set forth above are material consideration to Owner and the City acknowledges that Owner is relying upon the representations set forth above in undertaking Owner's obligations set forth in this Covenant Agreement.

As used in this Covenant Agreement, the term "City's actual current knowledge" shall mean, and shall be limited to, the actual current knowledge of the City Manager as of the Effective Date, without having undertaken any independent inquiry or investigation for the purpose of making such representation or warranty and without any duty of inquiry or investigation.

All of the terms, covenants and conditions of this Covenant Agreement shall be binding on and shall inure to the benefit of the City and its nominees, successors and assigns.

1.2.2 Owner. The address of VF Outdoor, LLC (“Owner”) for purposes of this Covenant Agreement is 105 Corporate Center Blvd., Greensboro, NC 27408; Telephone: (336) 424-6000.

Owner represents and warrants to the City that, to the best of its actual current knowledge:

(a) Owner is a duly formed Delaware Limited Liability Company, qualified and in good standing to do business under the laws of the State of California;

(b) The individual(s) executing this Covenant Agreement is/are authorized to execute this Covenant Agreement on behalf of Owner;

(c) Owner has taken all actions required by law to approve the execution of this Covenant Agreement;

(d) Owner’s entry into this Covenant Agreement and/or the performance of its obligations under this Covenant Agreement does not violate any contract, agreement or other legal obligation of Owner;

(e) Owner’s entry into this Covenant Agreement and/or the performance of its obligations under this Covenant Agreement does not constitute a violation of any state or federal statute or judicial decision to which Owner is subject;

(f) There are no pending lawsuits or other actions or proceedings which would prevent or impair the timely performance of Owner’s obligations under this Covenant Agreement;

(g) Owner has the legal right, power and authority to enter into this Covenant Agreement and to consummate the transactions contemplated hereby, and the execution, delivery and performance of this Covenant Agreement have been duly authorized and no other action by Owner is requisite to the valid and binding execution, delivery and performance of this Covenant Agreement, except as otherwise expressly set forth herein; and

(h) Owner and its managerial personnel possess sufficient experience and qualifications necessary to conduct Owner’s Sales Activities (hereinafter defined) as required by this Covenant Agreement.

(i) Owner covenants that nothing in this Agreement or the implementation thereof shall violate the provisions or intent of Government Code Section 53084.5.

The representations and warranties set forth herein are material consideration to the City and Owner acknowledges that the City is relying upon the representations set forth

above in undertaking the City's obligations set forth above.

As used in this Covenant Agreement, the term "actual current knowledge of Owner" shall mean, and shall be limited to, the actual current knowledge of Doug Hassman, Vice President of Global Tax, as of the Effective Date, without having undertaken any independent inquiry or investigation for the purpose of making such representation or warranty and without any duty of inquiry or investigation.

All of the terms, covenants and conditions of this Covenant Agreement shall be binding on and shall inure to the benefit of Owner and its permitted nominees, successors and assigns. Wherever the term "Owner" is used herein, such term shall include any permitted nominee, assignee or successor of Owner.

The qualifications and identity of Owner are of particular concern to the City, and it is because of such qualifications and identity that the City has entered into this Covenant Agreement with Owner. No voluntary or involuntary successor-in-interest of Owner shall acquire any rights or powers under this Covenant Agreement except as expressly set forth herein.

1.2.3 The City and Owner are sometimes individually referred to as "Party" and collectively as "Parties."

1.3 Definitions.

1.3.1 "City" means the City of Ontario, a California municipal corporation, and any nominee, assignee of, or successor to, its rights, powers and responsibilities.

1.3.2 "Computation Quarter" means each calendar quarter beginning on January 1, April 1, July 1, or October 1, as applicable, and ending on the succeeding March 31, June 30, September 30, or December 31, as applicable. The first Computation Quarter within the Eligibility Period shall commence on January 1, 2021, or such other date as the parties reasonably agree, and is referred to herein as "Computation Quarter 1," with each succeeding Computation Quarter within the Eligibility Period being consecutively numbered.

1.3.3 "Covenant Payment(s)" means those contingent payments to be made by the City to the Owner pursuant to Section 3.2 of this Covenant Agreement for the purchase of the Covenants and Owner's timely and faithful performance thereunder.

1.3.4 "Covenant Term" means, a period of not less than fifteen (15) years following the Effective Date (unless terminated sooner pursuant to specific provisions of this Covenant Agreement).

1.3.5 "Covenants" means those five (5) covenants described in Section 3.1 herein.

1.3.6 “Eligibility Period” means the period commencing as of the first (1st) day of Computation Quarter 1 and ending the last day of the final Computation Quarter contemplated by the lease of the Warehouse and Distribution Facility, but not less than the last day of Computation Quarter 60.

1.3.7 “Liquidated Damages” means, for purposes of Section 3.6, as follows:

(a) If the breach occurs during Computation Quarters 1 through 20, an amount equal to the previous five (5) Computation Quarter Covenant Payments paid to Owner at any time prior to the Computation Quarter in which the breach occurs.

(b) If the breach occurs during Computation Quarters 21 through 40, an amount equal to the previous three (3) Computation Quarter Covenant Payments paid to Owner at any time prior to the Computation Quarter in which the breach occurs.

(c) If the breach occurs any time after Computation Quarter 40, an amount equal to the previous Computation Quarter Covenant Payment paid to Owner immediately preceding the Computation Quarter in which the breach occurs.

1.3.8 “Owner” means and refers to VF Outdoor, LLC, a Delaware Limited Liability Company, and its successors and assigns, cumulatively.

1.3.9 “Owner’s Sales Activities” means the commercially reasonable business practices and activities associated with retail and wholesale sale of Owner’s products to California customers not consummated through a Retail Store Location, consisting primarily of, but may not be limited to Vans© brand footwear, apparel and accessories, shipped or distributed from or through the Property, including sale of any affiliate of Owner shipped or distributed from or through the Property. “Owner’s Sales Activities” also include any of the above-described activities which are conducted by a parent, subsidiary or wholly or partially owned affiliate of Owner, provided that such parent, subsidiary or affiliate did not previously conduct such activities in the City. “Owner’s Sales Activities” does not include any sales consummated at a “Retail Store Location” for which Property fulfills such sales.

1.3.10 “Penalty Assessments” means and refers to penalties, assessments, collection costs and other costs, fees or charges resulting from late or underpaid payments of Sales Tax and which are levied, assessed or otherwise collected from Owner.

1.3.11 “Property” means that certain real property commonly known as 5051 Carpenter Ave, Ontario, California, 91762, or any other property within the City of Ontario during the term of this Covenant Agreement.

1.3.12 “Retail Store Location” means any California business location, other than the Property, that is established for the purpose of offering sales of Owner’s products directly to consumers on a retail basis.

1.3.13 “Sales Tax” means and refers to all sales and use taxes levied under the authority of the Sales Tax Law attributable to the Warehouse and Distribution Facility on Property and Owner’s Sales Activities excluding that which is to be refunded to Owner because of an overpayment of such tax.

1.3.14 “Sales Tax Law” means and refers to: (a) California Revenue and Taxation Code Section 7200 et seq., and any successor law thereto; (b) any legislation allowing City or other public agency with jurisdiction in City to levy any form of local Sales Tax on the operations of Owner; and (c) regulations of the CDTFA and other binding rulings and interpretations relating to (a) and (b) of this Section 1.3.14.

1.3.15 “Sales Tax Revenues” means the net Sales Tax actually received by the City from the CDTFA pursuant to the application of the Sales Tax Law (as such statutes may hereafter be amended, substituted, replaced, re-numbered, moved or modified by any successor law) attributable to the Warehouse and Distribution Facility on Property in a particular Computation Quarter. Sales Tax Revenues shall not include: (i) Penalty Assessments; (ii) any Sales Tax levied by, collected for or allocated to the State of California, the County of Orange, or a district or any entity (including an allocation to a statewide or countywide pool) other than City; (iii) any administrative fee charged by the CDTFA; (iv) any Sales Tax subject to any sharing, rebate, offset or other charge imposed pursuant to any applicable provision of federal, state or local (except City’s) law, rule or regulation; (v) any Sales Tax attributable to any transaction not consummated within the Eligibility Period; or (vi) any Sales Tax (or other funds measured by Sales Tax) required by the State of California to be paid over to another public entity (including the State) or set aside and/or pledged to a specific use other than for deposit into or payment from the City’s general fund.

1.3.16 “Warehouse and Distribution Facility” means that certain VF Outdoor, LLC 1,200,000 square feet Warehouse and Distribution Facility operated on the Property by Owner which shall serve as the point of sale for all Owner’s Sales Activities.

ARTICLE 2. ADDITIONAL RECITALS

2.1 The previously stated Recitals are incorporated herein and made a part hereof as though fully set forth.

2.2 The City has determined that the long-term operation of the Warehouse and Distribution Facility will result in substantial benefits to the City, and its citizens including, without limitation, the creation of significant new numbers of employment opportunities, property tax revenues, sales tax revenues and other ancillary benefits. Accordingly, the City has also determined that its entry into this Covenant Agreement and its purchase of the Covenants serve a significant public purpose, while providing only incidental benefits to a private party.

ARTICLE 3. COVENANTS RUNNING WITH THE LAND; COVENANT PAYMENTS; REMEDIES FOR BREACH.

3.1 Covenants Running with the Land.

3.1.1 Operating and Use Covenant. Owner covenants and agrees that for the Covenant Term Owner shall operate, or cause to be operated upon the Property, the Warehouse and Distribution Facility in a commercially reasonable business manner, consistent with all applicable provisions of federal, state and local laws and regulations. Subject to Section 4.9, the Warehouse and Distribution Facility shall be operated in accordance with the reasonable and customary practices in surrounding communities.

(a) Owner will operate its business in a commercially reasonable and prudent manner, with the objective of generating the greatest feasible amount of Sales Tax Revenues. Owner's obligations pursuant to the immediately preceding sentence include, without limitation, the obligation to obtain all federal, state and local licenses and permits required for the operation of the business and to advertise, market and promote the business in a commercially reasonable fashion, once again consistent with the objective of maximizing the amount of Sales Tax Revenues. For the term of this Operating Covenant, the Owner may use the Property primarily for the purposes of the operation of the Warehouse and Distribution Facility and conducting Owner's Sales Activities in accordance with this Covenant Agreement.

3.1.2 Covenant to Designate City as Point of Sale. Owner covenants and agrees that, for the term of the Operating and Use Covenant as described in Section 3.1.1, Owner shall maintain such licenses and permits as may be required by any governmental agency to conduct Owner's Sales Activities related to the Warehouse and Distribution Facility and shall consummate at the Warehouse and Distribution Facility all taxable sales transactions resulting from Owner's Sales Activities and identify the City as such in all reports to the California Department of Tax and Fee Administration ("CDTFA") in accordance with the Bradley-Burns Uniform Local Sales and Use Tax Law (Revenue and Taxation Code 7200, et seq.), as it may be amended or substituted. Owner shall fulfill all product sales for which Owner's Sales Activities are conducted from the Warehouse and Distribution Facility. Owner shall designate City as the sole point of sale for all of Owners products sold as a result of Owner's Sales Activities, including but limited to, through an internet website or phone sales which are designated for any location within California. Owner shall maintain the appropriate sellers permits applicable to and required for the operation of the Warehouse and Distribution Facility. The Owner shall consummate all taxable sales transactions for Owner's Sales Activities at the Warehouse and Distribution Facility, consistent with all applicable statutory and CDTFA regulatory requirements applicable to Owner's Sales Activities and the designation of the City as the "point of sale" for all Owner's taxable sales occurring as a result of Owner's Sales Activities.

3.1.3 Owner's Additional Obligations Regarding Repairs and Alterations to Warehouse and Distribution Facility. Owner covenants and agrees that, for the term of the Operating and Use Covenant as described in Section 3.1.1, the Owner shall maintain, or cause to be maintained, the Warehouse and Distribution Facility in good condition, ordinary wear and tear excepted, and free from the accumulation of trash or other debris and agrees to promptly remove, or cause the removal of, all graffiti upon the Warehouse and Distribution Facility. Owner shall also maintain or cause to be maintained the landscaping upon the Property in a good condition.

3.1.4 Covenant Against Solicitation and Acceptance of Economic Incentives During the Term of the Operating Use Covenant. Owner covenants and agrees that, for the term of the Operating and Use Covenant as described in Section 3.1.1, Owner will not directly or indirectly solicit or accept any “Financial Assistance” from any other public or private person or entity, if such Financial Assistance is given for the purpose of causing or would result in either Owner’s breach of any of the Covenants, or redirection or curtailment of Owner’s Sales Activities. For purposes of this Section 3.1.4 the term “Financial Assistance” means any direct or indirect payment, subsidy, rebate, or other similar or dissimilar monetary or non-monetary benefit, including, without implied limitation, payment of land subsidies, relocation expenses, public financings, property or sales tax relief, rebates, exemptions or credits, relief from public improvement obligations, and payment for public improvements to or for the benefit of Owner.

3.1.5 Use of Property. Owner covenants and agrees that the Property shall be put to no use other than those uses specified in the City’s General Plan, the Specific Plan, zoning ordinances, and this Covenant Agreement as the same may be amended from time to time. Nothing in this Section 3.1.5 shall limit, expand, modify or otherwise affect any right of the Owner to continue any legal nonconforming use upon the Property following changes in the City’s General Plan or zoning ordinances.

3.2 Covenant Payments.

3.2.1 Statement of Intent. The consideration to be paid to the Owner in exchange for the Covenants and Owner’s performance of its obligations set forth in this Covenant Agreement, and subject to satisfaction of all conditions precedent thereto, shall consist of City’s payment to the Owner for each Computation Quarter during the Eligibility Period that the City receives Sales Tax Revenue, an amount equal to the sum of forty percent (40%) of the Sales Tax Revenues attributable to annual taxable sales up to \$1,500,000 received by the City and an amount equal to the sum of fifty percent (50%) of the Sales Tax Revenues attributable to annual taxable sales in excess of \$1,500,000 (“Covenant Payment”). The City’s obligations under this Section 3.2 are contingent on a Computation Quarter-to-Quarter basis and, for each Computation Quarter, City’s obligations to make any payments hereunder are expressly contingent upon the Owner having, for the entirety of such Computation Quarter, completely fulfilled its material obligations under this Covenant Agreement, including, without limitation, the Covenants. Should such condition precedent not be satisfied for each Computation Quarter, then City shall have no obligation under this Section 3.2 to make any Covenant Payments to Owner in such Computation Quarter.

3.2.2 Computation Quarter Covenant Payments. Within thirty (30) days following the end of each Computation Quarter, Owner shall submit to City copies of its quarterly returns as filed with the CDTFA which sets forth the amount of sales taxes paid to the CDTFA during the Computation Quarter arising from Owner’s Sales Activities conducted at the Warehouse and Distribution Facility. Within one hundred twenty (120) days following the end of each Computation Quarter, City shall pay to Owner any Computation Quarter Covenant Payment due for such Computation Quarter.

3.2.3 No Carry Forward or Back. The determination of the Covenant Payment(s) shall be determined and calculated on a Computation Quarter to Computation Quarter basis. Except as provided in Section 3.2.4, no Sales Tax Revenue which is generated in a Computation Quarter other than the Computation Quarter for which the Covenant Payment is being determined shall be used or considered in the calculation of any Covenant Payment which may be due for that Computation Quarter.

3.2.4 CDTFA Determination of Improperly Allocated Local Sales Tax Revenues. If, at any time during or after the Eligibility Period of this Covenant Agreement, the CDTFA determines that all or any portion of the Sales Tax Revenues received by the City were improperly allocated and/or paid to the City, and if the CDTFA requires repayment of, offsets against future sales tax payments, or otherwise recaptures from the City those improperly allocated and/or paid Sales Tax Revenues, then Owner shall, within thirty (30) calendar days after written demand from the City, repay all Covenant Payments (or applicable portions thereof) theretofore paid to Owner which are attributable to such repaid, offset or recaptured Sales Tax Revenues. If Owner fails to make such repayment within thirty (30) calendar days after the City's written demand, then Owner shall be in breach of this Covenant Agreement and such obligation shall accrue interest from the date of the City's original written demand at the then-maximum legal rate imposed by the California Code of Civil Procedure on prejudgment monetary obligations, compounded monthly, until paid. Additionally, the City may deduct any amount required to be repaid by Owner under this Section 3.2.4 from any future Covenant Payments otherwise payable to Owner under this Covenant Agreement. This Section 3.2.4 shall survive the expiration or termination of this Covenant Agreement.

3.2.5 Not a Pledge of Sales Tax. Owner acknowledges that the City is not making a pledge of Sales Tax Revenues, or any other particular source of funds; the definition of Sales Tax Revenues, as used herein, is used merely as a measure of the amount payment due hereunder and as means of computing the City's payment in consideration for the Covenants. It is acknowledged by Owner that the City's obligation to make payments is specifically contingent upon receipt by the City of the Sales Tax Revenues derived from operation of the Warehouse and Distribution Facility.

3.3 Default.

3.3.1 Owner Default. City shall provide Owner with written notice of Owner's failure ("Owner Default") to strictly abide by any material provision of this Covenant Agreement, including, without limitation, the Covenants. Owner shall have thirty (30) days from the date of such notice to either cure such Owner Default, or, if such Owner Default cannot be reasonably cured during such thirty (30) day period, to commence to cure within said thirty (30) day period and diligently prosecute such cure to completion thereafter.

3.3.2 City Default. Owner shall provide City with written notice of City's failure ("City Default") to strictly abide by any material provision of this Covenant Agreement. City shall have thirty (30) days from the date of such notice to either cure such City Default, or, if such City Default cannot be reasonably cured during such thirty

(30) day period, to commence to cure within said thirty (30) day period and diligently prosecute such cure to completion thereafter.

3.4 General Remedies for Default. Except as provided in Section 3.6, upon either a City or an Owner Default (as defined in Section 3.3), Owner or City (as applicable) shall have the right to seek all available legal and equitable remedies, including, without implied limitation, general and consequential damages, unless otherwise expressly provided to the contrary herein. Unless prohibited by law or otherwise provided by a specific term of this Covenant Agreement, the rights and remedies of the City and the Owner under this Covenant Agreement are nonexclusive and all remedies hereunder may be exercised individually or cumulatively, and the City may simultaneously pursue inconsistent and/or alternative remedies. Either Party may, upon the Default of the other Party and in addition to pursuing all remedies otherwise available to it, terminate this Covenant Agreement and all its obligations hereunder without cost, expense or liability to itself.

3.5 The City's Rights to Terminate its Obligations under Section 3.2. The City's obligations under Section 3.2 shall automatically terminate without cost, expense, or liability to City, upon the occurrence of any one or more of the following: (i) Owner Default; (ii) the end of the Eligibility Period; or (iii) upon the final determination by a court of competent jurisdiction that any one or more of the Covenants are void, voidable, invalid, or even unenforceable for any reason whatsoever, including, without limitation, legal infirmity. Termination of the City's obligations under Section 3.2 in accordance with this Section 3.5 shall not operate to forgive, modify, discharge or excuse Owner's obligations arising under this Covenant Agreement.

3.6 Liquidated Damages.

3.6.1 Owner Default With Respect to Obligations Under Sections 3.1.1 and 3.1.2. The Parties acknowledge that the consideration to the City for its entry into this Covenant Agreement and the performance of its obligations hereunder include the City's receipt of Sales Tax Revenues, employment and other payroll taxes, property taxes, and other direct and indirect financial and non-financial benefits arising from the operation Owner's Sales Activities and the location of the Warehouse and Distribution Facility in the City in accordance with Article 3 of this Covenant Agreement. Owner agrees that the City will suffer damages if Owner commits any Owner Default with respect to any of its obligations arising under Sections 3.1.1 and 3.1.2. The Parties agree that the exact determination of such damages would be impracticable and extremely difficult to quantify. Accordingly, the Parties have determined that Liquidated Damages (as determined pursuant to Section 1.3.7) represents a reasonable estimate of the damages which would be suffered by the City if Owner commits any Owner Default with respect to any of its obligations set forth in Sections 3.1.1 and 3.1.2. Accordingly, as its sole and exclusive monetary remedy for an Owner Default with respect to any of its covenants and obligations set forth in Sections 3.1.1 and 3.1.2, the City shall be entitled to (1) terminate this Covenant Agreement and the entirety of its obligations hereunder, including any accrued and unpaid Covenant Payments, and (2) receive from Owner the applicable amount of Liquidated Damages as provided by Section 1.3.7.

