AGENDA

JOINT MEETING OF THE CITY COUNCIL, SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY, PUBLIC FINANCE AUTHORITY, PUBLIC UTILITY AUTHORITY, HOUSING AUTHORITY, PERRIS JOINT POWERS AUTHORITY AND PERRIS COMMUNITY ECONOMIC DEVELOPMENT CORPORATION OF THE CITY OF PERRIS

Tuesday, November 14, 2017
6:30 P.M.
City Council Chambers
(corner of San Jacinto and Perris Boulevard)
101 North “D” Street
Perris, California

ROLL CALL:

Corona, Rabb, Rogers, Burke, Vargas

CLOSED SESSION: 5:30 P.M.

A. Conference with Legal Counsel – Existing Litigation – Government Code Section 54956.9(d)(2); 1 case:
   1. BAI Investor, LLC v. City of Perris, et al.

B. Conference with Legal Counsel – Existing Litigation – Government Code Section 54956.9(d)(2); 1 case:

1. CALL TO ORDER: 6:30 P.M.

2. ROLL CALL:

Corona, Rabb, Rogers, Burke, Vargas

3. INVOCATION:

Pastor James Baylark
Good Hope Missionary Baptist Church
22876 Mountain Avenue
Perris, California 92570
4. **PLEDGE OF ALLEGIANCE:**

Councilman Corona will lead the Pledge of Allegiance.

5. **REPORT ON CLOSED SESSION ITEMS:**

6. **PRESENTATIONS/ANNOUNCEMENTS:**

   At this time, the City Council may recognize citizens and organizations that have made significant contributions to the community and it may accept awards on behalf of the City.

7. **APPROVAL OF MINUTES:**


8. **CONSENT CALENDAR:**

   Consent Calendar items are normally enacted in one motion. The Mayor or City Council may remove a Consent Calendar item for separate action. Public comment is limited to three (3) minutes.

   A. Adopt Ordinance Amendment 17-05193 to add new Chapter 5.58 to regulate commercial marijuana operations; and to add new Chapter 7.48 to prohibit outdoor personal marijuana cultivation and regulate indoor personal marijuana cultivation; adopt the Second Reading of Ordinance No. 1355 to: 1) allow testing and indoor/mixed-light cultivation, and; 2) to ban marijuana adult-use retail, adult-use deliveries, manufacturing, outdoor cultivation and distribution commercial marijuana operations; and adopt Second Reading of Ordinance No. 1356 to prohibit outdoor personal marijuana cultivation and regulate indoor personal marijuana cultivation.

The Second Reading of Proposed Ordinance Numbers (next in order) are entitled:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PERRIS, CALIFORNIA, ADDING CHAPTER 5.58 (COMMERCIAL MARIJUANA OPERATIONS REGULATORY PROGRAM) TO TITLE 5 OF THE PERRIS MUNICIPAL CODE TO PERMIT THE
COMMERCIAL MARIJUANA USES OF CULTIVATION (INDOOR AND MIXED-LIGHT) AND TESTING AND TO PROHIBIT ALL OTHER MEDICAL AND ADULT-USE COMMERCIAL MARIJUANA USES (WITH THE EXCEPTION OF MEDICAL MARIJUANA DISPENSARIES ARE REGULATED UNDER CHAPTER 5.54)

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PERRIS, CALIFORNIA, ADDING A NEW CHAPTER 7.48 (PERSONAL MARIJUANA CULTIVATION) TO THE PERRIS MUNICIPAL CODE TO PROHIBIT OUTDOOR CULTIVATION OF MARIJUANA FOR PERSONAL USE AND ESTABLISH REASONABLE REGULATIONS FOR INDOOR CULTIVATION OF MARIJUANA FOR PERSONAL USE

B. Approve Settlement of Eminent Domain Case to acquire Right-of-Way for Indian Avenue Realignment (City of Perris v. Stamper, Case No. RJC524291, Portion of Assessor's Parcel No. 302-060-002).


D. Adopt Resolution Numbers (next in order) regarding Re-financing, defeasance and issuance of bonds associated with CFD No. 88-1 (Triple Crown Ranch), CFD No. 88-3, CFD No. 90-1, CFD No. 93-1 (May Ranch) and CFD No. 2004-5 (Amber Oaks II) to refund outstanding bonds. CFD No. 88-1 (Triple Crown Ranch) is a primarily residential development located in the northern portion of the City and is generally bordered to the west by Perris Boulevard, to the east by Redlands Avenue, to the south by Orange Avenue and to the north by Placentia Avenue. CFD No. 88-3 consists primarily of residential developments in three non-contiguous areas located in the northern portion of the City. CFD No. 90-1 consists primarily of residential developments in three non-contiguous areas located in the northern portion of the City. CFD No. 93-1 (May Ranch) is located southwest of the Ramona Expressway and is generally bordered to the west by Evans Road and to the south by May Ranch Parkway. CFD No. 2004-5 (Amber Oaks II) is located in the southern portion of the City and is generally bordered to the east by Perris Boulevard, to the south by Ellis Avenue and to the north by Midway Street.

The Proposed Resolution Numbers (next in order) are entitled:

ISSUANCE OF BONDED INDEBTEDNESS TO REFINANCE CERTAIN PRIOR BONDS OF EACH DISTRICT

A RESOLUTION OF THE PERRIS JOINT POWERS AUTHORITY AMENDING RESOLUTION NO. PJPA-023 AUTHORIZING THE ISSUANCE AND SALE OF ITS PERRIS JOINT POWERS AUTHORITY LOCAL AGENCY REVENUE REFUNDING BONDS (CFD NOS. 88-1, 88-3, 90-1, 93-1, AND 2004-5), 2017 SERIES C

E. Approval to award Contract to Tri-R Gen. Contractors, Inc. for site renovation of office space at 227 North D Street, Perris, CA 92570

9. PUBLIC HEARINGS:

The public is encouraged to express your views on any matter set for public hearing. It is our procedure to first receive the staff report, then to ask for public testimony, first from those in favor of the project followed by testimony from those in opposition to it, and if there is opposition, to allow those in favor, rebuttal testimony only as to the points brought up in opposition. To testify on the matter, you need to simply come forward to the speaker’s podium at the appropriate time, give your name and address and make your statement. After a hearing is closed, you may not further speak on the matter unless requested to do so or are asked questions by the Mayor or a Member of the City Council. Public comment is limited to three (3) minutes.


The Proposed Resolution Numbers (next in order) are entitled:


SPECIAL TAX WITHIN THE AREA OF ANNEXATION NO. 24
AND DIRECTING THE RECORDING OF A NOTICE OF SPECIAL
TAX LIEN

Introduced by: Jennifer Erwin, Director of Finance

PUBLIC COMMENT:

10. BUSINESS ITEMS: (not requiring a “Public Hearing”):

Public comment will be called for each non-hearing item. Please keep comments brief so that everyone who wishes to speak has the opportunity to do so. After public comment is closed, you may not further speak on the matter unless the Mayor or City Council requests further clarification of your statement. Public Comment is limited to three (3) minutes.

A. Presentation introducing the new OpenGov Interactive Financial Transparency Website.

Introduced by: Jennifer Erwin, Director of Finance

PUBLIC COMMENT:

11. PUBLIC COMMENT/CITIZEN PARTICIPATION:

This is the time when any member of the public may bring a matter to the attention of the Mayor and the City Council that is within the jurisdiction of the City Council. The Ralph M. Brown act limits the Mayor’s, City Council’s and staff’s ability to respond to comments on non-agendized matters at the time such comments are made. Thus, your comments may be agendized for a future meeting or referred to staff. The City Council may discuss or ask questions for clarification, if desired, at this time. Public comment is limited to three (3) minutes.

12. COUNCIL COMMUNICATIONS:

(Committee Reports, Agenda Items, Meeting Requests and Review etc.)

This is an opportunity for the Mayor and City Councilmembers to report on their activities and the actions of the Committees upon which they sit, to bring a matter to the attention of the full Council and staff, and to request agenda items. Any matter that was considered during the public hearing portion is not appropriate for discussion in this section of the agenda. **No Action can be taken at this time.**

13. CITY MANAGER’S REPORT:

14. ADJOURNMENT:

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Building Official (951) 443-1029. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.
CITY COUNCIL/
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY/
PERRIS PUBLIC FINANCE AUTHORITY/
PERRIS PUBLIC UTILITIES AUTHORITY/HOUSING
AUTHORITY/PERRIS JOINT POWERS AUTHORITY/PERRIS
COMMUNITY ECONOMIC DEVELOPMENT CORPORATION
AGENDA SUBMITTAL

TO:    The Honorable Mayor and Members of the City Council
FROM:  Nancy Salazar, City Clerk
DATE:  November 14, 2017
SUBJECT:  Approval of Minutes

BACKGROUND:  None.

FISCAL IMPACT:  None.

* RECOMMENDATION:  Motion to approve the Minutes of the Regular Joint
Meeting held on October 31, 2017 of the City Council, Successor Agency to the
Redevelopment Agency, Public Finance Authority, Public Utility Authority, Housing
Authority, Perris Community Economic Development Corporation and Perris Joint Powers
Authority; and the Adjourned Regular Joint Meeting of October 31, 2017 held on November
2, 2017 of the City Council, Successor Agency to the Redevelopment Agency, Public Finance
Authority, Public Utility Authority, Housing Authority, Perris Community Economic
Development Corporation and Perris Joint Powers Authority

Prepared by:  Judy L. Haughney, CMC, Assistant City Clerk
Approved by:  Nancy Salazar, City Clerk

Attachments:
* Minutes of the Regular Joint Meeting held on October 31, 2017 of the City Council, Successor Agency
to the Redevelopment Agency, Public Finance Authority, Public Utility Authority, Housing Authority,
Perris Community Economic Development Corporation and Perris Joint Powers Authority; and the
Adjourned Regular Joint Meeting of October 31, 2017 held on November 2, 2017 of the City Council,
Successor Agency to the Redevelopment Agency, Public Finance Authority, Public Utility Authority,
Housing Authority, Perris Community Economic Development Corporation and Perris Joint Powers
Authority
MINUTES
JOINT MEETING OF THE CITY COUNCIL, SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY, PUBLIC FINANCE AUTHORITY, PUBLIC UTILITY AUTHORITY, HOUSING AUTHORITY, PERRIS JOINT POWERS AUTHORITY AND PERRIS COMMUNITY ECONOMIC DEVELOPMENT CORPORATION OF THE CITY OF PERRIS
Tuesday, October 31, 2017
6:30 P.M.
City Council Chambers
(corner of San Jacinto and Perris Boulevard)
101 North “D” Street
Perris, California

1. CALL TO ORDER: 6:30 P.M.

Assistant City Clerk Haughney called the Regular City Council meeting to order at 6:30 p.m.

2. ROLL CALL:

Members of the City Council Present: None

Staff Present: Assistant City Clerk Haughney

3. INVOCATION: None

4. PLEDGE OF ALLEGIANCE: None

5. REPORT ON CLOSED SESSION ITEMS: None

6. PRESENTATIONS/ANNOUNCEMENTS: None

7. APPROVAL OF MINUTES: None

8. CONSENT CALENDAR: None
9. **PUBLIC HEARINGS:** None

10. **BUSINESS ITEMS:** None

11. **PUBLIC COMMENT/CITIZEN PARTICIPATION:** None

12. **COUNCIL COMMUNICATIONS:** None

13. **CITY MANAGER'S REPORT:** None

14. **ADJOURNMENT:**

    Assistant City Clerk Haughney declared the Regular City Council meeting adjourned to November 2, 2017, due to lack of a quorum at 6:31 p.m.

Respectfully Submitted,

____________________________
Nancy Salazar, City Clerk
CITY OF PERRIS

MINUTES:

Date of Meeting: November 2, 2017
06:30 PM

Place of Meeting: City Council Chambers

1. CALL TO ORDER: 6:30 P.M.

Mayor Vargas called the Adjourned Regular City Council meeting to order at 6:31 p.m.

2. ROLL CALL: Burke, Corona, Rabb, Rogers, Vargas

Present: Burke, Corona, Rabb, Rogers, Vargas

Staff Members Present: City Manager Belmudez, City Attorney Dunn, City Engineer Motlagh, Assistant City Manager Madkin, Assistant City Manager Miramontes, Interim Economic Development Director Chung, Fire Chief Barnett, Director of Community Services and Housing Chavez, Director of Finance Erwin, Director of Public Works Hartwill, Public Information Officer Vargo and City Clerk Salazar.

3. INVOCATION: Pastor James Baylark Good Hope Missionary Baptist Church 22876 Mountain Avenue Perris, California 92570

In the absence of Pastor James Baylark, Pastor Turnage from Grove Community Church gave the Invocation.

4. PLEDGE OF ALLEGIANCE:

Councilwoman Burke led the Pledge of Allegiance.

5. REPORT ON CLOSED SESSION ITEMS:

There was no Closed Session.

6. PRESENTATIONS/ANNOUNCEMENTS:

There were no Presentations.

7. APPROVAL OF MINUTES:

A. Approved the Minutes of the Regular Joint Meeting of the City Council, Successor Agency to the Redevelopment Agency, Public Finance Authority, Public Utility Authority, Housing Authority, Perris Community Economic Development Corporation and Perris Joint Powers Authority held on October 10, 2017.
The Mayor called for a motion.

M/S/C: Moved by Rita Rogers, seconded by David Starr Rabb to Approve the Minutes as presented.
AYES: Tonya Burke, Malcolm Corona, David Starr Rabb, Rita Rogers, Michael Vargas
NOES:
ABSENT:
ABSTAIN:

8. CONSENT CALENDAR:

The Mayor requested that Item 8.E. be pulled for separate action.
The Mayor called for Public Comment. There was no Public Comment.

A. Adopted Resolution Numbers 5182, 5183 and 5184 regarding Annexation of CUP 02-0061 to Maintenance District No. 84-1. CUP 02-0061 is a 7.48 acre project located at the northwest corner of Perris Boulevard and Walnut Avenue. An existing self-storage facility is to be refurbished and expanded. (Ownership of Charles Ware, Perris Min: Storage).

Resolution Number 5182 is entitled:
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, INITIATING PROCEEDINGS, APPOINTING THE ENGINEER OF WORK, ORDERING THE PREPARATION OF A DISTRICT MAP INDICATING THE PROPOSED BOUNDARIES OF AN ANNEXATION TO THE CITY OF PERRIS MAINTENANCE DISTRICT NUMBER 84-1, AND FOR PROVIDING OTHER ENGINEERING SERVICES IN THE MATTER OF THE ANNEXATION OF CUP 02-0061 INTO MAINTENANCE DISTRICT NUMBER 84-1

Resolution Number 5183 is entitled:
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, OF PRELIMINARY APPROVAL OF ENGINEER'S REPORT FOR ANNEXATION OF CUP 02-0061 TO CITY OF PERRIS MAINTENANCE DISTRICT NUMBER 84-1

Resolution Number 5184 is entitled:
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DECLARING INTENTION TO ORDER THE ANNEXATION TO CITY OF PERRIS MAINTENANCE DISTRICT NUMBER 84-1, DECLARING THE WORK TO BE OF MORE LOCAL THAN ORDINARY PUBLIC BENEFIT; SPECIFYING THE EXTERIOR BOUNDARIES OF THE AREA TO BE ANNEXED TO MAINTENANCE DISTRICT NUMBER 84-1 AND TO BE ASSESSED THE COST AND EXPENSE THEREOF; DESIGNATING SAID ANNEXATION AS ANNEXATION OF CUP 02-0061 TO MAINTENANCE DISTRICT NUMBER 84-1; DETERMINING THAT THESE PROCEEDINGS SHALL BE TAKEN PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972; AND OFFERING A TIME AND PLACE FOR HEARING OBJECTIONS THERETO ON JANUARY 9, 2018

http://perris.granicus.com/MinutesViewer.php?clip_id=1248&doc_id=e9d232f8-c312-11e7-95a0-00505691de41
B. Adopted Resolution Numbers 5185, 5186 and 5187 regarding Annexation of CUP 02-0061 to Landscape Maintenance District No. 1 (LMD 1). CUP 02-0061 is a 7.48 acre project located at the northwest corner of Perris Boulevard and Walnut Avenue. An existing self-storage facility is to be refurbished and expanded. (Ownership of: Charles Ware, Perris Mini Storage).

Resolution Number 5185 is entitled:
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, INITIATING PROCEEDINGS, APPOINTING THE ENGINEER OF WORK, ORDERING THE PREPARATION OF A DISTRICT MAP INDICATING THE PROPOSED BOUNDARIES OF AN ANNEXATION TO THE CITY OF PERRIS LANDSCAPE MAINTENANCE DISTRICT NUMBER 1, AND FOR PROVIDING OTHER ENGINEERING SERVICES IN THE MATTER OF THE ANNEXATION OF BENEFIT ZONE 129 (CUP 02-0061) TO LANDSCAPE MAINTENANCE DISTRICT NUMBER 1

Resolution Number 5186
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, OF PRELIMINARY APPROVAL OF ENGINEER'S REPORT FOR ANNEXATION OF CUP 02-0061 TO BENEFIT ZONE 129, CITY OF PERRIS LANDSCAPE MAINTENANCE DISTRICT NUMBER 1

Resolution Number 5187
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DECLARING INTENTION TO ORDER THE ANNEXATION TO BENEFIT ZONE 129, CITY OF PERRIS LANDSCAPE MAINTENANCE DISTRICT NUMBER 1, DECLARING THE WORK TO BE OF MORE LOCAL THAN ORDINARY PUBLIC BENEFIT; SPECIFYING THE EXTERIOR BOUNDARIES OF THE AREA TO BE ANNEXED TO BENEFIT ZONE 129, LANDSCAPE MAINTENANCE DISTRICT NUMBER 1 AND TO BE ASSESSED THE COST AND EXPENSE THEREOF; DESIGNATING SAID ANNEXATION AS ANNEXATION OF CUP 02-0061 TO BENEFIT ZONE 129, LANDSCAPE MAINTENANCE DISTRICT NUMBER 1; DETERMINING THAT THESE PROCEEDINGS SHALL BE TAKEN PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972; AND OFFERING A TIME AND PLACE FOR HEARING OBJECTIONS THERETO ON JANUARY 9, 2018

C. Approved the Contract Services Agreement with Willdan Financial Services for Maintenance District Annexation Services

D. Approved Final Parcel Map 37055 (FM 17-05152) to consolidate eight parcels into one lot to facilitate the construction of a 400,000 square foot industrial building located at the southeast corner of Harley Knox Boulevard and the I-215 Freeway. (Applicant: Chad Manista, Perris Gateway Investor LLC).

E. Approved a revised contract with Tri-R Gen Construction Company for Seismic Retrofit at 406 South D Street.

The following Councilmember spoke regarding Item 8.E.:

Vargas

The Mayor called for a motion.
M/S/C: Moved by Rita Rogers, seconded by Malcolm Corona to Approve Item 8.E. as presented.
AYES: Tonya Burke, Malcolm Corona, David Starr Rabb, Rita Rogers
NOES: Michael Vargas
ABSENT:
ABSTAIN:


G. Approved the Supplemental Law Enforcement Services Fund Grant Application to supplement the cost of Perris Police Special Enforcement Operations which are included in the Police Department 2017-2018 Budget.

H. Adopted Resolution Number 5188 authorizing a budget transfer from the Patriot Park Field upgrade project (CIP#P039) to the Patriot Park Improvement project (CIP#P035).

Resolution Number 5188 is entitled:
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS
AUTHORIZING A BUDGET TRANSFER OF $70,000 FROM CIP #P039 PATRIOT PARK FIELD UPGRADE TO CIP #P035 PATRIOT PARK IMPROVEMENT PROJECT

I. Approved the award of contracts to Lyons Security Services, Inc. to provide security guard services at the City of Perris City Hall Campus, facilities and parks; and Bastian Security for video monitoring and maintenance services.

J. Approved City's Monthly Check Register for September 2017.

The Mayor called for a motion.

M/S/C: Moved by Rita Rogers, seconded by Malcolm Corona to Approve the balance of the Consent Calendar, with the exception of Item 8.E., as presented.
AYES: Tonya Burke, Malcolm Corona, David Starr Rabb, Rita Rogers, Michael Vargas
NOES:
ABSENT:
ABSTAIN:

9. PUBLIC HEARINGS:

A. Adopted Resolution Numbers 5189 and 5190 regarding Annexation of Parcel Map 36266 to the City's Maintenance Districts. Parcel Map 36266 is a 5.12 acre project located at the southwest corner of Redlands Avenue and San Jacinto Avenue. Retail stores are to be constructed. (Ownership of: WLPX Perris Triangle).

Resolution Number 5189 is entitled:
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ORDERING THE WORK IN CONNECTION WITH ANNEXATION OF PARCEL MAP 36266 TO CITY OF PERRIS MAINTENANCE DISTRICT NUMBER 84-1, GIVING FINAL APPROVAL
OF THE ENGINEER'S REPORT, AND LEVYING THE ASSESSMENT FOR FISCAL YEAR 2017-2018

Resolution Number 5190 is entitled:
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ORDERING THE WORK IN CONNECTION WITH ANNEXATION OF PARCEL MAP 36266 TO BENEFIT ZONE 124, CITY OF PERRIS LANDSCAPE MAINTENANCE DISTRICT NUMBER 1, GIVING FINAL APPROVAL OF THE ENGINEER'S REPORT, AND LEVYING THE ASSESSMENT FOR FISCAL YEAR 2017-2018

This item was presented by Roxanne Shepherd, Shepherd & Staats, Inc.

The Mayor opened the Public Hearing at 6:38 p.m. There was no Public Comment.
The Mayor closed the Public Hearing at 6:38 p.m.

The Mayor asked the City Clerk to open the Ballots.
City Clerk Salazar opened the 2 Ballots and reported that they were both marked YES.

The Mayor called for a motion.

M/S/C: Moved by David Starr Rabb, seconded by Rita Rogers to Approve Resolution Numbers 5189 and 5190 as presented.

AYES: Tonya Burke, Malcolm Corona, David Starr Rabb, Rita Rogers, Michael Vargas

NOES:

ABSENT:

ABSTAIN:

B. Adopted Resolution Number 5191 regarding Annexation of CUP 16-05237 to the City's Landscape Maintenance District No. 1. CUP 16-05237 is a 0.89 acre project located at the northwest corner of Brennan Avenue and the Ramona Expressway. A Carl's Jr. fast food restaurant is to be constructed. (Owners of: KZ Perris LP).

Resolution Number 5191 is entitled:
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ORDERING THE WORK IN CONNECTION WITH ANNEXATION OF CUP 16-05237 TO BENEFIT ZONE 128, CITY OF PERRIS LANDSCAPE MAINTENANCE DISTRICT NUMBER 1, GIVING FINAL APPROVAL OF THE ENGINEER'S REPORT, AND LEVYING THE ASSESSMENT FOR FISCAL YEAR 2017-2018

This item was presented by Roxanne Shepherd, Shepherd & Staats, Inc.

The Mayor opened the Public Hearing at 6:42 p.m. There was no Public Comment.
The Mayor closed the Public Hearing at 6:42 p.m.

The Mayor asked the City Clerk to open the Ballot.
City Clerk Salazar opened the Ballot and reported that it was marked YES.
The Mayor called for a motion.

M/S/C: Moved by Malcolm Corona, seconded by Rita Rogers to Approve Resolution Number 5191 as presented.
AYES: Tonya Burke, Malcolm Corona, David Starr Rabb, Rita Rogers, Michael Vargas
NOES:
ABSENT:
ABSTAIN:

C. Adopted Resolution Numbers 5192 and 5193 regarding Annexation of Southeast High School (Orange Vista) to the City's Maintenance Districts. Val Verde Unified School District's Southeast High School is a 59.23 acre project located on the southeast corner of Orange Avenue and Evans Road.

Resolution Number 5192 is entitled:
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ORDERING THE WORK IN CONNECTION WITH ANNEXATION OF SOUTHEAST HIGH SCHOOL (ORANGE VISTA) TO BENEFIT ZONE 103, CITY OF PERRIS LANDSCAPE MAINTENANCE DISTRICT NUMBER 1, GIVING FINAL APPROVAL OF THE ENGINEER'S REPORT, AND LEVYING THE ASSESSMENT FOR FISCAL YEAR 2017-2018

Resolution Number 5193 is entitled:
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ORDERING THE WORK IN CONNECTION WITH ANNEXATION OF SOUTHEAST HIGH SCHOOL (ORANGE VISTA) TO BENEFIT ZONE 76, CITY OF PERRIS FLOOD CONTROL MAINTENANCE DISTRICT NUMBER 1, GIVING FINAL APPROVAL OF THE ENGINEER'S REPORT, AND LEVYING THE ASSESSMENT FOR FISCAL YEAR 2017-2018

This item was presented by Roxanne Shepherd, Shepherd & Staats, Inc.

The Mayor opened the Public Hearing at 6:47 p.m. There was no Public Comment.
The Mayor closed the Public Hearing at 6:47 p.m.

The Mayor asked the City Clerk to open the Ballots.
The City Clerk Salazar opened the 2 Ballots and reported that they were both marked YES

The Mayor called for a motion.

M/S/C: Moved by Rita Rogers, seconded by David Starr Rabb to Approve Resolution Number 5192 and 5193 as presented.
AYES: Tonya Burke, Malcolm Corona, David Starr Rabb, Rita Rogers, Michael Vargas
NOES:
ABSENT:
ABSTAIN:
D. Adopted Ordinance Amendment 17-05193 and introduced the First Reading of Ordinance Numbers 1355 and 1356 to add new Chapter 5.58 to regulate commercial marijuana operation, to add new Chapter 7.48 to prohibit outdoor personal marijuana cultivation and regulate indoor personal marijuana cultivations.

The First Reading of Ordinance Number 1355 is entitled:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PERRIS, CALIFORNIA, ADDING CHAPTER 5.58 (COMMERCIAL MARIJUANA OPERATIONS REGULATORY PROGRAM) TO TITLE 5 OF THE PERRIS MUNICIPAL CODE TO PERMIT THE COMMERCIAL MARIJUANA USES OF CULTIVATION (INDOOR AND MIXED-LIGHT) AND TESTING AND TO PROHIBIT ALL OTHER MEDICAL AND ADULT-USE COMMERCIAL MARIJUANA USES (WITH THE EXCEPTION OF MEDICAL MARIJUANA DISPENSARIES ARE REGULATED UNDER CHAPTER 5.54)

The First Reading of Ordinance Number 1356 is entitled:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PERRIS, CALIFORNIA, ADDING A NEW CHAPTER 7.48 (PERSONAL MARIJUANA CULTIVATION) TO THE PERRIS MUNICIPAL CODE TO PROHIBIT OUTDOOR CULTIVATION OF MARIJUANA FOR PERSONAL USE AND ESTABLISH REASONABLE REGULATIONS FOR INDOOR CULTIVATION OF MARIJUANA FOR PERSONAL USE

Consultant Planner Phung and Assistant City Attorney Neumeyer presented this item.

The following Councilmember’s spoke:
Rabb
Corona
Burke
Vargas

Mayor Pro Tem Rabb left the City Council Chambers at 7:07 p.m. and returned at 7:08 p.m.

Councilmember Rogers left the City Council Chambers at 7:28 p.m. and returned at 7:31 p.m.

The Mayor opened the Public Hearing at 7:32 p.m.
The following people spoke at Public Comment:

Joshua D Naggar
Eddie Funxta
Nick Ortega
Iran Corona

The Mayor Closed the Public Hearing at 7:43 p.m.

The Mayor called for a motion.
M/S/C: Moved by David Starr Rabb, seconded by Tonya Burke to Approve the First Reading of Ordinance Number 1355 as presented.

AYES: Tonya Burke, Malcolm Corona, David Starr Rabb, Rita Rogers, Michael Vargas

NOES:

ABSENT:

ABSTAIN:

The Mayor called for a motion.

M/S/C: Moved by Tonya Burke, seconded by Malcolm Corona to Approve the First Reading of Ordinance Number 1356 as presented.

AYES: Tonya Burke, Rita Rogers, Michael Vargas

NOES: Malcolm Corona, David Starr Rabb

ABSENT:

ABSTAIN:

10. **BUSINESS ITEMS:**

There were no Business Items.

11. **PUBLIC COMMENT/CITIZEN PARTICIPATION:**

Councilmember Rogers left the City Council Chambers at 8:07 p.m. and returned at 8:11 p.m.

The following people spoke at Public Comment:

Deborah Perkins

Helen Provencel

Joshua Naggar

12. **COUNCIL COMMUNICATIONS:**

The following Councilmember's spoke:

Corona

Rogers

Burke

Rabb

Vargas

13. **CITY MANAGER'S REPORT:**

14. **ADJOURNMENT:**

There being no further business Mayor Vargas adjourned the adjourned Regular City Council meeting at 8:29 p.m.
Respectfully Submitted,

Nancy Salazar, City Clerk
CITY COUNCIL
AGENDA SUBMITTAL

Meeting Date: November 14, 2017

SUBJECT: Ordinance Amendment 17-05193 to add new Chapter 5.58 to regulate commercial marijuana operations; and to add new Chapter 7.48 to prohibit outdoor personal marijuana cultivation and regulate indoor personal marijuana cultivation.

REQUESTED ACTION: Adopt the Second Reading of Ordinance No. 1355 to 1) allow testing and indoor/mixed-light cultivation, and 2) to ban marijuana adult-use retail, adult-use deliveries, manufacturing, outdoor cultivation and distribution commercial marijuana operations; and Second Read of Ordinance No. 1356 to prohibit outdoor personal marijuana cultivation and regulate indoor personal marijuana cultivation.

CONTACT: Clara Miramontes, Assistant City Manager

BACKGROUND/DISCUSSION:

On November 2, 2017, the City Council voted to approve Ordinance Amendment 17-05193 to introduce for first reading of Ordinance No. 1355 by a 5-0 vote to 1) allow testing and indoor/mixed-light cultivation, and 2) to ban marijuana adult-use retail, adult-use deliveries, manufacturing, outdoor cultivation and distribution commercial marijuana operations; and then introduce for first reading Ordinance No. 1356 by a 3-2 vote to prohibit outdoor personal marijuana cultivation and regulate indoor personal marijuana cultivation. Specifically for Ordinance No. 1355, the restriction for testing within the two subareas were eliminated and the operation buffers were revised to just state requirements, being 600 feet from schools, day care centers and your centers. Upon adoption, Chapter 5.58 to regulate commercial marijuana operations and Chapter 7.48 to prohibit outdoor personal marijuana cultivation and regulate indoor personal marijuana cultivation will become enacted thirty days thereafter (December 14, 2017).

BUDGET (or FISCAL) IMPACT:

Cost for staff preparation of this item has been budgeted into the 2017-2018 budget.

