

**MINUTES
REDEVELOPMENT AGENCY AND CITY COUNCIL
REGULAR MEETING
JANUARY 12, 2010 - 6:00 p.m.**

CALL TO ORDER

The regular meeting of the City Council and Redevelopment Agency of the City of Highland was called to order at 6:00 p.m. by Mayor Lilburn at the Donahue Council Chambers, 27215 Base Line, Highland, California.

The invocation was given by Reverend Todd Barnett of Immanuel Baptist Church and the Pledge of Allegiance was led by Councilman Timmer.

ROLL CALL

Present: Jones, McCallon, Scott, Timmer, Mayor Lilburn
Absent: None

SPECIAL PRESENTATIONS

Mayor Lilburn presented the U.S. Census Bureau with a Proclamation proclaiming April 1 "Census Day 2010."

COMMUNITY INPUT

Mr. Tony Checchin stated he is present to discuss an issue with his property on Golondrina. He has a buyer for this lot and wishes to develop it. There is an in lieu fee of \$30,000 to construct underground electrical. This fee is extremely high especially with the status of the real estate market today. He is contesting the fee for the underground electrical. He owns this property and has no ability to improve it on his own.

City Engineer Wong stated the fee is correct. City code which was approved by the Council in 2007 required all new construction to construct underground electrical whether it is a big or small project. Council did make an exception in the ordinance which states for a small project which has less than four lots can request that they do not construct the physical undergrounding work but the owner can pay an in lieu fee. The fee is set by the City Council as to what type of facility.

Ms. Shawna Gonzales, U.S. Census Bureau, stated she would like to thank the Highland Senior Center for donating space and allowing the Census Bureau to conduct their recruiting at the facility. The Census Bureau is recruiting for 1,700 to 2,400 positions.

CITY COUNCIL/REDEVELOPMENT AGENCY CONSENT CALENDAR

A MOTION was made by Councilman Timmer, seconded by Councilman McCallon, to approve the consent calendar as submitted with the exception of Item #4, #5 and #9 being pulled for further discussion. Motion carried on a roll call vote, 5-0, with Councilman Timmer abstaining from Item #2 and Item #3 and with Mayor Pro Tem Jones abstaining from Item #12.

1. Waive the Reading of All Ordinances
Waived the reading of all Ordinances in their entirety and read by title only.
2. Minutes – November 24, 2009 City Council Regular Meeting
Approved Minutes as submitted.
3. Minutes – November 24, 2009 RDA Regular Meeting
Approved Minutes as submitted.
6. Warrant Register
Approved Warrant Register No. 496 for January 12, 2010, in the amount of \$2,243,471.30 and Payroll of \$230,148.29.
7. Treasurer's Report for November
Received and filed Treasurer's Reports for November 2009.
8. Easement Acceptance/Lankershim Avenue Sidewalk Project
 1. Accepted the Grant of Easement for Road and Drainage Purposes from Sharon K. Carrick; and
 2. Directed the City Clerk to record the Grant of Easement.
10. Easement Acceptance/9th Street Sidewalk Project
 1. Accepted the Grant of Easement for Road and Drainage Purposes from Sandra Ramirez and Arcelia Garibay; and
 2. Directed the City Clerk to record the Grant of Easement.
11. Easement Acceptance/East Highlands Village Street Improvements
 1. Accepted the Grant of Easement for Road and Drainage Purposes from Nicholas L. Hernandez; and
 2. Directed the City Clerk to record the Grant of Easement.
12. Authorization for a Member of the Public Facilities Subcommittee to Execute the Contract for Bid Package No. 9 – "Structural Steel and Miscellaneous Metals" to KCB Towers, Inc., for the project Entitled "Highland Police Station"
Authorized a member of the Public Facilities Subcommittee to execute the contract for Bid Package No. 9 – "Structural Steel and Miscellaneous Metals" to KCB Towers, Inc., for the project entitled "Highland Police Station."