3.6.2 ACKNOWLEDGEMENT OF REASONABLENESS OF LIQUIDATED DAMAGES. UPON AN OWNER DEFAULT WITH RESPECT TO ANY

OF ITS OBLIGATIONS SET FORTH IN SECTIONS 3.1.1 AND 3.1.2, FOLLOWING NOTICE AND OPPORTUNITY TO CURE PURSUANT TO SECTION 3.3.1, THE CITY AND OWNER ACKNOWLEDGE AND AGREE THAT IT WOULD BE EXTREMELY DIFFICULT AND IMPRACTICAL TO ASCERTAIN THE AMOUNT OF DAMAGES THAT WOULD BE SUFFERED BY THE CITY WITH RESPECT TO SUCH DEFAULT. HAVING MADE DILIGENT BUT UNSUCCESSFUL ATTEMPTS TO ASCERTAIN THE ACTUAL DAMAGES THE CITY WOULD SUFFER, THE PARTIES AGREE THAT THE LIQUIDATED DAMAGES AMOUNT AS DETERMINED IN ACCORDANCE WITH SECTION 1.3.7 REPRESENTS A REASONABLE ESTIMATION OF THOSE DAMAGES. THEREFORE, UPON AN OWNER DEFAULT WITH RESPECT TO ANY OF ITS OBLIGATIONS SET FORTH IN SECTIONS 3.1.1 AND 3.1.2, AS ITS SOLE AND EXCLUSIVE REMEDY FOR SUCH DEFAULT, THE CITY SHALL BE ENTITLED TO (1) RECEIPT OF THE LIQUIDATED DAMAGES AMOUNT CALCULATED IN ACCORDANCE WITH SUBSECTION 1.3.7, WHICH OWNER SHALL PAY WITHIN TEN (10) DAYS FOLLOWING WRITTEN DEMAND FROM THE CITY, AND (2) TERMINATE THIS AGREEMENT AND THE ENTIRETY OF ITS OBLIGATIONS HEREUNDER, INCLUDING ANY ACCRUED BUT YET UNPAID COVENANT PAYMENTS.

Initials of Authorized
City Representative

Initials of Authorized
Owner Representative

ARTICLE 4. GENERAL TERMS

4.1 Tax Consequences. Owner acknowledges that it may experience tax consequences as a result of its receipt of the payments provided for in this Covenant Agreement and agrees that it shall bear any and all responsibility, liability, costs, and expenses connected in any way therewith.

4.2 Rights Not Granted Under Covenant Agreement. This Covenant Agreement is not, and shall not be construed to be, a Development Agreement under Government Code Section 65864 et seq., or a disposition and development agreement under Health and Safety Code Section 33000 et seq. This Covenant Agreement is not, and shall not be construed to be, an approval or an agreement to issue permits or a granting of any right or entitlement by the City concerning the Warehouse and Distribution Facility, Owner's Sales Activities or any other project, development, or construction by the Owner in the City. This Covenant Agreement does not, and shall not be construed to, exempt Owner from the application and/or exercise of the City's or City's power of eminent domain or its police power, including, but not limited to, the regulation of land uses and the taking of any actions necessary to protect the health, safety, and welfare of its citizenry.

4.3 Consent Whenever consent or approval of any party is required under this Covenant Agreement, that party shall not unreasonably withhold, delay or condition such consent or approval unless otherwise allowed by a specific provision of this Covenant Agreement.

4.4 Notices and Demands. All notices or other communications required or permitted between the City and Owner under this Covenant Agreement shall be in writing, and may be (i) personally delivered, (ii) sent by United States registered or certified mail, postage prepaid, return receipt requested, (iii) sent by telecopier, or (iv) sent by nationally recognized overnight courier service (e.g., Federal Express), addressed to the Parties at the addresses provided in Article 1, subject to the right of either party to designate a different address for itself by notice similarly given. Any notice so given by registered or certified United States mail shall be deemed to have been given on the second business day after the same is deposited in the United States mail. Any notice not so given by registered or certified mail, such as notices delivered by telecopier or courier service (e.g., Federal Express), shall be deemed given upon receipt of the same by the party to whom the notice is given.

4.5 Nonliability of the City or City Officials and Employees. No board member, official, contractor, consultant, attorney or employee of the City or City shall be personally liable to Owner, any voluntary or involuntary successors or assignees, or any lender or other party holding an interest in the Property, in the event of any default or breach by the City, or for any amount which may become due to the Owner or to its successors or assignees, or on any obligations arising under this Covenant Agreement.

4.6 Conflict of Interests. No board member, official, contractor, consultant, attorney or employee of the City or City shall have any personal interest, direct or indirect, in this Covenant Agreement nor shall any such board member, official or employee participate in any decision relating to this Covenant Agreement which affects his/her personal interests or the interests of any corporation, partnership or association in which he/she is directly or indirectly interested.

4.7 Pledge or Hypothecation of Covenant Payments. Owner may assign any Covenant Payment(s) due in accordance with the terms of this Covenant Agreement (but not any other right or obligation of this Covenant Agreement) upon thirty (30) days' prior written notice to City as collateral for any loan or financing obtained by the Owner in connection with the Warehouse and Distribution Facility; provided that nothing in this Section 4.7 shall be deemed to limit the operation of Section 4.16. Without limiting the general applicability of the foregoing, Owner acknowledges that Owner's lender and any transferee of Owner's lender shall be subject to the transfer restrictions of Section 4.16.

4.8 Entire Agreement; Good Faith Negotiations. This Covenant Agreement contains all of the terms and conditions agreed upon by the Parties and supersedes any previous agreements between the Parties concerning the subject matter of this Covenant Agreement. No other understanding, oral or otherwise, regarding the subject matter of this Covenant Agreement shall be deemed to exist or to bind any of the parties hereto. All prior written or oral offers, counteroffers, memoranda of understanding, proposals and the like are superseded by this Covenant Agreement.

The Parties acknowledge that this Covenant Agreement is the product of mutual arms-length negotiations and that each party has been, or has had the opportunity to have been, represented by legal counsel in the negotiation and drafting of this Covenant Agreement. Accordingly, the rule of judicial construction which provides that ambiguities in a document are

to be construed against the drafter of that document shall have no application to the interpretation or enforcement of this Covenant Agreement. In any action or proceeding to interpret and/or enforce this Covenant Agreement, the trier of fact may refer to extrinsic evidence not in conflict with any specific provision of this Covenant Agreement to ascertain and give effect to the intent of the Parties hereto.

4.9 Time Deadlines Critical; Extensions and Delays; No Excuse Due to Economic Changes. Time is of the essence in the performance of the City's and Owner's obligations under this Covenant Agreement. In addition to specific provisions of this Covenant Agreement providing for extensions of time, times for performance hereunder shall be extended where delays or defaults are due to war; insurrection; any form of labor dispute; lockouts; riots; floods; earthquakes; fires; acts of God or of third parties; third party litigation; acts of a public enemy; referenda; acts of governmental authorities (except that the failure of the City to act as required hereunder shall not excuse its performance); moratoria; epidemics; quarantine restrictions; and freight embargoes (collectively, "Enforced Delays") provided, however, that the Party claiming the extension notify the other Party of the nature of the matter causing the default; and, provided further, that the extension of time shall be only for the period of the Enforced Delays. However, deadlines for performance may not be extended as provided above due to any inability of the Owner to obtain or maintain acceptable financing for the operation of the Warehouse and Distribution Facility.

ANYTHING IN THIS COVENANT AGREEMENT TO THE CONTRARY NOTWITHSTANDING, OWNER EXPRESSLY ASSUMES THE RISK OF UNFORESEEABLE CHANGES IN ECONOMIC CIRCUMSTANCES AND/OR MARKET DEMAND/CONDITIONS AND WAIVES, TO THE GREATEST LEGAL EXTENT, ANY DEFENSE, CLAIM, OR CAUSE OF ACTION BASED IN WHOLE OR IN PART ON ECONOMIC NECESSITY, IMPRACTICABILITY, FRUSTRATION OF PURPOSE, CHANGED ECONOMIC CIRCUMSTANCES OR SIMILAR THEORIES.

OWNER EXPRESSLY AGREES THAT ADVERSE CHANGES IN ECONOMIC CONDITIONS, EITHER OF OWNER SPECIFICALLY OR THE ECONOMY GENERALLY, OR CHANGES IN THE MARKET CONDITIONS OR DEMANDS, SHALL NOT OPERATE TO EXCUSE OR DELAY THE STRICT OBSERVANCE OF EACH AND EVERY OF THE OBLIGATIONS, COVENANTS, CONDITIONS AND REQUIREMENTS OF THIS COVENANT AGREEMENT. OWNER EXPRESSLY ASSUMES THE RISK OF SUCH ADVERSE ECONOMIC OR MARKET CHANGES, WHETHER OR NOT FORESEEABLE AS OF OWNER'S EXECUTION OF THIS COVENANT AGREEMENT.

OWNER'S INITIALS _____

4.10 Attorneys' Fees. In the event of the bringing of an arbitration, action or suit by a Party hereto against another Party hereunder by reason of any breach of any of the covenants or agreements or any intentional inaccuracies in any of the representations and warranties on the part of the other Party arising out of this Covenant Agreement or any other dispute between the Parties concerning this Covenant Agreement or the Property, then, in that event, the prevailing party in such action or dispute, whether by final judgment or arbitration award, shall be entitled

to have and recover of and from the other Party all costs and expenses of suit or claim, including actual attorneys' fees. Any judgment, order or award entered in any final judgment or award shall contain a specific provision providing for the recovery of all costs and expenses of suit or claim, including actual attorneys' fees (collectively, the "Costs") incurred in enforcing, perfecting and executing such judgment or award. For the purposes of this Section 4.10, "Costs" shall include, without implied limitation, attorneys' and experts' fees, costs and expenses incurred in the following: (i) post judgment motions and appeals, (ii) contempt proceedings, (iii) garnishment, levy and debtor and third party examination, (iv) discovery; and (v) bankruptcy litigation. This Section 4.10 shall survive any termination of this Covenant Agreement.

4.11 Amendments to This Covenant Agreement. Any amendments to this Covenant Agreement must be in writing and signed by the appropriate authorities of both the City and Owner. The City Manager is authorized on behalf of the City to approve and execute minor amendments to this Covenant Agreement, including, but not limited to, the granting of extensions of time to Owner, not to exceed ninety (90) days in the aggregate.

4.12 Jurisdiction and Venue. Any legal action or proceeding concerning this Covenant Agreement shall be filed and prosecuted in the appropriate California state court in the County of San Bernardino, California. Both Parties hereto irrevocably consents to the personal jurisdiction of that court. The City and Owner each hereby expressly waive the benefit of any provision of federal or state law or judicial decision providing for the filing, removal, or change of venue to any other court or jurisdiction, including, without implied limitation, federal district court, due to any diversity of citizenship between the City and Owner, due to the fact that the City is a party to such action or proceeding or due to the fact that a federal question or federal right is involved or alleged to be involved. Without limiting the generality of the foregoing, the City and Owner specifically waive any rights provided to it pursuant to California Code of Civil Procedure Section 394. Owner acknowledges that the provisions of this Section 4.12 are material consideration to the City for its entry into this Covenant Agreement, in that the City will avoid the potential cost, expense and inconvenience of litigating in a distant forum.

4.13 Interpretation. The City and Owner acknowledge that this Covenant Agreement is the product of mutual arms-length negotiation and drafting and that both Parties have been represented by legal counsel in the negotiation and drafting of this Covenant Agreement. Accordingly, the rule of construction which provides that ambiguities in a document shall be construed against the drafter of that document shall have no application to the interpretation and enforcement of this Covenant Agreement. In any action or proceeding to interpret or enforce this Covenant Agreement, the finder of fact may refer to any extrinsic evidence not in direct conflict with any specific provision of this Covenant Agreement to determine and give effect to the intention of the Parties.

4.14 Counterpart Originals; Integration. This Covenant Agreement may be executed in duplicate originals, each of which is deemed to be an original, but when taken together shall constitute but one and the same instrument. This Covenant Agreement and any exhibits represent the entire understanding of the Parties and supersedes all negotiations, letters of intent, memoranda of understanding or previous agreements between the parties with respect to all or any part of the subject matter hereof.

4.15 No Waiver. Failure to insist on any one occasion upon strict compliance with any of the terms, covenants or conditions hereof shall not be deemed a waiver of such term, covenant or condition, nor shall any waiver or relinquishment of any rights or powers hereunder at any one time or more times be deemed a waiver or relinquishment of such other right or power at any other time or times.

4.16 Successors and Assigns. The terms, covenants and conditions of this Covenant Agreement shall be binding upon and inure to the benefit of the Parties hereto and their successors and assigns provided that Owner obtains City's prior consent or provides notice, whichever is applicable, for the assignment or transfer of this Agreement and its benefits. In the case of a transfer or assignment of this Agreement by Owner to an affiliated entity under common control with Owner's parent entity, Owner may transfer or assign this Agreement with the express written notification to the City. In the case of a transfer or assignment of this Agreement to a third party, not an affiliated entity or entity under common control of the Owner, Owner may transfer or assign this Agreement with the express written consent of the City. In determining whether to approve of such a transfer, conveyance or assignment of the Owner's interest in this Agreement, the City shall evaluate: (i) the financial ability of the proposed transferee to operate the Warehouse and Distribution Facility, or portion so transferred, and to meet the Owner's obligations under this Covenant Agreement; (ii) the fitness and experience of the proposed transferee and its managerial personnel to operate the Warehouse and Distribution Facility or portion so transferred thereof; and (iii) the ability of the proposed transferee to maintain a level of quality and service comparable to that maintained by the Owner for the Warehouse and Distribution Facility. Upon the permitted transfer or conveyance by Owner of its interest therein, such owner shall thereupon be relieved of its obligations under this Covenant Agreement from and after the date of transfer or conveyance except with respect to any defaults in the performance of its obligations hereunder or thereunder which occurred prior to such transfer or conveyance, and the transferee shall thereafter be solely responsible for the performance of all of the duties and obligations of Owner under this Covenant Agreement.

4.17 No Third-Party Beneficiaries. The performance of the respective obligations of the City and Owner under this Covenant Agreement are not intended to benefit any party other than the City or Owner, except as expressly provided otherwise herein. No person or entity not a signatory to this Covenant Agreement shall have any rights or causes of action against any party to this Covenant Agreement as a result of that party's performance or non-performance under this Covenant Agreement, except as expressly provided otherwise herein.

4.18 No Effect on Eminent Domain Authority. Nothing in this Covenant Agreement shall be deemed to limit, modify, or abridge or affect in any manner whatsoever the City's or City's eminent domain powers with respect to the Property, the Warehouse and Distribution Facility, or any other property owned by Warehouse and Distribution Facility.

4.19 Warranty Against Payment of Consideration for Covenant Agreement. Owner 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 Covenant Agreement. Third parties, for the purposes of this Section 4.19, shall not include persons to whom fees are paid for professional services if rendered by attorneys, financial consultants, accountants, engineers, architects and the like when such fees are considered necessary by Owner.

4.20 Severability. The City and Owner declare that the provisions of this Covenant Agreement are severable. If it is determined by a court of competent jurisdiction that any term, condition or provision hereof is void, voidable, or unenforceable for any reason whatsoever, then such term, condition or provision shall be severed from this Covenant Agreement and the remainder of the Covenant Agreement enforced in accordance with its terms.

4.21 Further Acts and Releases. The City and Owner each agree to take such additional acts and execute such other documents as may be reasonable and necessary in the performance of their obligations hereunder.

4.22 Estoppels. At the request of Owner or any holder of a mortgage or deed of trust secured by all or any portion of the Property, the City shall promptly execute and deliver to Owner or such holder a written statement of the City as to any of the following matters as to which Owner or such holder may inquire: (i) that no default or breach exists, or would exist with the passage of time, or giving of notice, or both, by Owner pursuant to this Covenant Agreement, if such be the case; (ii) the total amount of Covenant Payments made by the City to Owner pursuant to this Covenant Agreement prior to the date of such written statement; (iii) the amount of any Covenant Payments earned by or due and owing to Owner pursuant to this Covenant Agreement as of the date of such written statement; (iv) the Covenant Payments for a particular Computation Quarter; (v) if the City has determined that Owner is in default or breach hereunder, the nature of such default and the action or actions required to be taken by Owner to cure such default or breach; and (vi) any other matter affecting the rights or obligations of Owner hereunder as to which Owner or such holder may reasonably inquire. The form of any estoppel letter shall be prepared by Owner or such holder at its sole cost and expense and shall be reasonably acceptable in form and content to the City and Owner. The City may make any of the representations described above based on the actual current knowledge of the then-current City Manager.

4.23 Indemnity. Owner shall defend (using counsel of City's choosing), indemnify and hold harmless the City, its elected officials, officers, employees and agents from and against any and all third party claims, losses, proceedings, damages, causes of action, liability, cost and expense (including reasonable attorney's fees) arising from, in connection with or related to this Agreement or the functions or operations of the Warehouse and Distribution Facility (other than to the extent arising as a result of the City's active negligence or willful misconduct). The City shall fully cooperate in the defense of any such actions and upon written request of Owner shall provide to Owner such documents and records in possession of the City that are relevant to such actions and not otherwise protected by law. Notwithstanding the foregoing, should any third party bring any such action or proceeding Owner shall have the right to terminate this Agreement, and as of such date of termination, all unaccrued liabilities of the parties under this Agreement shall cease except for Owner's obligation of indemnity owed to the City as provided in this Section 4.23. For purposes of clarification, should Owner exercise its termination right as provided in this Section 4.23, the same shall not be considered a Default and the City shall have not claims against Owner for liquidated damages.

4.24 State of California Legislation Impact on Covenant Payment. Owner acknowledges that the California Legislature has in the past adopted certain legislation which diverted to the State of California a portion of the Sales Tax Revenues which were otherwise

payable to the City. Owner acknowledges that it is possible that the legislature may enact similar legislation in the future which would cause a corresponding reduction of and/or delay in the payment of the Sales Tax Revenues and that such reduction will cause Owner a corresponding reduction and/or delay in the payment of the Covenant Payments due to Owner during such time as such legislation is in effect. Furthermore, Owner acknowledges that it is possible that the legislation described above, or some variant thereof, may be enacted and effective during one or more subsequent times during the Eligibility Period and may materially and negatively impact the amount of Sales Tax Revenues and, accordingly, Covenant Payments. The City does not make any representation, warranty or commitment concerning the future actions of the California legislature with respect to the allocation of Sales Tax Revenues to the City. Owner agrees that it is undertaking its obligations under this Covenant Agreement after having considered, and is expressly assuming the risk of, the possibility of the enactment of such legislation.

The foregoing paragraph notwithstanding, City acknowledges that the California legislature may provide for the payment to City of other revenues for the purpose of offsetting any losses in Sales Tax Revenues resulting from the enactment of legislation of the type described in the immediately preceding paragraph. City agrees that, should the California legislature provide for such offsetting revenues, then for purposes of this Covenant Agreement and the computation of any Covenant Payments which may become due to Owner hereunder, City will consider any such offsetting revenues which are (i) indexed to Sales Tax and offset the loss of Sales Tax Revenues to the City on a dollar for dollar basis, (ii) actually received by the City, and (iii) not subject to any restrictions on use beyond those which are otherwise generally applicable to sales tax revenues received by California municipalities, to be Sales Tax Revenues within the meaning of this Covenant Agreement.