Prepared by: Kenneth Phung, Planning Manager

Director of Finance: Jennifer Erwin
Assistant City Manager: Darren Madkin

Consent: November 14, 2017

Attachments:
1. Ordinance No. 1355 to allow testing and cultivation, ban etc.
2. Ordinance No. 1356 to prohibit outdoor personal cultivation and regulate indoor cultivation
3. City Council submittal dated October 31, 2017 (item continued to November 2, 2017)
ORDINANCE NO. 17-1355

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PERRIS, CALIFORNIA, ADDING CHAPTER 5.58 (COMMERCIAL MARIJUANA OPERATIONS REGULATORY PROGRAM) TO TITLE 5 OF THE PERRIS MUNICIPAL CODE TO PERMIT THE COMMERCIAL MARIJUANA USES OF CULTIVATION (INDOOR AND MIXED-LIGHT) AND TESTING, AND TO PROHIBIT ALL OTHER MEDICAL AND ADULT-USE COMMERCIAL MARIJUANA USES (WITH THE EXCEPTION OF MEDICAL MARIJUANA DISPENSARIES ARE REGULATED UNDER CHAPTER 5.54)

WHEREAS, in 1996 California voters approved Proposition 215, the Compassionate Use Act (“CUA”), codified as Section 11362.5 of the Health and Safety Code, to exempt certain patients and their primary caregivers from criminal liability under state law for the possession and cultivation of marijuana for medical purposes; and

WHEREAS, in 2003 the California legislature enacted Senate Bill 420, the Medical Marijuana Program Act (“MMPA”), codified as Sections 11362.7, et seq., of the Health & Safety Code, and as later amended, to clarify the scope of the Compassionate Use Act of 1996 relating to the possession and cultivation of marijuana for medical purpose, and to authorize local governing bodies to adopt and enforce laws consistent with its provisions; and

WHEREAS, in October 2015, the State of California adopted AB 266, AB 243, and SB 643, collectively referred to as the Medical Marijuana Regulation and Safety Act (“MCRSA”), which established a comprehensive regulatory and licensing scheme for commercial medical marijuana operations; and

WHEREAS, at the November 8, 2016 general election, the Control, Regulate and Tax Adult Use of Marijuana Act (“AUMA”) was approved by California voters as Proposition 64, which established a comprehensive regulatory and licensing scheme for commercial recreational (adult use) marijuana operations, and which also legalized limited personal recreational marijuana use, possession, and cultivation; and

WHEREAS, on June 27, 2017 Governor Brown signed Senate Bill 94, the Medicinal and Adult Use Cannabis Regulation and Safety Act (“MAUCRSA”), which merged the regulatory regimes of MCRSA and AUMA; and

WHEREAS, the MAUCRSA provides that the State of California will begin issuing licenses in 2018 for both medical and recreational marijuana businesses in 20 different categories, which are found in Section 26050 of the Business & Professions Code, and which categories include marijuana cultivation, manufacturer, testing, retailer, distributor, and microbusiness; and

WHEREAS, the MAUCRSA, Section 26200(a)(1) of the Business & Professions Code, provides that local jurisdictions may completely prohibit the establishment or operation of any or
all of the 20 different medical and recreational business operations to be licensed by the state under Section 26050 of the Business & Professions Code; and

WHEREAS, the MAUCRSA, Section 26055(d) of the Business & Professions Code, provides that a state commercial marijuana license may not be issued to an applicant whose operations would violate the provisions of any local ordinance or regulation; and

WHEREAS, the MAUCRSA, Section 26200(a)(1) of the Business & Professions Code, provides that local jurisdictions may adopt and enforce local ordinances to regulate any or all of the 20 different medical and recreational business operations to be licensed by the state under Section 26050 of the Business & Professions Code, including, but not limited to, local zoning and land use requirements; and

WHEREAS, the MAUCRSA, Section 26201 of the Business & Professions Code, provides that any standards, requirements, and regulations regarding health and safety, environmental protection, testing, security, food safety, and worker protections established by the state for the 20 different medical and recreational business operations to be licensed by the state under Business & Professions Code § 26050, shall be the minimum standards, and a local jurisdiction may establish additional standards, requirements, and regulations; and

WHEREAS, the voters of the City of Perris at the November 8, 2016 regular election approved adoption of Chapter 5.54 (Medical Marijuana Dispensary Regulatory Program) to the Perris Municipal Code, which established a comprehensive set of regulations with an attendant regulatory permit applicable to the operation of medical marijuana dispensaries; and

WHEREAS, pursuant to the above-described express statutory authority and its police power, the City now desires to add a new Chapter 5.58 (Commercial Marijuana Operations Regulatory Program) to Title 5 of the Perris Municipal Code, so as to permit the commercial marijuana uses of cultivation (indoor and mixed-light) and testing, while also prohibiting both all other commercial medical marijuana uses as well as all other commercial adult-use (recreational) marijuana uses (with the exception of medical marijuana dispensaries remain regulated pursuant to Chapter 5.54 of the Perris Municipal Code); and

WHEREAS, this Ordinance is enacted, consistent with the Compassionate Use Act of 1996, the Medical Marijuana Program Act of 2003, the Medical Cannabis Regulation and Safety Act of 2015, the Adult Use of Marijuana Act of 2016, and the Medicinal and Adult Use of Cannabis Regulation and Safety Act of 2017, to protect, promote and maintain the public health, safety, and welfare of City residents and visitors in relation to marijuana related uses and activities; and

WHEREAS, pursuant to the above-described express statutory authority and the City’s police power, the City has the authority to prohibit, permit and regulate any and all commercial marijuana activities (whether not-for-profit or for-profit) that may otherwise be permitted by the State of California under the MCRSA, the AUMA, and the MAUCRSA; and
WHEREAS, the City finds that this ordinance is not subject to the California Environmental Quality Act ("CEQA") pursuant to both the exemption provided by Section 26055(h) of the Business and Professions Code as well as Sections 15060(c)(3) and 15061(b)(3) of the CEQA Guidelines; and

WHEREAS, nothing in this Ordinance shall be construed to allow any person to engage in conduct that endangers others or causes a public nuisance;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PERRIS, CALIFORNIA FINDS AND ORDAINS AS FOLLOWS:

SECTION 1. THE CITY COUNCIL OF THE CITY OF PERRIS HEREBY MAKES THE FOLLOWING FINDINGS:

A. The recitals set forth above are all true and correct and are incorporated herein.

B. The prohibitions on, and regulations of, marijuana activities established by this Ordinance are necessary to protect the public health, safety and welfare, and are enacted pursuant to the authority granted to the City by state law.

SECTION 2. CHAPTER 5.58 (COMMERCIAL MARIJUANA OPERATIONS REGULATORY PROGRAM) IS HEREBY ADDED TO TITLE 5 (BUSINESS TAX CERTIFICATES AND REGULATIONS) OF THE PERRIS MUNICIPAL CODE AS FOLLOWS:

"CHAPTER 5.58. COMMERCIAL MARIJUANA OPERATIONS REGULATORY PROGRAM

Sec. 5.58.010 - Purpose and intent.

Sec. 5.58.020 - Commercial marijuana operations prohibited without City permit.

Sec. 5.58.030 - Definitions.

Sec. 5.58.040 - Prohibited commercial marijuana operations.

Sec. 5.58.050 - Permitted commercial marijuana operations.

Sec. 5.58.060 - Commercial marijuana operation permit.

Sec. 5.58.070 - Application for commercial marijuana operation permit.

Sec. 5.58.080 - Issuance of commercial marijuana operation permit.

Sec. 5.58.090 - Renewal of commercial marijuana operation permit."
Sec. 5.58.100 - General operating standards and restrictions.

Sec. 5.58.110 - Cultivation operating standards and restrictions.

Sec. 5.58.120 - Testing operating standards and restrictions.

Sec. 5.58.130 - Administration.

Sec. 5.58.140 - Fees.

Sec. 5.58.150 - Suspension and revocation.

Sec. 5.58.160 - Violations and penalties; public nuisance.

Sec. 5.58.170 - Appeals.

Sec. 5.58.180 - Service of notices.

Sec. 5.58.190 - Prohibitions.

Sec. 5.58.200 - Nonconforming use.

Sec. 5.58.210 - Severability.

Sec. 5.58.010 - Purpose and intent.

A. The purpose of this chapter is to establish a comprehensive set of regulations with an attendant regulatory permit applicable to the operation of certain types of commercial marijuana operations, while simultaneously establishing an express prohibition on certain other types of commercial marijuana operations.

B. The regulations for, and prohibitions on, specific types of commercial marijuana operations are enacted to preserve the public health, safety, and welfare of the citizens and visitors of the City of Perris, consistent with California's Compassionate Use Act of 1996, California's Medical Marijuana Program Act of 2003, the Adult Use of Marijuana Act of 2016 (AUMA) (Proposition 64), the Medicinal and Adult-Use Cannabis Regulation and Safety Act of 2017 (MAUCRSA) and all applicable state laws governing commercial marijuana activities.

C. The issuance of a commercial marijuana operation permit shall constitute a revocable privilege and shall not create or establish any vested rights for the development or use of a property.

D. The chapter is not intended to permit activities that are otherwise illegal under federal, state
or local law. This chapter is not intended to conflict with federal or state law.

E. This chapter and its regulations shall be known as the "Commercial Marijuana Operations Regulatory Program."

F. The regulation of medical marijuana dispensaries (i.e., a "Type 10 = Retailer (medical)" state license classification under Section 26050 of the Business and Professions Code) is governed by Chapter 5.54 (Medical Marijuana Dispensary Regulatory Program) of Title 5 of the Perris Municipal Code.

Sec. 5.58.020 - Commercial marijuana operation prohibited without City permit.

It shall be unlawful to own, establish, operate, use, or permit the establishment or activity of a commercial marijuana operation, or to participate in commercial marijuana operations as an employee, contractor, agent, volunteer, or in any manner or capacity, other than as provided in this chapter and pursuant to both a current and valid City of Perris commercial marijuana operation permit (or for a medical marijuana dispensary as provided for in Chapter 5.54 and pursuant to a current and valid City of Perris medical marijuana dispensary permit as understood by Chapter 5.54), as well as the equivalent state license for such commercial marijuana operation as provided for by Section 26050 of the Business & Professions Code, and as amended. The prohibition contained in this section shall include renting, leasing, or otherwise permitting a commercial marijuana operation to occupy or use a location, vehicle, or other mode of transportation.

Sec. 5.58.030 - Definitions.

The following words and phrases shall, for the purposes of this chapter, have the meanings respectively ascribed to them by this section, as follows:

A. Adult-use (i.e., recreational or non-medical) refers to activity involving marijuana or marijuana products, which is restricted to adults 21 years of age and older and who do not possess a physician's recommendation, in contrast to activity involving medical marijuana or medical marijuana products.

B. Applicant means a person who is required to file an application for a permit under this chapter.

C. Attending physician has the same definition as set forth in Health and Safety Code section 11362.7, and as may be amended, defined as "an individual who possesses a license in good standing to practice medicine or osteopathy issued by the Medical Board of California or the Osteopathic Medical Board of California and who has taken responsibility for an aspect of the medical care, treatment, diagnosis, counseling, or referral of a patient and who has conducted a medical examination of that patient before recording in the patient's medical record the physician's assessment of whether the patient has a serious medical condition and whether the medical use of marijuana is appropriate.”
D. *Batch* means a specific quantity of homogeneous marijuana or marijuana product that is one of the following types: (1) Harvest batch. "Harvest batch" means a specifically identified quantity of dried flower or trim, leaves, and other marijuana plant matter that is uniform in strain, harvested at the same time, and, if applicable, cultivated using the same pesticides and other agricultural chemicals, and harvested at the same time. (2) Manufactured marijuana batch. "Manufactured marijuana batch" means either of the following: (A) An amount of marijuana concentrate or extract that is produced in one production cycle using the same extraction methods and standard operating procedures. (B) An amount of a type of manufactured marijuana produced in one production cycle using the same formulation and standard operating procedures.

E. *Building* means any structure having a roof supported by columns or walls, designed or used for the housing or enclosure of person, chattels or property of any kind and shall include, but not be limited to, garages, carports, patio covers and gazebos.

F. *Building frontage* means the building elevation which fronts on a public street, public parking lot, or pedestrian walk.

G. *Cannabis* has the same definition as provided for “marijuana” in this chapter.

H. *Commercial marijuana operation* includes the cultivation, possession, manufacture, distribution, processing, storing, laboratory testing, packaging, labeling, transportation, delivery, or sale (including retail and wholesale) of marijuana and marijuana products; except, as applicable, as set forth in Chapter 7.48 ("Personal Marijuana Cultivation") of this Code or as preempted by state law.

I. *Commercial marijuana operation permit* means a City of Perris permit issued pursuant to the procedures provided for in this chapter and which shall allow the permit holder to operate a specific type of commercial marijuana operation in the City of Perris subject to the requirements of this chapter, state law, and the specific permit.

J. *Community center* means any facility open to the public at which classes, social activities, recreational activities, educational activities, support and/or public information are offered for all residents of the community.

K. *Cultivation* means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of marijuana.

L. *Delivery* means the commercial transfer of marijuana or marijuana products to a customer, and includes the use of any technology platform owned and controlled by the same person making such use.

M. *Director* means the City of Perris Director of Development Services, and includes his/her designee(s).
N. **Distribution** means the procurement, sale, and transport of marijuana and marijuana products between entities licensed for and/or engaged in commercial marijuana activities.

O. **Distributor** means a person engaged in distribution.

P. **Edible** means marijuana product that is intended to be used, in whole or in part, for human consumption, including, but not limited to, chewing gum, but excluding products set forth in Division 15 (commencing with Section 32501) of the Food and Agricultural Code. An edible marijuana product is not considered food, as defined by Section 109935 of the Health and Safety Code, or a drug, as defined by Section 109925 of the Health and Safety Code.

Q. **Employee** means any person (whether paid or unpaid) who provides regular labor or regular services for a commercial marijuana operation, including, but not limited to, at the location of a commercial marijuana operation. The term “employee” includes managers and owners as used in this chapter.

R. **Extraction** means the process of obtaining marijuana concentrates from marijuana plants, including but not limited to through the use of solvents like butane, alcohol or carbon dioxide.

S. **Identification card** has the same definition as provided for in Health and Safety Code section 11362.7(g), and as may be amended, defined as “a document issued by the [State Department of Health Services] that identifies a person authorized to engage in the medical use of marijuana and the person’s designated primary caregiver, if any.”

T. **Labeling** refers to any label or other written, printed, or graphic matter upon a marijuana product or marijuana, upon its container or wrapper, or that accompanies any marijuana product or marijuana.

U. **Location** means any parcel of land, whether vacant or occupied by a building, group of buildings, or accessory buildings, and includes the buildings, structures, yards, open spaces, lot width, and lot area.

V. **Lighting** means the act of illuminating as well as the effect achieved by the arrangement of lights.

W. **Live scan** means a system for inkless electronic fingerprinting and the automated background check developed by the California Department of Justice (DOJ) which involves digitizing fingerprints and electronically transmitting the fingerprint image data along with personal descriptor information to computers at the DOJ for completion of a criminal record check; or such other comparable inkless electronic fingerprinting and automated background check process as determined by the City Council.
X. **Manager** means an employee responsible for management and/or supervision of a commercial marijuana operation.

Y. **Manufacture or manufacturing** means to compound, blend, extract, infuse, or otherwise make or prepare a marijuana product.

Z. **Manufacturer** means a person that conducts the production, preparation, propagation, or compounding of marijuana or marijuana products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages marijuana or marijuana products or labels or relabels its container.

AA. **Marijuana** has the same definition as provided for in Section 26001 of the Business & Professions Code for the term “cannabis,” and as may be amended, defined as “all parts of the plant Cannabis sativa Linnaeus, Cannabis indica, or Cannabis ruderalis, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. ‘Cannabis’ also means the separated resin, whether crude or purified, obtained from cannabis. ‘Cannabis’ does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination.”

BB. **Marijuana products** means marijuana that has undergone a process whereby the plant material has been transformed into a concentrate, including but not limited to, concentrated marijuana, or an edible or topical product containing marijuana or concentrated marijuana and other ingredients.

CC. **Medical** refers to activity involving medical marijuana or medical marijuana products, in contrast to activity involving adult-use marijuana or adult-use marijuana products.

DD. **Medical marijuana or medical marijuana product** means marijuana or a marijuana product used in compliance with state law for medical purposes, pursuant to the Compassionate Use Act (Health and Safety Code § 11362.5), the Medical Marijuana Program Act (Health and Safety Code §§ 11362.7, et seq.), and the Medicinal and Adult-Use Cannabis Regulation and Safety Act (Business and Professions Code §§ 26000, et seq.).

EE. **Medical marijuana dispensary** includes any facility or location where marijuana is made available, sold, transmitted, distributed, given or otherwise provided by or to one or more of the following: a primary caregiver, a qualified patient or a person with an identification card; has the same meaning as provided for in Chapter 5.54; and, is synonymous with a retailer (medical) “Type 10” commercial marijuana operation as
provided for in Section 26050 of the Business and Professions Code.

FF.  *Minor* means a person under twenty-one (21) years of age.

GG.  *Mixed-light* refers to cultivation using a combination of natural and supplemental artificial lighting.

HH.  *Owner* means the owner of a commercial marijuana operation.

II.  *Microbusiness* shall have the same definition as provided for in Section 26070 of the Business and Professions Code, and as may be amended from time to time.

JJ.  *Nursery* means a person that produces only clones, immature plants, seeds, and other agricultural products used specifically for the planting, propagation, and cultivation of marijuana.

KK.  *Operations Officer(s)* shall refer to the Director and/or the Police Chief.

LL.  *Package* means any container or receptacle used for holding marijuana or marijuana products.

MM.  *Packaging or packages* means an activity involved with placing marijuana or marijuana products in a package.

NN.  *Park* means a public playground, public recreation center or area, and other public areas, created, established, designated, maintained, provided or set aside by the City of Perris, the County of Riverside or any other public entity or agency, for the purposes of public rest, play, recreation, enjoyment or assembly, and all buildings and structures located thereon or therein.

OO.  *Permittee* means a person issued a commercial marijuana operation permit by the City of Perris.

PP.  *Person* means any individual, firm, co-partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit.

QQ.  *Person with an identification card* has the same definition as provided for in Health and Safety Code section 11362.7(c), and as may be amended, defined as “an individual who is a qualified patient who has applied for and received a valid identification card pursuant to this article.”

RR.  *Physician’s recommendation* (i.e., “physician’s referral”) means a written recommendation for a patient from a licensed medical doctor indicating that marijuana would be a beneficial treatment for a serious medical condition of the patient.
SS. *Place of worship* means an establishment which has the principal purpose of religious worship (e.g., church, synagogue, mosque, temple), including accessory uses in the principal structure or in separate buildings, including school rooms, assembly rooms, kitchen, library room, one (1) family dwelling unit and day nurseries operated by and on the site of the place of worship.

TT. *Police Chief* means the Riverside County Sheriff's Department Captain in command of the Perris Station of the Riverside County Sheriff's Department, and includes his/her designee(s).

UU. *Police Department* means the Riverside County Sheriff which is under contract with the City of Perris for police services, as provided for through the Perris Station of the Riverside County Sheriff’s Department.

VV. *Premises* means a single parcel of property. Where contiguous parcels are under common ownership or control, such contiguous parcels shall be counted as a single “premises.”

WW. *Primary caregiver* has the same definition as provided for in Section 11362.7(d) of the Health and Safety Code, and as may be amended, including being “the individual, designated by a qualified patient or by a person with an identification card, who has consistently assumed responsibility for the housing, health, or safety of that patient or person” A “primary caregiver” shall also meet the requirements of Health and Safety Code section 11362.7(e), and as may be amended, which provide that a “primary caregiver shall be at least 18 years of age, unless the primary caregiver is the parent of a minor child who is a qualified patient or a person with an identification card or the primary caregiver is a person otherwise entitled to make medical decisions under state law pursuant to Sections 6922, 7002, 7050, or 7120 of the Family Code.”

XX. *Qualified Patient* has the same definition as provided for in Health and Safety Code section 11362.7(f), and as may be amended, defined as “a person who is entitled to the protections of Section 11362.5, but who does not have an identification card issued pursuant to this article.”

YY. *Retailer* means a person engaged in the retail sale or delivery of marijuana or marijuana products to a customer, and includes the selection, measuring, packaging, labeling or retail sale of marijuana to a customer.

ZZ. *School* means, as the term is understood by Section 26054(b) of the Business and Profession Code, and as may be amended, as a place of instruction in kindergarten or any grades 1 through 12; and, includes an institution of learning for minors, whether public or private, offering a regular course of instruction required by the California Education Code. This definition includes a nursery school, kindergarten, elementary school, middle or junior high school, senior high school, or any special institution of education, but it does not
include a home school, vocational or professional institution of higher education, including a community or junior college, college, or university.

AAA. **Serious Medical Condition** has the same definition as set forth in Health and Safety Code section 11362.7(h), and as may be amended, defined as meaning all of the following medical conditions: "(1) Acquired immune deficiency syndrome (AIDS). (2) Anorexia. (3) Arthritis. (4) Cachexia. (5) Cancer. (6) Chronic pain. (7) Glaucoma. (8) Migraine. (9) Persistent muscle spasms, including, but not limited to, spasms associated with multiple sclerosis. (10) Seizures, including, but not limited to, seizures associated with epilepsy. (11) Severe nausea. (12) Any other chronic or persistent medical symptom that either: (A) Substantially limits the ability of the person to conduct one or more major life activities as defined in the Americans with Disabilities Act of 1990 (Public Law 101-336). (B) If not alleviated, may cause serious harm to the patient's safety or physical or mental health."

BBB. **Site** means the premises and actual physical location of a commercial marijuana operation, as well as its accessory structures and parking areas.

CCC. **Testing laboratory** (i.e., testing or laboratory testing) means a laboratory, facility, or entity that offers or performs tests on marijuana or marijuana products.

DDD. **Youth center** means, as the term is understood by Section 26001(av) of the Business and Profession Code, and as may be amended, any public or private facility that is primarily used to host recreational or social activities for minors, including, but not limited to, private youth membership organizations or clubs, social service teenage club facilities, video arcades, or similar amusement park facilities.

EEE. **Youth-oriented facility** means any facility that caters to or provides services primarily intended for minors, or the individuals who regularly patronize, congregate or assemble at the establishment are predominantly minors

Sec. 5.58.040 - Prohibited commercial marijuana operations.

A. Operations Prohibited. Commercial marijuana operations (including non-profit operations) within the City which involve the activities of outdoor cultivation, manufacturing, retail (adult-use), distributor or microbusiness are prohibited, including but not limited to commercial marijuana activities licensed by the state license classifications listed below as provided in Business and Professions Code § 26050:

1. Type 1 = Cultivation; Specialty outdoor; Small.
2. Type 1C = Cultivation; Specialty cottage; Small (outdoor).
3. Type 2 = Cultivation; Outdoor; Small.
4. Type 3 = Cultivation; Outdoor; Medium.
5. Type 5 = Cultivation; Outdoor; Large.
6. Type 6 = Manufacturer 1.
7. Type 7 = Manufacturer 2.
8. Type 10 = Retailer (adult-use / non-medical).
9. Type 11 = Distributor.
10. Type 12 = Microbusiness.

B. Similar Activities. The prohibition provided by above subsection (A) includes any similar activities authorized under new or revised state licenses, or any other state authorization, to allow any type, category or classification of marijuana commercial activities which involve the activities of outdoor cultivation, manufacturing, retail (adult-use), distributor or microbusiness, or similar operations (including non-profit, collective or cooperative operations).

Sec. 5.58.050 - Permitted commercial marijuana operations.

A. Operations Permitted. Commercial marijuana operations (including non-profit operations) within the City which involve the activities of indoor or mixed-light cultivation (including indoor or mixed-light nurseries) and testing are allowed subject to both issuance and maintenance of a valid and current City commercial marijuana operation permit, as well as continuing adherence to this entire chapter. Commercial marijuana operations (including non-profit operations) within the City which involve the activities of retail (medical) are allowed subject to the issuance and maintenance of a valid and current medical marijuana dispensary permit pursuant to Chapter 5.54 (Medical Marijuana Dispensary Regulatory Program). All permitted commercial marijuana operations are required to maintain continuing adherence to all applicable city and state regulations and laws, and issuance and maintenance of a valid and current equivalent state license type listed below, as provided for in Business and Professions Code § 26050:

1. Type 1A = Cultivation; Specialty indoor; Small.
2. Type 1B = Cultivation; Specialty mixed-light; Small.
3. Type 1C = Cultivation; Specialty cottage; Small (indoor or mixed-light).
4. Type 2A = Cultivation; Indoor; Small.
5. Type 2B = Cultivation; Mixed-light; Small.
6. Type 3A = Cultivation; Indoor; Medium.
7. Type 3B = Cultivation; Mixed-light; Medium.
8. Type 4 = Cultivation; Nursery (indoor or mixed-light).
9. Type 5A = Cultivation; Indoor; Large
10. Type 5B = Cultivation; Mixed-light; Large.
11. Type 8 = Testing.
12. Type 10 = Retailer (medical).

B. Similar Activities. The requirements provided by above subsection (A) apply to any similar activities authorized under new or revised state licenses, or any other state authorization, to allow any type, category or classification of marijuana commercial activities which involve the activities of indoor or mixed-light cultivation (including indoor or mixed-light nurseries), testing, retail (medical), or similar operations (including non-profit, collective or cooperative operations).
C. Retail (Medical) Operations. Retail (medical) commercial marijuana operations (referred to in Chapter 5.54 as “medical marijuana dispensaries”) are governed by the requirements of Chapter 5.54 (Medical Marijuana Dispensary Regulatory Program).

Sec. 5.58.060 - Commercial marijuana operation permit.

A. Prior to initiating operation as a commercial marijuana operation and as a continuing requisite to conducting operations, the owner of a commercial marijuana operation shall obtain a regulatory permit from the City under the terms and conditions set forth in this chapter, with the exception of the owner of a retail (medical) commercial marijuana operation, instead of obtaining a regulatory permit under this chapter, shall obtain a regulatory permit from the City under the terms and conditions set forth in Chapter 5.54.

B. Commercial marijuana operation permits issued pursuant to this chapter shall automatically expire one year from the date of issuance, unless specifically provided for otherwise by this chapter.

C. Conditions necessary for the continuing validity of a commercial marijuana operation permit include:

1. Maintaining a current and valid state license under Division 10 of the Business and Professions Code, and as amended. Revocation, suspension or expiration of the state license shall automatically invalidate the equivalent City commercial marijuana operation permit.

2. Strict adherence to each and every requirement of this chapter, as well as any requirements adopted by the City pursuant to the authority of this chapter.

3. Allowing the Director and the Police Department to conduct reasonable inspections of the location of the commercial marijuana operation at the discretion of the City, including but not limited to inspection of security, inventory, and written records and files pertaining to the commercial marijuana operation, for the purposes of ensuring compliance with local and state law.

4. Maintaining with the City current and valid contact information of the owner(s) and manager(s) of the commercial marijuana operation.

5. Maintaining with the City current and valid contact information of a legal representative of the commercial marijuana operation.

6. Transferable only if transferee successfully completes all of the requirements that a new applicant for a commercial marijuana operation permit would otherwise need to meet.

01006.0099/420367.1
Sec. 5.58.070 - Application for commercial marijuana operation permit.

A. The owner of a proposed commercial marijuana operation shall file an application with the Director upon a form provided by the City and shall pay a filing fee as established by resolution adopted by the City Council, as may be amended from time to time.

B. An application for a commercial marijuana operation permit shall include, but not be limited to, the following information:

1. Business.

   a. Activities. A general description of the proposed operation, including how the proposed operation will operate in compliance with this Code and state law, plans for handling cash and transporting marijuana and marijuana products to and from the premises, and the proposed use of all areas on the premises, including but not limited to specific activities, storage, lighting and signage.

   b. Security. A security plan detailing measures to the satisfaction of the Director that all applicable security-related requirements under State or local law, including but not limited to the requirements of Section 5.58.100(B), are and will be met.

   c. Odor Control. An odor control plan detailing odor control measures in accordance with Section 5.58.100(C), to the satisfaction of the Director.

   d. Ownership. A description of the statutory entity or business form that will serve as the legal structure for the applicant, the ownership structure of the applicant as filed with the California Secretary of State (e.g. limited liability company, joint partnership, S-Corporation) (an applicant that is a foreign corporation shall include in its application the certificate of qualification issued by the Secretary of State of California), and a copy of the entity’s formation and organizing documents, including, but not limited to, articles of incorporation, certificate of amendment, statement of information, articles of association, bylaws, partnership agreement, operating agreement, and fictitious business name statement.

   e. Seller’s Permit. The seller’s permit number issued by the Board of Equalization or evidence that the applicant has applied for a seller’s permit from the Board of Equalization, as applicable.

   f. Other Licenses and Permits. Identification of any other licenses or permits for commercial marijuana operations, whether for the City of Perris or for any other licensing or permitting authority.
i. held currently by the applicant;

ii. pending approval for the applicant; or

iii. denied to, revoked from, or suspended for, the applicant.

g. Physical. A general description of the proposed operation, including the street address, parcel number, the total square footage of the site, and the characteristics of the surrounding area.

h. Floor plan. A scaled floor plan for each level of each building that is part of the business site, including the entrances, exits, walls, and operating areas. The floor plan must be professionally prepared by a licensed civil engineer or architect.

i. Site plan. A scaled site plan of the business site, that will include at a minimum all buildings, structures, driveways, parking lots, landscape areas, and boundaries. The site plan must be professionally prepared by a licensed civil engineer or architect.

j. Hours of Operation. Proposed hours and days of operation.

2. Individuals.

a. Managers. The name, address, e-mail and phone number of any person who is managing or responsible for the commercial marijuana operation’s activities.

b. Community Outreach Manager. The name, e-mail and phone number of an employee designated as Community Outreach Manager, who will be responsible for outreach and communication with the surrounding community, including the neighborhood and nearby businesses.

c. Employees. A list of the names of all current and prospective employees of the commercial marijuana operation, along with any other identifying information requested by the Director.

d. Consent to Criminal Investigation. Written consent from all employees to fingerprinting and a criminal background investigation by the City, upon a form provided by the City, accompanied with payment of appropriate fees to City to cover the costs of performing such criminal background check. At the discretion of the City and in compliance with State law, the City may use live scan to perform criminal background checks.
ORDINANCE NO. 17-1356

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PERRIS, CALIFORNIA, ADDING A NEW CHAPTER 7.48 (PERSONAL MARIJUANA CULTIVATION) TO THE PERRIS MUNICIPAL CODE TO PROHIBIT OUTDOOR CULTIVATION OF MARIJUANA FOR PERSONAL USE AND ESTABLISH REASONABLE REGULATIONS FOR INDOOR CULTIVATION OF MARIJUANA FOR PERSONAL USE

WHEREAS, at the November 8, 2016 general election, the Control, Regulate and Tax Adult Use of Marijuana Act ("AUMA") was approved by California voters as Proposition 64, which, among other things, legalized limited personal recreational marijuana use, possession, and cultivation;

WHEREAS, the AUMA, Health & Safety Code § 11362.1(a)(3), makes it lawful for any person 21 years of age or older to "[p]ossess, plant, cultivate, harvest, dry, or process not more than six living marijuana plants and possess the marijuana produced by the plants";

WHEREAS, the AUMA, Health & Safety Code § 11362.2(b)(3), explicitly allows a city to "completely prohibit persons from engaging in [the personal cultivation of marijuana] outdoors upon the grounds of a private residence";

WHEREAS, the AUMA, Health & Safety Code § 11362.2(b), explicitly allows a city to "enact and enforce reasonable regulations to reasonably regulate" the cultivation of marijuana permitted under Health & Safety Code § 11362.1(a)(3), so long as the city does not completely prohibit the cultivation of up to six plants "inside a private residence, or inside an accessory structure to a private residence located upon the grounds of a private residence that is fully enclosed and secure";

WHEREAS, the AUMA, Health & Safety Code § 11362.2(a)(2), further restricts such personal marijuana cultivation so that "[t]he living plants and any marijuana produced by the plants in excess of 28.5 grams are kept within the person’s private residence, or upon the grounds of that private residence, are in a locked space, and are not visible by normal unaided vision from a public place;

WHEREAS, several California cities have reported negative impacts of marijuana cultivation and related activities, including but not limited to offensive odors, criminal activity, (such as trespassing, theft, violent robberies and robbery attempts, and the illegal sale and distribution of marijuana), and public health and safety concerns (such as fire hazards and problems associated with mold, fungus, and pests);

WHEREAS, marijuana plants, as they begin to flower and for a period of two months or more, produce a strong odor, offensive to many people, and detectable far beyond property boundaries if grown outdoors or if grown indoors without proper ventilation, odor control, and other regulations;
WHEREAS, due to the value of marijuana plants and their strong smell (which alerts others to their location), marijuana cultivation has been linked to break-ins, robbery, armed robbery, theft and attendant violence and injury, creating an increased risk to public safety;

WHEREAS, the indoor cultivation of marijuana has potential adverse effects on the structural integrity of the buildings in which marijuana is cultivated, and the use of high wattage grow lights and excessive use of electricity increases the risk of fire, which presents a clear and present danger to the buildings, its occupants, and neighboring buildings and residents;

WHEREAS, unregulated indoor cultivation of marijuana can be harmful to the public health, safety and welfare, because electrical modifications risk fires, poor irrigation can cause mold, overloaded circuits can leave entire neighborhoods in the dark, plant chemicals can cause illness and can contaminate soil and water, improper carbon dioxide mixed with insufficient ventilation can cause injury or death, and structural changes put first responders in danger if they rush into the unknown;

WHEREAS, the Attorney General’s August 2008 Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use recognize that the cultivation or other concentration of marijuana in any location or premises without adequate security increases the risk that nearby homes or businesses may be negatively impacted by nuisance activity such as loitering and/or crime;

WHEREAS, marijuana cultivation is likely to generate these negative effects on the public health, safety, and welfare in the city, based on the experiences of other cities;

WHEREAS, absent clear regulation, marijuana cultivation in the city poses a potential threat to the public peace, health, and safety, and, unless the city takes action to regulate it, the secondary impacts described above are likely to occur;

WHEREAS, the city has a compelling interest in protecting the public health, safety, and welfare of its citizens, residents, visitors, and businesses, and in preserving the peace and quiet of the neighborhoods within the city, by prohibiting outdoor marijuana cultivation and by regulating the personal indoor cultivation of marijuana;

WHEREAS, pursuant to the above-described express statutory authority and its police power, the city has the authority to prohibit outdoor marijuana cultivation, and to enact reasonable regulations for the indoor personal cultivation of up to six marijuana plants, to protect the public health, safety and welfare, by adding a new Chapter 7.48 “Personal Cultivation of Marijuana” to Title 7 (“Health and Welfare”) of the Perris Municipal Code;

WHEREAS, this ordinance is enacted, consistent with the Compassionate Use Act of 1996, the Medical Marijuana Program Act of 2003, the Medical Cannabis Regulation and Safety Act of 2015, the Adult Use of Marijuana Act of 2016, and the Medicinal and Adult Use of Cannabis Regulation and Safety Act of 2017, to protect the public health, safety, and welfare of the public in relation to personal marijuana cultivation;

WHEREAS, nothing in this Ordinance shall be construed to: (1) allow any person to engage in conduct that endangers others or causes a public nuisance; or (2) allow any activity
relating to the cultivation, distribution, or consumption of marijuana that is illegal under state or federal law;

WHEREAS, all legal prerequisites to the adoption of this ordinance have occurred.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PERRIS HEREBY ORDAINS AS FOLLOWS:

SECTION 1. THE CITY COUNCIL OF THE CITY OF PERRIS HEREBY MAKES THE FOLLOWING FINDINGS:

A. The recitals set forth above are all true and correct and are incorporated herein.

B. The regulations of personal cultivation of marijuana established by this Ordinance are reasonable and necessary to protect the public health, safety and welfare, and are enacted pursuant to the authority granted to the City by state law.

