



**CITY OF CORNING
CITY COUNCIL AGENDA
TUESDAY, APRIL 24, 2007
CITY COUNCIL CHAMBERS
794 THIRD STREET**

A. CALL TO ORDER: 7:30 p.m.

B. ROLL CALL:

Councilmember:

Hill
Dickison
Zuniga
Turner
Strack

Mayor:

C. INVOCATION AND PLEDGE OF ALLEGIANCE:

D. PROCLAMATIONS, RECOGNITIONS, APPOINTMENTS:

E. ROSE TOBISCH, CORNING HIGH SCHOOL LIAISON REPORT:

F. BUSINESS FROM THE FLOOR: If there is anyone in the audience wishing to speak on items not already set on the Agenda, please come to the podium, give your name and address, and briefly identify the matter you wish to have placed on the Agenda. The Council will then determine if such matter will be placed on the Agenda for this meeting, scheduled for a subsequent meeting, or recommend other appropriate action. If the matter is placed on tonight's Agenda, you will have the opportunity later in the meeting to return to the podium to discuss the issue. The law prohibits the Council from taking formal action on the issue, however, unless it is placed on the Agenda for a later meeting so that interested members of the public will have a chance to appear and speak on the subject.

G. CONSENT AGENDA: It is recommended that items listed on the Consent Agenda be acted on simultaneously unless a Councilmember or members of the audience requests separate discussion and/or action.

- 1. Waive reading, except by title, of any Ordinance under consideration at this meeting for either introduction or passage, per Government Code Section 36934.**
- 2. Waive the Reading and Approve the Minutes of the April 10, 2007 Meeting with any necessary corrections.**
- 3. April 18, 2007 Claim Warrant - \$188,414.09.**
- 4. April 19, 2007 Business License.**
- 5. Approve Airport Ground Lease for Privately Owned Hangers – Modification of Agreement Language.**
- 6. Ordinance 626, Salado Orchard Aptment Project; Rezone 2006-3; to Rezone from R-1 to P-D, Planned Development Pacific West Communities, Inc.; Located Southwest of the Toomes Avenue & Blackburn Avenue Intersection, APN 71-020-02; Approximately 5.17 Acres. (Second Reading).**

7. Approve an Agreement with the Tehama County Sanitary Landfill Agency; Resolution No. 04-24-07-02 Authorizing the Tehama County Sanitary Landfill Agency to Submit a Request for State Recycling Funds, and Resolution No. 04-24-07-03 Approving Application for a Farm and Ranch Solid Waste Cleanup and Abatement by the Tehama County Sanitary Landfill Agency for the City of Corning.

H. **ITEMS REMOVED FROM THE CONSENT AGENDA:**

I. **PUBLIC HEARINGS AND MEETINGS:** Any person may speak on items scheduled for hearing at the time the Mayor declares the Hearing open. **ALL LEGAL NOTICES PUBLISHED IN ACCORDANCE WITH LAW.**

8. Resolution No. 04-24-07-01; A Resolution Approving the Issuance of Bonds by the California Statewide Communities Development Authority for Salado Orchard Apartments.

J. **REGULAR AGENDA:** All items listed below are in the order which we believe are of most interest to the public at this meeting. However, if anyone in the audience wishes to have the order of the Agenda changed, please come to the podium, state your name and address, and explain the reason you are asking for the order of the Agenda to be changed.

K. **ITEMS PLACED ON THE AGENDA FROM THE FLOOR:**

L. **COMMUNICATIONS, CORRESPONDENCE AND INFORMATION:**

M. **REPORTS FROM MAYOR AND COUNCILMEMBERS:**

9. Hill:

10. Dickison:

11. Zuniga:

A Joint report on the Recreation Ad-Hoc Committee meeting.

12. Turner:

A Joint report on the Recreation Ad-Hoc Committee meeting.

13. Strack:

N. **ADJOURN TO CLOSED SESSION:**

PUBLIC EMPLOYEE EVALUATION:

Pursuant to Government Code Section 54957:

City Manager Evaluation

O. **RECONVENE AND REPORT ON CLOSED SESSION:**

P. **ADJOURNMENT!**

POSTED: APRIL 20, 2007

THE CITY OF CORNING IS AN EQUAL OPPORTUNITY EMPLOYER



**CITY OF CORNING
CITY COUNCIL MINUTES**

**TUESDAY, APRIL 10, 2007
CITY COUNCIL CHAMBERS
794 THIRD STREET**

A. CALL TO ORDER: 7:30 p.m.

B. ROLL CALL:

Councilmember:

Hill
Dickison
Zuniga
Turner
Strack

Mayor:

All Council members were present.

C. INVOCATION AND PLEDGE OF ALLEGIANCE:

City Manager Stephen Kimbrough led the Pledge of Allegiance.

D. PROCLAMATIONS, RECOGNITIONS, APPOINTMENTS:

1. April 2007 National Volunteer Month in the City of Corning.

Deputy City Clerk Rhonda Stout Davies read the Proclamation. Linda Lima and members of the Senior Center were present to accept the Proclamation from Mayor Strack.

2. Public Safety Telecommunications Week, April 8, 2007 through April 14, 2007.

Deputy City Clerk Rhonda Stout Davies read the Proclamation. Police Chief Tony Cardenas was present to accept this Proclamation on behalf of the City Dispatchers from Mayor Strack.

3. April 2007 Child Abuse Prevention Month.

Deputy City Clerk Rhonda Stout Davies read the Proclamation. Delores and Gene May were present to accept the Proclamation from Mayor Strack on behalf of the Corning Exchange Club.

E. ROSE TOBISCH, CORNING HIGH SCHOOL LIAISON REPORT: Not present.

F. BUSINESS FROM THE FLOOR:

Gary Price addressed the City Council regarding his alleged "false arrest". He stated that he had filed a claim against the City which was rejected. Mayor Strack advised Mr. Price to address the Council, not the audience. He stated that he was going to file a federal lawsuit against the City in the amount of 1.5 million dollars. He stated that he was going to the Federal Grand Jury and the US Attorney's office. He stated that when he files the federal lawsuit, he will also file a request for documents.

G. CONSENT AGENDA: It is recommended that items listed on the Consent Agenda be acted on simultaneously unless a Councilmember or members of the audience requests separate discussion and/or action.

4. Waive reading, except by title, of any Ordinance under consideration at this meeting for either introduction or passage, per Government Code Section 36934.

5. **Waive the reading and approve the Minutes of the March 13, 2007 City Council Meeting with any necessary corrections.**
6. **Waive the reading and approve the Minutes of the March 27, 2007 City Council meeting with any necessary corrections.**
7. **April 4, 2007 Claim Warrant - \$403,968.43.**
8. **March 2007 Wastewater Treatment Plant Summary Report.**
9. **March 2007 Building Permit Valuations - \$942,695.**
10. **March 2007 Treasurer's Report.**
11. **March 2007 Wages and Salaries - \$410,958.82.**
12. **Business License Report, April 4, 2007.**
13. **Approve Resolution No. 04-10-04-02 Adopting Street Light Standards for the City of Corning, and adding these Standards to the City's existing Public Works Construction Specifications and Standard Details.**
14. **Approve Resolution No. 04-10-04-03 Adopting Handicap Standards & adding these Standards to the City's existing Public Works Construction Specifications and Standard Details.**
15. **Authorization to Purchase Police Vehicles.**
16. **Approval of Partial Payment No. 2 in the amount of \$82,578.40 for the Safe Routes to School Project.**

Mayor Strack introduced each Consent Agenda Item by title and asked if any of the Council or members of the audience would like to remove any item for further discussion. With no response, Mayor Strack called for a motion. Councilor Turner motioned approval of Consent Agenda Items 4-16. Councilor Hill seconded the motion. **Ayes: Strack, Hill, Dickison, Zuniga and Turner. Opposed: None. Absent/Abstain: None. Motion was approved by a vote of 5-0.**

H. ITEMS REMOVED FROM THE CONSENT AGENDA: None.

I. PUBLIC HEARINGS AND MEETINGS: Any person may speak on items scheduled for hearing at the time the Mayor declares the Hearing open. ALL LEGAL NOTICES PUBLISHED IN ACCORDANCE WITH LAW.

17. **Resolution No. 04-10-07-01; a Resolution Vacating certain unconstructed portions of Blossom and Orange Avenues within and adjacent to the Shasta View Tract and accept offers of property to relocate and widen Blossom Avenue right of way.**

Mayor Strack introduced this item by title and asked Planning Director John Brewer to give a brief summary of this item. Mr. Brewer stated that this is a proposal to vacate and relocate Blossom Avenue to facilitate development on the old Shasta View Tract. It relates to the next Agenda Item as well and is pretty straightforward, he would be happy to answer any questions the Council might have.

Mayor Strack declared the Public Hearing open. Councilor Turner acknowledged that he had attended the Planning Commission meetings for Items 17, 18, and 19, however he communicated with no one attending these meetings and sat by himself off to the side of the room so that there was no inference to anyone attending.

Mayor Strack asked if anyone from the audience wanted to address this item. With no response, Mayor Strack closed the Public Hearing.

Mayor Strack called for comments from the Council. Mr. Brewer pointed out that the primary reason for this relocation and vacation of the right-of-way is to provide additional separation between the Jewett Creek Bridge on Toomes Avenue and the intersection of Blossom Avenue. By this vacation and relocation, it will actually amount to an orderly shift of that right-of-way of about 85 feet and therefore provide additional sight distance for vehicles coming over that verticle curve on the Jewett Creek Bridge. Mayor Strack also stated that the one street dead-ends into the Creek.

Mayor Strack then called for a motion. Councilor Dickison motioned for the City to accept the property offered in the attached Grant Deeds to relocate and widen Blossom Avenue Right-of-Way, and make the following four Findings and Adopt Resolution No. 04-10-07-01, a Resolution vacating certain unconstructed Blossom and Orange Avenue Rights-of-Way. Councilor Zuniga seconded the motion. **Ayes: Strack, Hill, Dickison, Zuniga and Turner. Opposed: None. Absent/Abstain: None. Motion was approved by a vote of 5-0.**

18. Tentative Tract Map 07-1001, Self-Help Home Improvement Project; to create 8 Single-Family Residential parcels in an R-1-2 Zoning District, located on the west side of Toomes Avenue and south of Blossom Avenue, APN 71-204-08 (Portions) and 71-205-10 & 11; approximately 1.25 acres.

Mayor Strack introduced this item by title and asked Planning Director John Brewer to give a brief summary on this project. Mr. Brewer stated that this project affects the recently vacated property and is a proposal by SHHIP (Self Help Home Improvement Project) to create 8 parcels. He stated that visible are the highlighted former Blossom Avenue Right-of-Way that was just abandoned. Each of the 8 parcels will be approximately 50 feet in width. Mr. Brewer stated that Mr. Keith Griffith from SHHIP as well as their project Engineer from Northstar Engineering are present to respond to any questions.