13. A Semi-Annual Report of the Processing of Applications per the City Council's "Come Home to Highland" Program and Policies for the Period of July 1, 2009, to December 31, 2009
Received and filed the report.
14. Award Bid Number 2009-27 "Waste to Energy Exhibit" for the Highland Sam Racadio Library and Environmental Learning Center to Universal Exhibits
Awarded Bid Number 2009-27 "Waste to Energy Exhibit" for the Highland Sam J. Racadio Library and Environmental Learning Center to Universal Exhibits.

ITEMS PULLED FROM THE CONSENT CALENDAR

4. Minutes – December 8, 2009 City Council Regular Meeting

Councilwoman Scott stated on page 6, page 7 and page 8 stated the Mayor and Mayor Pro Tem left the dais due to the discussion of the redevelopment project, Police Station. The vote states 2-1-2 vote, Councilwoman Scott dissented and Mayor Lilburn and Mayor Pro Tem Jones abstained. She would like the record to state the reason for her dissention. The reason for her dissention is due to the memorial park not being separated from the Police Station which was stated at the time of the initial vote.

A MOTION was made by Councilman Timmer, seconded by Mayor Pro Tem Jones, to approve the minutes as amended. Motion carried, 5-0.

5. Minutes – December 8, 2009 RDA Regular Meeting

Councilwoman Scott stated Item #5 is the Redevelopment Agency minutes for the same meeting and she is concerned the item regarding the Police Station was passed with a 2-1-2 vote and was not listed in the minutes.

City Clerk Hughes stated she will make the corrections to the minutes and present the corrected item at the next Council meeting.

Councilwoman Scott asked can RDA funds be used if the vote is less than majority of the Council voting for it.

City Attorney Steele stated the majority of the quorum voted in favor of the item.

9. Easement Acceptance/Olive Street Sidewalk Project

Ms. Faye Jure stated she was not made aware of this project until she was approached by staff. She is under the impression some residents in the area are already in agreement. She would like a copy of the letter with the project information. She is upset with the proposed plans for her driveway and the surrounding area of her property.

City Engineer Wong stated it is standard procedure for the city staff to mail out information to the affected property owners ahead of the project and requesting a meeting to discuss the project.

A MOTION was made by Councilman McCallon, seconded by Mayor Pro Tem Jones, to accept the Grant of Easement for Road and Drainage purposes from the seven property owners as listed in the staff report; and to direct the City Clerk to record the Grants of Easement. Motion carried, 5-0.

CITY COUNCIL/REDEVELOPMENT AGENCY PUBLIC HEARING

No public hearing.

CITY COUNCIL/REDEVELOPMENT AGENCY LEGISLATIVE

15. California Desert Protection Act 2010

City Clerk gave a brief review of the staff report.

Ms. Monica Argandona gave a presentation regarding the California Desert Protection Act 2010.

Councilman McCallon stated he has a hard time understanding why the City of Highland should be in support of this project as this should be deferred to the cities which are affected by this.

Councilwoman Scott stated she is in agreement with Councilman McCallon.

Councilman Timmer stated he has concerns with some of the areas. His issue is the government is getting this land and the government is telling the developer he has to pay for the feasibility analysis for the land. He cannot support this item.

A MOTION was made by Councilwoman Scott, seconded by Councilman McCallon, to not support the California Desert Protection Act 2010. Motion carried, 5-0.

16. Proposed Historic Façade Improvement Program Available to Non-residential Properties in the Historic District

Community Development Director Jaquess gave a brief review of the staff report.

Mayor Pro Tem Jones stated it is his understanding the city will reimburse 50% of total expenditures with a maximum reimbursement limit of \$1,000. The permit fees are approximately listed at \$1,000.

Community Development Director Jaquess stated staff expects most of the improvements will be painting which do not require permits.

A MOTION was made by Councilman Timmer, seconded by Councilwoman Scott, to approve the program and expenditure of funds. Motion carried, 5-0.

17. Orange County Property

Community Development Director Jaquess gave a brief review of the staff report.

Mr. James Campbell, Orange County Board of Supervisors, gave a brief presentation.

