

**MINUTES
CITY COUNCIL REGULAR MEETING
JANUARY 14, 2014 - 6:00 p.m.**

CALL TO ORDER

The regular meeting of the City Council of the City of Highland was called to order at 6:03 p.m. by Mayor Racadio at the Donahue Council Chambers, 27215 Base Line, Highland, California.

The invocation was given by Pastor Mark Rush, Immanuel Baptist Church, and the Pledge of Allegiance was led by the Boy Scouts of America Troop #422.

ROLL CALL

Present: Lilburn, McCallon, Racadio, Scott
Absent: Timmer

REPORT FROM CLOSED SESSION

No Reportable Action

SPECIAL PRESENTATIONS

Mayor Racadio presented Mayor Pro Tem McCallon with a Plaque of Appreciation for his three years serving as Mayor.

Mayor Racadio presented John Lorei with a Proclamation expressing the Council's appreciation for his dedicated service to the Public Nuisance Hearing Board.

Laura Morales was introduced to the City Council as the new Regional Public Affairs Manager for the League of California Cities.

PUBLIC COMMENT

Ms. Linda Brian stated she would like to thank the Staff of the City of Highland as well as the Highland Fire Department. This past December the Senior Center was able to deliver over 148 home-cooked Christmas dinners, as well as a basket loaded with nonperishable items.

Councilwoman Scott stated she gave each Council member a three page letter regarding the Proclamation giving the City of Berdorz Sister Cityhood. She is very concerned because of the Proclamation and what it states. She would like to have reconsideration so the Council can discuss the information that was not disclosed the night this item was brought before the Council. She thinks she deserves this and the citizens deserve this, when this Council makes decisions with not all of the information. She is asking for reconsideration.

Mayor Racadio stated at the previous meeting it was discussed on whether or not it should be placed on an Agenda and it was decided at that time not to do so.

Councilwoman Scott stated in view of the fact of what the Proclamation states and what the Minutes reflect as to what was going to be approved, the Minutes reflect the Council was supporting the document of the City program. It was not for recognition, and yet very clearly the night of December 10, a speaker spoke and stated recognition was very important to them. The Proclamation includes encouraging and supporting the Republic's continuing effort to develop as a free and independent nation; it encourages cooperation, and it states it was unanimously approved which is not correct; it was not unanimously approved. Therefore be it resolved that the City of Highland does hereby recognize Berdzor, City of the Region as a Sister City of the City of Highland. She thinks just the very fact that our Proclamation states recognition, etc., and you will find other points in the three page letter. Yes, she would like to have reconsideration.

City Attorney Steele stated an actual Motion for reconsideration has to be made at the meeting at which the action was taken. A Motion for reconsideration, a formal Motion would not be in order for that reason.

Councilwoman Scott asked what if a Councilmember asks for it to be brought back.

Mayor Pro Tem McCallon stated at the last Council meeting, there were three votes against bringing it back.

Councilwoman Scott stated it would be a little difficult because one of three votes is not here tonight.

Mayor Racadio stated what the City Attorney is saying is at that meeting a Motion for Reconsideration had to be brought up, and it was not at that meeting.

Councilwoman Scott stated at the meeting we had not received a copy of the Proclamation. It was after that meeting that a copy of the Proclamation was made available.

Councilwoman Lilburn asked is there a reason why we do not want to bring it up and discuss it if it is a Sister City.

Mayor Racadio stated we did have discussion on it two meetings ago. At the last meeting it was brought up to bring it back, and there were three votes not to bring it back. Procedurally, reconsideration should have been done at the meeting where it was approved.

City Attorney Steele stated this is a ceremonial item, in response to Councilwoman Lilburn; it's not a quasi-judicial, never go back decision. If a Council Member wants to discuss the issue in the future, it is up to the Council Members.

Mayor Racadio stated his personal opinion is there is no resolution to these types of items. There is no win-win in this at all.

Councilwoman Scott stated she disagrees. It was not discussed twice, it was barely discussed the night it was brought forth and not all information was available that night. When she asked for it to be brought back on December 10, it was not discussed; she was shut down completely. Since that time she has received a copy of the Proclamation, and she also has received a copy of the tape of the November 26 and December 10 meetings and very clearly some of the things about recognizing a Country or a City as being legitimate is not even on our State Department list. In her letter, she has back-up material and all she is asking for is this to be brought back for discussion of all the facts.

Mayor Racadio stated we just received the letter and we have not had the opportunity to read the letter. The option would be for us to review it and to see if anyone else would like to bring it back.

City Attorney Steele stated the rules of procedure do specifically state that a Motion for Reconsideration has to be made at the meeting at which the item was considered. This is a ceremonial item, it is not permanent, and if Council Members want to consider repealing this Proclamation or amending it, your normal rules for putting something on the agenda would then apply to it.

CITY COUNCIL CONSENT CALENDAR

A MOTION was made by Mayor Pro Tem McCallon, seconded by Councilwoman Lilburn, to approve the consent calendar as submitted. Motion carried on a roll call vote, 4-0, with Councilwoman Scott abstaining from Item #3 and also with Councilman Timmer being absent.