Mayor Strack declared the Public Hearing open. Mayor Strack stated that these are old lots sized roughly 25 feet and are being paired up to make 50-foot lots. Mr. Brewer stated that actually these are Phase II of the project and are previously undivided lands; these are the 8 new lots.

Councilor Turner asked what we would consider the breaking point on substandard lots. Councilor Hill responded stating anything below 6,000 square feet. Mr. Brewer stated this was a good question. He stated that the City recently adopted an Ordinance, called the Density Bonus Ordinance that is required by State Law. He explained that the Ordinance requires the City to make available Density Bonuses and other incentives for projects that create affordable housing. Mr. Brewer stated that the legislation is somewhat vague; he stated it was hard for him to understand just at what point does a lot become...he stated we have obvious lot standards of 6,000 square feet minimum, the proposal here is to create some lots that are 5,500 square feet. He stated that Staff has talked about this; we believe that the smallest lot is still certainly developable. Mr. Brewer continued, stating at what point to you reach the breaking point, he is not sure, but at 5,500 feet is still within 90% of the 6,000 square feet minimum.

Councilor Turner stated that he voted against the Bonus Density. He further stated based on Mr. Brewer's comment then, if you average, which he was opposed to as a Supervisor and is opposed to it in this case, you would still come up with 6,000 based on an average community based lot. Why didn't the potential developer adjust these lot lines to the east somewhat so that they all could be 6,000 or more when they have lots at 6,700, 7,700, 8,400 square feet. Councilor Hill explained that that was the depth, not the frontage. Councilor Turner stated that even if we move to the boundaries to the east, he stated that he knew the frontage, he would much rather have a minimal amount of frontage on these lots that exceed the minimal standards, as it is now he stated that he will vote to oppose it.

Jay Low with Northstar Engineering addressed the Council. He stated that Mr. Brewer did an excellent job putting this package together. He addressed the issue of moving the roads stating that the traffic engineer presented a letter that he believes is in the packet that stated that at that

distance (for moving the road) is appropriate. He stated that he is available to answer any questions.

Councilor Hill asked if the lots could be readjusted to seven instead of the proposed 8 lots. Mr. Low stated that having the 8 lots helped offset the costs in moving the road. Councilor Hill stated that the 8 lots do not fit the City Standards, especially the corner lot which she believes should be a 75 feet frontage, we have gone down to 50 feet. Mr. Low stated that through the Density Bonus they were requesting would solve this. Councilor Hill stated that the Council did not have to grant the Density Bonus.

Mr. Brewer responded, stating that if you refer back to exhibit G, there is the letter from SHHIP that actually requests the acceptance to the standards, on the second page Mr. Keith Griffith said that SHHIP estimates that the concessions requested will save about \$60,000 and is needed for feasibility. Mr. Brewer stated that Mr. Griffith is in attendance and he didn't think that there was anyone more qualified to talk about his budgeting process. He stated that they are providing single-family residences for low and very low-income folks, and he thinks one of the ways they are able to do that is by maximizing their Density. He said it was his understanding that they chose the 50-foot arrangement to essentially mirror what was occurring on the other side of the Street throughout the rest of the subdivision, however that is possibly only half of the equation, the other half is so that they can get 8 lots instead of 7.

Tom Carter asked how big/wide are the houses to be built, are they being built length ways? He was informed that they are essentially square and 38 feet wide with 6 foot offset.

Councilor Hill stated that she understands why they are requesting the Density Bonus to allow 8 lots, they want to get one extra home in which will reduce the project costs, but she also understands that we have adopted Standards and she would like to see them be 60 foot wide, rather than set precedence's, such as was done for the home on the corner of Colusa Street and Highway 99 W. She stated that she doesn't agree with the lot size, the frontage, she thinks it should meet the City Standards and unfortunately they would lose a lot and build one less home.

Keith Griffith addressed the Council stating that because of the Density Bonus Act, and the Ordinance adopted, that is why they requested this. He stated that they are a non-profit organization; they don't make more money off of the project, however if they reduced the lots to seven instead of the proposed eight lots, it would increase the cost to the seven homebuyers and make it harder to them to qualify the families under their program. He stated that the Density Bonus allows it, which is why they requested it. Councilor Turner asked if the other lots he spoke of where 6,000 square feet or more; it was explained that they are only 50 feet wide. Mr. Anderson, City Engineer stated that the rationale for meeting with these people was that why change the lot sizes for eight lots, when all the others would be 50 feet wide, why not keep uniformity throughout the subdivision.

Tom Carter asked if these houses would have room behind them for a backyard; he was informed yes. Building Official Jack Alexander stated that they all meet the City setback requirements that are standard for every house in town, 6-foot side yard, 20-foot front yard, and 10-foot rear yard.

Mr. Brewer restated the three exceptions to the City Standards; the first is the reduction in the interior lot width of 49 feet instead of the standard 60 feet and the reduction of the corner lot width of 50 feet instead of the standard 75 feet, the second is the reduction in the normal side yard building set back from 6-feet for the interior lots and 10-feet for street side yards at 5-feet, and third is reduce lot area from 6,000 square foot minimum to at least 5,574 square feet which is the lowest lot.

Councilor Hill stated that these eight pieces are in a flood zone and it was mentioned that SHHIP had asked that FEMA re-evaluate them and remove them from the flood zone, has that evaluation been received? Mr. Brewer stated that it had, and stated that there is a lot of engineering that

goes into this, the engineer and the applicant submit an application to FEMA, the application is known as a "CLOMAR" (Conditional letter of map revision). He stated with their engineering and their proposal, and in this case it was a "CLOMAR-Doubt (a CLOMAR based on fill), they tell the Feds that they are essentially going to elevate those lots. FEMA then approves the CLOMAR based on what their engineering says. Included within the packet is that approved CLOMAR. He stated that what then happens is the engineer will go back through and certify that the fill, the entirety of the lots are above the base flood elevation so the homes are not subject to purchasing flood insurance anymore. Councilor Hill asked if it would impact the other side of the Creek; Mr. Brewer stated that it could raise water 6-10ths of an inch, which the City didn't feel was a substantial rise. Councilor Turner asked, based on that comment, by filling in on the north side of the Creek you are stating that any water that could escape to the north side, the maximum projected raise where it would be crossing Toomes and Fig Lane is 6-10ths of an inch. He then asked by basing a decision based on those calculations, is there any assumption of liability on this development if there is flooding, or would that be a civil matter from those people who receive damage towards the City or the Developer? The City Attorney responded.

With no further comment Mayor Strack closed the Public Hearing and called for a motion. Councilor Zuniga motioned to approve the Development Agreement to grant certain exceptions to City Development Standards in accordance with Ordinance No. 627 and Government Code Section 65915, and approve Tentative Tract Map 07-1001, subject to the following: Adopt the 4 Findings and adopt the attached 48 Conditions of Approval on Tentative Tract Map 07-1001. Councilor Dickison seconded the motion. Councilor Hill stated for the record that she did not like the exception for the eight lots instead of seven. **Ayes: Strack, Hill, Dickison and Zuniga. Opposed: Turner. Absent/Abstain: None. Motion was approved by a vote of 4-1.**

19. Salado Orchard Apartment Project; Rezone 2006-3; To Rezone from R-1 to P-D, Planned Development and authorize the construction and operation of a 48 unit Apartment Complex through Planned Development Use Permit 2006-231; Tentative Parcel Map 07-01; Pacific West Communities, Inc.; located southwest of the Toomes Avenue & Blackburn Avenue Intersection, APN 71-020-02; approximately 10.28 Acres.

Mayor Strack introduced this item by title and asked Planning Director John Brewer to give a brief summary of this item. Mr. Brewer stated that this was a proposal to rezone the 5-acre parcel and the parcel map to divide the property into two parcels, and eventually to develop the 48-unit apartment complex. He informed the Council that the Planning Commission approved the Use Permit on March 20, 2007 and introduced Mr. Bill Spann who was present to represent Pacific West Communities. He stated that the Planning Commission recommendation included 45 recommended Conditions of Approval, and of course the reduction in water. Mr. Brewer stated that initially the application thought to rezone the entirety of the 10-acres, however after the Planning Commission meeting that boundary was reduced to 5-acres. The Planned Development recommendation is just to develop the 5-acre portion; the lower portion (Parcel 2) would stay zoned R-1 Single-Family Residential. One of the other things the Planning Commission changed in terms of their recommendation was, there was a proposed land use barrier initially along the west boundary of the apartment project adjacent to the Single-Family Residential properties, the Planning Commission added that to the south boundary of the project.

Mayor Strack then opened the Public Hearing. Councilor Hill asked if they were going to change the road on Blackburn Avenue to two-way with a median down the middle, going to ways from the exit of the complex to Woodson School, why is the median put in so early if it is going to be one-way from there down to Edith Avenue? Mr. Brewer explained that Blackburn Avenue would become two-way along the entire northern frontage of this property. Mr. Brewer stated that the reason Blackburn Avenue remains one-way from the western edge of the property to Edith Avenue is because the City doesn't have the right-of-way at this time to fit a wider street and ditch. He also stated that the ditch would be piped along the frontage of this project that will elevate some safety concerns along the frontage of the project. Mayor Strack asked the width of the

medium; Mr. Brewer answered 7 or 8 feet. Mr. Brewer stated that the street has been modified from our standard minor arterial streets because of the high voltage power lines that form the interface between the property and Blackburn Avenue on the south side. It was financially impractical to try to relocate and bury those power lines. The City Engineer Ed Anderson contacted PG&E and obtained the rough figures for cost to do this and it was approximately \$50,000 per power pole, needed approval that would take about a year and we probably wouldn't obtain this approval. Mr. Anderson stated that it was not cost effective and that we needed to clean up that ditch anyway.

Mayor Strack asked about school crossings to the medium and then across to the school; Mr. Brewer responded yes. Councilor Hill asked if that section of the medium would be paved instead of landscaped; Mr. Brewer stated yes through the crosswalk areas. Mayor Strack stated that the school was going to provide the City with a letter expressing any of their concerns so that the City could address them, however he did not see anything in the packets from them. Councilor Hill asked what would cover the end of the ditch pipe where it meets up with the open ditch to prevent someone from getting into it up stream or downstream; Mr. Brewer yielded to Ed Anderson and Tom Russ and they stated that once the final off-site plans are submitted a grate system will be installed. A audience member suggested a gate system for the pipe, Mayor Strack stated that a hydrologist and the City Engineer would look into this.

Another member of the audience stated his opposition to the project, saying that the Planning Commission didn't much care about the will of the people in that area and what they want. He stated that he always thought that the government was supposed to satisfy the will of the people. Mayor Strack responded saying that the City sets Standards, if the project meets those Standards, and the City sets those Standards high enough, how do you tell the project proponents no. The Mayor stated that he has a six-plex next to his house.

