



MINUTES

REGULAR MEETING OF THE HEMET CITY COUNCIL

September 10, 2013

6:00 p.m.

City of Hemet Council Chambers
450 E. Latham Avenue

www.cityofhemet.org

Please silence all cell phones

Call to Order

Mayor Pro Tem Smith called the meeting to order at 6:00 p.m.

Roll Call

PRESENT: Council Members Krupa, Milne and Wright and Mayor Pro Tem Smith

ABSENT: Mayor Youssef

Council Member Krupa moved and council Member Wright seconded a motion to excuse Mayor Youssef. Motion carried 4-0.

Work Study

Discussion regarding these items, with possible direction to staff

1. Update on the Bay Delta Conservation Plan - Paul Jones, Eastern Municipal Water District

Paul Jones, General Manager, gave the City Council an update on the Bay Delta Conservation Plan. EMWD has a 542 square-mile service area that has a population of 768,000 residents. EMWD serves seven cities and unincorporated areas. EMWD is one of 26 member agencies of the Metropolitan Water District of Southern California (MWD). MWD serves the area with wholesale imported water from San Diego to Ventura. MWD is the contractor to the State Water Project. EMWD supplies Potable (Drinking Water) to 136,478 accounts. We sold 83,332 acre feet in 2011/2012. The potable water comes from the Colorado River and the Bay Delta, groundwater wells (including San Jacinto Basin) and Menifee & Perris Desalters. EMWD has 226,000 wastewater accounts. EMWD also has 270 recycled water accounts. 33,679 acre feet of recycled water was sold in FY 2011/2012. A pie chart displaying the water supply was displayed. 71,200 AF (56%) of the water is imported or supplied by MWD. The remaining 44% of the water (56,800 AF) comes from local supply. The Bay Delta is considered the State's water Hub. It supplies drinking water for 25 million Californians. It irrigates half of the nation's fruits & vegetables. The Bay Delta serves 558,000 acres in agricultural production, a \$27 billion agricultural economy. Over 750 plant, bird, animal and fish species, including: over 50 different fish species; and over 225 bird species make up Bay Delta's ecosystem. More than 40 are threatened or endangered species. The key Delta risks are fishery declines (Delta smelt), seismic risk, subsidence, and sea level rise. Mr. Jones gave the City Council an overview of the Bay-Delta Conservation Plan. The plan is based upon achieving Co-equal Goals: Habitat preservation and enhancement; and Water

supply reliability and security. This is a multi-species approach to endangered species protection, habitat conservation, and other stressors control. The plan includes conveyance improvements. As well as, the following regulatory assurances: long-term operations permit; coverage for existing and future listed species; regulatory obligations defined upfront; and Habitat Conservation Plan (HCP) and Natural Communities Conservation Plan (NCCP). Mr. Jones explained the Environmental Impact Report alternatives. The conveyance and habitat alternatives are: no action; dual conveyance/up to 113,000 acres of habitat; dual conveyance with smaller pipeline/tunnel; fully isolated conveyance; dual conveyance with additional habitat restoration and smaller pipeline/tunnel; and through Delta conveyance with screens at Cross Channel and Georgiana Slough. The preferred option includes: three intakes/pumping plants; State-of-the-art fish screens; Forebay temporarily stores water pumped from river; two 26-ft gravity flow tunnels (35 miles long; 9,000 CFS); operated as "Dual" conveyance. This option costs \$12 to \$14 billion including direct mitigation (MWD 25%) with average costs per household of \$5-\$6 per month. The ecological conservation includes biological goals/objectives of nearly 60 species and accelerated habitat restoration of 30,000 acres of aquatic habitat over the next 15 years. The Ecosystem Restoration cost is \$3.6 billion. The reason that the improvements are important is that the Bay-Delta contributes toward a diverse water supply portfolio and provides additional supplies in wet years for storage. The improvements will protect against catastrophic levee failures including earthquakes. The improvement will provide 134,000 jobs and improve water quality which facilitates local supply and management, such as recycling and groundwater storage. These improvements will increase the cost of imported water from MWD by \$180 per acre foot. The next steps and their proposed timelines are: Draft BDCP and EIR/S – October 1, 2013; Finalize BDCP and ROD – Winter 2014; Habitat Restoration 2010-2050; and Tunnel construction 2016-2026. Mr. Jones encouraged the City Council to express support to the Secretary of the Interior and other administrative officials. Also express support for the BDCP to the local legislators. Help is needed to get the word out. Presentations can be provided to civic organizations upon request. A resolution supporting the BDCP and the Preferred Alternative will be requested.

Mayor Pro Tem Smith, EMWD puts on a first class tour of the Bay-Delta. Make sure that you are taking the local legislators on the tour so they are educated. These improvements are important.

Council Member Krupa, asked if the funding for the Preferred Option would be paid by General Revenue Bonds.

Mr. Jones, the BDCP will be paid for by the water users. Water Bonds might be initiated for other projects. The Habitat would be funded by a bond and there is broad support for that.

Mr. Jones, introduced Phil Paule, Eastern Municipal Water District Chairman.

Closed Session

Eric Vail, City Attorney, requested that the City Council add an urgency item to Closed Session. The item arose subsequent to the preparation of the agenda and requires direction prior to the September 24, 2013 meeting. The item would be the Appointment of the City Manager.