SECTION 2. A NEW CHAPTER 7.48 (“PERSONAL MARIJUANA CULTIVATION”) IS HEREBY ADDED TO TITLE 7 (“HEALTH AND WELFARE”) OF THE PERRIS MUNICIPAL CODE TO READ IN ITS ENTIRETY AS FOLLOWS:

"CHAPTER 7.48 PERSONAL MARIJUANA CULTIVATION"

7.48.010 Purpose and intent.
7.48.020 Definitions.
7.48.030 Personal marijuana cultivation.
7.48.040 Violations and penalties; public nuisance.

Section 7.48.010 Purpose and intent.

A. The purpose and intent of this chapter is to prohibit throughout the entire city the outdoor cultivation of marijuana, and to establish reasonable regulations, consistent with the meaning of Section 11362.2 of the Health & Safety Code, and as may be amended, for the indoor cultivation of up to six (6) marijuana plants at a private residence.

B. This chapter is not intended to interfere with a patient’s right to medical marijuana as provided for in Section 11362.5 of the Health & Safety Code.

Section 7.48.020 Definitions.

The following words and phrases shall, for the purposes of this chapter, have the meanings respectively ascribed to them by this section, as follows:

A. Accessory structure means a building which is attached to or detached from the main building on a parcel or lot, the use of which is ancillary to that of the main building. An accessory building includes, but is not limited to, greenhouse, storage shed, pool house, cabana, barn, stable or workshop.

B. Cultivation means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of one or more marijuana plants or any part thereof.
C. **Cultivation site** means the real property on which marijuana cultivation occurs.

D. **Director** means the City of Perris Director of Development Services, and includes his/her designee(s).

E. **Marijuana** has the same definition as provided in Section 26001 of the Business & Professions Code for the term "cannabis," and as may be amended, defined as “all parts of the plant Cannabis sativa Linnaeus, Cannabis indica, or Cannabis ruderalis, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. ‘Cannabis’ also means the separated resin, whether crude or purified, obtained from cannabis. ‘Cannabis’ does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination.”

F. **Person** means any individual, firm, co-partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit.

G. **Private residence** has the same meaning as the term is defined in Section 11362.2(b)(5) of the Health & Safety Code, and as may be amended, which provides that private residence “means a house, an apartment unit, a mobile home, or other similar dwelling.”

**Section 7.48.030 Personal Marijuana Cultivation.**

A. Prohibition. Personal marijuana cultivation is prohibited in all zones of the city. No person shall engage in the personal cultivation of marijuana in the city for any purpose.

B. Limited Exemption. The prohibition on personal marijuana cultivation in the above subsection (A) does not apply to the indoor cultivation of marijuana at a private residence conducted in complete adherence to the following regulations:

1. Six plants. Cultivation is limited to no more than six (6) living marijuana plants at any one time.

2. Indoor cultivation only. Cultivation shall occur entirely within a private residence or within an accessory structure to a private residence located upon the grounds of a private residence that is fully enclosed and secure.

3. Accessory structures. Any accessory structure used for cultivation shall comply with all applicable building code and zoning requirements, including but not limited to, setback and accessory structure size/height requirements.

4. Locked space. The six (6) living plants and any marijuana produced by the plants in excess of 28.5 grams shall be kept within a locked space located either within the private residence or upon the grounds of the private residence.
5. Visibility. The six (6) living plants and any marijuana produced by the plants in excess of 28.5 grams shall not be visible from any neighboring property or public right of way, or in any manner be visible by normal unaided vision from a public place.

6. Odor.
   a. The odor resulting from all marijuana cultivation shall not be detectable by human senses from any neighboring property or public right of way.
   b. As necessary (which final determination shall be made by the Director), to ensure that no odor resulting from marijuana cultivation shall be detectable by human senses from any neighboring property or public right of way, a marijuana cultivation site shall install and continuously operate a functioning ventilation and filtration system which complies with all applicable building code regulations, including obtaining all required permits and approvals.

7. Nuisance Activity. Cultivation shall not result in a nuisance or adversely affect the health, welfare, or safety of the resident or nearby residents by creating dust, glare, heat, noise, noxious gases, odors, smoke, traffic, vibration, or other impacts, or be hazardous due to use or storage of materials, processes, products or waste.

8. Fire Extinguisher. A working portable fire extinguisher, which complies with the regulations and standards adopted by the state fire marshal and applicable law, shall be kept in the same room as marijuana cultivation.

9. Electricity.
   a. The collective draw from all electrical appliances at the marijuana cultivation site shall not exceed the maximum rating of the approved electrical panel for the private residence where the marijuana is being cultivated.
   b. The maximum rating shall be as established in the manufacturer specifications for the approved electrical panel.

10. Lighting. Any lighting fixture or combination of lighting fixtures used for marijuana cultivation shall:
   a. not exceed the rated wattage and capacity of the circuit breaker; and
   b. shall be shielded so as to completely confine light and glare to the interior of the private residence or fully enclosed accessory structure.

11. Private Residence. Any private residence used for cultivation shall:
   a. include a fully functional and usable kitchen, as well as bathroom and bedroom areas, for use by the permit holder; and
   b. shall not be used primarily or exclusively for marijuana cultivation.

C. Additional Regulations. Further rules, regulations, procedures, and standards for the administration and implementation of this chapter may be adopted from time to time either by resolution or ordinance from the City Council, or by the Director (upon authorization by resolution of the City Council).

Section 7.48.040 Violations and penalties: public nuisance.

A. Any violation of this chapter, at the discretion of the city prosecutor, is punishable as a misdemeanor or as an infraction pursuant to Chapter 1.16 of this Code, except for as preempted by state law; and, any violation of this chapter is subject to administrative citation, at the discretion of the City, pursuant to Chapter 1.18 of this Code.

B. Public nuisance abatement.

1. Any cultivation of marijuana that is conducted in violation of any provisions of this chapter is hereby declared to constitute a public nuisance and, as such, may be abated or enjoined from further operation, in accordance with the procedures set forth in Chapter 7.06 of this Code as reasonably applied to the operation of this chapter.

2. All costs to abate such public nuisance, including attorneys’ fees and court costs, shall be paid by the person causing the nuisance, including the property owner where the nuisance is occurring.

C. The remedies described in this section are not mutually exclusive. Pursuit of any one remedy shall not preclude city from availing itself of any or all available administrative, civil, or criminal remedies, at law or equity.

D. Any violation of the provisions of this chapter shall constitute a separate offense for each and every day during which such violation is committed or continued."

SECTION 3. EFFECTIVE DATE. This ordinance shall be in full force and effect thirty (30) days after its passage.

SECTION 4. SEVERABILITY. If any section, subsection, sentence, clause, phrase, or portion of this ordinance is, for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have adopted this ordinance and each section, subsection, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, or portions thereof may be declared invalid or unconstitutional.

SECTION 5. CERTIFICATION. The City Clerk shall certify to the adoption of this ordinance, and shall cause the same to be posted and codified in the manner required by law.

ADOPTED, SIGNED and APPROVED this ____ day of __________, 2017.
Michael M Vargas, Mayor

ATTEST:

Nancy Salazar, City Clerk
STATE OF CALIFORNIA  
COUNTY OF RIVERSIDE  
CITY OF PERRIS  

I, Nancy Salazar, City Clerk of the City of Perris, that the foregoing Ordinance Number ___ was duly adopted by the City Council of the City of Perris at a regular meeting of said Council on the ___ day of __________, 2017, and that it was so adopted by the following vote:

AYES:
NOES:
ABSENT:

__________________________________________
Nancy Salazar, City Clerk
e. Identification. For each employee, a color photocopy of either a valid California Driver’s License or equivalent identification approved by the Director.

f. Land Owner. The name, address, e-mail and phone number of the owner and lessor of the real property upon which the commercial marijuana operation is to be conducted. In the event the applicant is not the legal owner of the property, the application must be accompanied by a notarized acknowledgement from the owner of the property that a commercial marijuana operation will be operated on his/her property.

3. Miscellaneous.

a. Any additional application requirements specific to the type of commercial marijuana operation permit being sought, including but not limited to as provided for by this chapter.

b. Evidence satisfactory to the Director of compliance with all local and state law requirements governing commercial marijuana operations.

c. Evidence satisfactory to the Director of compliance with all applicable insurance requirements as provided for by this chapter, local law and state law. Minimum insurance levels shall be determined by the Director after an assessment of the risks posed by the commercial marijuana operation, including provision for meeting the requirements of Section 5.58.080(E)(2).

d. Authorization for the Director to seek verification of the information contained within the application.

e. A statement in writing by the applicant that he or she certifies under penalty of perjury that all the information contained in the application is true and correct.

f. Any such additional and further information as is deemed necessary by the Director to administer this chapter.

Sec. 5.58.080 – Issuance of commercial marijuana operation permit.

A. Issuance of a commercial marijuana operation permit constitutes a revocable privilege and shall not create or establish any vested rights for the development or use of a property.

B. Upon receipt of a completed application and payment of the application and license fees, the Director shall investigate the information contained in the application to determine
whether the applicant shall be issued the requested permit, and shall prepare a written report on the acceptability of the application.

1. Within ninety (90) days of receipt of a completed application, the Director shall complete the investigation, approve, conditionally approve, or deny the application as being in compliance with the requirements of this chapter, and so notify the applicant.

2. If the Director determines that the application is incomplete, the Director shall notify the applicant in writing explaining the reasons thereof within sixty (60) days of receipt of the application. Applicant shall have thirty (30) days to submit a completed application, in accordance with the Director’s notification. If the application is resubmitted as incomplete, it shall be deemed abandoned. The applicant may then resubmit a new application for a new review pursuant to the requirements of this section.

3. If the Director neither grants nor denies a complete application within ninety (90) days after it is received, except as provided for by Section 5.58.080(B)(4), the application shall be forwarded to the city council at its next (or as soon as practicable thereafter) regularly scheduled meeting for consideration in strict conformance with the requirements of this chapter.

4. At the Director’s sole discretion, the time limits in this section may be extended upon written notification from the Director to the applicant.

C. The Director shall grant the application (subject to subsections (D) and (E) below) upon findings that the proposed permit meets all of the requirements of this chapter, unless the Director finds any of the following:

1. The applicant has made one or more false or misleading statements or omissions, either on the written application or during the application process; or

2. A proposed location for the commercial marijuana operation is not allowed by state or local law, statute, ordinance, or regulation (including this Code); or

3. The applicant has not satisfied each and every requirement of this chapter and Code; or

4. The applicant is not in compliance with applicable state law, including, but not limited to, applicable requirements and minimum standards of the Adult Use of Marijuana Act of 2016 (AUMA) (Proposition 64), the Medicinal and Adult-Use Cannabis Regulation and Safety Act of 2017 (MAUCRSA) and any applicable State regulations.

D. Based on the information set forth in the application and the Director’s review, the Director
may impose reasonable terms and conditions on the use of the permit in addition to those specified in this chapter to ensure the safe operation of the commercial marijuana operation, and to ensure the health, safety and welfare of the citizens and visitors of the City of Perris.

E. Before receiving possession of an approved commercial marijuana operation permit, as provided for in this chapter, the commercial marijuana operation permit holder shall to the satisfaction of the Director:

1. Provide written authorization to the Director as well as the Police Department to conduct reasonable unannounced inspections of the location of the commercial marijuana operation at the discretion of the City, including but not limited to inspection of security, inventory, and written records and files pertaining to the commercial marijuana operation, for the purposes of ensuring compliance with this chapter and all laws of the City and the State of California.

2. Execute an agreement: to indemnify, defend and hold harmless (at the commercial marijuana operation permit holder’s sole expense, the ability to do so demonstrated through proof of sufficient insurance coverage to the satisfaction of the City) the City, its elected officials, employees, agents, officers, and representatives, and each and all of them individually, from all liability or harm arising from or in connection with all claims, damages, attorney’s fees, costs and allegations arising from or in any way related to the operation of the commercial marijuana operation; and, to reimburse the City for any costs and attorney’s fees that the City may be required to pay as a result of such action. The City may, at its sole discretion, participate at its own expense in the defense of any such action.

Sec 5.58.090 - Renewal of commercial marijuana operation permit.

A. Commercial marijuana operation permits issued pursuant to this chapter shall automatically expire one year from the date of issuance, unless specifically provided for otherwise by this chapter.

B. The following procedures shall govern the process for the renewal of a commercial marijuana operation permit:

1. A holder of a commercial marijuana operation permit may apply for the renewal of an existing permit no less than sixty (60) days prior to the permit’s expiration date.

2. Renewal applications shall comply with all of the requirements in this chapter for applying for a new commercial marijuana operation permit, including but not limited to the requirements in section 5.58.070.

3. If the holder of a commercial marijuana operation permit files a renewal application less than sixty (60) days prior to expiration, the holder must provide a written
explanation detailing the circumstances surrounding the late filing. If the Director accepts the application, then the Director may elect to administratively extend the permit beyond the expiration date while the Director completes the renewal permitting process.

4. An application for renewal will only be accepted if it is accompanied by the requisite fees as set by resolution of the city council, and as amended from time to time.

C. A commercial marijuana operation permit is immediately invalid upon expiration if the permit holder has not filed a timely and/or accepted renewal application and remitted all of the required fees. In the event the permit is not renewed prior to expiration, the affected commercial marijuana operation shall not operate and is considered to be unlawful.

Sec. 5.58.100 - General operating standards and restrictions.

A commercial marijuana operation shall operate in conformance with the following minimum standards, and such standards shall be deemed to be part of the conditions on the permit for a commercial marijuana operation to ensure that its operation is in compliance with California law and the Perris Municipal Code, and to mitigate any potential adverse impacts of the commercial marijuana operation on the public health, safety or welfare.

Additional minimum standards may be adopted from time to time either by resolution or ordinance from the City Council, or by the Director (upon authorization by resolution from the City Council).

A. State Standards. All state requirements and regulations that govern the operation of a commercial marijuana operation, including but not limited to ones related specifically to certain types of commercial marijuana operations, shall apply as minimum requirements and regulations for commercial marijuana operations within the City of Perris, in addition to the requirements and regulations of this chapter and this Code.

B. Security.

1. General. All marijuana, marijuana products and cash present or kept at the premises shall be securely stored against both unauthorized access as well as theft.

2. Licensed Security Guard.

   a. No less than one security guard shall be present at the location of the commercial marijuana operation during all hours of operation.

   b. All security guards shall be licensed by and in good standing with the Bureau of Security and Investigative Services of the California Department of Consumer Affairs (BSIS).
c. If any security guard is to be armed with a firearm and/or a baton, then that security guard shall possess at all times a valid and current firearms permit and/or baton permit issued by the BSIS.

d. At the determination of the Director further use of, and requirements for, security guards may be required of permittee.


a. Security cameras shall be installed and maintained in good condition, with at least thirty (30) days of digitally recorded documentation in a format approved by the Director and the Police Chief.

b. The camera and recording system must be of adequate quality, color rendition, and resolution to allow the identification of any individual present at the site of the commercial marijuana operation.

c. The cameras shall be in continuous use twenty-four (24) hours per day, seven (7) days per week.

d. The recording system must be capable of exporting the recorded video in standard MPEG formats to another common medium approved by the Director, such as DVD and/or a USB drive.

e. The areas to be covered by the security cameras include, but are not limited to, the storage areas, operation areas, all doors and windows, the parking lot, all exterior sides of the property adjacent to the public rights of way, and any other areas as determined by the Director and Police Chief.

f. Remote log-in information will be provided to the Director and the Police Chief to allow them to view live and recorded security camera images remotely at any time.

4. Alarm System. The location of the commercial marijuana operation shall be alarmed with a centrally-monitored fire and burglar alarm system, and monitored by an alarm company properly licensed by the State of California Department of Consumer Affairs Bureau of Security and Investigative Services in accordance with California Business & Professions Code section 7590, et seq. and whose agents are properly licensed and registered under applicable law.

5. Locked Entrances. All entrances into the building housing a commercial marijuana operation shall be locked from the exterior at all times with entry controlled by employees.

6. Windows. All windows on any building that houses the commercial marijuana
operation shall be secured against entry from the outside.

7. No employee shall refuse, impede, obstruct or interfere with an inspection conducted pursuant to the authorizations provided by this chapter.

C. Odors.

1. A commercial marijuana operation shall have an air treatment system (e.g., a recycled air system) that ensures off-site odors shall not result from its activities.

2. This requirement at a minimum means that the commercial marijuana operation shall be designed to provide sufficient odor absorbing ventilation and exhaust systems so that any odor generated inside the location of the commercial marijuana operation is not detected outside the building, on adjacent properties or public rights-of-way, or within any other unit located within the same building as the commercial marijuana operation, if the use only occupies a portion of a building.

D. Authorizations.

1. Operations officers shall have the right to enter all areas of the commercial marijuana operation from time to time unannounced for the purpose of making reasonable inspections to observe and enforce compliance with this chapter and all laws of the City and State of California.

2. Recordings made by security cameras required pursuant to this chapter shall be made available to operations officers upon verbal request; no search warrant or subpoena shall be needed to view the recorded materials.

E. Records.

1. Commercial marijuana operations shall maintain on-site the following records either in paper or electronic form:

   a. The full name, address, and telephone numbers of the owner and lessee of the property.

   b. The name, date of birth, address, and telephone number of each employee of the commercial marijuana operation; the date each was hired; and the nature of each employee’s participation in the commercial marijuana operation.

   c. Copies of all required state licenses.

   d. An inventory record documenting the dates and amounts of marijuana and marijuana products received at the site, the daily amounts of marijuana and
marijuana products on the site, and the daily amounts of marijuana and marijuana products leaving the site for any reason, including but not limited to being sold, delivered, or distributed.

e. A written accounting of all expenditures, costs, revenues and profits of the commercial marijuana operation, including but not limited to cash and in-kind transactions.

f. A copy of all insurance policies related to the operation of the commercial marijuana operation.

g. A copy of the commercial marijuana operation's most recent year's financial statement and tax return.

h. Proof of a valid and current permit issued by the City in accordance with this chapter, and the equivalent State of California license to operate the commercial marijuana operation. Every commercial marijuana operation shall display at all times during business hours the City permit issued pursuant to the provisions of this chapter, and the equivalent State license, in a conspicuous place so that it may be readily seen by all persons entering the location of the commercial marijuana operation.

2. All records required to be maintained by the commercial marijuana operation must be maintained for no less than three (3) years and are subject to immediate inspection (consistent with requirements pertaining to patient confidentiality pursuant to applicable State and Federal law) upon a lawful written request by an operations officer.

3. A commercial marijuana operation shall report any loss, damage, or destruction of these records to the Operation Officers within twenty-four (24) hours of the loss, damage, or destruction.

F. Site Management.

1. Commercial marijuana operations shall not result in a nuisance or adversely affect the health, welfare, or safety of nearby persons by creating dust, glare, heat, noise, noxious gases, odors, smoke, traffic, vibration, or other impacts, or be hazardous due to use or storage of materials, processes, products or waste. The permittee shall promptly and diligently both prevent as well as eliminate conditions on the site of the commercial marijuana operation that constitute a nuisance.

2. The commercial marijuana operation permittee shall maintain the exterior of the site, including any parking lots under the control of the permittee, free of litter, debris, and trash.

Ordinance No. 17-1355
Page 22
3. The commercial marijuana operation permittee shall properly store and dispose of all waste generated on the site, including chemical and organic waste, in accordance with all applicable laws and regulations.

4. Notwithstanding any provisions of this Code to the contrary, the commercial marijuana operation permittee shall remove all graffiti from the site and parking lots under the control of the commercial marijuana operation permittee within seventy-two (72) hours of its application.

G. State Board of Equalization Seller’s Permit Required.

1. Commercial marijuana operations must obtain a Seller’s Permit from the State Board of Equalization as applicable.

2. Such permit shall be displayed in a conspicuous place so that it may be readily seen by all persons entering the location of the commercial marijuana operation.

H. Employees.

1. All employees must submit to fingerprinting and criminal background checks by the City.

   a. No employee convicted within the last ten years of a felony substantially related to the qualifications, functions or duties of an employee of a commercial marijuana operation (such as a felony conviction for distribution of controlled substances, money laundering, racketeering, etc.) shall be employed by a commercial marijuana operation, unless such employee has obtained a certificate of rehabilitation (expungement of felony record) under California law or under a similar federal statute or state law where the expungement was granted.

   b. At the request of the commercial marijuana operation, the Director and Police Chief shall determine the applicability of this section to a potential employee within a reasonable period of time after a written request has been made to the Director and Police Chief for such determination.

2. All employees must possess a valid government issued (or equivalent) form of identification containing an identifying photograph of the employee, the name of the employee, the date of birth of the employee, and the residential address of the employee. Color copies of such identification shall be maintained at the location of the commercial marijuana operation. A valid California Driver’s license will satisfy this requirement.

I. Marijuana Transfer Between Permitted Operations Only.
A commercial marijuana operation shall not transfer marijuana or marijuana products to or from another commercial marijuana operation, unless both operations are in possession of all required state and local licenses and permits.

J. Commercial Marijuana Operation Signage.

1. Signs on the premises shall not obstruct the entrance or the video surveillance system. The size, location, and design of any signage must conform to the sign provisions in the Perris Municipal Code.

2. Business identification signage shall be limited to that needed for identification only, consisting of a single window sign or wall sign that shall comply with the appropriate sign requirements within the applicable zoning district.

K. Prohibited Personal Activities.

1. Marijuana Use. No person shall smoke, ingest, or otherwise consume marijuana in any form on, or within 20 feet of, the site of the commercial marijuana operation.

2. Alcohol Use. No person shall possess, consume, or store any alcoholic beverage on the site of the commercial marijuana operation.

L. No Minors. No minor shall be an employee of, or participate in, a commercial marijuana operation in any capacity, including but not limited to, as a manager, employee, contractor, adviser, or volunteer.

M. Exterior Lighting. The exterior of the premises upon which the commercial marijuana operation is operated shall be equipped with and, at all times between sunset and sunrise, shall remain illuminated with fixtures of sufficient intensity and number to illuminate every portion of the property with an illumination level of not less than one foot-candle as measured at the ground level, including, but not limited to, landscaped areas, parking lots, driveways, walkways, entry areas, and refuse storage areas.

N. Building Design. A commercial marijuana operation permittee must maintain the design of the buildings on the site in accordance with the plans that are approved by the City pursuant to this chapter and otherwise approved by the City. No permittee shall modify the buildings on the site contrary to the approved plans, without the approval of the Director.

O. Nuisance. The commercial marijuana operation permittee shall take all reasonable steps to discourage and correct conditions that constitute a nuisance in parking areas, sidewalks, alleys and areas surrounding the premises and adjacent properties during business hours if related to the activities of the subject commercial marijuana operation.

1. “Reasonable steps” shall include immediately calling the police upon observation of the activity, and requesting that those engaging in activities that constitute a
nuisance or are otherwise illegal to cease those activities, unless personal safety
would be threatened in making the request.

2. "Nuisance" includes but is not limited to disturbances of peace, open public
consumption of marijuana, alcohol or controlled substances, excessive pedestrian
or vehicular traffic, including the formation of any pedestrian lines outside the
building, illegal drug activity, harassment of passersby, excessive littering,
excessive loitering, illegal parking, excessive loud noises, especially late at night
or early in the morning hours, lewd conduct or police detentions and arrests.

P. Upon and after receiving possession of a commercial marijuana operation permit as
provided for in this chapter, the commercial marijuana operation permit holder shall:

1. Immediately update the Director in writing upon the change in status of any of the
information previously submitted to the City concerning the commercial marijuana
operation, including but not limited to when there is any change in the address,
email, phone number, or other identifying information, previously provided to the
City in compliance with this chapter, for any owner, manager, community outreach
manager, property owner, or legal representative of the commercial marijuana
operation.

2. Maintain continuing compliance with criminal background check requirements of
this chapter by ensuring that:

   a. upon the hiring, association or retention of an employee by the
   commercial marijuana operation, the requirements of Section
   5.58.070(B)(2)(d) are immediately met for such employee by provision of
   appropriate documentation to the Director; and

   b. the Director and Police Chief are immediately informed in writing of any
   felony conviction as described in Section 5.50.100(H)(1)(a) for any
   current employee.

3. Maintain continuing compliance with all applicable insurance requirements,
including, but not limited to, those imposed by City and this chapter.

Q. Exemption. The regulations contained in this chapter shall not apply to a commercial
marijuana operation engaged in the following uses, as long as such use complies strictly
with applicable law, including this Code, regulating such use and the location of such use,
including, but not limited to, Sections 11362.5, et seq. of the Health and Safety: a clinic
licensed pursuant to Chapter 1 of Division 2 of the Health and Safety Code; a health care
facility licensed pursuant to Chapter 2 of Division 2 of the Health and Safety Code; a
residential care facility for persons with chronic life-threatening illness licensed pursuant
to Chapter 3.01 of Division 2 of the Health and Safety Code; a residential care facility for
the elderly licensed pursuant to Chapter 3.2 of Division 2 of the Health and Safety Code;
and, a residential hospice or a home health agency licensed pursuant to Chapter 8 of Division 2 of the Health and Safety Code.

Sec. 5.58.110 - Cultivation operating standards and restrictions.

A commercial marijuana operation engaged in indoor or mixed-light cultivation (which includes nurseries restricted to indoor or mixed-light cultivation) shall operate in conformance with both the General Operating Standards and Restrictions provided for in Section 5.58.100, as well as the following minimum standards, and such standards shall be deemed to be part of the conditions of the permit for a cultivation commercial marijuana operation to ensure that its operation is in compliance with California law and the Perris Municipal Code, and to mitigate any potential adverse impacts of the commercial marijuana operation on the public health, safety or welfare.

Additional minimum standards may be adopted from time to time either by resolution or ordinance from the City Council, or by the Director (upon authorization by resolution from the City Council).

A. City Permit and State License. No person shall engage in cultivation without both a current and valid City commercial marijuana operation permit issued for cultivation as well as a current and valid equivalent state license as provided for under Division 10 of the Business and Professions Code, and as may be amended.

B. State Standards. All state requirements and regulations that govern cultivation operations, including but not limited to the regulations promulgated by the California Department of Food and Agriculture, and as may be amended, shall apply as minimum requirements and regulations for cultivation commercial marijuana operations within the City of Perris, in addition to the requirements and regulations of this chapter and this Code.

C. Location Restrictions.

1. No cultivation operation shall locate or operate in any area or zone of the City of Perris, other than in the following subareas of the Light Industrial (LI) Zone or the General Industrial (GI) Zone, as defined more fully in Chapter 19.44 (Industrial Zones) of Title 19 (Zoning) of the Perris Municipal Code:

   a. North Perris: North of Perry Street to the city limits, between the Perris Valley Storm Drain Channel and the I-215 Freeway.

   b. South Perris: North of Watson Road, south of Ellis Avenue, between the Perris Valley Storm Drain Channel and Santa Fe Railroad.

2. No cultivation operation shall locate within six hundred (600) feet of a school, park, place of worship, youth-oriented facility, youth center, day care center or residential zone. The distance shall be measured as the horizontal distance measured in a straight line from the property line of one site to the property line of another site.
D. Water.

1. The water supply shall be sufficient for the operations intended, shall comply with all State regulations, and shall be derived from a source that is a regulated water system. Private water supplies shall be derived from a water source that is capable of providing a safe, potable, and adequate supply of water to meet the facility’s needs.

2. Plumbing shall be of adequate size and design and adequately installed and maintained to carry sufficient quantities of water to required locations throughout the operation and that shall properly convey sewage and liquid disposable waste from the operation. There shall be no cross-connections between the potable and waste water lines.

E. Sanitation.

1. The permittee shall establish and implement written procedures that maintain the highest industry standards of sanitation and cleanliness for the operation so as to ensure at all times marijuana remains free of harmful contaminants, including but not limited to pesticides, mold and fungus.

2. Litter and waste shall be properly removed and the operating systems for waste disposal shall be maintained in an adequate manner so that they do not constitute a source of contamination in areas where marijuana is exposed.

3. Floors, walls, and ceilings shall be constructed in such a manner that they may be adequately cleaned and kept clean and kept in good repair.

F. Site Requirements. The site shall comply with the following requirements:

1. Visibility.
   
   a. Neither marijuana, marijuana products, nor visible exterior evidence of any cultivation activities, shall be visible from the public right-of-way, the unsecured areas surrounding the buildings on the site, or the site’s main entrance and lobby.

   b. Building frontage shall be constructed and designed so as to entirely conceal from public view both all cultivation activities conducted by the permittee, as well as all marijuana and marijuana products at the site.

2. Main Entrance and Lobby. The site shall have a building with a main entrance that is clearly visible from the public street or sidewalk. The main entrance shall be maintained clear of barriers, landscaping, and other obstructions. Inside of the main entrance, there shall be a lobby to receive persons into the site and to verify whether they are allowed in the cultivation commercial marijuana operation areas. Members
of the general public shall not be allowed in the cultivation commercial marijuana operation areas except for reasons of lawful business.

3. Cultivation Area. All cultivation areas in any building on the site shall be separated from the main entrance and lobby, and shall be secured by a lock accessible only to employees of the permittee.

4. Storage Area. Each building with a cultivation area shall have adequate storage space for marijuana that has completed the cultivation process or is otherwise not being cultivated. The storage areas shall be separated from the main entrance and lobby, and shall be secured by a lock accessible only to employees of the permittee.

