

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 200 North Cherry Avenue, 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, Redevelopment Agency, and Housing Authority meeting begins with 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)

6:30 p.m.

ROLL CALL

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

PLEDGE OF ALLEGIANCE

Council Member Bowman

INVOCATION

Pastor Miguel De Anda, Montecito Baptist Church

PUBLIC COMMENTS

6:30 p.m.

The Public Comment portion of the Council/Redevelopment Agency/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.

<u>As previously noted -- if you wish to address the Council, fill out one of the blue slips at</u> 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, Redevelopment Agency and Housing Authority of April 19, 2011, and approving same as on file in the Records Management Department.

2. BILLS/PAYROLL

Bills March 13, 2011 through March 26, 2011 and **Payroll** March 13, 2011 through March 26, 2011, when audited by the Finance Committee.

3. NATIONAL PUBLIC WORKS WEEK IN THE CITY OF ONTARIO

That the City Council recognize May 15-21, 2011, as National Public Works Week in Ontario.

4. FISCAL YEAR 2010-11 THIRD QUARTER BUDGET REPORT

That the City Council, Redevelopment Agency Board, and Housing Authority Board approve the budget adjustments and recommendations as listed in the Fiscal Year 2010-11 Third Quarter Budget Report.

5. AGREEMENT WITH THE COUNTY OF SAN BERNARDINO FOR USE OF ONTARIO-OWNED PROPERTY LOCATED AT 200 NORTH CHERRY AVENUE/COUNTY OF SAN BERNARDINO

That the City Council authorize the City Manager to execute a three and one-half year lease agreement plus an option to extend for an additional four years (on file with Records Management Department) with the County of San Bernardino for use of Ontario-owned property located within the City Hall Annex at 200 North Cherry Avenue by the Fourth District Supervisor as a local field office.

6. AN EASEMENT AGREEMENT WITH SOUTHERN CALIFORNIA EDISON FOR VINEYARD PARK/SOUTHERN CALIFORNIA EDISON

That the City Council authorize the City Manager to execute an Easement Agreement (on file with the Records Management Department) with Southern California Edison (SCE) for use of the right of way along City property for underground electrical and communications systems and equipment related to the operation of the recycled water pump station at Vineyard Park.

ONTARIO SENIOR CENTER 225 EAST B STREET, ONTARIO, CA

7. RESOLUTION APPROVING FINAL PARCEL MAP NO. 19235

That the City Council adopt a resolution approving Final Parcel Map No. 19235, located on the west side of Wanamaker Avenue, approximately 1,370 feet south of Airport Drive.

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, APPROVING FINAL PARCEL MAP NO. 19235, LOCATED ON THE WEST SIDE OF WANAMAKER AVENUE APPROXIMATELY 1,370 FEET SOUTH OF AIRPORT DRIVE.

8. CONSTRUCTION CONTRACT FOR SOUND INSULATION OF 72 HOUSES UNDER THE ONTARIO QUIET HOME PROGRAM/S&L SPECIALTY CONTRACTING, INC.

That the City Council award Contract No. P150-1011-02 (on file with the Records Management Department) to S&L Specialty Contracting, Inc. of Syracuse, New York, in the amount of \$1,718,900, plus a 15% contingency of \$257,835 for a total not to exceed amount of \$1,976,735 to sound insulate 72 houses; and authorize the City Manager, or his designee, to execute the contract, other related documents necessary to implement said contract and file a Notice of Completion at the conclusion of all construction activities related to this contract.

9. RESOLUTIONS APPROVING A GRANT AGREEMENT BETWEEN THE CITY OF ONTARIO AND THE ONTARIO HOUSING AUTHORITY FOR THE BEGONIA AVENUE APARTMENTS (209, 216, 222, 223, AND 231 NORTH BEGONIA AVENUE)

That the City Council of the City of Ontario ("City") and the Ontario Housing Authority Board ("Authority") adopt resolutions approving a City Grant Agreement (on file in the Records Management Department) between the City and the Authority authorizing the use of \$314,000 in Neighborhood Stabilization Program 3 (NSP3) Funds for the Begonia Avenue Apartments located at 209, 216, 222, 223, and 231 North Begonia Avenue ("Project").

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, APPROVING THAT CERTAIN CITY GRANT AGREEMENT [209, 216, 222, 223, 231 N. BEGONIA AVENUE PROJECT] CONCERNING THE GRANT OF NSP3 FUNDS TO ONTARIO HOUSING AUTHORITY FOR PROJECT DELIVERY COSTS NECESSARY TO EFFECTIVELY MANAGE THE REHABILITATION WORK ON CERTAIN AFFORDABLE HOUSING UNITS.

ONTARIO SENIOR CENTER 225 EAST B STREET, ONTARIO, CA

RESOLUTION NO.

A RESOLUTION OF THE ONTARIO HOUSING AUTHORITY OF THE CITY OF ONTARIO, CALIFORNIA, APPROVING THAT CERTAIN CITY GRANT AGREEMENT [209, 216, 222, 223, 231 N. BEGONIA AVENUE PROJECT] CONCERNING THE GRANT OF NSP3 FUNDS TO ONTARIO HOUSING AUTHORITY FOR PROJECT DELIVERY COSTS NECESSARY TO EFFECTIVELY MANAGE THE REHABILITATION WORK ON CERTAIN AFFORDABLE HOUSING UNITS.

10. AN ORDINANCE ADOPTING AMENDMENTS TO MERGE THE EXISTING REDEVELOPMENT PROJECT AREAS AND EXTEND THE TIME LIMIT TO ESTABLISH LOANS, ADVANCES, AND INDEBTEDNESS IN A COMPONENT AREA OF THE PROPOSED MERGED REDEVELOPMENT PROJECT AREA

That the City Council adopt an ordinance approving the amendments to merge the Agency's existing redevelopment project areas and extend the limit to establish loans, advances, and indebtedness in a component area of the proposed merged redevelopment project area.

ORDINANCE NO._____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, ADOPTING THE PROPOSED AMENDMENTS TO (1) MERGE PROJECT AREA NO. 1, PROJECT AREA NO. 2, THE CIMARRON PROJECT AREA, CENTER CITY PROJECT AREA AND GUASTI REDEVELOPMENT PROJECT AREA INTO THE ONTARIO MERGED REDEVELOPMENT PROJECT AREA AND (2) EXTEND A CERTAIN TIME LIMIT TO INCUR INDEBTEDNESS BY TEN (10) YEARS UPON ADOPTION OF THE MERGER; AND MAKING CERTAIN FINDINGS RELATED THERETO.

COUNCIL MATTERS

DISCUSSION AND POSSIBLE ACTION ON COUNCIL APPOINTMENT TO WATER FACILITIES AUTHORITY BOARD OF DIRECTORS

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

ONTARIO SENIOR CENTER 225 EAST B STREET, ONTARIO, CA

STAFF MATTERS

City Manager Hughes

ADJOURNMENT

Agenda Report May 17, 2011

SECTION: CONSENT CALENDAR

SUBJECT: NATIONAL PUBLIC WORKS WEEK IN THE CITY OF ONTARIO

RECOMMENDATION: That the City Council recognize May 15-21, 2011, as National Public Works Week in Ontario.

COUNCIL GOALS: <u>Develop Strategies and Take Actions to Minimize the Negative Impacts of</u> <u>the Global Financial Downturn on Ontario's Economy and the City's Fiscal Health</u> <u>Encourage, Provide or Support Enhanced Recreational, Educational, Cultural and Health City</u> <u>Programs, Policies and Activities</u>

FISCAL IMPACT: None.

BACKGROUND: In the 1960's, the American Public Works Association (APWA) instituted National Public Works Week as a means to call attention to the importance of public works in community life. Public works professionals apply their knowledge and skills to improve the infrastructure above, below and all around us, while conserving our natural resources. These professionals are dedicated to design, build, operate, maintain and protect the transportation systems, water and sewer infrastructure, public buildings, facilities and services that are critical to the successful operation and sustainable growth of the City.

Public works infrastructure, facilities and services are of vital importance to the health, safety, and wellbeing of the City of Ontario residents. The support and cooperation of an informed public is essential to the successful implementation of public works projects and programs.

