

**PLACENTIA CITY COUNCIL
PLACENTIA CITY COUNCIL ACTING AS SUCCESSOR AGENCY TO THE
PLACENTIA REDEVELOPMENT AGENCY
PLACENTIA INDUSTRIAL COMMERCIAL DEVELOPMENT AUTHORITY
PLACENTIA PUBLIC FINANCING AUTHORITY**

**MINUTES
REGULAR MEETING**

**April 18, 2023
5:30 p.m. – City Council Chambers
401 E. Chapman Avenue, Placentia, CA**

CALL TO ORDER: Mayor Smith called the meeting to order at 5:30 p.m.

ROLL CALL:

PRESENT: Councilmember/Board Member Kirwin, Wanke, Yamaguchi, Smith
ABSENT: Shader (excused)

ORAL COMMUNICATIONS:

Mayor Smith opened Oral Communications for the Closed Session. City Clerk McKinnell stated that the City Clerk's Office had received no public comment for the Closed Session.

City Clerk McKinnell read into the record the cases to be discussed in Closed Session.

The City Council and Boards of Directors recessed to the City Council Caucus Room for the purpose of conducting their Closed Session proceedings on the following:

1. Pursuant to Government Code Section 54957.6
CONFERENCE WITH LABOR NEGOTIATOR
Agency Designated Representatives: Damien Arrula, City Administrator
Alice Burnett, Director of Human Resources
Employee Organizations: Placentia City Employees Association (PCEA)
Placentia Firefighters Association (PFA)
Placentia Police and Fire Management Association (PPFMA)
Placentia Police Officers Association (PPOA)
Unrepresented Employees

2. Pursuant to Government Code Section 54956.9(d)(1)
CONFERENCE WITH LEGAL COUNSEL – Existing Litigation
City of Placentia vs. Onward Engineering; Case No. 30- 2018-01040701

RECESS: The City Council and Boards of Directors recessed to their 7:00 p.m. Regular Meeting.

CALL TO ORDER: Mayor Smith called the meeting to order at 7:00 p.m.

ROLL CALL:

PRESENT: Councilmember/Board Member Kirwin, Wanke, Yamaguchi, Smith
ABSENT: Shader (excused)

STAFF PRESENT:

City Attorney/Authority Counsel Christian Bettenhausen; City Administrator Damien Arrula; Deputy City Administrator Rosanna Ramirez; Deputy City Administrator Luis Estevez; Police Chief Brad Butts; Fire Chief Jason Dobine; Director of Finance Jennifer Lampman; Director of Community Services Karen Crocker; Director of Development Services Joe Lambert; Assistant to the City Administrator/Economic Development Manager Jeannette Ortega; City Treasurer Kevin Larson; City Clerk Robert McKinnell; Deputy City Clerk Carole M. Wayman

INVOCATION: Chaplain Kenneth Curry

PLEDGE OF ALLEGIANCE: Officer Zach King

PRESENTATIONS:

Certificate Recognizing the Liberation of Buchenwald on April 11, 1945

Presenter: Mayor Smith

Recipient: Former Councilmember Craig S. Green

Mayor Smith presented a proclamation in recognition of the liberation of Buchenwald on April 11, 1945 to former Councilmember Craig Green. Mayor Smith noted that two veterans were in the audience, Meridith Castillo, Chair of the Veterans Committee and Lee Squire who is also very involved in veteran affairs in the City. He thanked them for their service.

Former Councilmember Green commented on his father's memories of the liberation of Buchenwald and expressed appreciation for the Proclamation recognizing this important date in history.

CLOSED SESSION REPORT:

City Attorney/Authority Counsel Bettenhausen stated that there were two (2) items on the Closed Session agenda, one concerning labor negotiations and the other existing litigation. The City Council discussed each of those items and there was nothing further to report.

CITY ADMINISTRATOR REPORT: None

ORAL COMMUNICATIONS:

Trudy DesRoches, Vice President for the Yorba Linda Water District, provided an update on water line projects in the City.