[Signatures on the following pages]

**SIGNATURE PAGE TO THE
VF OUTDOOR, LLC
OPERATING COVENANT AGREEMENT**

CITY OF ONTARIO
a California municipal corporation

By: _____

ATTEST:

By: _____

APPROVED AS TO FORM:

By: _____
Elizabeth Hull
Special Counsel

**SIGNATURE PAGE TO THE
VF OUTDOOR, LLC
OPERATING COVENANT AGREEMENT**

VF Outdoor, LLC
a Delaware Limited Liability Company

By: _____
Signature

Name (Print)

Title (Print)

By: _____
Signature

Name (Print)

Title (Print)

CITY OF ONTARIO

Agenda Report
December 3, 2019

SECTION:
PUBLIC HEARINGS

SUBJECT: A PUBLIC HEARING TO CONSIDER FOUR HISTORIC PROPERTY PRESERVATION AGREEMENTS (FILE NOS. PHP19-004, PHP19-007, PHP19-008 AND PHP19-010) FOR FOUR DESIGNATED HISTORIC PROPERTIES

RECOMMENDATION: That the City Council consider and adopt resolutions approving and authorizing the City Manager to enter into Historic Preservation Agreements (Mills Act contract) for the following properties:

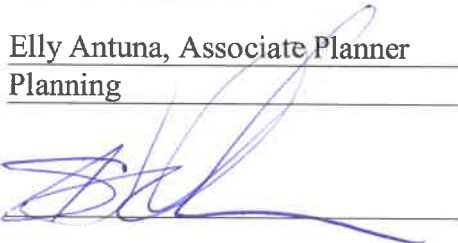
- File No. PHP19-004, 205 East Sixth Street (APN: 1047-241-03), Darius Long
- File No. PHP19-007, 408 West Armsley Square (APN: 1047-341-09), Jason and Maria Lawliss
- File No. PHP19-008, 130 East J Street (APN: 1048-071-05), Peter Bugbee
- File No. PHP19-010, 907 North Euclid Avenue (APN: 1048-043-13), John Aylng and Dianne Fife

COUNCIL GOALS: Invest in the Growth and Evolution of the City's Economy
Focus Resources in Ontario's Commercial and Residential Neighborhoods

FISCAL IMPACT: The projected net impact of the proposed contracts to the City is \$1,691 in the first year and approximately \$16,910 over the first ten years of the contracts from a reduction in property tax revenue. In exchange for property tax reductions, \$330,445 in private property investments will be made over a ten-year period.

BACKGROUND: Four Mills Act contracts are being proposed for this year, which represents a total investment of \$330,445 of private funds into the City's neighborhoods over the next ten years. The contracts call for improvements to exterior finishes (window restoration, roof replacement, stucco and wood siding repair and repainting), interior finishes (hardwood floor refinishing and plaster repairs) and systems (electrical, plumbing and insulation upgrades, and installation of HVAC units).

STAFF MEMBER PRESENTING: Scott Murphy, AICP, Executive Director Development

Prepared by: Elly Antuna, Associate Planner
Department: Planning
City Manager Approval: 

Submitted to Council/O.H.A. 12/03/2019
Approved: _____
Continued to: _____
Denied: _____

8

A Mills Act contract is a contract between the City and a property owner whereby the property owner agrees to certain improvements that preserve the historic integrity and character of the building and keep the property in good repair. In exchange for the investments, State law requires the county tax assessor to reassess the property's value based on an alternative formula. The new assessed value may result in a significant reduction in the owner's property taxes. The Mills Act does not require investment in the property to be equal to the amount of the tax savings. The purpose is to provide a financial incentive to the owners of historic properties to maintain their properties consistent with its historic context.

Upon City Council approval, the City Clerk will inform the San Bernardino County Assessor that the property owners have entered into Mills Act contracts. The contracts are perpetual 10-year contracts that automatically renew annually. If a property with a recorded Mills Act contract is sold, the County of San Bernardino will continue to assess the property using the alternate formula and the new owner will be required to fulfill the contractual preservation agreement. A contract can be "non-renewed" by either party upon written notice. If a contract is cancelled as a result of non-compliance with the conditions of the contract, a cancellation fee of 12.5% of the market value (as of the time of cancellation) is assessed by the County Assessor and shall be paid by the property owner to the County Auditor.

The City has 73 approved Mills Act contracts and four proposed, for a total of 77 Mills Act contracts. Of the 77 properties, six are commercial, one is multi-family residential, and 70 are single-family residential. Property tax impacts are summarized below.

	<u>Existing</u>	<u>Proposed</u>	<u>Total</u>
Number of Contracts	73	4	77
Estimated Annual Total Tax Savings to Owners	\$127,172	\$10,068	\$137,240
Estimated Annual Cost to City (first year)	\$21,365	\$1,691	\$23,056
Estimated Cost to City (over ten years)	\$213,650	\$16,910	\$230,560

The estimated cost of the 77 Mills Act contracts over a ten-year period is \$230,560. In exchange for this decrease in property tax revenues, approximately \$3,162,975 will be reinvested into historic buildings in Ontario neighborhoods over a ten-year period – a ratio of \$13.72 in private funds spent for every dollar the City foregoes in property tax revenue.

Each Mills Act contract is in compliance with the provisions of Article 12 (commencing with Section 50280), Chapter 1, Part 1, Division 1, Title 5 of the Government Code of the State of California which establishes the Mills Act program. All properties are contributors to locally designated historic districts and are owner-occupied, single-family residences.

On October 22, 2019, the Planning/Historic Preservation Commission voted unanimously (7-0) to recommend City Council approval of the proposed Mills Act contracts.

ENVIRONMENTAL REVIEW: The applications were reviewed pursuant to the California Environmental Quality Act (Public Resources Code Section 21000 et seq.) ("CEQA"). Per Section 21065 of the CEQA Guidelines, the Historic Preservation Agreement (Mills Act contract) is not considered a project. Therefore, no further environmental review is required.

**PLANNING / HISTORIC PRESERVATION COMMISSION
STAFF REPORT
OCTOBER 22, 2019**



FILE NOS. : PHP19-004, PHP19-007, PHP19-008 and PHP19-010

SUBJECT: Request for four (4) Mills Act Contracts

LOCATIONS: 205 East Sixth Street (APN: 1047-241-03); 408 West Armsley Square (APN: 1047-341-09); 130 East J Street (APN: 1048-071-05); and 907 North Euclid Avenue (APN: 1048-043-13)


PROPERTY OWNER: Darius Long; Jason and Maria Lawliss; Peter Bugbee; and, John Ayllyng and Dianne Fife

RECOMMENDATION: That the Historic Preservation Commission adopt the attached resolutions recommending that the City Council approve File Nos. PHP19-004, PHP19-007, PHP19-008 and PHP19-010. The Historic Preservation Subcommittee reviewed this application on October 10, 2019 and is recommending approval.

BACKGROUND: Effective March 7, 1973, Chapter 1442 of the Statutes of 1972 (also known as the Mills Act) added sections 50280 through 50289 to the Government Code to allow an owner of a qualified historical property to enter into a preservation contract with a local government. The City of Ontario established the Mills Act program in 1997 to provide an economic incentive for the preservation of designated historic landmarks and/or contributing structures within a designated historic district. Since inception of the City's program, 73 Mills Act Contracts have been approved and recorded. There are four contracts proposed at this time, a single-family residence designated as Local Landmark No. 82, and three single-family residences designated as Contributors to the Armsley Square, Rosewood Court, and Euclid Avenue Historic Districts.

In order for the historic property to be eligible for the program, it must meet the requirements outlined in the guidelines and standards set by the State of California, Board of Equalization and the City's Development Code (Sec. 4.02.065). The historic property must be either a local, state, or nationally designated property or a contributor within a locally designated historic district whereby the property owner agrees to certain improvements to restore, rehabilitate or preserve a qualified historic building. In exchange, the San Bernardino County Tax Assessor reassesses the property's value based on an alternative formula that may result in a significant reduction in the owner's property taxes.

Pursuant to State law, a Mills Act Contract is recorded on the property and is a perpetual 10-year contract that automatically renews annually, unless the property owner or the City request a notice of non-renewal. The Mills Act Contract and all benefits and responsibilities remain with the land,

Case Planner:	Elly Antuna, Associate Planner	Hearing Body	Date	Decision	Action
Planning Director Approval:		HPSC:	10/10/2019	Approval	Recommend
Submittal Date:		PC / HPC:	10/22/2019	Approval	Recommend
		CC:	12/03/2019		Final

even after a change of ownership. If a contract is cancelled for any reason, including non-compliance with the conditions of the contract, or upon the request of the property owner or City, a cancellation fee of 12.5 percent of the market value (as of the time of cancellation) is assessed.

PROJECT ANALYSIS: Staff provides estimates of potential tax savings for the property owner, but ultimately, only the San Bernardino County Assessor can determine the actual Mills Act adjusted value. The Mills Act assessment involves many variables that are typically determined by market forces such as interest rates, capitalization rates, and fair market rental rates. The average property tax savings for the proposed Mills Act Contracts roughly range between 30 and 55 percent in the initial year, with a tax savings decrease each passing year. According to the City budget, Ontario receives 16.8 percent of the property taxes collected. Using that percentage, staff has also calculated the estimated reduction in property tax revenue, the “City cost,” and has included that in the analysis.

Upon City Council approval, the City Clerk informs the San Bernardino County Assessor that the property has entered into a Mills Act Contract. The Assessor values the historic property with the Mills Act assessment the following tax year, which may differ from the Planning Department estimates.

A. FILE NO.: PHP19-004

PROPERTY OWNER: Darius Long

LOCATION: 205 East Sixth Street

HISTORIC NAME: Robert N. Williams House

DESIGNATION DATE: October 19, 2006
(Local Landmark No. 82)



[1] Work Program — The applicant, Darius Long, is proposing both exterior and interior work as part of the contract that qualifies under the guidelines and standards set by the State of California. Interior work includes paint, electrical and plumbing repairs, and installation of a new HVAC system. Exterior work includes a new roof, repairs to carport and gates, exterior paint and window repairs. The total improvements are valued at an estimated \$57,350.

[2] Property Owner Savings — The following Mills Act savings to the property owner are based on estimates calculated by the Planning Department.

Current Annual Taxes Paid:	\$5,115
Mills Act Annual Taxes Estimated:	\$3,120
Potential Total Annual Tax Savings:	\$1,995
Estimated Savings over 10 years:	\$19,950
Estimated Savings Percentage:	39%

[3] City Cost — According to the City budget, Ontario receives approximately 16.8 percent of the property taxes collected. The following shows the cost to the City for this contract and is based on estimates calculated by the Planning Department.

Current Annual City Tax Revenue:	\$859
Mills Act Annual City Tax Revenue Estimated:	\$524
Estimated Total Annual Cost to the City:	\$335
Estimated Cost to the City over 10 years:	\$3,350

This contract provides for \$17.11 in improvements for every \$1 in estimated property tax cost to the City.

B. FILE NO.: PHP19-007

PROPERTY OWNER: Jason and Maria Lawliss

LOCATION: 408 West Armsley Square

HISTORIC NAME: Stephen A. Craig House

DESIGNATION DATE: March 21, 2000
 (Armsley Square Historic District)



[1] Work Program — The applicants, Jason and Maria Lawliss, are proposing both exterior and interior work as part of the contract that qualifies under the guidelines and standards set by the State of California. Interior work includes plaster, plumbing and fireplace repairs, paint, refinishing of hardwood floors, and re-glazing of upstairs bathtub. Exterior work includes replacing flashing on the roof, exterior paint and stucco repairs, and replacement of a damaged balcony floor. The total improvements are valued at an estimated \$78,495.

[2] Property Owner Savings — The following Mills Act savings to the property owner are based on estimates calculated by the Planning Department.

Current Annual Taxes Paid:	\$8,206
Mills Act Annual Taxes Estimated:	\$5,200
Potential Total Annual Tax Savings:	\$3,006
Estimated Savings over 10 years:	\$30,063
Estimated Savings Percentage:	36.6%

[3] City Cost — According to the City budget, Ontario receives approximately 16.8 percent of the property taxes collected. The following shows the cost to the City for this contract and is based on estimates calculated by the Planning Department.

Current Annual City Tax Revenue:	\$1,378
Mills Act Annual City Tax Revenue Estimated:	\$873
Estimated Total Annual Cost to the City:	\$505
Estimated Cost to the City over 10 years:	\$5,050

This contract provides for \$15.54 in improvements for every \$1 in estimated property tax cost to the City.

C. FILE NO.: PHP19-008

PROPERTY OWNER: Peter Bugbee

LOCATION: 130 East J Street

HISTORIC NAME: C.E. Pratt House

DESIGNATION DATE: October 2, 2001
(Rosewood Court Historic District)



[1] Work Program — The applicant, Peter Bugbee, is proposing both exterior and interior work as part of the contract that qualifies under the guidelines and standards set by the State of California. Interior work includes new electrical and plumbing throughout the house and plumbing repairs in one of the bathrooms. Exterior work includes exterior paint and stucco repairs, window restorations, and repairs to the attached porte-cochere. The total improvements are valued at an estimated \$53,400.

[2] Property Owner Savings — The following Mills Act savings to the property owner are based on estimates calculated by the Planning Department.

Current Annual Taxes Paid:	\$5,060
Mills Act Annual Taxes Estimated:	\$2,080
Potential Total Annual Tax Savings:	\$2,980
Estimated Savings over 10 years:	\$29,800
Estimated Savings Percentage:	58.9%

[3] City Cost — According to the City budget, Ontario receives approximately 16.8 percent of the property taxes collected. The following shows the cost to the City for this contract and is based on estimates calculated by the Planning Department.

Current Annual City Tax Revenue:	\$850
Mills Act Annual City Tax Revenue Estimated:	\$349
Estimated Total Annual Cost to the City:	\$501
Estimated Cost to the City over 10 years:	\$5,010

This contract provides for \$10.66 in improvements for every \$1 in estimated property tax cost to the City.

D. FILE NO.: PHP19-010

PROPERTY OWNER: John Aylng and Dianne Fife

LOCATION: 907 North Euclid Avenue

HISTORIC NAME: Captain John P. Robertson House

DESIGNATION DATE: January 19, 1999 (Local Landmark No. 40) and June 4, 2013 (Euclid Avenue Historic District)



[1] Work Program — The applicants, John Aylng and Dianne Fife, are proposing both exterior and interior work as part of the contract that qualifies under the guidelines and standards set by the State of California. Interior work includes new electrical and installation of a new HVAC system. Exterior work includes exterior paint, new roof and window restorations. The total improvements are valued at an estimated \$141,200.

[2] Property Owner Savings — The following Mills Act savings to the property owner are based on estimates calculated by the Planning Department.

Current Annual Taxes Paid:	\$7,287
Mills Act Annual Taxes Estimated:	\$5,200
Potential Total Annual Tax Savings:	\$2,087
Estimated Savings over 10 years:	\$20,870
Estimated Savings Percentage:	28.64%

[3] City Cost — According to the City budget, Ontario receives approximately 16.8 percent of the property taxes collected. The following shows the cost to the City for this contract and is based on estimates calculated by the Planning Department.

Current Annual City Tax Revenue:	\$1,224
Mills Act Annual City Tax Revenue Estimated:	\$874
Estimated Total Annual Cost to the City:	\$350
Estimated Cost to the City over 10 years:	\$3,500

This contract provides for \$40.34 in improvements for every \$1 in estimated property tax cost to the City.

CUMULATIVE IMPACTS: The City currently has 73 approved Mills Act Contracts and four proposed contracts. The cumulative impacts are based on the initial projected assessment of each contract for the proposed year.

	Existing	Proposed
Number of contracts:	73	77
Average Estimated Annual Tax Saving to Property Owners:	\$1,742	\$1,880
Estimated Annual Cost to the City:	\$21,365	\$23,056
Estimated Cost to the City over 10 Years:	\$213,650	\$230,560
Estimated Total Value of Mills Act Improvements over 10 Years:	\$2,832,530	\$3,162,975
Estimated Loss of Revenue to Improvement Ratio:	\$1/13.26	\$1/13.72

COMPLIANCE WITH THE ONTARIO PLAN: The Mills Act Contract Program is consistent with the principles, goals and policies contained within the Vision, Governance, Policy Plan (General Plan), and City Council Priorities components of The Ontario Plan (TOP). More specifically, the goals and policies of TOP that are furthered by the proposed project are as follows:

[1] City Council Goals.

- Invest in the Growth and Evolution of the City's Economy
- Operate in a Businesslike Manner
- Focus Resources in Ontario's Commercial and Residential Neighborhoods
- Encourage, Provide or Support Enhanced Recreational, Educational, Cultural and Healthy City Programs, Policies and Activities

[2] Policy Plan (General Plan)

Community Design Element – Historic Preservation

- Goal CD4: Historic buildings, streets, landscapes and neighborhoods, as well as the story of Ontario's people, businesses, and social and community organizations, that have been preserved and serve as a focal point for civic pride and identity.
 - CD4-2 Collaboration with Property Owners and Developers. We educate and collaborate with property owners and developers to implement strategies and best

practices that preserve the character of our historic buildings, streetscapes and unique neighborhoods.

- CD4-4 Incentives. We use the Mills Act and other federal, state, regional and local programs to assist property owners with the preservation of select properties and structures.
- CD4-6 Promotion of Public Involvement in Preservation. We engage in programs to publicize and promote the City's and the public's involvement in preservation efforts.

Community Design Element – Protection of Investment

- Goal CD5: A sustained level of maintenance and improvement of properties, buildings and infrastructure that protects the property values and encourages additional public and private investments.
 - CD5-1 Maintenance of Buildings and Property. We require all public and privately owned buildings and property (including trails and easements) to be properly and consistently maintained.
 - CD5-3 Improvements to Property & Infrastructure. We provide programs to improve property and infrastructure.
 - CD5-4 Neighborhood Involvement. We encourage active community involvement to implement programs aimed at the beautification and improvement of neighborhoods.

RESOLUTION NO. PC19-082

A RESOLUTION OF THE HISTORIC PRESERVATION COMMISSION OF THE CITY OF ONTARIO, CALIFORNIA, APPROVING FILE NO. PHP19-004, RECOMMENDING THAT THE CITY COUNCIL APPROVE THE MILLS ACT CONTRACT FOR THE ROBERT N. WILLIAMS HOUSE, LOCATED AT 205 EAST SIXTH STREET (APN: 1047-241-03).

WHEREAS, DARIUS LONG ("Applicant") has filed an Application for the approval of a Mills Act Contract, File No. PHP19-004, as described in the title of this Resolution (hereinafter referred to as "Application" or "Project"); and

WHEREAS, the City's character and history are reflected in its cultural, historical, and architectural heritage with an emphasis on the "Model Colony" as declared by an act of the Congress of the United States and presented at the St. Louis World's Fair in 1904; and

WHEREAS, the City's historical foundations should be preserved as living parts of community life and development in order to foster an understanding of the City's past so that future generations may have a genuine opportunity to appreciate, enjoy, and understand Ontario's rich heritage; and

WHEREAS, the Community Development of the Ontario General Plan sets forth Goals and Policies to conserve Ontario's historic buildings and districts; and

WHEREAS, the Robert N. Williams House, a Usonian style single-family residence constructed in 1947, located at 205 East Sixth Street (APN: 1047-241-03) is worthy of preservation and was designated by City Council on October 19, 2006 as Local Landmark No. 82; and

WHEREAS, the Application is a project pursuant to the California Environmental Quality Act (Public Resources Code Section 21000 et seq.) ("CEQA"); and

WHEREAS, the Project is exempt from CEQA pursuant to a categorical exemption (listed in CEQA Guidelines Article 19, commencing with Section 15300) and the application of that categorical exemption is not barred by one of the exceptions set forth in CEQA Guidelines Section 15300.2; and

WHEREAS, Ontario Development Code Table 2.02-1 (Review Matrix) grants the Historic Preservation Commission the responsibility and authority to review and make recommendation to the City Council on the subject Application; and

WHEREAS, City of Ontario Development Code Division 2.03 (Public Hearings) prescribes the manner in which public notification shall be provided and hearing procedures to be followed, and all such notifications and procedures have been

completed; and

WHEREAS, on October 10, 2019, the Historic Preservation Subcommittee of the City of Ontario conducted a hearing to consider the Project, and concluded said hearing on that date, voting to issue Decision No. HPSC19-007, recommending the Historic Preservation Commission recommend to the City Council approval of the Application; and

WHEREAS, on October 22, 2019, the Historic Preservation Commission of the City of Ontario conducted a hearing to consider the Project, and concluded said hearing on that date; and

WHEREAS, the Historic Preservation Commission has reviewed this application and determined it to be to the mutual benefit to the City and property owner to enter into a Historic Property Preservation Agreement; and

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

NOW, THEREFORE, IT IS HEREBY FOUND, DETERMINED, AND RESOLVED, the Historic Preservation Commission of City of Ontario, as follows:

SECTION 1. Environmental Determination and Findings. As the recommending body for the Project, the Historic Preservation Commission has reviewed and considered the information contained in the administrative record for the Project. Based upon the facts and information contained in the administrative record, including all written and oral evidence presented to the Historic Preservation Commission, the Historic Preservation Commission finds as follows:

(1) The Mills Act Contract is not considered a project pursuant to Section 21065 of the CEQA Guidelines. The Mills Act Contract will not result in a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

(2) The determination of CEQA exemption reflects the independent judgement of the Planning Commission.