5. Secure Product. All marijuana, whether being cultivated or otherwise, at the site shall be kept in a secured manner at all times so as to deter theft and unauthorized access.

6. Transport Area. Each building with a cultivation area shall have an area designed for the secure transfer of marijuana from the cultivation area to a vehicle for transportation.

7. Lighting. Sufficient lighting must be used in all areas where marijuana is cultivated and stored, and where equipment or utensils are cleaned, so that at all times the items and activities in these areas are fully visible to both any security cameras covering the areas as well as the naked eye.

G. Training. The permittee shall establish and implement written procedures that provide for the highest industry standards of training for employees engaged in cultivation operations.

H. Signs. A permittee shall display conspicuously in the lobby of the site the following signs, so that each sign may be readily seen by persons entering the site, and each sign must be at least 8 inches by 10 inches in size:

1. "This site is not open to the public."

2. "Retail sales of any goods and services is prohibited"

3. "Minors are prohibited from entering this site."

1. "Smoking, ingesting, or consuming marijuana on or within 20 feet of this site is prohibited."

I. Prohibited Activities.

1. No marijuana manufacturing or testing shall occur at the site.
2. No retail sales of marijuana or marijuana products shall occur at the site.

J. Restricted Access.

1. The site shall be closed to the general public. No one shall be allowed on the cultivation site, except for employees, or persons with a bona fide business or regulatory purpose for being on the site, such as contractors or inspectors.

2. Minors are prohibited at all times from entering the location of the site.

Sec. 5.58.120 - Testing operating standards and restrictions.

A commercial marijuana operation engaged in testing shall operate in conformance with both the General Operating Standards and Restrictions provided for in Section 5.58.100, as well as the following minimum standards, and such standards shall be deemed to be part of the conditions of the permit for a testing commercial marijuana operation to ensure that its operation is in compliance with California law and the Perris Municipal Code, and to mitigate any potential adverse impacts of the commercial marijuana operation on the public health, safety or welfare.

Additional minimum standards may be adopted from time to time either by resolution or ordinance from the City Council, or (upon authorization by resolution from the City Council) by the Director.

A. City Permit and State License. No person shall engage in testing without both a current and valid City commercial marijuana operation permit issued for testing as well as a current and valid equivalent state license as provided for under Division 10 of the Business and Professions Code, and as may be amended.

B. State Standards. All state requirements and regulations that govern testing operations, including but not limited to regulations promulgated by the Bureau of Cannabis Control within the Department of Consumer Affairs, and as may be amended, shall apply as minimum requirements and regulations for testing commercial marijuana operations within the City of Perris, in addition the requirements and regulations of this chapter and this Code.

C. Location Restrictions.

1. No testing operation shall locate or operate in any area or zone of the City of Perris, other than in the Light Industrial (LI) Zone, the General Industrial (GI) Zone, or the Business Park (Industrial) (BP) Zone, as defined more fully in Chapter 19.44 (Industrial Zones) of Title 19 (Zoning) of the Perris Municipal Code.

2. No testing operation shall locate within six hundred (600) feet of a school, youth center or day care center. The distance shall be measured as the horizontal distance measured in a straight line from the property line of one site to the property line of another site.
D. Independent. Permittees shall be independent from all other persons and entities involved in commercial marijuana operations other than testing.

E. Health and Safety; Director Approval

1. General.

   a. Testing operations before commencing operation, and as a continuing prerequisite to continuing operations, shall receive, and maintain, written approval from the Director that any closed-loop system, equipment used and the testing facilities in general, all meet or exceed appropriate health and safety standards as determined by the Director.

   b. These health and safety standards include any required fire, safety and building code requirements specified in the California Fire Code, the National Fire Protection Association (NFPA) standards, the International Building Code (IBC), the International Fire Code (IFC), and any other applicable standards, including complying with all applicable fire, safety, and building codes in processing, handling, and storage of solvents or gasses.


   a. Testing operations shall not commence until written approval is received from the Director for a completed Fire Safety Plan for the operation.

   b. An application for a renewal of a testing commercial marijuana operation permit shall not be approved until an inspection of the site occurs by the Director which affirms that both the operation remains in compliance with the approved Fire Safety Plan (or an amended Fire Safety Plan as determined by the Director) and that any further actions that need to be taken in the determination of the Director are taken to ensure that all applicable and necessary health and safety requirements are met.

3. Certified Industrial Hygienist (CIH).

   a. The permittee must provide for, maintain, and follow a detailed plan prepared by a CIH, and approved by the Director, to insure the appropriate health and safety procedures including, but not limited to, procedures necessary to control hazards, for use of proper protective equipment, for product safety, for compliance with Cal OSHA limits, to provide specifications for ventilation controls, and to ensure environmental protections, are adopted and used by the operation on a continuing basis.
b. The Director shall establish further written requirements for the plan, including but not limited to required inspections by the CIH and a hazardous materials management plan. Upon reasonable determination by the Director the permittee shall be required to update or amend the approved plan to the satisfaction of the Director.

4. UL (Underwriters Laboratories) Listed. All testing devices and equipment used by the operation must be UL listed, or otherwise approved for the intended use by the Director.

5. Hazardous Materials. All hazardous material used, generated or associated with the operation must be disposed of in a manner which is approved by the Director before disposal occurs, and which is compliant with all local, State and federal guidelines for the disposal of hazardous materials.

6. Waste Treatment System. The permittee must provide for and maintain a waste treatment system which is approved by the Director so as to prevent contamination in areas where marijuana or marijuana products may be exposed to such a system’s waste or waste by-products.

F. Operation Requirements. The testing operation shall be subject to all applicable regulations developed (including as modified) by the State of California for commercial marijuana testing operations, and shall comply with the following requirements:

1. Conduct all testing in a manner pursuant to Section 26100 of the Business and Professions Code, and as amended, subject to State and local law.

2. Conduct all testing in a manner consistent with general requirements for the competence of testing and calibration activities, including sampling using verified methods.

3. Obtain and maintain ISO/IEC 17025 accreditation as required by the State.

4. Destroy the remains of the sample of marijuana or marijuana products upon the completion of analysis as determined by the State through regulations.

5. Dispose of any waste byproduct resulting from testing operations in the manner required by State and local laws and regulations.

G. Site Requirements. The site shall comply with the following requirements:

1. Indoor Testing Only. All testing shall occur in a fully enclosed building.

2. Fire Sprinklers. The site shall be equipped with an automatic fire sprinkler system, in accordance with NPFA 13, California Fire Code (Section 903), and the Perris
Municipal Code with zero (0) square foot requirement.

3. Visibility.

a. Neither marijuana, marijuana products nor visible exterior evidence of any testing activity, shall be visible from the public right-of-way, the unsecured areas surrounding the buildings on the site, or the site's main entrance and lobby.

b. Building frontage shall be constructed and designed so as to entirely conceal from public view both all testing activities conducted by the permittee, as well as all marijuana and marijuana products at the site.

4. Main Entrance and Lobby. The site shall have a building with a main entrance that is clearly visible from the public street or sidewalk. The main entrance shall be maintained clear of barriers, landscaping, and other obstructions. Inside of the main entrance, there shall be a lobby to receive persons into the site and to verify whether they are allowed in the testing areas.

5. Secure Product. All marijuana and marijuana products at the site shall be kept in a secured manner at all times.

6. Testing Area. All testing areas in any building on the site shall be separated from the main entrance and lobby, and shall be secured by a lock accessible only to employees of the marijuana testing permittee.

7. Transport Area. Each building with a testing area shall have an area designed for the secure transfer of marijuana from a vehicle to the testing area.

8. Storage Area. Each building with a testing area shall have adequate storage space for marijuana that has been tested or is waiting to be tested. The storage areas shall be separated from the main entrance and lobby, and shall be secured by a lock accessible only to employees of the permittee.

H. Sanitation. The permittee shall establish and implement written procedures that maintain the highest industry standards of sanitation and cleanliness for the operation so as to ensure the marijuana tested remains free of harmful contaminants.

I. Training. The permittee shall establish and implement written procedures that provide for the highest industry standards of training for employees engaged in testing operations.

J. Signs. A permittee shall display conspicuously in the lobby of the site the following signs, so that each sign may be readily seen by persons entering the testing site, and each sign must be at least 8 inches by 10 inches in size:

1. “This site is not open to the public.”
2. "Retail sales of any goods and services is prohibited"

3. "Minors are prohibited from entering this site."

4. "Smoking, ingesting, or consuming marijuana on or within 20 feet of this site is prohibited."

K. Prohibited Activities.

1. No marijuana cultivation or manufacturing shall occur at the site.

2. No retail sales of marijuana or marijuana products shall occur at the site.

L. Restricted Access.

1. The site shall be closed to the general public. No one shall be allowed on the testing site, except for employees, or persons with a bona fide business or regulatory purpose for being on the site, such as contractors or inspectors.

2. Minors are prohibited at all times from entering the location of the site

Sec. 5.58.130 - Administration.

Further rules, regulations, procedures and standards for the administration and implementation of this chapter may be adopted from time to time either by resolution or ordinance from the City Council, by the Director (upon authorization by resolution from the City Council), or as further provided by this chapter.

Sec. 5.58.140 - Fees.

An application fee set by resolution of the City Council shall be required for formal processing of every application made under this chapter. The City Council is authorized to pass resolutions to recover any and all fees and costs incurred by the administration and implementation of this chapter through an appropriate fee recovery mechanism to be imposed upon commercial marijuana operations.

Sec. 5.58.150 - Suspension and revocation.

A. The Director is authorized to suspend and/or revoke a commercial marijuana operation permit issued pursuant to this chapter upon the determination through written findings of a failure to comply with any provision of this chapter, any permit condition, or any agreement or covenant as required pursuant to this chapter.

B. The Director may suspend or revoke a commercial marijuana operation permit if any of
the following occur:

1. The Director determines that the commercial marijuana operation has failed to comply with any aspect of this chapter, any permit condition, or any agreement or covenant as required pursuant to this chapter; or

2. The equivalent State license has been revoked by the State of California; or

3. Operations cease for more than one hundred eighty (180) calendar days (including during any change of ownership, if applicable); or

4. Ownership is changed without securing a new commercial marijuana operation permit; or

5. The commercial marijuana operation fails to maintain required security camera recordings; or

6. The commercial marijuana operation fails to allow inspection of the security recordings, the activity logs, the records, or of the premise by operation officers.

C. Conditions (if any) of suspension or revocation are at the discretion of the Director and may include, but are not limited to, a prohibition on all owners, operators, managers and employees of the suspended or revoked commercial marijuana operation from operating within the City for a period of time set forth in writing and/or a requirement (when operations may resume, if at all, pursuant to the Director's determination) for the holder of the suspended or revoked permit to resubmit an application for a commercial marijuana operation permit pursuant to the requirements of this chapter.

Sec. 5.58.160 - Violations and penalties; public nuisance.

A. Any violation of the provisions of this chapter, at the discretion of the city prosecutor, is punishable as a misdemeanor or an infraction pursuant to Chapter 1.16 of the Perris City Code, except for as preempted by state law; and, any violation of the provisions of this chapter is subject to administrative citation, at the discretion of the City, pursuant to Chapter 1.18 of the Perris City Code.

B. Public nuisance abatement.

1. Any commercial marijuana operation that is conducted in violation of any provisions of this chapter is hereby declared to constitute a public nuisance and, as such, may be abated or enjoined from further operation, in accordance with the procedures set forth in Chapter 7.06 of the Perris City Code.

2. All costs to abate such public nuisance, including attorneys' fees and court costs, shall be paid by the person causing the nuisance, including the commercial
marijuana operation permittee and the property owner where the nuisance is occurring.

C. The remedies described in this section are not mutually exclusive. Pursuit of any one remedy shall not preclude City from availing itself of any or all available administrative, civil, or criminal remedies, at law or equity.

D. Any violation of the provisions of this chapter shall constitute a separate offense for each and every day during which such violation is committed or continued.

Sec. 5.58.170 - Appeals.

Any decision regarding approval, conditional approval, denial, suspension or revocation of a commercial marijuana operation permit may be appealed to the Planning Commission (unless subject to the provisions of Section 5.58.160 of this chapter) by an applicant, a permit holder or interested party as follows:

A. If the appellant wishes to appeal a decision to the Planning Commission, the appellant must file a written appeal with the Perris City Clerk within ten (10) calendar days of the decision. The written appeal shall specify the person making the appeal, the decision appealed from, shall state the reasons for the appeal, and shall include any evidence in support of the appeal which the applicant seeks to be considered by the Planning Commission.

B. Notice of the time and place of an appeal hearing shall be providing to the appellant within thirty (30) days of receipt by the Perris City Clerk of the written appeal.

C. The appeal hearing shall be held within sixty (60) days of the filing of the written appeal with the Perris City Clerk, unless the sixty-day time limit is waived by the appellant, or unless the Planning Commission continues the appeal hearing date for good cause and upon written notification to the appellant.

D. The Planning Commission shall review the facts of the matter, written documents submitted for review, the basis for making the decision which is under appeal, and then determine whether the appealed decision should be reversed or affirmed. The determination made shall be in writing, shall set forth the reasons for the determination, and shall be final unless appealed as provided for below.

E. If the appellant wishes to appeal the determination of the Planning Commission, then the procedures provided in this section shall be followed for an appeal to the City Council, with the exception of the City Council may determine to simply affirm by minute order or resolution the determination of the Planning Commission, without review, within sixty (60) days of receipt by the Perris City Clerk of the written appeal. Any determination of the City Council shall be final.
F. The provisions of section 1094.6 of the Code of Civil Procedure sets forth the procedure for judicial review of any final determination. Parties seeking such judicial review shall file such action within ninety (90) days of a determination being made final.

Sec. 5.58.180 - Service of notices.

All notices required by this chapter are deemed issued and served upon the date they are either deposited in the United States mail, postage pre-paid, addressed (if to an applicant, a commercial marijuana operation, or an appellant) to the applicant or commercial marijuana operation at the mailing address identified in its application, the last updated address on file with the Director’s office, or the mailing address on the appeal form; or, the date upon which personal service of the notice is provided to a responsible party.

Sec. 5.58.190 - Prohibitions.

A. All commercial marijuana operation in violation of The Adult Use of Marijuana Act, The Medicinal and Adult-Use of Cannabis Regulation and Safety Act, this chapter, or any other applicable local or State law are expressly prohibited.

B. It is unlawful for any commercial marijuana operation in the City, or any agent, employee or representative of such commercial marijuana operation, to permit any breach of peace therein or any disturbance of public order or decorum by any tumultuous, riotous or disorderly conduct on the premises of the commercial marijuana operation, or to violate any State law, or this chapter.

Sec. 5.58.200 - Nonconforming use.

No use which purports to have engaged in a commercial marijuana activity of any nature prior to the enactment of this chapter shall be deemed to have been a legally established use under the provisions of the Perris Zoning Code, the Perris Municipal Code, or any other local ordinance, rule or regulation, and such use shall not be entitled to claim legal nonconforming status.

Sec. 5.58.210 - Severability.

If any section, subsection, subdivision, sentence, clause, phrase, word, or portion of this Ordinance is, for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance and each section, subsection, subdivision, sentence, clause, phrase, word, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, words or portions thereof be declared invalid or unconstitutional.

SECTION 3. SEVERABILITY. If any section, subsection, sentence, clause, phrase, or portion of this ordinance is, for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining
portions of this ordinance. The City Council hereby declares that it would have adopted this ordinance and each section, subsection, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, or portions thereof may be declared invalid or unconstitutional.

**SECTION 4. CEQA.** The City Council finds that this ordinance is not subject to the California Environmental Quality Act ("CEQA") pursuant to both the exemption provided by Section 26055(h) of the Business and Professions Code as well as Sections 15060(c)(3) and 15061(b)(3) of the CEQA Guidelines.

**SECTION 5. EFFECTIVE DATE.** This ordinance shall be in full force and effect thirty (30) days after its passage.

**SECTION 6. CERTIFICATION.** The City Clerk shall certify to the adoption of this ordinance, and shall cause the same to be posted and codified in the manner required by law.

**PASSED AND ADOPTED** on the ___ day of _____________, 2017, by the following vote:

AYES:
NOES:
ABSENT:

__________________________
, Mayor

ATTEST:

__________________________
, City Clerk

APPROVED AS TO FORM:

__________________________
, City Attorney
CITY COUNCIL
AGENDA SUBMITTAL

Meeting Date: October 31, 2017

SUBJECT: Ordinance Amendment 17-05193 to add new Chapter 5.58 to regulate commercial marijuana operations; to add new Chapter 7.48 to prohibit outdoor personal marijuana cultivation and regulate indoor personal marijuana cultivation; and/or to regulate indoor and outdoor personal marijuana cultivation.

REQUESTED ACTION: Approve Ordinance Amendment 17-05193 to introduce for first reading proposed Ordinance No. (next in order) to 1) allow testing and indoor/mixed-light cultivation commercial marijuana operations for medical and adult use, and 2) to ban marijuana adult-use retail, adult-use deliveries, manufacturing, outdoor cultivation and distribution commercial marijuana operations; discuss and introduce for first reading of either proposed Ordinance No. (next in order) to prohibit outdoor personal marijuana cultivation and regulate indoor personal marijuana cultivation, or Ordinance No. (next in order) to regulate indoor and outdoor personal marijuana cultivation.

CONTACT: Clara Miramontes, Assistant City Manager

BACKGROUND/DISCUSSION:

At the September 12, 2017 City Council meeting, staff was directed to prepare and bring back an Ordinance Amendment to regulate personal marijuana cultivation, and to regulate commercial marijuana operations (with a focus on commercial cultivation). If no ordinance is in place by January 1, 2018 to control or prohibit commercial marijuana operations, the City concedes significant local authority to the state over commercial marijuana operations. Staff is presenting the following ordinances for discussion and first reading:

➢ Ordinance No. (next in order) to:
  ○ allow commercial marijuana testing in BP, LI and GI zones, and allow commercial indoor/mixed-light commercial marijuana cultivation for medical and adult use in LI and GI zones, with uses limited to subareas of these zones: North Perris - North of Perry Street to the city limits, between the I-215 Freeway and the Perris Valley Storm Drain Channel; and, South Perris - North of Watson Road, south of Ellis Avenue, between the Santa Fe Railroad Tracks and the Perris Valley Storm Drain Channel;
  ○ ban marijuana adult-use retail, adult-use deliveries, manufacturing, outdoor cultivation, and distribution commercial marijuana operations; and

➢ Ordinance No. (next in order) to regulate indoor and outdoor personal marijuana cultivation; or

➢ Ordinance No. (next in order) to regulate indoor personal marijuana cultivation, while banning outdoor personal marijuana cultivation.

Detailed background on California's marijuana laws and local issues can be found in the staff report from the September 12, 2017 Council Meeting. Further items concerning marijuana law and local control will be evaluated at a future date when further research can be made for a recommendation to
the City Council. The Ordinance Amendments proposed are summarized below.

A. **Personal marijuana cultivation: indoor and outdoor**

For indoor personal cultivation, cities are preempted from prohibiting indoor personal marijuana cultivation of up to six plants. While cities may not prohibit such indoor personal cultivation, cities may adopt reasonable regulations which do not act to effectively prohibit indoor cultivation. Staff is recommending regulation of the State allowance (i.e., 6 plants) for residential zones. No registration with the City or permit is required. Local regulation will contain the following notable requirements:

- Cultivation site a fully functioning residence not used primarily for cultivation.
- Setback of accessory structures for cultivation consistent with zoning requirements.
- Accessory structure size limits consistent with zoning requirements.
- Cultivation in locked space and secure at all times.
- No odors to emit beyond the property line. Odor control system to be used as necessary.
- Fire extinguisher requirement.
- Cultivation not visible from public places.
- Use of grow lights completely shielded from neighbors and public.
- Cultivation shall not displace required parking in a garage.
- Electricity use shall not exceed maximum rating of electrical panel.

The City can prohibit, or regulate, personal outdoor cultivation. For outdoor personal cultivation, staff is recommending (if Council desires to allow outdoor cultivation) outdoor personal cultivation be limited to the following single-family residential zones: R-6,000, R-7,200, R-8,400, R-10,000 and R-20,000. Staff is not recommending outdoor cultivation in multi-family zones, due to potential odor concentration within close proximity. No registration system with the City or permit is required. If Council desires to prohibit outdoor personal cultivation, an Ordinance Amendment to prohibit all personal outdoor cultivation is provided. The guidelines for personal outdoor cultivation (if allowed) contain the following notable requirements:

- 10-feet from side and rear property lines.
- Marijuana plant height-limit of 6 feet.
- No odors to emit beyond the property line.
- If odor becomes a problem, marijuana plants will either need to be grown indoors or an odor control system will need to be used.
- No registration requirement with the City.

Monitoring and control of personal marijuana cultivation will be addressed through the nuisance abatement process. If odor becomes an issue, the City can either require it be grown indoors and/or require an odor control system. It should be noted that outdoor cultivation usually has one harvest per year for Perris’ climate. There are potential odor issues during “harvest time,” when the plant blooms commonly release a pungent odor for one to two months that some individuals may find obtrusive. For this reason, the Council may choose to completely prohibit personal outdoor cultivation.

B. **Permit and regulate commercial marijuana testing and indoor/mixed-light marijuana cultivation for medical and adult use**

The Ordinance recommended will allow commercial marijuana testing for medical and adult use
in the BP, LI and GI zones; and, will allow indoor/mixed-light commercial marijuana cultivation for medical and adult use in the LI and GI zones; both within two areas:

- North Perris - North of Perry Street to the city limits, between the I-215 Freeway and the Perris Valley Storm Drain Channel; and
- South Perris - North of Watson Road, south of Ellis Avenue, between the Santa Fe Railroad Tracks and the Perris Valley Storm Drain Channel

Regulations for commercial marijuana testing and cultivation share some similar requirements:

- Regulatory requirements includes:
  - licensed security guard
  - security plan
  - odor control system
  - background checks
  - insurance
  - inspection authority for City
  - indemnification of City
  - security cameras
  - record keeping
- City commercial marijuana operation permit:
  - required to operate a commercial marijuana operation
  - issued ministerially with City authority to impose additional conditions
  - annual renewal requirement
- Buffers zone of 600 feet from sensitive uses:
  - schools
  - residential zones
  - parks
  - places of worship
  - youth-oriented facilities and youth centers
  - day care centers

Commercial marijuana cultivation has specific requirements which include areas concerning:

- Water sources.
- Sanitation.
- Site requirements.
- Training.
- Signage.

Commercial marijuana testing has specific requirements which include areas concerning:

- Fire safety plan.
- Industrial hygiene.
- Testing procedures.
- Site requirements.
- Sanitation.
- Training.
- Signage.
For indoor marijuana commercial cultivation for medical and adult use, the Ordinance allows both indoor cultivation and mixed-light (greenhouses) cultivation, while the portion of building fronting a public street must be constructed with conventional construction. The benefit of allowing greenhouse construction, is that natural sunlight can be utilized instead of using artificial light which can be energy intensive on the electrical grid.

C. Ban commercial marijuana adult-use retail, adult-use deliveries, manufacturing, outdoor cultivation and distribution

As stated above, the Ordinance will ban marijuana adult-use retail, adult-use deliveries, outdoor cultivation, manufacturing and distribution in the interim. The remaining items will be considered at a future date when further research can be made for a recommendation to the City Council. Staff would like to conduct additional research and further collaborate with the City Attorney’s office to determine the appropriate level of guidelines and possible taxes if the City were to proceed with allowing the remaining marijuana items that will provide long-term quality of life and viability for the City.

D. Existing regulations on medical marijuana dispensaries (medical retail)

The existing medical marijuana dispensary regulatory program in Chapter 5.54 of the City Code will continue to regulate medical marijuana retail commercial operations.

FISCAL IMPACT:

A. Application Fees

The tentative application fee will be $15,000. This fee is based upon discussion with the contracted third party consultant firm that reviews dispensary application. They informed staff that the same fee charged for medical marijuana dispensary permits would apply, as the same level of analysis will be required. The dispensary application is currently $13,008.45, with $11,500 going to the consultant and $1,500 set aside for staff to review the necessary submittal requirements and to oversee the process. Based on the fact that it has taken significantly more time than anticipated ($1,500 set-aside for staff time to process the application), staff is recommending an application fee of $15,000. A fee resolution will be presented before the Council for adoption consideration once the regulatory ordinances are in place.

B. Taxes

A maximum tax of twenty-five dollars ($25) per square foot for space utilized for marijuana cultivation area will be imposed per voter approval on November 8, 2016. (Perris Municipal Code § 3.40.020). Currently the City has no voter approved taxes to apply to testing commercial operations. However, no taxes are at present recommended for any testing facility, as the facility will function as a laboratory that could potentially provide quality jobs for residents in Perris. Also, only small quantities of marijuana will be stored at the facility for testing purposes, to determine quality control compliance before a marijuana batch can be sold for distribution. It should be noted, the closest known marijuana testing lab is SC Laboratories located at 1822 Carnegie Ave, Santa Ana, CA 92705, within a Business Park. The closest known testing lab in process for marijuana testing is Babcock Laboratories located at 6100 Quail Valley Court, Riverside, CA.
LEGAL IMPACT:

If action is not taken to regulate or prohibit commercial marijuana operations before the state begins issuing state marijuana business licenses on or about January 1, 2018, the City will cede substantial local control over regulation or prohibition of certain commercial marijuana business operations within the City. There is no equivalent deadline for the regulation of personal marijuana cultivation.

RECOMMENDATION:

Staff recommends the Council approve Ordinance Amendment 17-05193 to introduce for first reading of Ordinance No. (next in order) to 1) allow testing and indoor/mixed-light cultivation commercial marijuana operations for medical and adult use, and 2) to ban marijuana adult-use retail, adult-use deliveries, manufacturing, outdoor cultivation and distribution commercial marijuana operations, and then introduce for first reading of either proposed Ordinance No. (next in order) to prohibit outdoor personal marijuana cultivation and regulate indoor personal marijuana cultivation, or proposed Ordinance No. (next in order) to regulate indoor and outdoor personal marijuana cultivation.

BUDGET (or FISCAL) IMPACT:

Cost for staff preparation of this item has been budgeted into the 2017-2018 budget.

Prepared by: Kenneth Phung, Planning Manager
Director of Finance: Jennifer Erwin
Assistant City Manager: Darren Madkin

Public Hearing: October 31, 2017

Attachments:
1. Ordinance No. (next in order) to allow testing and cultivation, ban etc.
2. Ordinance No. (next in order) to prohibit outdoor personal cultivation and regulate indoor cultivation
3. Ordinance No. (next in order) to regulate outdoor and indoor personal cultivation
4. September 12, 2017 Business Item Report
5. Survey of Cultivation Regulations in other Cities
6. North Perris Location Restriction Map for Marijuana Cultivation
7. South Perris Location Restriction Map for Marijuana Cultivation
CITY COUNCIL
AGENDA SUBMITTAL

Meeting Date: November 14, 2017

SUBJECT: Settlement of Eminent Domain Case to Acquire Right-of-Way for Indian Avenue Realignment (City of Perris v. Stamper, Case No. RIC524291, Portion of Assessor’s Parcel No. 302-060-002)

REQUESTED ACTION: It is recommended that the City Council approve the terms of the Stipulation for Entry of Judgment

CONTACT: Eric Dunn, City Attorney

BACKGROUND/DISCUSSION:

In 2009, the City filed an eminent domain action to acquire a 1.66-acre right-of-way curving through the middle of a vacant and unimproved 9-acre parcel of land owned by the Stampers and others (the “Owners”) for the re-alignment and construction of Indian Avenue, between Ramona Expressway and Harley Knox Boulevard.

The City and the Owners took different positions on whether, if the 9-acre parcel were developed, the City could require the Owners to dedicate the land for the Indian Avenue Project. As a result of these different positions, the City contended the Owners were entitled to $44,000 (based on value for agricultural use) for the right-of-way; the Owners contended they were entitled to $1.3 million (based on value for industrial use plus severance damages). A non-jury trial on this issue took place. The trial court ruled in the City’s favor.

The Owners appealed the decision to the Court of Appeal, which agreed with the City’s position that the land should be valued for agricultural use if the dedication requirement were constitutional, but agreed with the Owners’ position that the question whether the dedication requirement was constitutional should have been decided by a jury rather than by the judge. The Court of Appeal also found in the Owners’ favor on issues related to whether certain City employees who testified at the trial should have been identified as expert witnesses.

The City sought review of the Court of Appeal’s decision by the California Supreme Court. In 2016, the California Supreme Court issued its decision. The Supreme Court directed that further trial court proceedings take place regarding two legal issues: (1) the extent of the land that the owner could constitutionally be required to dedicate for street purposes in connection with future development of the property; and (2) whether the requirement to dedicate Indian Avenue existed in 2005 when the Circulation Element
of the General Plan was amended to provide for the realignment of Indian Avenue, such that a developer would not expect to be paid industrial value for that land. The answers to these questions would determine whether the Owners are entitled to compensation for the property taken based on agricultural value or the substantially higher industrial value of the land. The trial on these issues would then be followed by a jury trial to determine the amount of compensation the City must pay for the right-of-way.

The cost of a further trial on this case will be substantial in light of the need to obtain expert witnesses on issues related to the constitutionality of the dedication requirement and, in all likelihood, obtain a new appraisal, which potentially would be substantially higher than the City’s prior appraisal.

While construction of Indian Avenue has been completed, the City must bring this eminent domain case to a conclusion in order to obtain fee simple title to this last portion of land needed for this project.

**Recommended Action**

The City Attorney’s office has negotiated a settlement of this case, consistent with prior direction from the City Council, which provides for the City to pay the Owners a total of $949,800 for the right-of-way. This amount is inclusive of all severance damages to the remainder parcels, interest, costs and attorneys’ fees. The Owners had withdrawn $54,800 the City had deposited with the court in order to obtain possession of the right-of-way and proceed with the project; the balance due is $895,000. The settlement will be in the form of a Stipulation for Entry of Judgment which will lead to entry of judgment in the City’s favor and the recording of a Final Order of Condemnation transferring title to the property to the City. Staff recommends the City approve the settlement.

**BUDGET (or FISCAL) IMPACT**

The balance due of $895,000 will be paid out of the Road and Bridge Benefit District Fund.

Reviewed by:
City Attorney  
Assistant City Manager Darren Madkin
Director of Finance Jennifer Erwin

Attachments:
1. Stipulation for Entry of Judgment

Consent:  
Public Hearing:  
Business Item:  
Other:  

01006.0051.4230701
CITY OF PERRIS, a municipal corporation, Plaintiff,

v.

RICHARD C. STAMPER and MARIANNE STAMPER, TRUSTEES OF THE RICHARD C. STAMPER and MARIANNE STAMPER 1997 REVOCABLE TRUST CREATED BY DECLARATION OF TRUST DATED JUNE 10, 1997; DONALD D. ROBINSON; ANTHONY CURTIS; DONALD D. ROBINSON LLC; DOES 1 through 100, inclusive; and ALL PERSONS UNKNOWN CLAIMING ANY RIGHT, TITLE, ESTATE, LIEN, OR INTEREST IN OR TO THE PROPERTY SOUGHT TO BE CONDEMNED HEREIN,

Defendants.

Case No. RIC 524291

ASSIGNED FOR ALL PURPOSES TO

The Hon. Sunshine Sykes, Dept. 6

STIPULATION FOR ENTRY OF JUDGMENT

Action Filed: April 17, 2009

Trial Date: January 26, 2018

Plaintiff, City of Perris ("City"), and Defendants, RICHARD C. STAMPER, DONALD D. ROBINSON, and DONALD D. ROBINSON LLC ("Defendants"), hereby stipulate as follows:

1. **Procedural Status.** The above-captioned eminent domain action has been remanded to the superior court for further trial proceedings as a result of the California Supreme Court’s opinion in
the case of City of Perris v. Stamper (2016) 1 Cal.5th 576. The parties have determined it is in their mutual best interests to settle the matter on the terms set forth in this Stipulation

2. The Property. Defendants, are the owners in fee simple of the real property designated by the Riverside County Assessor as Assessor’s Parcel No. 302-060-002, located on the southwest corner of Perry Street and Barrett Avenue, City of Perris, County of Riverside, State of California, and all structures, improvements pertaining to the realty, fixtures and equipment located thereon (the “Larger Parcel”). The portion of the Larger Parcel that the City seeks to acquire (the “Subject Property”) is more particularly described in Exhibits “A1” and “A2” and depicted in Exhibit “B1” and “B2,” which are incorporated herein by this reference.