1. Waive the Reading of All Ordinances
Waived the reading of all Ordinances in their entirety and read by title only.
2. Minutes – December 10, 2013 City Council Special Meeting
Approved the Minutes as submitted.
3. Minutes – December 10, 2013 City Council Regular Meeting
Approved the Minutes as submitted.
4. Warrant Register
Approved Warrant Register No. 575 for January 14, 2014, in the amount of \$2,848,479.20 and Payroll of \$152,450.28.

5. Treasurer's Report for November 2013
Received and filed the Treasurer's Report for November 2013.
6. Claim Consideration – Kristen Wilshire
Rejected claim.
7. Declaration of One Vacancy on the Public Nuisance Hearing Board
 1. Declared one seat vacant on the Public Nuisance Hearing Board; and
 2. Directed the City Clerk to advertise the vacancy on the Board.
8. Request for Co-Sponsorship of the Citrus Harvest Festival on March 29, 2014
 1. Approved a request by the Highland Area Chamber of Commerce for co-sponsorship and waiving of the City fees in the amount of approximately \$2,604.47; and
 2. Authorized staff to install a street banner for the event across Base Line.
9. Bid Award – Bid 2013-12, "Purchase of Tire-Derived Rubber Mulch"
Awarded Bid No. 2013-12 to Yosemite Nursery for \$34,666.00.
10. Easement Acceptance/Nancy R. Hyson (Tract No. 16448)
 1. Accepted the Grants of Easement for Sidewalk purposes from Nancy R. Hyson; and
 2. Directed the City Clerk to record the Grants of Easement.
11. Annual Report of the Processing of Applications per the City Council's "Come Home to Highland" Program and Policies for the Period of January 1, 2013 to December 31, 2013
Received and filed the report.
12. Quitclaim Deed Acceptance/Greenspot Road Improvements (SR-210 to Boulder Avenue)
 1. Accepted Quitclaim Deeds from Wal-Mart Stores, Inc.; and
 2. Directed the City Clerk to record the Quitclaim Deeds.

CITY COUNCIL PUBLIC HEARING

13. Appeal No. 013-004, a Request to Overturn the Historic Cultural Preservation Board's Denial of Certificate of Appropriateness 013-004 to Enlarge the Driveway of a Historic Residence from Eight Feet (8') to Eighteen Feet (18') Wide with Consideration Given for "Reasonable Accommodations" as Provided in Ordinance No. 378

Mayor Racadio opened the public hearing.

City Planner Stater stated she is going to pass out some photos and a plan that are currently in your agenda, but the quality might be a little better. The appeal before you this evening is an item which was considered by the Historic and Cultural Preservation Board. At the property the applicant was seeking some additional parking. He has a shared driveway with a neighbor to his west and this is a very common practice in the Historic District for properties to share driveways. It becomes problematic sometimes with residents wanting to park in their driveways so once you do that your neighbors are left with a limited amount of space to get by you. What this particular applicant did was start parking on the grass to stay out of the way of the neighbor so when the neighbor was backing out their vehicles onto Main Street he wouldn't be in the way. Well that is a code violation; you cannot park your vehicle on the grass. So code enforcement went out and spoke to them and said you need to remedy this situation or stop parking on the grass. So what they did was take brick from their property and made an additional parking space essentially. Well it turned out not to resolve the problem, and instead it violated one of the Historic and Cultural Preservation Boards guidelines. This guideline states your driveway can be 15% of the width of your property, and this was in excess of that. So what that requires is a certificate of appropriateness to go to the Board for consideration. The applicant filed that application for certificate and with that they asked for special consideration for relief of that guideline to exceed the 15% with consideration for reasonable accommodations. That was an Ordinance adopted by the City about a year back, which states if the City needs to they can relieve some of those guidelines/requirement statutes to provide handicap accessibility. What the appellant is seeking is an additional 10 x 29-½ foot parking area constructed of brick. The reason the Board had not approved that is, there are several reasons, one, it doesn't necessarily affect the Historic structure itself, but it does affect the visual quality of the District, because what would be happening is the applicant has eight feet of driveway, the neighbor has eight feet, and this is going to add an additional 10. So it affects the street, the visual aspect of the streetscape. With respect to the reasonable accommodations, there is a nuance on the property owner to say how given this special accommodation to increase the size, how is this going to provide handicap accessibility? There were two main reasons the Board sided for not approving that. The first is that there is a handicap ramp at the rear of the property as there are two entrances, the front and the rear. At the rear of the property the applicant has already constructed a handicap ramp, so the Board felt they could pull up and open up the gate as seen in the photo, pull in the backyard and go up the handicap ramp. They also felt even given the additional parking space to the side that a handicap person would still need to traverse the steps. So it wasn't a fully accessible solution to the problem. The appellant is here this evening to answer any questions.

Councilwoman Scott asked has this property been surveyed.

City Planner Stater stated not to her knowledge.

Councilwoman Scott stated so the shared driveway, you don't really know who owns the shared driveway.