Tom Carter addressed the Council stating his objections to this project and making the declaration that he would be running for City Council at the next election. He stated that he intends to run against those Council members that vote in favor of the apartment development. He stated that the people of North Street Community have made it well known that they do not want anymore apartments in there neighborhood. He stated that the Planning Commission has given us their time and completely ignored us. He stated that he hoped that the members of this Council would pay more attention to the will of the people than the Planning Commission members. He stated that the "Fix was in". He asked that at this time the City Council vote on a moratorium on new building permits, stating that this request comes from the members of the Citizens Committee for Urban Development and the City of Corning. He stated that they would like this moratorium to stay in place until the City is divided into Districts, and the members from those Districts can be elected to the City Council and appointed to the Planning Commission. He stated that this way the Citizens of Corning would be better equipped to determine the destiny of our City. He stated that they have heard the Planning Commission speak time and again about how this City needs to be more like the big Cities, now here is your chance. Stop thinking about the \$4,000,000 grant money or whatever financial things might be in store. We implore you to look down the road 20 to 30 years and see what this town will look like if you continue to build as fast as you can. We don't need more apartments to attract more out of town low-income workers, what we need are low-income homes to accommodate the low-income workers we already have and jobs that will pay higher wages. If you Council members vote for this project, your legacy for the future will be remembered as having been a part of producing the "Slum" Corning will be known as. Many of those that oppose this project are the elderly citizens of our Community, it is hard for them to get out for these meetings, but don't let that fool you, they do vote by absentee ballot and read the papers, so their absence from these meetings should not be ignored. There is a rumor circulating that the City Manager, or someone at City Hall is holding the leashes of the Planning Commission and many of the City Council, I hope that this is only bad vicious gossip, for if it is true there may be a level of corruption present that we have never seen. He stated that he votes no on the

apartments, his name is Thomas Carter and he lives at 3058 North Street. He presented the Council with a petition of signatures from homeowners.

Mayor Strack stated that after attending many School Board meetings, the City and School have a problem on Fig Lane when school is dismissed there. The School some way has to address this, the City has been talking to them about addressing the problems, and this is going to be the same thing. It is not something the Schools are not already aware of.

Mayor Strack stated, the thing about this attracting people from out of town, he stated that he doesn't think you will find it attracting people from out of town because right now there is a waiting list of about 150 people for the affordable housing apartments here in town, these are people that currently reside here now. An audience member stated that right now there are empty apartments waiting to be filled. Councilor Hill asked Planning Director Brewer for the survey list given to the Council that showed the waiting list for the affordable apartments (Tehama Village-1yr. waiting, Maywood Apartments-65 people on their waiting list, Corning Garden Apartments-90 people on their waiting list, and Valley Terrace Apartments-6-12 mos. with 38 people on their waiting list), Olive Grove Apartments is no longer considered low-income apartments. Councilor Hill stated that she knows of people that don't even try to get on the waiting list because there are already so many people on the list. It was stated that this list was compiled on April 3, 2007 from information obtain from these apartment complex managers.

An audience member asked about the Grant funds for this project and will be repaid to the City, after it is repaid where will the funds go? Mayor Strack stated that it would go into a fund utilized for affordable housing related items only. Councilor Hill stated that in the past it was used for SHHIP, in the past it has been used in different areas, not just apartments. He then asked how those funds were raised? Mayor Strack stated he believed it was taxpayer money and stated that it will be quite a while before that money gets paid back to the City.

Bill Spann, (Pacific West Community representative and project proponent) addressed the Council and audience explaining the grant process stating that the funding is through the State Department of Housing and Community Development and it is federal funding for home programs and is used for affordable housing, (single family residences, apartments, community housing, and rent assistance). Mayor Strack asked if they are required to own this property for a period of time and not sell right away; Mr. Spann stated yes. Mayor Strack confirmed that they have a history with these types of projects and the project is not something they will build and then walk away. Mr. Spann explained the types of funding they use to build these apartment complexes. He stated that this will be a 48-unit apartment complex having 2 and 3 bedroom apartments with an onsite Manager. This complex will have a clubhouse, pool, and spa. The apartments will have washer and dryer hookups. The rental rates will be affordable to local low-income families and they will provide such services as neighborhood watch program, job training, healthcare training, computer training, finance management training and credit counseling. He stated that they would also provide youth services programs. The property management will screen all potential residents for credit income verification, past rental history, criminal record check including Megan's Law, and stated that enforcement of the house rules will be strictly enforced by the onsite resident manager and assistant manager that will be professionally trained. He stated that criminal activities or misconduct and will act immediately to terminate the lease of tenants that break the rules. Professional maintenance companies will provide for landscaping, driveways, parking areas, lighting, etc. He stated that it is the intent of this development to provide affordable housing to local employees. He stated that the Density of Salado Orchards is considerably low; much lower than the typical apartment complex, it is usually 15-20 units per acre. It is lower here due to the location and the fact that they tried to take into consideration the concerns of the neighborhood. He addressed the comments regarding loss of property values, through research and studies by the State and Universities, and Housing Advocates, this information proves that if you have good quality design, good management, and proper maintenance of affordable housing

these complex will sustain property values. He stated that he has provided this information to the City.

Councilor Turner stated that he had three questions for Mr. Spann. One was in relation to his comment regarding sensitivity to the neighbors; Mr. Turner stated that it was fairly evident that the neighbors were not receptive to this project so he wouldn't say that he (as project proponent) is acknowledging the feelings of the neighbors. The second question related to the other properties where they have built apartment complexes, did they exercise their option to purchase the property or did those options hinge on the approval of the City's before they purchased; Mr. Spann stated they purchased the property after obtaining approval. Councilor Turner then asked if tenant income is considered from disability or work restriction, or are these working people? Mr. Spann stated that he was not sure, however he believes that the majority would be working people. Councilor Turner stated that his concern as well some of the people in the community is that in the past is that there is a need, he stated that these are all subsidized apartments. He asked what is the vacancy rate in non-subsidized apartments in this community stating aren't we becoming top heavy in subsidized apartments as compared to other forms of housing in this community and potentially detracting a working, carrying your own community. Mayor Strack stated he didn't think that was Mr. Spann's question to answer; it was a question for the community. Councilor Hill stated she believed she could somewhat answer this based on her occupation. She stated that the homeowner's they represent have seen the increase in the values in their homes and they have taken loans out on their homes that have raised their payments and passing that on to their renters. She further stated that they have increased their rent on every single one of their properties that they manage this year, and they have a lot of cliental that come in and cannot afford the new rent and deposit.

Councilor Hill asked if all of the units would be two-story; she was informed yes. She then confirmed that only one of the units would be handicap accessible; she was informed that only 5% to 6% would be ADA equipped, however all of the bottom units are accessible and can easily be adapted to meet ADA compliance.

Mayor Strack asked for the qualifying income amount for the apartments. Mr. Spann stated that qualification is based on the percentage of income and number of people per household. Mr. Spann stated a 2-bedroom 3- member household would be a minimum of \$23,000; a 3-bedroom 5-6 member household would be \$38,000. He stated that the majority would probably be somewhere in between.

John Rifkins of Rio Bravo Court stated that he really didn't want the project, and stated that a lot building is going on in Corning and he believes that the Police Department is understaffed. He also stated his concerns with flooding. He stated that he hopes that everything is taken into consideration such as Police and Fire department services, flooding issues, etc. before a decision is made.

Councilor Hill asked if for some reason the owners of this property had decided to sell this property to for instance SHHIP Project, and the SHHIP Project had decided to install substandard lots neighbors would have no say in who lived there. This Company is going to come in and regulate who lives there. She stated that once you sell a home you can't regulate who lives there and one of the things that was brought up to the Council is Child predators. Councilor Hill stated that currently he has one living within his neighborhood that is on Megan's List and you can't do anything about him, however this Company can say we chose not to rent to you as well as they are within 2,000 feet from the School which makes it better for that subdivision because they can't rent to them.

Councilor Turner brought up the subject of windows on two-story windows and the possibility of requesting conditions for the windows to be obscured, he stated that this item had come before the Planning Commission recently. Mr. Brewer confirmed that this recently came up regarding a

two-story duplex with a separation of about 14-feet between the dwellings, the Planning Commission required all second story windows on the side of the adjacent building obscure.

With no other comment Mayor Strack closed the Public Hearing and called for a motion. Councilor Turner stated he would oppose this project because he has to represent the will of the people in that neighborhood. He stated that he sees no one present tonight as an advocate of the project and other than a letter the Council received from the Department of Housing and Community Development Division of Housing Policy Development. The only ones present tonight in support of this project is the project proponent.

Councilor Dickison motioned that the City Council adopt the 7 recommended Findings and the attached Mitigation Monitoring Plan, Introduce Ordinance No. 626 Rezone No. 2006-3 to revise the zoning for proposed Parcel 1 as shown on Tentative Parcel Map 07-01 from "R-1 Single-Family Residential" to "P-D Planned Development", and approve Tentative Parcel Map No. 07-01 all Rezone Planned Development Use Permit and Tentative Map subject to the 45 recommended Conditions noted below. Councilor Hill seconded the motion. **Ayes: Strack, Hill, Dickison and Zuniga. Opposed: Turner. Absent/Abstain: None. Motion was approved by a vote of 4-1.**

Councilor Hill did request that the Director of Public Works conduct a study for removable gates. The City Attorney then read Ordinance No. 626 by title.

J. REGULAR AGENDA:

20. Review and Consideration of Pool Use Fee Increases.

Mayor Strack introduced this item by title and informed the Council that this was handled at the Recreation Commission. Councilor Turner recommended that the Council adopt the fees as recommended. Mayor Strack stated that he would like to discuss the presentation first. Mayor Strack stated that he thought Pool Manager Jessica Jorgensen did a fine job, however he believed that in the past we charged non-residents more, he stated that citizens of Corning pay property tax to the City which non residents do not. He stated that he would like to add that \$5 for non-residents. Councilor Turner stated that the Recreation Commission rescinded this because it was stated that children and adults would stand there and lie about whether they resided in the City or County. Councilor Turner stated that it was his interpretation that Jessica felt that they few dollars weren't worth arguing with the family or children at the Park. Mayor Strack stated that for the swim lessons and seasonal passes he didn't feel the additional non-resident fee would be a problem.

Councilor Hill motioned that City Council adopt the amended pool fee increases with the amended swim lessons and season pass fees to reflect a \$5 increase for non-residents versus residents. Councilor Dickison seconded the motion. **Ayes: Strack, Hill, Dickison, Zuniga and Turner. Opposed: None. Absent/Abstain: None. Motion was approved by a vote of 5-0.**

21. Progress Report - Fire Dispatch Service to Orland and Capay Fire Department's.

Mayor Strack introduced this item by title and asked Fire Chief Bob Pryatel to brief the Council on the status. Mr. Pryatel stated that he is currently working with the Chief's of Orland and Capay Fire Departments and will be meeting this weekend. He stated that he also would be meeting with representatives from AT&T to iron out any radio work and phone work needed before they go ahead with the project. He stated that they are also looking at a mapping program that could be used to for the City of Corning as well as Orland and Capay. Mr. Pryatel stated that there is money available through the 911 System that the City is entitled to. Mayor Strack confirmed that this would not affect the City's quality of Service and that stated that the action requested is to continue to negotiate. Councilor Turner asked for a legal opinion to be researched by the City Legal Council relating to the LAFCO Guidelines for Out-of-Agency service Agreements and whether the City is required to obtain LAFCO approval to prior to entering into a contract with private individuals or organizations outside the agency boundaries. Councilor Hill stated she

didn't believe this should apply. The City Attorney will research and report back to the Council.
No action needed.