SECTION 2. Concluding Facts and Reasons. Based upon the substantial evidence presented to the Historic Preservation Commission during the above-referenced hearing and upon the specific findings set forth in Section 1 above, the Historic Preservation Commission hereby concludes as follows:

(1) California Government Code Section 50280, et seq., authorizes cities to

enter into contracts with the owners of a qualified historical property to provide for the use, maintenance and restoration of such historical property so as to retain its characteristics as a property of historical significance; and

(2) The Robert N. Williams House, located at 205 East Sixth Street, was designated by City Council on October 19, 2006 as Local Landmark No. 82; and

(3) The Applicant has set forth a work program for this specific property to ensure the preservation of this historic resource that qualifies under the guidelines and standards set by the State of California.

SECTION 3. Historic Preservation Commission Action. Based upon the findings and conclusions set forth in Sections 1 and 2 above, the Historic Preservation Commission hereby RECOMMENDS THE CITY COUNCIL APPROVE THE REQUEST FOR A MILLS ACT CONTRACT.

SECTION 4. Indemnification. The Applicant shall agree to defend, indemnify and hold harmless, the City of Ontario or its agents, officers, and employees from any claim, action or proceeding against the City of Ontario or its agents, officers or employees to attack, set aside, void or annul this approval. The City of Ontario shall promptly notify the applicant of any such claim, action or proceeding, and the City of Ontario shall cooperate fully in the defense.

SECTION 5. Custodian of Records. The documents and materials that constitute the record of proceedings on which these findings have been based are located at the City of Ontario City Hall, 303 E. B Street, Ontario, California 91764. The custodian for these records is the City Clerk of the City of Ontario.

SECTION 6. Certification to Adoption. The Secretary shall certify to the adoption of the Resolution.

Historic Preservation Commission Resolution
File No. PHP19-004
October 22, 2019
Page 4


The Secretary Pro Tempore for the Historic Preservation Commission of the City of Ontario shall certify as to the adoption of this Resolution.

I hereby certify that the foregoing Resolution was duly and regularly introduced, passed and adopted by the Historic Preservation Commission of the City of Ontario at a regular meeting thereof held on the 22nd day of October, 2019, and the foregoing is a full, true and correct copy of said Resolution, and has not been amended or repealed.



Jim Willoughby
Historic Preservation Commission
Chairman

ATTEST:



Cathy Wahlstrom
Planning Director and
Secretary to the Historic Preservation
Commission

Historic Preservation Commission Resolution
File No. PHP19-004
October 22, 2019
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STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)
CITY OF ONTARIO)

I, Gwen Berendsen, Secretary Pro Tempore of the Historic Preservation Commission of the City of Ontario, DO HEREBY CERTIFY that foregoing Resolution No. PC19-082, was duly passed and adopted by the Historic Preservation Commission of the City of Ontario at their regular meeting held on October 22, 2019, by the following roll call vote, to wit:

AYES: DeDiemar, Downs, Gage, Gregorek, Reyes, Ricci, Willoughby

NOES: None

ABSENT: None

ABSTAIN: None



Gwen Berendsen
Secretary Pro Tempore

RESOLUTION NO. PC19-083

A RESOLUTION OF THE HISTORIC PRESERVATION COMMISSION OF THE CITY OF ONTARIO, CALIFORNIA, APPROVING FILE NO. PHP19-007, RECOMMENDING THAT THE CITY COUNCIL APPROVE THE MILLS ACT CONTRACT FOR THE STEPHEN A. CRAIG HOUSE, LOCATED AT 408 WEST ARMSLEY SQUARE (APN: 1047-341-09).

WHEREAS, JASON AND MARIA LAWLISS ("Applicant") has filed an Application for the approval of a Mills Act Contract, File No. PHP19-007, as described in the title of this Resolution (hereinafter referred to as "Application" or "Project"); and

WHEREAS, the City's character and history are reflected in its cultural, historical, and architectural heritage with an emphasis on the "Model Colony" as declared by an act of the Congress of the United States and presented at the St. Louis World's Fair in 1904; and

WHEREAS, the City's historical foundations should be preserved as living parts of community life and development in order to foster an understanding of the City's past so that future generations may have a genuine opportunity to appreciate, enjoy, and understand Ontario's rich heritage; and

WHEREAS, the Community Development of the Ontario General Plan sets forth Goals and Policies to conserve Ontario's historic buildings and districts; and

WHEREAS, the Stephen A. Craig House, a Mediterranean Revival style single-family residence constructed in 1927, located at 408 West Armsley Square (APN: 1047-341-09) is worthy of preservation and was designated by City Council on March 21, 2000 as a Contributor within the Armsley Square Historic District; and

WHEREAS, the Application is a project pursuant to the California Environmental Quality Act (Public Resources Code Section 21000 et seq.) ("CEQA"); and

WHEREAS, the Project is exempt from CEQA pursuant to a categorical exemption (listed in CEQA Guidelines Article 19, commencing with Section 15300) and the application of that categorical exemption is not barred by one of the exceptions set forth in CEQA Guidelines Section 15300.2; and

WHEREAS, Ontario Development Code Table 2.02-1 (Review Matrix) grants the Historic Preservation Commission the responsibility and authority to review and make recommendation to the City Council on the subject Application; and

WHEREAS, City of Ontario Development Code Division 2.03 (Public Hearings) prescribes the manner in which public notification shall be provided and hearing procedures to be followed, and all such notifications and procedures have been

completed; and

WHEREAS, on October 10, 2019, the Historic Preservation Subcommittee of the City of Ontario conducted a hearing to consider the Project, and concluded said hearing on that date, voting to issue Decision No. HPSC19-008, recommending the Historic Preservation Commission recommend to the City Council approval of the Application; and

WHEREAS, on October 22, 2019, the Historic Preservation Commission of the City of Ontario conducted a hearing to consider the Project, and concluded said hearing on that date; and

WHEREAS, the Historic Preservation Commission has reviewed this application and determined it to be to the mutual benefit to the City and property owner to enter into a Historic Property Preservation Agreement; and

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

NOW, THEREFORE, IT IS HEREBY FOUND, DETERMINED, AND RESOLVED, the Historic Preservation Commission of City of Ontario, as follows:

SECTION 1. Environmental Determination and Findings. As the recommending body for the Project, the Historic Preservation Commission has reviewed and considered the information contained in the administrative record for the Project. Based upon the facts and information contained in the administrative record, including all written and oral evidence presented to the Historic Preservation Commission, the Historic Preservation Commission finds as follows:

(1) The Mills Act Contract is not considered a project pursuant to Section 21065 of the CEQA Guidelines. The Mills Act Contract will not result in a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

(2) The determination of CEQA exemption reflects the independent judgement of the Planning Commission.

SECTION 2. Concluding Facts and Reasons. Based upon the substantial evidence presented to the Historic Preservation Commission during the above-referenced hearing and upon the specific findings set forth in Section 1 above, the Historic Preservation Commission hereby concludes as follows:

(1) California Government Code Section 50280, et seq., authorizes cities to

enter into contracts with the owners of a qualified historical property to provide for the use, maintenance and restoration of such historical property so as to retain its characteristics as a property of historical significance; and

(2) The Stephen A. Craig House, located at 408 West Armsley Square, was designated by City Council on March 21, 2000 as a Contributor within the Armsley Square Historic District; and

(3) The Applicant has set forth a work program for this specific property to ensure the preservation of this historic resource that qualifies under the guidelines and standards set by the State of California.

SECTION 3. Historic Preservation Commission Action. Based upon the findings and conclusions set forth in Sections 1 and 2 above, the Historic Preservation Commission hereby RECOMMENDS THE CITY COUNCIL APPROVE THE REQUEST FOR A MILLS ACT CONTRACT.

SECTION 4. Indemnification. The Applicant shall agree to defend, indemnify and hold harmless, the City of Ontario or its agents, officers, and employees from any claim, action or proceeding against the City of Ontario or its agents, officers or employees to attack, set aside, void or annul this approval. The City of Ontario shall promptly notify the applicant of any such claim, action or proceeding, and the City of Ontario shall cooperate fully in the defense.

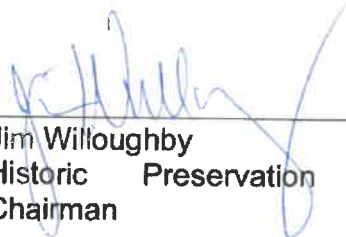
SECTION 5. Custodian of Records. The documents and materials that constitute the record of proceedings on which these findings have been based are located at the City of Ontario City Hall, 303 E. B Street, Ontario, California 91764. The custodian for these records is the City Clerk of the City of Ontario.

SECTION 6. Certification to Adoption. The Secretary shall certify to the adoption of the Resolution.

Historic Preservation Commission Resolution
File No. PHP19-007
October 22, 2019
Page 4

The Secretary Pro Tempore for the Historic Preservation Commission of the City of Ontario shall certify as to the adoption of this Resolution.

I hereby certify that the foregoing Resolution was duly and regularly introduced, passed and adopted by the Historic Preservation Commission of the City of Ontario at a regular meeting thereof held on the 22nd day of October, 2019, and the foregoing is a full, true and correct copy of said Resolution, and has not been amended or repealed.



Jim Willoughby
Historic Preservation Commission
Chairman

ATTEST:



Cathy Wahlstrom
Planning Director and
Secretary to the Historic Preservation
Commission

Historic Preservation Commission Resolution
File No. PHP19-007
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STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)
CITY OF ONTARIO)

I, Gwen Berendsen, Secretary Pro Tempore of the Historic Preservation Commission of the City of Ontario, DO HEREBY CERTIFY that foregoing Resolution No. PC19-083, was duly passed and adopted by the Historic Preservation Commission of the City of Ontario at their regular meeting held on October 22, 2019, by the following roll call vote, to wit:

AYES: DeDiemar, Downs, Gage, Gregorek, Reyes, Ricci, Willoughby

NOES: None

ABSENT: None

ABSTAIN: None



Gwen Berendsen
Secretary Pro Tempore

RESOLUTION NO. PC19-084

A RESOLUTION OF THE HISTORIC PRESERVATION COMMISSION OF THE CITY OF ONTARIO, CALIFORNIA, APPROVING FILE NO. PHP19-008, RECOMMENDING THAT THE CITY COUNCIL APPROVE THE MILLS ACT CONTRACT FOR THE C.E. PRATT HOUSE, LOCATED AT 130 EAST J STREET (APN: 1048-071-05).

WHEREAS, PETER BUGBEE ("Applicant") has filed an Application for the approval of a Mills Act Contract, File No. PHP19-008, as described in the title of this Resolution (hereinafter referred to as "Application" or "Project"); and

WHEREAS, the City's character and history are reflected in its cultural, historical, and architectural heritage with an emphasis on the "Model Colony" as declared by an act of the Congress of the United States and presented at the St. Louis World's Fair in 1904; and

WHEREAS, the City's historical foundations should be preserved as living parts of community life and development in order to foster an understanding of the City's past so that future generations may have a genuine opportunity to appreciate, enjoy, and understand Ontario's rich heritage; and

WHEREAS, the Community Development of the Ontario General Plan sets forth Goals and Policies to conserve Ontario's historic buildings and districts; and

WHEREAS, the C.E. Pratt House, a Mediterranean Revival style single-family residence constructed in 1924, located at 130 East J Street (APN: 1048-071-05) is worthy of preservation and was designated by City Council on October 2, 2001 as a Contributor within the Rosewood Court Historic District; and

WHEREAS, the Application is a project pursuant to the California Environmental Quality Act (Public Resources Code Section 21000 et seq.) ("CEQA"); and

WHEREAS, the Project is exempt from CEQA pursuant to a categorical exemption (listed in CEQA Guidelines Article 19, commencing with Section 15300) and the application of that categorical exemption is not barred by one of the exceptions set forth in CEQA Guidelines Section 15300.2; and

WHEREAS, Ontario Development Code Table 2.02-1 (Review Matrix) grants the Historic Preservation Commission the responsibility and authority to review and make recommendation to the City Council on the subject Application; and

WHEREAS, City of Ontario Development Code Division 2.03 (Public Hearings) prescribes the manner in which public notification shall be provided and hearing procedures to be followed, and all such notifications and procedures have been

completed; and

WHEREAS, on October 10, 2019, the Historic Preservation Subcommittee of the City of Ontario conducted a hearing to consider the Project, and concluded said hearing on that date, voting to issue Decision No. HPSC19-009, recommending the Historic Preservation Commission recommend to the City Council approval of the Application; and

WHEREAS, on October 22, 2019, the Historic Preservation Commission of the City of Ontario conducted a hearing to consider the Project, and concluded said hearing on that date; and

WHEREAS, the Historic Preservation Commission has reviewed this application and determined it to be to the mutual benefit to the City and property owner to enter into a Historic Property Preservation Agreement; and

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

NOW, THEREFORE, IT IS HEREBY FOUND, DETERMINED, AND RESOLVED, the Historic Preservation Commission of City of Ontario, as follows:

SECTION 1. Environmental Determination and Findings. As the recommending body for the Project, the Historic Preservation Commission has reviewed and considered the information contained in the administrative record for the Project. Based upon the facts and information contained in the administrative record, including all written and oral evidence presented to the Historic Preservation Commission, the Historic Preservation Commission finds as follows:

(1) The Mills Act Contract is not considered a project pursuant to Section 21065 of the CEQA Guidelines. The Mills Act Contract will not result in a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

(2) The determination of CEQA exemption reflects the independent judgement of the Planning Commission.

SECTION 2. Concluding Facts and Reasons. Based upon the substantial evidence presented to the Historic Preservation Commission during the above-referenced hearing and upon the specific findings set forth in Section 1 above, the Historic Preservation Commission hereby concludes as follows:

(1) California Government Code Section 50280, et seq., authorizes cities to

enter into contracts with the owners of a qualified historical property to provide for the use, maintenance and restoration of such historical property so as to retain its characteristics as a property of historical significance; and

(2) The C.E. Pratt House, located at 130 East J Street, was designated by City Council on October 2, 2001 as a Contributor within the Rosewood Court Historic District; and

(3) The Applicant has set forth a work program for this specific property to ensure the preservation of this historic resource that qualifies under the guidelines and standards set by the State of California.

SECTION 3. Historic Preservation Commission Action. Based upon the findings and conclusions set forth in Sections 1 and 2 above, the Historic Preservation Commission hereby RECOMMENDS THE CITY COUNCIL APPROVE THE REQUEST FOR A MILLS ACT CONTRACT.

SECTION 4. Indemnification. The Applicant shall agree to defend, indemnify and hold harmless, the City of Ontario or its agents, officers, and employees from any claim, action or proceeding against the City of Ontario or its agents, officers or employees to attack, set aside, void or annul this approval. The City of Ontario shall promptly notify the applicant of any such claim, action or proceeding, and the City of Ontario shall cooperate fully in the defense.

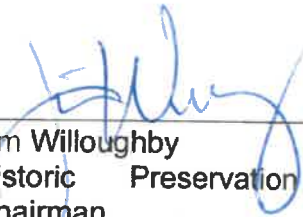
SECTION 5. Custodian of Records. The documents and materials that constitute the record of proceedings on which these findings have been based are located at the City of Ontario City Hall, 303 E. B Street, Ontario, California 91764. The custodian for these records is the City Clerk of the City of Ontario.

SECTION 6. Certification to Adoption. The Secretary shall certify to the adoption of the Resolution.

Historic Preservation Commission Resolution
File No. PHP19-008
October 22, 2019
Page 4

The Secretary Pro Tempore for the Historic Preservation Commission of the City of Ontario shall certify as to the adoption of this Resolution.

I hereby certify that the foregoing Resolution was duly and regularly introduced, passed and adopted by the Historic Preservation Commission of the City of Ontario at a regular meeting thereof held on the 22nd day of October, 2019, and the foregoing is a full, true and correct copy of said Resolution, and has not been amended or repealed.



Jim Willoughby
Historic Preservation Commission
Chairman

ATTEST:



Cathy Wahlstrom
Planning Director and
Secretary to the Historic Preservation
Commission

Historic Preservation Commission Resolution
File No. PHP19-008
October 22, 2019
Page 5

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)
CITY OF ONTARIO)

I, Gwen Berendsen, Secretary Pro Tempore of the Historic Preservation Commission of the City of Ontario, DO HEREBY CERTIFY that foregoing Resolution No. PC19-084, was duly passed and adopted by the Historic Preservation Commission of the City of Ontario at their regular meeting held on October 22, 2019, by the following roll call vote, to wit:

AYES: DeDiemar, Downs, Gage, Gregorek, Reyes, Ricci, Willoughby

NOES: None

ABSENT: None

ABSTAIN: None



Gwen Berendsen
Secretary Pro Tempore

RESOLUTION NO. PC19-085

A RESOLUTION OF THE HISTORIC PRESERVATION COMMISSION OF THE CITY OF ONTARIO, CALIFORNIA, APPROVING FILE NO. PHP19-010, RECOMMENDING THAT THE CITY COUNCIL APPROVE THE MILLS ACT CONTRACT FOR THE CAPTAIN JOHN P. ROBERTSON HOUSE, LOCATED AT 907 NORTH EUCLID AVENUE (APN: 1048-043-13).

WHEREAS, JOHN AYLYNG AND DIANNE FIFE ("Applicant") has filed an Application for the approval of a Mills Act Contract, File No. PHP19-010, as described in the title of this Resolution (hereinafter referred to as "Application" or "Project"); and

WHEREAS, the City's character and history are reflected in its cultural, historical, and architectural heritage with an emphasis on the "Model Colony" as declared by an act of the Congress of the United States and presented at the St. Louis World's Fair in 1904; and

WHEREAS, the City's historical foundations should be preserved as living parts of community life and development in order to foster an understanding of the City's past so that future generations may have a genuine opportunity to appreciate, enjoy, and understand Ontario's rich heritage; and

WHEREAS, the Community Development of the Ontario General Plan sets forth Goals and Policies to conserve Ontario's historic buildings and districts; and

WHEREAS, the Captain John P. Robertson House, a American Foursquare style single-family residence constructed in 1896, located at 907 North Euclid Avenue (APN: 1048-043-13) is worthy of preservation and was designated by City Council on January 19, 1999 as Local Landmark No. 40 and on June 4, 2013 as a Contributor within the Euclid Avenue Historic District; and

WHEREAS, the Application is a project pursuant to the California Environmental Quality Act (Public Resources Code Section 21000 et seq.) ("CEQA"); and

WHEREAS, the Project is exempt from CEQA pursuant to a categorical exemption (listed in CEQA Guidelines Article 19, commencing with Section 15300) and the application of that categorical exemption is not barred by one of the exceptions set forth in CEQA Guidelines Section 15300.2; and

WHEREAS, Ontario Development Code Table 2.02-1 (Review Matrix) grants the Historic Preservation Commission the responsibility and authority to review and make recommendation to the City Council on the subject Application; and

WHEREAS, City of Ontario Development Code Division 2.03 (Public Hearings)

prescribes the manner in which public notification shall be provided and hearing procedures to be followed, and all such notifications and procedures have been completed; and

WHEREAS, on October 10, 2019, the Historic Preservation Subcommittee of the City of Ontario conducted a hearing to consider the Project, and concluded said hearing on that date, voting to issue Decision No. HPSC19-010, recommending the Historic Preservation Commission recommend to the City Council approval of the Application; and

WHEREAS, on October 22, 2019, the Historic Preservation Commission of the City of Ontario conducted a hearing to consider the Project, and concluded said hearing on that date; and

WHEREAS, the Historic Preservation Commission has reviewed this application and determined it to be to the mutual benefit to the City and property owner to enter into a Historic Property Preservation Agreement; and

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

NOW, THEREFORE, IT IS HEREBY FOUND, DETERMINED, AND RESOLVED, the Historic Preservation Commission of City of Ontario, as follows:

SECTION 1. Environmental Determination and Findings. As the recommending body for the Project, the Historic Preservation Commission has reviewed and considered the information contained in the administrative record for the Project. Based upon the facts and information contained in the administrative record, including all written and oral evidence presented to the Historic Preservation Commission, the Historic Preservation Commission finds as follows:

(1) The Mills Act Contract is not considered a project pursuant to Section 21065 of the CEQA Guidelines. The Mills Act Contract will not result in a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

(2) The determination of CEQA exemption reflects the independent judgement of the Planning Commission.