3. Interest Acquired. The interest in the Subject Property being acquired by the City is the fee simple interest.

4. Public Use. The parties agree that the Subject Property, together with any improvements thereon, is being acquired by the City for public uses, specifically, construction and improvement of Indian Avenue north of Ramona Expressway, a public right-of-way designated on the City’s General Plan Circulation Elements, and all uses appurtenant thereto. The parties further agree that the use for which the Subject Property is taken is authorized by law and is a public use, and the taking in condemnation is necessary for that public use.

5. Just Compensation. The parties agree that the total just compensation for the Subject Property is $949,800.00. This amount is inclusive of any and all interest, costs, and attorneys’ and experts’ fees.

6. Payment of Just Compensation. On March 12, 2010, Defendants received the sum of $54,800.00 which the City had deposited with the Office of the State Treasurer as probable compensation in order to obtain pre-judgment possession of the property. The City shall pay Defendants the balance of the total amount of compensation, $895,000.00, 30 days from the date of execution of this Stipulation by all parties. All payments shall be made by a check or warrant payable to Allen Matkins Leck Gamble Mallory & Natsis LLP Client Trust Account and delivered to: Allen Matkins Leck Gamble Mallory & Natsis LLP, care of K. Erik Friess, 1900 Main Street, 5th Floor, Irvine, California 92614-7321.
7. **Interest on Just Compensation.** Interest is included in the total just compensation sum of $949,800.00.

8. **Costs and Attorneys’ Fees.** The City and Defendants shall each bear their own litigation expenses, attorneys’ fees and costs incurred in connection with this action.

9. **Property Taxes.** Real property taxes on the Subject Property shall be canceled as of the effective date of the City’s possession of the Subject Property, January 18, 2010, pursuant to Sections 4986, 5082, and 5086 of the Revenue and Taxation Code. Defendants acknowledge and agree that they are responsible for the payment of all real property taxes and penalties on the Subject Property levied through that date and Defendants shall be responsible for seeking refund of any overpayment of taxes.

10. **Further Documents and Assurances.** The parties to this Stipulation mutually agree that they will cooperate and take such other and further actions and execute and perform such other and further documents and agreements as may be reasonably necessary to the performance and implementation of this Stipulation, without demand for compensation in addition to that provided for in this Stipulation. The City, prior to or concurrently with delivering its signature on this Stipulation to Defendants, shall deliver to Defendants the construction plans and specifications for the construction of Indian Avenue on the Subject Property. The City agrees that it will consider future applications related to the remainder parcels created by the acquisition of the Subject Property for lot line adjustments, plat maps, subdivision maps and development permits in good faith and without regard to the history of litigation between the parties.

11. **Authority to Execute.** By signing this Stipulation, all parties to this Stipulation that are not natural persons, and the individuals signing this Stipulation on behalf of such parties, represent and warrant, with the intention that all other parties to this Stipulation rely thereon, that they are authorized to sign the Stipulation and perform their respective obligations under this Stipulation and that all steps required by law to be taken to obtain such authorization have been duly and validly taken.

12. **Entry of Judgment.** The parties to this Stipulation agree that a Judgment in Condemnation After Appeal, substantially in the form of Exhibit “C” attached hereto and incorporated
herein by this reference, will be entered pursuant to this Stipulation and that, upon the City's payment
in full of the sums set forth herein, a Final Order of Condemnation may be entered in this
condemnation action finally condemning the Subject Property and conveying title to the Subject
Property to the City.

13. Mutual Release. Except as to the obligations arising out of or created by this
Stipulation, the City, on the one hand, and Defendants, on the other hand, hereby release and
discharge the other, and their heirs and assigns, shareholders, officers, directors, employees, agents,
successors and assigns as applicable, from any and all sums of money, accounts, rents, claims,
demands, contracts, actions, debts, controversies, agreements, damages, and causes of action
whatsoever or of whatever kind or nature related to the above-captioned eminent domain action,
including but not limited to claims for precondemnation or inverse condemnation damages, lost rent,
compensation for loss of goodwill and relocation benefits pursuant to the California Relocation
Assistance Law, Government Code §§ 7260 et seq. and regulations promulgated pursuant thereto and
pursuant to the Uniform Relocation Assistance Act, 42 U.S.C. §§ 4601 et seq. and regulations
promulgated pursuant thereto, interest, costs, attorneys' fees and other litigation expenses, whether
known or unknown, or suspected or unsuspected, which either of them now owns, holds, has or claims
to have, or at any time heretofore owned, held, had or claimed to have had against the other, or
which either of them may own, hold, have or claim to have in the future.

14. Waiver of Section 1542. The City, on the one hand, and Defendants, on the other hand,
each acknowledge that they are familiar with Section 1542 of the Civil Code, which provides as
follows:

A general release does not extend to claims which the Creditor does
not know or suspect to exist in his or her favor at the time of
executing the release, which if known by him or her must have
materially affected his or her settlement with the debtor.

The City and Defendants each waive and relinquish any right or benefit which they have or
may have under Civil Code § 1542 to the full extent that such rights or benefits may lawfully be
waived. In connection with such waiver and relinquishment, the City and Defendants each
acknowledge that they or their attorneys may hereafter discover claims or facts in addition to, or
different from, those they now know or believe to exist with respect to the subject matter of this
Stipulation, but that it is their intention to settle and release the matters which are the subject of this
Stipulation fully, finally and forever.

15. **Compromise Agreement.** It is acknowledged by the parties that this Stipulation is an
agreement to compromise and settle claims, and that this Stipulation shall not be used as an admission
by any party of liability for or the validity of any claims of any other party. It is hereby further
acknowledged that the City’s payment in full of the sums set forth herein is made in settlement of all
claims asserted by Defendants with respect to the City’s condemnation of the Subject Property
including, but not limited to, just compensation for all interests in the Subject Property and
improvements thereon so taken, and for all claims for relocation benefits pursuant to the California
Relocation Assistance Law, Government Code §§ 7260 et seq. and regulations promulgated pursuant
thereto and pursuant to the Uniform Relocation Assistance Act, 42 U.S.C. §§ 4601 et seq. and
regulations promulgated pursuant thereto, loss of goodwill, precondemnation conduct, loss of rental
income, interest, costs and attorneys’ fees and other litigation expenses.

16. **Amendments.** No supplement, modification or amendment of any term, provision or
condition of this Stipulation shall be binding or enforceable unless executed in writing by the parties
hereto and filed with the Court herein.

17. **Entire Stipulation.** This Stipulation contains the entire understanding between the
parties and supersedes all prior and contemporaneous agreements, arrangements, negotiations and
understandings, statements, promises or inducements, oral or otherwise, contrary to the terms of this
Stipulation. No representations, warranties, covenants or conditions expressed or implied, whether by
statute or otherwise, other than as set forth herein have been made by either party hereto.

18. **Counterparts.** This stipulation may be executed in separate and single counterparts by
each of the parties hereto, and upon which execution of each counterpart, this stipulation shall be
deemed executed by all parties.

19. **Enforcement.** This Stipulation may be enforced by any Party hereto by a motion under
California Code of Civil Procedure section 664.6 or by any procedure permitted by law in the Superior
Court of Riverside County. The parties agree that Court shall reserve jurisdiction to interpret, enforce and effectuate this Stipulation.

DATED: November ___, 2017

CITY OF PERRIS

By: _____________________________
    MICHAEL M. VARGAS
    Mayor

APPROVED AS TO FORM:

DATED: November ___, 2017

ERIC DUNN, CITY ATTORNEY

ALESHIRE & WYNDER, LLP
JUNE S. AILIN

By: _____________________________
    JUNE S. AILIN
    Attorneys for CITY OF PERRIS, a municipal corporation

DEFENDANTS

DATED: November ___, 2017

By: _____________________________
    RICHARD C. STAMPER

DATED: November ___, 2017

By: _____________________________
    DONALD D. ROBINSON, individually and on behalf of DONALD D. ROBINSON LLC

STIPULATION FOR ENTRY OF JUDGMENT
APPROVED AS TO FORM:

DATED: November __, 2017

ALLEN MATKINS LECK GAMBLE MALLORY &
NATSIS LLP
K. ERICK FRESS

By:

K. ERICK FRIESS
Attorneys for RICHARD C. STAMPER,
DONALD D. ROBINSON, and DONALD D.
ROBINSON LLP
EXHIBIT "A1"
LEGAL DESCRIPTION
FOR RIGHT-OF-WAY ACQUISITION PURPOSES

Portions of Lot 3 of Block 11 of the Riverside Tract as shown by Map on file in Book 14, Page 668 of Maps, San Diego County Records, lying in the City of Perris, County of Riverside, State of California more particularly described as follows:

PARCEL 1:

Commencing at the Intersection of Perry Street and Barret Avenue as shown on said Map;

Thence South 00° 35' 05" West a distance of 660.10 feet along the centerline of said Barret Avenue;

Thence departing from said centerline, North 89° 24' 38" West a distance of 30.00 feet to the Westerly Right-Of-Way of said Barret Avenue, the Southeasterly corner of said Lot 3 and the Point of Beginning;

Thence North 00° 35' 05" East a distance of 91.30 feet along said Westerly Right-Of-Way of said Barret Avenue to the beginning of a non-tangent curve concave Southwesterly of radius 1247.00 feet and having a radial bearing of North 70° 20' 39" East;

Thence along said curve a distance of 671.34 feet to the Southerly Right-of-Way line of said Perry Street 60.00 feet wide;

Thence North 89° 24' 21" West a distance of 160.48 feet along said Southerly Right-of-Way line to a point lying 83.12 feet distant from the Northwesterly corner of said Lot 3 and to the beginning of a non-tangent curve concave Southwesterly of radius 1151.00 feet having a radial bearing of North 33° 16' 48" East;

Thence along said curve a distance of 807.93 feet to the Southerly line of said Lot 3;

Thence South 89° 24' 38" East a distance of 68.31 feet along said Southerly line to the Point of Beginning;

The above described easement contains 1.66 acres, more or less.
EXHIBIT "A2"
LEGAL DESCRIPTION

PARCEL 2:

Commencing at the intersection of Perry Street and Barer Avenue as shown on said Map;

Thence North 89° 24' 21" West a distance of 361.41 feet along the centerline of said Perry Street;

Thence departing from said centerline, South 00° 33' 37" West a distance of 30.00 feet to the Southerly Right-Of-Way of said Perry Street and to the Point of Beginning;

Thence North 89° 24' 21" West a distance of 55.26 feet along said Southerly Right-Of-Way of said Perry Street to a non-tangent curve concave Southwesterly of radius 1247.00 feet and having a radial bearing North 39° 29' 52" East, said curve coincident with the Easterly line of the aforementioned Parcel 1;

Thence Southeasterly along said curve a distance of 55.03 feet through a central angle of 02° 31' 43" to a point of cusp and the beginning of a non-tangent curve concave Southeasterly of radius 20.29 feet and having a radial bearing of South 42° 01' 35" West;

Thence Northerly and Northeastery along said curve a distance of 48.85 feet through a central angle 137° 58' 04" to a point of cusp and the Point of Beginning.

The above described easement contains 612 square feet, more or less.

KCT CONSULTANTS, INC.
Prepared Under the Supervision of:

[Signature]

Eric Cantrell, PLS

Date: 1/21/08

APN 302-060-002
CITY OF PERRIS, a municipal corporation, 

Plaintiff,

v.

RICHARD C. STAMPER and MARIANNE STAMPER, TRUSTEES OF THE RICHARD C. STAMPER and MARIANNE STAMPER 1997 REVOCABLE TRUST CREATED BY DECLARATION OF TRUST DATED JUNE 10, 1997; DONALD D. ROBINSON; ANTHONY CURTIS; DONALD D. ROBINSON LLC; DOES 1 through 100, inclusive; and ALL PERSONS UNKNOWN CLAIMING ANY RIGHT, TITLE, ESTATE, LIEN, OR INTEREST IN OR TO THE PROPERTY SOUGHT TO BE CONDEMNED HEREBIN,

Defendants.

The above matter came on regularly for trial on November 1, 2010, in Riverside Superior Court, Department HA2, Hon. Dallas Holmes, (Ret.), judge, presiding. The matter was tried to the Court sitting without a jury. Sunny K. Soltani and Pam K. Lee of the law firm Aleshire & Wynder LLP appeared on behalf of Plaintiff, City of Perris ("City"). K. Erik Friess of the law firm Allen
Matkins Leck Gamble Mallory & Natsis LLP appeared on behalf of Defendants Richard C. Stamper, Donald D. Robinsons, and Donald D. Robinson, LLC (collectively “Defendants”).

On February 23, 2011, the Court entered judgment in favor of the Plaintiff. On April 13, 2011, Defendants appealed from the judgment. On August 9, 2013, the Court of Appeal reversed the judgment, concluding a jury trial was required on the constitutionality of the City’s requirements for dedication of right-of-way in connection with development of the larger parcel of which the Subject property is a part (Fourth District, Division 2, Case No. E053395). Plaintiff’s petition for rehearing was denied. On September 18, 2013, Plaintiff filed a Petition for Review with the California Supreme Court, which was granted. On August 15, 2016, the California Supreme Court reversed the Court of Appeal’s ruling on the need for a jury trial on the constitutionality of the City’s requirements for dedication of right-of-way, gave direction with regard to the application of the Porterville rule (City of Porterville v. Young (1987) 195 Cal.App.3d 1260) and remanded the case to the Court of Appeal with instructions to remand to the trial court for proceedings consistent with its opinion. (City of Perris v. Stamper (2016) 1 Cal.5th 576. The parties have subsequently stipulated to settlement of the case.

Pursuant to the decisions of the California Supreme Court and as directed by the Court of Appeal, THE COURT ADJUDGES AND DECREES that:

The judgment entered on February 23, 2011 is hereby vacated.

FURTHERMORE:

City and Defendants have entered into a Stipulation for Entry of Judgment in Condemnation (“Stipulation”) with respect to the Subject Property identified in the Stipulation and described in Exhibit A to this Judgment of Condemnation After Appeal (“Judgment”).

Findings of fact and conclusions of law having been waived, and good cause appearing therefore, it is hereby found, ordered, adjudged and decreed that:

1. Defendants are the owners in fee simple of the real property located at the southwest corner of Perry Street and Barret Avenue, City of Perris, County of Riverside, State of California, designated by the Riverside County Assessor as Assessor’s Parcel No. 302-060-002 (the “Larger Parcel”).
2. The property condemned in this action consists of the fee simple interest in portions of
the Larger Parcel described in Exhibits "A1" and "A2" and depicted in Exhibit "B1" and "B2," which
are incorporated herein by this reference, including all improvements and all rights and appurtenances
located on such portions of the Larger Parcel (all of the same being collectively referred to as the
"Subject Property.").

3. The Subject Property, together with any improvements thereon, is being acquired by
the City for public uses, specifically, construction and improvement of Indian Avenue north of
Ramona Expressway, a public right-of-way designated on the City's General Plan Circulation
Elements, and all uses appurtenant thereto. The parties further agree that the use for which the Subject
Property is taken is authorized by law and is a public use, and the taking in condemnation is necessary
for that public use.

4. The total amount of just compensation for the Subject Property is $949,800.00,
inclusive of any and all interest, costs, and attorneys' and experts' fees. The City's payment in full of
the sum set forth herein is just compensation for all claims asserted by Defendants with respect to the
City's condemnation of the Subject Property including, but not limited to, just compensation for all
interests in the Subject Property and improvements thereon so taken, and for all claims for relocation
benefits pursuant to the California Relocation Assistance Law, Government Code §§ 7260 et seq. and
regulations promulgated pursuant thereto and pursuant to the Uniform Relocation Assistance Act, 42
U.S.C. §§ 4601 et seq. and regulations promulgated pursuant thereto, loss of goodwill,
precondemnation conduct, loss of rental income, interest, costs and attorneys' fees and other litigation
expenses.

5. The parties have stipulated that Defendants previously received the sum of $54,800.00
which the City had deposited with the Office of the State Treasurer as probable compensation in order
to obtain pre-judgment possession of the property. The City shall pay Defendants the balance of the
total amount of compensation, $895,000.00 by a check or warrant payable to Allen Atkins Leck
Gamble Mallory & Natsis LLP Client Trust Account and delivered to: Allen Atkins Leck Gamble
Mallory & Natsis LLP, care of K. Erik Friess, 1900 Main Street, 5th Floor, Irvine, California 92614-
7321.
6. Except as set forth in paragraph 6 of the Stipulation, the City and Defendants shall each bear its own costs and litigation expenses, including attorneys’ fees, and all other fees and costs of any nature.

7. All ad valorem real property taxes and any penalties and costs thereon pertaining to the property described herein as to which the City is acquiring title in fee simple shall be canceled as of January 18, 2010 pursuant to Sections 4986, 5082, and 5086 of the Revenue and Taxation Code. County of Riverside shall provide the parties with a certificate of tax information in the form specified in Code of Civil Procedure § 1260.250(c) and shall refund any overpayment of taxes to Defendants.

The Clerk is ordered to enter this Judgement of Condemnation After Appeal.

DATED: ______________, 2017

Judge of the Superior Court

APPROVED AS TO FORM AND CONTENT:

DATED: November ___, 2017

ALESHIRE & WYNDER, LLP
JUNE S. AILIN

By:

JUNE S. AILIN
Attorneys for CITY OF PERRIS, a municipal corporation

DATED: November ___, 2017

ALLEN MATKINS LECK GAMBLE MALLORY & NATSIS LLP
K. ERIK FRIESS

By:

K. ERIK FRIESS
Attorneys for RICHARD C. STAMPER, DONALD D. ROBINSON, and DONALD D. ROBINSON LLP
EXHIBIT "A1"
LEGAL DESCRIPTION
FOR RIGHT-OF-WAY ACQUISITION PURPOSES

Portions of Lot 3 of Block 11 of the Riverside Tract as shown by Map on file in Book 14, Page 668 of Maps, San Diego County Records, lying in the City of Perris, County of Riverside, State of California more particularly described as follows:

PARCEL 1:

Commencing at the Intersection of Perry Street and Barret Avenue as shown on said Map;

Thence South 00° 35' 05" West a distance of 660.10 feet along the centerline of said Barret Avenue;

Thence departing from said centerline, North 89° 24' 38" West a distance of 30.00 feet to the Westerly Right-Of-Way of said Barret Avenue, the Southeasterly corner of said Lot 3 and the Point of Beginning;

Thence North 00° 35' 05" East a distance of 91.30 feet along said Westerly Right-Of-Way of said Barret Avenue to the beginning of a non-tangent curve concave Southwesterly of radius 1247.00 feet and having a radial bearing of North 70° 20' 39" East;

Thence along said curve a distance of 671.34 feet to the Southerly Right-of-Way line of said Perry Street 60.00 feet wide;

Thence North 89° 24' 21" West a distance of 160.48 feet along said Southerly Right-of-Way line to a point lying 83.12 feet distant from the Northwesterly corner of said Lot 3 and to the beginning of a non-tangent curve concave Southwesterly of radius 1153.00 feet having a radial bearing of North 33° 16' 48" East;

Thence along said curve a distance of 807.93 feet to the Southerly line of said Lot 3;

Thence South 89° 24' 38" East a distance of 68.31 feet along said Southerly line to the Point of Beginning;

The above described easement contains 1.66 acres, more or less.
EXHIBIT "A2"
LEGAL DESCRIPTION

PARCEL 2:

Commencing at the intersection of Perry Street and Barret Avenue as shown on said Map;

Thence North 89° 24’ 21” West a distance of 361.41 feet along the centerline of said Perry Street;

Thence departing from said centerline, South 00° 35’ 37” West a distance of 30.00 feet to the Southerly Right-Of-Way of said Perry Street and to the Point of Beginning;

Thence North 89° 24’ 21” West a distance of 55.26 feet along said Southerly Right-Of-Way of said Perry Street to a non-tangent curve concave Southwesterly of radius 1247.00 feet and having a radial bearing North 39° 29’ 52” East, said curve coincident with the Easterly line of the aforementioned Parcel 1;

Thence Southeasterly along said curve a distance of 55.03 feet through a central angle of 02° 31’ 43” to a point of cusp and the beginning of a non-tangent curve concave Southeasterly of radius 20.29 feet and having a radial bearing of South 42° 01’ 35” West;

Thence Northerly and Northeasterly along said curve a distance of 48.85 feet through a central angle 137° 58’ 04” to a point of cusp and the Point of Beginning.

The above described easement contains 612 square feet, more or less.

KCT CONSULTANTS, INC.
Prepared Under the Supervision of:

[Signature]

Eric Canrell, PLS

Date: 11-21-08

APN 302-060-002
Meeting Date: November 14, 2017


REQUESTED ACTION: Receive and File Quarterly Investment Report for the Quarter Ended September 30, 2017

CONTACT: Jennifer Erwin, Director of Finance

BACKGROUND/DISCUSSION: The California Government Code establishes requirements for Treasurer’s Investment Reports and investment practices. Section 53646 of the Code states that the City’s Treasurer shall render a quarterly report to the City Manager and City Council.

The earnings for the first quarter of 2017-18, as presented in this report, are $39,461.21.

The City continues to employ an investment strategy of maximizing yield while maintaining security of the City’s invested funds as specified in the investment policy adopted by the Council.

BUDGET (or FISCAL) IMPACT: Interest income earned for the first quarter of Fiscal Year 2017-2018 as reported is $39,461.21. The projected interest income for the General Fund is $7,621.48.

Assistant City Manager

Director of Finance

Attachments: Memorandum Quarterly Investment Report

Consent: X
Memorandum

TO: Honorable Mayor and Members of the Perris City Council
FROM: Adrienne Morales, Accountant I
PREPARED BY: Adrienne Morales, Accountant I
APPROVED BY: Jennifer Erwin, Finance Director
DATE: November 14, 2017
SUBJECT: Quarterly Investment Report as of September 30, 2017

We hereby certify that this quarterly investment report (see attached Exhibit A) accurately reflects all investments and is in compliance with the City's Investment Policy (see Compliance Table Exhibit B). Sufficient investment liquidity and anticipated revenues are available to meet budgeted expenditures for the next six months.

Submitted by: Adrienne Morales, Accountant I 11/16/17
Approved by: Jennifer Erwin, Finance Director 11/16/17
EXHIBIT A

City of Perris
Quarterly Investment Report
July 1, 2017 - September 30, 2017

Current Quarter Ending September 30, 2017

<table>
<thead>
<tr>
<th>Type of Investment</th>
<th>Institution</th>
<th>Maturity Date</th>
<th>Deposit Amount *</th>
<th>Interest Received</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pooled</td>
<td>Citizens Business Bank (Premiere Money Market)</td>
<td>Liquid</td>
<td>37,626,331.14</td>
<td>25,229.15</td>
</tr>
<tr>
<td>Pooled</td>
<td>Citizens Business Bank (Investment)</td>
<td>Liquid</td>
<td>20,014,293.03</td>
<td>(72,404.61)</td>
</tr>
<tr>
<td>Pooled</td>
<td>Local Agency Investment Fund (LAIF)</td>
<td>Liquid</td>
<td>3,397,857.98</td>
<td>9,196.50</td>
</tr>
<tr>
<td>Pooled</td>
<td>U.S. Bank (Investment)</td>
<td>Liquid</td>
<td>4,367,866.05</td>
<td>15,220.46</td>
</tr>
<tr>
<td>Pooled</td>
<td>Chandler Asset Management</td>
<td>Liquid</td>
<td>62,165,651.44</td>
<td>62,219.71</td>
</tr>
</tbody>
</table>

Total Interest Earning for Period Ending September 30, 2017: $39,461.21

* Average Quarterly Cash Balance per Investment Account
CITY OF PERRIS
Projected Cash Balances & Projected Interest Income as of September 30, 2017
Fiscal Year 2017 - 2018

<table>
<thead>
<tr>
<th>FUND #</th>
<th>FUND NAME</th>
<th>Projected Balances as of 9/30/2017</th>
<th>Projected Interest Income for quarter ending 9/30/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>001</td>
<td>GENERAL FUND*</td>
<td>25,156,643.96</td>
<td>7,621.48</td>
</tr>
<tr>
<td>106</td>
<td>RAILWAY DEPOT RESTORATION</td>
<td>129,405.42</td>
<td>39.20</td>
</tr>
<tr>
<td>109</td>
<td>AQMD - AIR QUALITY MANAGEMENT</td>
<td>281,752.60</td>
<td>85.36</td>
</tr>
<tr>
<td>112</td>
<td>TRAFFIC SAFETY</td>
<td>1,594,407.83</td>
<td>483.04</td>
</tr>
<tr>
<td>115</td>
<td>OFFICE OF TRAFFIC SAFETY</td>
<td>141,427.45</td>
<td>42.85</td>
</tr>
<tr>
<td>121</td>
<td>STREET LIGHTING - PROPERTY TAX</td>
<td>1,656,574.72</td>
<td>501.88</td>
</tr>
<tr>
<td>124</td>
<td>STREET LIGHTING - MD 84-1</td>
<td>1,159,010.11</td>
<td>351.13</td>
</tr>
<tr>
<td>127</td>
<td>LANDSCAPE MAINTENANCE DISTRICT 1</td>
<td>3,614,000.27</td>
<td>1,094.90</td>
</tr>
<tr>
<td>130</td>
<td>FLOOD CONTROL MAINTENANCE DISTRICT</td>
<td>7,412,340.19</td>
<td>2,245.65</td>
</tr>
<tr>
<td>133</td>
<td>ROAD &amp; BRIDGE BENEFIT DISTRICT</td>
<td>32,746,673.69</td>
<td>9,920.96</td>
</tr>
<tr>
<td>136</td>
<td>GAS TAX</td>
<td>6,096,402.84</td>
<td>1,846.97</td>
</tr>
<tr>
<td>142</td>
<td>MEASURE A</td>
<td>5,059,544.62</td>
<td>1,532.84</td>
</tr>
<tr>
<td>155</td>
<td>LOCAL HEALTH DEPT GRANT</td>
<td>4,142.37</td>
<td>1.25</td>
</tr>
<tr>
<td>157</td>
<td>CITY PROJECTS - EXTERNAL CONTRIBUTIONS</td>
<td>6,238,887.22</td>
<td>1,890.13</td>
</tr>
<tr>
<td>160</td>
<td>STORM DRAIN DEVELOPER FEES</td>
<td>10,957,625.94</td>
<td>3,319.73</td>
</tr>
<tr>
<td>163</td>
<td>DEVELOPMENT FEES</td>
<td>15,197,367.54</td>
<td>4,604.21</td>
</tr>
<tr>
<td>165</td>
<td>COMM ECONOMIC DEV CORP</td>
<td>4,224,089.63</td>
<td>1,279.73</td>
</tr>
<tr>
<td>170</td>
<td>HUD - NSP3 - FEDERAL</td>
<td>233,730.57</td>
<td>70.81</td>
</tr>
<tr>
<td>180</td>
<td>HOUSING AUTHORITY</td>
<td>1,261,873.10</td>
<td>382.30</td>
</tr>
<tr>
<td>204</td>
<td>CFD 90-2 GREEN VALLEY</td>
<td>24,513.85</td>
<td>7.43</td>
</tr>
<tr>
<td>205</td>
<td>CFD 91-1 SPECTRUM</td>
<td>7,644.05</td>
<td>2.32</td>
</tr>
<tr>
<td>206</td>
<td>CFD 93-1R MAY RANCH</td>
<td>33,273.26</td>
<td>10.08</td>
</tr>
<tr>
<td>208</td>
<td>CFD 93-2R PERRIS PLAZA</td>
<td>54,276.80</td>
<td>16.44</td>
</tr>
<tr>
<td>212</td>
<td>CFD 2001-1 MAY FARMS IA #4-7</td>
<td>42,459.10</td>
<td>12.86</td>
</tr>
<tr>
<td>216</td>
<td>CFD 200X WILLOWBROOK #2</td>
<td>47,252.00</td>
<td>14.32</td>
</tr>
<tr>
<td>219</td>
<td>CFD 2004-5 AMBER OAKS II</td>
<td>1,771.66</td>
<td>0.54</td>
</tr>
<tr>
<td>226</td>
<td>CFD 2006-3 ALDER</td>
<td>331,008.03</td>
<td>100.28</td>
</tr>
<tr>
<td>228</td>
<td>CFD 2006-2 MONUMENT PARK</td>
<td>172.95</td>
<td>0.05</td>
</tr>
<tr>
<td>230</td>
<td>CFD 2005-1 #3 CENTEX</td>
<td>3,244.92</td>
<td>0.98</td>
</tr>
<tr>
<td>232</td>
<td>CFD 2001-1 MAY FARMS #5</td>
<td>31,681.47</td>
<td>9.60</td>
</tr>
<tr>
<td>237</td>
<td>CFD 88-1 (NEW)</td>
<td>48,284.35</td>
<td>14.63</td>
</tr>
<tr>
<td>238</td>
<td>CFD 88-3 (NEW)</td>
<td>10,349.98</td>
<td>3.14</td>
</tr>
<tr>
<td>239</td>
<td>CFD 90-1 (NEW)</td>
<td>21,689.20</td>
<td>6.57</td>
</tr>
<tr>
<td>240</td>
<td>CFD 2007-2 PACIFIC HERITAGE</td>
<td>57,980.74</td>
<td>17.57</td>
</tr>
<tr>
<td>241</td>
<td>CFD 2002-1R WILLOWBROOK</td>
<td>28,006.32</td>
<td>8.48</td>
</tr>
<tr>
<td>242</td>
<td>CFD 2001-1 #1R MAY FARMS</td>
<td>843.47</td>
<td>0.26</td>
</tr>
<tr>
<td>243</td>
<td>CFD 2001-1 #2R MAY FARMS</td>
<td>6,855.26</td>
<td>2.08</td>
</tr>
<tr>
<td>244</td>
<td>CFD 2001-1 #3R MAY FARMS</td>
<td>18,301.63</td>
<td>5.54</td>
</tr>
<tr>
<td>245</td>
<td>CFD 2001-2R VIL OF AVALON</td>
<td>550,227.48</td>
<td>166.70</td>
</tr>
<tr>
<td>246</td>
<td>CFD 2006-1R MERITAGE</td>
<td>18,769.57</td>
<td>5.69</td>
</tr>
<tr>
<td></td>
<td>Description</td>
<td>Amount</td>
<td>Percentage</td>
</tr>
<tr>
<td>---</td>
<td>--------------------------------------------------</td>
<td>----------</td>
<td>------------</td>
</tr>
<tr>
<td>247</td>
<td>CFD 2014-1 AVELINA</td>
<td>8,443.11</td>
<td>2.56</td>
</tr>
<tr>
<td>246</td>
<td>CFD 2004-3R MONUMENT RANCH</td>
<td>20,074.27</td>
<td>6.08</td>
</tr>
<tr>
<td>249</td>
<td>CFD 2004-2R CLC</td>
<td>8,196.00</td>
<td>2.48</td>
</tr>
<tr>
<td>250</td>
<td>CFD 2001-1 #6R MAY FARMS</td>
<td>5,562.02</td>
<td>1.69</td>
</tr>
<tr>
<td>251</td>
<td>CFD 2001-1 #7R MAY FARMS</td>
<td>4,942.24</td>
<td>1.50</td>
</tr>
<tr>
<td>253</td>
<td>CFD 2003-1R CHAPARRAL RIDGE</td>
<td>27,220.15</td>
<td>8.25</td>
</tr>
<tr>
<td>254</td>
<td>CFD 2005-2R HARMONY GROVE</td>
<td>47,306.88</td>
<td>14.33</td>
</tr>
<tr>
<td>255</td>
<td>CFD 2004-3R MONUMENT RANCH IA2</td>
<td>9,237.51</td>
<td>2.80</td>
</tr>
<tr>
<td>256</td>
<td>CFD 2014-2 SPECTRUM</td>
<td>344,068.68</td>
<td>104.24</td>
</tr>
<tr>
<td>258</td>
<td>CFD 2005-4R STRATFORD RANCH</td>
<td>100,727.87</td>
<td>30.52</td>
</tr>
<tr>
<td>271</td>
<td>AD 86-1 93 SERIES A</td>
<td>52,563.58</td>
<td>15.92</td>
</tr>
<tr>
<td>273</td>
<td>CFD 2014-1 AVELINA IA 3</td>
<td>23,898.99</td>
<td>7.24</td>
</tr>
<tr>
<td>431</td>
<td>JPA 2013 SERIES A</td>
<td>48,019.09</td>
<td>14.55</td>
</tr>
<tr>
<td>511</td>
<td>SEWER FUND - CITY</td>
<td>1,627,156.36</td>
<td>492.96</td>
</tr>
<tr>
<td>512</td>
<td>SEWER FUND - MCCANNA</td>
<td>140,417.36</td>
<td>42.54</td>
</tr>
<tr>
<td>521</td>
<td>SOLID WASTE FUND - CITY</td>
<td>1,787,227.16</td>
<td>541.46</td>
</tr>
<tr>
<td>751</td>
<td>DEBT SERVICE FUNDS/SUCCESSOR</td>
<td>809,739.64</td>
<td>245.32</td>
</tr>
<tr>
<td>801</td>
<td>TRUST FUND</td>
<td>682,550.51</td>
<td>206.78</td>
</tr>
<tr>
<td></td>
<td><strong>Total:</strong></td>
<td><strong>130,251,819.68</strong></td>
<td><strong>39,461.21</strong></td>
</tr>
</tbody>
</table>
SUBJECT:

Re-financing, defeasance and issuance of bonds associated with CFD No. 88-1 (Triple Crown Ranch), CFD No. 88-3, CFD No. 90-1, CFD No. 93-1 (May Ranch) and CFD No. 2004-5 (Amber Oaks II) to refund outstanding bonds.