Council Member Krupa moved and Council Member Wright seconded a motion to add the item at Item No. 2.A. Motion carried 4-0.

Notice of Opportunity for Public Comment

There were no public comments presented.

The City Council recessed to Closed Session at 6:28 p.m.

Mayor Youssef arrived at 6:35 p.m.

2. **Conference with Labor Negotiators**

Pursuant to Government Code section 54957.6

Agency designated representatives: *Interim City Manager Bradley*

Employee organization:

Hemet Fire Fighters Association (HFFA)

Hemet Police Management Association (HPMA)

Communications Workers of America (CWA) Non-Sworn Police Employees

Hemet Mid-Managers Association (HMMA)

Confidential Personnel

2.A **Public Employee Appointment**

Pursuant to Government Code section 54962

Title: City Manager

3. **Conference with Real Property Negotiators**

Pursuant to Government Code section 54956.8

Property: APN: 456-050-013 and 022, Northwest corner of Sanderson and Stetson Avenues.

Agency negotiator: Interim City Manager Bradley

Negotiating parties: Stetson Crossing Partners, LLC

Under negotiation: Acquisition, Price and Terms

4. **Conference with Legal Counsel - Existing Litigation**

Pursuant to Government Code section 54956.9(a)

Names of cases: *Mercury Casualty Company v. City of Hemet INC 081323*

Dustin Hoover, et al v. City of Hemet, et al RIC 1209825

5. **Conference with Legal Counsel - Anticipated Litigation**

One (1) matter of significant exposure to litigation pursuant to Government Code section 54956.9(b)

REGULAR SESSION

7:00 p.m.

City of Hemet City Council Chambers

450 E. Latham Avenue

Call to Order

Mayor Youssef called the meeting to order at 7:14 p.m.

Roll Call

PRESENT: Council Members Krupa, Milne and Wright, Mayor Pro Tem Smith and Mayor Youssef

ABSENT: None

OTHERS PRESENT: Interim City Manager Bradley, City Attorney Vail and City Clerk McComas

Invocation

Invocation was given by Gary Fowler, Hemet-San Jacinto Interfaith Council

Pledge of Allegiance

Pledge of Allegiance was led by Council Member Wright

City Attorney Closed Session Report from September 7, 2013

6. Public Employee Appointment
Pursuant to Government Code section 54962
Title: City Manager

The City Council conducted interview. There was no additional reportable action.

City Attorney Closed Session Report

7. Conference with Labor Negotiators
Pursuant to Government Code section 54957.6
Agency designated representatives: *Interim City Manager Bradley*
Employee organization:
Hemet Fire Fighters Association (HFFA)
Hemet Police Management Association (HPMA)
Communications Workers of America (CWA) Non-Sworn Police Employees
Hemet Mid-Managers Association (HMMA)
Confidential Personnel

The City Council met with the City Labor Negotiators. There was no additional reportable action.

- 7.A Public Employee Appointment
Pursuant to Government Code section 54962
Title: City Manager

This item was continued to the end of the Regular Session.

8. Conference with Real Property Negotiators
Pursuant to Government Code section 54956.8
Property: APN: 456-050-013 and 022, Northwest corner of Sanderson and Stetson Avenues.
Agency negotiator: Interim City Manager Bradley
Negotiating parties: Stetson Crossing Partners, LLC
Under negotiation: Acquisition, Price and Terms

This item was continued to the end of the Regular Session.

9. Conference with Legal Counsel - Existing Litigation
Pursuant to Government Code section 54956.9(a)
Names of cases: *Mercury Casualty Company v. City of Hemet INC 081323*
Dustin Hoover, et al v. City of Hemet, et al RIC 1209825

This item was continued to the end of the Regular Session.

10. Conference with Legal Counsel - Anticipated Litigation
One (1) matter of significant exposure to litigation pursuant to Government Code section 54956.9(b)

This item was continued to the end of the Regular Session.

City Council Business Consent Calendar

11. **Approval of Minutes** – August 13, 2013
12. **Approval of Minutes** – August 27, 2013
13. **Receive and File** - Warrant Register
- a. Warrant register dated August 22, 2013. Payroll for the period of August 5, 2013 to August 18, 2013 was \$596,296.78.
14. **Receive and File** – Investment Portfolio as of June 2013
15. **Recommendation by Engineering** – Installation of Banners Across Florida Avenue
- a. SCSDA Southern California Sand Drag Association – Racin for a Cure, October 4-6, 2013
 - b. Riverside County EDA – Hemet-Ryan Airshow, November 2, 2013
 - c. First Baptist Church of Hemet – 10th Annual Car Show, September 28, 2013
 - d. Good Time Wood Carvers – Woodcarving Show, November 9, 2013
 - e. National Alliance for Mental Health – NAMI Walks, November 2, 2013
16. **Recommendation by Public Works** – Agreement with Syn-Tech Systems, Inc. for the Purchase and Installation a Fuel Master
- a. Approve the purchase and installation of the Fuel Master Fuel Management System from Syn-Tech Systems, Inc. in an amount not to exceed \$119,124.82; and
 - b. Authorize the Interim City Manager to execute an Agreement with Syn-Tech Systems of Florida; and
 - c. Authorize the Deputy City Manager/Administrative Services Director to record supplemental appropriations from Equipment Maintenance Fund 684 Fund Balance in the amount of \$44,124.82.
17. **Recommendation by Public Works** – Park Commission Recommendations
- a. Tree Removal Request – 1857 Creekside Drive – Bottle Tree (1)
Recommendation to approve request and replace tree.