National Public Works Week is observed each year during the third full week of May. Its purpose is to raise awareness of public works issues and to celebrate the tens of thousands of men and women who chose public works as a profession, and are dedicated to improve the quality of life for present and future generations. This year's theme is "Serving You and Your Community."

STAFF MEMBER PRESENTING:	Mohamed El-Amamy, Utilities General Manager
	Louis Abi-Younes, City Engineer
	Mark Chase, Director of Community and Public Services

Prepared by: <u>Tim Mim Mack</u>	Submitted to Council/O.R.A./O.H.A. 05 17 2011
Department: <u>MU/Engineering</u>	Approved:
City Manager	Continued to:
Approval:	Denied:
Approval:	3

Agenda Report May 17, 2011

SUBJECT: FISCAL YEAR 2010-11 THIRD QUARTER BUDGET REPORT

RECOMMENDATION: That the City Council, Redevelopment Agency Board, and Housing Authority Board approve the budget adjustments and recommendations as listed in the Fiscal Year 2010-11 Third Quarter Budget Report.

COUNCIL GOALS: <u>Develop Strategies and Take Actions to Minimize the Negative Impacts of</u> the Global Financial Downturn on Ontario's Economy and the City's Fiscal Health

FISCAL IMPACT: The recommended actions will affect several fund budgets as outlined in the FY 2010-11 Third Quarter Budget Report and supporting schedules.

BACKGROUND: This is the third interim budget report for Fiscal Year 2010-11 which reflects the Administrative 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 of the government services such as public safety, recreation, library, museum, parks, building, and planning. This report also discusses budget trends and the economic outlook that may impact the City's resources.

The primary purposes of this report are to:

- Revise the City's budget to reflect the City Council's actions taken since the Mid-Year Budget Report;
- Recommend budget changes to align the budget with projected year-end results;
- Recommend budget adjustments that are consistent with City Council goals and objectives; and
- Comment on significant budget trends which may impact next fiscal year's budget development.

Third Quarter Budget Recommendations

Third Quarter budget recommendations are routine in nature and include adjustments that are mainly comprised of previously approved City Council actions, adjustments in the revenue budget to reflect

STAFF MEMBER PRESENTING: Grant D. Yee, Administrative Services/Finance Director

Prepared by:	Doreen M. Nunes	Submitted to Council/O.R.A./O.H.A. 05/17/201
Department:	Fiscal Services	Approved:
City Manager	- <u></u>	Continued to:
Approval:	L'ult	4

estimates based on current trends, and additional appropriations for new or ongoing programs/projects. The recommendations in the Third Quarter Budget Report for the General Fund will result in a net gain of approximately **\$1.4 million** to the ending fund balance of approximately **\$31.53 million**, which represents 20 percent of the General Fund operating budget. This net increase will offset the \$2.3 million previously appropriated in the last quarterly budget report for the needed repair work on various streets throughout the City which were damaged from the recent storms in December.

Changes to the General Fund revenues include increases of approximately **\$1.13 million** in Development Related revenues and **\$250,000** in Business License Tax revenues to reflect current year-to-date receipts. In addition, an approximate **\$250,000** increase is recommended to the Reimbursable revenue category, which is comprised of: **\$219,832** annual reimbursement based on a two-year cost sharing agreement with Chaffey Joint Union School District for the School Resource Officer program; and reimbursement of **\$29,576** for police safety services per the Memorandum of Understanding between the City and the US Marshal Service Task Force. The decrease in Interest and Rental Income of **\$200,000** is attributed to lower than expected interest earning rates. The Third Quarter Budget Report includes an increase to General Fund appropriations in the amount of approximately **\$258,000**. Recommendations include: **\$208,900** increase to credit card processing fees as a result of increases in municipal utility consumer credit card activity (funded through transfers from the municipal utility funds); **\$29,576** for City police services for the US Marshal Service Task Force program, which is offset by reimbursement revenue; and **\$20,000** for the contractual increase as determined by CPI for animal control services.

Notable expenditure budget recommendations in Other Funds include: **\$3.5 million** increase to the Ontario Town Square Plaza project for design and construction; **\$1.9 million** for redevelopment of abandoned and foreclosed homes and residential properties funded through an additional allocation of Neighborhood Stabilization Program funds called NSP3; and **\$0.5 million** for pre-construction costs associated with the Ontario Housing Authority contribution to the Ontario Town Square project (\$20 million) for development, operation and maintenance of 153 affordable housing units.

Economic Outlook

Last quarter, several economists revised their economic growth forecast downward. The latest GDP data showed a slowdown in growth in the first quarter of 2011 to 1.8 percent from 3.1 percent in the fourth quarter of 2010. The U.S. Department of Labor reported new claims for unemployment insurance benefits surged more than expected to 429,000; their highest level since January 2011. Job growth, however, was better than expected with 268,000 new jobs added in April. As a result of more unemployed people looking for work, the U.S. unemployment rate increased from 8.8 percent to 9 percent; the first increase since November 2010. The unemployment rate in March 2011 was 13.7 percent for San Bernardino County and 14.6 percent for the City of Ontario. The March data is about the same as the December 2010 rates reported in the Mid-Year Budget Report.

The Consumer Confidence Index (CCI) fluctuated from 60.6 in January to 72.0 in February to 63.4 in March. The latest decline is attributed to consumers' expectation of higher inflation due to increased oil and commodity prices. Gasoline prices have increased significantly for the past couple of months, with the national average about \$4 per gallon. Higher gasoline prices may have a negative impact on consumer spending. Moreover, rising prices combined with a high unemployment rate increases the risk of stagflation.

The Federal Reserve has been maintaining low interest rates by purchasing government bonds (\$600 billion) to stimulate the economy. This program will end in June 2011. However, the Federal

Reserve has indicated that it will continue to keep rates low by buying \$17 billion of Treasury debt each month from its mortgage security portfolio proceeds.

The real estate market continues to decline, as the homebuyer tax credit has expired and more foreclosed homes are released to the market. The median home price for March 2011 for the Riverside/San Bernardino region was \$172,730, which was 2.7 percent lower than one year ago and approximately 6 percent lower than the December 2010 median home price. Home prices are expected to further decline over the next year. Although the market for industrial property remains strong, the commercial real estate market for retail and office space continues to be soft with vacancy rates at higher than desired levels. Consequently, significant new construction activities for office and retail commercial properties are not expected for several years.

Although the current economic data indicates that the economy is growing at a slow rate, the economy faces serious headwinds and challenges ahead. Due to inflationary pressures, weak job growth, and reduced government stimulus and spending, the economic recovery over the past six months may be unsustainable and stall in the forthcoming months. The continuation of the economic recovery will be dependent upon increased jobs in the private sector and higher wages.

State Budget

Released in January 2011, Governor Brown's proposed Fiscal Year 2011-12 budget included the elimination of local redevelopment agencies. Shutting down redevelopment will cause serious and permanent economic damage at the local level. Redevelopment generated over \$55.5 million of tax dollars for this City to provide funding for needed public improvements, safety, housing, and quality of life projects. Two separate Senate bills have been introduced (SB 450 and SB 286) which, if approved, would drastically change redevelopment. In addition, the California Redevelopment Association with the League of California Cities has submitted an alternative proposal to the Governor's plan of eliminating redevelopment. As of May 2011, no conclusion has been reached considering the elimination or reformation of redevelopment.

In addition, Governor Brown's proposed budget included the continuation of the one percent increase to the statewide sales tax rate and an increase to the vehicle license fee tax. The deadline for submitting the continuation of these increase taxes to the voters for approval has since passed. No additional proposal to date has been submitted to balance the State budget without those tax increases, although the State's May Revise budget is scheduled for release on May 16. The outcome for the State's proposed budget is definitely an uncertainty in the economic outlook.

