

**CITY OF ONTARIO
CITY COUNCIL, REDEVELOPMENT AGENCY
AND HOUSING AUTHORITY
AGENDA
JANUARY 30, 2012 AT 10:00 A.M.**

Paul S. Leon
Mayor

Sheila Mautz
Mayor pro Tem

Alan D. Wapner
Council Member

Jim W. Bowman
Council Member

Debra Dorst-Porada
Council Member



Chris Hughes
City Manager

John E. Brown
City Attorney

Mary E. Wirtes, MMC
City Clerk

James R. Milhiser
Treasurer

WELCOME to a Special 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 room will not be permitted. All those wishing to speak including Council and Staff need to be recognized by the Chair before speaking.

**ONTARIO CONVENTION CENTER
2000 E. CONVENTION CENTER WAY
ROOM 101, ONTARIO, CA**

ORDER OF BUSINESS: The Special City Council, Redevelopment Agency and Housing Authority meeting begins with Public Comment at 10:00 a.m. 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*)

10:00 a.m.

ROLL CALL

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

PLEDGE OF ALLEGIANCE

Council Member Dorst-Porada

PUBLIC COMMENTS

10:00 a.m.

The Public Comment portion of the Special Council/Redevelopment Agency/Housing Authority meeting is limited to 15 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 room 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. EXAMINATION OF SALES AND USE TAX RECORDS OF THE CALIFORNIA STATE BOARD OF EQUALIZATION

That the City Council adopt a resolution granting the City's business attraction consultant, Capital Funding Solutions, LLC (Susan Russell) of North Barrington, Illinois, access to examine the City of Ontario's sales and use tax records with the California State Board of Equalization.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ONTARIO, CALIFORNIA, AUTHORIZING EXAMINATION OF
SALES AND USE TAX RECORDS.

2. RESOLUTIONS APPROVING A COOPERATION AGREEMENT BETWEEN THE CITY OF ONTARIO AND THE ONTARIO HOUSING AUTHORITY AND AN AFFORDABLE HOUSING AGREEMENT BY AND BETWEEN THE ONTARIO HOUSING AUTHORITY AND THE RELATED COMPANIES OF CALIFORNIA FOR ONTARIO TOWN SQUARE BLOCKS A-1 AND C-1

That the City Council and the Ontario Housing Authority Board adopt resolutions:

- (A) Approving a Cooperation Agreement (on file with the Records Management Department) in an estimated amount of \$88,560,000 by and between the City and the Authority;
- (B) Approving an Affordable Housing Agreement (on file with the Records Management Department) by and between the Ontario Housing Authority and The Related Companies of California, of Irvine, California, for Ontario Town Square Blocks A-1 and C-1; and
- (C) Authorizing the City Manager/Executive Director to execute any and all documents necessary or desirable to implement the agreements.

**ONTARIO CONVENTION CENTER
2000 E. CONVENTION CENTER WAY
ROOM 101, ONTARIO, CA**

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF CITY OF ONTARIO, CALIFORNIA, APPROVING A COOPERATION AGREEMENT WITH THE ONTARIO HOUSING AUTHORITY AND MAKING CERTAIN DETERMINATIONS AND FINDINGS RELATED THERETO.

RESOLUTION NO. OHA _____

A RESOLUTION OF THE ONTARIO HOUSING AUTHORITY OF THE CITY OF ONTARIO, CALIFORNIA, APPROVING A COOPERATION AGREEMENT WITH THE CITY OF ONTARIO AND MAKING CERTAIN DETERMINATIONS AND FINDINGS RELATED THERETO.

RESOLUTION NO. OHA _____

A RESOLUTION OF THE ONTARIO HOUSING AUTHORITY OF THE CITY OF ONTARIO, CALIFORNIA, APPROVING AN AFFORDABLE HOUSING AGREEMENT WITH THE RELATED COMPANIES OF CALIFORNIA AND MAKING CERTAIN DETERMINATIONS AND FINDINGS RELATED THERETO.