Item Nos. 12 and 15 were removed from the Consent Calendar. **Mayor Pro Tem Smith moved and Council Member Krupa seconded a motion to approve the remaining Consent Calendar as presented. Motion carried 5-0.**

Item No. 12

Mayor Pro Tem Smith abstained from the vote since he was not in attendance at the meeting. **Council Member Milne moved and Council Member Wright seconded a motion to approve this item as presented. Motion carried 4-0.**

Item No. 15

Howard Tounget, Hemet, expressed concern that banners being approved do not meet the CalTrans regulations per the Encroachment Permit with the City of Hemet.

The City Council gave direction to staff to review the policy.

Council Member Krupa, noted that the Woodcarver's event information is incorrect. The event will be on November 2, 2013 at the Hemet Valley Mall.

Mayor Youssef moved and Council Member Krupa seconded the motion to approve this item as presented. Motion carried 5-0.

Public Hearing

18. **Fee Schedule for the Residential Rental Registration and Inspection Program**

– Community Development Director Elliano

- a. Adopt a resolution establishing a fee schedule for the registration and inspection of residential rental units in accordance with the provisions of City Council adopted Ordinance 1870. **Resolution Bill No. 13-042**

Deanna Elliano, Community Development Director, gave the City Council a powerpoint presentation regarding the Rental Registration Program Fee Schedule. The Rental Registration Ordinance No. 1870 was adopted by the City Council on August 27, 2013. The proposed resolution established the fees to implement the Program. The fees are directly related to the actual costs associated with registering and inspecting the rental units. The Program will be implemented in phases. Phase 1 will be the multi-family units required to be registered by December 31, 2013. Phase 2 will be single-family units required to be registered by July 1, 2014. Owners can apply for the "Landlord in Good Standing" designation which allows for reduced fees for inspections, and do not require re-registration for 3 years (unless problems are reported). Re-registration at the end of the three year can be by self-certification for another three year period. Inspections for all other properties will occur over the course of the year. If the annual inspection has not occurred, no new inspection fees would be due until the actual inspection was completed and the next annual renewal. Staff reviewed the fee schedules and formulas for 24 other jurisdictions. The fees are based on a careful examination of actual anticipated costs. Hemet's rates will be equitable, defensible, and amongst the lowest of the fee schedules reviewed. To date, staff has received 8 calls regarding the proposed fees from members of the public. Six have expressed support and 2 have expressed opposition. The initial registration fee would be \$96.00 for all properties. The annual registration fee would be \$64.00. The Landlord in Good Standing renewal fee would then be \$53.00 every three years. The inspection fee for a single family or duplex would be \$32.00. The inspection fee for multi-family units will be \$92.00 for 3-25 units. For 26-100

dwelling units the inspection fee will be \$84.00 plus \$12.50 per unit for 30% of the total units. For 101-199 dwelling units the inspection fee will be \$105.00 plus \$12.50 per unit for 30% of the total units. For 200+ units the inspection fee will be \$126.00 plus \$12.50 per unit for 30% of the total units. The inspection fee for a Landlord in Good Standing application will be \$21.00 for single family or duplex and \$42.00 plus \$12.50 per unit for 15% of the total units for multi-family. After the initial inspection, notice of corrections and follow-up inspection for compliance if the property is still in violation re-inspection fees will apply. The re-inspection fee will be \$84.00 plus \$12.50 per unit that requires re-inspection. The re-inspection will continue as needed until violations are abated. Staff is recommending adoption of the resolution to implement the Rental Registration & Inspection Program. The resolution will take effect immediately, but not be applied until notifications have been sent to Multi-family residential property regarding the requirement to register. The multi-family owners or agents will have until December 31st to register and apply for Landlord in Good Standing designation, or pay regular inspection fees.

Mayor Youssef, asked how the 30% random units for inspection will be determined.

Ms. Elliano, each multi-family will be different. Vacant units if available will be inspected. If there are any units with complaints we will request to inspect them. If the Officer has concerns with other units they might be inspected. We want to get a good indication of the condition of the property. Staff will request permission to enter and would prefer that the property owner be on site. If permission is not granted and there are health and safety concerns a warrant can be obtained. When inspections are conducted on problem properties law enforcement be present.

Mayor Youssef, asked about the benchmark to loss designation as a Landlord in Good Standing.

Ms. Elliano, if a Landlord in Good Standing was cited with minor corrections and showed a willingness to correct they would be allowed to remain a Landlord in Good Standing. Multiple violations and an unwillingness to correct would disqualify them. They must have completed the Crime Free Housing Program to qualify for Landlord in Good Standing.

Mayor Pro Tem Smith, it seems that there is a mixture of large and small communities that have similar programs. Mayor Pro Tem Smith asked about the longevity of the programs reviewed.

Ms. Elliano, the longest tenured programs are in San Bernardino County and Lancaster. The proposed program is unique since it requires both the registration of the rental and the completion of the Crime Free Multi Housing Program.