CalPERS

The California State Public Employees Retirement System (CalPERS) is considerably underfunded, primarily due to unrealistic projected earning rates combined with significant investment losses. All of this has contributed to dramatic increases to the City's CalPERS contribution rates, which are estimated to increase by an average of approximately 33 percent over the next three years. In addition, CalPERS announced on March 15, 2011 that the Pension Fund's assumed investment rate of return will remain at 7.75 percent rather than adjusting it down to 7.50 percent. If, in the future, the assumed rate gets adjusted downward to a lower rate, the employer's contribution rates may increase by even more. A quarter of percent decrease could raise rates by two percent of payroll for the Miscellaneous Plan and by three percent for the Safety Plans. This would be on top of CalPERS' previously approved multi-year 33 percent increases.

Conclusion

In summary, the short-term economic outlook has stabilized, but faces serious challenges ahead. The economy still faces significant challenges over the next couple of years due to the weak job market, potentially higher interest rates, expiration of the Federal stimulus programs, and higher energy and commodity prices. Current economic data indicate we should be cautious about the future economic picture.

The City's General Fund revenues are projected to be at or near the amount of the current budget for Fiscal Year 2010-11. Recurring operating expenditures projections are also consistent with the current budget. The City's projected figures for the Fiscal Year 2010-11 are consistent with the figures outlined in the City of Ontario's 5-year Budget Action Plan. Although the City is on target, there is still a General Fund structural deficit. This deficit is expected to continue to grow into the next fiscal year due to higher CalPERS costs and slower economic recovery. Therefore, it is recommended that the City maintain its conservative fiscal approach with the budget and consider the need to take further actions in the future to reduce costs should economic growth slow or decline beyond current expectations.

The Adopted Operating Budget for FY 2010-11 as modified through the Third Quarter Budget Report continues to reflect the City Council's commitment to foster steady, controlled growth and to provide the highest level of service to the community within the City's fiscal constraints. 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.

Agenda Report May 17, 2011 SECTION: CONSENT CALENDAR

SUBJECT: LEASE AGREEMENT WITH THE COUNTY OF SAN BERNARDINO FOR USE OF ONTARIO-OWNED PROPERTY LOCATED AT 200 NORTH CHERRY AVENUE

RECOMMENDATION: That the City Council authorize the City Manager to execute a three and one-half year lease agreement plus an option to extend for an additional four years (on file with Records Management Department) with the County of San Bernardino for use of Ontario-owned property located within the City Hall Annex at 200 North Cherry Avenue by the Fourth District Supervisor as a local field office.

COUNCIL GOALS: <u>Develop Strategies and Take Actions to Minimize the Negative Impacts of</u> <u>the Global Financial Downturn on Ontario's Economy and the City's Fiscal Health</u> <u>Pursue City's Goals and Objectives by Working with Other Governmental Agencies</u>

FISCAL IMPACT: Under the terms of the proposed agreement, the County of San Bernardino will pay Ontario lease payments of \$1 per year in return for a guarantee to maintain a downtown, local presence to service the City's residents and businesses through an Ontario field office. The physical space is not separately metered for standard utilities, and as such, cannot be separately billed to the County. The County will be financially responsible for separable utilities such as telecommunications services.

BACKGROUND: As a result of the rehabilitation of the City Hall building, staff will be vacating portions of the City Hall Annex located at 200 North Cherry Avenue. An area of approximately 2,691 square feet exists on the second floor of the Annex which would otherwise be left vacant pending future City needs. In the meantime, the County of San Bernardino is seeking to establish a local field office within Ontario for use by the Fourth District Supervisor. The addition of such a field office within the downtown area would enhance the County's visibility and accessibility to the residents and businesses of Ontario as well as foster further collaboration and communication between the City and the County.

STAFF MEMBER PRESENTING: Chris Hughes, City Manager

Prepared by:	Al C. Boling Citywide Administration	Submitted to Co Approved:	uncil/O.R.A./O.H.A. 05 17 201
City Manager		Continued to: Denied:	
Approval:	CA/L		5

Agenda Report May 17, 2011

SECTION: CONSENT CALENDAR

SUBJECT: AN EASEMENT AGREEMENT WITH SOUTHERN CALIFORNIA EDISON FOR VINEYARD PARK

RECOMMENDATION: That the City Council authorize the City Manager to execute an Easement Agreement (on file with the Records Management Department) with Southern California Edison (SCE) for use of the right of way along City property for underground electrical and communications systems and equipment related to the operation of the recycled water pump station at Vineyard Park.

COUNCIL GOALS: <u>Develop Strategies and Take Actions to Minimize the Negative Impacts of</u> <u>the Global Financial Downturn on Ontario's Economy and the City's Fiscal Health</u> <u>Invest in the City's Infrastructure (Water, Streets, Sewer, Parks, Storm Drains and Public Facilities)</u>

FISCAL IMPACT: Under the proposed easement agreement, SCE will construct, maintain and inspect the underground electrical supply and communication systems and other equipment necessary to run separate utility services for the IEUA recycled water pump station at Vineyard Park. The new connections will also ensure the City park continues with its own separately billed utility services. Granting of the SCE easement will not result in any additional costs to the City.

BACKGROUND: The proposed underground electrical supply and communication systems as well as related equipment will be installed and owned by SCE. As such, SCE will provide continued maintenance and repair on the proposed systems and equipment within the approximately sixty-three (63) square foot easement located at Vineyard Park. These systems and equipment will make electricity accessible to operate the new IEUA pump station under construction at the park and provide recycled water to areas of Ontario, Rancho Cucamonga and Upland.

The proposed easement is consistent with approved park plans and will not impede on any current or future structural plans for Vineyard Park. The proposed agreement and easement plans have met all the necessary environmental review, permitting, Engineering and Planning approvals.

STAFF MEMBER PRESENTING: Mark Chase, Community and Public Services Director

Prepared by:Roberto PerezDepartment:Parks and Maintenance	Submitted to Council/O.R.A./O.H.A. 05/17/20	<u>>l</u> (
City Manager Approval:	Continued to: Denied:	

Agenda Report May 17, 2011

SECTION: CONSENT CALENDAR

SUBJECT: RESOLUTION APPROVING FINAL PARCEL MAP NO. 19235

RECOMMENDATION: That the City Council adopt a resolution approving Final Parcel Map No. 19235, located on the west side of Wanamaker Avenue, approximately 1,370 feet south of Airport Drive.

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

FISCAL IMPACT: None. All public infrastructure improvements required for this subdivision were constructed per Amended Parcel Map No. 6875.

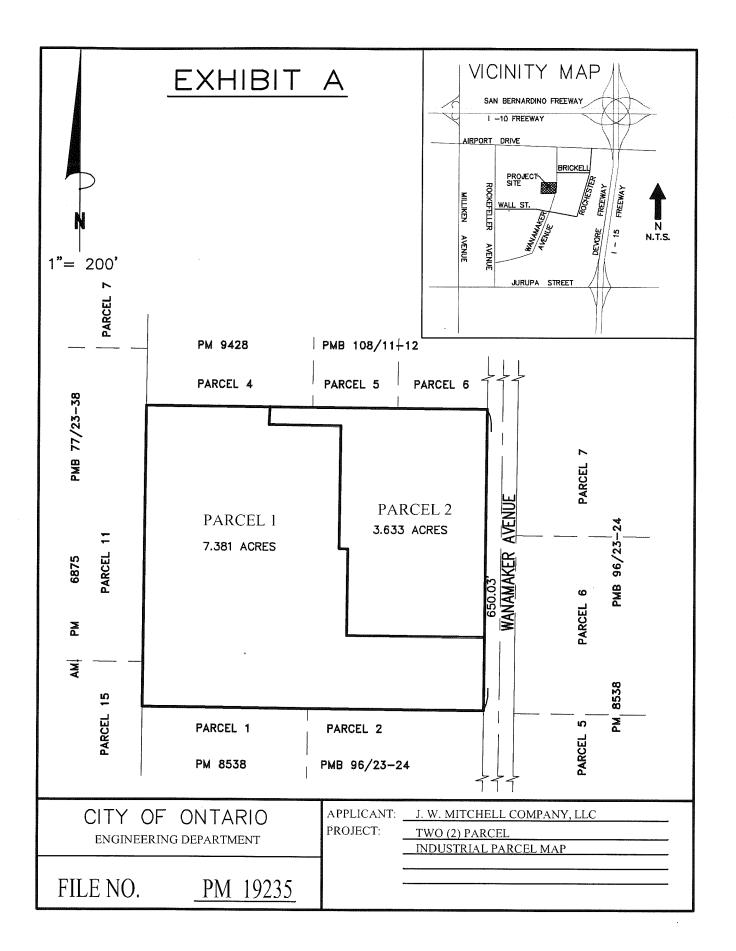
BACKGROUND: The 11.01 acre two (2) parcel subdivision submitted by the developer, J.W. Mitchell Company, LLC, of Irvine, California (Mr. Timothy Mitchell, Managing Member), consists of two (2) existing industrial buildings on a single parcel (Parcel 12 of Amended Parcel Map No. 6875) being subdivided so that each building occupies a separate parcel.