SECTION 2. Concluding Facts and Reasons. Based upon the substantial evidence presented to the Historic Preservation Commission during the above-referenced hearing and upon the specific findings set forth in Section 1 above, the Historic Preservation Commission hereby concludes as follows:

(1) California Government Code Section 50280, et seq., authorizes cities to enter into contracts with the owners of a qualified historical property to provide for the use, maintenance and restoration of such historical property so as to retain its characteristics as a property of historical significance; and

(2) The Captain John P. Robertson House, located at 907 North Euclid Avenue, was designated by City Council on January 19, 1999 as Local Landmark No. 40 and on June 4, 2013 as a Contributor within the Euclid Avenue Historic District; and

(3) The Applicant has set forth a work program for this specific property to ensure the preservation of this historic resource that qualifies under the guidelines and standards set by the State of California.

SECTION 3. Historic Preservation Commission Action. Based upon the findings and conclusions set forth in Sections 1 and 2 above, the Historic Preservation Commission hereby RECOMMENDS THE CITY COUNCIL APPROVE THE REQUEST FOR A MILLS ACT CONTRACT.

SECTION 4. Indemnification. The Applicant shall agree to defend, indemnify and hold harmless, the City of Ontario or its agents, officers, and employees from any claim, action or proceeding against the City of Ontario or its agents, officers or employees to attack, set aside, void or annul this approval. The City of Ontario shall promptly notify the applicant of any such claim, action or proceeding, and the City of Ontario shall cooperate fully in the defense.

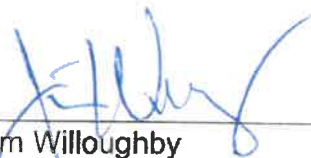
SECTION 5. Custodian of Records. The documents and materials that constitute the record of proceedings on which these findings have been based are located at the City of Ontario City Hall, 303 E. B Street, Ontario, California 91764. The custodian for these records is the City Clerk of the City of Ontario.

SECTION 6. Certification to Adoption. The Secretary shall certify to the adoption of the Resolution.

Historic Preservation Commission Resolution
File No. PHP19-010
October 22, 2019
Page 4


The Secretary Pro Tempore for the Historic Preservation Commission of the City of Ontario shall certify as to the adoption of this Resolution.

I hereby certify that the foregoing Resolution was duly and regularly introduced, passed and adopted by the Historic Preservation Commission of the City of Ontario at a regular meeting thereof held on the 22nd day of October, 2019, and the foregoing is a full, true and correct copy of said Resolution, and has not been amended or repealed.



Jim Willoughby
Historic Preservation Commission
Chairman

ATTEST:



Cathy Wahlstrom
Planning Director and
Secretary to the Historic Preservation
Commission

Historic Preservation Commission Resolution
File No. PHP19-010
October 22, 2019
Page 5

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)
CITY OF ONTARIO)

I, Gwen Berendsen, Secretary Pro Tempore of the Historic Preservation Commission of the City of Ontario, DO HEREBY CERTIFY that foregoing Resolution No. PC19-085, was duly passed and adopted by the Historic Preservation Commission of the City of Ontario at their regular meeting held on October 22, 2019, by the following roll call vote, to wit:

AYES: DeDiemar, Downs, Gage, Gregorek, Reyes, Ricci, Willoughby

NOES: None

ABSENT: None

ABSTAIN: None



Gwen Berendsen
Secretary Pro Tempore

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, APPROVING FILE NO. PHP19-004, AND AUTHORIZING THE CITY OF ONTARIO TO ENTER INTO A HISTORIC PROPERTY PRESERVATION AGREEMENT WITH DARIUS LONG, FOR THE PROPERTY LOCATED AT 205 EAST SIXTH STREET (APN: 1047-241-03).

WHEREAS, California Government Code Section 50280, et seq., authorizes cities to enter into contracts with the owners of a qualified historical property to provide for the use, maintenance and restoration of such historical property so as to retain its characteristics as a property of historical significance; and

WHEREAS, Darius Long possesses fee title in and to that certain real property, together with associated structures and improvements thereon, generally located at the street address commonly known as 205 East Sixth Street, Ontario, California (hereinafter referred to as the "Property"); and

WHEREAS, on October 19, 2006, the City Council of the City of Ontario designated the Property as Local Landmark No. 82 pursuant to the terms and provisions of Chapter 4, of the Ontario Development Code; and

WHEREAS, the City and Darius Long, for their mutual benefit, now desire to enter into a Historic Property Preservation Agreement, a copy of which is attached hereto as Exhibit "A" and incorporated herein by reference (hereinafter referred to as the "Preservation Agreement"); and

WHEREAS, the Application is a project pursuant to the California Environmental Quality Act (Public Resources Code Section 21000 et seq.) ("CEQA"); and

WHEREAS, the Project is exempt from CEQA pursuant to a categorical exemption (listed in CEQA Guidelines Article 19, commencing with Section 15300) and the application of that categorical exemption is not barred by one of the exceptions set forth in CEQA Guidelines Section 15300.2; and

WHEREAS, Ontario Development Code Table 2.02-1 (Review Matrix) grants the City Council the responsibility and authority to review and act on the subject Application; and

WHEREAS, City of Ontario Development Code Division 2.03 (Public Hearings) prescribes the manner in which public notification shall be provided and hearing procedures to be followed, and all such notifications and procedures have been completed; and

WHEREAS, on October 10, 2019, the Historic Preservation Subcommittee conducted a hearing and issued Decision No. HPSC19-007, recommending the Historic Preservation Commission recommend the City Council approve the Application; and

WHEREAS, on October 22, 2019, the Historic Preservation Commission conducted a hearing and issued Resolution No. PC19-082, recommending the City Council approve the Application; and

WHEREAS, on December 3, 2019, the City Council of the City of Ontario conducted a hearing to consider the Project, and concluded said hearing on that date; and

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

NOW, THEREFORE, IT IS HEREBY FOUND, DETERMINED, AND RESOLVED by the City Council of the City of Ontario, as follows:

SECTION 1. *Environmental Determination and Findings.* As the decision-making body for the Project, the City Council has reviewed and considered the information contained in the administrative record for the Project. Based upon the facts and information contained in the administrative record, including all written and oral evidence presented to the City Council, the City Council finds as follows:

(1) The Mills Act contract is not considered a project pursuant to Section 21065 of the CEQA Guidelines. The Mills Act contract will not result in a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

(2) The determination of CEQA exemption reflects the independent judgement of the City Council.

SECTION 2. *Concluding Facts and Reasons.* Based upon the substantial evidence presented to the City Council during the above-referenced hearing and upon the specific findings set forth in Section 1 above, the City Council hereby concludes as follows:

(1) California Government Code Section 50280, et seq., authorizes cities to enter into contracts with the owners of a qualified historical property to provide for the use, maintenance and restoration of such historical property so as to retain its characteristics as a property of historical significance; and

(2) Pursuant to California Government Code Section 50280, et seq., qualified historical properties are designated historic landmarks, contributing structures within designated historic districts, and properties listed on the National Register of Historic Places or the California Register of Historic Resources; and

(3) The Robert N. Williams House, a 2,040 square foot single-family residence located at 205 East Sixth Street, was designated as Local Landmark No. 82; and

(4) The Applicant has set forth a work program for this specific property to ensure the preservation of this historic resource that qualifies under the guidelines and standards set by the State of California.

SECTION 3. **City Council Action.** Based upon the findings and conclusions set forth in Sections 1 and 2 above, THE CITY COUNCIL APPROVES AND RATIFIES the historic property preservation agreement and authorizes the City Manager to execute the agreement, which is subject to the provisions of the City's Development Code (Sec. 4.02.065) and to each and every condition set forth in the Preservation Agreement, attached hereto as Exhibit "A" and incorporated herein by this reference; and

SECTION 4. **Indemnification.** The Applicant shall agree to defend, indemnify and hold harmless, the City of Ontario or its agents, officers, and employees from any claim, action or proceeding against the City of Ontario or its agents, officers or employees to attack, set aside, void or annul this approval. The City of Ontario shall promptly notify the applicant of any such claim, action or proceeding, and the City of Ontario shall cooperate fully in the defense.

SECTION 5. **Recordation of Agreement.** That the City Clerk of the City of Ontario, California, shall cause the Historic Preservation Agreement to be recorded in the office of the County Recorder of San Bernardino County.

SECTION 6. **Notification of Assessor.** That the City Clerk of the City of Ontario, California, shall notify the San Bernardino County Assessor in writing that the property has entered into a Preservation Agreement within 30 days of the recordation of the contract.

SECTION 7. **Certification to Adoption.** The City Clerk of the City of Ontario shall certify as to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED this 3rd day of December 2019.

PAUL S. LEON, MAYOR

ATTEST:

SHEILA MAUTZ, CITY CLERK

APPROVED AS TO LEGAL FORM:

COLE HUBER, LLP
CITY ATTORNEY

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)
CITY OF ONTARIO)

I, SHEILA MAUTZ, City Clerk of the City of Ontario, DO HEREBY CERTIFY that foregoing Resolution No. 2019-____ was duly passed and adopted by the City Council of the City of Ontario at their regular meeting held December 3, 2019 by the following roll call vote, to wit:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

SHEILA MAUTZ, CITY CLERK

(SEAL)

The foregoing is the original of Resolution No. 2019-____ duly passed and adopted by the Ontario City Council at their regular meeting held December 3, 2019.

SHEILA MAUTZ, CITY CLERK

(SEAL)

Exhibit "A"

Preservation Agreement

RECORDING REQUESTED BY
And When
RECORDED MAIL TO:

City Clerk, City of Ontario
303 East "B" Street
Ontario, CA 91764

Exempt Recording Fees Pursuant to Government
Code Section 6103 & 27383

HISTORIC PROPERTY PRESERVATION AGREEMENT

THIS AGREEMENT is made and entered into this 3rd day of December 2019, by and between the City of Ontario, a municipal corporation (hereinafter referred to as the "City") and Darius P. Long (hereinafter referred to as the "Owner").

WITNESSETH:

A. Recitals.

(I) California Government Code Section 50280, et seq., authorizes cities to enter into contracts with the owners of qualified historical property to provide for the use, maintenance and restoration of such historical property so as to retain its characteristics as property of historical significance;

(ii) Owner possesses fee title in and to that certain real property, together with associated structures and improvements thereon, commonly known as the Robert N. Williams House, generally located at the street address 205 East Sixth Street, Ontario, CA 91764 (hereinafter such property shall be referred to as the "Historic Property"). A legal description of the Historic Property is attached hereto, marked as Exhibit "A" and is incorporated herein by this reference;

(iii) On October 19, 2006, the City Council of the City of Ontario designated the Historic Property as Local Landmark No. 82 pursuant to the terms and provisions of Title 9, Chapter 1, Chapter 4 of the Ontario Municipal Code; and,

(iv) The City and Owner, for their mutual benefit, now desire to enter into this agreement both to protect and preserve the characteristics of historical significance of the Historic Property and to qualify the Historic Property for an assessment of valuation pursuant to the Provisions of Chapter 3, of Part 2, of Division 1 of the California Revenue and Taxation Code.

B. Agreement

NOW, THEREFORE, City and Owner, in consideration of the mutual covenants and conditions set forth herein, do hereby agree as follows:

1. Effective Date and Term of Agreement. This Agreement shall be effective and commence on December 3, 2019 and shall remain in effect for a term of ten (10) years thereafter. Each year upon the anniversary of the effective date, such initial term will automatically be extended as provided in paragraph 2, below.

2. Renewal. Each year on the anniversary of the effective date of this Agreement (hereinafter referred to as the "renewal date"), a year shall automatically be added to the initial term of this Agreement unless notice of non-renewal is mailed as provided herein. If either Owner or City desires in any year not to renew the Agreement, Owner or City shall serve written notice of non-renewal of the Agreement on the other party in advance of the annual renewal date of the Agreement. Unless such notice is served by Owner to City at least ninety (90) days prior to the annual renewal date, or served by City to Owner at least sixty (60) days prior to the annual renewal date, one (1) year shall automatically be added to the term of the Agreement provided herein. Owner may make a written protest of the notice. Upon receipts by the Owner of a notice from the City of non-renewal, the City may, at any time prior to the annual renewal date of the Agreement, withdraw its

notice to Owner of non-renewal. If either City or Owner serves notice to the other of non-renewal in any year, the Agreement shall remain in effect for the balance of the term then remaining, either from its original execution or from the last renewal of the Agreement, whichever may apply.

3. Fees. Prior to recordation the applicant shall pay the applicable fee in effect at the time recordation is requested.

4. Standards for Historical Property. During the term of this Agreement, the Historic Property shall be subject to the following conditions, requirements and restrictions:

A. Owner shall preserve and maintain the characteristics of historical significance of the Historic Property. Attached hereto, marked as Exhibits "B", and incorporated herein by this reference, is a list of those minimum standards and conditions for maintenance, use and preservation of the Historic Property, which shall apply to such property throughout the term of this Agreement.

B. Owner shall, where necessary, restore and rehabilitate the property according to the rules and regulations of the Office of Historic Preservation of the Department of Parks and Recreation, the United States Secretary of the Interior's Rehabilitation Standards, the State Historical Building Code, and the Ontario Development Code and in accordance with the attached schedule of potential improvements, drafted by the applicant and approved by the City Council, attached hereto as Exhibit "C".

C. Pursuant to Section 4.02.050 of the Ontario Development Code, Owner shall obtain a Certificate of Appropriateness for any alteration, addition, restoration, rehabilitation, repainting, resurfacing, and for each and every item listed in Exhibit "C", prior to commencement of work. Failure to obtain all necessary permits, including building permits, and approvals may result in cancellation of this Agreement as set forth on Paragraph 6, Cancellation herein.

D. Owner shall allow reasonable periodic examinations, by prior appointment, of the interior and exterior of the Historic Property by representatives of the County Assessor, State Department of Parks and Recreation, State Board of Equalization, and the City, as may be necessary to determine Owner's compliance with the terms and provisions of this Agreement.

5. Provision of Information of Corporation. Owner hereby agrees to furnish City with any and all information requested by the City, which may be necessary or advisable to determine compliance with the terms and provision of this Agreement.

6. Cancellation. City, following a duly noticed public hearing as set forth in California Government Code Sections 50280, et seq., may cancel this Agreement if it determines that Owner breached any of the conditions of this Agreement or has allowed the property to deteriorate to the point that it no longer meets the standards for a qualified historic property. City may also cancel this Agreement if it determines that the Owner has failed to restore or rehabilitate the property in the manner specified in subparagraph 4(B) of this Agreement. In the event of cancellation, Owner may be subject to payment of those cancellation fees set forth in California Government Code Sections 50280, et seq.

7. Enforcement of Agreement. In lieu of and/or in addition to any provision to cancel the Agreement as referenced herein, City may specifically enforce, or enjoin the breach of, the terms of this Agreement. In the event of a default, under the provisions of this Agreement by Owner, City shall give written notice to Owner by registered or certified mail addressed to the address stated in this Agreement, and if such a violation is not corrected to the reasonable satisfaction of the City within thirty (30) days thereafter, or if not corrected within such reasonable time as may be required to cure the breach or default if said breach or default cannot be cured within thirty (30) days (provided that acts to cure the breach of default may be commenced within thirty (30) days and must be pursued to completion by Owner), then City may, without further notice, declare a default under the terms of this Agreement and may bring any action necessary to specifically enforce the obligations of Owner growing out of the terms of this Agreement, apply to any

court, state or federal, for injunctive relief against any violation by Owner or apply for such other relief against any violation by Owner or apply for such other relief as may be appropriate.

City does not waive any claim of default by Owner if City does not enforce or cancel this Agreement. All other remedies at law or in equity which are not otherwise provided for in this Agreement or in City's regulations governing historic properties are available to the City to pursue in the event that there is a breach of this Agreement. No waiver by City of any breach or default under this agreement shall be deemed to be a waiver of any other subsequent breach thereof or default herein under.

8. Binding Effect of Agreement. The Owner hereby subjects the Historic Property described in Exhibit "A" hereto to the covenants, reservations and restriction as set forth in this Agreement. City and Owner hereby declare their specific intent that the covenants, reservations and restrictions as set forth herein shall be deemed covenants running with the land and shall pass to and be binding upon the Owner's successors and assigns in title or interest to the Historic Property. Each and every contract, deed or other instrument hereinafter executed, covering or conveying the Historic Property, or any portion thereof, shall conclusively be held to have been executed, delivered and accepted subject to the covenants, reservations and restrictions expressed in this Agreement regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instrument.

City and Owner hereby declare their understanding and intent that the burden of the covenants, reservations and restrictions set forth herein touch and concern the land in that Owner's legal interest in the Historic Property is rendered less valuable thereby. City and Owner hereby further declare their understanding and intent that the benefit of such covenants, reservations and restrictions touch and concern the land by enhancing and maintaining the historic characteristics and significance of the Historic Property for the benefit of the public and the Owner.

9. Notice. Any notice required to be given by the terms of this Agreement shall be

provided at the address of the respective parties as specified below or at any other address as may be later specified by the parties hereto.

To City: City of Ontario
303 East "B" Street
Ontario, CA 91764

Attention: Planning Director

To Owner: Darius P. Long
205 East Sixth Street
Ontario, CA 91764

10. General Provisions.

A. None of the terms, provisions or conditions of this Agreement shall be deemed to create a partnership between the parties hereto and any of their heirs, successors or assigns, nor shall such terms, provisions or conditions cause them to be considered joint ventures or members of any joint enterprise.

B. Owner agrees to and shall hold City and its elected officials, officers, agents, and employees harmless from liability for damage or claims for damage for personal injuries, including death, and claims for property damage which may arise from the direct or indirect use or operations of Owner or those of his contractor, subcontractor, agent, employee or other person acting on his behalf which relates to the use, operation and maintenance of the Historic Property. Owner hereby agrees to and shall defend the City and its elected officials, officers, agents, and employees with respect to any and all actions for damages caused by, or alleged to have been caused by, reason of Owner's activities in connection with the Historic Property. This hold harmless provision applies to all damages and claims for damages suffered, or alleged to have been suffered, by reason of the operations referred to in this Agreement regardless of whether or not the City prepared, supplied or approved the plans, specifications or other documents for the Historic Property.

C. All of the agreements, rights, covenants, reservations and restrictions

contained in this Agreement shall be binding upon and shall inure to the benefit of the parties herein, their heirs, successors, legal representatives, assigns and all persons acquiring any part or portion of the Historic Property, whether by operation of law or in any manner whatsoever.

D. In the event legal proceedings are brought by any party or parties to enforce or restrain a violation of any of the covenants, reservations or restrictions contained herein, or to determine the rights and duties of any party hereunder, the prevailing party in such proceeding may recover all reasonable attorney's fees to be fixed by the court, in addition to court costs and other relief ordered by the court.

E. In the event that any of the provisions of this Agreement are held to be unenforceable or invalid by any court of competent jurisdiction, or by subsequent preemptive legislation, the validity and enforceability of the remaining provisions, or portions thereof, shall not be affected thereby.

F. This Agreement shall be construed and governed in accordance with the laws of the State of California.

11. Recordation. No later than twenty (20) days after the parties execute and enter into this Agreement, the City shall cause this Agreement to be recorded in the office of the County Recorder of the County of San Bernardino.

12. Amendments. This Agreement may be amended, in whole or in part, only by a written recorded instrument executed by the parties hereto.

IN WITNESS WHEREOF, City and Owner have executed this Agreement on the day and year first written above.

CITY OF ONTARIO

Dated: _____

By: _____
City Manager

Attest

City Clerk

Approved as to Form

City Attorney

Dated: _____

By: _____
Darius P. Long, Owner

**Exhibit A: Historic Property Preservation Agreement
Legal Description**

Address: 205 East Sixth Street
Ontario, CA 91764

APN: 1047-241-03

File No.: PHP19-004

The property located at: 205 East Sixth Street
Ontario, CA 91764

is legally described as: LOT 67, AND THE WEST ½ OF LOT 68, TRACT 2845, CITY OF
ONTARIO, COUNTY SAN BERNARDINO, STATE OF
CALIFORNIA, AS PER PLAT RECORDED IN BOOK 40 OF MAP,
PAGES 54 AND 55, RECORDS OF SAID COUNTY

APN: 1047-241-03-0-000

**Exhibit B: Historic Property Preservation Agreement
Property Maintenance**

Address: 205 East Sixth Street
Ontario, CA 91764

APN: 1047-241-03

File No.: PHP19-004

All buildings, structures, yards and other improvements shall be maintained in a manner which does not detract from the appearance of the immediate neighborhood. The following conditions are prohibited:

1. Dilapidated, deteriorating, or unrepaired structures, such as fences, roofs, doors, walls, and windows;
2. Scrap lumber, junk, trash or debris;
3. Abandoned, discarded or unused objects or equipment, such as automobiles, automobile parts, furniture, stoves, refrigerators, cans, containers, or similar items;
4. Stagnant water or excavations, including unmaintained pools or spas;
5. Any device, decoration, design, structure or vegetation which is unsightly by reason of its height, condition, or its inappropriate location.