Andrew Meling, representative of the Southwest Carpenters Union of Orange County expressed concerns about wage and tax fraud in the construction industry and the effects on vulnerable workers. He commented on an upcoming weeklong awareness campaign scheduled for April 10-18, 2023 and requested support from the City Council.

Lee Squire, Placentia resident expressed appreciation to the City Council for their support in honoring the military and veterans.

CITY COUNCIL/BOARD MEMBER COMMENTS:

Councilmember Kirwin promoted community meetings for the proposed Senior/Community Center project noting that the last meeting will be at the Backs building on April 24, 2023 from 6-7:30 p.m. He encouraged all interested to attend or complete the online survey on the City's website. He reported that he attended a tour of HIS house, a homeless outreach program in the City and a tree planting ceremony at Bradford Park on Saturday, April 15, 2023.

Councilmember Wanke promoted the survey on the City's website for the Chapman Corridor revitalization plan and encouraged all interested to provide input. He reported that he represented the City at an Orange County Sanitation District Board of Directors meeting in which there was discussion about the Groundwater Recharge System (GWRS) project which is in the final expansion stage. He gave a brief overview of the GWRS project noting that several state and local public officials were also in attendance.

Mayor Pro Tem Yamaguchi thanked former Councilmember Green for calling attention to the anniversary of Buchenwald. He noted his participation in the tour of City Hall for local third grade students and thanked staff for their efforts in coordinating the annual visits. He promoted the upcoming CERT program starting on May 4, 2023 through June 8, 2023 from 5:30-8:30 p.m. at the Backs Building.

Mayor Smith reported his attendance at the following:

- SCAG Transportation Committee meeting
- Santa Fe Merchants monthly meeting
- Presentation honoring Lot 318 by Congresswoman Michelle Steele
- Chamber of Commerce Recognition event for longtime members, noting that the Whole Enchilada is a 35 year member
- Leadership meeting for Love Placentia event

He also commented on the City Hall tour with third graders from Morse and Tynes Elementary schools noting the interesting questions that were asked by students. He promoted Love Placentia day on April 22, 2023 and encouraged all to participate in projects throughout the City noting that the list on projects and sign up lists can be found at www.loveplacentia.com

1. CONSENT CALENDAR (Items 1.a. through 1.g.):

Motion by Wanke, seconded by Yamaguchi, and carried a (4-0-1, Shader absent) vote to approve the Consent Calendar items 1.a. through 1.g., as recommended.

1.a. Consideration to Waive Reading in Full of all Ordinances and Resolutions

Fiscal Impact: None

Recommended Action: Approve

(Approved 4-0-1, as recommended, Shader absent)

**1.b. City Fiscal Year 2022-23 Register for April 18, 2023
Check Register**

Fiscal Impact: \$3,040,117.01

Electronic Disbursement Register

Fiscal Impact: \$ 695,608.90

Recommended Action: It is recommended that the City Council:

1) Receive and file.

(Received and Filed, as recommended)

1.c. Second Reading and Adoption of Ordinance No. O-2023-01, an Ordinance of the City Council of the City of Placentia, California, amending Chapter 9.20 ("Wild Animals") to Title 9 ("Animals and Fowl") of the Placentia Municipal Code Relating to Feeding Wild Animals within the City

Fiscal Impact: None

Recommended Action: Approve

(Approved 4-0-1, as recommended, Shader absent)

1.d. Acceptance of Resignation from the Senior Advisory Committee

Fiscal Impact: None

Recommended Action: It is recommended that the City Council:

1) Accept the resignation of Huberto Mayo from the Senior Advisory Committee and;

2) Update the City's master Commission/Committee vacancy list to include the vacancy on the Senior Advisory Committee.