K. **ITEMS PLACED ON THE AGENDA FROM THE FLOOR:** None.

L. **COMMUNICATIONS, CORRESPONDENCE AND INFORMATION:** None

M. **REPORTS FROM MAYOR AND COUNCILMEMBERS:**

22. Hill: None.

23. Dickison: Stated that she had a special Tripartite Meeting last week and has given it to Rhonda to make copies for the Council and reported that the LAFCO meeting scheduled for tomorrow has been cancelled.

24. Zuniga: None.

25. Turner: Reported on the Recreation Ad-Hoc Committee Meeting on April 12th and announced the next one would be April 19th at the Corning City Council Chambers. He stated that the grant writer was in attendance at the last meeting and presented information. Mayor Strack asked if the Committee would mind if an invitation to attend the next meeting was sent to the two County Supervisors; Mr. Turner stated no.

26. Strack: Reported that he had attended a meeting in Redding on the Fix-5 and announced a Fixed Five Public Hearing is scheduled for April 24th at 6:00 p.m. at the Corning City Council Chambers.

N. **ADJOURN TO CLOSED SESSION:** Cancelled

PUBLIC EMPLOYEE EVALUATION:

Pursuant to Government Code Section 54957:
City Manager Evaluation

O. **RECONVENE AND REPORT ON CLOSED SESSION:** N/A

P. **ADJOURNMENT!** 9:35 p.m.

Lisa M. Linnet, City Clerk



MEMORANDUM

TO: HONORABLE MAYOR AND COUNCIL MEMBERS

FROM: LORI SIMS
ACCOUNTING TECHNICIAN

DATE: April 18, 2007

SUBJECT: Cash Disbursement Detail Report for the
Tuesday, April 24, 2007 Council Meeting

PROPOSED CASH DISBURSEMENTS FOR YOUR APPROVAL CONSIST OF THE FOLLOWING:

A.	Cash Disbursements	Ending	04-18-07	\$	149,539.95
B.	Payroll Disbursements	Ending	04-10-07	\$	38,874.14
GRAND TOTAL					<u>\$ 188,414.09</u>

REPORT.: Apr 18 07 Wednesday
 RUN.....: Apr 18 07 Time: 11:54
 Run By.: LORI

CITY OF CORNING
 Cash Disbursement Detail Report
 Check Listing for 04-07 Bank Account.: 1020

PAGE: 001
 ID #: PY-DP
 CTL.: COR

Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Description	Payment Information
003932	04/09/07	SPA10	SPANNAUS, MARTIN	314.36	.00	314.36	070409	TRAINING/ED-FIRE	
003933	04/12/07	9-101	911 MAGAZINE	47.95	.00	47.95	070404	Traing/Educ. PoliceDispat	
003934	04/12/07	ARA02	ARAMARK UNIFORM SRV.INC.	39.44	.00	39.44	3859075	Mat/Supplies-STR	
				39.44	.00	39.44	3862036	Mat/Supplies-STR	
			Check Total.....:	78.88	.00	78.88			
003935	04/12/07	ATT10	AT&T	1225.93	.00	1225.93	T6310947	COMMUNICATIONS-GEN. CITY	
003936	04/12/07	BAS01	BASIC LABORATORY, INC	86.00	.00	86.00	0702676	ProfServices Water Dept	
003937	04/12/07	BAT01	BATTERIES PLUS	5.00	.00	5.00	311-59074	SAFETY ITEMS-POLICE	
003938	04/12/07	BRO04	BROWN WELDING, K.R.	27.70	.00	27.70	16410	MAT & SUPPLIES-PARKS	
003939	04/12/07	CAM02	CAMELLIA VALLEY SUPPLY	506.22	.00	506.22	0622223	MAT & SUPPLIES-SWR	
				8.93	.00	8.93	SC19306	MAT & SUPPLIES-STR	
			Check Total.....:	515.15	.00	515.15			
003940	04/12/07	CIT05	CITY OF RED BLUFF	623.04	.00	623.04	31786	COMMUNICATIONS-POLICE	
003941	04/12/07	COM01	COMPUTER LOGISTICS, INC	116.67	.00	116.67	33686	COMMUNICATIONS-POLICE	
				17.00	.00	17.00	33693	Equip.Maint.-GEN. CITY	
				26.00	.00	26.00	33697	COMMUNICATIONS-POLICE	
				24.00	.00	24.00	33857	Equip.Maint.-GEN. CITY	
				24.00	.00	24.00	33862	Equip.Maint.-GEN. CITY	
				250.00	.00	250.00	33865	COMMUNICATIONS-POLICE	
			Check Total.....:	457.67	.00	457.67			
003942	04/12/07	COP00	COP SHOP INSTALLATIONS	23.54	.00	23.54	683	VEH OP/MAINT-POLICE	
				413.90	.00	413.90	692	VEH OP/MAINT-POLICE	
			Check Total.....:	437.44	.00	437.44			
003943	04/12/07	COR12	CORNING FORD MERCURY, INC	604.09	.00	604.09	103360	K-9 PROGRAM-POLICE	
				28.80	.00	28.80	104185	Veh Opr/Maint-POLICE	
			Check Total.....:	632.89	.00	632.89			
003944	04/12/07	DAY03	DAY WIRELESS SYSTEMS	235.95	.00	235.95	935256	COMMUNICATIONS-FIRE	
003945	04/12/07	DEP01	DEPT OF JUSTICE	104.00	.00	104.00	070404	PROF. SVCS-POLICE	
003946	04/12/07	DOD01	JAMES DODGE	280.00	.00	280.00	070411	CADET PROGRAM-POLICE	

Check Number	Check Date	Vendor Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Description
003947	04/12/07	DURHAM PUMP	2850.00	.00	2850.00	0094925IN	EQUIP. MAINT.-WTR
003948	04/12/07	GAYNOR TELESYSTEMS, INC	1284.12	.00	1284.12	3305	COMMUNICATIONS-POLICE
003949	04/12/07	GSFM / WFM	21.53	.00	21.53	I-020325	Mat/Supplies-WTR
			529.31	.00	529.31	I-020326	Mat/Supplies-WTR
		Check Total.....:	550.84	.00	550.84		
003950	04/12/07	JUDSON ENGINEERING	850.00	.00	850.00	JE 567	PROF. SERV.-BLD & SAFETY
003951	04/12/07	LARRY'S PEST & WEED,	583.00	.00	583.00	11809	WEED/TREE SPRAY-STR
003952	04/12/07	METRO-CALL	26.85	.00	26.85	Q0159912D	COMMUNICATIONS-POLICE
003953	04/12/07	NORTH VALLEY BARRICADE	720.72	.00	720.72	9028	SIGN REPLAC.-STR
003954	04/12/07	NORTHERN LIGHTS ENRGY, INC	156.96	.00	156.96	74431	VEH OP/MAINT-FIRE
003955	04/12/07	PATTERSON ELECTRIC,	126.71	.00	126.71	706	MAT & SUPPLIES-PARKS
003956	04/12/07	PG&E	15.97	.00	15.97	070404	Mat/Supplies PoliceServic
003957	04/12/07	PG&E	276.48	.00	276.48	070403	TranspFacility-GAS
003958	04/12/07	PG&E	1243.19	.00	1243.19	070403	GAS-FIRE DEPT
003959	04/12/07	PG&E	35.26	.00	35.26	070403	ELECT-CASSANDRA
			44.11	.00	44.11	070404	ELECTRICITY-CLELAND PROP
		Check Total.....:	79.37	.00	79.37		
003960	04/12/07	QUALIFICATION TARGETS, INC	81.51	.00	81.51	20700708	SAFETY ITEMS-POLICE
003961	04/12/07	REDDING OIL COMPANY	2084.69	.00	2084.69	070331	VEH OP/MAINT-POLICE
003962	04/12/07	LES SCHWAB TIRE CENTER	302.64	.00	302.64	351213	Veh Opr/Maint-STR
003963	04/12/07	SWRCB/AFRS	830.00	.00	830.00	0628075	Annual Permit WWTP
003964	04/12/07	TEHAWA CO SHERIFF'S DEPT	1592.50	.00	1592.50	070410	Booking Fees/PD PoliceSer
003965	04/12/07	TEHAWA CO HEALTH AGENCY	29.35	.00	29.35	070404	EMP. PHYSICALS-PW ADMIN
003966	04/12/07	TRI-COUNTY NEWSPAPERS	47.18	.00	47.18	5433	Print/Advert. City Clerk
003967	04/12/07	XEROX CORPORATION	289.96	.00	289.96	024214004	EQUIP MAINT-POLICE
003968	04/13/07	TOM WILLIAMS CONSTRUCTION	74320.56	.00	74320.56	070410	SAFE RTS TO SCHOOL

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CITY OF CORNING
Cash Disbursement Detail Report
Check Listing for 04-07 Bank Account.: 1020

