

MINUTES OF THE REGULAR MEETING
OF THE LA PALMA CITY COUNCIL

May 21, 2002

Mayor Walker called the regular meeting of the La Palma City Council to order at 7:00 p.m. on Tuesday, May 21, 2002, in the Council Chambers of La Palma City Hall, 7822 Walker Street, La Palma, California.

PLEDGE OF ALLEGIANCE

Councilmember Aragona led the Pledge of Allegiance to the United States Flag.

INVOCATION

Bishop Larry Boberg of the Church of Jesus Christ of Latter Day Saints gave the Invocation.

ROLL CALL:

Councilmembers present: Lauree Aragona, Christine Barnes, Kenneth A. Blake, Alta E. Duke, Paul F. Walker

Councilmembers absent: None

City Officials present: Catherine Standiford, City Manager
Vince Giampa, Chief of Police
Ismile Noorbaksh, Director of Public Works/City Engineer
Tami K. Piscotty, Assistant to the City Manager
Paul Pitts, Director of Building & Safety
Robbeyn Bird, Director of Finance
Jan Hobson, Director of Recreation & Community Services
Joan Hoesterey, Principal Planner
Joel Kuperberg, City Attorney
Peggie Turnage, Executive Assistant

PRESENTATIONS

Mayor Walker preented a Proclamation Designating the Month of May as Mental Health Month to Theresa Boyd of the Orange County Health Care Agency. Ms. Boyd thanked the City Council and asked everyone to help eliminate the stigma of brain disorders by realizing that they are treatable, biologically-based illnesses that present symptoms through perception and behavior.

Mayor Walker presented a Proclamation to Chief O'Neil of the Orange County Fire Authority designating the Month of June as Drowning Prevention and Awareness Month. Chief O'Neil thanked the City Council and encouraged everyone to practice Water Safety.

ORAL COMMUNICATIONS

Brian O'Neal, 5042 Cartagena Circle, La Palma, addressed the Council to thank those that attended the Kennedy High School Scholarship Foundation Dinner. He announced that they

raised approximately \$5,000.00. He congratulated Mayor Pro Tem Barnes on her appointment to the Anaheim Union High School District's Citizens Oversight Committee as the Business Organization representative. He commented on how badly the wall along Crescent Avenue between the Kennedy property and Moody Street looks and asked the Council to consider funding for the repainting of the wall in the next budget. He reported that the Citizens Advisory Committee for Orange County Transportation Authority recently discussed the Senior Mobility Program and stated there are funds, as well as buses, available for cities.

City Manager Catherine Standiford responded that at the last City Council meeting the Council authorized an agreement with OCTA and as part of the Senior Mobility Program the City will receive funds to offset the cost of the Senior Transportation Program.

RECESS

Mayor Walker recessed the City Council to convene as the Community Development Commission at 7:13 p.m. (See separate Community Development Commission Minutes.)

RECONVENING

Mayor Walker reconvened the meeting in joint session with the Community Development Commission at 7:14 p.m.

REGULAR ITEMS

APPROVAL OF ECONOMIC DEVELOPMENT PLAN

City Manager/Executive Director Catherine Standiford stated that the quality of life enjoyed by La Palma residents depends largely on income derived from the City's businesses. La Palma's top ten property tax payers are all large, corporate entities that contribute almost 50 percent of the annual property tax and redevelopment tax increment revenue received by the City and its Community Development Commission. When combined with sales tax, the City's largest revenue source, and the other revenue sources that business contributes, such as business license fees, utility users taxes, and building and planning fees related to tenant improvements, it is clear that the business community is contributing 65% or more of the revenue coming into La Palma's General Fund – even though the business community makes up only 20% of La Palma's land use. Cities throughout California continue to struggle to establish and expand revenue sources to pay for basic services such as police and fire protection, recreation, parks, etc. Cities like La Palma, which are primarily built-out and residential in nature and have little open space for new development, have had an even more difficult time stabilizing and even expanding their financial base. To ensure future financial stability La Palma needs to focus greater attention on economic development opportunities to look at business retention and attraction. The Economic Development Plan being presented this evening is intended to provide clear goals and objectives for enhancing and expanding the City's financial base, it describes the current economic development climate in La Palma, it presents a program to attract and expand the revenue stream from La Palma businesses by retaining revenue generating businesses and then also by proactively attracting new ones when an existing business leaves.