(Approved 4-0-1, as recommended, Shader absent)

1.e. FY 2022-23 Third Quarter Budget Report

Fiscal Impact:

Fund	Revenues (Including Transfers-In)	Appropriations (Including Capital & Transfers-Out)
General Fund	\$0	\$103,000
Special Revenue	\$44,810	\$ 72,010
Total	\$44,810	\$175,010

Recommended Action: It is recommended that the City Council:

Approve the Third Quarter Budget Report and adopt Resolution No. R-2023-24, amending the City's FY 2022-23 Budget.

(Approved 4-0-1, as recommended, Shader absent)

1.f. Approval of Plans & Specifications and Award of Construction Contract to E. Avico, Inc., for the Interior Tenant Improvements for the Butler Building for the Placentia Public Safety Center Project No. 5213

Fiscal Impact:

Expense:	\$ 1,680,880	Total Construction Contract Amount
	\$ 168,088	Total Construction Contingency Amount
	\$ 1,848,400	Total Amount
Available Budget:	\$ 2,110,969	Fiscal Year 2022-23 CIP Budget (105213-6850 JL# 229999-6850)

Recommended Action: It is recommended that the City Council:

- 1) Approve the engineered and architectural construction plans & specifications prepared by PBK Architects, Inc., and approve a Public Works Agreement with E. Avico, Inc., for Placentia Public Safety Center Butler Tenant Improvements in the amount of \$1,680,880; and
- 2) Reject the bid proposal submitted by SPAREA as non-responsive; and
- 3) Reject all other bids received and authorize return of the bid bonds; and
- 4) Authorize the City Administrator to approve contract change orders up to ten percent (10%) of the contract amount, or \$168,088, for a total construction contract not-to-exceed amount of \$1,680,800; and
- 5) Authorize the City Administrator to approve all agreements in a form approved by the City Attorney.

(Approved 4-0-1, as recommended, Shader absent)

1.g. **Grant Of Easement to Southern California Edison for Electric Utility Systems Located at the City Corporation Yard**

Fiscal Impact: None

Recommended Action:

- 1) Approve the Grant of Easement to Southern California Edison for electric utility systems; and
- 2) Authorize the City Administrator to execute the Grant of Easement on behalf of the City in a form approved by the City Attorney.

(Approved 4-0-1, as recommended, Shader absent)

2. PUBLIC HEARINGS:

2.a. **Annual Update Regarding Citywide Development Impact Fees, Transit Oriented Development Packinghouse District Development Impact Fees, and Residential Affordable Housing Impact Fees for Cost Recovery**

Fiscal Impact: These Development Impact Fees are established for cost recovery or statutory purposes only. There is no immediate fiscal impact associated with the recommended actions. The adoption of revised development impact fees and residential affordable housing impact fees will not have an immediate impact on revenues to the City until effective 60 days subsequent to adoption. This update adjusts most fees commensurate with the Construction Cost Index (CCI) and updates two specific fees commensurate with actual costs, and therefore, does not provide unanticipated revenue. The fees that are specifically being updated beyond CCI commensurate with actual costs are the Public Safety Impact Fee (now known as Fire, Police Animal Shelter fees) and TOD Sewer Impact Fee.

Recommended Action: It is recommended that the City Council:

- 1) Open the Public Hearing concerning the Citywide Development Impact Fee Schedule, the Transit-Oriented Development (TOD) Packing House Development Impact Fee Schedule, and the Residential Affordable Housing Impact Fee Schedule; and
- 2) Receive the staff report, consider all public testimony, ask questions of Staff; and
- 3) Close the public hearing; and
- 4) Find that the recommended actions are exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15378(b)(4), 15061(b)(3), and 15273 of the CEQA Guidelines, Section 21065 of the Public Resources Code, and the City of Placentia Local Guidelines for implementing CEQA; and
- 5) Adopt Resolution No. R-2023-20, a Resolution of the City Council of the City of Placentia, California, approving updated Development Impact Fees pursuant to Construction Cost Index to financially mitigate impacts to parks and recreational facilities, sewer facilities, transportation infrastructure, storm drain facilities, Quimby in-lieu fees, and adopting public safety (Fire, Police, Animal Shelter) fees pursuant to the April 2023 Development Impact Fee Nexus Study; and
- 6) Adopt Resolution No. R-2023-21, a Resolution of the City Council of the City of Placentia, California, approving updated Development Impact Fees pursuant to Construction Cost Index to financially mitigate impacts to traffic and transportation infrastructure, and streetscape infrastructure in the Transit Oriented Development