REPORT.: Apr 18 07 Wednesday
RUN....: Apr 18 07 Time: 11:54
Run By.: LORI

Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Description
003969	04/13/07	CALL10	CPCA	125.00	.00	125.00	070412	Training/Educ. PoliceServic
003970	04/17/07	ARA02	ARAMARK UNIFORM SRV. INC.	39.44	.00	39.44	3865018	Mat/Supplies-STR
003971	04/17/07	ATT01	AT&T	226.32	.00	226.32	070403	Communications General Ci
003972	04/17/07	BAS01	BASIC LABORATORY, INC	86.00	.00	86.00	0702843	ProfServices Water Dept
003973	04/17/07	BAX00	BAXTER AUTO PARTS, INC.	162.37	.00	162.37	070325	VEH OP/MAINT-STR
003974	04/17/07	CIT12	CITY OF REDDING	978.39	.00	978.39	620615128	OTS-DUI SEMINAR
003975	04/17/07	COM01	COMPUTER LOGISTICS, INC	1332.05	.00	1332.05	33881	MACH/EQUIP-FINANCE
003976	04/17/07	COR11	CORNING SAFE & LOCK	17.11	.00	17.11	1692	MAT & SUPPLIES-PARKS
003977	04/17/07	COR12	CORNING FORD MERCURY, INC	202.61	.00	202.61	104973	Veh Opr/Maint-POLICE
				75.00	.00	75.00	105008	Veh Opr/Maint-POLICE
			Check Total.....:	277.61	.00	277.61		
003978	04/17/07	ECO01	ECO RESOURCES, INC.	45609.65	.00	45609.65	15382	PROF. SVCS-WWTP
				2479.45	.00	2479.45	15383	PRETREATMENT PROG-SWR
			Check Total.....:	48089.10	.00	48089.10		
003979	04/17/07	FGL00	FGL ENVIRONMENTAL	189.00	.00	189.00	771627A	PROF SVCS-WTR
				940.00	.00	940.00	771629A	PROF SVCS-WTR
			Check Total.....:	1129.00	.00	1129.00		
003980	04/17/07	INN01	INNOVATIVE HIGHWAY SOL.,	361.39	.00	361.39	764208	MAT & SUPPLIES-STR
003981	04/17/07	LAN06	LANCE JONES CONSTRUCTION	1500.00	.00	1500.00	070412	A/C CITYWIDE-STR PROJ.
003982	04/17/07	MAY01	MAY, WILLIAM L.	240.00	.00	240.00	200741007	EE RELATIONS-LGL SVCS
003983	04/17/07	MCI01	MCI	38.73	.00	38.73	67586098	Communications General Ci
003984	04/17/07	NOR10	NORTHERN FIRE PROTECTION	268.04	.00	268.04	0775	CERT OF EXTNG-BLD. MAINT
003985	04/17/07	NOR14	NORTHWOOD BACKFLOW SERV	60.00	.00	60.00	8811	PROF SVCS-WTR
003986	04/17/07	PAC16	PACIFIC TELEMANAGEMENT	63.00	.00	63.00	11531	COMMUNICATIONS-GEN. CITY
003987	04/17/07	RED01	RED BLUFF DAILY NEWS	276.05	.00	276.05	070402	Print/Advert. City Clerk
003988	04/17/07	UNI02	UNIFORMS, TUXEDOS & MORE	125.32	.00	125.32	69578	CADET PROGRAM-POLICE

REPORT.: Apr 18 07 Wednesday CITY OF CORNING PAGE: 004
 RUN....: Apr 18 07 Time: 11:54 Cash Disbursement Detail Report ID #: PY-DP
 Run By.: LORI Check Listing for 04-07 Bank Account.: 1020 CTT.: COR

Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information-Description
003989	04/18/07	ATT09	AT&T	66.26	.00	66.26	070407	COMMUNICATIONS-GEN. CITY
003990	04/18/07	BES13	BEST WESTERN BONANZA INN	89.09	.00	89.09	070417	MAT & SUPPLIES-PARKS
003991	04/18/07	DAY03	DAY WIRELESS SYSTEMS	100.00	.00	100.00	937471	EQUIP. MAINT.-POLICE
003992	04/18/07	GRA02	GRAINGER, W.W., INC	13.71	.00	13.71	933698472	MAT & SUPPLIES-PARKS
				103.67	.00	103.67	933992556	MAT & SUPPLIES-PARKS
			Check Total.....:	117.38	.00	117.38		
003993	04/18/07	HEC01	HECKLER & KOCH, INC	19.41	.00	19.41	234073	SAFETY ITEMS-POLICE
003994	04/18/07	LIN02	LINNETS TIRE SHOP	197.31	.00	197.31	45207	Veh Opr/Maint-POLICE
003995	04/18/07	NOR31	NORM'S PRINTING	110.51	.00	110.51	003260	OFFICE SUPPLIES-FINANCE
003996	04/18/07	USA01	USA BLUE BOOK	30.51	.00	30.51	353533	MAT & SUPPLIES-WTR
Cash Account Total.....:				149539.95	.00	149539.95		
Total Disbursements.....:				149539.95	.00	149539.95		

Cash Account Total.....: .00 .00 .00

REPORT.: Apr 18 07 Wednesday
 RUN....: Apr 18 07 Time: 11:54
 Run By.: LORI

CITY OF CORNING
 Cash Disbursement Detail Report - Payroll Vendor Payment(s)
 Check Listing for 04-07 Bank Account.: 1025

PAGE: 005
 ID #: PY-DP
 CTL.: COR

Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information Description
2958	04/10/07	BAN03	POLICE OFFICER ASSOC.	195.00	.00	195.00	A70410	POLICE OFFICER ASSOC
2959	04/10/07	EDD01	EMPLOYMENT DEVELOPMENT	2707.20	.00	2707.20	A70410	STATE INCOME TAX
				587.72	.00	587.72	1A70410	SDI
			Check Total.....	3294.92	.00	3294.92		
2960	04/10/07	ICW01	ICMA RETIREMENT TRUST-457	769.39	.00	769.39	A70410	ICMA DEF. COMP
2961	04/10/07	OEU03	OPERATING ENGINEERS	975.00	.00	975.00	A70410	CREDIT UNION SAVINGS
2962	04/10/07	PERS1	PUBLIC EMPLOYEES RETIRE	26315.99	.00	26315.99	A70410	PERS PAYROLL REMITTANCE
2963	04/10/07	PERS4	Cal Pers 457 Def. Comp	275.00	.00	275.00	A70410	PERS DEF. COMP.
2964	04/10/07	PRE03	PREMIER WEST BANK	5575.44	.00	5575.44	A70410	HSA DEDUCTIBLE
2965	04/10/07	STA04	STATE OF CALIFORNIA	373.40	.00	373.40	A70410	WAGEASN 549-82-6524
2966	04/10/07	VAL06	VALIC	1100.00	.00	1100.00	A70410	AIG VALIC P TAX
Cash Account Total.....				38874.14	.00	38874.14		
Total Disbursements.....				38874.14	.00	38874.14		

Date.: Apr 19, 2007
Time.: 8:54 am
Run by: LORI

CITY OF CORNING
NEW BUSINESSES FOR CITY COUNCIL

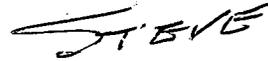
Page.: 1
List.: NEWS
Group: WTFWB

Business Name	Address	CITY/STATE/ZIP	Contact Name	Business Desc. #1	Business Start Date	Primary Teleph
GLOVER & SONS YARD & 23215 SACRAMENTO RD		CORNING, CA 96021	GLOVER	TRACTOR & YARD SERVICE, CLEANUP & HAULIN	04/13/07	(530)824-5504
HERITAGE R.V 975 HIGHWAY 99W		CORNING, CA 96021	JERRY	R.V. PARK	04/13/07	(415)459-7979
SPIRIT GAS & FOOD MA 2015 SOLANO ST		CORNING, CA 96021	ABDULAZIZ	ABDULAZ GAS STATION & CONVENIENCE STORE	04/13/07	(530)824-5120
THUEMLER, KEITH WELD 5281 TOOMES AVE		CORNING, CA 96021	THUEMLER	KEITH MINOR WELDING SERVICE	04/13/07	(530)824-6129

ITEM NO: G-5
APPROVE AIRPORT GROUND
LEASE FOR PRIVATELY OWNED
HANGARS – MODIFICATION OF
AGREEMENT LANGUAGE
APRIL 24, 2007

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: STEPHEN J. KIMBROUGH, CITY MANAGER



SUMMARY:

On January 9, 2007 the City Council approved a new standard Ground Lease Agreement for Airport Hangars.

At the next Airport Commission meeting, Hangar owner Ed Pitman expressed concerns about section eleven of the Lease which only gave the tenant 30-days to remove the hangars and other personal property upon termination of the Lease. He was concerned that if the City terminated the Lease, the tenant might not have sufficient time and asked that the Agreement provide 90-days to remove the property if the City terminates the Lease.

The City Attorney has prepared a new paragraph eleven which addresses this concern as indicated in the following text.

11. The hanger(s) will remain the personal property of the TENANT and, unless the CITY terminates the lease before the end of the regular term and any extensions thereof, the hanger(s) may be removed by the TENANT at any time during the term of the lease or at the end thereof. If the CITY terminates the lease before the end of the term, TENANT shall be given no less than ninety (90) days to remove the hanger(s) and any other personal property. If the hanger(s) and other personal property are not removed within thirty (30) days after the end of the regular term (or within the ninety (90) days allowed by the CITY in the event of early termination), such hanger(s) and other personal property automatically become the property of the CITY. The CITY may then destroy the hanger(s) and improvements or modify them or lease them to others, or use them for CITY's own purposes in the same manner as other property solely owned by the CITY.

RECOMMENDATION:

MAYOR AND COUNCIL APPROVE THE REVISED STANDARD "AIRPORT GROUND LEASE FOR PRIVATELY OWNED HANGARS" WITH THE INCLUSION OF THE RECOMMENDED LANGUAGE FOR PARAGRAPH ELEVEN AS SHOWN IN THE ATTACHED COMPLETE LEASE DOCUMENT.

**AIRPORT GROUND LEASE
FOR PRIVATELY-OWNED HANGARS**

This AGREEMENT, made this first day of May, 2007, by and between the CITY OF CORNING hereinafter referred to as "CITY", and Ed Pitman, hereinafter referred to as "TENANT", do hereby enter into this agreement upon the following terms and conditions:

1. TENANT does hereby lease from CITY that certain real property which is a portion of the CORNING Municipal Airport. The property is described more specifically in Exhibit "A" attached hereto and made a part hereof. The purpose to which the real property, which is hereby leased, will be put, is to house aircraft. The tenant may place multiple Tee Hangars within the rented space, a single portable Tee Hangar on the space, or other structures there exclusively for the storage of aircraft.

2. The rental which shall be paid by the TENANT to the CITY for the hangar area is,

\$403.00 Annual Rental Amount plus an Annual Airport Surcharge of \$161.00
due and payable on or before June 1 of each year

This fee is based upon a standard single hanger measuring 42 feet by 64 feet (2,688 square feet) based on \$0.15 per square foot for the annual rental plus an additional \$0.06 per square foot annual Airport Surcharge. The Airport Surcharge of \$0.06 per square foot reflects the increased valuation of Airport land in the market place. The base rental amount will be paid to the fixed- base operator and the Airport Surcharge shall be paid to CITY for two (2) years from the date set forth above. After that two (2) year period, both the base rental amount and the Airport Surcharge shall be paid to CITY. The surcharge paid to CITY will be deposited in the Airport Fund and used for maintenance and improvements at the Airport. Notice shall be given not less than thirty (30) days in advance of the effective date of the rental charge. **Notice shall be given to the TENANT at Ed Pitman P. O. Box 499 Corning, CA 96021.** In the event the TENANT assigns or transfers this lease, the successor to the TENANT shall notify the CITY where notice shall be given, failing which, notice may be given at the address set forth above.

3. The **term** of this lease shall be for twenty-five (25) years. The TENANT shall have the right to terminate the lease by giving to CITY not less than ninety (90)

days notice of TENANT's intention to terminate. Rental shall be due until such time as the Hangar is physically removed from the leased area or until the TENANT has advised the CITY that the TENANT is abandoning the Hangar and does not intend to remove it. If the TENANT terminates before the end of the lease term, he shall not be entitled to reimbursement of any portion of the annual rental amount or Airport Surcharge previously paid to CITY. The Corning Airport Commission shall at their option, open the leases for review the first of each annual year. Any price increase would be based on like size surrounding airports for price comparisons.