Key components of the plan include: a commitment to enhance the City's reputation as being business friendly and customer service oriented by realigning some services and by providing training for the employees about the special needs of businesses, strengthening La Palma's ability to retain those businesses by establishing and maintaining a positive working relationship with business owners and managers, property owners, brokers doing commercial business in the area, and also by seeing what enhanced services could be provided to better support La Palma's business community. Another key component is strengthening La Palma's ability to attract new businesses, again by relationship building with commercial real estate brokers and property owners, and also by developing effective marketing and promotion materials that showcase what La Palma has to offer in terms of doing business. Another key component is also to evaluate the feasibility of expanding La Palma's Redevelopment Project Area to include commercial areas that are not currently included within it. The Economic Development Plan also includes an Implementation Plan that describes each task, the responsible parties, any additional resources required, and an estimated timeline for each planned component. She added that many of these activities, goals and objectives can be implemented within existing budgetary resources so the plan is not asking for an additional allocation of funds. This document is intended to be an action plan, a source of direction for the City's economic development activities. So that we ensure that La Palma's business community remains strong and healthy for the greater good of the community as a whole.

Councilmember/Commissionmember Aragona stated she feels this is a very good document and she is in support of its approval.

Councilmember/Commissionmember Duke stated she feels the City Manager has submitted a very comprehensive plan that is workable. She added that in her opinion the City has not always been business friendly and this document is very much needed.

Councilmember/Commissionmember Blake stated he feels this is a good comprehensive plan and is much needed to enhance the City's revenues.

Mayor/Chairman Pro Tem Barnes stated she believes it is better to be proactive and reactive and thinks this plan meets the needs of the City.

Mayor/Chairman Walker complimented staff for their work in creating this plan.

Councilmember/Commissionmember Aragona made a motion to approve the Economic Development Plan. The motion was seconded by Councilmember/Commissionmember Duke and carried on the following roll call vote:

AYES:	Aragona, Barnes, Blake, Duke, Walker
NOES:	None
ABSENT:	None

CONSIDERATION OF OWNER PARTICIPATION AGREEMENT WITH UNISOURCE WORLDWIDE, INC. AND APPROVAL OF FINANCING AGREEMENT BETWEEN CITY AND COMMUNITY DEVELOPMENT COMMISSION

Executive Director/City Manager Catherine Standiford stated that this is an Owner Participation Agreement with Unisource Worldwide Inc. for the rehabilitation of their property located at 6565 Valley View Street in the City of La Palma that is located within the Redevelopment Project Area. She explained that Unisource is the largest distributor of printing and imaging paper, packaging systems, and facility supplies and equipment in North America. Unisource originally acquired this property to consolidate some of its distribution operations. Because the building requires seismic retrofitting and reroofing in addition to other building improvements to meet their needs, representatives from Unisource contacted the CDC staff to inquire about economic assistance relating to the reroofing and seismic work. Because Unisource is willing to offer a commitment to operate in La Palma the CDC directed staff to negotiate an owner participation agreement for purposes of assisting with a portion of the project, specifically the seismic and reroofing work estimated to cost 1.5 million dollars. Unisource plans to invest an additional 1.5 million dollars in the building for other tenant improvement needs. Ms. Standiford added that once the work is completed Unisource plans to relocate its packaging supplies division into the Valley View building; current sales tax generation from this division is approximately \$240,000 per year. The salient terms of the Owner Participation Agreement are as follows:

The La Palma Community Development Commission will loan Unisource \$1.5 million to complete the required seismic retrofitting and reroofing work.

- Unisource will oversee the performance of all work, and will insure that the work is performed at prevailing wages, in compliance with the requirements of SB 975. The CDC will make the loan payment to Unisource, who will be responsible for paying all contractors and any subcontractors.
- The loan will be repaid based upon sales tax generation by the Packaging Supplies Division operations in La Palma. Each year the note will be credited by an amount equal to 45 percent of the sales tax generated from the Valley View facility. Unisource will report the Valley View facility as the "point of sale" for all packageable goods being distributed from it.
- As consideration for the loan and the ability to repay it through performance based upon this sales tax formula, Unisource agrees to enter into an operating covenant for 15 years, or until such time as the note is fully repaid. The covenant insures that Unisource remains operating on the site and uses the Valley View facility as the point of sale for taxable sales resulting from activity at that facility.
- Should Unisource breach the operating covenant, they will be obligated to repay any balance remaining on the note, plus 10 percent interest accrued on an annual cumulative basis dating back to the original date of the note.

The benefits to the La Palma Community Development Commission and to the City of entering into this Owners Participation Agreement include:

- A currently underutilized building will be brought back up to current codes and standards, and will be put back into productive use.