CFD No. 88-1 (Triple Crown Ranch) is a primarily residential development located in the northern portion of the City and is generally bordered to the west by Perris Boulevard, to the east by Redlands Avenue, to the south by Orange Avenue and to the north by Placentia Avenue. CFD No. 88-3 consists primarily of residential developments in three non-contiguous areas located in the northern portion of the City. CFD No. 90-1 consists primarily of residential developments in three non-contiguous areas located in the northern portion of the City. CFD No. 93-1 (May Ranch) is located southwest of the Ramona Expressway and is generally bordered to the west by Evans Road and to the south by May Ranch Parkway. CFD No. 2004-5 (Amber Oaks II) is located in the southern portion of the City and is generally bordered to the east by Perris Boulevard, to the south by Ellis Avenue and to the north by Midway Street.

REQUESTED ACTION:

That the City of Perris and the Perris Joint Powers Authority adopt the following resolutions, respectively:


CONTACT:

Jennifer Erwin, Finance Director
BACKGROUND/DISCUSSION/UPDATE:

On October 10, 2017, City Council held a Public Hearing and approved the refunding of bonds associated with Community Facilities District No. 88-1 (Triple Crown Ranch) of the City of Perris (“CFD No. 88-1”), Community Facilities District No. 88-3 of the City of Perris (“CFD No. 88-3”), Community Facilities District No. 90-1 of the City of Perris (“CFD No. 90-1”), Community Facilities District No. 93-1 (May Ranch) of the City of Perris (“CFD No. 93-1) and Community Facilities District No. 2004-5 (Amber Oaks II) of the City of Perris (“CFD No. 2004-5” and, together with CFD No. 88-1, CFD No. 88-3, CFD No. 90-1, and CFD No. 93-1, the “Districts”). All required legal and financing documents were approved and Staff was given the Authority to proceed and take all required actions to complete the refunding of the Bonds.

City Staff and its Finance team reviewed all outstanding accounts for each of these Districts and have determined that there will be sufficient funds to defease all outstanding bonds for CFD No. 88-1, CFD No. 88-3 and CFD No. 90-1 after the FY 2017/18 levy is apportioned by the County. Based on these funds being available there is no need to refund the outstanding bonds. This will enable residents in these CFD’s to not pay special taxes starting in FY 18/19. Although there are not sufficient funds in CFD No. 93-1 and CFD No. 2004-5 to defease the outstanding bonds after the FY 2017/2018, refunding these certain bonds will still provide savings to residents starting in FY 2018/19.

1. CFD No. 88-1 was formed by the City of Perris (the “City”) in May 1988 to finance various public improvements needed to develop property located within CFD No. 88-1. CFD No. 88-1 is a primarily residential development located in the northern portion of the City and is generally bordered to the west by Perris Boulevard, to the east by Redlands Avenue, to the south by Orange Avenue and to the north by Placentia Avenue. CFD No. 88-1 includes 710 taxable parcels. As of January 1, 2017, there were 708 completed homes owned by individual homeowners, one parcel owned by the City and one undeveloped parcel owned by Inland Property Investment that is currently zoned for commercial use.

Based on available funds on hand and the FY 2017/18 levy, these bonds are anticipated to be defeased in July of 2018.

2. CFD No. 88-3 was formed by the City in April 1989 to finance various public improvements needed to develop property located within CFD No. 88-3. CFD No. 88-3 consists primarily of residential developments in three non-contiguous areas located in the northern portion of the City. As of January 1, 2017, there were 525 completed homes owned by individual homeowners, 12 parcels zoned for commercial uses and 211 undeveloped parcels for a total of 748 parcels.

Based on available funds on hand and the FY 2017/18 levy, these bonds are anticipated to be defeased in July of 2018.
3. CFD No. 90-1 was formed by the City in April 1990 to finance various public improvements needed to develop property located within CFD No. 90-1. CFD No. 90-1 consists primarily of residential developments in three non-contiguous areas located in the northern portion of the City and includes 237 taxable parcels.

*Based on available funds on hand and the FY 2017/18 levy, these bonds are anticipated to be defeased in July on 2018.*

5. CFD No. 93-1 was formed by the City in April 1993 to finance various public improvements needed to develop property located within CFD No. 93-1. CFD No. 93-1 is located southwest of the Ramona Expressway and is generally bordered to the west by Evans Road and to the south by May Ranch Parkway. CFD No. 93-1 includes 619 taxable parcels and is built out with 619 completed single family residential homes.

The estimated projected savings based on market conditions as of November 2, 2017 are provided in the table below:

<table>
<thead>
<tr>
<th>Method of Sale</th>
<th>Public</th>
<th>Cash Reserve Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt Service Reserve Fund</td>
<td></td>
<td>N/A</td>
</tr>
<tr>
<td>Bond Insurance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Final Maturity</td>
<td>9/1/2023</td>
<td></td>
</tr>
<tr>
<td>Closing Date</td>
<td>12/14/2017</td>
<td></td>
</tr>
<tr>
<td>Refunded Bonds Call Date</td>
<td>1/16/2018</td>
<td></td>
</tr>
<tr>
<td>Par Amount to be Refunded</td>
<td>$2,880,000</td>
<td></td>
</tr>
<tr>
<td>Refunding Par Amount</td>
<td>$2,485,000</td>
<td></td>
</tr>
<tr>
<td>Total Gross Debt Service Savings</td>
<td>$214,782</td>
<td></td>
</tr>
<tr>
<td>Net Present Value Savings ($)</td>
<td>$200,671</td>
<td></td>
</tr>
<tr>
<td>Percentage Savings of Refunded Bonds</td>
<td>6.97%</td>
<td></td>
</tr>
<tr>
<td>Average Annual Savings ($)</td>
<td>$53,695</td>
<td></td>
</tr>
<tr>
<td>Number of Parcels</td>
<td>619</td>
<td></td>
</tr>
<tr>
<td>Savings Per Parcel</td>
<td>$87</td>
<td></td>
</tr>
</tbody>
</table>

The assessed value of the property in CFD No. 93-1 is $114,296,401 based on the County rolls- providing for a value to lien ratio (including all assessment roll liens) of 45.99:1, assuming a $2,485,000 principal, which is more than required pursuant to the City’s policies or the Act.

6. CFD No. 2004-5 was formed by the City in November 2004 to finance various public improvements needed to develop property located within CFD No. 2004-5. CFD No.
2004-5 is located in the southern portion of the City and is generally bordered to the east by Perris Boulevard, to the south by Ellis Avenue and to the north by Midway Street. CFD No. 2004-5 includes 95 taxable parcels and is built out with 95 completed single family residential dwellings.

The estimated projected savings based on market conditions as of November 2, 2017 are provided in the table below:

<table>
<thead>
<tr>
<th>Method of Sale</th>
<th>Public Cash Reserve Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt Service Reserve Fund</td>
<td>N/A</td>
</tr>
<tr>
<td>Bond Insurance</td>
<td>9/1/2035</td>
</tr>
<tr>
<td>Final Maturity</td>
<td>12/14/2017</td>
</tr>
<tr>
<td>Closing Date</td>
<td>1/16/2018</td>
</tr>
<tr>
<td>Refunded Bonds Call Date</td>
<td>$1,405,000</td>
</tr>
<tr>
<td>Par Amount to be Refunded</td>
<td>$1,345,000</td>
</tr>
<tr>
<td>Refunding Par Amount</td>
<td>$462,416</td>
</tr>
<tr>
<td>Total Gross Debt Service Savings</td>
<td>$322,456</td>
</tr>
<tr>
<td>Net Present Value Savings ($)</td>
<td>22.95%</td>
</tr>
<tr>
<td>Percentage Savings of Refunded Bonds</td>
<td>$28,901</td>
</tr>
<tr>
<td>Average Annual Savings ($)</td>
<td>95</td>
</tr>
<tr>
<td>Number of Parcels</td>
<td>$304</td>
</tr>
<tr>
<td>Savings Per Parcel</td>
<td></td>
</tr>
</tbody>
</table>

The assessed value of the property in CFD No. 2004-5 is $17,529,107 based on the County rolls providing for a value to lien ratio (including all assessment roll liens) of 13:03:1, assuming a $1,345,000 principal, which is more than required pursuant to the City’s policies or the Act.

CFD No. 93-1 will issue bonds designated as the Community Facilities District No. 93-1 (May Ranch) of the City of Perris Special Tax Refunding Bonds, 2017 Series A (the "CFD No. 93-1 Bonds") and CFD No. 2004-5 will issue bonds designated as the Community Facilities District No. 2004-5 (Amber Oaks II) of the City of Perris Special Tax Refunding Bonds, 2017 Series A (the "CFD No. 2004-5 Bonds", together with the CFD No. 93-1 Bonds, the "District Bonds"), which will be sold to the Perris Joint Powers Authority (the "Authority"). The City held a public hearing on October 10th regarding the public benefits associated with the Authority issuing its bonds to purchase the District Bonds, including using parties familiar with the City and saving costs associated with the financing.
The Authority proposes to issue its Local Agency Revenue Refunding Bonds (CFD Nos. 93-1 and 2004-5), 2017 Series C, in an aggregate principal amount not to exceed $4,245,000 (the "Authority Bonds"). The Authority will use the proceeds of the Authority Bonds to purchase the District Bonds, pay certain costs of issuance and fund certain funds in connection with the issuance. The costs of issuance will be approximately $199,321 for the Authority Bonds and the District Bonds. Approximately $353,744 will fund a reserve fund, which reserve funds are located at the level of the District Bonds.

In order to assist the Authority pay certain costs of issuance, the Authority and the Districts desire to provide for the repayment of services, whereby CFD No. 88-1 CFD No. 88-3, and CFD No. 90-1 agree to pay for certain administrative costs of the transaction up to $100,000 for work performed. CFD No. 88-1, CFD No. 88-3, and CFD No. 90-1 authorize the Perris Public Finance Authority to pay for these certain administrative costs from the redemption fund.

Adoption of the attached resolutions will amend the respective legislative body's prior authorization to (a) a principal amount not to exceed $4,245,000 for the District Bonds, and (b) a principal amount not to exceed $4,245,000 for the Authority Bonds. The resolutions will also authorize required changes to the Preliminary Official Statement and other bond documents to exclude CFD No. 88-1, CFD No. 88-3 and CFD No. 90-1, to delete reference to the S&P rating and to include information only for CFD No. 93-1 and CFD No. 2004-5.

The financing meets all City policies and procedures with respect to financing public improvements and certain public capital fees in connection with land development under the Mello-Roos Community Facilities Act of 1982 (constituting 53311 et seq. of the California Government Code) (the "Act").

_____________________________________________________

BUDGET (or FISCAL) IMPACT:

None. Costs will be paid from special taxes or from the proceeds of the bonds.

_____________________________________________________

Reviewed by: [Signature]  
City Attorney  [Signature]
Finance Director [Signature]

Attachments: Two Resolutions
RESOLUTION NO. _____


WHEREAS, pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California (the “Act”), the City of Perris (the “City”) established (a) Community Facilities District No. 88-1 (Triple Crown Ranch) of the City of Perris (the “88-1 District”), (b) Community Facilities District No. 88-3 of the City of Perris (the “88-3 District”), (c) Community Facilities District No. 90-1 of the City of Perris (the “90-1 District”), (d) Community Facilities District No. 93-1 (May Ranch) of the City of Perris (the “93-1 District”) and (e) Community Facilities District No. 2004-5 (Amber Oaks II) of the City of Perris (the “2004-5 District”) and, together with the 88-1 District, the 88-3 District, the 90-1 District and the 93-1 District, the “Districts” and each individually, a “District”;

WHEREAS, pursuant to the Act, the City previously found it is necessary, appropriate, in the public interest, and in furtherance of the proposed Act, to authorize the issue of bonds in an initial principal amount not to exceed (a) $1,150,000 designated as the “Community Facilities District No. 88-1 of the City of Perris Special Tax Refunding Bonds, 2017 Series A” (the “88-1 Bonds”), (b) $1,200,000 designated as the “Community Facilities District No. 88-3 of the City of Perris Special Tax Refunding Bonds, 2017 Series A” (the “88-3 Bonds”), (c) $925,000 designated as the “Community Facilities District No. 90-1 of the City of Perris Special Tax Refunding Bonds, 2017 Series A” (the “90-1 Bonds”), (d) $2,675,000 designated as the “Community Facilities District No. 93-1 (May Ranch) of the City of Perris Special Tax Refunding Bonds, 2017 Series A” (the “93-1 Bonds”), and (e) $1,450,000 designated as the “Community Facilities District No. 2004-5 (Amber Oaks II) of the City of Perris Special Tax Refunding Bonds, 2017 Series A” (the “2004-5 Bonds” and, together with the 88-1 Bonds, the 88-3 Bonds, the 90-1 Bonds and the 93-1 Bonds, the “District Bonds” and, each individually a “District Bond”);

WHEREAS, the City, on behalf of the Districts, conducted a public hearing on the public benefits related to the sale and issuance of the District Bonds, as required by law, on September 26, 2017, and continued the public hearing to October 10, 2017; and

WHEREAS, the City, on behalf of the Districts, adopted Resolution No. 5181 on October 10, 2017 (the “District Resolution”), authorizing the issuance of the District Bonds; and
WHEREAS, the Perris Joint Powers Authority (the "Authority"), adopted Resolution No. PJPA-023, on October 10, 2017, approving the issuance of not to exceed $7,400,000 Perris Joint Powers Authority Local Agency Revenue Refunding Bonds (CFD Nos. 88-1, 88-3, 90-1, 93-1, and 2004-5), 2017 Series C, to assist in purchasing the District Bonds; and

WHEREAS, due to the changed circumstances which will permit the 88-1 District, the 88-3 District, and the 90-1 District to be paid off sooner than contemplated, the City, on behalf of the Districts, has determined to amend the structure of the refunding to exclude the 88-1 District, the 88-3 District, and the 90-1 District, while maintaining the 93-1 District and 2004-5 District (the "Remaining Districts") as originally contemplated; and

WHEREAS, $2,880,000 aggregate principal amount of the 93-1 District's prior bonds and $1,405,000 aggregate principal amount of the 2004-5 District's prior bonds (the "Prior District Bonds") remain outstanding; and

WHEREAS, the City, on behalf of the Districts, desires to continue the refinancing of the Prior District Bonds through the issuance of the previously authorized 93-1 Bonds and the 2004-5 Bonds; and

WHEREAS, pursuant to the District Resolution, the 93-1 District and the 2004-5 District each approved the execution and delivery of (i) Commitment Agreement and Purchase Contract for Purchase and Sale of Local Obligation Bonds to be entered into by the District and the Authority, (the "Local Obligation Bond Purchase Contract") (ii) Bond Purchase Contract, by between the Authority and Brandis Tallman, LLC, as Underwriter (the "Underwriter") (iii) the Preliminary Official Statement, (iv) the Fiscal Agent Agreements, by and between the applicable District and U.S. Bank National Association, (v) Continuing Disclosure Agreements, by and between each of the Districts and Willdan Financial Services, (vi) Escrow Deposit and Trust Agreement, by and among the Authority, the applicable District and U.S. Bank National Association (the "Bond Documents"); and

WHEREAS, due to the revised structure, the Authority will issue its Perris Joint Powers Authority Local Agency Revenue Refunding Bonds (CFD Nos. 93-1 and 2004-5), 2017 Series C (the "Authority Bonds"), pursuant to Article 4 of the Joint Exercise of Powers Act (section 6500 et. seq. of the California Government Code), and use the proceeds thereof to purchase the 93-1 Bonds and 2004-5 Bonds, to pay certain costs of issuance and fund certain reserve funds and other funds in connection therewith; and

WHEREAS, notwithstanding the removal of the 88-1 District, the 88-3 District, and the 90-1 District from the Bond Documents, and in addition to a change in the reserve fund now held by the Remaining Districts, all Bond Documents remain the same as previously authorized, forms of which are on file with the City Clerk, were such changes may be permitted pursuant to the District Resolution; and

WHEREAS, the Authority and the Districts desire to provide for the repayment of services, whereby the 88-1 District, the 88-3 District, and the 90-1 District hereby agree to pay
for certain administrative costs of the transaction up to $100,000 for work performed on the Districts in connection with the District Bonds; and

WHEREAS, the 88-1 District, the 88-3 District, and the 90-1 District hereby authorize the Perris Public Finance Authority to provide for repayment of certain administrative costs of the transaction from the redemption fund.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Perris, acting for itself and as the legislative body of the Districts, does hereby resolve, determine and order as follows:

Section 1. Each of the above recitals is true and correct and is adopted by the legislative body of the Districts.

Section 2. The revised structure of the bonds shall consist of (a) a principal amount not to exceed $2,775,000 for the 93-1 Bonds and (b) a principal amount not to exceed $1,470,000 for the 2004-5 Bonds (the “Amended District Bonds”). The Bond Documents and their respective revisions are on file with the City Clerk, and are hereby made a part of the record. To the extent not expressly amended hereby, Resolution No. 5181 remains in full force and effect.

Section 3. The Mayor, City Manager, Assistant City Manager or Finance Director of the City (each an “Authorized Officer”) is hereby authorized, together or alone, to execute and deliver the Local Obligation Bond Purchase Contract; provided, however, that the true interest cost with respect to the Authority Bonds shall not exceed 3.30% and the Underwriter’s discount shall not exceed 0.90% of the principal amount of the Authority Bonds thereof, excluding any original issue discount on the Authority Bonds and the purchase price of the Amended District Bonds shall not exceed any amount prohibited by the Bond Law.

Section 4. Each Authorized Officer and the other officers and staff of the City and the District responsible for the fiscal affairs of the District are hereby authorized and directed to take any actions and execute and deliver any and all documents and certificates, and to do any and all things and take any and all actions, including applying for bond insurance, reserve fund insurance policies, execution and delivery of any and all assignments, certificates, tax certificates, municipal bond insurance commitments and agreements, reserve surety commitments, requisitions, agreements, notices, consents, instruments of conveyance, warrants, and other documents with respect to the Amended District Bonds or any of them, which they, or any of them, may deem necessary or advisable in order to accomplish the issuance, sale and delivery of the Amended District Bonds and to consummate the transactions contemplated by the Bond Documents. In the event that the Mayor is unavailable to sign any document authorized for execution herein, any Authorized Officer may sign such document. Any document authorized herein to be signed by the City Clerk may be signed by a duly appointed deputy or assistant city clerk.

Section 5. This resolution shall take effect and be enforceable immediately upon its adoption.
ADOPTED, SIGNED and APPROVED this 14th day of November, 2017.

__________________________
MAYOR OF THE CITY OF PERRIS

Attest:

__________________________
CITY CLERK OF THE CITY OF PERRIS
STATE OF CALIFORNIA  
COUNTY OF RIVERSIDE  §  
CITY OF PERRIS  

I, Nancy Salazar, City Clerk of the City of Perris, do hereby certify that the foregoing Resolution Number _____ was duly adopted by the City Council of the City of Perris at a regular meeting of said Council on the 14th day of November, 2017, and that it was so adopted by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:  

By: ____________________________  
CITY CLERK
RESOLUTION NO. _____

A RESOLUTION OF THE PERRIS JOINT POWERS AUTHORITY AMENDING RESOLUTION NO. PJPA-023 AUTHORIZING THE ISSUANCE AND SALE OF ITS PERRIS JOINT POWERS AUTHORITY LOCAL AGENCY REVENUE REFUNDING BONDS (CFD NOS. 88-1, 88-3, 90-1, 93-1, AND 2004-5), 2017 SERIES C

WHEREAS, the City of Perris (the “City”), located in Riverside County, California, and the Housing Authority of the City of Perris (the “Housing Authority”), have entered into a Joint Exercise of Powers Agreement, dated March 26, 2013 (the “Agreement”), creating the Perris Joint Powers Authority (the “Authority”), pursuant to Articles 1 through 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the “Bond Law”); and

WHEREAS, pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California (the “Act”), the City of Perris (the “City”) established (a) Community Facilities District No. 88-1 (Triple Crown Ranch) of the City of Perris (the “88-1 District”), (b) Community Facilities District No. 88-3 of the City of Perris (the “88-3 District”), (c) Community Facilities District No. 90-1 of the City of Perris (the “90-1 District”), (d) Community Facilities District No. 93-1 (May Ranch) of the City of Perris (the “93-1 District”) and (e) Community Facilities District No. 2004-5 (Amber Oaks II) of the City of Perris (the “2004-5 District”) and, together with the 88-1 District, the 88-3 District, the 90-1 District and the 93-1 District, the “Districts” and each individually, a “District”); and

WHEREAS, pursuant to Resolution No. 5181, adopted on October 10, 2017, the City, on behalf of the Districts, approved the issuance of not to exceed (a) $1,150,000 designated as the “Community Facilities District No. 88-1 of the City of Perris Special Tax Refunding Bonds, 2017 Series A” (the “88-1 Bonds”), (b) $1,200,000 designated as the “Community Facilities District No. 88-3 of the City of Perris Special Tax Refunding Bonds, 2017 Series A” (the “88-3 Bonds”), (c) $925,000 designated as the “Community Facilities District No. 90-1 of the City of Perris Special Tax Refunding Bonds, 2017 Series A” (the “90-1 Bonds”), (d) $2,675,000 designated as the “Community Facilities District No. 93-1 (May Ranch) of the City of Perris Special Tax Refunding Bonds, 2017 Series A” (the “93-1 Bonds”), and (e) $1,450,000 designated as the “Community Facilities District No. 2004-5 (Amber Oaks II) of the City of Perris Special Tax Refunding Bonds, 2017 Series A” (the “2004-5 Bonds”) and, together with the 88-1 Bonds, the 88-3 Bonds, the 90-1 Bonds and the 93-1 Bonds, the “District Bonds” and, each individually a “District Bond”); and

WHEREAS, the Authority conducted a public hearing on the public benefits related to the sale and issuance of the Perris Joint Powers Authority Local Agency Revenue Refunding Bonds (CFD Nos. 88-1, 88-3, 90-1, 93-1, and 2004-5), 2017 Series C (the “Authority Bonds”) to assist in purchasing the District Bonds, pursuant to Article 4 of the Bond Law, on September 26, 2017, and continued the public hearing to October 10, 2017; and
WHEREAS, the Authority adopted Resolution No. PIPA-023 on October 10, 2017 (the “Authority Resolution”), authorizing the issuance of the Authority Bonds in a principal amount not to exceed $7,400,000; and

WHEREAS, pursuant to the Authority Resolution, the Authority approved the execution and delivery of (i) Bond Purchase Contract, by and between the Authority and Brandis Tallman LLC, as Underwriter (the “Underwriter”) (ii) Indenture of Trust, by and between the Authority and U.S. Bank National Association, (ii) certain Escrow Deposit and Trust Agreements, each by and among the Authority, the applicable District, and U.S. Bank National Association, and (iv) the Preliminary Official Statement (the “Bond Documents”); and

WHEREAS, due to the changed circumstances which will permit the 88-1 District, the 88-3 District, and the 90-1 District to be paid off sooner than contemplated, the City, on behalf of the Districts, has determined to amend the structure of the refunding to exclude the 88-1 District, the 88-3 District, and the 90-1 District, while maintaining the 93-1 District and 2004-5 District (the “Remaining Districts”) as originally contemplated; and

WHEREAS, $2,880,000 aggregate principal amount of the 93-1 District prior bonds and $1,405,000 aggregate principal amount of the 2004-5 District’s prior bonds remain outstanding (the “Prior District Bonds”); and

WHEREAS, due to continued favorable interest rates the City, on behalf of the Districts, desires to continue with the refinancing of the Prior District Bonds by issuing the previously authorized 93-1 Bonds and the 2004-5 Bonds (the “Remaining District Bonds”); and

WHEREAS, due to the revised structure, the Authority will restructure the Authority Bonds and issue its Perris Joint Powers Authority Local Agency Revenue Refunding Bonds (CFD Nos. 93-1 and 2004-5), 2017 Series C, pursuant to Article 4 of the Bond Law, and use the proceeds thereof to purchase the Remaining District Bonds, to pay certain costs of issuance and fund certain in connection therewith; and

WHEREAS, notwithstanding the removal of the 88-1 District, the 88-3 District, and the 90-1 District from the Bond Documents, and in addition to a change in the reserve fund now held by the Remaining Districts, the Bond Documents remain the same as previously authorized, forms of which are on file with the Secretary of the Authority, were such changes may be permitted pursuant to the Authority Resolution; and

WHEREAS, the Authority and the Districts desire to provide for the repayment of services, whereby the 88-1 District, the 88-3 District, and the 90-1 District hereby agree to pay for certain administrative costs of the transaction up to $100,000 for work performed on the Districts in connection with the District Bonds; and

WHEREAS, the 88-1 District, the 88-3 District, and the 90-1 District hereby authorize the Perris Public Finance Authority to provide for repayment of certain administrative costs of the transaction from the redemption fund.
NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Perris Joint Powers Authority, as follows:

Section 1. Each of the above recitals is true and correct and is adopted by the Authority.

Section 2. The Authority Bonds shall be renamed the Perris Joint Powers Authority Local Agency Revenue Refunding Bonds (CDF Nos. 93-1 and 2004-5), 2017 Series C, in a revised amount not to exceed $4,245,000 (the "Amended Authority Bonds"). The Bond Documents and their respective revisions are on file with the Secretary of the Authority, and are hereby made a part of the record. To the extent not expressly amended hereby, Resolution No. PJPA-023 remains in full force and effect.

Section 3. The Chairperson, Vice Chairperson, Treasurer and Executive Director of the Authority (each an "Authorized Officer") is hereby authorized and directed, for and in the name and on behalf of the Authority, to purchase the Remaining District Bonds from the Remaining Districts with the proceeds of the Amended Authority Bonds and to accept the offer of the Underwriter to purchase the Amended Authority Bonds from the Authority, subject to the terms and conditions of the Authority Purchase Contract, and to execute and deliver the Authority Purchase Contract to the Remaining District and the Underwriter; provided, however, that the true interest cost with respect to the Amended Authority Bonds shall not exceed 3.30% and the Underwriter’s Discount shall not exceed 0.90% of the principal amount of the Amended Authority Bonds thereof, excluding any original issue discount on the Amended Authority Bonds. Approval of any additions or changes in such form shall be conclusively evidenced by such execution and delivery of the Authority Purchase Contract.

Section 4. Each Authorized Officer and any and all other officers of the Authority are hereby authorized and directed, for and in the name and on behalf of the Authority, to take any actions and execute and deliver any and all documents and certificates, and to do any and all things and take any and all actions, including applying for bond insurance, reserve fund insurance policies, execution and delivery of any and all assignments, certificates, tax certificates, municipal bond insurance commitments and agreements, reserve surety commitments, requisitions, including requisitions for the payment of costs of issuance of the Amended Authority Bonds, agreements, notices, consents, instruments of conveyance, warrants, and other documents which they, or any of them, may deem necessary or advisable in order to consummate the issuance of the Amended Authority Bonds and the sale, issuance and delivery of the Remaining District Bonds to the Authority and Brandis Tallman LLC pursuant to the Bond Documents. In the event that the Chairperson is unavailable to sign any document authorized for execution herein, any Authorized Officer may sign such document. Any document authorized herein to be signed by the Secretary of the Authority may be signed by a duly appointed deputy or assistant secretary.

Section 5. This resolution shall take effect from and after the date of approval and adoption thereof.
PASSED, APPROVED AND ADOPTED at a regular meeting of the Perris Joint Powers Authority on this 14th day of November, 2017, by the following vote:

______________________________
CHAIRPERSON OF THE PERRIS JOINT POWERS AUTHORITY

ATTEST:

______________________________
SECRETARY OF THE PERRIS JOINT POWERS AUTHORITY
STATE OF CALIFORNIA  
COUNTY OF RIVERSIDE  
PERRIS JOINT POWERS AUTHORITY

I, Nancy Salazar, Secretary of the Perris Joint Powers Authority, hereby certify that Resolution No. _____ was adopted by the Perris Joint Powers Authority at a regular meeting held on the 14th day of November, 2017, and that the same was adopted by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

By: ________________________________
    SECRETARY
CITY COUNCIL
AGENDA SUBMITTAL

Meeting Date: November 14, 2017

SUBJECT: Award of Contract to Tri-R Gen. Contractors, Inc. for site renovation of office space at 227 North D Street, Perris, CA 92570

REQUESTED ACTION: The City Council award a contract to Tri-R Gen. Contractors, Inc for a total bid amount of $64,058 for all material and labor necessary to complete office renovations for the civic building located at 227 North "D" Street in Perris.

CONTACT: Isabel Carlos, Director of Administrative Services

BACKGROUND/DISCUSSION:

In 2017, City Council approved allocation of funds for office space renovations for the building located at 227 North D Street Perris, CA 92570. The renovated building will house office space for seven current and future City Public Health Staff members including regular employees, temporary employees and fellowship students assigned to the City.

The work to be performed must be completed in a substantial and workmanlike manner according to CSLB standards and practices. The City solicited bids, receiving a total of three bids ranging from $64,058 to $68,900 with the lowest bid from Tri-R Gen Contractors. It is recommended that the City Council award a contract to Tri-R Gen. Contractors, Inc. for a total bid amount of $64,058 for the work needed including demolition, installation of new flooring, painting, framing, drywall, air conditioning register, window renovations and miscellaneous related improvements.

BUDGET (or FISCAL) IMPACT:

None, appropriations for the renovation of office space located at 227 North D Street, Perris CA 92570 is already included in the Fiscal Year 2017-2018 budget.

Prepared by: Arcenio Ramirez Jr.

Reviewed by:
City Attorney
Assistant City Manager
Director of Finance


Consent:
CITY OF PERRIS

CONTRACT SERVICES AGREEMENT FOR

CITY OF PERRIS SITE RENOVATION

TRI-R GEN. CONTRACTORS, INC.