3. A RESOLUTION APPROVING AN AMENDED ENFORCEABLE OBLIGATION PAYMENT SCHEDULE PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34169

That the Ontario Redevelopment Agency Board adopt a resolution approving the Redevelopment Agency's Amended Enforceable Obligation Payment Schedule.

RESOLUTION NO. ORA _____

A RESOLUTION OF THE ONTARIO REDEVELOPMENT AGENCY OF THE CITY OF ONTARIO, CALIFORNIA, ADOPTING AN AMENDED ENFORCEABLE OBLIGATION PAYMENT SCHEDULE.

PUBLIC HEARINGS

4. A PUBLIC HEARING TO CONSIDER THE SALE OF CITY-OWNED PROPERTY; IN ACCORDANCE WITH GOVERNMENT CODE SECTION 37420 ET. SEQ., MAKING CERTAIN FINDINGS; AND ADOPTION OF A RESOLUTION APPROVING A DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE CITY OF ONTARIO AND WESTATES DE ORO, LLC, FOR THE DEVELOPMENT OF THE HOLT/EUCLID INFILL OFFICE BUILDING PROJECT

**ONTARIO CONVENTION CENTER
2000 E. CONVENTION CENTER WAY
ROOM 101, ONTARIO, CA**

That the City Council conduct a public hearing and adopt a resolution approving the Disposition and Development Agreement (“Agreement”) between the City of Ontario (“City”) and Westates de Oro, LLC (“Developer”) (on file with the Records Management Department); and authorize the City Manager to execute the Agreement on behalf of the City.

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, REGARDING THE SALE OF CERTAIN
CITY OWNED PROPERTY TO WESTATES DE ORO, LLC
PURSUANT TO GOVERNMENT CODE SECTION 37420 ET. SEQ.

COUNCIL MATTERS

Mayor Leon
Mayor pro Tem Mautz
Council Member Wapner
Council Member Bowman
Council Member Dorst-Porada

STAFF MATTERS

City Manager Hughes

ADJOURNMENT

CITY OF ONTARIO

Agenda Report
January 30, 2012

SECTION:
CONSENT CALENDAR

SUBJECT: EXAMINATION OF SALES AND USE TAX RECORDS OF THE CALIFORNIA STATE BOARD OF EQUALIZATION

RECOMMENDATION: That the City Council adopt a resolution granting the City's business attraction consultant, Capital Funding Solutions, LLC (Susan Russell) of North Barrington, Illinois, access to examine the City of Ontario's sales and use tax records with the California State Board of Equalization.

COUNCIL GOALS: Develop Strategies and Take Actions to Minimize the Negative Impacts of the Global Financial Downturn on Ontario's Economy and the City's Fiscal Health
Operate in a Businesslike Manner

FISCAL IMPACT: None.

BACKGROUND: From time to time, the City needs specialized assistance in dealing with sales and use tax matters involving the California State Board of Equalization (SBOE) and/or the California State Legislature. The City currently contracts with Capital Funding Solutions, LLC (Ms. Susan Russell). In order to be more efficient and timely, staff recommends granting Capital Funding Solutions (Ms. Susan Russell) the ability to directly review SBOE data and work with appropriate State staff on behalf of, and as authorized by, the City.

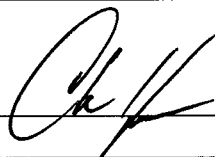
The SBOE requires a resolution be adopted specifically identifying the authorized City representative granted such access. Accordingly, the recommended resolution names Ms. Susan Russell as an authorized representative of the City to examine sales and use tax records of the SBOE.

The City will continue its primary role in monitoring and auditing of sales and use taxes.