City Planner Stater stated she thinks there is somewhat of an agreement between the property owners about where that exists because there is currently a wall that runs between the properties.

Councilwoman Scott asked isn't there enough room for say a little three foot wall would go down here and they both would have a driveway? She is wondering about surveying.

City Planner Stater stated they could have the property surveyed, but she isn't certain that it would solve this particular issue because of what the applicant is wanting. Right now if you were to put the wall down the middle you would have about 7-½ feet on each side if the wall is a foot wide. So they are going to have 7-½ feet but what they want is to be all the way out of that drive aisle because there is more than one vehicle even at that person's residence. Let's say they have two, three or four vehicles. Those cars need to be able to get back and forth in the driveway and they want to pull off the drive into the brick area so the handicap person can get out of the vehicle and into the house.

Councilwoman Lilburn asked if this is a group home or a single family residence.

City Planner Stater stated it is a single family residence. There are tenants, but it is owner occupied. There were two letters that were passed out; one is a letter from the appellant and one letter from the neighbor to the west.

Mr. William Lowe stated he is the owner of the address that is in conflict now. He has always been a good neighbor. His neighbor in question, they just built a brick wall and used his power. It cost him \$300 because his electric bill went up because the wall was built. He has been disabled since 1988 when he was in a railroad accident and he has neurological pain in his back. He maintains his house and people think he's not disabled. Well you really don't know. He has a hard time sitting in chairs. First a truck backed into a pole and then they sent him to company doctor that at this time it was new technology where they shocked his back. This issue is he shares a driveway with good neighbor and when you split the thing in half you look at his wall he only has 3 feet of property and he has 6. So he backs up, they already ran over his sprinklers and broke them. He took about 1,000 bricks and accommodate his neighbor and make him a little handicap ramp over here off to the side so he can park. This way he won't have to park on the grass, unload himself or his family members as he has a daughter with Cerebral Palsy and his brother had a stroke and his left side is now paraplegic. Rather than parking on his grass he decided to build a handicap platform with some bricks which he was going to continue to build a handicap ramp because they don't do steps very well. Maybe I look like I'm not disabled at all who can tell you you're not disabled, you are disabled, you can't park here, but you can park here. For the last six years all he has done is 100% community

service for his whole neighborhood. He's helped the whole neighborhood one way or another. He feels that if he can put his handicap ramp down he won't have to worry about the guy running over his sprinklers. He tries to be the best neighbor he can possibly be. He needs this handicap accessibility so he can get his family in and out of the house safely without hurting themselves or himself. His project is not out of line. Under the ADA laws, under the accessibility, which the Federal Government recognizes the State and the City, he just wants to make accessibility where it is easy for him to get in and out of his house.

Mr. Gene Brown stated he would just like to know what he has to work with. He knows there's limited parking and there is a lot of cars on that street. Just recently two cars have been stolen from the front of the house. Nobody wants to park their car around the corner. You would like to have it at least in the front of your house so you can look out and see your car. He thinks he can do a good job and make it look nice. The brick work goes along with the antiqueness of the house and he thinks it could be done in a manner that it would look nice. He thinks it would look worse if you denied it and everybody would be pulling up on the grass anyway. He would like to know how much room they have to work with and what you will let us do.

Mr. Brian O'Hara stated he just came down to support Mr. Lowe on his decisions.

Ms. Pam Bible stated she is against the driveway being widened. She knows the applicant is requesting this on the basis that he needs the handicap access, but her arguments are he doesn't need to widen the driveway in order to get this. As City Planner Stater stated he already has his approval to build a ramp at the back of the property and this is only a few feet from his driveway. So out of all his entrances this is the shortest walk he has to get a handicapped person into his property. However if you do feel he should have a front access as well, then her problem is the widening of the driveway she feels is not the best solution. When he bought this house it had a sidewalk that went from the curb directly to the front door which was 15 feet direct access to the house. Unfortunately he chose to remove this because he wants the driveway widened. If you look at the plan he has submitted, this actually makes the walking distance further for his handicapped people. It would be more efficient for him to just put his sidewalk back if he wants easy access. He has been parking in his front yard for a year and he doesn't always park in the area he's proposed on his plan which is another concern. There are many times he drives all the way across the front yard parks right in front of the front steps just so he can go in. This is her concern also that if this is approved this will continue to happen. She knows this because she lives across the street. She sees this all the time and many times there are up to three or four cars parked in his front yard. He claims he needs the handicapped access, she is sure he has bad days than others but she doesn't think it's serious enough, from what she sees, that he needs to park where he's wanting. The real problem as his tenants claim is that he really wants this widening because he has tenants living in his home and there is not enough parking. She feels he has created this problem himself. This is a single family

residence and he has stated he has seven adults living there. He also does not have a rental permit to do this as well. She doesn't think the Historic District should have to suffer because he wants to use this house inappropriately. She also has personal reasons for wanting this, because she lives across the street and she doesn't know how any of you would feel if the first thing you see when you walk out your front door is a whole parking lot full of cars. She is also hoping the Council will agree with the Historic District not to do this because it is the main goal to keep the District looking as original as possible. One of the main features is long, narrow driveways are one of the defining features of this area, and if you make this one wide it will look extremely out of place with the rest of the ones in the District. Regarding the sprinklers, there is plenty of width, this is extremely wide already. It is wider than all of our normal standard double driveways and she hates to say it but the sprinkler damage was done by himself and his residents.