Improvements required for the site were constructed per said Amended Parcel Map No. 6875 and site specific improvements per development project PDEV05-002. A location map is attached as "Exhibit A" for reference. Tentative Parcel Map No. 19235 was approved by the Planning Commission on March 23, 2010.

This map meets all conditions of the Subdivision Map Act and the Ontario Municipal Code and has been reviewed and approved by the City Engineer.

STAFF MEMBER PRESENTING: Louis Abi-younes, P. E., City Engineer

Prepared by: Department:	Dean A. Williams	Submitted to Council/O.R.A./O.H.A. 05/17/ Approved:	<u>201</u> 1
City Manager	$\bigcap_{i=1}^{n}$	Continued to:	
Approval:		Denied:	



RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, APPROVING FINAL PARCEL MAP NO. 19235, LOCATED ON THE WEST SIDE OF WANAMAKER AVENUE APPROXIMATELY 1,370 FEET SOUTH OF AIRPORT DRIVE.

WHEREAS, Tentative Parcel Map No. 19235, submitted for approval by the developer, J. W. Mitchell Company, LLC, a California limited liability company, of Irvine, California (Mr. Timothy Mitchell, Managing Member), consisting of two (2) parcels, being a subdivision of Parcel 12 of Amended Parcel Map No. 6875, in the City of Ontario, as per map recorded in Book 77, Page 23 through 38, inclusive, of Parcel Maps, in the Office of the County Recorder of San Bernardino County, California, was approved by the Planning Commission of the City of Ontario on March 23, 2010; and

WHEREAS, Final Parcel Map No. 19235 is the division of land approved, as shown on Tentative Parcel Map No. 19235; and

WHEREAS, all necessary public improvements for said subdivision required as prerequisite to final approval of a parcel map have been previously constructed and accepted as complete by the City;

WHEREAS, said developer has prepared Covenants, Conditions and Restrictions (CC&R's), approved by the City Attorney's Office, to ensure the right to mutual ingress and egress and continued maintenance of common facilities by commonly affected property owners.

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

- 1. That Final Parcel Map No. 19235, be approved and that the City Clerk be authorized to execute the statement thereon on behalf of said City.
- 2. The City Clerk shall certify to the adoption of the Resolution.

PASSED, APPROVED, AND ADOPTED this 17th day of May 2011.

PAUL S. LEON, MAYOR

ATTEST:

STATE OF CALIFORNIA COUNTY OF SAN BERNARDINO CITY OF ONTARIO

I, MARY E. WIRTES, City Clerk of the City of Ontario, DO HEREBY CERTIFY that foregoing Resolution No. 2011- was duly passed and adopted by the City Council of the City of Ontario at their regular meeting held May 17, 2011 by the following roll call vote, to wit:

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)

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AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

MARY E. WIRTES, MMC, CITY CLERK

(SEAL)

The foregoing is the original of Resolution No. 2011- duly passed and adopted by the Ontario City Council at their regular meeting held May 17, 2011.

MARY E. WIRTES, MMC, CITY CLERK

(SEAL)

Agenda Report May 17, 2011 SECTION: CONSENT CALENDAR

SUBJECT: CONSTRUCTION CONTRACT FOR SOUND INSULATION OF 72 HOUSES UNDER THE ONTARIO QUIET HOME PROGRAM

RECOMMENDATION: That the City Council award Contract No. P150-1011-02 (on file with the Records Management Department) to S&L Specialty Contracting, Inc. of Syracuse, New York, in the amount of \$1,718,900, plus a 15% contingency of \$257,835 for a total not to exceed amount of \$1,976,735 to sound insulate 72 houses; and authorize the City Manager, or his designee, to execute the contract, other related documents necessary to implement said contract and file a Notice of Completion at the conclusion of all construction activities related to this contract.

COUNCIL GOALS: <u>Develop Strategies and Take Actions to Minimize the Negative Impacts of</u> <u>the Global Financial Downtown on Ontario's Economy and the City's Fiscal Health</u> <u>Pursue City's Goals and Objectives by Working with Other Government Agencies</u> <u>Focus Resources in Ontario's Commercial and Residential Neighborhoods</u>

FISCAL IMPACT: The Federal Aviation Administration (FAA) and Los Angeles World Airports (LAWA) awarded the sound insulation grants to fund the specified work under the contract. The adopted Fiscal Year 2010-11 Quiet Home Program budget includes appropriations to implement and complete the contract. Therefore, there is no impact to the City's General Fund.

BACKGROUND: City staff solicited bids for Contract No. P150-1011-02 as part of a 72-house sound insulation project under the Quiet Home Program. On April 21, 2011, the City received a total of six (6) bids for the proposed Contract. The project architect, The Jones Payne Group, estimated the cost of construction as \$2,271,770. A table summarizing the bid results follows.

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

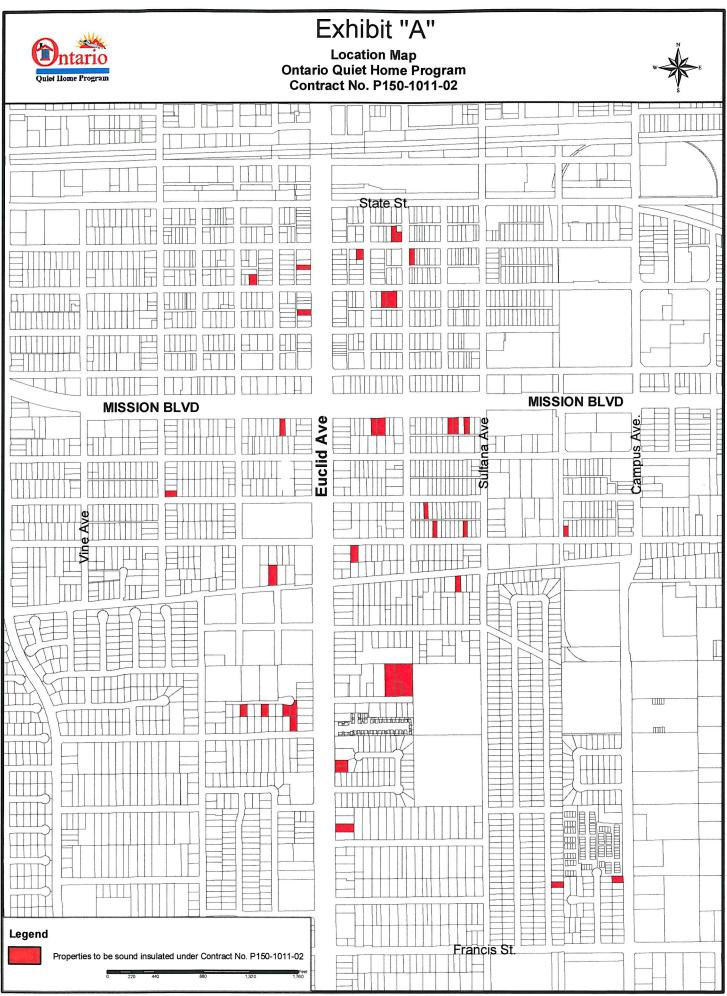
Prepared by: Sam Delgado Department: Housing Agency	Submitted to Council/O.R.A./O.H.A.	117/2011
City Manager	Continued to: Denied:	
Approval:		8

Company	Location	Bid Amount
S&L Specialty Contracting, Inc.	Syracuse, NY	\$1,718,900
AMD Construction Group, Inc.	Mission Viejo, CA	\$1,922,756
NSA Construction Group, Inc.	Tarzana, CA	\$1,966,000
Sam Boo Construction Co., Inc.	Los Angeles, CA	\$1,983,000
Karabuild Development, Inc.	Encino, CA	\$2,149,000
Newman Midland Corporation	Los Alamitos, CA	\$2,807,280

Program staff and the project architect, The Jones Payne Group, reviewed the bid submittals and determined that S & L Specialty Contracting, Inc. (S&L) is the lowest responsible and responsive bidder. S&L's bid is approximately 24 percent below the architect's probable cost of construction.