This Contract Services Agreement ("Agreement"), is made and entered into this 2nd day of November, 2017, by and between the City of Perris, a municipal corporation ("City"), and TRI-R Gen Contractors, INC, an independent contractor firm ("Consultant"). The term Consultant includes professionals performing in a consulting capacity. The parties hereto agree as follows:

1.0 SERVICES OF CONSULTANT

1.1 Scope of Services. In compliance with all terms and conditions of this Agreement, Consultant shall provide the work and services specified in the "Scope of Services" attached hereto as Exhibit "A" and incorporated herein by this reference. Consultant warrants that all work or services set forth in the Scope of Services will be performed in a competent, professional and satisfactory manner.

1.2 Consultant's Proposal. The Scope of Services shall include the Consultant's proposal or bid which shall be incorporated herein by this reference as though fully set forth herein. In the event of any inconsistency between the terms of such proposal and this Agreement, the terms of this Agreement shall govern.

1.3 Compliance with Law. All work and services rendered hereunder shall be provided in accordance with all ordinances, resolutions, statutes, rules, and regulations of the City and any Federal, State or local governmental agency having jurisdiction.

1.4 Licenses, Permits, Fees and Assessments. Consultant shall obtain at its sole cost and expense, such licenses, permits and approvals as may be required by law for the performance of the services required by this Agreement. Consultant shall have the sole obligation to pay for any fees, assessments, taxes, including applicable penalties and interest, which may be imposed by law and arise from or are necessary for the Consultant's performance of the services required by this Agreement; and shall indemnify, defend and hold harmless City against any claim for such fees, assessments, taxes, penalties or interest levied, assessed or imposed against City hereunder.

1.5 Familiarity with Work. By executing this Agreement, Consultant warrants that Consultant (a) has thoroughly investigated and considered the scope of services to be performed, (b) has carefully considered how the work and services should be performed, and (c) fully understands the facilities, difficulties and restrictions attending performance of the services under this Agreement.

1.6 Additional Services. City shall have the right at any time during the performance of the services, without invalidating this Agreement, to order extra work beyond that specified in
the Scope of Services or make changes by altering, adding to or deducting from said work. No such extra work may be undertaken unless a written order is first given by the Contract Officer to the Consultant, incorporating therein any adjustment in (i) the Contract Sum, and/or (ii) the time to perform this Agreement, which said adjustments are subject to the written approval of the Consultant. Any increase in compensation of up to five percent (5%) of the Contract Sum or $25,000, whichever is less, may be approved by the Contract Officer. Any greater increases, taken either separately or cumulatively must be approved by the City Council. It is expressly understood by Consultant that the provisions of this Section shall not apply to services specifically set forth in the Scope of Services or reasonably contemplated therein. Consultant hereby acknowledges that it accepts the risk that the services to be provided pursuant to the Scope of Services may be more costly or time consuming than Consultant anticipates and that Consultant shall not be entitled to additional compensation therefor.

1.7 Special Requirements. Additional terms and conditions of this Agreement, if any, which are made a part hereof are set forth in the "Special Requirements" attached hereto as Exhibit "B" and incorporated herein by this reference. In the event of a conflict between the provisions of Exhibit "B" and any other provisions of this Agreement, the provisions of Exhibit "B" shall govern.

1.8 Environmental Laws. Consultant shall comply with all applicable environmental laws, ordinances, codes and regulations of Federal, State, and local governments. Consultant shall also comply with all applicable mandatory standards and policies relating to energy efficiency.

2.0 COMPENSATION

2.1 Contract Sum. For the services rendered pursuant to this Agreement, Consultant shall be compensated in accordance with the "Schedule of Compensation" attached hereto as Exhibit "C" and incorporated herein by this reference, but not exceeding the maximum contract amount of sixty-four thousand and fifty-eight dollars ($64,058.00) ("Contract Sum"), except as provided in Section 1.6. The method of compensation may include: (i) a lump sum payment upon completion, (ii) payment in accordance with the percentage of completion of the services, (iii) payment for time and materials based upon the Consultant's rates as specified in the Schedule of Compensation, but not exceeding the Contract Sum or (iv) such other methods as may be specified in the Schedule of Compensation. Compensation may include reimbursement for actual and necessary expenditures approved by the Contract Officer in advance if specified in the Schedule of Compensation. The Contract Sum shall include the attendance of Consultant at all project meetings reasonably deemed necessary by the City.

Consultant agrees that if Consultant becomes aware of any facts, circumstances, techniques, or events that may or will materially increase or decrease the cost of the work or services or, if Consultant is providing design services, the cost of the project being designed, Consultant shall promptly notify the Contract Officer of said fact, circumstance, technique or event and the estimated increased or decreased cost related thereto and, if Consultant is providing design services, the estimated increased or decreased cost estimate for the project being designed.
2.2 Method of Payment. Unless some other method of payment is specified in the Schedule of Compensation, in any month in which Consultant wishes to receive payment, no later than the first (1st) working day of such month, Consultant shall submit to the City, in a form approved by the City's Director of Finance, an invoice for services rendered prior to the date of the invoice. Except as provided in Section 7.2, City shall pay Consultant for all expenses stated thereon which are approved by City pursuant to this Agreement generally within thirty (30) days, and no later than forty-five (45) days, from the submission of an invoice in an approved form.

2.3 Availability of Funds. It is mutually understood between the parties that this Agreement is valid and enforceable only if sufficient funds are made available by the City Council of the City for the purposes of this Agreement. The availability of funding is affected by matters outside the City’s control, including other governmental entities. Accordingly, the City has the option to void the whole Agreement or to amend the Agreement to reflect unanticipated reduction in funding for any reason.

3.0 PERFORMANCE SCHEDULE

3.1 Time of Essence. Time is of the essence in the performance of this Agreement.

3.2 Schedule of Performance. Consultant shall commence the services pursuant to this Agreement upon receipt of a written notice to proceed and shall perform all services within the time period(s) established in the "Schedule of Performance" attached hereto as Exhibit "D", if any, and incorporated herein by this reference. When requested by the Consultant, extensions to the time period(s) specified in the Schedule of Performance may be approved in writing by the Contract Officer but not exceeding one hundred eighty (180) days cumulatively.

3.3 Force Majeure. The time period(s) specified in the Schedule of Performance for performance of the services rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the Consultant, including, but not restricted to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, litigation, and/or acts of any governmental agency, including the City, if the Consultant shall, within ten (10) days of the commencement of such delay, notify the Contract Officer in writing of the causes of the delay. The Contract Officer shall ascertain the facts and the extent of delay and extend the time for performing the services for the period of the enforced delay when and if, in the judgment of the Contract Officer, such delay is justified. The Contract Officer's determination shall be final and conclusive upon the parties to this Agreement. In no event shall Consultant be entitled to recover damages against the City for any delay in the performance of this Agreement, however caused; Consultant's sole remedy being extension of the Agreement pursuant to this Section.

3.4 Term. Unless earlier terminated in accordance with Section 7.4 below, this Agreement shall continue in full force and effect until completion of the services no later than May 31, 2018 (6 months).
4.0 COORDINATION OF WORK

4.1 Representative of Consultant. Mr. Raul Ruiz is hereby designated as being the representative of Consultant authorized to act on its behalf with respect to the work or services specified herein and to make all decisions in connection therewith.

It is expressly understood that the experience, knowledge, capability and reputation of the representative was a substantial inducement for City to enter into this Agreement. Therefore, the representative shall be responsible during the term of this Agreement for directing all activities of Consultant and devoting sufficient time to personally supervise the services hereunder. For purposes of this Agreement, the representative may not be replaced nor may his responsibilities be substantially reduced by Consultant without the express written approval of City.

4.2 Contract Officer. The City's City Manager is hereby designated as the representative of the City authorized to act in its behalf with respect to the work and services and to make all decisions in connection therewith ("Contract Officer"). It shall be the Consultant's responsibility to assure that the Contract Officer is kept informed of the progress of the performance of the services and the Consultant shall refer any decisions which must be made by City to the Contract Officer. The City may designate another Contract Officer by providing written notice to Consultant.

4.3 Prohibition Against Subcontracting or Assignment. The experience, knowledge, capability and reputation of Consultant, its principals and employees were a substantial inducement for the City to enter into this Agreement. Therefore, Consultant shall not contract with any other entity to perform in whole or in part the services required hereunder without the express written approval of the City. In addition, neither this Agreement nor any interest herein may be transferred or assigned without the prior written approval of City. Transfers restricted hereunder shall include the transfer to any person or group of persons acting in concert of more than twenty five percent (25%) of the present ownership and/or control of Consultant taking all transfers into account on a cumulative basis. A prohibited transfer or assignment shall be void. No approved transfer shall release the Consultant or any surety of Consultant of any liability hereunder without the express consent of City.

4.4 Independent Contractor. Neither the City nor any of its employees shall have any control over the manner or means by which Consultant, its agents or employees, perform the services required herein, except as otherwise set forth herein. Consultant shall perform all services required herein as an independent contractor of City and shall remain under only such obligations as are consistent with that role. Consultant shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of City. City shall not in any way or for any purpose become or be deemed to be a partner of Consultant in its business or otherwise or a joint venturer or a member of any joint enterprise with Consultant.

5.0 INSURANCE AND INDEMNIFICATION

5.1 Insurance. Consultant shall procure and maintain, at its sole cost and expense, in a form and content satisfactory to City, during the entire term of this Agreement including any extension thereof, the following policies of insurance:
(a) Commercial General Liability Insurance. A policy of commercial general liability insurance using Insurance Services Office "Commercial General Liability" policy form CG 00 01, with an edition date prior to 2004, or the exact equivalent. Coverage for an additional insured shall not be limited to its vicarious liability. Defense costs must be paid in addition to limits. Limits shall be no less than $1,000,000.00 per occurrence for all covered losses and no less than $2,000,000.00 general aggregate.

(b) Workers' Compensation Insurance. A policy of workers' compensation insurance on a state-approved policy form providing statutory benefits as required by law with employer's liability limits no less than $1,000,000.00 per accident for all covered losses.

(c) Automotive Insurance. A policy of comprehensive automobile liability insurance written on a per occurrence basis in an amount not less than $1,000,000.00 per accident, combined single limit. Said policy shall include coverage for owned, non owned, leased and hired cars.

(d) Professional Liability or Error and Omissions Insurance. A policy of insurance in an amount not less than $1,000,000.00 per claim with respect to loss arising from the actions of Consultant performing professional services hereunder on behalf of the City.

All of the above policies of insurance shall be primary insurance. The general liability policy shall name the City, its officers, employees and agents ("City Parties") as additional insureds and shall waive all rights of subrogation and contribution it may have against the City and the City's Parties and their respective insurers. All of said policies of insurance shall provide that said insurance may be not cancelled without providing thirty (30) days prior written notice by registered mail to the City. In the event any of said policies of insurance are cancelled or amended, Consultant shall, prior to the cancellation or amendment date, submit new evidence of insurance in conformance with this Section 4.1 to the Contract Officer. No work or services under this Agreement shall commence until Consultant has provided City with Certificates of Insurance or appropriate insurance binders evidencing the above insurance coverages and said Certificates of Insurance or binders are approved by City.

Consultant agrees that the provisions of this Section 4.1 shall not be construed as limiting in any way the extent to which Consultant may be held responsible for the payment of damages to any persons or property resulting from Consultant's activities or the activities of any person or persons for which Consultant is otherwise responsible.

The insurance required by this Agreement shall be satisfactory only if issued by companies qualified to do business in California, rated "A" or better in the most recent edition of Best Rating Guide, The Key Rating Guide or in the Federal Register, and only if they are of a financial category Class VII or better, unless such requirements are waived by the Risk Manager of the City due to unique circumstances.
In the event that the Consultant is authorized to subcontract any portion of the work or services provided pursuant to this Agreement, the contract between the Consultant and such subcontractor shall require the subcontractor to maintain the same policies of insurance that the Consultant is required to maintain pursuant to this Section 4.1.

5.2 Indemnification.

(a) Indemnity for Professional Liability. When the law establishes a professional standard of care for Consultant’s services, to the fullest extent permitted by law, Consultant shall indemnify, defend and hold harmless City and the City’s Parties from and against any and all losses, liabilities, damages, costs and expenses, including attorneys’ fees and costs to the extent same are caused in whole or in part by any negligent or wrongful act, error or omission of Consultant, its officers, agents, employees of subcontractors (or any entity or individual for which Consultant shall bear legal liability) in the performance of professional services under this Agreement.

(b) Indemnity for Other Than Professional Liability. Other than in the performance of professional services and to the full extent permitted by law, Consultant shall indemnify, defend and hold harmless City and City’s Parties from and against any liability (including liability for claims, suits, actions, losses, expenses or costs of any kind, whether actual, alleged or threatened, including attorneys’ fees and costs, court costs, defense costs and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this Agreement by Consultant or by any individual or entity for which Consultant is legally liable, including but not limited to officers, agents, employees or subcontractors of Consultant.

6.0 RECORDS AND REPORTS

6.1 Reports. Consultant shall periodically prepare and submit to the Contract Officer such reports concerning the performance of the services required by this Agreement as the Contract Officer shall require.

6.2 Records. Consultant shall keep, and require subcontractors to keep, such books and records as shall be necessary to perform the services required by this Agreement and enable the Contract Officer to evaluate the performance of such services. The Contract Officer shall have full and free access to such books and records at all times during normal business hours of City, including the right to inspect, copy, audit and make records and transcripts from such records. Such records shall be maintained for a period of three (3) years following completion of the services hereunder, and the City shall have access to such records in the event any audit is required.

6.3 Ownership of Documents. All drawings, specifications, reports, records, documents and other materials prepared by Consultant, its employees, subcontractors and agents in the performance of this Agreement shall be the property of City and shall be delivered to City upon request of the Contract Officer or upon the termination of this Agreement and Consultant shall have no claim for further employment or additional compensation as a result of the exercise by City of its full rights of ownership of such documents and materials. Consultant may retain
copies of such documents for its own use and Consultant shall have an unrestricted right to use the concepts embodied therein. Any use of such completed documents by City for other projects and/or use of uncompleted documents without specific written authorization by the Consultant will be at the City's sole risk and without liability to Consultant and the City shall indemnify the Consultant for all damages resulting therefrom. All subcontractors shall provide for assignment to City of any documents or materials prepared by them, and in the event Consultant fails to secure such assignment, Consultant shall indemnify City for all damages resulting therefrom.

7.0 ENFORCEMENT OF AGREEMENT

7.1 California Law. This Agreement shall be construed and interpreted both as to validity and to performance of the parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Riverside, State of California, or any other appropriate court in such county, and Consultant agrees to submit to the personal jurisdiction of such court in the event of such action.

7.2 Retention of Funds. Consultant hereby authorizes City to deduct from any amount payable to Consultant (whether or not arising out of this Agreement) (i) any amounts the payment of which may be in dispute hereunder or which are necessary to compensate City for any losses, costs, liabilities, or damages suffered by City, and (ii) all amounts for which City may be liable to third parties, by reason of Consultant's acts or omissions in performing or failing to perform Consultant's obligation under this Agreement. In the event that any claim is made by a third party, the amount or validity of which is disputed by Consultant, City may withhold from any payment due, without liability for interest because of such withholding, an amount sufficient to cover such claim. The failure of City to exercise such right to deduct or to withhold shall not, however, affect the obligations of the Consultant to insure, indemnify, and protect City as elsewhere provided herein.

7.3 Waiver. No delay or omission in the exercise of any right or remedy by a non-defaulting party on any default shall impair such right or remedy or be construed as a waiver. A party's consent to or approval of any act by the other party requiring the party's consent or approval shall not be deemed to waive or render unnecessary the other party's consent to or approval of any subsequent act. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

7.4 Termination Prior to Expiration of Term. Either party may terminate this Agreement at any time, with or without cause, upon thirty (30) days' written notice to the other party. Upon receipt of any notice of termination, Consultant shall immediately cease all work or services hereunder except such as may be specifically approved by the Contract Officer. Consultant shall be entitled to compensation for the reasonable value of the work product actually produced prior to the effective date of the notice of termination and for any services authorized by the Contract Officer thereafter in accordance with the Schedule of Compensation and City shall be entitled to reimbursement for any compensation paid in excess of the services rendered.
7.5 Completion of Work After Termination for Default of Consultant. If termination is due to the failure of the Consultant to fulfill its obligations under this Agreement, City may, after compliance with the provisions of Section 7.2, take over the work and prosecute the same to completion by contract or otherwise, and the Consultant shall be liable to the extent that the total cost for completion of the services required hereunder exceeds the compensation herein stipulated (provided that the City shall use reasonable efforts to mitigate such damages), and City may withhold any payments to the Consultant for the purpose of set-off or partial payment of the amounts owed the City as previously stated.

7.6 Attorneys' Fees. If either party to this Agreement is required to initiate or defend or made a party to any action or proceeding in any way connected with this Agreement, the prevailing party in such action or proceeding, in addition to any other relief which may be granted, shall be entitled to reasonable attorneys’ fees, whether or not the matter proceeds to judgment, and to all other reasonable costs for investigating such action, taking depositions and discovery, including all other necessary costs the court allows which are incurred in such litigation.

8.0 CITY OFFICERS AND EMPLOYEES: NON-DISCRIMINATION

8.1 Non-liability of City Officers and Employees. No officer or employee of the City shall be personally liable to the Consultant, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to the Consultant or to its successor, or for breach of any obligation of the terms of this Agreement.

8.2 Conflict of Interest: City. No officer or employee of the City shall have any financial interest in this Agreement nor shall any such officer or employee participate in any decision relating to the Agreement which affects his financial interest or the financial interest of any corporation, partnership or association in which he is interested, in violation of any State statute or regulation.

8.3 Conflict of Interest: Consultant. Consultant warrants that it has not paid or given and will not pay or give any third party any money or other consideration for obtaining this Agreement. Consultant shall comply with all conflict of interest laws and regulations including, without limitation, City's Conflict of Interest Code which is on file in the City Clerk's office. Accordingly, should the Cit Manager determine that Consultant will be performing a specialized or general service for the City and there is substantial likelihood that the Consultant's work product will be presented, either written or orally, for the purpose of influencing a governmental decision, the Consultant and its officers, agents or employees, as applicable, shall be subject to the City's Conflict of Interest Code.

8.4 Covenant Against Discrimination. Consultant covenants that, by and for itself, its executors, assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the performance of this Agreement. Consultant shall take affirmative action to insure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, marital status, national origin or ancestry.
9.0 MISCELLANEOUS PROVISIONS

9.1 Notice. Any notice or other communication either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid, first-class mail, in the case of the City, to the City Manager and to the attention of the Contract Officer, City of Perris, 101 North “D” Street, Perris, CA 92570, and in the case of the Consultant, to the person at the address designated on the execution page of this Agreement. Either party may change its address by notifying the other party of the change of address in writing. Notice shall be deemed communicated at the time personally delivered or in seventy-two (72) hours from the time of mailing if mailed as provided in this Section.

9.2 Interpretation. The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

9.3 Integration: Amendment. It is understood that there are no oral agreements between the parties hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, agreements and understandings, if any, between the parties, and none shall be used to interpret this Agreement. This Agreement may be amended at any time by an instrument in writing signed by both parties.

9.4 Severability. Should a portion of this Agreement be declared invalid or unenforceable by a judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining portions of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.

9.5 Corporate Authority. The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said party is bound.

[SIGNATURES ON NEXT PAGE]
IN WITNESS WHEREOF, the parties have executed and entered into this Agreement as of the date first written above.

ATTEST:                     "CITY"
CITY OF PERRIS

By: _______________________ By: ______________________
    Nancy Salazar, City Clerk               Michael M. Vargas, Mayor

APPROVED AS TO FORM:
ALESHIRE & WYNDER, LLP

________________________________________
Eric L. Dunn, City Attorney

"CONSULTANT"
Tri-R Gen Contractors, INC.

By: ______________________
    Signature

Print Name and Title

By: ______________________
    Signature

Print Name and Title

(Corporations require two signatures; one from each of the following: A. Chairman of Board, President, any Vice President; AND B. Secretary, Assistant Secretary, Treasurer, Assistant Treasurer, or Chief Financial Officer.)

[END OF SIGNATURES]
EXHIBIT "A"

SCOPE OF SERVICES AND SCHEDULE OF COMPENSATION

<table>
<thead>
<tr>
<th>COMPENSATION</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Demolition</td>
<td>Included</td>
</tr>
<tr>
<td>Flooring</td>
<td>Included</td>
</tr>
<tr>
<td>Painting</td>
<td>Included</td>
</tr>
<tr>
<td>Framing</td>
<td>Included</td>
</tr>
<tr>
<td>Drywall</td>
<td>Included</td>
</tr>
<tr>
<td>A/C</td>
<td>Included</td>
</tr>
<tr>
<td>Window</td>
<td>Included</td>
</tr>
</tbody>
</table>

Total: $64,058.00

Renovation services:

Renovation will be at the southeast wing of 227 North D St. Perris, CA and will cover a total of 2,000 square feet. Services will be inclusive of required materials per service and include the following:


Flooring: installation of new flooring; materials and labor as needed for completion.

Painting: designated location will be painted and materials will be included; walls, baseboards, doors, doorframes, bathroom stalls and ceiling will be included. Materials and labor as needed for completion.

Framing: installation of door and wall; materials and labor needed for completion.
Drywall: installation, materials and labor as needed for completion.

A/C—Register: installation, materials and labor as needed for completion.

Window: installation, materials and labor as needed for completion.

Contractor will be provided with details on design inclusive of paint color, flooring, etc.

Scope of services will be completed in a substantial and workmanlike manner according to the Contractors State License Board standards/practices.
October 18, 2017

PROPOSAL

To: Joe Jones, Facilities Maintenance  
Address: 1015 S. G St  
Perris, CA 92570

Job: City of Perris

E-mail: jjones@cityofperris.org

Tri-R Gen. Contractors, Inc. proposes to furnish all material and perform all labor necessary to complete the project as described below. Upon acceptance of proposal, a formal contract including an itemized breakdown will follow in approximately 72 hours. This Proposal will be construed as a Notice of Award upon Owner's signature.

Description of the Project and Description of the Significant Materials to be Used and Equipment to be Installed:

1. Tear Out Demolition: The complete removal of existing VCT and carpet as so described. Haul away and disposal thereof. Prepping and preparing of existing surface prior to installing of new VCT. New conference room shall receive new vinyl planking/wood look tile. New VCT shall cover a total of 2,000 square feet.

2. New Flooring: shall cover 2,000 square feet of new VCT as so described. New vinyl planking/wood simulation shall cover approximately 250 square feet for new administration office. New 4" vinyl rubber base shall be applied at all locations where new flooring installed, a total of 600 linear feet. All applications shall meet or exceed the standard of the industry. We recommend a moisture test of the slab of concrete due to our observation of bucking of existing VCT. New flooring shall transition at center or closest most applicable position at door jamb center or close to center. See attached Exhibit “A”.

3. Painting: Where new flooring is applied all walls shall be painted with semi-gloss washable paint. A neutral color of Swiss Coffee is recommended with doors to match as well as ceilings in color. Ceilings at all locations to be flat paint. The balance of rooms shall follow the color schemes provided. Where flooring takes place, on side doors will be painted. One side and only up to strike trim on door jamb.

4. Framing: By way of wooden/stick frame material, 2x4 spaced 16 inches on center. Note, these walls to be non-bearing nor structural. Framing shall be approximately 12" below finished wood soffit. 2x6 ceiling joist above 24” on center with R-19/R-13 insulation for sound barrier. Walls to also receive insulation for sound barriers. One new 5' x 6'8" typical glass sliding door, white in color.

5. Drywall: To be 5/8" Type X fire-rated drywall. Taped and textured to match existing as close as possible.


7. Window: Installation of one new 4'x4' commercial front glazing. This shall occur or take place at the most applicable and plausible location with the minimal degree of effort. This portion of work will require a permit for structural purposes. It is pertinent to involve our local city inspector for feedback and suggestions. A GPR will be taking place so as to minimize the potential for counter construction and/or prior to demolition.
The above work is to be completed in a substantial and workmanlike manner according to CSLB standards/practices for a grand total of $64,058.00.

Please note prices have been set at a prevailing wage scale. Includes profit, overhead, administrative, and insurances.

Proposal may be withdrawn if not accepted within 30 days.

Respectfully submitted:

_____________________________  _________________________
Raul Ruiz                        Date
TRI-R General Contractors, Inc.

Acceptance:

You are hereby authorized to furnish all materials and labor to complete the work mentioned in the above Proposal.

_____________________________  _________________________
Owner/Acting Agent              Date
CITY COUNCIL
AGENDA SUBMITTAL

Meeting Date: November 14, 2017

SUBJECT:
Annexation of parcels into CFD 2001-3 (North Perris Public Safety District) – Annexation No. 24

Project: Perris Gateway Commerce Center
Owner: Perris Gateway Investors, LLC


REQUESTED ACTION:

1.) Open a public hearing on Annexation No. 24 to CFD 2001-3 and determine if there are any protests to the Annexation.

2.) Adopt a Resolution of the City Council of the City of Perris, acting as the Legislative Body, of Community Facilities District No. 2001-3 (North Perris Public Safety) of the City of Perris, calling a Special Election, to submit to Qualified Electors, within Proposed Annexation No. 24 the question of annexing such territory and levying of a Special Tax within the area of Proposed Annexation No. 24.

3.) Conduct the Special Election relating to Annexation No. 24.

4.) Adopt a Resolution of the City Council of the City of Perris, acting as the Legislative Body of the Community Facilities Districts No. 2001-3 (North Perris Public Safety) of the City of Perris, Declaring the results of the Special Election relating to Annexation No. 24, and Ordering the Annexation of such territory, and directing the Recording of a Notice of Special Tax Lien.

CONTACT: Jennifer Erwin, Director of Finance

BACKGROUND/DISCUSSION:

At its meeting on September 26, 2017, the City Council of the City of Perris (the “City Council”), acting as Legislative Body of Community Facilities District No. 2001-3 (North Perris Public Safety) (the “District”), adopted Resolution No. 5175 (“Resolution of Intention”), Declaring its Intention to Annex Certain Territory to the District and setting the date of the public hearing to November 14, 2017 as the date for conducting the hearing in connection with the annexation of territory to the District. These actions were taken, as required by law, pursuant to a petition submitted to the property owner of the territory proposed for annexation to the District. The Owner, pursuant to the petition submitted concurrently with the Resolution of Intention, submitted a waiver concurrently herewith, waiving certain time periods and noticing requirements required by the Mello-Roos Community Facilities Act of 1982 (“the Act”) and the Elections Code of the State of California.

The holding of the Public Hearing and adopting of the resolutions submitted with this report and the conduct of this election will complete the annexation of territory to the District. The property owner has waived notice and the time period for conducting the election pursuant to the Act. The Clerk has not received any written protests prior to the hearing.
BUDGET / FISCAL IMPACT:

The Annexation of territory into the District increases the tax base to fund the public safety services to be provided to the residents and businesses within the District. The levy of the Special Tax will begin in the fiscal year for which a building permit was issued prior to March 1st of the previous fiscal year.

Prepared by: Daniel Louie, Willdan Financial Services

City Attorney: 
Asst. City Manager: 
Director of Finance: 

Public Hearing: November 14, 2017
NOTICE OF PUBLIC HEARING

City of Perris
Community Facilities District No. 2001-3
(North Perris Public Safety)
Annexation No. 24

NOTICE IS HEREBY GIVEN that at 6:30 p.m. on November 14, 2017, or as soon thereafter as practicable, at City Hall, located at 101 North "D" Street, Perris, California 92570, the City Council of the City of Perris, California (the "City Council") will hold a public hearing on the Annexation of territory ("Annexation No. 24") to City of Perris Community Facilities District No. 2001-3 (North Perris Public Safety) (the "CFD"), the proposed rate, and method of apportionment of the special tax (the "Special Tax") to be levied on certain property within Annexation No. 24.

On September 26, 2017, the City Council adopted Resolution No. 5175 (the "Resolution of Intention") declaring its intention to annex Annexation No. 24 to the CFD pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, commencing with Section 53311 of the California Government Code (the "Act"), and to levy Special Taxes to finance the following public Services:

Fire protection and suppression services, and ambulance and paramedic services including all furnishings, equipment and supplies related thereto; police protection services, including but not limited to criminal justice services, including all furnishings, equipment and supplies related thereto.

Except where funds are otherwise available, a special tax sufficient to pay for such services and related incidental expenses authorized by the Act, secured by recordation of a continuing lien against all non-exempt real property in the CFD, will be levied annually within the boundaries of the CFD and Annexation No. 24. Commencing with Fiscal Year 2017-2018 a Maximum Special Tax shall be levied as follows: (1) $336.46 per Single-Family Unit; (2) $67.29 per Multi-Family Unit; and (3) $1,345.87 per acre for Non-Residential parcels. For each subsequent fiscal year following Fiscal Year 2017-2018, the Maximum Special Tax may be increased by an amount not to exceed two percent (2.00%) per year.

Any taxpayer that believes that the amount of the Special Tax assigned to a Parcel is in error may file a written notice with the CFD Administrator appealing the levy of the Special Tax. This notice is required to be filed with the CFD Administrator during the fiscal year the error is believed to have occurred. The City and/or CFD Administrator will then promptly review the appeal and, if necessary, meet with the taxpayer. If the City and/or CFD Administrator verifies that the tax should be changed, the Special Tax levy shall be corrected and, if applicable in any case, a credit shall be applied to the Special Tax levied on such parcel in the subsequent fiscal year.
The Special Tax as levied pursuant to the Rate and Method of Apportionment, shall be collected in the same manner and at the same time as ordinary ad valorem property taxes; provided, however, that the CFD may direct bill the Special Tax, may collect Special Taxes at a different time or in a different manner if necessary, to meet the financial obligations of Annexation No. 24 and the CFD, or as otherwise determined appropriate by the City.

The Special Tax shall be levied in perpetuity to fund public Services provided to Annexation No. 24 and the CFD.

If at least 12 persons have been registered to vote within the territory to be annexed to the CFD for each of the 90 days preceding the close of the public or protest hearing, the vote in the special election shall be by the registered voters of Annexation No. 24 with each voter having one vote. In that event, the special election shall be conducted by the Registrar of Voters of the County of Los Angeles and shall be held on a date selected by the City Council and the ballots for the special election shall be distributed to the qualified electors of Annexation No. 24 by mail with return postage prepaid, and the special election shall be conducted as a mail ballot election.

If at the time of the close of the public hearing less than 12 persons have been registered to vote within the territory of Annexation No. 24, the vote shall be by the landowners of Annexation No. 24, with each landowner of record at the close of the protest hearing having one vote for each acre or portion of an acre of land that he or she owns within Annexation No. 24. In that event, the special election shall be conducted by the City Clerk.

At the hearing, the testimony of all interested persons, including all taxpayers or persons owning property in the area, for or against the annexation of Annexation No. 24 to the CFD, the extent of Annexation No. 24, the furnishing of a specified type or types of public facilities or services, will be heard. If 50 percent or more of the registered voters residing within the territory proposed to be annexed to the CFD, or the owners of one-half or more of the area of the land in the territory proposed to be annexed to the CFD and not exempt from the Special Tax, file written protests against the annexation of Annexation No. 24 to the CFD, and protests are not withdrawn so as to reduce the value of the protests to less than a majority, no further proceedings to annex Annexation No. 24 to the CFD or to levy the Special Tax shall be taken for a period of one year from the date of the decision of the City Council. If the majority protests of the registered voters or the landowners are only against the furnishing of a specified type or types of facilities or services within Annexation No. 24, or against levying a specified special tax, those types of facilities or services or the specified special tax shall be eliminated from the resolution of annexation.

All capitalized terms not defined herein shall be as defined in the Resolution of Intention to Annex Territory to the CFD. The complete texts of the Resolution of Intention to Annex Territory to the CFD, the proposed Rate and Method of Apportionment of the Special Tax among parcels of real property in the CFD and
Annexation No. 24, and the Boundary Map of Annexation No. 24 are on file in the office of the City Clerk and available for public inspection.