The property owner shall also comply with the provisions of the Duty to Keep in Good Repair Section of the Historic Preservation Ordinance (Sec. 9-1.7.01.045 of the Ontario Development Code) and all other applicable provisions of the City's Property Appearance – Nuisance Ordinance (Chapter 22 of Title 5 of the Ontario Municipal Code, Commencing at Sec. 5-22.02).

**Exhibit C: Historic Property Preservation Agreement
Proposed Improvements**

Address: 205 East Sixth Street
Ontario, CA 91764

APN: 1047-241-03

File No.: PHP19-004

Contract Year	Description
2020:	Repair and paint carport rooftop. Repave driveway.
2021:	Paint bathroom.
2022:	Repair and paint rear patio structure.
2023:	Repair exterior gates.
2024:	Repair and paint exterior trim.
2025:	Repair and paint exterior stucco.
2026:	Install new HVAC system.
2027:	Upgrade all electrical. Repair (or replace as needed) plumbing.
2028:	New roof.
2029:	Repair (or replace as needed) irrigation.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, APPROVING FILE NO. PHP19-007, AND AUTHORIZING THE CITY OF ONTARIO TO ENTER INTO A HISTORIC PROPERTY PRESERVATION AGREEMENT WITH JASON AND MARIA LAWLISS, FOR THE PROPERTY LOCATED AT 408 WEST ARMSLEY SQUARE (APN: 1047-341-09).

WHEREAS, California Government Code Section 50280, et seq., authorizes cities to enter into contracts with the owners of a qualified historical property to provide for the use, maintenance and restoration of such historical property so as to retain its characteristics as a property of historical significance; and

WHEREAS, Jason and Maria Lawliss possess fee title in and to that certain real property, together with associated structures and improvements thereon, generally located at the street address commonly known as 408 West Armsley Square, Ontario, California (hereinafter referred to as the "Property"); and

WHEREAS, on March 21, 2000, the City Council of the City of Ontario designated the Property as a Contributor within the Armsley Square Historic District pursuant to the terms and provisions of Chapter 4, of the Ontario Development Code; and

WHEREAS, the City and Jason and Maria Lawliss, for their mutual benefit, now desire to enter into a Historic Property Preservation Agreement, a copy of which is attached hereto as Exhibit "A" and incorporated herein by reference (hereinafter referred to as the "Preservation Agreement"); and

WHEREAS, the Application is a project pursuant to the California Environmental Quality Act (Public Resources Code Section 21000 et seq.) ("CEQA"); and

WHEREAS, the Project is exempt from CEQA pursuant to a categorical exemption (listed in CEQA Guidelines Article 19, commencing with Section 15300) and the application of that categorical exemption is not barred by one of the exceptions set forth in CEQA Guidelines Section 15300.2; and

WHEREAS, Ontario Development Code Table 2.02-1 (Review Matrix) grants the City Council the responsibility and authority to review and act on the subject Application; and

WHEREAS, City of Ontario Development Code Division 2.03 (Public Hearings) prescribes the manner in which public notification shall be provided and hearing procedures to be followed, and all such notifications and procedures have been completed; and

WHEREAS, on October 10, 2019, the Historic Preservation Subcommittee conducted a hearing and issued Decision No. HPSC19-008, recommending the Historic Preservation Commission recommend the City Council approve the Application; and

WHEREAS, on October 22, 2019, the Historic Preservation Commission conducted a hearing and issued Resolution No. PC19-083, recommending the City Council approve the Application; and

WHEREAS, on December 3, 2019, the City Council of the City of Ontario conducted a hearing to consider the Project, and concluded said hearing on that date; and

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

NOW, THEREFORE, IT IS HEREBY FOUND, DETERMINED, AND RESOLVED by the City Council of the City of Ontario, as follows:

SECTION 1. *Environmental Determination and Findings.* As the decision-making body for the Project, the City Council has reviewed and considered the information contained in the administrative record for the Project. Based upon the facts and information contained in the administrative record, including all written and oral evidence presented to the City Council, the City Council finds as follows:

(1) The Mills Act contract is not considered a project pursuant to Section 21065 of the CEQA Guidelines. The Mills Act contract will not result in a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

(2) The determination of CEQA exemption reflects the independent judgement of the City Council.

SECTION 2. *Concluding Facts and Reasons.* Based upon the substantial evidence presented to the City Council during the above-referenced hearing and upon the specific findings set forth in Section 1 above, the City Council hereby concludes as follows:

(1) California Government Code Section 50280, et seq., authorizes cities to enter into contracts with the owners of a qualified historical property to provide for the use, maintenance and restoration of such historical property so as to retain its characteristics as a property of historical significance; and

(2) Pursuant to California Government Code Section 50280, et seq., qualified historical properties are designated historic landmarks, contributing structures within designated historic districts, and properties listed on the National Register of Historic Places or the California Register of Historic Resources; and

(3) The Stephen A. Craig House, a 3,350 square foot single-family residence located at 408 West Armsley Square, was designated as a Contributor within the Armsley Square Historic District; and

(4) The Applicant has set forth a work program for this specific property to ensure the preservation of this historic resource that qualifies under the guidelines and standards set by the State of California.

SECTION 3. City Council Action. Based upon the findings and conclusions set forth in Sections 1 and 2 above, THE CITY COUNCIL APPROVES AND RATIFIES the historic property preservation agreement and authorizes the City Manager to execute the agreement, which is subject to the provisions of the City's Development Code (Sec. 4.02.065) and to each and every condition set forth in the Preservation Agreement, attached hereto as Exhibit "A" and incorporated herein by this reference; and

SECTION 4. Indemnification. The Applicant shall agree to defend, indemnify and hold harmless, the City of Ontario or its agents, officers, and employees from any claim, action or proceeding against the City of Ontario or its agents, officers or employees to attack, set aside, void or annul this approval. The City of Ontario shall promptly notify the applicant of any such claim, action or proceeding, and the City of Ontario shall cooperate fully in the defense.

SECTION 5. Recordation of Agreement. That the City Clerk of the City of Ontario, California, shall cause the Historic Preservation Agreement to be recorded in the office of the County Recorder of San Bernardino County.

SECTION 6. Notification of Assessor. That the City Clerk of the City of Ontario, California, shall notify the San Bernardino County Assessor in writing that the property has entered into a Preservation Agreement within 30 days of the recordation of the contract.

SECTION 7. Certification to Adoption. The City Clerk of the City of Ontario shall certify as to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED this 3rd day of December 2019.

PAUL S. LEON, MAYOR

ATTEST:

SHEILA MAUTZ, CITY CLERK

APPROVED AS TO LEGAL FORM:

COLE HUBER, LLP
CITY ATTORNEY

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)
CITY OF ONTARIO)

I, SHEILA MAUTZ, City Clerk of the City of Ontario, DO HEREBY CERTIFY that foregoing Resolution No. 2019-____ was duly passed and adopted by the City Council of the City of Ontario at their regular meeting held December 3, 2019 by the following roll call vote, to wit:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

SHEILA MAUTZ, CITY CLERK

(SEAL)

The foregoing is the original of Resolution No. 2019-____ duly passed and adopted by the Ontario City Council at their regular meeting held December 3, 2019.

SHEILA MAUTZ, CITY CLERK

(SEAL)

Exhibit "A"

Preservation Agreement

RECORDING REQUESTED BY
And When
RECORDED MAIL TO:

City Clerk, City of Ontario
303 East "B" Street
Ontario, CA 91764

Exempt Recording Fees Pursuant to Government
Code Section 6103 & 27383

HISTORIC PROPERTY PRESERVATION AGREEMENT

THIS AGREEMENT is made and entered into this 3rd day of December 2019, by and between the City of Ontario, a municipal corporation (hereinafter referred to as the "City") and Jason and Maria Antonia Lawliss (hereinafter referred to as the "Owner").

WITNESSETH:

A. Recitals.

(I) California Government Code Section 50280, et seq., authorizes cities to enter into contracts with the owners of qualified historical property to provide for the use, maintenance and restoration of such historical property so as to retain its characteristics as property of historical significance;

(ii) Owner possesses fee title in and to that certain real property, together with associated structures and improvements thereon, commonly known as the Stephen A. Craig House, generally located at the street address 408 West Armsley Square, Ontario, CA 91762 (hereinafter such property shall be referred to as the "Historic Property"). A legal description of the Historic Property is attached hereto, marked as Exhibit "A" and is incorporated herein by this reference;

(iii) On March 21, 2000, the City Council of the City of Ontario designated the Historic Property as a Contributor within the Armsley Square Historic District pursuant to the terms and provisions of Title 9, Chapter 1, Chapter 4 of the Ontario Municipal Code; and,

(iv) The City and Owner, for their mutual benefit, now desire to enter into this agreement both to protect and preserve the characteristics of historical significance of the Historic Property and to qualify the Historic Property for an assessment of valuation pursuant to the Provisions of Chapter 3, of Part 2, of Division 1 of the California Revenue and Taxation Code.

B. Agreement

NOW, THEREFORE, City and Owner, in consideration of the mutual covenants and conditions set forth herein, do hereby agree as follows:

1. Effective Date and Term of Agreement. This Agreement shall be effective and commence on December 3, 2019 and shall remain in effect for a term of ten (10) years thereafter. Each year upon the anniversary of the effective date, such initial term will automatically be extended as provided in paragraph 2, below.

2. Renewal. Each year on the anniversary of the effective date of this Agreement (hereinafter referred to as the "renewal date"), a year shall automatically be added to the initial term of this Agreement unless notice of non-renewal is mailed as provided herein. If either Owner or City desires in any year not to renew the Agreement, Owner or City shall serve written notice of non-renewal of the Agreement on the other party in advance of the annual renewal date of the Agreement. Unless such notice is served by Owner to City at least ninety (90) days prior to the annual renewal date, or served by City to Owner at least sixty (60) days prior to the annual renewal date, one (1) year shall automatically be added to the term of the Agreement provided herein. Owner may make a written protest of the notice. Upon receipt by the Owner of a notice from the City of non-renewal,

the City may, at any time prior to the annual renewal date of the Agreement, withdraw its notice to Owner of non-renewal. If either City or Owner serves notice to the other of non-renewal in any year, the Agreement shall remain in effect for the balance of the term then remaining, either from its original execution or from the last renewal of the Agreement, whichever may apply.

3. Fees. Prior to recordation the applicant shall pay the applicable fee in effect at the time recordation is requested.

4. Standards for Historical Property. During the term of this Agreement, the Historic Property shall be subject to the following conditions, requirements and restrictions:

A. Owner shall preserve and maintain the characteristics of historical significance of the Historic Property. Attached hereto, marked as Exhibits "B", and incorporated herein by this reference, is a list of those minimum standards and conditions for maintenance, use and preservation of the Historic Property, which shall apply to such property throughout the term of this Agreement.

B. Owner shall, where necessary, restore and rehabilitate the property according to the rules and regulations of the Office of Historic Preservation of the Department of Parks and Recreation, the United States Secretary of the Interior's Rehabilitation Standards, the State Historical Building Code, and the Ontario Development Code and in accordance with the attached schedule of potential improvements, drafted by the applicant and approved by the City Council, attached hereto as Exhibit "C".

C. Pursuant to Section 4.02.050 of the Ontario Development Code, Owner shall obtain a Certificate of Appropriateness for any alteration, addition, restoration, rehabilitation, repainting, resurfacing, and for each and every item listed in Exhibit "C", prior to commencement of work. Failure to obtain all necessary permits, including building permits, and approvals may result in cancellation of this Agreement as set forth on

Paragraph 6, Cancellation herein.

D. Owner shall allow reasonable periodic examinations, by prior appointment, of the interior and exterior of the Historic Property by representatives of the County Assessor, State Department of Parks and Recreation, State Board of Equalization, and the City, as may be necessary to determine Owner's compliance with the terms and provisions of this Agreement.

5. Provision of Information of Corporation. Owner hereby agrees to furnish City with any and all information requested by the City, which may be necessary or advisable to determine compliance with the terms and provision of this Agreement.

6. Cancellation. City, following a duly noticed public hearing as set forth in California Government Code Sections 50280, et seq., may cancel this Agreement if it determines that Owner breached any of the conditions of this Agreement or has allowed the property to deteriorate to the point that it no longer meets the standards for a qualified historic property. City may also cancel this Agreement if it determines that the Owner has failed to restore or rehabilitate the property in the manner specified in subparagraph 4(B) of this Agreement. In the event of cancellation, Owner may be subject to payment of those cancellation fees set forth in California Government Code Sections 50280, et seq.

7. Enforcement of Agreement. In lieu of and/or in addition to any provision to cancel the Agreement as referenced herein, City may specifically enforce, or enjoin the breach of, the terms of this Agreement. In the event of a default, under the provisions of this Agreement by Owner, City shall give written notice to Owner by registered or certified mail addressed to the address stated in this Agreement, and if such a violation is not corrected to the reasonable satisfaction of the City within thirty (30) days thereafter, or if not corrected within such reasonable time as may be required to cure the breach or default if said breach or default cannot be cured within thirty (30) days (provided that acts to cure the breach of default may be commenced within thirty (30) days and must be pursued to completion by Owner), then City may, without further notice, declare a default under the terms of this Agreement and may bring any action necessary to specifically

enforce the obligations of Owner growing out of the terms of this Agreement, apply to any court, state or federal, for injunctive relief against any violation by Owner or apply for such other relief against any violation by Owner or apply for such other relief as may be appropriate.

City does not waive any claim of default by Owner if City does not enforce or cancel this Agreement. All other remedies at law or in equity which are not otherwise provided for in this Agreement or in City's regulations governing historic properties are available to the City to pursue in the event that there is a breach of this Agreement. No waiver by City of any breach or default under this agreement shall be deemed to be a waiver of any other subsequent breach thereof or default herein under.

8. Binding Effect of Agreement. The Owner hereby subjects the Historic Property described in Exhibit "A" hereto to the covenants, reservations and restriction as set forth in this Agreement. City and Owner hereby declare their specific intent that the covenants, reservations and restrictions as set forth herein shall be deemed covenants running with the land and shall pass to and be binding upon the Owner's successors and assigns in title or interest to the Historic Property. Each and every contract, deed or other instrument hereinafter executed, covering or conveying the Historic Property, or any portion thereof, shall conclusively be held to have been executed, delivered and accepted subject to the covenants, reservations and restrictions expressed in this Agreement regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instrument.

City and Owner hereby declare their understanding and intent that the burden of the covenants, reservations and restrictions set forth herein touch and concern the land in that Owner's legal interest in the Historic Property is rendered less valuable thereby. City and Owner hereby further declare their understanding and intent that the benefit of such covenants, reservations and restrictions touch and concern the land by enhancing and maintaining the historic characteristics and significance of the Historic Property for the benefit of the public and the Owner.

9. Notice. Any notice required to be given by the terms of this Agreement shall be provided at the address of the respective parties as specified below or at any other address as may be later specified by the parties hereto.

To City: City of Ontario
303 East "B" Street
Ontario, CA 91764

Attention: Planning Director

To Owner: Jason and Maria Lawliss
408 West Armsley Square
Ontario, CA 91764

10. General Provisions.

A. None of the terms, provisions or conditions of this Agreement shall be deemed to create a partnership between the parties hereto and any of their heirs, successors or assigns, nor shall such terms, provisions or conditions cause them to be considered joint ventures or members of any joint enterprise.

B. Owner agrees to and shall hold City and its elected officials, officers, agents, and employees harmless from liability for damage or claims for damage for personal injuries, including death, and claims for property damage which may arise from the direct or indirect use or operations of Owner or those of his contractor, subcontractor, agent, employee or other person acting on his behalf which relates to the use, operation and maintenance of the Historic Property. Owner hereby agrees to and shall defend the City and its elected officials, officers, agents, and employees with respect to any and all actions for damages caused by, or alleged to have been caused by, reason of Owner's activities in connection with the Historic Property. This hold harmless provision applies to all damages and claims for damages suffered, or alleged to have been suffered, by reason of the operations referred to in this Agreement regardless of whether or not the City prepared, supplied or approved the plans, specifications or other documents for the Historic Property.

C. All of the agreements, rights, covenants, reservations and restrictions contained in this Agreement shall be binding upon and shall inure to the benefit of the parties herein, their heirs, successors, legal representatives, assigns and all persons acquiring any part or portion of the Historic Property, whether by operation of law or in any manner whatsoever.

D. In the event legal proceedings are brought by any party or parties to enforce or restrain a violation of any of the covenants, reservations or restrictions contained herein, or to determine the rights and duties of any party hereunder, the prevailing party in such proceeding may recover all reasonable attorney's fees to be fixed by the court, in addition to court costs and other relief ordered by the court.

E. In the event that any of the provisions of this Agreement are held to be unenforceable or invalid by any court of competent jurisdiction, or by subsequent preemptive legislation, the validity and enforceability of the remaining provisions, or portions thereof, shall not be affected thereby.

F. This Agreement shall be construed and governed in accordance with the laws of the State of California.

11. Recordation. No later than twenty (20) days after the parties execute and enter into this Agreement, the City shall cause this Agreement to be recorded in the office of the County Recorder of the County of San Bernardino.

12. Amendments. This Agreement may be amended, in whole or in part, only by a written recorded instrument executed by the parties hereto.

IN WITNESS WHEREOF, City and Owner have executed this Agreement on the day and year first written above.

CITY OF ONTARIO

Dated: _____

By: _____
City Manager

Attest

City Clerk

Approved as to Form

City Attorney

Dated: _____

By: _____
Jason Lawliss, Owner

Dated: _____

By: _____
Maria Antonia Lawliss, Owner

**Exhibit A: Historic Property Preservation Agreement
Legal Description**

Address: 408 West Armsley Square **APN:** 1047-341-09 **File No.:** PHP19-007
Ontario, CA 91762

The property located at: 408 West Armsley Square
Ontario, CA 91762

is legally described as: TRACT 1780 W 10 FT LOT 24 AND ALL LOT 23

APN: 1047-341-09-0-000

**Exhibit B: Historic Property Preservation Agreement
Property Maintenance**

Address: 408 West Arsmley Square **APN:** 1047-341-09 **File No.:** PHP19-007
Ontario, CA 91762

All buildings, structures, yards and other improvements shall be maintained in a manner which does not detract from the appearance of the immediate neighborhood. The following conditions are prohibited:

1. Dilapidated, deteriorating, or unrepaired structures, such as fences, roofs, doors, walls, and windows;
2. Scrap lumber, junk, trash or debris;
3. Abandoned, discarded or unused objects or equipment, such as automobiles, automobile parts, furniture, stoves, refrigerators, cans, containers, or similar items;
4. Stagnant water or excavations, including unmaintained pools or spas;
5. Any device, decoration, design, structure or vegetation which is unsightly by reason of its height, condition, or its inappropriate location.

The property owner shall also comply with the provisions of the Duty to Keep in Good Repair Section of the Historic Preservation Ordinance (Sec. 9-1.7.01.045 of the Ontario Development Code) and all other applicable provisions of the City's Property Appearance – Nuisance Ordinance (Chapter 22 of Title 5 of the Ontario Municipal Code, Commencing at Sec. 5-22.02).

**Exhibit C: Historic Property Preservation Agreement
Proposed Improvements**

Address: 408 West Armsley Square **APN:** 1047-341-09 **File No.:** PHP19-007
Ontario, CA 91762

Contract Year	Description
2020:	Resurface bathtub.
2021:	New electrical, entire house.
2022:	Refinish original hardwood floors.
2023:	Repair interior plaster and paint.
2024:	Repair cracks in fireplace.
2025:	Replace flashing on roof.
2026:	Strip paint from original doors and treat original wood.
2027:	Patch and paint exterior stucco.
2028:	Replace balconies rotting wood and tile floor.
2029:	Add sewer drain from house to main line at street.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, APPROVING FILE NO. PHP19-008, AND AUTHORIZING THE CITY OF ONTARIO TO ENTER INTO A HISTORIC PROPERTY PRESERVATION AGREEMENT WITH PETER BUGBEE, FOR THE PROPERTY LOCATED AT 130 EAST J STREET (APN: 1048-071-05).