4. The real property on which the hanger or hangers will be located is native earth. The TENANT has the right to do site preparation and install an improved surface on which the hanger or hangers and aircraft will be placed. If the TENANT elects to so improve the site, the Director of Public Works must first approve the Site Preparation Plan. No work shall be done by way of site preparation until the Director of Public Works has approved the plan and no grading shall be done which will create any type of drainage problem for any other tenant at the Corning Airport.

5. Any building which is erected and used as a hangar shall comply with the Uniform Building Code and all other applicable regulations of the CITY OF CORNING and the person erecting the hangar shall apply for and obtain a building permit from the City of Corning prior to the installation of the hangar. No improvement shall be erected, replaced, altered or maintained on the premises unless the City first agrees in writing and all plans and specifications have been approved in writing by the City Building Official. In connection therewith, TENANT shall not allow or permit to be enforced against the premises or any part thereof any mechanics, materials, contractors or subcontractors liens arising from any claim growing out of any work of construction, repair, restoration, replacement or improvement of any other claim or demand no matter how the same may arise. TENANT agrees to indemnify and hold the CITY and its officers, agents and employees and said premises free and harmless from all liability for any and all such liens, claims or demands together with reasonable attorney fees and costs incurred by the CITY in connection with any such claim.

6. The hangar area(s) shall be maintained in a clean, sanitary, safe, and attractive condition free of any flammable liquids or readily combustible materials (Aviation Fuel in the aircraft fuel tanks and aircraft cleaning and maintenance materials stored in accordance with law are permitted)

7. If the TENANT desires electrical service to the site of the hangar(s), the TENANT shall provide the conduit, conductor and motor base and have the same installed at his own expense and placed underground to the site of the hangar(s) and the TENANT shall pay the full cost of electricity provided to the premises throughout the lease term.

8. CITY shall not be liable for any loss, damage, or injury of any kind to any person or property arising from the use of leased premises or any part thereof or caused by any defect in any building, structure or other improvements thereon or any equipment or other facility therein or caused by or arising from any act or omission of TENANT or any of its agents, employees, licensees, or invitee's, or by or from any accidents on the premises or any fire or other casualty thereon or occasioned by the failure of TENANT to maintain the premises and all improvements in a safe condition, or arising from any cause except where caused by the sole negligence of CITY, its agents, or employees. Notwithstanding anything to the contrary contained herein and irrespective of any insurance carried by TENANT for the benefit of CITY, TENANT agrees to protect, indemnify, and hold CITY and its officers, agents and employees and the premises harmless from any and all damages and liabilities at any time or occasion arising out of any act, activity, or omission of TENANT or the occupancy or use of the premises by or under TENANT or any condition or state of the premises or any part thereof.

9. TENANT shall procure and maintain at all times during the term of this lease, at TENANT'S sole cost and expense, a policy or policies of comprehensive public liability insurance by the terms of which CITY and TENANT are both named as insureds and are indemnified against liability for damage to property or person, including death of any person entering onto or using the premises or any improvements or any part thereof with limits of coverage of not less than \$1,000,000 for injury or death of one or more persons and for damage or injury to property. CITY reserves, to its reasonably exercised judgment, the sole determination as to the type and adequacy of insurance required hereunder. Should CITY determine the amount of such insurance to be inadequate, the CITY may, upon reasonable notice, require an increase in the coverage commencing with the next insurance policy anniversary date. Executed copies of all insurance policies shall contain a provision that not less than thirty days written notice shall be given to landlord prior to the cancellation, reduction of coverage, expiration, or any material change in any policy. If TENANT fails or refuses to procure or maintain insurance as required or refuses to furnish required proof of insurance, the CITY shall have the right, without notice, to procure and maintain such insurance. The premium paid by the CITY shall be treated as added rent due from TENANT with interest at the legal rate

thereon. Failure of TENANT to keep insurance acceptable to CITY in full force and effect shall constitute grounds for CITY to immediately terminate this lease and cause TENANT to vacate the premises.

10. This Agreement is primarily for the storage of aircraft. The TENANT may, with the prior written consent of the Director of Public Works, store the TENANT'S own boat or recreational vehicle or other similar property, in the hangar(s) on a temporary or seasonal basis only.

11. The hangar(s) will remain the personal property of the TENANT and, unless the CITY terminates the lease before the end of the regular term and any extensions thereof, the hangar(s) may be removed by the TENANT at any time during the term of the lease or at the end thereof. If the CITY terminates the lease before the end of the term, TENANT shall be given no less than ninety (90) days to remove the hangar(s) and any other personal property. If the hangar(s) and other personal property are not removed within thirty (30) days after the end of the regular term (or within the ninety (90) days allowed by the CITY in the event of early termination), such hangar(s) and other personal property automatically become the property of the CITY. The CITY may then destroy the hangar(s) and improvements or modify them or lease them to others, or use them for CITY'S own purposes in the same manner as other property solely owned by the CITY.

12. This lease is assignable by the TENANT only with the prior written consent of CITY, which consent shall not be unreasonably withheld. A reasonable basis for withholding consent to the assignment will be the failure of the proposed assignee to have paid rental to CITY for other property leased from CITY or the failure of the proposed assignee to pay any just indebtedness to CITY. These examples are not intended to set forth the sole basis for denying the right to assignment.

13. In the event TENANT violates any of the conditions of this Agreement, or fails to pay rental, the CITY shall have the right to terminate this lease. The lease may be terminated by giving to the TENANT fifteen (15) days notice of default and unless the default is incurred within the 15 days following notice of the default, the lease shall be deemed terminated.

14. In the event any action is brought by CITY to recover any rent, due or unpaid, or to recover possession of the leased premises or in the event any action is brought by CITY against the TENANT in order to enforce this lease or for the breach of any terms, conditions, and covenants in this lease, CITY shall be entitled to recover reasonable attorney fees as fixed by the court together with costs of suit incurred. No waiver of any breach of any of the terms,

conditions, covenants, agreements or restrictions of this lease shall be construed as a waiver of any succeeding breach of these same or other covenants, agreements, restrictions, and obligations herein contained. Any breach of any terms, obligations, covenants, or provisions of this lease may, at the option of CITY, be considered a breach of this Agreement. Any such breach of this Agreement shall be cause and grounds for termination of this lease. The lease shall extend to and be binding on CITY and TENANT and on each of their successors and assigns.

15. The relationship of the parties herein is that of landlord and tenant and it is expressly understood and agreed that the CITY does not in any way nor for any purpose become a partner of TENANT or a joint venturer with TENANT in the conduct of TENANT'S business or otherwise. TENANT shall at his own cost and expense, promptly comply with all orders, regulations, laws and requirements of all governmental authorities arising from the use of occupancy of these premises.

No representations have been made by the CITY to TENANT to induce TENANT to lease said property. This disclaimer extends to and includes without limitations, climate, air, water rights, utilities, zoning, soil, subsoil, drainage, access to public roads, use of airport facilities, or airport runways, or as to the effect of any State or Federal regulations. If any **annual** installment of rent is ten (10) days late, the CITY shall receive an additional ten percent (10%) as a late charge. Any notices required to be given to CITY or payments made may be mailed first class prepaid to:

City Manager, City of Corning 794 Third Street Corning, CA 96021

Any notices required to be given to TENANT may be mailed first class prepaid to the address set forth below.

Ed Pitman, Post Office Box 499, Corning, CA 96021

LANDLORD (City of Corning

TENANT

By: _____

Stephen J. Kimbrough
City Manager

Ed Pittman

Address:

**ITEM NO: G-6
SECOND READING; ORDINANCE NO. 626;
SALADO ORCHARD APARTMENT PROJECT;
REZONE 2006-3; TO REZONE FROM R-1 TO P-D,
PLANNED DEVELOPMENT PACIFIC WEST
COMMUNITIES, INC.; LOCATED SOUTHWEST OF
THE TOOMES AVENUE & BLACKBURN AVENUE
INTERSECTION, APN 71-020-02; APPROXIMATELY
5.17 ACRES.**

APRIL 24, 2007

TO: CITY COUNCIL OF THE CITY OF CORNING

FROM: JOHN L. BREWER, AICP; PLANNING DIRECTOR

PROJECT DESCRIPTION:

On April 10, 2007, the City Council waived the first reading and introduced Ordinance No. 626. If adopted the ordinance will rezone approximately 5.17 acres at the southwest corner of Blackburn and Toomes Avenues. The proposed rezone area is shown on the attached Sectional District Map.

It is now appropriate to adopt the ordinance that will rezone the site to facilitate the development of a 48-unit affordable apartment complex.

STAFF AND PLANNING COMMISSION RECOMMENDATION:

The Planning Commission considered this matter at a duly noticed public hearing conducted on February 20 and continued March 20th, 2007. The recommendation of the Planning Commission and staff follows.

THAT THE CITY COUNCIL:

WAIVE THE SECOND READING AND ADOPT ORDINANCE NO. 626 TO ENACT REZONE NO. 2006-3, THEREBY REZONING PROPOSED PARCEL 1 AS SHOWN ON TENTATIVE PARCEL MAP 07-01 FROM "R-1"; SINGLE-FAMILY RESIDENTIAL, TO "P-D"; PLANNED DEVELOPMENT.

ORDINANCE NO. 626

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CORNING
AMENDING TITLE 17 ZONING OF THE CITY OF CORNING MUNICIPAL CODE**

WHEREAS, the Zoning Ordinance of the City of Corning was adopted in 1959, (Ordinance 153) and subsequently amended; and

WHEREAS, the present zoning of the parcel under consideration is R-1, Single Family Residential District; and,

WHEREAS, the property owners of the subject property have submitted a rezoning application to amend the zoning from R-1 to P-D; Planned Development, and,

WHEREAS, the site is designated for residential development on the Land Use Diagram of the Corning General Plan, and ,

WHEREAS, the proposed P-D zoning and application for development presented as Planned Development Use Permit No. 2006-231 are consistent with the General Plan Residential Land Use designation, and,

WHEREAS, a Mitigated Negative Declaration was adopted by the City Council at its meeting of April 10, 2007 to mitigate any significant environmental issues identified as being associated with this project; and

WHEREAS, the Planning Commission reviewed the proposed zoning ordinance amendment at their regular meeting of March 20, 2007, and recommended that the City Council amend the Zoning Ordinance to reflect the proposed changes.

NOW, THEREFORE, the City Council of the City of Corning does ordain as follows:

1. This rezone is consistent with the Corning General Plan;
2. The Mitigated Negative Declaration is adopted and meets the requirements of CEQA and its Guidelines; and
3. The northern portion of Assessor's Parcel No. 71-020-02 as depicted in the attached Sectional District Map No. 209, is hereby zoned "P-D, Planned Development Zoning District".