Mayor Racadio stated the Council did receive a letter from Mr. Lowe and also from Geraldine Starbuck.

Mr. Lowe stated he doesn't know if the Council has ever dealt with people with disabilities, but yes there is a little walkway in the front, but have you ever had to carry somebody up the steps? Now, his issue is yes, there is a brick walkway there and he apologizes because he did take it out and put it in over in the handicap area. When you become old and disabled and we have steps, he has been dealing with disabilities for 28 years. Steps are not good, his brother's left side is paralyzed and he took the walkway out because it was all broken up. The City replaced the sidewalk, skipped him and went down the street and put new sidewalks in. If he had decent sidewalks to get people in and out of the car you don't think he would use that? You think he wants to go through the expense of building a handicap ramp because he wants to? He's putting a ramp in because he has to. He's the homecare worker. He has to take care of you, he has to get you in the bath, get you dressed and it's nice that everyone thinks you will never get old or disabled. When you deal with people with disabilities for 28 years, his daughter was born with cerebral palsy now she's in a wheelchair and he has to walk her up six steps. If he parks on the street he has to make sure she gets in the yard without hurting herself. All he's asking under the ADA law, we have a conflict of interest here he has two people on the Board of the Historical Society. He loves his house, his house is his house. Nobody is ever going to take it away from him ever and under the law he has the right to defend it under life, liberty and property but he has the right to make it accessible for all.

Mayor Racadio closed the public hearing and will open it up to the Council for discussion.

Councilwoman Lilburn stated we as the Council have a duty and a right to preserve the integrity of something we deemed the Historical Society. If you look clearly, she has seen the neighborhood where they park several cars, and quite frankly it is annoying, but putting that aside this neighborhood shouldn't have to

endure because you decide you wanted to be a landlord or a slumlord and not have the appropriate parking when you park by a house and not have the appropriate accommodations for your handicapped ADA, shame on you. So don't try to enforce something on a neighborhood that you bought that is entitled Historical and that has rules. She feels she has the obligation to preserve the integrity of this Historical Society, and she's sorry but she feels she needs to uphold the recommendation.

Councilwoman Scott stated reading the meeting that Mr. Lowe went to back in October and the questions he was asked and the comments that were made and then listening to him tonight he talked about working on the house for six years and then he said he'd been at the house for 20 years. Is he buying, is he renting, is he a landlord, why five to six cars? That's something he said himself, and looking at these pictures it looks like a parking lot. This is a Historic area, it was designated Historic and there are rules for Historic sites. She herself looked at a home that was for sale at one time in that area and the windows were rotted and so she wanted to put in the vinyl windows and she knew it would not be allowed. She didn't buy the house. Yes, she knows what it's like to be disabled as her car has DP plates on it. So she would like to know how many people are living in the house. She has to uphold the Historic Society.

Mayor Pro Tem McCallon stated it appears to him that the real issue here is that right now it's a rental property that we have seven tenants there. He doesn't know how many cars, but it appears to him that this particular property is more of a rental multifamily house than a single family residence.

City Planner Stater stated if she can clarify, Mr. Lowe is a resident of the house and also rents out rooms.

Mayor Pro Tem McCallon stated he understands that. He is a landlord and tenant living there but it appears to him that really this is a rental property and he understands what was said about the ADA requirements and he believes that he is pushing that aspect to be able to provide parking for his tenants rather than because of the ADA requirements. That is his personal view. He believes that the Historic Board made the right decision.

Mayor Racadio stated if the Motion is to deny the appeal, the Motion would have to bring back the Resolution for denial.

City Attorney Steele stated he is recommending Council adopt a Resolution on this issue to lay out the findings for the reasons why you are denying it.

A MOTION was made by Mayor Pro Tem McCallon, seconded by Councilwoman Scott, to bring back a Resolution for denial regarding Appeal No. 013-004. Motion carried, 4-0, with Councilman Timmer being absent.

14. Abatement Costs for 25619 Base Line, Highland, California; Property Owner: Mr. Sung Noh

Mayor Racadio opened the public hearing.

Community Development Director Mainez stated as you indicated Staff is recommending adoption of a Resolution determining the expenses and costs of public safety issues at 25619 Base Line are reasonable and correct. The total is a little over \$8,000 and we ask Council to direct Staff to file a lien on this property.

City Attorney Steele asked can we verify for the record that notice was provided.

Community Development Director Mainez stated notice was provided in accordance with the City's Municipal Code.

Mayor Racadio called for speaker in representation of the property owner or any speakers in favor or in opposition. Seeing none, the public hearing is now closed.