WHEREAS, California Government Code Section 50280, et seq., authorizes cities to enter into contracts with the owners of a qualified historical property to provide for the use, maintenance and restoration of such historical property so as to retain its characteristics as a property of historical significance; and

WHEREAS, Peter Bugbee possesses fee title in and to that certain real property, together with associated structures and improvements thereon, generally located at the street address commonly known as 130 East J Street, Ontario, California (hereinafter referred to as the "Property"); and

WHEREAS, on October 2, 2001, the City Council of the City of Ontario designated the Property as a Contributor within the Rosewood Court Historic District pursuant to the terms and provisions of Chapter 4, of the Ontario Development Code; and

WHEREAS, the City and Peter Bugbee, for their mutual benefit, now desire to enter into a Historic Property Preservation Agreement, a copy of which is attached hereto as Exhibit "A" and incorporated herein by reference (hereinafter referred to as the "Preservation Agreement"); and

WHEREAS, the Application is a project pursuant to the California Environmental Quality Act (Public Resources Code Section 21000 et seq.) ("CEQA"); and

WHEREAS, the Project is exempt from CEQA pursuant to a categorical exemption (listed in CEQA Guidelines Article 19, commencing with Section 15300) and the application of that categorical exemption is not barred by one of the exceptions set forth in CEQA Guidelines Section 15300.2; and

WHEREAS, Ontario Development Code Table 2.02-1 (Review Matrix) grants the City Council the responsibility and authority to review and act on the subject Application; and

WHEREAS, City of Ontario Development Code Division 2.03 (Public Hearings) prescribes the manner in which public notification shall be provided and hearing procedures to be followed, and all such notifications and procedures have been completed; and

WHEREAS, on October 10, 2019, the Historic Preservation Subcommittee conducted a hearing and issued Decision No. HPSC19-009, recommending the Historic Preservation Commission recommend the City Council approve the Application; and

WHEREAS, on October 22, 2019, the Historic Preservation Commission conducted a hearing and issued Resolution No. PC19-084, recommending the City Council approve the Application; and

WHEREAS, on December 3, 2019, the City Council of the City of Ontario conducted a hearing to consider the Project, and concluded said hearing on that date; and

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

NOW, THEREFORE, IT IS HEREBY FOUND, DETERMINED, AND RESOLVED by the City Council of the City of Ontario, as follows:

SECTION 1. Environmental Determination and Findings. As the decision-making body for the Project, the City Council has reviewed and considered the information contained in the administrative record for the Project. Based upon the facts and information contained in the administrative record, including all written and oral evidence presented to the City Council, the City Council finds as follows:

(1) The Mills Act contract is not considered a project pursuant to Section 21065 of the CEQA Guidelines. The Mills Act contract will not result in a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

(2) The determination of CEQA exemption reflects the independent judgement of the City Council.

SECTION 2. Concluding Facts and Reasons. Based upon the substantial evidence presented to the City Council during the above-referenced hearing and upon the specific findings set forth in Section 1 above, the City Council hereby concludes as follows:

(1) California Government Code Section 50280, et seq., authorizes cities to enter into contracts with the owners of a qualified historical property to provide for the use, maintenance and restoration of such historical property so as to retain its characteristics as a property of historical significance; and

(2) Pursuant to California Government Code Section 50280, et seq., qualified historical properties are designated historic landmarks, contributing structures within designated historic districts, and properties listed on the National Register of Historic Places or the California Register of Historic Resources; and

(3) The C.E. Pratt House, a 1,242 square foot single-family residence located at 130 East J Street, was designated as a Contributor within the Rosewood Court Historic District; and

(4) The Applicant has set forth a work program for this specific property to ensure the preservation of this historic resource that qualifies under the guidelines and standards set by the State of California.

SECTION 3. **City Council Action.** Based upon the findings and conclusions set forth in Sections 1 and 2 above, THE CITY COUNCIL APPROVES AND RATIFIES the historic property preservation agreement and authorizes the City Manager to execute the agreement, which is subject to the provisions of the City's Development Code (Sec. 4.02.065) and to each and every condition set forth in the Preservation Agreement, attached hereto as Exhibit "A" and incorporated herein by this reference; and

SECTION 4. **Indemnification.** The Applicant shall agree to defend, indemnify and hold harmless, the City of Ontario or its agents, officers, and employees from any claim, action or proceeding against the City of Ontario or its agents, officers or employees to attack, set aside, void or annul this approval. The City of Ontario shall promptly notify the applicant of any such claim, action or proceeding, and the City of Ontario shall cooperate fully in the defense.

SECTION 5. **Recordation of Agreement.** That the City Clerk of the City of Ontario, California, shall cause the Historic Preservation Agreement to be recorded in the office of the County Recorder of San Bernardino County.

SECTION 6. **Notification of Assessor.** That the City Clerk of the City of Ontario, California, shall notify the San Bernardino County Assessor in writing that the property has entered into a Preservation Agreement within 30 days of the recordation of the contract.

SECTION 7. **Certification to Adoption.** The City Clerk of the City of Ontario shall certify as to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED this 3rd day of December 2019.

PAUL S. LEON, MAYOR

ATTEST:

SHEILA MAUTZ, CITY CLERK

APPROVED AS TO LEGAL FORM:

COLE HUBER, LLP
CITY ATTORNEY

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)
CITY OF ONTARIO)

I, SHEILA MAUTZ, City Clerk of the City of Ontario, DO HEREBY CERTIFY that foregoing Resolution No. 2019- was duly passed and adopted by the City Council of the City of Ontario at their regular meeting held December 3, 2019 by the following roll call vote, to wit:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

SHEILA MAUTZ, CITY CLERK

(SEAL)

The foregoing is the original of Resolution No. 2019- duly passed and adopted by the Ontario City Council at their regular meeting held December 3, 2019.

SHEILA MAUTZ, CITY CLERK

(SEAL)

Exhibit "A"

Preservation Agreement

RECORDING REQUESTED BY
And When
RECORDED MAIL TO:

City Clerk, City of Ontario
303 East "B" Street
Ontario, CA 91764

Exempt Recording Fees Pursuant to Government
Code Section 6103 & 27383

HISTORIC PROPERTY PRESERVATION AGREEMENT

THIS AGREEMENT is made and entered into this 3rd day of December 2019, by and between the City of Ontario, a municipal corporation (hereinafter referred to as the "City") and Peter Bugbee (hereinafter referred to as the "Owner").

WITNESSETH:

A. Recitals.

(I) California Government Code Section 50280, et seq., authorizes cities to enter into contracts with the owners of qualified historical property to provide for the use, maintenance and restoration of such historical property so as to retain its characteristics as property of historical significance;

(ii) Owner possesses fee title in and to that certain real property, together with associated structures and improvements thereon, commonly known as the C.E. Pratt House, generally located at the street address 130 East J Street, Ontario, CA 91764 (hereinafter such property shall be referred to as the "Historic Property"). A legal description of the Historic Property is attached hereto, marked as Exhibit "A" and is incorporated herein by this reference;

(iii) On July 16, 2002, the City Council of the City of Ontario designated the Historic Property as a Contributor within the Rosewood Court Historic District pursuant to the terms and provisions of Title 9, Chapter 1, Chapter 4 of the Ontario Municipal Code; and,

(iv) The City and Owner, for their mutual benefit, now desire to enter into this agreement both to protect and preserve the characteristics of historical significance of the Historic Property and to qualify the Historic Property for an assessment of valuation pursuant to the Provisions of Chapter 3, of Part 2, of Division 1 of the California Revenue and Taxation Code.

B. Agreement

NOW, THEREFORE, City and Owner, in consideration of the mutual covenants and conditions set forth herein, do hereby agree as follows:

1. Effective Date and Term of Agreement. This Agreement shall be effective and commence on December 3, 2019 and shall remain in effect for a term of ten (10) years thereafter. Each year upon the anniversary of the effective date, such initial term will automatically be extended as provided in paragraph 2, below.

2. Renewal. Each year on the anniversary of the effective date of this Agreement (hereinafter referred to as the "renewal date"), a year shall automatically be added to the initial term of this Agreement unless notice of non-renewal is mailed as provided herein. If either Owner or City desires in any year not to renew the Agreement, Owner or City shall serve written notice of non-renewal of the Agreement on the other party in advance of the annual renewal date of the Agreement. Unless such notice is served by Owner to City at least ninety (90) days prior to the annual renewal date, or served by City to Owner at least sixty (60) days prior to the annual renewal date, one (1) year shall automatically be added to the term of the Agreement provided herein. Owner may make a written protest of the notice. Upon receipts by the Owner of a notice from the City of non-renewal, the City may, at any time prior to the annual renewal date of the Agreement, withdraw its

notice to Owner of non-renewal. If either City or Owner serves notice to the other of non-renewal in any year, the Agreement shall remain in effect for the balance of the term then remaining, either from its original execution or from the last renewal of the Agreement, whichever may apply.

3. Fees. Prior to recordation the applicant shall pay the applicable fee in effect at the time recordation is requested.

4. Standards for Historical Property. During the term of this Agreement, the Historic Property shall be subject to the following conditions, requirements and restrictions:

A. Owner shall preserve and maintain the characteristics of historical significance of the Historic Property. Attached hereto, marked as Exhibits "B", and incorporated herein by this reference, is a list of those minimum standards and conditions for maintenance, use and preservation of the Historic Property, which shall apply to such property throughout the term of this Agreement.

B. Owner shall, where necessary, restore and rehabilitate the property according to the rules and regulations of the Office of Historic Preservation of the Department of Parks and Recreation, the United States Secretary of the Interior's Rehabilitation Standards, the State Historical Building Code, and the Ontario Development Code and in accordance with the attached schedule of potential improvements, drafted by the applicant and approved by the City Council, attached hereto as Exhibit "C".

C. Pursuant to Section 4.02.050 of the Ontario Development Code, Owner shall obtain a Certificate of Appropriateness for any alteration, addition, restoration, rehabilitation, repainting, resurfacing, and for each and every item listed in Exhibit "C", prior to commencement of work. Failure to obtain all necessary permits, including building permits, and approvals may result in cancellation of this Agreement as set forth on Paragraph 6, Cancellation herein.

D. Owner shall allow reasonable periodic examinations, by prior appointment, of the interior and exterior of the Historic Property by representatives of the County Assessor, State Department of Parks and Recreation, State Board of Equalization, and the City, as may be necessary to determine Owner's compliance with the terms and provisions of this Agreement.

5. Provision of Information of Corporation. Owner hereby agrees to furnish City with any and all information requested by the City, which may be necessary or advisable to determine compliance with the terms and provision of this Agreement.

6. Cancellation. City, following a duly noticed public hearing as set forth in California Government Code Sections 50280, et seq., may cancel this Agreement if it determines that Owner breached any of the conditions of this Agreement or has allowed the property to deteriorate to the point that it no longer meets the standards for a qualified historic property. City may also cancel this Agreement if it determines that the Owner has failed to restore or rehabilitate the property in the manner specified in subparagraph 4(B) of this Agreement. In the event of cancellation, Owner may be subject to payment of those cancellation fees set forth in California Government Code Sections 50280, et seq.

7. Enforcement of Agreement. In lieu of and/or in addition to any provision to cancel the Agreement as referenced herein, City may specifically enforce, or enjoin the breach of, the terms of this Agreement. In the event of a default, under the provisions of this Agreement by Owner, City shall give written notice to Owner by registered or certified mail addressed to the address stated in this Agreement, and if such a violation is not corrected to the reasonable satisfaction of the City within thirty (30) days thereafter, or if not corrected within such reasonable time as may be required to cure the breach or default if said breach or default cannot be cured within thirty (30) days (provided that acts to cure the breach of default may be commenced within thirty (30) days and must be pursued to completion by Owner), then City may, without further notice, declare a default under the terms of this Agreement and may bring any action necessary to specifically enforce the obligations of Owner growing out of the terms of this Agreement, apply to any

court, state or federal, for injunctive relief against any violation by Owner or apply for such other relief against any violation by Owner or apply for such other relief as may be appropriate.

City does not waive any claim of default by Owner if City does not enforce or cancel this Agreement. All other remedies at law or in equity which are not otherwise provided for in this Agreement or in City's regulations governing historic properties are available to the City to pursue in the event that there is a breach of this Agreement. No waiver by City of any breach or default under this agreement shall be deemed to be a waiver of any other subsequent breach thereof or default herein under.

8. Binding Effect of Agreement. The Owner hereby subjects the Historic Property described in Exhibit "A" hereto to the covenants, reservations and restriction as set forth in this Agreement. City and Owner hereby declare their specific intent that the covenants, reservations and restrictions as set forth herein shall be deemed covenants running with the land and shall pass to and be binding upon the Owner's successors and assigns in title or interest to the Historic Property. Each and every contract, deed or other instrument hereinafter executed, covering or conveying the Historic Property, or any portion thereof, shall conclusively be held to have been executed, delivered and accepted subject to the covenants, reservations and restrictions expressed in this Agreement regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instrument.

City and Owner hereby declare their understanding and intent that the burden of the covenants, reservations and restrictions set forth herein touch and concern the land in that Owner's legal interest in the Historic Property is rendered less valuable thereby. City and Owner hereby further declare their understanding and intent that the benefit of such covenants, reservations and restrictions touch and concern the land by enhancing and maintaining the historic characteristics and significance of the Historic Property for the benefit of the public and the Owner.

9. Notice. Any notice required to be given by the terms of this Agreement shall be

provided at the address of the respective parties as specified below or at any other address as may be later specified by the parties hereto.

To City: City of Ontario
303 East "B" Street
Ontario, CA 91764

Attention: Planning Director

To Owner: Peter Bugbee
130 East J Street
Ontario, CA 91764

10. General Provisions.

A. None of the terms, provisions or conditions of this Agreement shall be deemed to create a partnership between the parties hereto and any of their heirs, successors or assigns, nor shall such terms, provisions or conditions cause them to be considered joint ventures or members of any joint enterprise.

B. Owner agrees to and shall hold City and its elected officials, officers, agents, and employees harmless from liability for damage or claims for damage for personal injuries, including death, and claims for property damage which may arise from the direct or indirect use or operations of Owner or those of his contractor, subcontractor, agent, employee or other person acting on his behalf which relates to the use, operation and maintenance of the Historic Property. Owner hereby agrees to and shall defend the City and its elected officials, officers, agents, and employees with respect to any and all actions for damages caused by, or alleged to have been caused by, reason of Owner's activities in connection with the Historic Property. This hold harmless provision applies to all damages and claims for damages suffered, or alleged to have been suffered, by reason of the operations referred to in this Agreement regardless of whether or not the City prepared, supplied or approved the plans, specifications or other documents for the Historic Property.

C. All of the agreements, rights, covenants, reservations and restrictions

contained in this Agreement shall be binding upon and shall inure to the benefit of the parties herein, their heirs, successors, legal representatives, assigns and all persons acquiring any part or portion of the Historic Property, whether by operation of law or in any manner whatsoever.

D. In the event legal proceedings are brought by any party or parties to enforce or restrain a violation of any of the covenants, reservations or restrictions contained herein, or to determine the rights and duties of any party hereunder, the prevailing party in such proceeding may recover all reasonable attorney's fees to be fixed by the court, in addition to court costs and other relief ordered by the court.

E. In the event that any of the provisions of this Agreement are held to be unenforceable or invalid by any court of competent jurisdiction, or by subsequent preemptive legislation, the validity and enforceability of the remaining provisions, or portions thereof, shall not be affected thereby.

F. This Agreement shall be construed and governed in accordance with the laws of the State of California.

11. Recordation. No later than twenty (20) days after the parties execute and enter into this Agreement, the City shall cause this Agreement to be recorded in the office of the County Recorder of the County of San Bernardino.

12. Amendments. This Agreement may be amended, in whole or in part, only by a written recorded instrument executed by the parties hereto.

IN WITNESS WHEREOF, City and Owner have executed this Agreement on the day and year first written above.

CITY OF ONTARIO

Dated: _____

By: _____
City Manager

Attest

City Clerk

Approved as to Form

City Attorney

Dated: _____

By: _____
Peter Bugbee, Owner

**Exhibit A: Historic Property Preservation Agreement
Legal Description**

Address: 130 East J Street
Ontario, CA 91764

APN: 1048-071-05

File No.: PHP19-008

The property located at: 130 East J Street
Ontario, CA 91764

is legally described as: LOT 1 BURTON'S SUBDIVISION, IN THE CITY OF ONTARIO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 23, PAGE 36 OF MAPS, RECORDS OF SAID COUNTY. TOGETHER WITH THE NORTH HALF OF THE ALLEY ADJOINING ON THE SOUTH LINE OF SAID LOT.

APN: 1048-071-05-0-000

**Exhibit B: Historic Property Preservation Agreement
Property Maintenance**

Address: 130 East J Street
Ontario, CA 91764

APN: 1048-071-05

File No.: PHP19-008

All buildings, structures, yards and other improvements shall be maintained in a manner which does not detract from the appearance of the immediate neighborhood. The following conditions are prohibited:

1. Dilapidated, deteriorating, or unrepaired structures, such as fences, roofs, doors, walls, and windows;
2. Scrap lumber, junk, trash or debris;
3. Abandoned, discarded or unused objects or equipment, such as automobiles, automobile parts, furniture, stoves, refrigerators, cans, containers, or similar items;
4. Stagnant water or excavations, including unmaintained pools or spas;
5. Any device, decoration, design, structure or vegetation which is unsightly by reason of its height, condition, or its inappropriate location.

The property owner shall also comply with the provisions of the Duty to Keep in Good Repair Section of the Historic Preservation Ordinance (Sec. 9-1.7.01.045 of the Ontario Development Code) and all other applicable provisions of the City's Property Appearance – Nuisance Ordinance (Chapter 22 of Title 5 of the Ontario Municipal Code, Commencing at Sec. 5-22.02).

**Exhibit C: Historic Property Preservation Agreement
Proposed Improvements**

Address: 130 East J Street
Ontario, CA 91764

APN: 1048-071-05

File No.: PHP19-008

Contract Year	Description
2020:	Repair blown electrical circuit leading to middle bedroom outlets and front irrigation. Replace broken outlet under sink with GFCI outlet. Sand and repaint cabinet under sink. Replace leaking supply line. Mold remediation in shower. Exterior paint on house and detached garage. Repair stucco cracks on porte-cochere, front entry and west wall.
2021:	Repair west facing garage window. Replace cracked laundry discharge pipe. Strip, treat and paint 2 rain downspouts and gutter. Repair cracks on south side of garage.
2022:	Repair north facing window and screen in study.
2023:	Plumbing repairs in front bathroom.
2024:	New plumbing in master bathroom. Restore window at west study.
2025:	New plumbing in front bathroom. Restore window at north east dining room window. Restore garage door, sand, prep and paint. Repair cracks in garage stucco.
2026:	New plumbing in kitchen. Restore window at south east dining room window.
2027:	Repair and paint south facing garage window.
2028:	New plumbing in remainder of house.
2029:	New electrical entire house. Replace irrigation box and sprinklers as needed in front yard.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, APPROVING FILE NO. PHP19-010, AND AUTHORIZING THE CITY OF ONTARIO TO ENTER INTO A HISTORIC PROPERTY PRESERVATION AGREEMENT WITH JOHN AYLYNG AND DIANNE FIFE, FOR THE PROPERTY LOCATED AT 907 NORTH EUCLID AVENUE (APN: 1048-043-13).