STAFF MEMBER PRESENTING: John Andrews, Economic Development Director

Prepared by: John Andrews
Department: Economic Development

City Manager
Approval:



Submitted to Council/O.R.A./O.H.A. 01/30/2012

Approved: _____

Continued to: _____

Denied: _____

1

CITY OF ONTARIO

Agenda Report
January 30, 2012

SECTION:
CONSENT CALENDAR

SUBJECT: RESOLUTIONS APPROVING A COOPERATION AGREEMENT BETWEEN THE CITY OF ONTARIO AND THE ONTARIO HOUSING AUTHORITY AND AN AFFORDABLE HOUSING AGREEMENT BY AND BETWEEN THE ONTARIO HOUSING AUTHORITY AND THE RELATED COMPANIES OF CALIFORNIA FOR ONTARIO TOWN SQUARE BLOCKS A-1 AND C-1

RECOMMENDATION: That the City Council and the Ontario Housing Authority Board adopt resolutions:

- (A) Approving a Cooperation Agreement (on file with the Records Management Department) in an estimated amount of \$88,560,000 by and between the City and the Authority;
- (B) Approving an Affordable Housing Agreement (on file with the Records Management Department) by and between the Ontario Housing Authority and The Related Companies of California, of Irvine, California, for Ontario Town Square Blocks A-1 and C-1; and
- (C) Authorizing the City Manager/Executive Director to execute any and all documents necessary or desirable to implement the agreements.

COUNCIL GOALS: Develop Strategies and Take Actions to Minimize the Negative Impacts of the Global Financial Downturn on Ontario's Economy and the City's Fiscal Health
Focus Resources in Ontario's Commercial and Residential Neighborhoods

FISCAL IMPACT: Approval of the City-Authority Cooperation Agreement will contractually commit to the Ontario Housing Authority ("Authority") a portion of the available resources and projected Net Tax Increment which had previously been committed or paid by the Ontario Redevelopment Agency to the City of Ontario for the cost of carrying out the projects identified in the City-Authority Cooperation Agreement ("Housing Projects").

The Affordable Housing Agreement will commit \$15,129,889 to The Related Companies for the development of Ontario Town Square Blocks A-1 and/or C-1. The obligations of the Authority under the Affordable Housing Agreement shall be payable solely out of funds received by the Authority from

STAFF MEMBER PRESENTING: Brent Schultz, Housing & Neighborhood Revitalization Director

Prepared by: Julie Bjork
Department: Housing Agency

City Manager
Approval: 

Submitted to Council/O.R.A./O.H.A. 01/30/2012

Approved: _____

Continued to: _____

Denied: _____

2

the City under the City-Authority Cooperation Agreement. The Authority shall have no obligation to utilize any other source of funds, other than funds received by the Authority from the City under the City-Authority Cooperation Agreement, to make the payments to the Developer required under the Affordable Housing Agreement.

There is no adverse impact on the General Fund as a result of the recommended actions and agreements.

BACKGROUND:

CITY-AUTHORITY COOPERATION AGREEMENT

On February 15, 2011, the Ontario Redevelopment Agency and the City of Ontario entered into a Cooperation Agreement for Agency's Payment of Certain Costs ("Agency-City Cooperation Agreement") which provides for the Agency's payment of costs incurred by the City to bring about the redevelopment of adopted Project Areas; to accomplish various tasks set forth in the Redevelopment Plans and the Implementation Plans; and to increase, improve and preserve the community's supply of affordable housing.

On January 10, 2012, the City of Ontario approved Resolution No. 2012-002 pursuant to Assembly Bill No. 26 (2011-2012 1st Ex. Sess.) ("AB 1x 26") designating the Ontario Housing Authority to receive the assets and perform the housing functions previously performed by the Ontario Redevelopment Agency. On January 10, 2012, the Ontario Housing Authority approved Resolution No. OHA 2012-064 accepting the transfer of the housing assets and functions of the Ontario Redevelopment Agency.

In order to effectuate the transfer of housing assets, functions, and to carry out the intent of the Agency-City Cooperation Agreement, staff recommends approval of a Cooperation Agreement for Payment of Costs Associated with Certain Redevelopment Agency Funded Low and Moderate Income Housing Projects, by and between the City of Ontario and the Ontario Housing Authority ("City-Authority Cooperation Agreement") for assistance in implementing and completing certain low- and moderate-income housing projects and programs as outlined in the City-Agency Cooperation Agreement. The City-Authority Cooperation Agreement will also assist the Authority's efforts to remedy the conditions set forth in the Housing Authorities Law [Health & Safety Code sections 34200, et. seq.]. The City's payment obligations to the Authority under the City-Authority Cooperation Agreement will be limited to the funds received by the City from the Agency under the Agency-City Cooperation Agreement.