Mayor Pro Tem Smith, asked about compliance and options if compliance is not reached.

Ms. Elliano, the ordinance includes remedies. Violations are issued, Business License can be withheld then ultimately it can become a court action. This is expensive and time consuming for both parties, so achieving compliance is preferred.

Council Member Wright, I have received a number of phone calls in opposition. The concern is that gated communities already have strict CC&R and high HOA fees to maintain their rentals. Council Member Wright expressed concern with them being required to pay the fees.

Council Member Krupa, confirmed that notices will be sent to multi-family units first. After which single family/duplex landlords will be notified.

Council Member Milne, confirmed that the initial fee is for the processing of all of these applications. Council Member Milne asked if the application will be available online and if so, will that reduce the costs to register since the property owner will be doing the data entry.

Ms. Elliano, if Finance can take the payment online staff can look into an online application. I'm not sure at this time if the information entered online can be transmitted to the program that we will be using. Staff will still need to conduct the police check. At this time these are the most accurate reasonable fees based on our anticipated time to process these applicants. Staff can bring back any necessary changes after a designated period of time.

Mayor Youssef declared the Public Hearing opened at 7:52 p.m.

Grant Brubaker, Hemet, spoke in support. Mr. Brubaker feels that the concept is great and the results will benefit both the property managers and the renters. He does however see challenges with the implementation. There are still too many unanswered questions. Mr. Brubaker recommended that a checklist of what the property owner will be inspected for be provided to the property owners in advance. Mr. Brubaker also asked for an explanation of what a landlord receives from their Business License Fee and the Rental Registration Fee.

Larry Bublely, Hemet, expressed concern with the flat inspection fee. It will cost the City more to inspect a 2500 sf house than an 800 sf house. Mr. Bublely generally expressed concern with the fee, calling it a tax and said that homeowners already pay property taxes. Mr. Bublely expressed concern with the mobile home owners. Mr. Bublely recommended a sliding scale approach for property owners with multiple rentals.

Mayor Youssef, explained to Mr. Bublely that mobile homes are exempt from this ordinance.

Randy Townsend, Fresh Start Homes, we currently own 150 homes in this area and have been property managers here for 15 years. We are trying to keep up these properties and this will be an added expense.

Howard Tounget, Hemet, asked about the property located on the southwest corner of Carmalita and Kimball. Since the adoption of Resolution No. 4545, I can no longer show you pictures. The City owns 42 properties that need to be cleaned up including the Potato Shed.

Samir Riad, Best Choice Property Management, spoke in support of the program. The program will have a significant impact on landlords and renters. I manage approximately 250 doors and it will take at least 1 hour for Code Enforcement to inspect each one.

Mayor Youssef declared the Public Hearing closed at 8:04 p.m.

Mayor Youssef, agreed with Mr. Brubaker that an inspection check list is a great idea.

Ms. Elliano, samples of checklist were included in the staff report for the ordinance. A checklist will be provided to the property owners with the notifications.

Mayor Youssef, requested that staff explain the difference between the Business License Fee and the Rental Registration Fee.

Eric Vail, City Attorney, the Business License Fee is a tax. It is not restricted and used for General Fund services such as Fire, Police, Parks and the Library. The Rental Registration Fee is not a tax. The City will contribute funds toward this program but these fees will subsidize the costs with the hope to cover costs at some point. Owning a home is a privilege, not a right. We can regulate that privilege and recoup the costs to enforce the regulations. These are actual business related costs to provide this service, not designed to raise general revenue for the City. This program is a key part of the Hemet ROCS Program. The fees proposed are to be used to run the Rental Registration and Inspection Program only.

Mayor Youssef, asked staff to explain the process for communicating findings and/or fines to the property owner.

Ms. Elliano, the inspectors will itemize any corrections, violations, fines, and fees. If the property owner needs time but is working with the City to achieve compliance staff will work with them. The Registration of the properties will give us the property owner/agent information for future reference.

Mayor Youssef, asked if the program will apply to HUD, section 8 and Government assisted rentals.

Ms. Elliano, all rentals will be required to abide by this program. Section 8 and HUD has a great checklist however their follow-up with inspections has been a concern.

Mayor Youssef, last year the residents said that they are tired of the blight. This is a step in the right direction. Landlords in Good Standing will not be punished. The cheap rent here is a concern that we need to address. This is a hard pill to swallow but it will help get Hemet to the City that we want to become. We need to close the real estate gap between Hemet and the surrounding areas. Mayor Youssef agreed that the ability to register online would be helpful. Mayor Youssef recommended that the fees be reconsidered on a reoccurring basis, at which time they can be lowered or raised based on the work performed.

Mayor Pro Tem Smith, asked if the information will be made available to the public Landlords in Good Standing might want it available for prospective renters. Mayor Pro Tem Smith stated that again the innocent majority gets sweep up with the minority. Any property owner that has a poorly kept home next door will appreciate that the City is trying to make them clean up. This Ordinance will ultimately help the property values. Thank you for benefiting the good landlords.

Council Member Wright, agrees that the program has great merit and should be implemented. Council Member Wright expressed concern that the Community Development Department does not have the staff to implement such a time consuming program and that the program should be implemented in phases. This program will increase violations, citations and possibly the number of liens that have to recorded against properties.