S&L has extensive sound insulation construction experience and has performed this type of work throughout the country. Between 2004 and 2011, S&L completed five (5) separate sound insulation projects for the City of Ontario, totaling 365 houses. Currently S&L is conducting pre-construction activities on 10 apartment units added to their existing contract. These additional units will be completed by June 2011. S&L's work performance to date has been satisfactory and on schedule. References were checked and no unsatisfactory issues were noted. S&L will maintain an office and a warehouse in Ontario for the duration of the proposed contract. Construction work is anticipated to start in the fall of 2011 and be completed by spring 2012. To date, the program has sound insulated 1,138 houses and expended \$27.5 million in construction funds, using FAA and LAWA sound insulation grants. After the completion of this proposed project, the program will have sound insulated 1,210 houses.

The houses in this project are located throughout neighborhoods generally bounded on the north by State Street, on the south by Francis Street, on the east by Campus Avenue, and on the west by Vine Avenue. A location map is provided as Exhibit "A". Typically, sound insulation work includes installation of acoustic doors and windows, complete air conditioning, heating and ventilation systems, attic insulation, vent baffles and other noise reducing improvements. These improvements will enhance the quality of life of the homeowners. The contracted work also eliminates certain health and safety conditions by installing new electrical panels, carbon monoxide/smoke detectors, acoustic windows that meet emergency egress requirements and removing unsafe electrical wiring from sound insulation work areas. All sound insulation and related work will be done at no cost to the homeowners.



S./PART150/Insulation/Grants/30 Grant9.1 MXD

Agenda Report May 17, 2011 SECTION: CONSENT CALENDAR

SUBJECT: RESOLUTIONS APPROVING A GRANT AGREEMENT BETWEEN THE CITY OF ONTARIO AND THE ONTARIO HOUSING AUTHORITY FOR THE BEGONIA AVENUE APARTMENTS (209, 216, 222, 223, AND 231 NORTH BEGONIA AVENUE)

RECOMMENDATION: That the City Council of the City of Ontario ("City") and the Ontario Housing Authority Board ("Authority") adopt resolutions approving a City Grant Agreement (on file in the Records Management Department) between the City and the Authority authorizing the use of \$314,000 in Neighborhood Stabilization Program 3 (NSP3) Funds for the Begonia Avenue Apartments located at 209, 216, 222, 223, and 231 North Begonia Avenue ("Project").

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

FISCAL IMPACT: The City and Authority previously allocated funds for the acquisition and rehabilitation of the Begonia Avenue and Francis Street Apartments and entered into Land Conveyance Agreements and Agreements Containing Regulatory Covenants Affecting the Use of Real Property for the properties located at 209, 216, 222, 223, and 231 North Begonia Avenue. The recommended action would authorize the Ontario Housing Authority to use \$314,000 of NSP3 funds for project delivery costs necessary to effectively manage the rehabilitation work.

BACKGROUND: On January 18, 2011, the City Council and Housing Authority Board awarded a contract for the Begonia Avenue and Francis Street Apartments Rehabilitation Project (OHA-1011-03) for rehabilitation of the properties located at 209, 216, 223, and 231 North Begonia Avenue. In addition, on April 5, 2011, the City Council and Housing Authority Board awarded a contract for the Begonia Avenue Phase II Apartments Rehabilitation Project (OHA-1011-04) for rehabilitation of property at 222 North Begonia Avenue among others.

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

Prepared by: Department:	Katryna Gonzalez Housing	Submitted to Council/O.R.A./O.H.A. 05/17/2011 Approved:
City Manager Approval:	\sim	Continued to:
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The recommended City Grant Agreement will authorize the use of NSP3 funds to provide project delivery, costs necessary to complete the rehabilitation work. These costs include Authority staff time for project management, inspection, legal services, and architectural and engineering services incurred since the execution of the HUD Grant Agreement for NSP3 funds.

This recommended action is necessary to ensure that the City and Authority are able to continue to utilize available federal funds to pay for the implementation costs associated with these federally funded projects.

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RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA. APPROVING THAT CERTAIN CITY GRANT AGREEMENT [209, 216, 222, 223, 231 N. BEGONIA AVENUE PROJECT] CONCERNING THE GRANT OF NSP3 FUNDS TO ONTARIO HOUSING AUTHORITY FOR PROJECT DELIVERY COSTS NECESSARY TO EFFECTIVELY MANAGE THE REHABILITATION WORK ON CERTAIN AFFORDABLE HOUSING UNITS.

WHEREAS, the City of Ontario ("City") owned certain multi-family rental residential real property located at 209, 216, 222, 223 and 231 North Begonia Avenue, Ontario, California (collectively, "Properties"); and

WHEREAS, the City and the Ontario Housing Authority ("Authority") entered into a series of "Land Conveyance Agreements and Agreements Containing Regulatory Covenants and Restrictions Affecting the Use of Real Property" (collectively, "Land Conveyance Agreements") which provided for the City's conveyance of the Properties to the Authority; and

WHEREAS, subject to the terms of the Land Conveyance Agreements, the City conveyed and the Authority accepted title to the Properties, and the Authority agreed to substantially rehabilitate the Properties for the purpose of providing quality affordable housing within the City (the "Project"); and

WHEREAS, the City received allocations of funding under the federal Neighborhood Stabilization Program's first authorization and round of funding ("NSP") and the third reauthorization and round of funding ("NSP3"); and

WHEREAS, subject to the terms of certain loan agreements entered into between the City and the Authority, the City loaned the Authority NSP and/or NSP3 funds for the Project rehabilitation work; and

WHEREAS, the Authority is in need of additional funds to pay for project delivery, costs necessary to effectively manage the Project rehabilitation work; and

WHEREAS, the City and the Authority desire to enter into that certain City Grant Agreement [209, 216, 222, 223, 231 N. Begonia Avenue Project] pursuant to which the City proposes to grant to the Authority \$314,000 of NSP3 funds for project delivery costs necessary to effectively manage the Project rehabilitation work; and

WHEREAS, the City is the lead agency for purposes of environmental review under the California Environmental Quality Act (Public Resources Code § 21000, et seq.) ("CEQA") of the activities authorized by this Resolution. City staff has recommended that the City Council ("City Council") of the City of Ontario determine that these activities are categorically exempt from further environmental review under CEQA Guidelines Section 15301 (Class 1). NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Ontario as follows:

<u>SECTION 1.</u> <u>Incorporation of Recitals</u>. The Recitals set forth above are true and correct and are incorporated into this Resolution as though fully set forth herein.

<u>SECTION 2.</u> <u>CEQA Determination. The City</u> Council has reviewed the activities authorized by this Resolution and has determined that these activities are categorically exempt from further environmental review under CEQA Guidelines Section 15301 as a Class 1 categorical exemption, in that these activities constitute the operation, repair and maintenance of existing public or private structures involving no expansion of use.

<u>SECTION 3.</u> <u>Approval of City Grant Agreement [209, 216, 222, 223, 231 N.</u> <u>Begonia Avenue Project]</u>. The City Council approves City Grant Agreement [209, 216, 222, 223, 231 N. Begonia Avenue Project] in the form on file with the City's Records Management Department and authorizes and directs the City Manager to execute said agreement on behalf of the City. The City Manager is further authorized to approve and execute on behalf of the City: (1) technical, non-substantive amendments to said agreement; and (2) those instruments and other documents reasonably necessary or convenient to carry out the actions described in said agreement for the Project.

<u>SECTION 4.</u> <u>Notice of Exemption</u>. The City Clerk of the City of Ontario ("City Clerk") is directed to file a CEQA Notice of Exemption with the County of San Bernardino Clerk's Office within three (3) calendar days of this Resolution's adoption.