- area, and adopting sewer facilities fees in the Transit Oriented Development area pursuant to the April 2023 Development Impact Fee Nexus Study; and
- 7) Adopt Resolution No. R-2023-22, a Resolution of the City Council of the City of Placentia, California, approving updated Citywide Residential Affordable Housing Impact Fees pursuant to Construction Cost Index for residential developments citywide; and
 - 8) Direct City Staff to further evaluate and determine a metric that most closely reflects the current cost indices average for cost trends for specific construction trade labor and materials in the current construction environment; and
 - 9) Direct City Staff to prepare a new Development Impact Fee Nexus Study Report to be employed for the future update of both Citywide Development Impact Fees and Transit Oriented Development (TOD) Impact Fees **and affordable housing fees** for fiscal year 2024-25.

(Approved 4-0-1, Shader absent), as recommended with the addition of affordable housing fees in Nexus Study report in recommendation No. 9.

Mayor Smith opened the Public Hearing at 7:40 p.m.

City Administrator Arrula introduced Director of Development Services Joe Lambert who gave a brief presentation on the annual update of Citywide Development Impact fees.

Mr. Lambert noted that Staff is recommending an additional recommendation for the Council's consideration. Recommendation No. 9 is amended to include "affordable housing fees". He further explained that Staff will work with the City's consultant on a new metric for these fees.

Councilmember Kirwin inquired about the 3% increase in construction costs.

Mr. Lambert explained that Engineering News Record, a respected nationwide construction periodical, prepares a construction cost index which is similar to a CPI. This index provides a better forecast of construction costs.

Councilmember Wanke asked about the Affordable Housing Impact Fees and what the per unit fee would be.

Mr. Lambert provided the per unit fees for a single-family homes and for an apartments.

City Clerk McKinnell stated that the City Clerk's Office had received no public comment for Item 2.a.

Mayor Smith closed the Public Hearing at 7:53 p.m.

Motion by Yamaguchi, seconded by Wanke, and carried a (4-0-1, Shader absent) vote to approve Item 2.a., as recommended and with the addition of affordable housing fees in Nexus Study report in recommendation no. 9.

2.b. Public Hearing: Adoption of Proposed Overhead Cost Allocation Study and Comprehensive Fee and Rate Schedule

Fiscal Impact: The proposed fee changes as of July 1, 2023, are intended to recover the cost of providing existing services associated with those fee-related regulatory functions and other programs.

Recommended Action: It is recommended that the City Council:

- 1) Open the Public Hearing to consider amending the Placentia Comprehensive Fee Schedule for certain fees, rates, and charges for various City user services; and
- 2) Receive the Staff report, consider all public testimony, and discuss the proposed fees; and
- 3) Close the public hearing; and
- 4) Adopt Resolution No. R-2023-23, a Resolution of the City Council of the City of Placentia, California, establishing and adopting certain City fees, rates, and charges for various City services with an effective date of July 1, 2023, for Fiscal Year 2023-24.

(Approved 4-0-1, as recommended, Shader absent)

Mayor Smith opened the Public Hearing at 8:00 p.m.

City Administrator Arrula introduced Finance Director Jennifer Lampman who gave a brief presentation on the City's Master Fee schedule which will go into effect July 1, 2023. The presentation included background information on the difference between fees and taxes, difference between user fees and impact fees, cost recovery, increases based on CPI, fee study report, fee review schedule and proposed adjustments.