The foregoing ordinance was introduced at a regular meeting of the City Council of the City of Corning held on April 10, 2007, and adopted at a regular meeting of the City Council of the City of Corning held on _____, by the following vote:

AYES:

NOES:

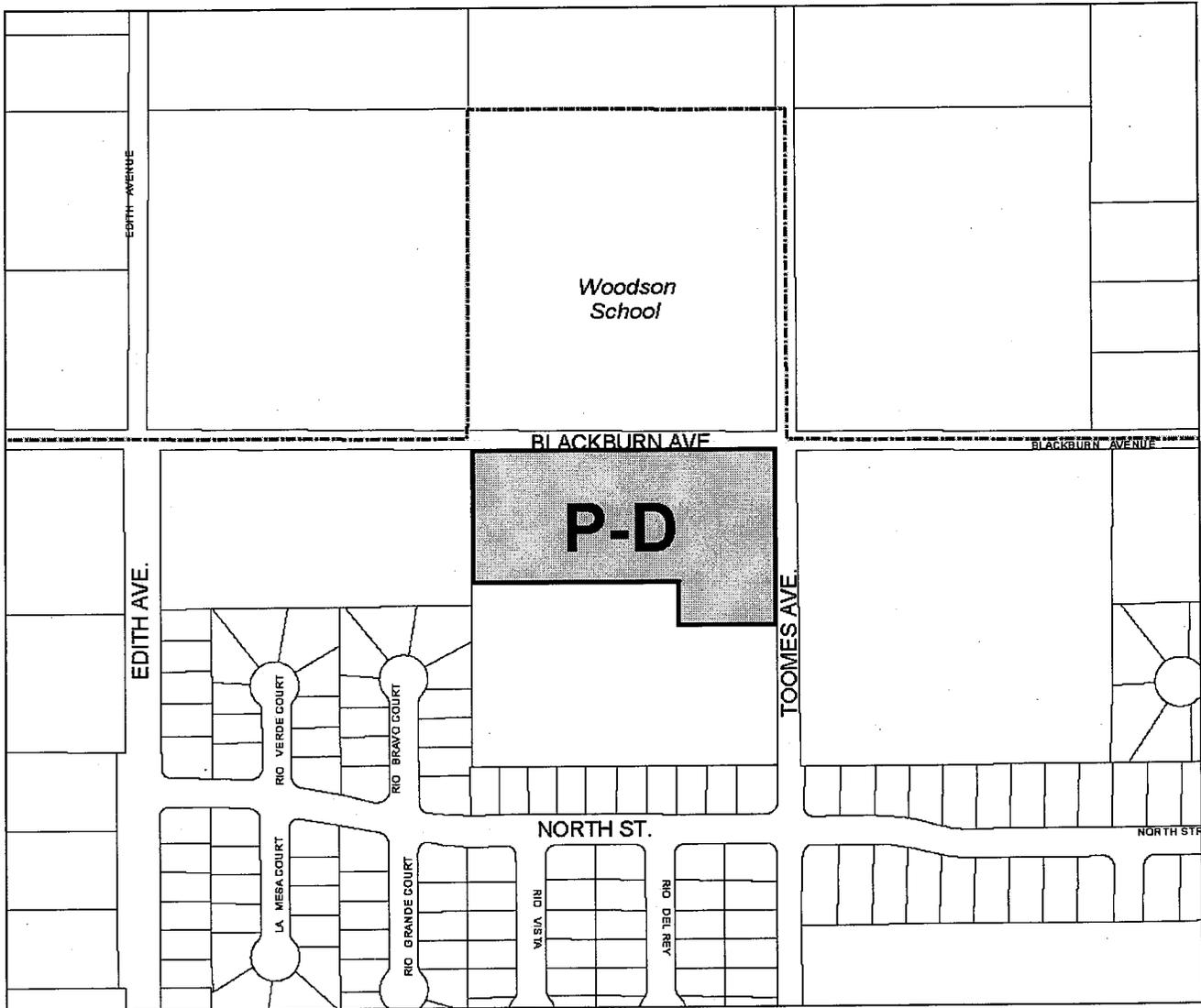
ABSTAIN:

ABSENT:

Gary R. Strack, Mayor

Lisa M. Linnet, City Clerk

City of Corning-Ordinance No. 626
Rezone No. 2006-03; Sectional District Map No. 209
Being a Portion of Corning City Code Section 17.080.020 (209)



P-D PLANNED DEVELOPMENT ZONING DISTRICT

Approved and Adopted by action of the Corning City Council on

ITEM NO.: G-7
APPROVE AGREEMENT WITH TEHAMA COUNTY
SANITARY LANDFILL AGENCY AND TWO (2)
RESOLUTIONS SUPPORTING RECYCLING AND
TIRE CLEAN-UP
APRIL 24, 2007

TO: HONORABLE MAYOR AND COUNCIL MEMBERS

FROM: STEPHEN J. KIMBROUGH, CITY MANAGER



SUMMARY:

The City of Corning is fortunate that the Tehama County Sanitary Landfill Agency acts as our regional partner in coordinating Solid Waste and Recycling issues and programs throughout the County. The Agency receives no direct funding through the City Budget.

The proposed Agreement authorizes the "JPA 1" to act for the City of Corning in applying for and receiving the annual Recycling Grants.

The first Resolution authorizes the application for the annual \$5,000 Beverage Container Recycling Grant, and the second Resolution authorizes application for a Farm and Ranch Solid Waste Clean-up and Abatement Grant to clean up and properly recycle a large number of tires on the Tainter property in the Corning area.

The container grant will provide part of the funds for such City needs as more street side trash receptacles or park benches, both products utilizing recycled materials.

The Agency has been using these tire abatement funds to target large concentrations of tires in order to get the tires, as a nuisance removed. The City of Corning is eligible for the funding but has no farm or ranch concentrations of tires; we are passing the funds on to the Agency for use in the greater Corning Community.

RECOMMENDATION:

MAYOR AND COUNCIL APPROVE:

- 1. THE AGREEMENT BETWEEN THE TEHAMA COUNTY SANITARY LANDFILL AGENCY JPA1 AND THE CITY OF CORNING CONCERNING THE PAYMENT FOR CALIFORNIA DEPARTMENT OF CONSERVATION BEVERAGE CONTAINER RECYCLING GRANT MANAGEMENT**
- 2. RESOLUTION OF THE CITY OF CORNING AUTHORIZING THE TEHAMA COUNTY SANITARY LANDFILL AGENCY TO SUBMIT A REQUEST FOR STATE RECYCLING FUNDS**
- 3. RESOLUTION OF THE CITY OF CORNING APPROVING THE APPLICATION FOR A FARM AND RANCH SOLID WASTE CLEAN UP AND ABATEMENT GRANT**

AGREEMENT
BETWEEN THE
TEHAMA CITY SANITARY LANDFILL AGENCY ("JPA I") AND
THE CITY OF CORNING ("CITY")
CONCERNING THE PAYMENT FOR CALIFORNIA DEPARTMENT OF
CONSERVATION BEVERAGE CONTAINER RECYCLING GRANT
MANAGEMENT

RECITALS

1. City desires to have the JPA I act as agents for the management of the annual California Department of Conservation Beverage Container Recycling grant;
2. JPA I is willing to provide personnel, purchasing, warrant preparation, and general accounting services under the terms set forth herein.

AGREEMENT

Consideration of the Recitals above and the terms and conditions set forth herein, the parties agree as follows:

A. **Reimbursement to JPA I**

For the services rendered by JPA I under this Agreement including personnel, purchasing, warrant preparation, communication, general accounting and overall compliance with the Beverage Container Recycling Grant objectives, JPA I shall be entitled to an amount equal to \$5,000.00, representing the contribution to City from the Department of Conservation Beverage Container Recycling grant program for fiscal year 2007/2008.

B. **Accounting by JPA I**

JPA I shall provide to the City an accounting of all disbursements made by the JPA I on behalf of the City under the above funding.

C. **Services Provided by JPA I**

JPA I shall meet requirements as set forth by the California Department of Conservation, Division of Recycling, for the annual County/City Payment Program (SB 332). The services provided by JPA I shall include discussions with City staff as appropriate to determine program needs, presentation of plans as necessary to JPA I and City Boards for approval, purchase of equipment and supplies within grant guidelines, providing public outreach on behalf of City, and any accounting of expenses as required by City or other entities.

D. Complete Agreement

The parties agreed that this understanding is a complete agreement and supersedes all previous understandings, whether written or oral, of the parties.

E. Notices

Any notices required by this Agreement shall be sent as follows:

a. To JPA I:

Chairperson, TCSLA

P.O. Box 8549

Corning, CA 96080

b. To the City:

Mayor, City of Corning

P.O. Box 250

Corning, CA 96080

K. Term

This agreement shall commence when executed by last of the several parties listed below and shall continue until terminated by mutual agreement of the parties or upon sixty (60) days written notice by one party to the other party.

This agreement is for funding received during fiscal year 2007/2008 only.

On dates listed below, the parties agreed to the terms, conditions and covenants set forth above.

Dated:

TEHAMA CITY SANITARY LANDFILL AGENCY
("JPA I")

By: _____

Dated:

THE CITY OF CORNING
("CITY")

By: _____

RESOLUTION NO. 04-24-07-02

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORNING AUTHORIZING THE TEHAMA COUNTY SANITARY LANDFILL AGENCY TO SUBMIT A REQUEST FOR STATE RECYCLING FUNDS

WHEREAS, the people of the State of California have enacted the California Beverage Container Recycling and Litter Reduction Act that provides funds to cities and counties for beverage container recycling and litter cleanup activities; and

WHEREAS, the California Department of Conservation's Division of Recycling has been delegated the responsibility for the administration of the program within the State, setting up necessary procedures for cities and counties or their designees under the program; and

WHEREAS, per Section 14581 (a)(4)(E) of the California Beverage Container Recycling and Litter Reduction Act, the eligible participant must submit the Funding Request Form by the due date and time in order to request funds from the Department of Conservation's Division of Recycling.

NOW, THEREFORE, BE IT RESOLVED that the City of Corning authorizes joint participation and the submittal of the Funding Request Form by the Tehama County Sanitary Landfill Agency on behalf of City of Corning to the Department of Conservation's Division of Recycling. The Solid Waste Director of the Tehama County Sanitary Landfill Agency is hereby authorized and empowered to execute in the name of the City of Corning, all necessary forms and information hereto for the purposes of securing payment to implement and carry out the purposes specified in Section 14581 (a)(4)(A) of the California Beverage Container Recycling and Litter Reduction Act, and provide information regarding this program to the Department upon request. The Tehama County Sanitary Landfill Agency will be the responsible party to provide records to the Department of Conservation's Division of Recycling should an audit be performed.