Mr. Ron Arnott stated he is the owner of 225 acres within Highland city limits and he also resides in the proposed future development area of Sunrise Ranch/Greenspot Property. He understands the developer of the East Highlands Ranch was also an applicant for the Orange County selection and was not selected. He has a concern the same quality established in the East Highlands Ranch development will continue to be pursued in the development of the Sunrise Ranch area.

Mr. Bernie Mayer stated there are many qualified companies who have done work within the City of Highland. The City Council has an opportunity to influence some of the decisions to use some of these companies who have brought positive things to the City of Highland.

Mayor Lilburn stated every Council member here has the best interest for this particular property. This project will benefit our city for many, many years to come.

Councilman McCallon stated there is an Ad Hoc committee which consists of himself and Mayor Pro Tem Jones. He encourages Orange County to involve the City of Highland early and often.

18. Review Possible Redevelopment Boundary Adjustment Between the City of Highland and the Inland Valley Development Agency

Community Development Director Jaquess gave a brief review of the staff report.

Councilwoman Scott asked what benefit of any trade off here is Highland going to receive. She feels we need to go back and negotiate on some land.

Mayor Pro Tem Jones stated the land is not going to be moved out of the City of Highland or drawing any re-boundaries. It is simply going from our RDA into their RDA. We then have access to all the tax increment money from the IVDA to be spent in that area, to beautify and develop, and progress the area which surrounds the airport but in addition and specifically for us, this particular property is the one Highland focused on because it is at the actual junction of Tippecanoe and Third Street. Why wouldn't we, as a city, want that to be the most beautiful piece because it is in the City of Highland.

Councilwoman Scott stated no matter what is developed there, if it is in the IVDA, it's the IVDA that is going to benefit from it, not the City of Highland.

Mayor Pro Tem Jones asked how is the IVDA going to benefit? They spent the increment to get the property developed and it is still in the City of Highland, we still provide services, we still get all the sales tax, we get everything else which comes from that development. Highland is a win, win.

Councilman Timmer stated his inclination was we are not a member now; we have been taking care of ourselves, why would we want to join. The big benefit he sees is and money is part of it. The biggest issue to him is as future development occurs around the airport, right now we as a city other than the stuff which is directly on our land, have not had input on the development process. If we are a member of the IVDA we then can be part of the development process to ensure what is being developed around the airport.

Councilwoman Scott stated the one vote that Highland will have on the IVDA will let Highland have control of the development when we are on an IVDA Board.

Councilman Timmer stated he did not say that, he said we will have input into the process. Right now we have no input.

Mayor Pro Tem Jones stated the planning of it still remains in the City of Highland. The IVDA will not take over the planning of the property. They will have some input but they will not take over the planning. The planning responsibilities and authority remains in the City of Highland. We are receiving IVDA monies to be able to pay for and upgrade the costs.

Councilwoman Scott stated we are talking about RDA monies so the tax base on the property undeveloped right now is right here. When it is developed the tax base will be up here. Now, this from here to here goes to the RDA, correct.

Mayor Pro Tem Jones stated to the IVDA.

Councilwoman Scott stated that is right, it will go to the IVDA RDA. If the airport is completed, people will be interested in the property.

Mayor Pro Tem Jones stated we had difficulties getting enough votes to do the RDA project on Greenspot, what do you think we will have here.

Councilman McCallon stated this item is to evaluate the feasibility and desirability of moving forward he would move approval of this item.

Mr. Mike Burrows, IVDA, gave a brief presentation regarding this item. (*Slightly inaudible, can only hear every other word.*)

Councilman Timmer stated at one committee meeting city boundaries were discussed between the city of San Bernardino and City of Highland. What was determined was it would cloud the issue as there would be too many things occurring at one time that nothing would be accomplished. The committee discussed an MOU to identify some common concerns of how we can resolve some planning issues and infrastructure issues. Once this was in place, evaluations would be done to determine if we wanted to move land around. At some future point we could sit down and discuss with city of San Bernardino our options.

Mayor Pro Tem Jones stated if we have nothing to bring to the table, the City of San Bernardino will not be willing to work with us as they have done in the past. As Councilman Timmer mentioned we chose purposely not to get into a broader scope but to keep the scope focused on simply moving the property to the IVDA and the pros and cons of doing so.