City Clerk McKinnell stated that the City Clerk's Office had received no public comment for Item 2.b.

Mayor Pro Tem Yamaguchi inquired about a cap on solar panel fees.

Director of Development Services Joe Lambert explained how the City has lowered fees in order to comply with the cap mandated by state law. He added that the City is not recovering costs for plan check fees as a result of the cap on fees.

Mayor Smith closed the Public Hearing at 8:05 p.m.

Motion by Wanke, seconded by Yamaguchi, and carried a (4-0-1, Shader absent) vote to approve Item 2.a., as recommended.

3. REGULAR AGENDA:

3.a. **Study Session: Revised Infrastructure Financing Plan for the Placentia Enhanced Infrastructure Financing District**

Fiscal Impact: Estimated range of \$17 to \$24 million in Property Tax Increment Revenue Over Approximately 40 Years

Up to \$59 million in net fiscal impact revenue to the City

Recommended Action: It is recommended that the City Council:

- 1) Review the Staff presentation on the proposed EFID IFP amendments; and
- 2) Ask any questions of Staff and the Financial Advisory Team; and
- 3) Approve in concept the proposed EFID IFP amendments and direct the City Administrator to bring forth the final proposed IFP amendments necessary to fulfill the revised EIFD plan.

(Approved 4-0-1, as recommended, Shader absent)

City Administrator Arrula introduced Assistant to the City Administrator/Economic Development Manager Jeannette Ortega, Finance Director Jennifer Lampman, and Joe Dieguez and Dan Massiello from Kostmont Financial Services. Mr. Dieguez and Mr. Massiello gave a presentation on proposed amendments to the current EIFD plan and infrastructure financing plan for the Council's consideration. The presentation included background information on the EIFD plan, original streetscape master plan financing, increasing cost of debt service, tax increment financing, allocation of funds, economic benefits and proposed amendments.

Councilmember Kirwin commented on the City and County's financial commitments for the infrastructure plan.

Mr. Massiello explained the contribution levels and explained that due to increasing costs for infrastructure it is better to install the infrastructure sooner rather than later. He also clarified that property owners will not receive a new tax bill as a result of improvements in the EIFD. He further explained tax increment financing.

A discussion ensued about the induced investment that would occur as a result of proceeding with the infrastructure plan, debt service on construction costs and the EIFD approval process.

Councilmember Wanke expressed that there are many concerns from residents about the EIFD and raising taxes, but taxes will not be increased. He encouraged members of the public to attend EIFD meetings which are open to the public. He also noted that the EIFD will be coming back to the Council for approvals.

Mayor Pro Tem Yamaguchi inquired about the LAIF percentage, bond issuance rate and debt service.

A discussion ensued about the infrastructure financing plan and the next steps in the process.

Councilmember Wanke commented on the benefits of constructing the infrastructure for the EIFD in order to spur development and lessen the impacts of construction on the public.

Councilmember Kirwin echoed Councilmember Wanke's comment about lessening the impact of construction on the public and added that businesses also would benefit. He expressed appreciation to Kosmont Financial Services for their work.

City Administrator Arrula summarized the recommended actions.

Motion by Kirwin, seconded by Yamaguchi, and carried a (4-0-1, Shader absent) vote to approve Item 3.a., as recommended.

CITY COUNCIL/BOARD MEMBERS REQUESTS:

Councilmember Kirwin announced that volunteers are still need for Love Placentia serve day.

Mayor Pro Tem Yamaguchi echoed Councilmember Kirwin's comment.

ADJOURNMENT:

The City Council/Successor Agency/ICDA/PPFA Board of Directors adjourned at 8:48 p.m. to a regular City Council meeting on Tuesday, May 2, 2023 at 5:30 p.m.



Ward L. Smith, Mayor/Agency Chair

ATTEST:



Robert S. McKinnell, City Clerk/
Agency Secretary