A MOTION was made by Councilwoman Lilburn, seconded by Mayor Pro Tem McCallon, to adopt Resolution No. 2014-001 thereby determining that the expenses and costs of abatement that have been expended by the City to abate the public health issue on the property located at 25619 Base Line, Highland, California ("Property") are correct and reasonable, and accepting and confirming the total amount of \$8,003.51 as the total cost of abatement. Staff further recommends that the City Council authorize and direct staff to record a Notice of Lien with the San Bernardino County Assessor-Recorder and file a copy of this lien with the San Bernardino County Auditor-Controller and Tax Collector. Motion carried, 4-0, with Councilman Timmer being absent.

RESOLUTION NO. 2014-001
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND
(1) ACCEPTING AND CONFIRMING CERTAIN COSTS OF ABATEMENT
OF A PUBLIC NUISANCE ON 25619 BASE LINE, HIGHLAND,
CALIFORNIA, AS CORRECT AND REASONABLE AND (2)
AUTHORIZING AND DIRECTING STAFF TO RECORD A NOTICE OF
LIEN AGAINST THE PROPERTY

15. Development Impact Fee Annual Adjustment

Director of Public Works/City Engineer Wong stated this is the annual adjustment of the Development Impact Fee. In front of you, on page 1 of the Staff Report, you can see there are nine different types of development impact fees. He would like to describe in three groups because they have different adjustment factors. Group No. 1 is the Regional Circulation System and this year's adjustment is an increase of 9.6%. This percentage is derived from the latest SANBAG Measure I

Nexus Study project cost estimate, because the project cost estimate including major roadway and interchange has been found to have gone up 9.6%. We are using the same percentage to adjust the Regional Circulation System. For the group of cities like Highland who usually adjust their Development Impact Fee in January, SANBAG has actually given this group of cities a 12 month period to make the adjustments. We can make this 9.6% adjustment now until January of 2015 and we would still be in SANBAGs regulation. For the group of cities that usually adjust their fees in July, they don't have that leeway. They just have to complete their adjustment in July. Staff is not recommending this because we usually do annual adjustments, so therefore the Staff Report and the Resolution are prepared with the assumption you would make the adjustment in your normal timeline. The second group includes the local circulation system and Regional Flood Control facility is proposed to go up 8.1%. This is strictly based on the change of the highway construction item index that you have adopted for these two groups of projects, and construction costs for heavy construction has gone up. We have seen that in our projects and the index reflects this. The third group is law enforcement facility, fire suppression facilities, general government facilities, public library, public use facilities and park facilities. This group of Development Impact Fees is proposed to have a 2.2% increase and this 2.2% came from the changes to the California construction cost index that you have adopted for these fees. In summary, for a single family home in Highland, the new Development Impact Fee would bring it up to \$21,041, up from \$19,791. On the last page of the Staff Report there is a table put together for your information that compares the amounts of Development Impact Fees for the last eight years. You will see the trend; the trend has been the fees peaked at 2009 and from that point on it continued to go down till 2013 when the price picked back up again. A couple of related items, one is that the City Council for three years had adopted a credit policy. This credit policy artificially reduced the City Council's adopted fee by a certain percentage and we did it for three years, 2010, 2011 and 2012. Last year, 2013, the Council did not do a credit policy so you are collecting full amounts of Development Impact Fees. This year, just to be consistent with your last year's preference, Staff is not proposing this credit policy. The Development Impact Fee Resolution has included a position that would allow the developers to pay their Development Impact Fee not at the Building Permit but defer it until the occupancy is available. This deferral is still part of the Resolution; if you do not want this to be continued then we need to modify it.

Mayor Pro Tem McCallon asked if we delay the fee until occupancy, which is what we have been doing, the fee is based upon the fee at the time they pull the permit or the time they occupy?

Director of Public Works/City Engineer Wong stated it would be based on the time the building is ready to be occupied.

Mayor Pro Tem McCallon asked so if it's delayed to occupancy then it's the fee at that time, not at the time they pulled the permit to build?

Director of Public Works/City Engineer Wong stated sorry, the fee would apply to the time of the permit.

Councilwoman Lilburn stated on the agenda it stated the Finance/Personnel Subcommittee will providing its recommendation.

Director of Public Works/City Engineer Wong stated yes, there was a meeting before this meeting.

Mayor Racadio stated he is on the committee and we met, discussed it and wanted it to come to City Council for further discussion as he was the only one present.

Councilwoman Scott stated whenever we are going for a raise or anything for Staff we always take surveys from neighboring Cities. How does the DIF compare with Redlands, Loma Linda and even San Bernardino as well as Yucaipa?

Director of Public Works/City Engineer Wong stated he did not do a survey because our fees are kind of tied to indexes. When we first set our fees back in 2007 at that time we had a survey done and were kind of in the middle of the pack at that time. He would imagine that because SANBAG requires each City now has to make adjustments based on a cost escalation effect that they provide so no one has any more leverage of how much to change. On the Regional Circulation part of it, now there are other components of the Development Impact Fee that the local cities have more flexibility to adjust.