AFFORDABLE HOUSING AGREEMENT

The Ontario Town Square Blocks A-1 and C-1 Projects are included in the housing projects to be funded pursuant to the City-Authority Cooperation Agreement. These projects offer a unique opportunity to continue building upon the recent successes of earlier phases of the Ontario Town Square Project including the Kincaid Series Townhomes, the Colony Apartments, and the City Center Senior Apartments. To date, 376 housing units have been constructed along with new street improvements for a total investment of approximately \$100 million.

The Affordable Housing Agreement would provide for the development of either Block A-1 or Block C-1 or a combination of the two blocks, as approved by the Authority Executive Director. The Developer will be required to determine the availability and proposed form of financing for the development of each scenario (including the proposed form of Authority assistance) and present that information to the Authority staff for review and recommendation to the Authority Executive Director.

Block A-1 would be developed as a mixed-use residential project with a range of between 63 – 108 high density residential units restricted to moderate-income households and between 21,800 to 32,743 square feet of new retail with an underground parking garage. Block A-1 is bound by B Street to the north; Lemon Avenue to the east; Holt Boulevard to the south; and Euclid Avenue to the west.

Block C-1 would be developed as a mixed-use residential project with 153 high density residential units with income restricted to moderate-income households and approximately 30,791 square feet of new retail with an underground parking garage. Block C-1 is bound by D Street to the north; Lemon Avenue to the east; C Street to the south; and Euclid Avenue to the west.

There is a continuing need in the City for decent, safe and sanitary affordable housing. The City's support for increasing the community's supply of affordable housing serves an important public purpose by helping to alleviate a pressing public need and by partially satisfying the City's Housing Element obligations.

This Project is a critical component of the City's and Authority's efforts to comply with the City's Housing Element which currently requires the creation of 1,751 very low-income units, 1,096 low-income units, 676 moderate-income units, and 2,843 above moderate-income units.

The Developer is The Related Companies of California, located in Irvine, California. The Related Companies of California was formed in 1989 by William Witte and Stephen Ross to focus on the development of multifamily housing in California. The Related Companies of California has extensive experience in developing award winning housing developments. Since its inception, The Related Companies of California has developed over 6,000 units of housing in California, with properties in San Francisco, Oakland, San Jose, Los Angeles, San Diego, Los Angeles County, Orange County, San Bernardino County, and San Diego County.

ENVIRONMENTAL REVIEW

On November 16, 2004, the City Council and the Ontario Housing Authority Board approved the Downtown Civic Center Concept Plan and certified the Final Environmental Impact Report (the "EIR").

To assess development intensity, City staff developed three development scenarios: *High Scenario*, *Preferred or Medium Scenario* and *Low Scenario*. The *High Scenario* incorporates the maximum yield per land use type with 963 housing units, 234,266 square feet of retail and 591,455 of office and academic uses. The *Preferred or Medium Scenario* presents the optimum development scenario for the Project with 734 housing units, 146,146 square feet of retail and 391,455 square feet of office and academic uses. The *Low Scenario* incorporates 493 housing units, 133,527 square feet of retail and 352,632 square feet of office and academic uses.

All potential adverse direct, indirect and cumulative impacts have been thoroughly analyzed and discussed in the EIR including, but not limited to, potential traffic, noise, air quality and aesthetic impacts, and all feasible mitigation has been identified and incorporated into the proposed Project. The proposed Projects do not contemplate any actions that would require the preparation of a subsequent or supplemental environmental document under State CEQA Guidelines sections 15162 or 15163. The proposed Projects are consistent with the development scenarios identified within the EIR. Authority staff has prepared an EIR Addendum indicating that the EIR adequately addressed and mitigated the Project's significant environmental impacts and that no further environmental review is required.