If you have any questions, please call the Office of the City Clerk (951) 956-2925.

Dated: October __, 2017

Sincerely,

Nancy Salazar
City Clerk
City of Perris
Resolution No. _____


WHEREAS, the City Council (the "Council") of the City of Perris, California (the "City"), acting in its capacity as the legislative body (the "Legislative Body") of the Community Facilities District No. 2001-3 (North Perris Public Safety) of the City of Perris (the "District"), on September 26, 2017, has heretofore adopted its Resolution No. 5175 (the "Resolution of Intention") stating its intention to annex certain territory (the "Property") as described therein to the District pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, (the "Act") being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California, and specifically Article 3.5 thereof, and calling a public hearing on the question of the proposed annexation of the Property to the District, including the levying of a special tax on the Property and all other matters as set forth in the Resolution of Intention; and

WHEREAS, a copy of the Resolution of Intention, incorporating a description and map of the proposed boundaries of the territory proposed for annexation to the District, stating the public services to be provided in and for the Property and a plan setting forth sharing of such services provided in common with the existing District, and specifying the special taxes to be levied within the Property and any alteration in the Rate and Method of Apportionment (as defined therein and incorporated herein by this reference) is on file with the City Clerk of the City; and

WHEREAS, the Resolution of Intention set November 14, 2017 as the date of the public hearing and to consider the question of the proposed annexation of the Property to the District, including the levying of a special tax on the Property and all other matters set forth in the Resolution of Intention and this Council held said public hearing as required by law; and

WHEREAS, notice of the public hearing was duly given as required by Section 53339.4 of the Act or has been duly waived by the property owner; and

WHEREAS, the public hearing was held on November 14, 2017; and

WHEREAS, at said hearing all persons not exempt from the special tax desiring to be heard on all matters pertaining to the annexation of the Property to the District, the levy of the special tax on the Property, and all other matters as set forth in the Resolution of Intention were heard and a full and fair hearing was held; and
WHEREAS, at the public hearing evidence was presented to the Legislative Body on the matters before it, and the Legislative Body at the conclusion of the hearing is fully advised as to all matters relating to the proposed annexation of the Property to the District, including the levy of the special tax on the Property; and

WHEREAS, it has now been determined that written protests have not been received by registered voters and/or property owners representing more than one-half (1/2) of the area of land proposed to be annexed to the District or within the original District; and

WHEREAS, there were not at least twelve (12) registered voters residing within the territory proposed to be annexed to the District during each of the ninety (90) days preceding the closing of the November 14, 2017 public hearing; and

WHEREAS, on the basis of the foregoing, the Legislative Body has determined at this time to proceed with the annexation of the Property to the District, and to call an election therein to authorize such annexation, including the levy of the special tax therein (as such tax is more particularly described in the Resolution of Intention) to pay for the public services proposed to be financed by the District;

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Perris, acting in its capacity as the Legislative Body of Community Facilities District No. 2001-3 (North Perris Public Safety) of the City of Perris, California, as follows:

Section 1. That the above recitals are all true and correct.

Section 2. Written protests against the annexation of the Property to the District, or against the furnishing of specified services or the levying of a specified special tax within the District, have not been filed by fifty percent (50%) or more of the registered voters, or six (6) registered voters, whichever is greater, residing within the boundaries of the proposed annexation, nor by owners representing one-half (1/2) or more of the area of land proposed to be annexed to the District. All protests and objections, if any, are hereby overruled.

Section 3. The Legislative Body does declare the annexation of the Property to the existing District, to be known and designated as “Community Facilities District No. 2001-3 (North Perris Public Safety) of the City of Perris, Annexation No. 24.” The Legislative Body hereby finds and determines that all prior proceedings taken with respect to the annexation of the Property to the District were valid and in conformity with the requirements of law, including the Act. This finding is made in accordance with the provisions of Section 53325.1 of the Act.

Section 4. The boundaries and parcels of land to be annexed and in which the public services are to be provided and on which the special taxes will be levied in order to pay the costs and expenses for said public services are generally described as all that territory proposed to be annexed to the existing District as said property is shown on a
Resolution No. ________

map as previously approved by the Legislative Body, said map designated "Annexation Map No. 24 to Community Facilities District No. 2001-3, (North Perris Public Safety)," a copy of which is on file in the office of the City Clerk and shall remain open for public inspection. The map of the proposed boundaries of Annexation No. 24 to the District has been recorded in the Office of the County Recorder of Riverside County, California in Book 81, Page 44 of the Book of Maps of Assessments and Community Facilities Districts (Document Number 2017-0405121).

Section 5. The Council finds that the Services, generally described as fire protection and suppression services, and ambulance and paramedic services including all furnishings, equipment and supplies related thereto; police protection services, including but not limited to criminal justice services, including all furnishings, equipment and supplies related thereto, as set forth in Exhibit "B" hereto are necessary to meet the increased demand put upon the City as a result of the development within Annexation No. 24.

Section 6. Except where funds are otherwise available, a special tax is hereby authorized, subject to the approval of the landowners as the eligible electors of the District, to levy annually in accordance with procedures contained in the Act, a special tax within the District, secured by recordation of a continuing lien against all nonexempt real property in the District, sufficient to pay for the Services and Incidental Expenses. The rate and method of apportionment and manner of collection of the special tax within the District is described in detail in Exhibit "A" attached hereto and incorporated herein by this reference. Exhibit "A" allows each landowner within the District to estimate the maximum amount that may be levied against each parcel.

Section 7. The Rate and Method of Apportionment of the special tax is based on the expected demand that each parcel of real property within the District will place on the Services, on the cost of making the Services available to each parcel within the Property, and on other factors. The Council hereby determines the rate and method of apportionment of the special tax set forth in Exhibit "A" to be reasonable. The special tax is apportioned to each parcel on the foregoing basis pursuant to Section 53325.3 of the Act and such special tax is not based upon the value or ownership of real property. In the event that a portion of the property within Community Facilities District No. 2001-3 shall become for any reason exempt, wholly or partially, from the levy of the special tax specified on Exhibit "A," the Council shall, on behalf of Community Facilities District No. 2001-3, cause the levy to be increased, subject to the limitation of the maximum special tax for a parcel as set forth in Exhibit "A," to the extent necessary upon the remaining property within the District which is not delinquent or exempt in order to yield the special tax revenues required for the purposes described herein. The obligation to pay special taxes may be prepaid as set forth in Exhibit "A." Upon recordation of a notice of special tax lien pursuant to Streets and Highways Code Section 3114.5, continuing lien to secure each levy of the special tax will attach to all nonexempt parcels within the Property and the lien shall continue in force and effect until the special tax obligation is permanently satisfied and the lien canceled in accordance with the law or until collection of the special tax by the Legislative Body ceases.
Section 8. Pursuant to Section 53325.7 and 53326 of the Act, a special election is hereby called on behalf of the District on the proposition of levying the special tax on the territory within Annexation No. 24 to the District and establishing an appropriations limit therein. The proposition relating to the District authorizing the levy of the special tax on the Property and establishing an appropriations limit shall be substantially in the form attached hereto as Exhibit “C.”

Section 9. The special election for the District on the proposition of authorizing the levy of the special tax on the Property and establishing an appropriations limit shall be held on November 14, 2017.

Section 10. It is hereby found that there were not at least twelve (12) registered voters that resided within the territory of the proposed Annexation No. 24 during each of the ninety (90) days preceding the closing of the November 14, 2017 public hearing regarding the levy of the special tax on the territory within Annexation No. 24 and establishing an appropriations limit therein and, pursuant to Section 53326 of the Act, the ballots for the special election shall be distributed by personal service, or by mail, with return postage prepaid, by the Election Official, to the landowners of record within the District as of the close of the public hearing. Each landowner shall have one (1) vote for each acre or portion thereof that he or she owns within the District, as provided in Section 53326 of the Act and may return the ballot by mail or in person to the Election Official not later than 6:30 p.m. on November 14, 2017, or 6:30 p.m. on another election day mutually agreed to by the Election Official and the landowners. In accordance with Section 53326(d) of the Act, the election shall be closed and the results certified by the Election Official as soon as all qualified electors have voted.

Section 11. If two-thirds (2/3) of the votes cast upon the question of levying such special tax and establishing such appropriations limit are cast in favor of levying such special tax within the District as determined by the Legislative Body after the canvass of the returns of such election, the Legislative Body may levy such special tax within the District under the Act in the amount and for the purposes as specified in this Resolution. Such special tax may be levied only at the rate and may be apportioned only in the manner specified in this Resolution, subject to the Act, except that the special tax may be levied at a rate lower than that specified herein and the maximum annual tax rate may be lowered. Such special tax may be levied so long as it is needed to pay for the financing of the services.

Section 12. If special taxes of the District are levied against any parcel used for private residential purposes, (i) the maximum special tax rate shall not be increased over time except that it may be increased by an amount not to exceed two percent (2.00%) per year to the extent permitted in the rate and method of apportionment; (ii) such tax shall be levied in perpetuity, as further described in Exhibit “A” hereto; and (iii) under no circumstances will such special tax be increased more than ten percent (10%) as a consequence of delinquency or default by the owner of any other parcels within the District by more than ten percent.
Section 13. In the event that a portion of the property in the District shall become for any reason exempt, wholly or partially, from the levy of the special tax specified in Exhibit "A" the Council shall, on behalf of the District, increase the levy to the extent necessary upon the remaining property within the District which is not delinquent or exempt in order to yield the required payments, subject to the maximum tax.

Section 14. The Council finds that there is not an ad valorem property tax currently being levied on property within the proposed District for the exclusive purpose of financing the provision of the same services to the territory of the District as provided by the Services.

Section 15. An appropriations limit for the District is hereby established as an amount equal to all the proceeds of the special tax collected annually and as defined by Article XIII-B of the California Constitution, as adjusted for changes in the cost of living and changes in population.

Section 16. The Elections Official shall cause to be published once in a newspaper of general circulation the text of Proposition A, along with a description of the election proceedings. The publication shall also state that only the qualified electors in the District may vote on the proposition and that the canvass of the election will take place in the office of the City Clerk following the close of the election. Pursuant to the petition and request, the publication of such notice has been waived by the property owner.

Section 17. The question of levying a special tax and establishing an appropriations limit shall constitute a single election pursuant to Sections 53325.7, 53326 and 53353 of the Act for the purpose of holding said election. Following the close of the election, the election shall be canvassed at the office of the City Clerk, 101 North "D" Street, Perris, California 92570.

Section 18. The Office of the City Manager, 101 North "D" Street, Perris, California 92570, (951) 943-6100, or its designee, is designated to be responsible for preparing annually a current roll of special tax levy obligations by assessor's parcel number and for estimating future special tax levies pursuant to Section 53340.2 of the Government Code.

Section 19. Pursuant to and in compliance with the provisions of Government Code Section 50075.1, the Legislative Body hereby establishes the following accountability measures pertaining to the levy by the District of the Special Tax described in Section 6 above:

A. Such Special Tax with respect to the District shall be levied for the specific purposes set forth in and Section 5 hereof and Proposition A referred to herein.
B. The proceeds of the levy of such Special Tax shall be applied only to the specific purposes set forth in Section 5 hereof and Proposition A referred to herein.

C. The District shall establish an account or accounts into which the proceeds of such Special Tax shall be deposited.

D. The City Manager or Finance Director, or his or her designee, acting for and on behalf of the District, shall annually file a report with the City Council as required pursuant to Government Code Section 50075.3.

Section 20. The City Clerk is directed to certify and attest to this Resolution, and to take any and all necessary acts to call, hold, canvass and certify an election or elections on the levy of the special tax, and the establishment of the appropriation limit.

Section 21. This Resolution shall take effect immediately upon its adoption.

ADOPTED, SIGNED and APPROVED this 14th day of November, 2017.

ATTEST:

Mayor, Michael M. Vargas

City Clerk, Nancy Salazar

STATE OF CALIFORNIA  )
COUNTY OF RIVERSIDE  )
CITY OF PERRIS  )

I, NANCY SALAZAR, CITY CLERK OF THE CITY OF PERRIS, CALIFORNIA, DO HEREBY CERTIFY that the foregoing Resolution Number ____ was duly and regularly adopted by the City Council of the City of Perris at a regular meeting held the 14th day of November, 2017, by the following called vote:

AYES: ____________________________________________

NOES: ___________________________________________

ABSENT: ________________________________________

ABSTAIN: _______________________________________
City Clerk, Nancy Salazar
Exhibit A

CITY OF PERRIS
COMMUNITY FACILITIES DISTRICT NO. 2001-3
NORTH PERRIS PUBLIC SAFETY

SPECIAL TAX RATE AND METHOD OF APPORTIONMENT

A. Basis of Special Tax Levy

A Special Tax shall be levied on all Taxable Property in Community Facilities District No. 2001-3 ("District"), North Perris Public Safety of the City of Perris and collected each fiscal year commencing in Fiscal Year 2005/06 in an amount determined by the Council through the application of this Rate and Method of Apportionment of the Special Tax. All of the real property in CFD No. 2001-3 unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

B. Definitions


Administrative Expenses means the costs incurred by the City to determine, levy and collect the Special Taxes, including salaries of City employees and the fees of consultants and the costs of collecting installments of the Special Taxes upon the general tax rolls; preparation of required reports, and any other costs required to administer CFD No. 2001-3 as determined by the Finance Director.

Annual Cost(s) means for each fiscal year, the total of 1) the estimated cost of services provided through the Police & Fire Protection Program adopted by the City; 2) Administrative Expenses, and 3) any amounts needed to cure actual or projected delinquencies in Special Taxes for the current or previous fiscal year.

Annual Tax Escalation Factor means an increase in the Maximum Special Tax Rate each year following the Base Year in an amount not to exceed 2.00% annually.

Base Year means Fiscal Year ending June 30, 2006.

CFD No. 2001-3 means the Community Facilities District No. 2001-3 (North Perris Public Safety) of the City of Perris.

City means the City of Perris, California.

Council means the City Council of the City of Perris as the legislative body for CFD No. 2001-3 under the Act.
**County** means the County of Riverside, California.

**Developed Parcel** means for each fiscal year, each Parcel for which a building permit for new construction or renovations was issued prior to March 1 of the previous fiscal year.

**District** means the Community Facilities District No. 2001-3, ("CFD 2001-3), North Perris Public Safety of the City of Perris.

**Exempt Parcel** means any Parcel that is not a Residential Parcel or a Non-Residential Parcel. Exempt Parcels are exempt from the levy of Special Taxes.

**Finance Director** means the Finance Director for the City of Perris or his or her designee.

**Fiscal Year** means the period starting July 1 and ending the following June 30.

**Maximum Special Tax** means the greatest amount of Special Tax that can be levied against a Parcel in a given fiscal year calculated by multiplying the Maximum Annual Special Tax Rate by the relevant acres or units of the Parcel.

**Maximum Special Tax Rate** means the amount determined pursuant to Section D below, which will be used in calculating the Maximum Special Tax for a Parcel based on its land use classification. Each fiscal year following the Base Year, the Maximum Special Tax Rate shall be increased in accordance with the Annual Tax Escalation Factor and otherwise adjusted as provided in this Special Tax Rate and Method of Apportionment.

**Maximum Special Tax Revenue** means the greatest amount of revenue that can be collected in total from a group of Parcels by levying the Maximum Special Tax.

**Multi-Family Unit** means each multi-family attached residential unit located on a Developed Parcel.

**Non-Residential Acres** means the acreage of a Non-Residential Parcel. The acreage assigned to such a Parcel shall be that shown on the County assessor’s parcel map.

**Non-Residential Parcel** means a Developed Parcel for which a building permit(s) was issued for private non-residential use. Non-Residential Parcels do not include Parcels that are intended to be, (1) publicly owned or owned by a regulated public utility, or (2) assigned minimal value or is normally exempt from the levy of general ad valorem property taxes under California law, including homeowners association property, public utility, public streets; schools; parks; and public drainage ways, public landscaping, greenbelts, and public open space.

**Parcel** means a lot or parcel shown on an assessor’s parcel map with an assigned assessor’s parcel number located in CFD No. 2001-3 based on the last equalized tax rolls of the County.
Police & Fire Protection Program means a program adopted by the Council pursuant to Section 53313 of the Act for the provision, in a defined area of benefit, of police and fire protection services that are in addition to those services that would be provided to the area of CFD No. 2001-3 if CFD No. 2001-3 were not in existence.

Residential Parcel means a Developed Parcel for which a building permit(s) was issued for residential use.

Single-Family Unit means a Developed Parcel used for single-family detached residential development.

Special Tax(es) means any tax levy under the Act in CFD No. 2001-3.

Taxable Property means every Residential Parcel and Non-Residential Parcel.

Zone A means property designated as Zone A.

C. Duration of the Special Tax

Duration of Special Tax for Taxable Property in CFD No. 2001-3 shall remain subject to the Special Tax in perpetuity.

D. Assignment of Maximum Special Taxes

1. Classification of Parcels

Each fiscal year, using the Definitions above, each Parcel of Taxable Property is to be classified as either a Residential Parcel or Non-Residential Parcel. Each Residential Parcel is to be further classified as either a Single-Family Unit or as the number of Multi-Family Units located on such Parcel.
2. **Maximum Special Tax Rates**

**TABLE 1**  
Maximum Special Tax Rate for Developed Property in  
Community Facilities District No. 2001-3  
Fiscal Year 2005/06

<table>
<thead>
<tr>
<th>Tax Status</th>
<th>Base Year Maximum Special Tax Rate</th>
<th>Tax Levy Basis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Family Residential Unit</td>
<td>$265.30</td>
<td>Per Unit</td>
</tr>
<tr>
<td>Multi-Family Residential Unit</td>
<td>$53.06</td>
<td>Per Unit</td>
</tr>
<tr>
<td>Non-Residential Parcel</td>
<td>$1,061.21</td>
<td>Per Acre</td>
</tr>
</tbody>
</table>

Each Fiscal Year following the Base Year of FY 2005/06, the Maximum Special Tax Rates shall be increased in accordance with the Annual Tax Escalation Factor.

**E. Setting The Annual Special Tax Levy**

The Special Tax levy for each Parcel of Taxable Property will be established annually as follows:

1. Compute the Annual Costs using the definitions in Section B.

2. Calculate the available special tax revenues by taxing each Parcel of Taxable Property at 100.00% of its Maximum Special Tax. If revenues are greater than the Annual Costs, reduce the tax proportionately against all Parcels until the tax levy is set at an amount sufficient to cover Annual Costs.

3. Levy on each Parcel of Taxable Property the amount calculated above. No Special Tax shall be levied on Exempt Parcels.

The City shall make every effort to correctly assign the number of taxable units and calculate the Special Tax for each Parcel. It shall be the burden of the taxpayer to correct any errors in the determination of the Parcels subject to the tax and their Special Tax assignments.

**F. Administrative Changes and Appeals**

The Finance Director or designee has the authority to make necessary administrative adjustments to the Special Tax Rate and Method of Apportionment in order to remedy any portions of the Special Tax formula that require clarification.

Any taxpayer who feels that the amount of the Special Tax assigned to a Parcel is in error may file a notice with the Finance Director appealing the levy of the Special Tax. The Finance Director will then promptly review the appeal, and if necessary, meet with the applicant. If the Finance Director verifies that the tax should be modified or changed, a
recommendation at that time will be made to the Council and, as appropriate, the Special Tax levy shall be corrected and, if applicable in any case, a refund shall be granted.

Interpretations may be made by Resolution of the Council for purposes of clarifying any vagueness or ambiguity as it relates to the Special Tax rate, the method of apportionment, the classification of properties, or any definition applicable to CFD No. 2001-3.

G. MANNER OF COLLECTION

The Special Tax will be collected in the same manner and at the same time as *ad valorem* property taxes; provided; however, the City or its designee may directly bill the Special Tax and may collect the Special Tax at a different time, such as on a monthly or other periodic basis, or in a different manner, if necessary to meet its financial obligation.
Exhibit B

COMMUNITY FACILITIES DISTRICT NO. 2001-3 (NORTH PERRIS PUBLIC SAFETY) OF THE CITY OF PERRIS, ANNEXATION NO. 24

TYPES OF SERVICES TO BE FINANCED

Fire protection and suppression services, and ambulance and paramedic services including all furnishings, equipment and supplies related thereto; police protection services, including but not limited to criminal justice services, including all furnishings, equipment and supplies related thereto.
Resolution No. ________

Exhibit C

OFFICIAL BALLOT
TO BE OPENED ONLY BY THE CANVASING BOARD

COMMUNITY FACILITIES DISTRICT NO. 2001-3 (NORTH PERRIS PUBLIC SAFETY) OF THE CITY OF PERRIS, ANNEXATION NO. 24

SPECIAL TAX AND APPROPRIATIONS LIMIT ELECTION

November 14, 2017

To vote, mark a cross (+) or (X) in the voting square after the word “YES” or after the word “NO.” The voter should then sign the ballot. All distinguishing marks otherwise made are forbidden and will void the ballot.

This ballot is provided to Perris Gateway Investors, LLC as owner or authorized representative of such sole owner of 23.22 acres of the land within Community Facilities District No. 2001-3 (North Perris Public Safety) of the City of Perris, Annexation No. 24 (the “Property”) and represents 24 of the votes required for annexation.

If you wrongly mark, tear, or deface this ballot, return it to the City Clerk of the City of Perris at 101 North “D” Street, Perris, California 92570 and obtain another.

**PROPOSITION A:** Shall the Property be annexed and shall a Special Tax be levied within Community Facilities District No. 2001-3 (North Perris Public Safety) of the City of Perris, Annexation No. 24 to pay for the provision of fire protection and suppression services, and ambulance and paramedic services including all furnishings, equipment and supplies related thereto; and police protection services, including but not limited to criminal justice services, including all furnishings, equipment and supplies related thereto, as authorized in the Resolution calling election adopted on November 14, 2017 and the Resolution of Intention referred to therein; and shall an appropriations limit be established for Community Facilities District No. 2001-3 (North Perris Public Safety) of the City of Perris, Annexation No. 24 pursuant to Article XIIIIB of the California Constitution, said appropriations limit to be equal to the amount of all proceeds of the special tax collected annually, as adjusted for changes in the cost of living and changes in population, where said Maximum Special Tax Rate for Fiscal Year 2017-2018 is $336.46 per Single-Family Residential Unit, $67.29 per Multi-Family Residential Unit and $1,345.87 per acre for Non-residential Parcels and is subject to an Annual Tax Escalation Factor not to exceed 2.00% annually?

Number of votes: 24

Property Owner: Perris Gateway Investors, LLC

By: ________________________________
Resolution No. ____


The City Council (the "Council") of the City of Perris, California (the "City"), acting in its capacity as the legislative body (the "Legislative Body") of the Community Facilities District No. 2001-3 (North Perris Public Safety) of the City of Perris (the "District"), does hereby resolve as follows:

WHEREAS, the Legislative Body called and duly held an election in the District pursuant to Resolution No. ____ adopted on November 14, 2017 for the purpose of presenting to the qualified electors within the certain territory proposed to be annexed to the District known and designated as "Annexation No. 24" (the "Property"), a proposition for the levy of a special tax and the establishment of an appropriations limit ("Proposition A") in accordance with the method set forth in Exhibit "A" to Resolution No. 5175 adopted on September 26, 2017 (the "Resolution of Intention"); and

WHEREAS, the landowners of record within the Property as of the close of the public hearing held on November 14, 2017 unanimously consented to a waiver of the time limits for setting the election and a waiver of any written analysis, arguments or rebuttals as set forth in California Government Code sections 53326 and 53327. Such waivers are set forth in written certificates executed by the landowners which are on file with the City Clerk as election official (the "Election Official") concurring therein; and

WHEREAS, pursuant to the terms of the Resolution Calling Election and the provisions of the Mello-Roos Community Facilities Act of 1982 (the "Act"), the special election was held on November 14, 2017; and

WHEREAS, there has been presented to this Legislative Body a Certificate of the Election Official as to the Results of the Canvass of the Election Returns (the "Certificate of the Election Official"), a copy of which is attached hereto as Exhibit "A;"

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Perris, acting in its capacity as the Legislative Body of Community Facilities District No. 2001-3 (North Perris Public Safety) of the City of Perris, California, as follows:

Section 1. That the above recitals are all true and correct.
Section 2. The canvass of the votes cast in the Property to be annexed to the District at the special election held on November 14, 2017, as shown in the Certificate of the Election Official, is hereby approved and confirmed.

Section 3. Proposition A presented to the qualified electors of the Property for receipt by the Election Official on November 14, 2017, has received a unanimous vote of the qualified electors voting at said election, and Proposition A has carried. The Legislative Body is hereby authorized to take the necessary steps to levy the special tax authorized by Proposition A on the Property.

Section 4. The City Clerk is hereby directed to enter the title of this Resolution on the minutes of the Legislative Body and to indicate the official declaration of the result of such special election.

Section 5. The Legislative Body hereby determines that the Property is added to and part of the existing District with full legal effect, and hereby authorizes the levy of a special tax at the Rate and Method of Apportionment set forth in Exhibit A to the Resolution of Intention. The whole of the territory within the Property shall be subject to the special tax consistent with the provisions of the Act.

Section 6. Pursuant to and in compliance with the provisions of Government Code Section 50075.1, the Legislative Body hereby establishes the following accountability measures pertaining to the levy by the District of the Special Tax described in Section 3 above:

A. Such Special Tax with respect to the District shall be levied for the specific purposes set forth in Proposition A and Section 3 hereof.

B. The proceeds of the levy of such Special Tax with respect to each Improvement Area shall be applied only to the specific purposes set forth in Section 3 hereof and Proposition A referred to therein.

C. The District shall establish an account or accounts into which the proceeds of such Special Tax with respect to each Improvement Area shall be deposited.

D. The City Manager, Assistant City Manager and Finance Director, or his or her designee, acting for and on behalf of the District, shall annually file a report with the City Council as required pursuant to Government Code Section 50075.3.

Section 7. The City Clerk is hereby directed to execute and cause to be recorded in the office of the County Recorder of the County of Riverside a notice of special tax lien in the form required by the Act, said recording to occur no later than fifteen days following adoption by the City Council of this Resolution.

Section 8. This Resolution shall take effect immediately upon its adoption.

Section 9. The City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original resolutions.
ADOPTED, SIGNED and APPROVED this 14th day of November, 2017.

__________________________
Mayor, Michael M. Vargas

ATTEST:

__________________________
City Clerk, Nancy Salazar

STATE OF CALIFORNIA  
COUNTY OF RIVERSIDE  §
CITY OF PERRIS  

I, NANCY SALAZAR, CITY CLERK OF THE CITY OF PERRIS, CALIFORNIA, DO HEREBY CERTIFY that the foregoing Resolution Number _____ was duly and regularly adopted by the City Council of the City of Perris at a regular meeting held the 14th day of November, 2017, by the following called vote:

AYES: ________________________________
NOES: ________________________________
ABSENT: ______________________________
ABSTAIN: ______________________________

__________________________
City Clerk, Nancy Salazar
Exhibit A

COMMUNITY FACILITIES DISTRICT NO. 2001-3
(NORTH PERRIS PUBLIC SAFETY)
OF THE CITY OF PERRIS, ANNEXATION NO. 24

CERTIFICATE OF THE ELECTION OFFICIAL
AS TO THE RESULTS OF THE CANVASS OF THE ELECTION RETURNS

STATE OF CALIFORNIA  )
COUNTY OF RIVERSIDE  ) §
CITY OF PERRIS  )

I, NANCY SALAZAR, City Clerk in my capacity as Elections Official in the City of Perris, California, in its capacity as the legislative body of the Community Facilities District No. 2001-3 (North Perris Public Safety) of the City of Perris, DO HEREBY CERTIFY, that pursuant to the provisions of Section 53325.4 of the Government Code and Division 15, commencing with Section 15000 of the Elections Code of the State of California, I did canvass the return of the votes cast at the Special Tax Election on November 14, 2017, held in

COMMUNITY FACILITIES DISTRICT NO. 2001-3 (NORTH PERRIS PUBLIC SAFETY)
OF THE CITY OF PERRIS, ANNEXATION NO. 24

I FURTHER CERTIFY that the Statement of All Votes Cast, to which this certificate is attached, shows the total number of ballots case within the Property to be annexed to the District for the Proposition, and the totals of the respective columns and the totals as shown for the Proposition are full, true and correct.

WITNESS my hand and Official Seal this 14th day of November, 2017.

CITY OF PERRIS, CALIFORNIA, acting as the LEGISLATIVE BODY OF THE COMMUNITY FACILITIES DISTRICT NO. 2001-3 (NORTH PERRIS PUBLIC SAFETY) OF THE CITY OF PERRIS

By: ________________________________

City Clerk, Nancy Salazar
COMMUNITY FACILITIES DISTRICT NO. 2001-3  
(NORTH PERRIS PUBLIC SAFETY)  
OF THE CITY OF PERRIS, ANNEXATION NO. 24  

STATEMENT OF ALL VOTES CAST  
SPECIAL TAX ELECTION

<table>
<thead>
<tr>
<th>Qualified Landowner Votes</th>
<th>Total Votes Cast</th>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Perris, Community Facilities District No. 2001-3 (North Perris Public Safety) of the City of Perris, Annexation No. 24, Special Election, November 14, 2017</td>
<td>24</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**PROPOSITION A:** Shall the Property be annexed and shall a Special Tax be levied within Community Facilities District No. 2001-3 (North Perris Public Safety) of the City of Perris, Annexation No. 24 to pay for the provision of fire protection and suppression services, and ambulance and paramedic services including all furnishings, equipment and supplies related thereto; and police protection services, including but not limited to criminal justice services, including all furnishings, equipment and supplies related thereto, as authorized in the Resolution calling election adopted on November 14, 2017 and the Resolution of Intention referred to therein; and shall an appropriations limit be established for Community Facilities District No. 2001-3 (North Perris Public Safety) of the City of Perris, Annexation No. 24 pursuant to Article XIIIIB of the California Constitution, said appropriations limit to be equal to the amount of all proceeds of the special tax collected annually, as adjusted for changes in the cost of living and changes in population, where said Maximum Special Tax Rate for Fiscal Year 2017-2018 is $336.46 per Single-Family Residential Unit, $67.29 per Multi-Family Residential Unit and $1,345.87 per acre for Non-residential Parcels and is subject to an Annual Tax Escalation Factor not to exceed 2.00% annually?
Meeting Date: November 14, 2017

SUBJECT: Presentation Introducing the new OpenGov Interactive Financial Transparency Website

REQUESTED ACTION: Provide City Council an Overview of the OpenGov Website

CONTACT: Jennifer Erwin, Director of Finance

BACKGROUND/DISCUSSION:

Based on direction from the City Council, staff has taken many steps to improve financial transparency including implementing new accounting software with reliable internal controls, providing the Council with monthly check registers, and posting financial reports such as the CAFER online. To further these efforts, the Ways and Means Subcommittee received a demonstration from and recommended OpenGov to be the City’s vehicle for providing financial data to the public. OpenGov is a software that allows regular updates of financial information directly from the City’s new accounting software. Anyone can go to the City’s website, click on the link to OpenGov, and drill down on financial data by fund/department.

The initial roll-out of the OpenGov portal will include three sections:

1. The financial data by fund/department
2. A listing of checks issued and their description
3. A map that shows all the City’s construction projects by location

Another section to be added in the near future is a landing page that presents frequently asked questions and with one click the software will bring that user to the answer in the financial data. An example of the landing page is attached to this staff report.

BUDGET (or FISCAL) IMPACT: None

Reviewed by:

Assistant City Manager
Director of Finance

Attachments: Example landing page
Meridian Finances

- What are the City's expenses?
- What are the City's revenue sources?
- How much property tax does the City receive each year?
- How much does the City spend on Public Safety?
- The City Council approves the budget each summer after several budget meetings open to citizens.
- How much does the City spend on water and wastewater services?
- How much does the City spend on Parks?
- What's the status of this year's budget?
- Browse more City financial data

Who makes City finance decisions?