<u>SECTION 5.</u> <u>Effective Date</u>. This Resolution will take effect immediately upon its adoption.

<u>SECTION 6.</u> <u>Certification</u>. The City Clerk shall certify as to the adoption of this Resolution.

PASSED, APPROVED AND ADOPTED this 17th day of May, 2011.

PAUL S. LEON, MAYOR

ATTEST:

MARY E. WIRTES, MMC, CITY CLERK

APPROVED AS TO LEGAL FORM:

BEST BEST & KRIEGER LLP CITY ATTORNEY

STATE OF CALIFORNIA COUNTY OF SAN BERNARDINO CITY OF ONTARIO

I, MARY E. WIRTES, City Clerk of the City of Ontario, DO HEREBY CERTIFY that foregoing Resolution No. 2011- was duly passed and adopted by the City Council of the City of Ontario at their regular meeting held May 17, 2011 by the following roll call vote, to wit:

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AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

MARY E. WIRTES, MMC, CITY CLERK

(SEAL)

The foregoing is the original of Resolution No. 2011- duly passed and adopted by the Ontario City Council at their regular meeting held May 17, 2011.

MARY E. WIRTES, MMC, CITY CLERK

(SEAL)

RESOLUTION NO.

A RESOLUTION OF THE ONTARIO HOUSING AUTHORITY OF THE CITY OF ONTARIO, CALIFORNIA, APPROVING THAT CERTAIN CITY GRANT AGREEMENT [209, 216, 222, 223, 231 N. BEGONIA AVENUE PROJECT] CONCERNING THE GRANT OF NSP3 FUNDS TO ONTARIO HOUSING AUTHORITY FOR PROJECT DELIVERY COSTS NECESSARY TO EFFECTIVELY MANAGE THE REHABILITATION WORK ON CERTAIN AFFORDABLE HOUSING UNITS.

WHEREAS, the City of Ontario ("City") transferred ownership of certain multifamily rental residential real property located at 209, 216, 222, 223, and 231 North Begonia Avenue, Ontario, California (collectively, "Properties") to the Ontario Housing Authority ("Authority") pursuant to a series of "Land Conveyance Agreements and Agreements Containing Regulatory Covenants and Restrictions Affecting the Use of Real Property" ("Land Conveyance Agreements"); and

WHEREAS, subject to the terms of the Land Conveyance Agreements, the City conveyed and the Authority accepted title to the Properties, and the Authority agreed to substantially rehabilitate the Properties for the purpose of providing quality affordable housing within the City (the "Project"); and

WHEREAS, the City received allocations of funding under the federal Neighborhood Stabilization Program's first authorization and round of funding ("NSP") and the third reauthorization and round of funding ("NSP3"); and

WHEREAS, subject to the terms of certain loan agreements entered into between the City and the Authority, the City loaned the Authority NSP and/or NSP3 funds for the Project rehabilitation work; and

WHEREAS, the Authority is in need of additional funds to pay for project delivery, costs necessary to effectively manage the Project rehabilitation work; and

WHEREAS, the City and the Authority desire to enter into that certain City Grant Agreement [209, 216, 222, 223, 231 N. Begonia Avenue Project] pursuant to which the City proposes to grant to the Authority \$314,000 of NSP3 funds for project delivery costs necessary to effectively manage the Project rehabilitation work; and

WHEREAS, the Authority is a responsible agency for purposes of environmental review under the California Environmental Quality Act (Public Resources Code § 21000, et seq.) ("CEQA") of the activities authorized by this Resolution. Authority staff has recommended that the Governing Board of the Agency determine that these activities are categorically exempt from further environmental review under CEQA Guidelines Section 15301 (Class 1).

NOW, THEREFORE, BE IT RESOLVED by the Ontario Housing Authority as follows:

<u>SECTION 1.</u> <u>CEQA Determination</u>. The Governing Board has reviewed the activities authorized by this Resolution and has determined that these activities are categorically exempt from further environmental review under CEQA Guidelines Section 15301 as a Class 1 categorical exemption, in that these activities constitute the operation, repair and maintenance of existing public or private structures involving no expansion of use.

<u>SECTION 2.</u> <u>Approval of City Grant Agreement [209, 216, 222, 223, 231 N.</u> <u>Begonia Avenue Project]</u>. The Governing Board approves City Grant Agreement [209, 216, 222, 223, 231 N. Begonia Avenue Project] in the form on file with the City's Records Management Department and authorizes and directs the Executive Director to execute said agreement on behalf of the Authority. The Executive Director is further authorized to approve and execute on behalf of the Authority: (1) technical, non-substantive amendments to said agreement; and (2) those instruments and other documents reasonably necessary or convenient to carry out the actions described in said agreement for the Project.

<u>SECTION 3.</u> <u>Notice of Exemption</u>. The Authority Secretary is directed to file a CEQA Notice of Exemption with the County of San Bernardino Clerk's Office within three (3) calendar days of this Resolution's adoption.

<u>SECTION 4.</u> <u>Effective Date</u>. This Resolution will take effect immediately upon its adoption.

<u>SECTION 5.</u> <u>Certification</u>. The Authority Secretary shall certify as to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED this 17th day of May 2011.

PAUL S. LEON, CHAIRMAN

ATTEST:

MARY E. WIRTES, AUTHORITY SECRETARY

STATE OF CALIFORNIA COUNTY OF SAN BERNARDINO CITY OF ONTARIO

I, MARY E. WIRTES, Secretary of the Ontario Housing Authority, DO HEREBY CERTIFY that the foregoing Resolution No. OHA- was duly passed and adopted by the Board Members of the Ontario Housing Authority at their regular meeting held May 17, 2011, by the following roll call vote, to wit:

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AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

MARY E. WIRTES, AUTHORITY SECRETARY

(SEAL)

The foregoing is the original of Resolution No. OHA duly passed and adopted by the Ontario Housing Authority at their regular meeting held May 17, 2011.

MARY E. WIRTES, AUTHORITY SECRETARY

(SEAL)

CITY OF ONTARIO Agenda Report May 17, 2011

SECTION: CONSENT CALENDAR

SUBJECT: AN ORDINANCE ADOPTING AMENDMENTS TO MERGE THE EXISTING REDEVELOPMENT PROJECT AREAS AND EXTEND THE TIME LIMIT TO ESTABLISH LOANS, ADVANCES, AND INDEBTEDNESS IN A COMPONENT AREA OF THE PROPOSED MERGED REDEVELOPMENT PROJECT AREA

RECOMMENDATION: That the City Council adopt an ordinance approving the amendments to merge the Agency's existing redevelopment project areas and extend the limit to establish loans, advances, and indebtedness in a component area of the proposed merged redevelopment project area.

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

FISCAL IMPACT: The proposed Redevelopment Project Area Merger will provide greater financial flexibility to achieve the City Council and Agency Board economic development objectives by allowing funds to be distributed through the Merged Project Area. The proposed amendment to extend, by ten (10) years, the limit to establish loans, advances, and indebtedness paid with the proceeds of property taxes received from the Added Area of the Project Area No. 2 Component Area of the proposed Merged Project Area will increase the Agency's ability to incur indebtedness. The proposed merger will not affect the overall property tax dollars collected or received.

BACKGROUND: At the meeting of May 3, 2011, a duly noticed joint public hearing of the Ontario City Council and the Ontario Redevelopment Agency was held to introduce an ordinance concerning proposed amendments to merge the existing redevelopment project areas and extend the limit to establish loans, advances, and indebtedness in a component area of the proposed merge redevelopment project area and adopt an associated mitigated negative declaration.

