

CITY COUNCIL

Gary L Hansen, Mayor
Jim Yoder, Vice Mayor
Larry Domenighini, Council Member
Lawrence Mello, Council Member
Jeff Williams, Council Member



INTERIM CITY MANAGER
Fire Chief, Wayne Peabody

CITY CLERK
Natalie Butler

201 North Lassen Street
Willows, CA 95988
(530) 934-7041
www.cityofwillows.org

CITY COUNCIL REGULAR MEETING AGENDA
Tuesday, March 8, 2016
7:00 p.m.

1. **Call to Order Willows City Council Regular Meeting – 7:00 p.m.**
2. **Pledge of Allegiance**
3. **Roll Call**
4. **Presentations & Proclamations:** None Scheduled.
5. **Public Comment / Written Communications:** Members of the public wishing to address the Council on any item(s) *not on the agenda* may do so at this time when recognized by the Mayor/Vice Mayor; however, no formal action will be taken unless a majority consensus of the Council directs staff to place the item on a future agenda. ***(Public Comment is generally restricted to three minutes).***
6. **Consent Agenda:** Consent items are considered to be routine by the City Council and will be enacted in one motion. There will be no separate discussion on these items unless a Councilperson or citizen requests, in which event the item will be removed from the consent agenda. It is recommended that the Council:
 - a) Approve General Checking, Payroll Checks & Payroll Direct Deposit Registers.
 - b) Approve the Minutes the Willows City Council Meeting held on January 26, 2016.
7. **Public Hearings:**
 - a) Appeal File No. 16-01- Appeal to City Council by Michael and Monica Schwenne of Planning Commission Decision Requiring Covered Parking, A Condition of Use Permit No. UP-16-02, 429 North Tehama Street, APN 005-403-012.
8. **Ordinances:**

It is recommended that the Council:

 - a) Approve, by motion, second reading by title only and adoption of Ordinance Number 723-2016 entitled **“AN ORDINANCE OF THE CITY OF WILLOWS, CALIFORNIA APPROVING A DEVELOPMENT AGREEMENT BETWEEN CALIFORNIA LAND INVESTORS, LLC AND THE CITY OF WILLOWS, AND ADDING CHAPTER 19.10 (DEVELOPMENT AGREEMENTS) AND ADDING SECTION 19.10.05 (DEVELOPMENT AGREEMENT BETWEEN CALIFORNIA LAND INVESTORS, LLC AND THE CITY OF WILLOWS) TO THE WILLOWS MUNICIPAL CODE”.**

9. **Executive Session:** Council will convene into Executive Session pursuant to California Government Code § 54950 et seq. More specific information regarding the closed session item(s) is indicated below:

PUBLIC COMMENT: Pursuant to Government Code § 54954.3, the public will have an opportunity to directly address the legislative body on the items below prior to the Council convening into Closed Session. Public comments are generally restricted to three minutes.

- a) **PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE**, pursuant to Government Code § 54957.
- b) **PUBLIC EMPLOYMENT APPOINTMENT/EMPLOYMENT**, pursuant to Government Code 54957(b)1
Title: Interim City Manager

10. **Report out from Executive Session:**

11. **Items introduced by City Council or Administrative Staff for discussion purposes only:**

12. **New Business:**

It is recommended that the Council:

- a) Adopt a resolution establishing a salary scale and benefit items for the Position of Fire Chief, and, by motion, set the current Fire Chief at Step B of the Scale, Retroactive to 2/24/16.
- b) Adopt a resolution appointing Coastland Civil Engineering as the Engineer of Work for the City of Willows Landscape and Lighting Assessment District and direct the preparation of the annual Engineer's Report for FY 2016/17.

13. **Council Member Reports:**

14. **Adjournment:**

CERTIFICATION: Pursuant to Government Code §54954.2 (a), the agenda for this meeting was properly posted on or before March 4, 2016.

A complete agenda packet, including staff reports and back-up information, is available for public inspection during normal work hours at City Hall or the Willows Public Library at 201 North Lassen Street in Willows or on the City's website at www.cityofwillows.org.

In compliance with the Americans with Disabilities Act, the City of Willows will make available to members of the public any special assistance necessary to participate in this meeting. The public should contact the City Clerk's office at 934-7041 to make such a request. Notification 72 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