- La Palma's employment base will be expanded.
- The City's General Fund will receive increased sales tax revenue resulting from Unisource's operations in the Valley View facility, along with reasonable assurance that this revenue will remain in La Palma until the note is repaid or 15 years, whichever occurs first.

Ms. Standiford stated that the Community Development Commission does not currently have sufficient funds to cover the value of this loan so consequently a Financing Agreement between the City and the Community Development Commission is included on the Agenda for this purpose.

Ms. Standiford concluded by stating that Clint Smith, Vice President of Logistics, and Stuart Kewarsky, the Operations Manager, are present in the audience and would be happy to respond to any questions.

Councilmember/Commissionmember Duke asked the Unisource representatives if they are coming in with employees already in the organization or if there would be employment opportunities for people in this community.

Mr. Clint Smith responded that Unisource currently has approximately 200 employees at the Customer Service Center in the Centerpointe complex. That will be expanded in the summer of this year by an additional 100 employees. There will be an additional 100 employees at the Valley View facility but those employees will come from the City of Commerce facility.

Councilmember/Commissionmember Aragona stated this appears to be a win-win situation and welcomed Unisource to La Palma.

Mayor/Chairman Pro Tem Barnes concurred with Commissionmember Aragona.

Mayor/Chairman Walker stated he feels that Unisource will be happy with La Palma and La Palma is certainly happy to see Unisource here.

Commissionmember Barnes made a motion to adopt Resolution CDC 2002-10 approving an Owner Participation Agreement with Unisource Worldwide, Inc. for the rehabilitation of their property located at 6565 Valley View Street and Resolution CDC 2002-11 approving a Financing Agreement between the City and the Community Development Commission. The motion was seconded by Commissionmember Aragona and carried on the following roll call vote:

AYES:	Aragona, Barnes, Blake, Duke, Walker
NOES:	None
ABSENT:	None

RECESS

Mayor/Chairman Walker adjourned the Community Development Commission Meeting and recessed the City Council meeting at 7:29 p.m. to convene as the Planning Commission.

RECONVENING

Mayor Walker reconvened the meeting in regular session at 7:30 p.m.

CONSENT CALENDAR

Councilmember Aragona pulled Item No. 4 from the Consent Calendar.

Councilmember Blake made a motion to approve the following items on the Consent Calendar:

APPROVED THE MAY 7, 2002 CITY COUNCIL MEETING MINUTES

ADOPTED RESOLUTION NO. 2002-23 APPROVING A REGISTER OF DEMANDS FOR MAY 21, 2002

APPROVED A FINANCING AGREEMENT BETWEEN THE CITY AND THE COMMUNITY DEVELOPMENT COMMISSION

ADOPTED RESOLUTION NO. 2002-25 REQUESTING THE ORANGE COUNTY TRANSPORTATION AUTHORITY FOR FUNDS FOR THE APPROVED MOODY STREET BRIDGE WIDENING OVER THE COYOTE CREEK CHANNEL

The motion was seconded by Councilmember Duke and carried on the following roll call vote:

AYES:	Aragona, Barnes, Blake, Duke, Walker
NOES:	None
ABSENT:	None

REMOVAL AND REPLACEMENT OF CURB AND GUTTER, SIDEWALK AND TREES ON CRESCENT AVENUE

Councilmember Aragona referred to the staff recommendation to down size the project to meet the appropriated funds and asked if the bids come in under the projected cost if this item would have to come back to Council or would it only be if the cost of the project does not come within the budget.

Director of Public Works/City Engineer Ismile Noorbaksh responded that when the bids are opened, staff would know what could actually be done with the funds available.

Councilmember Aragona referred to a recent letter received from a La Palma resident and stated she feels the City should move ahead with this project to the extent possible.

Councilmember Duke concurred with Councilmember Aragona's concerns. She clarified that the shortfall staff is currently looking at is approximately \$17,800.

City Manager Catherine Standiford responded that Council will see this project on the Capital Improvement Plan when it comes before the Council as part of the budget process. This project and appropriations for this project are on that Plan. She explained that when the Capital Improvement Plan is presented staff takes into consideration projects that may have been started but for which contracts have not yet been awarded. At the time Council reviews the Capital Improvement Plan it has the ability to place less priority on other Capital Improvement Projects and increase funding for this project if it so desires.