STAFF MEMBER PRESENTING: John Andrews, Economic Development Director

1 0	Charity Hernandez Economic Development	Submitted to C Approved:	ouncil/O.R.A./O.H.A. 05/17/2011
City Manager Approval:	Del	Continued to: Denied:	
Approval:	Chip		10

As Ontario continues its progress in becoming Southern California's next urban center, existing urbanized areas which developed over the City's 125-year history, present unique challenges and opportunities. Core areas of the community remain blighted and deteriorated. The role of the Ontario Redevelopment Agency is to use locally generated resources (without raising taxes or fees) to invest in blighted areas, so that all portions of Ontario can share in the general prosperity of the community. Changes in Ontario's physical geography, economy, and in the conditions of buildings and structures have created a number of areas where blight conditions continue. Ontario's current project areas are located in five geographic areas of the City and comprise approximately 5,735 acres (a location map is provided as Exhibit "A"). Staff has prepared and provided to the City Council a plan to merge the existing redevelopment project areas, which would allow the cross flow of tax increment generated from each project area to be used amongst the entire Merged Project Area, thus facilitating a more efficient use of tax increment where needed most to eliminate the significant remaining blight and improve housing and business conditions in the Merged Project Area.

Specific goals within the Merged Project Area include the following:

- 1. Continue the Agency's efforts in eliminating physical and economic blight and attract private investment to the Merged Project Area.
- 2. Allocate tax increment revenues collected from one project area to another to fund projects and improvements where needed.
- 3. Consolidate parcels, where pracital, that were created long ago which are inappropriate in form, size and shape (and often under dispersed ownership) in relation to the contemporary uses designated in the Ontario General Plan.
- 4. Replace obsolete infrastructure to assist in the redevelopment of private property within the Merged Project Area.
- 5. Encourage development of new housing for low- and moderate-income families, often on currently developed but blighted sites and in-fill locations.

The proposed amendments are also intended to expand the supply of low and moderate-income housing; expand job opportunities for jobless, under-employed and low-income persons; reduce the burden of crime; and to provide an environment for the social, economic, and psychological growth and well-being of the community's citizens. More specifically, the proposed merger is intended to protect and promote the sound development of the Merged Project Area and the general welfare of the inhabitants of Ontario by remedying the identified blighting conditions through the employment of all appropriate means as outlined in Community Redevelopment Law.

In accordance with Section 33352 of the Community Redevelopment Law, every proposed amendment to a redevelopment plan submitted by an Agency to a City Council shall be accompanied by a report including the facts and evidence necessary to support the proposed amendment. All required elements are listed in the Introduction to the Report to the City Council, and the entirety of the report provides substantial evidence of the blighting conditions. The Report to City Council for the proposed amendments and all environmental documents as required by the California Environmental Quality Act are on file in the City's Records Management Department.

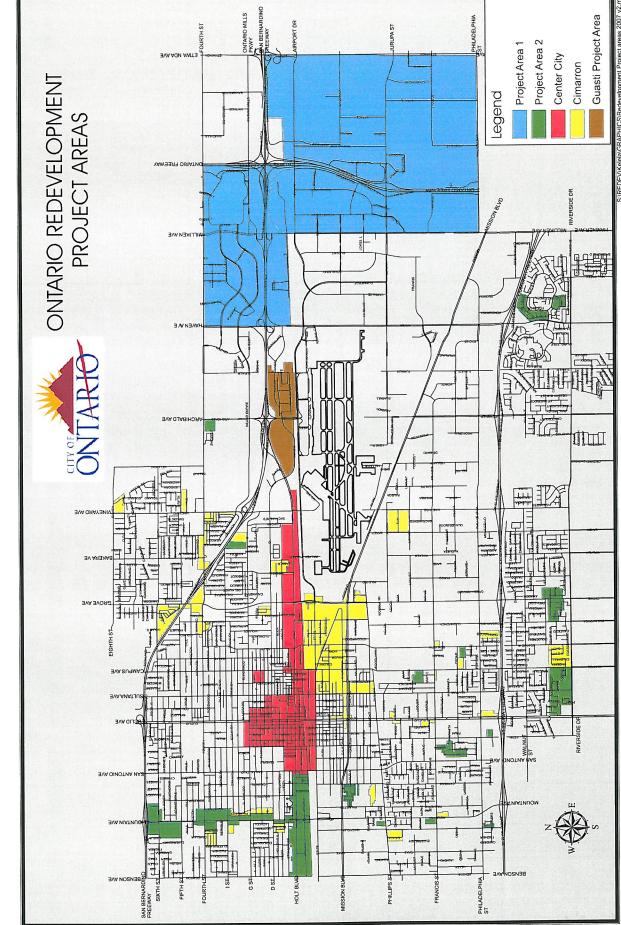


EXHIBIT "A"

ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, ADOPTING THE PROPOSED AMENDMENTS TO (1) MERGE PROJECT AREA NO. 1, PROJECT AREA NO. 2, THE CIMARRON PROJECT AREA, CENTER CITY PROJECT AREA AND GUASTI REDEVELOPMENT PROJECT AREA INTO THE ONTARIO MERGED REDEVELOPMENT PROJECT AREA AND (2) EXTEND A CERTAIN TIME LIMIT TO INCUR INDEBTEDNESS BY TEN (10) YEARS UPON ADOPTION OF THE MERGER; AND MAKING CERTAIN FINDINGS RELATED THERETO.

WHEREAS, the Redevelopment Agency of the City of Ontario [Agency] is authorized to exercise its powers, all under and pursuant to the Community Redevelopment Law of the State of California, being Part 1 of Division 24 (commencing with Section 33000) of the California Health and Safety Code, as amended, [Law]; and

WHEREAS, the Agency is engaged in activities necessary to carry out and implement the Redevelopment Plans for Project Area No. 1, Project Area No. 2, the Cimarron Project Area, Center City Project Area, and Guasti Project Area [collectively, Project Areas] in accordance with the Law; and

WHEREAS, the Agency is proposing to adopt the following amendments to the Redevelopment Plans for the Project Areas as more specifically worded in the documents entitled (i) Amendment to the Redevelopment Plans for Project Area No. 1, Project Area No. 2, and the Cimarron, Center City, and Guasti Project Areas to Merge these Project Areas into the Ontario Merged Redevelopment Project Area [the Merged Project Area] and (ii) Amendment to the Redevelopment Plan for the Ontario Merged Project Area (Project Area No. 2 Component Area) that would extend by ten (10) years the time for the Agency to establish loans, advances, and indebtedness paid with the proceeds of property taxes received by the Agency from the Added Area of the Project No. 2 Component Area of the Merged Project Area [collectively, Proposed Amendments]; and

WHEREAS, in accordance with Health and Safety Code section 33458, a joint public hearing may be held with the consent of the City Council and the Agency to consider the Proposed Amendments; and

WHEREAS, the City Council and the Agency consented to a joint public hearing on March 15, 2011 and the joint public hearing was scheduled for May 3, 2011 [Joint Public Hearing] to consider the approval and adoption of the Proposed Amendments; and WHEREAS, notice of the Joint Public Hearing was published in a newspaper of general circulation in the City of Ontario in accordance with Government Code section 6063, in accordance with Health and Safety Code Section 33452(a); and

WHEREAS, copies of the notice of the Joint Public Hearing were mailed to residents, businesses, and to the last known assessee of each parcel of land in the Project Areas by first class mail, in accordance with Health and Safety Code Sections 33452(b) and (c); and

WHEREAS, copies of the notice of Joint Public Hearing were mailed by certified mail with return receipt requested to the governing body of each taxing agency which levies taxes upon property in the Project Areas, in accordance with Health and Safety Code Section 33452(d); and

WHEREAS, all other legal prerequisites to the adoption of this Ordinance have occurred in accordance with the Law.

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

<u>SECTION 1</u>. <u>Recitals.</u> The City Council hereby finds and determines that all of the foregoing recitals are true and correct.

<u>SECTION 2</u>. <u>Purpose</u>. The purpose and intent of the Proposed Amendments is to increase the economic vitality of the Project Areas and increase and improve the housing opportunities in or near such areas.

<u>SECTION 3.</u> <u>Adoption of Proposed Amendments.</u> The City Council hereby approves the Report to Council and adopts the Proposed Amendments. The Redevelopment Plans, as amended by the Proposed Amendments [Amended Plans], are hereby incorporated by reference and designated, approved, and adopted, respectively, as the official Redevelopment Plans for the Merged Project Area.