Councilwoman Scott stated the reason she asks is because we have a lot of area that is being considered for development and if we make our fees too high then they are going to go over to Redlands to the doughnut hole and she would certainly hate to lose that. She guesses she's always found it very odd that you can buy supplies to make a single-family home, your supplies and your labor say \$100,000 and your permits are \$150,000. It just doesn't sound right to her. She would like to have a comparison; she doesn't want to lose out to Redlands.

Mayor Pro Tem McCallon asked SANBAG gives us, on the Regional Circulation, the flexibility to wait until January to implement this correct?

Director of Public Works/City Engineer Wong stated yes.

Mayor Pro Tem McCallon asked what would be the impact on the City if we did that.

Director of Public Works/City Engineer Wong stated the impact would be, not knowing how it would impact economic development, you would be collecting 9.6% less under the Regional Circulations portion of the fee which is the majority of Development Impact Fee. We know that it has to be a pretty big implication to future developments especially since we have projects that are coming out to the pipeline that are negotiating agreements. Development agreements, you usually lock in your fees at the time the agreement is approved. For instance, if you have a lower fee today and that low fee gets locked in, that lower fee will get locked in for the next 20-30 years. So that amount when you look at it in a long term basis is a pretty large amount.

Mayor Pro Tem McCallon stated presumably potentially we would lock in fees for 10 years and they would be at the lower rate.

Councilwoman Lilburn asked if SANBAG requires us to accept a certain amount of DIF fees.

Mayor Pro Tem McCallon stated SANBAG requires us to increase the fees based on a certain index and based on the Nexus Study which includes the costs of projects.

City Attorney Steele stated Council also has a letter from JLM TREH Development.

Mr. Carlos Rodriguez, BIA Baldy View Chapter, stated in the Staff Report it highlights very depressed economic conditions as the rationale for the 25% fee credit that was implemented in 2010, 2011, and 2012. Now while that ended last year we do still see a very depressed and anemic housing market. Unfortunately, Highland is not immune to that reality as you all know. Things have slightly improved, while we are nowhere near a place where we can look at fee increases as anything but a potential way of unintentionally jeopardizing attracting a development as Councilwoman Scott had expressed for a neighboring City. Today the City Council has an option before you regarding implementation. As highlighted in the Staff Report, there is a proposed 6.3% increase for a single family development, a proposed 5.7% increase in multi-family. We recommend that the City Council exercise the option that SANBAG is affording you. That option is to forego implementing those fee increases until January 2015. The BIA would urge the entire fee categories, 1-9, for single family and multifamily to be implemented in 12 months, but in particular the SANBAG categories, 1-3, they would urge the Council to exercise that option. As highlighted in the Staff Report there is an option to continue to defer fee payment until certificate of occupancy; they believe this should continue and they would urge the Council to continue to do so. If you were to make an adjustment tonight, they would say implement category 1-3 per SANBAG's option and to continue the fee defer program that the City has had for the last five years.

Mayor Racadio called for any other speakers in favor or in opposition. Seeing none, the public hearing is now closed.

Mayor Racadio stated at the Finance Subcommittee's meeting, a couple of thoughts he had was he likes the after-occupancy permit, extending that instead of making the applicant pay at the beginning; he concurs with that. The flexibility from SANBAG to wait until January 2015, initially it's a good option because it's in the procedures and the policies right now, but it was pointed out to him by Staff as we had the discussion is the issue of the development agreement that should be placed with possibly of one the largest developments which would represent 60-70% of all the new housing that is going to occur, the Harmony Project, and if that's locked in then the 9.6% on those Measure I Fees for the interchanges, etc., that will be probably lost forever. The fact is, we don't have redevelopment to try to match those fees, so if the money is not available we might be passed over. So that caused him some concern. Then he was asking also when would we do a new Development Impact Fee study and that would probably take place sometime after the Harmony project was approved.

Councilwoman Lilburn stated not Harmony; you're talking about the other project, the Golden Triangle.

Mayor Racadio stated he was thinking Harmony but yes, that's even bigger.

Mayor Pro Tem McCallon stated we don't have a development agreement with Harmony, only a specific plan.

Mayor Racadio stated he was thinking of Harmony but he should have been thinking of Golden Triangle. He has no problem at all with the after occupancy permit but he would like to hear Council's input on the issue of extending the SANBAG Measure I Nexus Study increase to January 2015.

Councilwoman Scott stated she is looking at it another way. If we took the exception until January 2015, if the developers already know that they might get in here and pull their permits and start now. Harmony is not going to start pulling their permits but maybe if they know if they wait until after January 2015 to pull them it's going to cost them 9.6% more. She kind of likes that idea. It's an incentive to get them in there and build now.

Mayor Racadio stated what Staff is saying is it can be locked in by a development agreement which could be entered into before they pull their first permit.

Councilwoman Lilburn asked for the whole year?

Director of Public Works/City Engineer Wong stated usually the development agreement works in a way that at the date of the approval of the agreement everything gets locked in. The fees, the rules, all the standards are locked in at that time. Most of the development agreements he's seen are 20-30 years. So if this year you lower the fee.

Councilwoman Lilburn stated we're not saying lowering.