Ms. Elliano, the program is being implemented in two phases, Multi-family and Single family. If after the implementation has begun, if there are any problems or concerns we will bring that back to the City Council.

Council Member Krupa, this is a necessary program. I don't like all of the fees and big idea of brother watching. There are a number of good landlords. Council Member Krupa asked about communities with strict CC&R's.

Ms. Elliano, there are a couple of fairly new communities that have very active and very involved HOA's. Staff can investigate that further. There is time before the implementation. We can consider meeting with those HOA's to see if they want to take on the inspection. Mr. Elliano expressed concern that not all HOA's be treated equal since not all of the Associations will follow through with the requirements.

Eric Vail, City Attorney, this is a fee of general applicability so to qualify as an exemption everything that fits into the exempt class is exempt, such as mobilehome parks. The "Landlord in Good Standing" designation was determined to affect as little as possible.

Mayor Youssef, concurred that HOA's not all be treated equal. The HOA fees are high in Willow Walk, however the CC&R's are not being enforced.

Council Member Milne, it is not the standards that I am opposed to, it's that the ordinance punishes good landlords. I understand that the fee puts people in the system, but if they are a good landlord we should not charge them. I also feel that we should not charge the landlords for an inspection we know we don't have time to do. ...and even not charging them next year if we never inspect. I just don't think good people should have to pay for their inspection until we actually provide the service.

Ms. Elliano, staff tried to design the ordinance without being punitive to good landlords. I does take an inspection and a police check to confirm that landlords to meet the Landlord in Good Standing designation.

The City Council and staff discussed the requirements for Landlords in Good Standing. The City Council also discussed the inspection schedule and associated fees.

Council Member Milne, expressed concern that the City will collect the fees up front and not have the time to inspect all of the units that have paid for the inspection.

The City Council and staff continued their conversation regarding the inspection fees and the timing of the inspection.

Mayor Youssef, suggested that the inspection fee be requested at the time of inspection.

Ms. Elliano, expressed concern that it would be more cumbersome on staff and it would increase the risk of the fee not being paid when requested.

Mr. Vail, the initial fee is to pay for contract inspectors to do these inspections. Without that revenue the city will have to hire the contractors to do the work and hopefully recoup the costs. Any start-up funding for this program comes from the general fund, the goal is that the program will be pay for itself. Staff can amend the resolution. The ordinance might also have to be amended.

Mayor Youssef, I see this program as a way help reduce the crime and blight issues especially in a time when the City can't hire additional Police and Code Enforcement.

The City Council continued a lengthy discussion regarding the requirements for Landlords in Good Standing. The City Council agrees that the goal is to increase the quality of life.

The City Council gave direction to staff to amend the proposed Resolution and Ordinance No. 1870 to eliminate the re-registration requirement for Landlords in Good Standing. They will remain with that designation unless they no longer meet the criteria. The amended Resolution and Ordinance will be brought back for consideration at a future Council Meeting.

The City Council recessed briefly at 9:09 p.m.

Reconvened at 9:19 p.m.

Discussion/Action Item

19. Project HOPE - 1st Quarterly Report – Chief Brown

Discussion regarding this item, with possible direction to staff

Dave Brown, Chief of Police, the plan termed "Project HOPE" was unanimously approved by the City Council. Staff immediately started the programs and the outcome is good news. Chief Brown thanked CHP Capt. Gregory Peck for his role in getting the agreement approved by the State of California in record time.

Capt. Peck, California Highway Patrol, a Cooperative Agreement between the CHP and a City agency requires approval by the Commissioner of the California Highway Patrol. The partnership is successful because of Chief Brown and the Hemet Police Department. Outstanding Department, we are proud to brand our name with Hemet P.D. We have heard positive things from several business owners and residents. The total number of enforcement contacts for July and August 2013 was 1183. The goal is to achieve compliance with the law, ultimately decreasing the number of violations.

Chief Brown, the signs show that the program is working. The partnership has allowed officers to increase their self-initiated police activity by 13% in the first three months. The Department continues the following Task Force partnerships: Gang Task Force (GTF) – New leadership/renewed commitment; Post-Release Accountability and Corrections Team (P.A.C.T.) – relocated headquarters to Hemet; Hemet/Murrieta Special Enforcement Teams; and Inland Child Exploitation and Prostitution (ICEP) Undercover Operations. The Part-Time Retired

Investigators piece of the plan has been harder to get started than anticipated. The Department has hired Mark Richards a retired Lt. to serve as the Unit Supervisor. There are currently 3 local retired officers in the hiring process. The recently approved 3-year contract with the Hemet Police Officers Association has increased the Department's ability to recruit and retain experienced Officers. The Department has recruited two qualified applicants. There are two graduating from the academy and two starting the academy. The Department received 200 applicants in 7 days. The last piece of the plan will be coming soon, the Quality of Life Survey. The goal is to identify the Community's policing priorities, create a foundation for a strategic plan and set a benchmark for "Fear of Crime".

Mayor Youssef, encourage to hear that two experienced officer have applied. Mayor Youssef asked about the timeframe from application to trained and on the streets. Mayor Youssef thanked the CHP for the partnership it is working great.