Councilwoman Scott stated all four studies will be broken down because she is under the impression all four studies is the \$323,000 per year.

Councilman Timmer stated we did not want to confine it to such a local area that we had no flexibility. We are looking at what best fits what we would like to do if we chose to go forward rather than trying to say we need to adjust it again or we need to do more studying.

Councilwoman Scott stated who will be paying for the studies.

Councilman Timmer stated we will pay for our own percentages.

Mayor Pro Tem Jones stated the studies have already been done by Urban Futures. They originally studied two parcels within the area and we expanded it to go from Third Street to Sixth Street and from Tippecanoe to Sterling so we would have all the figures and be able to negotiate at sometime if it came to it.

Councilwoman Scott stated who authorized the study with Urban Futures.

Mayor Pro Tem Jones stated Councilman Timmer and himself on the Ad Hoc Committee.

Community Development Director Jaquess stated we did not do a study, we asked for information for preliminary numbers.

Councilman Timmer stated now we have to do further analysis to get accurate numbers. These are estimated numbers just by looking at the property. For the actual study they will have to review each and every parcel and generate the accurate numbers.

City Attorney Steele stated regarding the long term effect of the MOU, he would refer the Council to item #5 on page 11. The MOU states nothing in the agreement bind the City of Highland to any act or action later on. It truly is just for the feasibility study.

A MOTION was made by Councilman McCallon, seconded by Mayor Pro Tem Jones, to approve the Agreement with the Inland Valley Development Agency to evaluate the feasibility and desirability of adjusting the Redevelopment Agency Boundary between the City of Highland and the IVDA by expanding the IVDA boundary into the City and reducing the City RDA project area by an equal amount; and Select the area bounded by Tippecanoe, Third Street, Sterling Avenue, and Sixth Street for consideration and evaluation for a possible redevelopment project area boundary adjustment. Motion carried, 4-1, with Councilwoman Scott abstaining.

19. Greenspot Road Infrastructure Funding Priority and Alternatives

City Engineer Wong gave a brief review of the staff report.

Mayor Pro Tem Jones stated rather than reducing the project scope which usually takes the longest to get through the process why not leave the full scope in place and then stick to the priorities we originally established. He suspects, himself, based upon the police station bidding, this project is going to come in a whole lot lower than anticipated. We may find we have enough money to do the entire scope and not risk the possibility of saying because we reduced the scope we cannot move ahead now and therefore go back to planning stages.

Councilman Timmer stated they have already reduced it from \$18 million down to \$14 million based on the newest information.

City Manager Hughes stated one option is to keep everything in the scope and you can do alternate bids on it. If the prices did come in less Council could bid it as alternates.

Mayor Pro Tem Jones stated a number of those we are going to want to stall towards the end of construction build out anyway such as landscaping. These are things which are going to fall into natural consequences. His great concern is to reduce the scope and then we have to go back to planning again and have another two years to bring it back to scope again to finish the project which would mean we would leave an unfinished project out there.

City Engineer Wong stated the design is being for the full scope. We are designing everything and then as we build the facilities it will be done in different phases. For example we already know Edison will be done separately, we know the storm drains will be separate, so we can see how the funds will be drawn down. At this point though it is quite obvious we do not have enough funds to do everything. This does not mean we will not be able to do this in phases and then determine how much to build. The likelihood of us being able to finish everything is not very high. Do we move forward with what we have and construct in phases and if we have enough money to finish the project with \$11 million dollars?

Councilman Timmer stated the reason Council prioritizes these things is we knew we may not have sufficient funds or not. The full engineering for ultimate build out is being done and if we have enough funds, we will certainly want to build those as well. He would like to move from the top of the list and go on down. He does not want to commit to trying to generate more money at this point. He feels comfortable with the \$11 million we currently have.

City Manager Hughes stated everything will be designed and if we do put it out to bid and have those as alternates you are going to get a much better price rather than piecing it together. We may be surprised as we were with the police station which was a lot less than what was estimated.