Councilwoman Scott stated no we're not lowering, we're just not increasing.

Director of Public Works/City Engineer Wong stated if you don't increase it then that incremental cost, you would not be able to realize it in the future.

City Attorney Steele stated there are a number of ways to deal with the development agreement issue. One that is the most obvious is that if you were to approve a development agreement this year the development agreement could say that the fee for building permits pulled this year is the current year's fee and then what's locked in the January 2015 fee. So that is fair to everyone. If a developer is going to pull a permit this year they take advantage of the same advantage that everyone else does but if they are going to pull after 2015 they pay the same fee that everyone else does. It wouldn't be unfair to either party and it would solve this problem.

Councilwoman Scott asked could you make the development agreement contingent upon between now and January 2015 you have to pull your permits and start grading or the price doesn't match?

City Attorney Steele stated he believes Councilwoman Scott is saying what he's saying and there are ways to deal with this issue that would not involve locking in essentially a 9 or 10% loss for 20 years.

A MOTION was made by Councilwoman Scott, seconded by Mayor Pro Tem McCallon, to adopt Resolution Nos. 2014-002 and 2014-003 as presented with the direction to Staff to defer until January 1, 2015 the Regional Circulation Elements of the fee increases per the allowance from SANBAG. Motion carried, 4-0, with Councilman Timmer being absent.

RESOLUTION NO. 2014-002
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND,
CALIFORNIA, AMENDING DEVELOPMENT IMPACT FEES FOR ALL
DEVELOPMENTS WITHIN CITY OF HIGHLAND

RESOLUTION NO. 2014-003
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
HIGHLAND, CALIFORNIA, AMENDING A FEE APPLICABLE TO RESIDENTIAL
NEW DEVELOPMENT WITHIN THE CITY OF HIGHLAND ON PARK LAND
ACQUISITION AND PARK FACILITIES DEVELOPMENT,
PURSUANT TO SECTION 16.40.200 OF THE HIGHLAND MUNICIPAL CODE
AND THE QUIMBY ACT (GOVERNMENT CODE SECTION 66477)

CITY COUNCIL LEGISLATIVE

16. Second Reading of Ordinance No. 388 Adopting Municipal Code Amendment (MCA) 2013-006, an Ordinance of the City of Highland Adding Chapter 9.32 Titled "Psychoactive Bath Salts, Psychoactive Herbal Incense, and Other Synthetic Drugs" to the Highland Municipal Code to Prohibit the Distribution, Consumption and Sale of Certain Intoxicating Chemical Compounds Known as Synthetic Drugs

A MOTION was made by Mayor Pro Tem McCallon, seconded by Councilwoman Lilburn, to conduct a second reading of Ordinance No. 388. Motion carried, 4-0, with Councilman Timmer being absent.

City Clerk introduced Ordinance No. 388:

ORDINANCE NO. 388
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HIGHLAND
ADDING CHAPTER 9.32 TITLED "PSYCHOACTIVE BATH SALTS,
PSYCHOACTIVE HERBAL INCENSE, AND OTHER SYNTHETIC DRUGS" TO
THE HIGHLAND MUNICIPAL CODE TO PROHIBIT THE DISTRIBUTION,
CONSUMPTION AND SALE OF CERTAIN INTOXICATING CHEMICAL
COMPOUNDS KNOWN AS SYNTHETIC DRUGS

which title was read.

17. Accessory Sign Review Application (ASR-013-022) Proposing a New Building Mounted at the Highland Police Station

Councilwoman Lilburn stated she has a conflict and will abstain from this item due to the proximity of the station.

City Planner Stater stated this is a work program item to install a building mounted sign on the Police Station to enable additional visibility of the station location. The proposed sign is 49 square feet and it is a non-illuminated which essentially states Highland Police. The letters are 2 feet tall, the length is 24 ½ feet and they are 3 inch letters. This item went to Public Facilities Subcommittee and Staff presented a preliminary plan and it was essentially approved. We are recommending to be moved forward to the Planning Commission with a 40 square foot sign. Staff took this to Commission and asked for additional plans.

The Commission is recommending approval of the sign but is asking Council to consider some recommendations the Commission was asking for to modify the sign which are on page 2 of the Staff Report.

Councilwoman Scott stated she has to agree with Commissioner Gamboa, the statements he made, and then she looked at the picture and she thought Highland is better than that.

Mayor Racadio asked do you not like the location or the style.

Councilwoman Scott stated she does not like the location at all. It looks like an afterthought which with the Police Station being built so many years ago and were just now putting the sign up, yes, it is an afterthought.

Mayor Pro Tem McCallon stated you want it on top of the rotunda on the yellow part of the sign. We have to be compatible with the sign code on the size of the sign and the size of the letters.

Mayor Racadio asked if that is the tallest we can have per the sign code?

City Planner Stater stated the sign code reads 100 square foot is the maximum, maximum area of 10% of the building space not to exceed 100 square feet, the height not to exceed the roof line and the length not to precede 75% of the frontage. We could take a quick look at it and bring something back because it would be difficult for her to say we can meet exactly what the Council is trying to accomplish and the code standards.