Chief Brown, that varies, depending on each applicants experience. Riverside County laterals can be on streets sooner due to their familiarity with Riverside County procedures. For Riverside County laterals that can happen in approximately 6 months. Laterals from other counties start to finish might be a little longer. Trainees can take 2 plus years.

Mayor Pro Tem Smith, has notice that the obedience on Florida Avenue has improved and applauded Chief Brown for filling the gap. Mayor Pro Tem Smith asked if the traffic enforcement has been increased on the alternative east/west streets assuming that Florida Avenue traffic is just moving south or north.

Chief Brown, the ultimate goal is that the arrests decrease because they have left not just hid.

Council Member Wright, the change on Florida Avenue is noticeable thanks to Chief Brown and the Departments efforts.

Council Member Krupa, recommended extra patrol on Acacia Avenue. Good job.

Council Member Milne, good job.

The City Council moved to Item No. 21 at this time.

20. **Direction regarding City-Owned Property at Sanderson and Stetson Avenue –**
Interim City Manager Bradley

- a. Consider alternatives identified by staff and provide direction to staff on the sale and development of approximately 18 acres of real property located at the NW corner of Sanderson and Stetson Avenue.

Robert Youssef, recused himself from this discussion due to the close proximity of his primary residence to the project location.

Ronald Bradley, Interim City Manager, the economy has taken its toll on Mr. Cooper and the Stetson Crossing project. This is the 6th extension that has been requested on this agreement. Staff has offered the following recommendations for the City Council to consider:

- 1) Enter into a new Professional Services Agreement with Stetson Crossing Partners LLC, for an all-cash closing to purchase the property at current fair market value (not less than \$3,125,000 and subject to new appraisal) by February 10, 2014, with a non-refundable performance deposit of \$250,000 which is applicable to the sales price in escrow; or
- 2) Enter into a new and amended Professional Services Agreement with Stetson Crossing Partners LLC, which grants an additional six months to perform as designated by the City under substantially the same terms as the previous agreement; or

- 3) Prepare a Request for Proposal (RFP), Expression of Interest (EOI), or Request for Qualifications (RFQ) to re-solicit proposals for the sale and development of the property under terms negotiated by City into a Class A retail shopping center or other mixed use center; or
- 4) List the property with a Real Estate brokerage firm for a direct, conditional sale; or
- 5) Do nothing and reassess sale and development strategies under the leadership of the new City Manager in January 2014. Mr. Cooper is here and wishes to address the council.

Mark Cooper, Stetson Crossing Partners LLC, thanked the City Council for the opportunity to address them. We are requesting an extension because more time is needed to amend the Specific Plan to allow a theater use. We started this project in May of 2007 and the first contract was approved in May 2008. By the time the re-stated Purchase Agreement and Development Agreement were approved in 2010 almost \$1 million in soft costs had been spent. When it was confirmed that Kohl's would not be building at the site, we immediately started talking with Krikorian. We have a ground lease with Krikorian for a state of the art entertainment center on this corner. This has triggered a tremendous amount of interest for this corner and the adjacent Page Plaza. My joint venture partner with Page Plaza, Joe Rich of Rich Development, has agreed to be a joint venture partner on this project.

Joe Rich, Rich Development, we are committed to getting Stetson Crossing built. The completion of Stetson Crossing and a theater of this type will bring interest back into Page Plaza. We are committed if the City Council will grant the extension. We built Page Plaza in one of the worse economic times.

Todd Cummings, VP of Operations Krikorian, I lived in Hemet in the mid 90's serving as the construction manager of the original Krikorian Theater on Florida Avenue. That theater on Florida Avenue was state of the art at the time. We are proposing a 12 screen theater, with a 14 lane bowling alley, a sports bar with a 60 foot screen and 4 VIP auditoriums. Krikorian Theaters is very interested in Hemet and this project.

Jeff Kristoff, Krikorian Theaters, this project will add to the quality of life in Hemet. People will come here for this experience. I understand that we are behind the mark, but we have been involved with projects that take longer than this. Krikorian saw a market in Hemet 20 years ago there is an underserved population in this area.

Bill Neice, I have been leasing centers in Hemet for 20 years, working on Stetson Crossing for the past 6 years. This has been difficult during this recession, we are very fortunate to have secured Krikorian. We strongly believe they will attract sit down restaurants and new retailers that will provide jobs, property tax and sales tax to Hemet. I urge you to approve the extension allowing us to complete this project.

Mr. Cooper, for the past 20 years I have been active in this Community. I have invested over \$1 million dollars in this Community I can't do that again. WalMart is successful and has been a large revenue generator for the City. I feel that we will do a good job for the City of Hemet since Page Plaza is successful. I have always worked hand in hand with the City Council and staff. This project will improve the quality of life, bring new jobs, and generate sales tax in Hemet. We are all here tonight and ready to move forward on this project for the City of Hemet. The project will require a private capital investment of \$25 million to generate jobs and tax revenue. This team knows what they are doing and are good at it. We have come so far doesn't it make sense for us to finish the job? Mr. Cooper recommended that the City Council consider extending the current contract. I'm not sure how long it will take to get through the Specific Plan Amendment to allow the theater use as well as the ALUC. We currently have a ground lease with McDonalds and are in serious negotiations with several other tenants. Terms have been agreed to between Rich Development and myself based on

the existing agreement with the City. In a period when many developers have walked away from projects, Rich Development has stayed committed to Page Plaza. There is no project without the Krikorian Theater. Mr. Rich is as interested in investing and developing Stetson Crossing as I am. Mr. Cooper explained to the City Council that an ALUC override will most likely be required. Mr. Cooper requested that the City Council approve an extension to the existing agreement allowing time for to complete the SPA and get through ALUC. These processes were not started until financing could be secured.