CONCLUSION

With approval of the City-Authority Cooperation Agreement and the Affordable Housing Agreement, the Ontario Housing Authority seeks to ensure timely implementation and completion of the Ontario Town Square Blocks A-1 and C-1 Projects and the other Housing Projects identified in the City-Authority Cooperation Agreement. The Cooperation Agreement is necessary to provide funding to effectuate the completion of these projects and the other Housing Projects with net available Tax Increment in this current fiscal year and forthcoming fiscal years. The Cooperation Agreement will also help to ensure the continued implementation of affordable housing programs within Ontario that are consistent with the Ontario Redevelopment Agency's Five-Year Plan and Redevelopment Plans.

CITY OF ONTARIO

Agenda Report
January 30, 2012

SECTION:
CONSENT CALENDAR

SUBJECT: A RESOLUTION APPROVING AN AMENDED ENFORCEABLE OBLIGATION PAYMENT SCHEDULE PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34169

RECOMMENDATION: That the Ontario Redevelopment Agency Board adopt a resolution approving the Redevelopment Agency's Amended Enforceable Obligation Payment Schedule.

COUNCIL GOALS: Develop Strategies and Take Actions to Minimize the Negative Impacts of the Global Financial Downturn on Ontario's Economy and the City's Fiscal Health Invest in the Growth and Evolution of the City's Economy

FISCAL IMPACT: This action lists and restates existing obligations previously approved by the Agency in the form of an Amended Enforceable Obligation Payment Schedule, and is needed to receive future funding for existing enforceable obligations of the Agency.

BACKGROUND: On August 16, 2011, the City Council adopted an ordinance agreeing to participate in the Voluntary Alternative Redevelopment Program (VARP), which would have allowed the Ontario Redevelopment Agency (Agency) to continue to operate and use its assets and tax increment revenues for redevelopment purposes. This action was required by Assembly Bill 1X 26 which would have abolished the Agency effective on October 1, 2011 unless the City complied with Assembly Bill 1X 27, and agreed to pay the voluntary payment under the VARP.

In August 2011, the California Supreme Court issued a partial stay on the effectiveness of Assembly Bill 1X 26 and 1X 27 until the Court could rule on the constitutionality of the two bills. However, Section 34161 through 34167 of the California Health and Safety Code remained in effect. These sections called for the suspension of non-administrative redevelopment activities and required the adoption and filing of an Enforceable Obligation Payment Schedule. The Ontario Redevelopment Agency Board approved its Enforceable Obligation Payment Schedule on September 6, 2011 for listed Agency payments through December 31, 2011.

STAFF MEMBER PRESENTING: John Andrews, Economic Development Director

Prepared by: Doreen M. Nunes
Department: Fiscal Services Department

City Manager
Approval: 

Submitted to Council/O.R.A./O.H.A. 01/30/2012

Approved: _____

Continued to: _____

Denied: _____

3

On December 29, 2011, the California Supreme Court rendered its decision regarding the constitutionality of Assembly Bills 1X 26 and 1X 27. It upheld Assembly Bill 1X 26 regarding the dissolution of redevelopment agencies; but it declared Assembly Bill 1X 27, relating to the continuance of redevelopment agencies by participation in the VARP and paying of the voluntary payment, to be invalid in its entirety. While the Court was reviewing the petition regarding the constitutionality of Assembly Bills 1X 26 and 1X 27, the implementation of their provisions was stayed. Now that the Court has issued its ruling, the effective dates related to Assembly Bill 1X 26 have been extended by the Court by four months for those dates arising before May 1, 2012. As a result, the Redevelopment Agency will be dissolved as of February 1, 2012 rather than the initial October 2011 date.

Pursuant to Assembly Bill 1X 26, the Agency or its Successor Agency may only make payments listed on the adopted Enforcement Obligation Payment Schedule. Therefore, to ensure that future payments will continue on existing indebtedness, it is recommended that the Ontario Redevelopment Agency Board adopt the Amended Enforceable Obligation Payment Schedule which accurately reflects all enforceable obligations of the Agency.