Councilmember Duke made a motion to approve the removal and replacement of curb and gutter, sidewalk and trees on Crescent Avenue. The motion was seconded by Councilmember Aragona and carried on the following roll call vote:

AYES:	Aragona, Barnes, Blake, Duke, Walker
NOES:	None
ABSENT:	None

REGULAR ITEMS

PLACEMENT OF PLAQUE ON MEMORY GARDEN WALL

Director of Recreation and Community Services Jan Hobson stated that at the Community Activities & Beautification Committee Meeting of May 14th the plans for the coming Memorial Ceremony were finalized. As part of this year's ceremony, the Committee plans to honor and recognize La Palma's Police Department and Fire personnel for their services to the community. At that time they also discussed honoring victims of the September 11th attacks. Realizing that there wasn't enough time before this year's Memorial Day Ceremony, the Committee is requesting that the City Council authorize the purchase and placement of a bronze plaque on the Memory Garden Wall to be unveiled on the anniversary of the attacks. The plan is to host a one-time ceremony on September 11, 2002 to remember the victims and the attack against our nation.

Mayor Walker made a motion to approve the Community Activities & Beautification Committee's request to purchase and place a plaque memorializing the victims of the September 11th attacks on the Memory Garden Wall. The motion was seconded by Councilmember Aragona.

Councilmember Duke questioned whether the Council should review the current policy and open it up somewhat, because it currently specifies honorees are to be La Palma residents.

Ms. Hobson responded that the Committee did look at the Council Policy and realizing that this request does not fit within the Council Policy guidelines, they are asking the Council to make an exception and approve this plaque.

Councilmember Aragona stated that it takes a long time to get a bronze plaque and she would suggest the Council go ahead with this project and not wait until the Policy is reviewed.

Ms. Hobson explained that the Committee would like to announce the September 11th ceremony at this year's Memorial Service.

The previous motion carried on the following roll call vote:

AYES:	Aragona, Barnes, Blake, Duke, Walker
NOES:	None
ABSENT:	None

TRANSFER OF CABLE TELEVISION FRANCHISE

City Manager Catherine Standiford reported that this item is being pulled due to a request from AT&T Broadband for additional time to discuss the agreement.

COUNCILMEMBER REPORTS FROM CITY-AFFILIATED COMMITTEES/COUNCIL REMARKS

Councilmember Aragona reported that special tax for SUV's and other large recreational vehicles was discussed at the Legislative Meeting for the three Chambers. She added that at the block party this issue was also discussed which indicates that La Palma's residents are well informed. She stated that Tom Harman has taken the position of opposition to this proposed bill. Councilmember Aragona stated that she attended the Youth 20/20 School Success Committee and reported that the new Kennedy Principal, Dave Cohen, was introduced. She also reported on the Kennedy High School Memorial Day Assembly and the flag that was flown on the U. S. S. Kennedy was raised and it was a very moving ceremony. She then read the certificate that accompanied the flag.

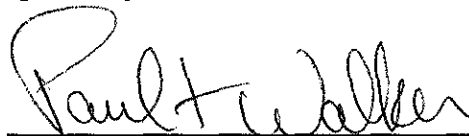
Councilmember Duke congratulated the Public Works Department during National Public Works Week and commended them for keeping La Palma clean and the kind of City that everyone is proud of. Councilmember Duke stated she had a very good time at the Kennedy Scholarship Dinner. She also stated that she attended the SCAG Ad Hoc Committee on Equity & Housing and reported there is a lot of work to be done. Councilmember Duke announced that there were seven entries for the La Palma Student Recognition Award and the Committee consisting of herself and the Mayor has selected the three winners.

Mayor Pro Tem Barnes stated she was pleased to have been present when the Anaheim PTA Council honored the La Palma Police Department. She also reported on the OCTA Transportation tour that she recently took.

Mayor Walker stated that he attended the Sanitation District Meeting and reported that the preliminary findings of the recent study dealing with the outflow was presented. He added that right now the results are inconclusive. He stated that a large source of pollution was found to be coming from the Santa Ana River Flood Control from fecal infection. The conclusive evidence will be presented in June.

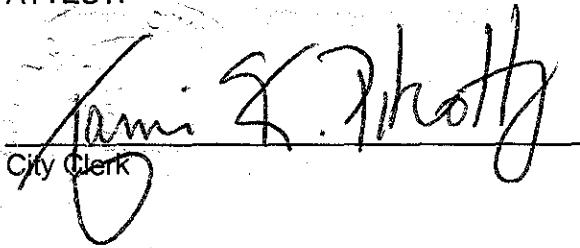
ADJOURNMENT

The City Council adjourned at 7:52 p.m. to an Adjourned Meeting on Tuesday, June 4, 2002 at 4:00 p.m. for the purpose of conducting a Budget Study Session.



Mayor

ATTEST:



City Clerk