Council Member Wright, thanked Mr. Cooper for constantly being a Hemet Cheerleader. You have put your time and money into Hemet for the last 14 years. Council Member Wright is pleased that Krikorian has agreed to invest and build to Hemet a development of this caliber could make a big difference. Council Member Wright expressed concerns with the terms of the previous agreement.

Council Member Krupa, understands the personal investment that Mr. Cooper has made. Council Member Krupa expressed concern with the previous agreement and asked the City Attorney to explain the terms.

Eric Vail, City Attorney, originally the City sold the property at its then Industrial value and Stetson Crossing Partners, LLC was going to buy the whole site for cash. The City participated in the improvements and at that time the developer had the option to purchase only one of the parcels for \$900,000 for cash with the remainder carried by the City. The concern at the time was that Stetson Crossing Partners LLC would need financing to complete the improvements. The City included a number of financial requirements into the agreement since it would be the lender. The change in the properties zoning, condition and the economy have led to some concerns. The City Attorney's Office has recommended that the City be removed from that financing structure. Staff is again recommending that the City no longer carry the note. The flood channel improvements have been completed the property is more valuable.

Mr. Cooper, reminded that City Council that he has already provided a \$100,000 deposit

Council Member Krupa, asked Mr. Vail is the City's action to override the ALUC increases the City's liability.

Mr. Vail, my office has researched this concern several times and there is no additional liability.

Council Member Milne, expressed concern with carrying the note.

Council Member Wright, asked if interest would be accrued on the note.

Mr. Vail, the terms do include 6% interest on \$1.8 million dollars. The property was originally owned by the Redevelopment Agency which consistently accrued more risk on its transactions. The City does not have that same ability and this pushes the envelope and puts the remaining property at risk. Staff has not seen the Joint Venture agreement between Mr. Rich and Mr. Cooper.

Mr. Cooper, recommended that the City Council consider amending the current agreement to request that the remaining \$1.8 million be paid in cash. Mr. Cooper expressed concern that changing the price of the property at this point might be a problem. If the City Council is considering Option No. 1 Mr. Cooper requested that the \$250,000 be refundable if the SPA is not approved by the City. Krikorian Theaters has committed to coming here because they think there is a market here. It doesn't make sense trying to get more money from us we can barely get this project funded at the current price. This project will provide new jobs, sales tax and improve the quality of life for the residents.

Mayor Pro Tem Smith, this property was appraised 6 years ago. The City needs to make sure that it is getting the full value of the property for the taxpayers. The \$250,000 is a good

faith effort that this project will happen.

Council Member Milne moved and Mayor Pro Tem Smith seconded a motion to approve Staff Recommendation No. 1. Motion carried 4-0.

21. **Federal Advocacy Services** – Interim City Manager Bradley

- a. Provide direction to David Turch and Associates by identifying the Council's priorities for assistance at the federal level.

Ron Bradley, Interim City Manager, David Turch and Associates is the City's Washington DC lobbying firm. Jamie Jones and Chase Kroll of David Turch and Associates are here to obtain direction from the City Council regarding the priorities you would like them to pursue.

Jamie Jones, apologized for Mr. Turch who is currently in Washington DC. Mr. Jones gave the City Council an update on Washington DC. Despite all that is going on there is grant money that is available and being allocated to agencies and Hemet deserves its share. Our job is to determine your priorities and advance them in Washington DC.

Chase Kroll, David Turch and Associates have represented clients in California for a number of years.

Mr. Jones, the first step is to develop a platform. We need to match the City's needs with grant opportunities. The City should be pursuing funding and partnerships at all levels of Government we encourage you to actively engage in Washington DC. It is important that you know what is currently happening and what is foreseen.

Mr. Bradley, gave the City Council an update on the request to turn over a portion of Highway 79 to the City of Hemet. If the Governor approves, negotiations will begin with CalTrans.

Mayor Pro Tem Smith, recommended that funding for Highway 79 be a priority. Transportation issues as well as creative program for public safety are top priorities. It is important that we reduce crime and increase the quality of life for the residents.

Council Member Wright, expressed interest in any type of funding source. Council Member Wright expressed concerns with program and implementation requirements. Given my current and former employment I am very familiar with the process and look to your firm for assistance.

Council Member Krupa, recommended that operation funding for the Library, funding for solar on City buildings and Public Safety be amongst the City's priorities. Council Member Krupa expressed opposition to grants that fund employees. Recommended grants for programs or infrastructure will benefit the City.

Council Member Milne, recommended that the lobbyist concentrate on preventing additional takes. Infrastructure and road funding is vital.

Mayor Youssef, recommended that transportation and Highway 79 be a priority. Hemet needs to become a destination. It comes down to money and economic development opportunities. Mayor Youssef expressed concern with grants that have strings. The City does not want to hire employees today that we might have to layoff down the road again.