CITY OF ONTARIO

Agenda Report
January 30, 2012

SECTION:
PUBLIC HEARINGS

SUBJECT: A PUBLIC HEARING TO CONSIDER THE SALE OF CITY-OWNED PROPERTY; IN ACCORDANCE WITH GOVERNMENT CODE SECTION 37420 ET. SEQ., MAKING CERTAIN FINDINGS; AND ADOPTION OF A RESOLUTION APPROVING A DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE CITY OF ONTARIO AND WESTATES DE ORO, LLC, FOR THE DEVELOPMENT OF THE HOLT/EUCLID INFILL OFFICE BUILDING PROJECT

RECOMMENDATION: That the City Council conduct a public hearing and adopt a resolution approving the Disposition and Development Agreement ("Agreement") between the City of Ontario ("City") and Westates de Oro, LLC ("Developer") (on file with the Records Management Department); and authorize the City Manager to execute the Agreement on behalf of the City.

COUNCIL GOALS: Develop Strategies and Take Actions to Minimize the Negative Impacts of the Global Financial Downturn on Ontario's Economy and the City's Fiscal Health
Focus Resources in Ontario's Commercial and Residential Neighborhoods
Invest in the City's Infrastructure (Water, Streets, Sewers, Parks, Storm Drains and Public Facilities)

FISCAL IMPACT: The City will convey the Development Site (APN's: 1049-061-01, 02 and 03) for a purchase price of \$527,750, subject to the terms and conditions precedent to the close of escrow as contained in the Agreement. Further, the City will convey an easement for parking purposes (APN's: 1049-064-01, 2, 3, 4 and 5) for a purchase price of \$145,000, subject to the terms and conditions as contained in the Agreement.

BACKGROUND: The City of Ontario owns the subject 1.23-acre development site located at the southeast corner of Holt Boulevard and Euclid Avenue ("Development Site") in the Downtown Euclid Avenue Commercial District. In addition, the City owns the 1-acre site located at the southwest corner of Transit Street and Plum Avenue ("Parking Parcel") which is currently not improved and is designated for parking in support of on-going revitalization efforts in the Downtown District.

STAFF MEMBER PRESENTING: John Andrews, Economic Development Director

Prepared by: John Andrews
Department: Economic Development

City Manager
Approval: 

Submitted to Council/O.R.A./O.H.A. 01/30/2012

Approved: _____

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Denied: _____

4

The subject Development Site is located in the Downtown subdistrict of The Ontario Plan, and is designated for office & commercial land uses. The Developer is proposing to construct a 3-story, 57,930 s.f. commercial office project on the Development Site, including 43 on-site parking spaces.

The balance of the parking requirement for the project, a total of 222 parking spaces, is to be satisfied through the construction of 76 surface parking spaces on the Parking Parcel, and through the improvement/use of on-street surface parking spaces on Lemon Avenue, Transit Street, and Emporia Street, nearby and adjacent to the Development Site.

The Agreement provides for the conveyance of the Development Site to the Developer for the construction of the proposed office building and associated on-site landscape, hardscape and parking improvements. In addition, the Agreement provides for the Developer acquisition of a parking easement for the development and non-exclusive use of 76 parking spaces on the Parking Parcel. Lastly, as a condition of project approval and pursuant to the terms of the subject Agreement, the Developer will be required to make improvements to existing parking spaces located within the Lemon Avenue, Transit Street, and Emporia Street rights-of-way in order to satisfy project-related parking requirements.

Completion of the subject development project will bring about an important infill project in the Downtown commercial core area of the City. The office project will also provide opportunities for small and medium sized business office uses to locate in the area, with the associated increase in daytime populations benefitting other commercial & service uses in the area. In addition, the completion of the project will implement needed parking improvements in the Downtown area, benefitting existing uses in the immediate area such as the Ontario Museum of History and Art and the nearly completed renovation of the former Beverly Hotel building.

Staff has determined that the project is Categorically Exempt per Section 15305 Class 5 (Minor Alterations in Land Use Limitations) and Section 15332 Class 32 (In-Fill Development Projects) of the California Environmental Quality Act (CEQA). Staff recommends that the City Council approve the use of the CEQA Categorical Exemptions for the project and authorize the filing of a Notice of Exemption with the County Clerk.