A MOTION was made by Councilman Timmer, seconded by Councilman McCallon, to proceed with construction of the portions of the Greenspot Road infrastructure project not to exceed the \$11 million RDA fund previously allocated to the project. Motion carried, 5-0.

20. Update on SANBAG, SCAG, Omnitrans, Work Program and Regional/Legislative Issues/Development Issues/Subcommittees/AB 1234 Updates

Mayor Lilburn stated Omnitrans will be hiring the new CEO effective January 25, 2010.

Councilman Timmer stated Mayor Lilburn appointed a committee consisting of Councilwoman Scott, himself, Planning Commissioners and community member for the Sign Ordinance. One of the issues which were discussed was staff is coming up with a draft ordinance regarding of the current enforcement of the sign ordinance and how it will be impacted when we develop a new ordinance. The concern was we need to be more proactive now with enforcement based on the existing sign ordinance. Primarily the issue was the temporary signs such as banners and flags not the building signs and he does not see this changing in the new ordinance as it still will be an issue. The committee made a recommendation to move forward and get direction from Council to allow staff to address it now rather than wait for the ordinance to take place.

City Manager Hughes stated staff has been following Council direction which was not to do any corrective enforcement on the sign code while it is being studied.

He has also noticed the proliferation of these temporary signs and we can certainly start taking a proactive effort with code enforcement.

Mayor Lilburn stated she is in agreement and we need to make sure this takes place for the entire city.

Councilwoman Scott asked is there any fee associated with temporary signage.

Community Development Director Jaquess stated yes, a small fee is charged.

Councilman Timmer stated under the current ordinance certain temporary signs below a certain size is exempt.

City Engineer Wong stated Council approved an agreement between the City of Highland and County Flood Control District which designated the City of Highland as the lead agency to design a flood control project, Elder Gulch Channel. Also, city staff and county staff have completed working on another similar agreement which would designate the City of Highland as the lead agency to design the improvement to Warm Creek and Sand Creek. Both of these facilities are flood control facilities; they are not city facilities. However, the City of Highland had requested to be the lead agency so we can ensure progress could be made in the design of the facilities because for a long time Flood Control has not been moving along on these two projects. County Flood Control has requested for us to allow them to be the lead agency. They have new management and a new philosophy for their projects. He has also met with two deputy directors and they have strongly committed themselves to make a change in their organization and would like to show they have responded to the City of Highland's request and will try our project as a high priority project. They are asking for an opportunity to show how they have changed. He would like to have a project schedule with milestones developed this way we have some way to gauge their progress. They have stated they will draft a project schedule and invite city staff to their project meetings as well.

21. San Bernardino International Airport Authority and IVDA

None

ANNOUNCEMENTS

January 21, 2010

Chamber Installation Dinner

CLOSED SESSION

At 7:30 p.m., the City Council and Redevelopment Agency convened into closed session regarding the following:

CONFERENCE WITH REAL PROPERTY NEGOTIATOR

Pursuant to Government Code Section 54956.8 regarding the following property:

Property: APN: 1201-351-04 & 11
Negotiating parties: Joseph Hughes, City of Highland
United States Post Office, Represented by David W.
Moore, NAI Capital
Under negotiation: Instruction to City's negotiator concerning price and
terms of payment.

Pursuant to Government Code Section 54956.8 regarding the following property:

Property: APN: 1192-421-39
Negotiating parties: Joseph Hughes, City of Highland
Jeffrey R. and Karen L. Patterson
Under negotiation: Instruction to City's negotiator concerning price and
terms of payment.

Pursuant to Government Code Section 54956.8 regarding the following property:

Property: APN: Ptn 1192-421-11
Negotiating parties: Joseph Hughes, City of Highland
James S. Davidson Trust
Under negotiation: Instruction to City's negotiator concerning price and
terms of payment.

At 7:46 p.m., the City Council and Redevelopment Agency convened into open session, with all members present, making no announcements.

ADJOURN

There being no further business, Mayor Lilburn adjourned the meeting at 7:48 p.m. in memory of Jim Stueve, Richard Delameter and Ron Lampreda.

Submitted by:

Approved by:

Betty Hughes, CMC
City Clerk

Penny Lilburn
Mayor