The City Council moved to Item No. 20 at this time.

Mayor Pro Tem Smith moved and Council Member Milne seconded a motion to continue the City Council meeting past 10:00 p.m. and to continue Item No. 22. Motion carried 5-0.

Communications from the Public

Joe Helger, VFW, introduced himself and told the City Council the services provided by the local VFW.

Stuart Haniff, Grid Alternatives, invited the City Council to see two local installations on Habitat for Humanity Homes, 720 and 730 W. Latham on October 7th and 8th. Mr. Haniff also invited the City Council to attend a Green Mixer to be held at the Western Science Center on October 7th.

Lori VanArsdale, Hemet, recommended that the City Council consider moving the "Communications from the Public" to the beginning of the meeting to accommodate residents that would like to express their concerns and or gratitude. Ms. VanArsdale thanked the City Council for their continued support of the Ramona Bowl and announced "Broadway Nights at the Bowl", September 14th and 21st.

Eric Vail, announced that Ms. VanArsdale delivered the signed Agreement for Temporary Access to Hemet Theater Property. This will allow us to paint the east side of the Theater.

Howard Tounget, agreed that the City Council should move "Communications from the Public" to the beginning of the meeting. Mr. Tounget voiced his concern that he could no longer show pictures at the meeting. Mr. Tounget expressed concern with the Tri-Buick Facility and suggested that the City rezone the property to permit automotive use. Mr. Tounget also expressed concern with property located across the street from City Hall that has vehicles parked illegally.

City Council Reports

22. CITY COUNCIL REPORTS AND COMMENTS

A. Council Member Krupa

1. Traffic and Parking Commission
2. Riverside Conservation Authority (RCA)
3. Ramona Bowl Association
4. Indian Gaming Distribution Fund
5. Riverside Transit Agency (RTA)

B. Council Member Milne

1. Library Board
2. League of California Cities
3. Riverside County Habitat Conservation Agency (RCHCA)
4. Riverside Transit Agency (RTA)
5. Riverside Conservation Authority (RCA)

C. Council Member Wright

1. Park Commission
2. Planning Commission
3. Indian Gaming Distribution Fund
4. Riverside County Habitat Conservation Agency (RCHCA)
5. Ramona Bowl Association

D. Mayor Pro Tem Smith

1. League of California Cities
2. Riverside County Transportation Commission (RCTC)

3. Western Riverside County of Governments (WRCOG)
 4. Public Safety Update
 5. National League of Cities
- E. Mayor Youssef
1. Western Riverside County of Governments (WRCOG)
 2. Riverside County Transportation Commission (RCTC)
 3. Disaster Planning Commission
- F. Ad-Hoc Committee Reports
1. Crime Stoppers Plus Ad-Hoc Committee
 2. West Hemet MSHCP Ad-Hoc Committee
- G. Interim City Manager Bradley
1. Manager's Reports
 2. City Council Meeting schedule for November and December 2013

The City Council cancelled their November 26 and December 24, 2013 Meetings.

The City Council recess to the Housing Authority Meeting at 11:26 p.m.
 Reconvened at 11.28 p.m.

Continued Closed Session

The City Council recessed to Closed Session at 11:29 p.m.

- 2.A Public Employee Appointment
 Pursuant to Government Code section 54962
 Title: *City Manager*

3. Conference with Real Property Negotiators
 Pursuant to Government Code section 54956.8
 Property: APN: 456-050-013 and 022, Northwest corner of Sanderson and Stetson Avenues.
 Agency negotiator: Interim City Manager Bradley
 Negotiating parties: Stetson Crossing Partners, LLC
 Under negotiation: Acquisition, Price and Terms

4. Conference with Legal Counsel - Existing Litigation
 Pursuant to Government Code section 54956.9(a)
 Names of cases: *Mercury Casualty Company v. City of Hemet INC 081323*
Dustin Hoover, et al v. City of Hemet, et al RIC 1209825

5. Conference with Legal Counsel - Anticipated Litigation
 One (1) matter of significant exposure to litigation pursuant to Government Code section 54956.9(b)

City Attorney Continued Closed Session Report

- 7.A Public Employee Appointment
Pursuant to Government Code section 54962
Title: *City Manager*

There was no reportable action.

8. Conference with Real Property Negotiators
Pursuant to Government Code section 54956.8
Property: APN: 456-050-013 and 022, Northwest corner of Sanderson and Stetson Avenues.
Agency negotiator: Interim City Manager Bradley
Negotiating parties: Stetson Crossing Partners, LLC
Under negotiation: Acquisition, Price and Terms

The City Council did not discuss this item.

9. Conference with Legal Counsel - Existing Litigation
Pursuant to Government Code section 54956.9(a)
Names of cases: *Mercury Casualty Company v. City of Hemet INC 081323*
Dustin Hoover, et al v. City of Hemet, et al RIC 1209825

The City Council received and update and gave direction to staff. There was no additional reportable action.

10. Conference with Legal Counsel - Anticipated Litigation
One (1) matter of significant exposure to litigation pursuant to Government Code section 54956.9(b)

The City Council did not discuss this item.

Future Agenda Items

There were no future agenda items requested at this time.

Adjournment

Adjourned at 12:05 p.m. to Tuesday, September 24, 2013 at 7:00 p.m.