WHEREAS, California Government Code Section 50280, et seq., authorizes cities to enter into contracts with the owners of a qualified historical property to provide for the use, maintenance and restoration of such historical property so as to retain its characteristics as a property of historical significance; and

WHEREAS, John Aylyng and Dianne Fife possess fee title in and to that certain real property, together with associated structures and improvements thereon, generally located at the street address commonly known as 907 North Euclid Avenue, Ontario, California (hereinafter referred to as the "Property"); and

WHEREAS, on January 19, 1999, the City Council of the City of Ontario designated the Property as Local Landmark No. 40 and on June 4, 2013 as a Contributor within the Euclid Avenue Historic District pursuant to the terms and provisions of Chapter 4, of the Ontario Development Code; and

WHEREAS, the City and John Aylyng and Dianne Fife, for their mutual benefit, now desire to enter into a Historic Property Preservation Agreement, a copy of which is attached hereto as Exhibit "A" and incorporated herein by reference (hereinafter referred to as the "Preservation Agreement"); and

WHEREAS, the Application is a project pursuant to the California Environmental Quality Act (Public Resources Code Section 21000 et seq.) ("CEQA"); and

WHEREAS, the Project is exempt from CEQA pursuant to a categorical exemption (listed in CEQA Guidelines Article 19, commencing with Section 15300) and the application of that categorical exemption is not barred by one of the exceptions set forth in CEQA Guidelines Section 15300.2; and

WHEREAS, Ontario Development Code Table 2.02-1 (Review Matrix) grants the City Council the responsibility and authority to review and act on the subject Application; and

WHEREAS, City of Ontario Development Code Division 2.03 (Public Hearings) prescribes the manner in which public notification shall be provided and hearing procedures to be followed, and all such notifications and procedures have been completed; and

WHEREAS, on October 10, 2019, the Historic Preservation Subcommittee conducted a hearing and issued Decision No. HPSC19-010, recommending the Historic Preservation Commission recommend the City Council approve the Application; and

WHEREAS, on October 22, 2019, the Historic Preservation Commission conducted a hearing and issued Resolution No. PC19-085, recommending the City Council approve the Application; and

WHEREAS, on December 3, 2019, the City Council of the City of Ontario conducted a hearing to consider the Project, and concluded said hearing on that date; and

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

NOW, THEREFORE, IT IS HEREBY FOUND, DETERMINED, AND RESOLVED by the City Council of the City of Ontario, as follows:

SECTION 1. Environmental Determination and Findings. As the decision-making body for the Project, the City Council has reviewed and considered the information contained in the administrative record for the Project. Based upon the facts and information contained in the administrative record, including all written and oral evidence presented to the City Council, the City Council finds as follows:

(1) The Mills Act contract is not considered a project pursuant to Section 21065 of the CEQA Guidelines. The Mills Act contract will not result in a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

(2) The determination of CEQA exemption reflects the independent judgement of the City Council.

SECTION 2. Concluding Facts and Reasons. Based upon the substantial evidence presented to the City Council during the above-referenced hearing and upon the specific findings set forth in Section 1 above, the City Council hereby concludes as follows:

(1) California Government Code Section 50280, et seq., authorizes cities to enter into contracts with the owners of a qualified historical property to provide for the use, maintenance and restoration of such historical property so as to retain its characteristics as a property of historical significance; and

(2) Pursuant to California Government Code Section 50280, et seq., qualified historical properties are designated historic landmarks, contributing structures within designated historic districts, and properties listed on the National Register of Historic Places or the California Register of Historic Resources; and

(3) The Captain John P. Robertson House, a 3,652 square foot single-family residence located at 907 North Euclid Avenue, was designated as Local Landmark No. 40 and as a Contributor within the Euclid Avenue Historic District; and

(4) The Applicant has set forth a work program for this specific property to ensure the preservation of this historic resource that qualifies under the guidelines and standards set by the State of California.

SECTION 3. City Council Action. Based upon the findings and conclusions set forth in Sections 1 and 2 above, THE CITY COUNCIL APPROVES AND RATIFIES the historic property preservation agreement and authorizes the City Manager to execute the agreement, which is subject to the provisions of the City's Development Code (Sec. 4.02.065) and to each and every condition set forth in the Preservation Agreement, attached hereto as Exhibit "A" and incorporated herein by this reference; and

SECTION 4. Indemnification. The Applicant shall agree to defend, indemnify and hold harmless, the City of Ontario or its agents, officers, and employees from any claim, action or proceeding against the City of Ontario or its agents, officers or employees to attack, set aside, void or annul this approval. The City of Ontario shall promptly notify the applicant of any such claim, action or proceeding, and the City of Ontario shall cooperate fully in the defense.

SECTION 5. Recordation of Agreement. That the City Clerk of the City of Ontario, California, shall cause the Historic Preservation Agreement to be recorded in the office of the County Recorder of San Bernardino County.

SECTION 6. Notification of Assessor. That the City Clerk of the City of Ontario, California, shall notify the San Bernardino County Assessor in writing that the property has entered into a Preservation Agreement within 30 days of the recordation of the contract.

SECTION 7. Certification to Adoption. The City Clerk of the City of Ontario shall certify as to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED this 3rd day of December 2019.

PAUL S. LEON, MAYOR

ATTEST:

SHEILA MAUTZ, CITY CLERK

APPROVED AS TO LEGAL FORM:

COLE HUBER, LLP
CITY ATTORNEY

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)
CITY OF ONTARIO)

I, SHEILA MAUTZ, City Clerk of the City of Ontario, DO HEREBY CERTIFY that foregoing Resolution No. 2019- was duly passed and adopted by the City Council of the City of Ontario at their regular meeting held December 3, 2019 by the following roll call vote, to wit:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:

SHEILA MAUTZ, CITY CLERK

(SEAL)

The foregoing is the original of Resolution No. 2019- duly passed and adopted by the Ontario City Council at their regular meeting held December 3, 2019.

SHEILA MAUTZ, CITY CLERK

(SEAL)

Exhibit "A"

Preservation Agreement

RECORDING REQUESTED BY
And When
RECORDED MAIL TO:

City Clerk, City of Ontario
303 East "B" Street
Ontario, CA 91764

Exempt Recording Fees Pursuant to Government
Code Section 6103 & 27383

HISTORIC PROPERTY PRESERVATION AGREEMENT

THIS AGREEMENT is made and entered into this 3rd day of December 2019, by and between the City of Ontario, a municipal corporation (hereinafter referred to as the "City") and John Aylyng and Dianne Fife (hereinafter referred to as the "Owner").

WITNESSETH:

A. Recitals.

(I) California Government Code Section 50280, et seq., authorizes cities to enter into contracts with the owners of qualified historical property to provide for the use, maintenance and restoration of such historical property so as to retain its characteristics as property of historical significance;

(ii) Owner possesses fee title in and to that certain real property, together with associated structures and improvements thereon, commonly known as the Captain John P. Robertson House, generally located at the street address 907 North Euclid Avenue, Ontario, CA 91762 (hereinafter such property shall be referred to as the "Historic Property"). A legal description of the Historic Property is attached hereto, marked as Exhibit "A" and is incorporated herein by this reference;

(iii) On January 19, 1999, the City Council of the City of Ontario designated the Historic Property as Local Landmark No. 40 and on June 4, 2013 designated the Historic Property as a Contributor within the Euclid Avenue Historic District pursuant to the terms and provisions of Title 9, Chapter 1, Chapter 4 of the Ontario Municipal Code; and,

(iv) The City and Owner, for their mutual benefit, now desire to enter into this agreement both to protect and preserve the characteristics of historical significance of the Historic Property and to qualify the Historic Property for an assessment of valuation pursuant to the Provisions of Chapter 3, of Part 2, of Division 1 of the California Revenue and Taxation Code.

B. Agreement

NOW, THEREFORE, City and Owner, in consideration of the mutual covenants and conditions set forth herein, do hereby agree as follows:

1. Effective Date and Term of Agreement. This Agreement shall be effective and commence on December 3, 2019 and shall remain in effect for a term of ten (10) years thereafter. Each year upon the anniversary of the effective date, such initial term will automatically be extended as provided in paragraph 2, below.

2. Renewal. Each year on the anniversary of the effective date of this Agreement (hereinafter referred to as the "renewal date"), a year shall automatically be added to the initial term of this Agreement unless notice of non-renewal is mailed as provided herein. If either Owner or City desires in any year not to renew the Agreement, Owner or City shall serve written notice of non-renewal of the Agreement on the other party in advance of the annual renewal date of the Agreement. Unless such notice is served by Owner to City at least ninety (90) days prior to the annual renewal date, or served by City to Owner at least sixty (60) days prior to the annual renewal date, one (1) year shall automatically be added to the term of the Agreement provided herein. Owner may make a written protest of the notice. Upon receipts by the Owner of a notice from the City of non-renewal,

the City may, at any time prior to the annual renewal date of the Agreement, withdraw its notice to Owner of non-renewal. If either City or Owner serves notice to the other of non-renewal in any year, the Agreement shall remain in effect for the balance of the term then remaining, either from its original execution or from the last renewal of the Agreement, whichever may apply.

3. Fees. Prior to recordation the applicant shall pay the applicable fee in effect at the time recordation is requested.

4. Standards for Historical Property. During the term of this Agreement, the Historic Property shall be subject to the following conditions, requirements and restrictions:

A. Owner shall preserve and maintain the characteristics of historical significance of the Historic Property. Attached hereto, marked as Exhibits "B", and incorporated herein by this reference, is a list of those minimum standards and conditions for maintenance, use and preservation of the Historic Property, which shall apply to such property throughout the term of this Agreement.

B. Owner shall, where necessary, restore and rehabilitate the property according to the rules and regulations of the Office of Historic Preservation of the Department of Parks and Recreation, the United States Secretary of the Interior's Rehabilitation Standards, the State Historical Building Code, and the Ontario Development Code and in accordance with the attached schedule of potential improvements, drafted by the applicant and approved by the City Council, attached hereto as Exhibit "C".

C. Pursuant to Section 4.02.050 of the Ontario Development Code, Owner shall obtain a Certificate of Appropriateness for any alteration, addition, restoration, rehabilitation, repainting, resurfacing, and for each and every item listed in Exhibit "C", prior to commencement of work. Failure to obtain all necessary permits, including building permits, and approvals may result in cancellation of this Agreement as set forth on

Paragraph 6, Cancellation herein.

D. Owner shall allow reasonable periodic examinations, by prior appointment, of the interior and exterior of the Historic Property by representatives of the County Assessor, State Department of Parks and Recreation, State Board of Equalization, and the City, as may be necessary to determine Owner's compliance with the terms and provisions of this Agreement.

5. Provision of Information of Corporation. Owner hereby agrees to furnish City with any and all information requested by the City, which may be necessary or advisable to determine compliance with the terms and provision of this Agreement.

6. Cancellation. City, following a duly noticed public hearing as set forth in California Government Code Sections 50280, et seq., may cancel this Agreement if it determines that Owner breached any of the conditions of this Agreement or has allowed the property to deteriorate to the point that it no longer meets the standards for a qualified historic property. City may also cancel this Agreement if it determines that the Owner has failed to restore or rehabilitate the property in the manner specified in subparagraph 4(B) of this Agreement. In the event of cancellation, Owner may be subject to payment of those cancellation fees set forth in California Government Code Sections 50280, et seq.

7. Enforcement of Agreement. In lieu of and/or in addition to any provision to cancel the Agreement as referenced herein, City may specifically enforce, or enjoin the breach of, the terms of this Agreement. In the event of a default, under the provisions of this Agreement by Owner, City shall give written notice to Owner by registered or certified mail addressed to the address stated in this Agreement, and if such a violation is not corrected to the reasonable satisfaction of the City within thirty (30) days thereafter, or if not corrected within such reasonable time as may be required to cure the breach or default if said breach or default cannot be cured within thirty (30) days (provided that acts to cure the breach of default may be commenced within thirty (30) days and must be pursued to completion by Owner), then City may, without further notice, declare a default under the terms of this Agreement and may bring any action necessary to specifically

enforce the obligations of Owner growing out of the terms of this Agreement, apply to any court, state or federal, for injunctive relief against any violation by Owner or apply for such other relief against any violation by Owner or apply for such other relief as may be appropriate.

City does not waive any claim of default by Owner if City does not enforce or cancel this Agreement. All other remedies at law or in equity which are not otherwise provided for in this Agreement or in City's regulations governing historic properties are available to the City to pursue in the event that there is a breach of this Agreement. No waiver by City of any breach or default under this agreement shall be deemed to be a waiver of any other subsequent breach thereof or default herein under.

8. Binding Effect of Agreement. The Owner hereby subjects the Historic Property described in Exhibit "A" hereto to the covenants, reservations and restriction as set forth in this Agreement. City and Owner hereby declare their specific intent that the covenants, reservations and restrictions as set forth herein shall be deemed covenants running with the land and shall pass to and be binding upon the Owner's successors and assigns in title or interest to the Historic Property. Each and every contract, deed or other instrument hereinafter executed, covering or conveying the Historic Property, or any portion thereof, shall conclusively be held to have been executed, delivered and accepted subject to the covenants, reservations and restrictions expressed in this Agreement regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instrument.

City and Owner hereby declare their understanding and intent that the burden of the covenants, reservations and restrictions set forth herein touch and concern the land in that Owner's legal interest in the Historic Property is rendered less valuable thereby. City and Owner hereby further declare their understanding and intent that the benefit of such covenants, reservations and restrictions touch and concern the land by enhancing and maintaining the historic characteristics and significance of the Historic Property for the benefit of the public and the Owner.

9. Notice. Any notice required to be given by the terms of this Agreement shall be provided at the address of the respective parties as specified below or at any other address as may be later specified by the parties hereto.

To City: City of Ontario
303 East "B" Street
Ontario, CA 91764

Attention: Planning Director

To Owner: John Aylyng and Dianne Fife
907 North Euclid Avenue
Ontario, CA 91762

10. General Provisions.

A. None of the terms, provisions or conditions of this Agreement shall be deemed to create a partnership between the parties hereto and any of their heirs, successors or assigns, nor shall such terms, provisions or conditions cause them to be considered joint ventures or members of any joint enterprise.

B. Owner agrees to and shall hold City and its elected officials, officers, agents, and employees harmless from liability for damage or claims for damage for personal injuries, including death, and claims for property damage which may arise from the direct or indirect use or operations of Owner or those of his contractor, subcontractor, agent, employee or other person acting on his behalf which relates to the use, operation and maintenance of the Historic Property. Owner hereby agrees to and shall defend the City and its elected officials, officers, agents, and employees with respect to any and all actions for damages caused by, or alleged to have been caused by, reason of Owner's activities in connection with the Historic Property. This hold harmless provision applies to all damages and claims for damages suffered, or alleged to have been suffered, by reason of the operations referred to in this Agreement regardless of whether or not the City prepared, supplied or approved the plans, specifications or other documents for the Historic Property.

C. All of the agreements, rights, covenants, reservations and restrictions contained in this Agreement shall be binding upon and shall inure to the benefit of the parties herein, their heirs, successors, legal representatives, assigns and all persons acquiring any part or portion of the Historic Property, whether by operation of law or in any manner whatsoever.

D. In the event legal proceedings are brought by any party or parties to enforce or restrain a violation of any of the covenants, reservations or restrictions contained herein, or to determine the rights and duties of any party hereunder, the prevailing party in such proceeding may recover all reasonable attorney's fees to be fixed by the court, in addition to court costs and other relief ordered by the court.

E. In the event that any of the provisions of this Agreement are held to be unenforceable or invalid by any court of competent jurisdiction, or by subsequent preemptive legislation, the validity and enforceability of the remaining provisions, or portions thereof, shall not be affected thereby.

F. This Agreement shall be construed and governed in accordance with the laws of the State of California.

11. Recordation. No later than twenty (20) days after the parties execute and enter into this Agreement, the City shall cause this Agreement to be recorded in the office of the County Recorder of the County of San Bernardino.

12. Amendments. This Agreement may be amended, in whole or in part, only by a written recorded instrument executed by the parties hereto.

IN WITNESS WHEREOF, City and Owner have executed this Agreement on the day and year first written above.

CITY OF ONTARIO

Dated: _____

By: _____
City Manager

Attest

City Clerk

Approved as to Form

City Attorney

Dated: _____

By: _____
John Aylyng, Owner

Dated: _____

By: _____
Dianne Fife, Owner

**Exhibit A: Historic Property Preservation Agreement
Legal Description**

Address: 907 North Euclid Avenue **APN:** 1048-043-13 **File No.:** PHP19-010
Ontario, CA 91762

The property located at: 907 North Euclid Avenue
Ontario, CA 91762

is legally described as: TOWN OF ONTARIO N 85 FT S 153 FT E 200 FT LOT 4 BLK 848

APN: 1048-043-13-0-000

**Exhibit B: Historic Property Preservation Agreement
Property Maintenance**

Address: 907 North Euclid Avenue **APN:** 1048-043-13 **File No.:** PHP19-010
Ontario, CA 91762

All buildings, structures, yards and other improvements shall be maintained in a manner which does not detract from the appearance of the immediate neighborhood. The following conditions are prohibited:

1. Dilapidated, deteriorating, or unrepaired structures, such as fences, roofs, doors, walls, and windows;
2. Scrap lumber, junk, trash or debris;
3. Abandoned, discarded or unused objects or equipment, such as automobiles, automobile parts, furniture, stoves, refrigerators, cans, containers, or similar items;
4. Stagnant water or excavations, including unmaintained pools or spas;
5. Any device, decoration, design, structure or vegetation which is unsightly by reason of its height, condition, or its inappropriate location.

The property owner shall also comply with the provisions of the Duty to Keep in Good Repair Section of the Historic Preservation Ordinance (Sec. 9-1.7.01.045 of the Ontario Development Code) and all other applicable provisions of the City's Property Appearance – Nuisance Ordinance (Chapter 22 of Title 5 of the Ontario Municipal Code, Commencing at Sec. 5-22.02).

**Exhibit C: Historic Property Preservation Agreement
Proposed Improvements**

Address: 907 North Euclid Avenue **APN:** 1048-043-13 **File No.:** PHP19-010
Ontario, CA 91762

Contract Year	Description
2020:	New roof, gutters and downspouts.
2021:	Exterior paint.
2022:	Rewire and electrical upgrade.
2023:	Strip paint, sand, and repaint window frame and sash, re-caulk and weatherize windows as needed at entry and front living room.
2024:	Install new HVAC system.
2025:	Strip paint, sand, and repaint window frame and sash, re-caulk and weatherize windows as needed at stairs and screen porch.
2026:	Strip paint, sand, and repaint window frame and sash, re-caulk and weatherize windows as needed in dining room and library.
2027:	Strip paint, sand, and repaint window frame and sash, re-caulk and weatherize windows as needed in front 2 bedrooms (second floor).
2028:	Strip paint, sand, and repaint window frame and sash, re-caulk and weatherize windows as needed in rear 3 bedrooms (second floor).
2029:	Strip paint, sand, and repaint window frame and sash, re-caulk and weatherize windows as needed at rear of house.

CITY OF ONTARIO

Agenda Report
December 3, 2019

**SECTION:
PUBLIC HEARINGS**

SUBJECT: CONSIDERATION OF A SPENDING PLAN FOR CITIZEN'S OPTION FOR PUBLIC SAFETY / ENHANCING LAW ENFORCEMENT ACTIVITIES SUBACCOUNT GRANT PROGRAM

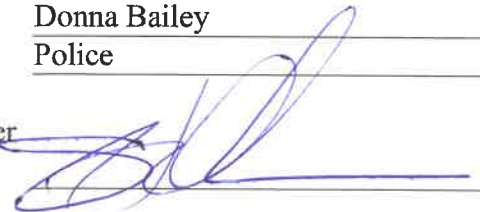
RECOMMENDATION: That the City Council receive public comment for the Fiscal Year 2019-20 Citizen's Option for Public Safety (COPS) / Enhancing Law Enforcement Activities Subaccount (ELEAS) Grant; and approve the proposed spending plan.

COUNCIL GOALS: Maintain the Current High Level of Public Safety
Pursue City's Goals and Objectives by Working with Other Governmental Agencies

FISCAL IMPACT: On September 12, 2019, the California State Department of Finance announced the estimated funding allocation amounts to be awarded to each participating agency under the COPS/ELEAS grant program. The City of Ontario is eligible to receive a maximum grant award of \$270,171. Since this amount is based on an estimation of the FY 2019-20 State of California's Vehicle License Fee (VLF) revenues, the allocation may be re-calculated and adjusted by the State Controller's Office. The grant funds will be distributed to the City in monthly installments. The City is not required to provide matching funds for this grant. If approved, the associated revenue and expenditure adjustments will be presented in the next quarterly budget report to the City Council.

BACKGROUND: Beginning in FY 2002-03, the State of California allocated grant monies (COPS/ELEAS), formerly known as Supplemental Law Enforcement Services Fund/Citizen's Option for Public Safety, to counties who in turn granted those monies to cities for the purpose of supporting front-line law enforcement needs. A public hearing is required for public input before the grant funds can be utilized.

STAFF MEMBER PRESENTING: Derek Williams, Chief of Police

Prepared by: Donna Bailey
Department: Police
City Manager Approval: 

Submitted to Council/O.H.A. 12/03/2019
Approved: _____
Continued to: _____
Denied: _____

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Based on current front-line operational needs, the Police Department proposes the following grant spending plan:

• Frontline law enforcement equipment	\$270,171
TOTAL	<u>\$270,171</u>