The foregoing Resolution was adopted at the regular meeting of the City Council of the City of Corning held on April 24, 2007, by the following vote:

AYES:
NOES:
ABSENT
ABSTAINING:

Mayor Gary R. Strack

Lisa M. Linnet, City Clerk

RESOLUTION NO. 04-24-07-03

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORNING APPROVING
THE APPLICATION FOR A FARM AND RANCH SOLID WASTE CLEANUP AND
ABATEMENT GRANT ON BEHAVE OF THE CITY OF CORNING FOR THE
FOLLOWING CLEANUP PROPERTY:**

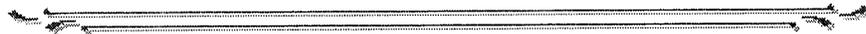
Parcel No. 075-040-15-1 Tainter Property 5010 East Avenue, Corning, CA 96021

WHEREAS, the people of the State of California have enacted Senate Bill 1330 (Lockyer, Statutes of 1997, Chapter 2.5) which authorizes the California Integrated Waste Management Board (CIWMB) to award Farm & Ranch Solid Waste Cleanup and Abatement Grants (Grant) to eligible applicants to pay for designated cost of cleanup, abatement, or other remedial action related to the disposal of illegal solid waste on farm on ranch property; and

WHEREAS, the CIWMB requires as a condition of application that the applicant authorizes by resolution certain matters prior to the submission of the Grant application;

1. Approves the submission of a Farm & Ranch Solid Waste Cleanup and Abatement Grant application for fiscal year 2007/2008 to the California Integrated Waste Management Board; and
2. Certifies that said applicant has, or will have sufficient funds in addition to funds provided by the grant to complete the project; and

BE IT FURTHER RESOLVED THAT the Solid Waste Director of the Tehama County Sanitary Landfill Agency, or a designee, is hereby authorized and empowered to execute in the name of the City of Corning all necessary Farm & Ranch Solid Waste Cleanup and Abatement Grant documents, including, but not limited to, the application, the Grant Agreement, the Grant Payment Requests, and amendments necessary for the purposes of securing grant funds and for the completion of the Grant project.



Approved and adopted this 24th day of April, 2007.

I, the undersigned, hereby certify that the foregoing Resolution was duly adopted by the City Council of the City of Corning.

AYES:
NOES:
ABSENT:
ABSTAINING:

Gary R. Strack, Mayor

ATTEST:

Lisa M. Linnet, City Clerk

**ITEM NO. I-8
RESOLUTION NO. 04-24-07-01; A
RESOLUTION APPROVING THE
ISSUANCE OF BONDS BY THE
CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY FOR
SALADO ORCHARD APARTMENTS.**

APRIL 24, 2007

TO: CITY COUNCIL OF THE CITY OF CORNING
FROM: STEPHEN J. KIMBROUGH, CITY MANAGER
JOHN L. BREWER, AICP, PLANNING DIRECTOR

JB STEVE

BACKGROUND:

The City has received a request from the California Statewide Communities Development Authority (the "Authority") to conduct a public hearing as required by the Internal Revenue Code in order to issue tax-exempt revenue bonds (the "Bonds") in an aggregate amount not to exceed \$6.5 million on behalf of Corning Pacific Associates, L.P. (the "Developer"). The Developer will use the proceeds of the Bonds for the acquisition and construction of the "Salado Orchard Apartment Project" located at 220 Toomes Avenue in the City of Corning (the "Project").

Attached is a memorandum dated March 21, 2007 that provides additional information about the tax-exempt bonds. The memo author, Mr. James Hamill, is scheduled to be on hand to answer any questions.

DISCUSSION/ANALYSIS:

The Bonds would be tax-exempt private activity bonds for the purposes of the Internal Revenue Code and, as such, require the approval of the elected body of the governmental entity having jurisdiction over the area where the project to be financed is located. The City will not be under any obligation to repay the Bond indebtedness.

In order for the Authority to issue such Bonds, the City must (1) conduct a public hearing allowing members of the public to comment on the proposed Project, and (2) approve of the Authority's issuance of Bonds on behalf of the proposed financing. Although the Authority (not the City) will be the issuer of the tax-exempt revenue bonds for the Project, the financing cannot proceed without the City, as the governmental entity having jurisdiction over the site, approving of the Authority's issuance of indebtedness.

The Authority is a California joint exercise of powers authority, organized and existing under the laws of the State of California (specifically, California Government Code Section 6500 and following), and is sponsored by the League of California Cities and the California

State Association of Counties. Under the California Government Code, cities and counties are authorized to form by agreement a governmental entity that combines the powers of such entities to perform certain governmental functions specifically outlined in the Agreement. With respect to the Authority, over 460 California cities, counties and special districts have entered into and executed the Agreement to become a member of the Authority, including the City of Corning. The Authority is authorized to assist in the financing of multi-family housing projects.

FISCAL IMPACT:

There is no direct or indirect financial impact to the City of Corning as a result of this proposed financing. The Authority will issue tax-exempt revenue bonds on behalf of the Project. The tax-exempt revenue bonds are payable solely out of the revenues derived by the Developer from the applicable Project. No financial obligations are placed on the City for project financing costs or debt repayment.

RECOMMENDATION:

That the City Council:

- **ADOPT RESOLUTION NO. 04-24-07-01, A RESOLUTION APPROVING THE ISSUANCE OF BONDS BY THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY FOR SALADO ORCHARD APARTMENTS.**

RESOLUTION NO. 04-24-07-01

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORNING
APPROVING THE ISSUANCE OF MULTIFAMILY HOUSING REVENUE
BONDS BY THE CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY**

WHEREAS, the California Statewide Communities Development Authority (the "Authority") is authorized pursuant to the provisions of California Government Code Section 6500 *et seq.* and the terms of an Amended and Restated Joint Exercise of Powers Agreement, dated as of June 1, 1988 (the "Agreement"), among certain local agencies throughout the State of California, including the City of Corning (the "City"), to issue revenue bonds in accordance with Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code for the purpose of financing multifamily rental housing projects; and

WHEREAS, Corning Pacific Associates, a California Limited Partnership or related entities, has requested that the Authority adopt a plan of financing providing for the issuance of multifamily housing revenue bonds in one or more series issued from time to time, including bonds issued to refund such revenue bonds in one or more series from time to time, and at no time to exceed \$8,000,000 in outstanding aggregate principal amount, to finance the acquisition, construction and development of a 48-unit multifamily rental housing project, located at 220 Toomes Avenue, Corning, California, and generally known as Salado Orchard Apartments (the "Project"); and

WHEREAS, the Bonds or a portion thereof will be "private activity bonds" for purposes of the Internal Revenue Code of 1986 (the "Code"); and

WHEREAS, pursuant to Section 147(f) of the Code, prior to their issuance, private activity bonds are required to be approved by the "applicable elected representative" of the governmental units on whose behalf such bonds are expected to be issued and by a governmental unit having jurisdiction over the entire area in which any facility financed by such bonds is to be located, after a public hearing held following reasonable public notice; and

WHEREAS, the members of this City Council (this "Council") are the applicable elected representatives of the City; and

WHEREAS, there has been published, at least 14 days prior to the date hereof, in a newspaper of general circulation within the City, a notice that a public hearing regarding the Bonds would be held on a date specified in such notice; and

WHEREAS, such public hearing was conducted on such date, at which time an opportunity was provided to interested parties to present arguments both for and against the issuance of the Bonds; and

WHEREAS, it is intended that this resolution shall constitute the approval of the issuance of the Bonds required by Section 147(f) of the Code and Section 9 of the Agreement;

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

Section 1. The above recitals are true and correct.

Section 2. The Council hereby approves the issuance of the Bonds by the Authority. It is the purpose and intent of the Council that this resolution constitute approval of the Bonds for the purposes of (a) Section 147(f) of the Code and (b) Section 9 of the Agreement.

Section 3. The officers of the City are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents that they deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this resolution and the financing approved hereby.

Section 4. The City Clerk shall forward a certified copy of this Resolution and a copy of the affidavit of publication of the hearing notice to:

Justin Cooper, Esq.
Orrick, Herrington & Sutcliffe LLP
405 Howard Street
San Francisco, California 94105

Section 5. This resolution shall take effect immediately upon its passage.

ADOPTED by the City Council of the City of Corning at a regular meeting of
said Council held on the 24th day of April, 2007, by the following vote:

AYES:

NOES:

ABSENT:

Mayor

ATTEST:

Lisa M. Linnet, City Clerk

MEMORANDUM

TO: JOHN BREWER, PLANNING DIRECTOR
FROM: JAMES HAMILL, CALIFORNIA COMMUNITIES PROGRAM MANAGER
SUBJECT: TEFRA HEARING PROCESS FOR SALADO ORCHARD APARTMENTS
DATE: MARCH 21, 2007

The following is a brief discussion relating to the public hearing process under the Tax and Equity Fiscal Responsibility Act of 1982 ("TEFRA"), and the significance of such public hearing in relation to a tax-exempt revenue bond financing to be accomplished through the California Statewide Communities Development Authority (the "Authority"). The TEFRA hearing process is a public accountability procedure involving the legislative body of the local agency in which the proposed project is located. During such process, the legislative body conducts a public hearing providing members of the community the opportunity to speak on behalf of or against the nature and location of the proposed project to be financed with tax-exempt bonds. Notice of such hearing must be published in a newspaper of general circulation at least 14 days prior to the date of the public hearing.

The City of Corning will be asked to adopt a resolution approving of the issuance of tax-exempt bonds for the financing of the proposed project. Such approval is required for compliance with the federal tax laws under TEFRA, as well as Section 9 of the Authority's Amended and Restated Joint Powers Agreement (the "Agreement"). This approval will not constitute any other approval of the local agency. Therefore, in order for any financing for a private entity to be completed on a tax-exempt basis, the TEFRA hearing process must be completed by the legislative body of the local agency in which the proposed project will be located.

The Authority is a California joint exercise of powers authority, organized and existing under the laws of the State of California (specifically, California Government Code Section 6500 and following), and is sponsored by the League of California Cities and the California State Association of Counties. Under the California Government Code, cities and counties are authorized to form by agreement a governmental entity that combines the powers of such entities to perform certain governmental functions specifically outlined in the Agreement. With respect to the Authority, over 460 California cities, counties and special districts have entered into and executed the Agreement to become a member of the Authority for the sole purpose of issuing revenue bonds for the financing of projects that promote economic development. The City of Corning is a member of the Authority

Each financing completed by the Authority has been structured so that the local agency completing the TEFRA hearing process has no liability with respect to the issuance of bonds or the repayment of any debt service relating to such bonds. More importantly, the

local agency completing the TEFRA hearing process is not a party to any of the financing documents relating to the issuance of the bonds nor is it named in any of the disclosure documents describing the bonds or the proposed financing.

I hope that this information is helpful as you review our request to conduct a TEFRA Hearing for the proposed financing for the Salado Orchard Apartments to be accomplished through the Authority. Please feel free to contact me with any questions to the above at (925) 933-9229 ext. 216 or jhamill@cacommunities.org. More information on the Authority can be found at www.cacommunities.org.