Mayor Pro Tem McCallon stated his concern would be putting it on the curved rotunda that at different angles you would not be able to see the whole sign. If we are thinking about doing that, he would want to see something rendering to see what it looks like.

City Planner Stater stated we can ask the sign company who provided the estimate to provide some revised plans and a revised cost estimate.

Councilwoman Scott stated she makes a Motion we place it on the rotunda.

Mayor Racadio asked how about we bring it back to see what they can do and see what it looks like.

City Planner Stater asked a little bit of direction, so essentially we are looking at Plan B which would be on the rotunda and taller letters, is this correct?

Mayor Pro Tem McCallon stated whatever is pleasing and within our sign code.

Mayor Racadio stated he does not see any objection, so if the item can be brought back with some ideas about putting it on the rotunda.

18. Award of Bid No. 2013-06, "Demolition of Two Buildings Located at 27167 Base Line (Former Library) & 27169 Base Line (Former Post Office)"

City Planner Stater gave a brief review of the Staff Report.

Councilwoman Scott asked in view of the fact that this was so much lower than what the City Engineer's estimate was, how much of what we got in here for and/or was the bid including the disposal of asbestos and so forth?

City Manager Hughes stated the asbestos abatement has already been taken care of.

Councilwoman Scott stated it is already gone so we are not going to have any cost overruns because they run into that. Can she put her bid in now for the old fire station for the Chamber and Historic Society?

Mayor Racadio stated that is a whole different issue. It is 67% below the engineers estimate, substantially lower than all the others. He knows the Staff Report shows they have checked out and satisfied the references. It just seems so much lower, he has some concerns.

City Planner Stater stated when we bid this project back in 2011, the bid was substantially similar to this one, the \$114,000. So perhaps our estimate was just a little high and it was a different contractor that was the lowest bidder.

A MOTION was made by Councilwoman Scott, seconded by Mayor Pro Tem McCallon, to:

1. Award the contract for bid No. 2013-06, "Demolition of Two Buildings Located at 27167 Base Line (Former Library) & 27169 Base Line (Former Post Office)" to 5M Contracting, Inc., in the amount of \$114,950.00; and
2. Approve the following budget adjustment: Transfer \$114,950.00 from 029-2100 (Fire Department, Reserved) to be expended from 029-2100-6030 (Fire Department, Building). Motion carried, 4-0, with Councilman Timmer being absent.

19. Agreement with TKE Engineering, Inc., for On-Call Engineering Services

Public Works Director/City Engineer Wong gave a brief review of the Staff Report.

A MOTION was made by Councilwoman Scott, seconded by Mayor Pro Tem McCallon, to approve a professional services agreement with TKE Engineering Inc., to provide on-call engineering services. Motion carried, 4-0, with Councilman Timmer being absent.

20. Contract Documents with SCE Relative to Undergrounding of Edison Overhead Lines on Greenspot Road

Public Works Director/City Engineer Wong gave a brief review of the Staff Report.

A MOTION was made by Mayor Pro Tem McCallon, seconded by Councilwoman Scott, to:

1. Approve the contract documents with Southern California Edison relative to undergrounding of overhead lines on Greenspot Road, subject to final review and approval by the City Attorney; and
2. Authorize the City Manager to sign the documents. Motion carried, 4-0, with Councilman Timmer being absent.

21. Notice of Completion – Bid No. 2012-05, “Sterling Avenue Phase II Storm Drain Project” (Project No. sdr10001)

Public Works Director/City Engineer Wong gave a brief review of the Staff Report.

A MOTION was made by Councilwoman Scott, seconded by Mayor Pro Tem McCallon, to:

1. Accept Bid No. 2012-05, “Sterling Avenue Phase II Storm Drain Project” (Project No. sdr10001);
2. Authorize the Mayor to sign the Notice of Completion; and
3. Direct the City Clerk to file the Notice of Completion. Motion carried, 4-0, with Councilman Timmer being absent.

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

City Manager Hughes stated Council was given an update on the Work Program in your mailbox located at City Hall. We are actually ahead of where we were two years ago in our accomplishments. Based on the analysis we did, it looks like we will complete a very high percentage of the urgent and high priority items this year.

Mayor Racadio stated he attended the League of California Cities Division Dinner in Ontario on January 9, 2014. The topic was the need for water in Southern California and in the Inland Empire.

23. San Bernardino International Airport Authority and IVDA

None

ANOUNCEMENTS

City Manager Hughes stated regarding Councilwoman Scott's earlier request to bring back an item, she will need to put her request in writing along with the appropriate back-up documents and then we will be able to place it on the next agenda.

CLOSED SESSION

None

ADJOURN

There being no further business, Mayor Racadio adjourned the meeting at 7:48 p.m. in memory of Scott Bolger, Art Cisneros, Joshua Means, Dennis Harris, James Zacharias, John Biggs and Robert Bradley.

Submitted By:

Approved By:

Betty Hughes, MMC
City Clerk

Sam J. Racadio
Mayor