<u>SECTION 4</u>. <u>Required Findings.</u> The City Council hereby finds and determines, based on substantial evidence in the record, including, but not limited to, any evidence specified after each of the following findings, the Report to Council and all documents referenced therein, oral and written staff reports, and evidence and testimony received at the Joint Public Hearing on the adoption of the Proposed Amendments, that:

a. Significant blight remains within one of the Project Areas. This finding is based upon the information presented in the Report to Council, including, without limitation, Section B of the Report to Council, which evidences significant blight remaining in Project Area No. 2, and the Center City, Cimarron, and Guasti Project Areas.

b. The significant remaining blight cannot be eliminated without the Merger and without the establishment of additional debt, as proposed by the Proposed Amendments.

This finding is based upon the information presented in the Report to Council, including, without limitation, Section E of the Report to Council, which evidences that, without the Proposed Amendments, the Project Areas that have significant remaining blight do not individually generate sufficient tax increment to eliminate the significant remaining blight.

c. The Amended Plans will redevelop the Project Areas in conformity with the Law and in the interests of the public peace, health, safety and welfare.

This finding is based upon the information presented in the Report to Council, including, without limitation, Section A of the Report to Council. The Proposed Amendments will facilitate the elimination of significant remaining blight within the Project Areas, which will, in turn, promote the public peace, health, safety and welfare of the community.

d. The adoption and carrying out of the Amended Plans is economically sound and feasible.

The basis of this finding includes, but is not limited to, the information presented in the Report to Council, including, without limitation, Section E of the Report to Council. The Proposed Amendments will generate sufficient tax increment revenue to fund projects and programs necessary to eliminate significant remaining blight and pay outstanding indebtedness.

e. The Proposed Amendments are consistent with the general plan of the City of Ontario, including, but limited to the City's housing element, which substantially complies with the requirements of Article 10.6 of Chapter 3 of Division 1 of Title 7 of the Government Code.

This finding is based upon the information presented in the Report to Council, including, without limitation, Section J of the Report to Council. The land use designations in the Project Areas have been determined to be consistent with the Ontario General Plan and the Proposed Amendments will not change, modify or affect any land use designations in the Merged Project Area.

f. The carrying out of the Proposed Amendments would promote the public peace, health, safety, and welfare of the community and would effectuate the purposes and policy of this part.

This finding is based upon the information presented in the Report to Council, including, without limitation, Sections A through E of the Report to Council.

g. The condemnation of real property, if provided for in the Amended Plans, is necessary to the execution of the Amended Plans and adequate provisions have been made for payment for property to be acquired as provided by law.

This finding is based upon the fact that eminent domain authority has expired in all but the Added Territory (by Amendment No. 7) to the Cimarron Project Area and the Guasti Project Area. The Proposed Amendments will not modify or extend the time limit for exercise of the Agency's eminent domain powers in any of these Project Areas, or add or modify the Agency's eminent domain authority in any of these Project Areas.

h. The Agency has a feasible method or plan for the relocation of families and persons displaced from the Merged Project Area, if the Proposed Amendments may result in the temporary or permanent displacement of any occupants of housing facilities.

This finding is based upon the facts set forth in the Report to Council, including, without limitation, Section M of the Report to Council. The Agency does not anticipate that any of the projects or programs funded by the Proposed Amendments will cause displacement. However, if any displacement were to occur, the Agency will adopt a specific relocation plan in conformance with applicable state and/or federal guidelines.

i. There are, or shall be provided, in the Merged Project Area or in other areas not generally less desirable in regard to public utilities and public and commercial facilities and at rents or prices within the financial means of the families and persons displaced from the Component Project Area, decent, safe, and sanitary dwellings equal in number to the number of and available to the displaced families and persons and reasonably accessible to their places of employment.

This finding is based upon the facts presented in the Report to Council, including, without limitation, Section M of the Report to Council. The Agency does not anticipate that any of the projects or programs funded by the Proposed Amendments will cause displacement. However, if any displacement were to occur, the Genera Plan incorporates policies to mitigate impacts on public services and facilities, and rents or prices.

j. Families and persons shall not be displaced prior to the adoption of a relocation plan pursuant to Sections 33411 and 33411.1. Dwelling units housing persons and families of low or moderate income shall not be removed or destroyed prior to the adoption of a replacement housing plan pursuant to Sections 33334.5, 33413, and 33413.5.

This finding is based upon the facts set forth in the Report to Council, including, without limitation, Section M of the Report to Council. The Agency does not anticipate that any of the projects or programs funded by the Proposed Amendments will cause displacement. However, if any displacement were to occur, the Agency would be obligated to follow and implement a Relocation Plan and a Replacement Housing Plan in accordance with the Law. Furthermore, if the Proposed Amendments are adopted,

the Agency anticipates that as much as \$462 million will be available to carry out affordable housing activities within the Merged Project Area.

k. The elimination of blight and the redevelopment of the Project Areas could not reasonably be expected to be accomplished by private enterprise acting alone without the aid and assistance of the Agency.

This finding is based upon the facts set forth in the Report to Council, including, without limitation, Section D of the Report to Council. Due to the nature and extent of existing blighting conditions, and lack of other public resources available to private enterprise, elimination of blight within the Project Areas cannot be accomplished without the Agency's assistance.

<u>SECTION 5.</u> <u>Permanent Housing</u>. The City Council is satisfied that permanent housing facilities will be available within three years from the time occupants of the Project Areas are displaced (should such displacement occur) and that, pending the development of the facilities, there will be available to the displaced occupants adequate temporary housing facilities at rents comparable to those in the community at the time of their displacement.

<u>SECTION 6.</u> <u>Approval of Proposed Merger.</u> Based upon the above findings and determinations, the City Council hereby amends the Redevelopment Plans by merging the Project Areas into the Merged Project Area, as set forth in the Amended Plans.

<u>SECTION 7</u>. <u>Approval of Other Proposed Amendments</u>. Based upon the above findings and determinations, the City Council hereby amends the Redevelopment Plans by adopting the other Proposed Amendments, as set forth in the Amended Plans.

<u>SECTION 8.</u> <u>Objections Considered.</u> All written and oral objections to the Proposed Amendments, if any, filed with and presented to the City Council and any written responses thereto, have been considered by the City Council at the time and in the manner required by law, and such written and oral objections are hereby overruled.

<u>SECTION 9</u>. <u>Implementation.</u> In order to implement and/or facilitate the implementation of the Amended Plans, this City Council hereby declares its intention to undertake and complete any proceeding necessary to be carried out by the Agency under the provisions of the Amended Plans and the Law.

<u>SECTION 10.</u> <u>Transmittal to Agency.</u> The City Clerk is hereby directed to send a certified copy of this Ordinance to the Agency, whereupon the Agency is vested with the responsibility for carrying out the Amended Plans.

<u>SECTION 11</u>. <u>Invalidity of Parts.</u> If any part of this Ordinance or the Proposed Amendments is held to be invalid or is not adopted for any reason, such decision shall not affect the validity of the remaining portion of this Ordinance or of the Amended Plans. <u>SECTION 12</u>. <u>Certification and Publication</u>. 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.

<u>SECTION 13</u>. <u>Date of Effect.</u> This Ordinance shall take effect thirty (30) days after adoption.

<u>SECTION 14</u>. <u>Redevelopment Plan in Effect.</u> The Redevelopment Plans, as amended, shall remain in full force and effect, unmodified except to the extent of the amendment expressly set forth in this Ordinance.

PASSED, APPROVED, AND ADOPTED this _____ day of _____2011.

PAUL S. LEON, MAYOR

ATTEST:

MARY E. WIRTES, MMC, CITY CLERK

APPROVED AS TO FORM:

KANE, BALLMER & BERKMAN LLP SPECIAL COUNSEL STATE OF CALIFORNIA COUNTY OF SAN BERNARDINO CITY OF ONTARIO

I, MARY E. WIRTES, City Clerk of the City of Ontario, DO HEREBY CERTIFY that foregoing Ordinance No. ______ was duly introduced at a regular meeting of the City Council of the City of Ontario held May 17, 2011, and adopted at the regular meeting held _____, 2011 by the following roll call vote, to wit:

)

)

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

MARY E. WIRTES, MMC, CITY CLERK

(SEAL)

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

MARY E. WIRTES, MMC, CITY CLERK

(SEAL)