The City of Willows is an Equal Opportunity Provider

Period

2/18/2016 TO 3/2/2016

General Checking 30590 TO 30656

Payroll Direct Deposit 207084 TO 207118

Payroll Checks 34589 TO 34612

APPROVAL DATE 3/8/2016

Approved _____

Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information Description
030590	02/18/16	AWA01	AWARDS COMPANY	90.87	.00	90.87	10508	MAYOR'S PLAQUE
030591	02/18/16	BAT00	BATTERIES + BULBS	34.24	.00	34.24	359527	REPAIR ROAD 57 LIGHTS
030592	02/18/16	CAL04	CALIFORNIA DEPT. OF JUSTI	32.00	.00	32.00	145761	FINGERPRINTS
030593	02/18/16	CHA00	LANCE CHAPMAN	1185.97	.00	1185.97	B60216	TRAINING REIMBURSEMENT
030594	02/18/16	CHI07	CHICO IMMEDIATE CARE	160.00	.00	160.00	33010	MEDICAL SERVICE
030595	02/18/16	COM16	COMCAST CABLE	55.15 52.74	.00 .00	55.15 52.74	B60216 1B60216	LIBRARY INTERNET 2/3-3/2/ INTERNET PD 2/7-3/6/16
Check Total.....:				107.89	.00	107.89		
030596	02/18/16	CRR01	CREATIVE COMPOSITION	201.56	.00	201.56	91481	RECEIPT BOOKS
030597	02/18/16	CUR01	L.N. CURTIS & SONS	245.80	.00	245.80	3067-00	GLOVES
030598	02/18/16	EVR00	EVERGREEN NOTE SERVICING	45.00	.00	45.00	B60216	NOTE SERVICING JAN 2016
030599	02/18/16	FGL00	FGL ENVIRONMENTAL	21.00	.00	21.00	670852A	BACIT ANALYSIS
030600	02/18/16	GLR05	GLENN CO. PLANT SERVICES	3313.56	.00	3313.56	PL1608	VEHICLE & MAINTENANCE JAN
030601	02/18/16	GLR23	GLENN CO. PLANNING & PUB.	1319.74	.00	1319.74	B60216	T-5 SEWER CONNECTION ANNU
030602	02/18/16	GRA00	GRAY ROCK TRUCKING	275.00	.00	275.00	3470	DELIVER CRUSHED
030603	02/18/16	HAI00	LYNDON HAINES	150.00	.00	150.00	B60216	ADVANCED CHAPLIN CLASS
030604	02/18/16	HUN00	HUNT & JEFFSON ATTORNEYS	6840.00	.00	6840.00	2016-01	GENERAL PUBLIC REPRESENTA
030605	02/18/16	INT16	INTERSTATE BATTERY SYSTEM	160.57 380.49	.00 .00	160.57 380.49	43880 1000877	BATTERIES BATTERY
Check Total.....:				541.06	.00	541.06		
030606	02/18/16	ITP01	INDUSTRIAL TRUCK & FARM	112.74	.00	112.74	B60216	JANUARY SYMT PER ATTACHED
030607	02/18/16	JER00	JEREMY'S PEST STOMPERS	30.00	.00	30.00	24167	PEST CONTROL PD
030608	02/18/16	LET00	L & T TOWING	170.00	.00	170.00	20618	ROAD SERVICE
030609	02/18/16	MAT01	MATSON & ISOM TECHNOLOGY	2965.00	.00	2965.00	53201	MANAGED PARTNER AGREEMENT
030610	02/18/16	MJB01	MJB WELDING SUPPLY, INC.	36.00	.00	36.00	1110821	CYLINDER RENTAL JAN 2016
030611	02/18/16	NOR43	ACCESS	21.40	.00	21.40	1323264	SHREDDING SERVICES JAN 20
030612	02/18/16	OFF05	OFFICE DEPOT, INC.	149.77	.00	149.77	762001	OFFICE SUPPLIES ADMIN
030613	02/18/16	EGR01	EG & E	24.89	.00	24.89	B60216	1600 S TRIAMA 1/6-2/3/16
030614	02/18/16	SAP03	SAFETY TIRE SERVICE	16.32 15.00 1005.38	.00 .00 .00	16.32 15.00 1005.38	27303 27320 27336	REPAIR JD MOWER FLAT REPAIR 06 CHEVY REPAIR #6 UP
Check Total.....:				1036.70	.00	1036.70		
030615	02/18/16	SEI01	ROY SEILER, C.P.A.	10200.00	.00	10200.00	27352	ANNUAL AUDIT
030616	02/18/16	UNI10	UNITED ROTARY BRUSH CORP.	144.43	.00	144.43	CU181274	REPAIR #16 SWEEPER
030617	02/18/16	VAS00	VASQUEZ PAINTING	1725.00	.00	1725.00	0520161	CABINET PAINTING PD
030618	02/18/16	VWR02	VERIZON WIRELESS	478.03	.00	478.03	B60216	TELEPHONE EXP. 12/27/15-1
030619	02/18/16	VIE00	VIEVU	207.13	.00	207.13	16414	BODY VIDEO CAMERAS
030620	02/18/16	WIL00	WILLOWS AUTOMOTIVE	45.00	.00	45.00	B60216	JANUARY SYMT PER ATTACHED
030621	02/18/16	WIL07	WILLOWS CHAMBER	76.83	.00	76.83	B60216	REIMBURSE BULK POSTAGE
030622	02/18/16	WIL75	WILLOWS HIGH SCHOOL	750.00	.00	750.00	B60216	RFM T-SHIRT PURCHASE-ASB
030623	02/18/16	WILHD	WILLOWS HARDWARE, INC.	1302.68	.00	1302.68	B60216	JANUARY SYMT PER ATTACHED
030624	02/18/16	WILHI	WILLOWS ACE HARDWARE	152.09	.00	152.09	B60216	JANUARY SYMT PER ATTACHED
Cash Account Total.....:				34191.38	.00	34191.38		
Total Disbursements.....:				34191.38	.00	34191.38		

REPORT : Feb 26 16 Friday
 RUN... : Feb 26 16 Time: 11:52
 Run By : JANE COLLINS

CITY OF WILLOWS
 Cash Disbursement Detail Report
 Check Listing for 02-16 Bank Account.: 1050

PAGE: 001
 ID #: PY-DP
 CRT.: WIL

Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information Description
030625	02/17/16	WILHN	SHAWN WILLIAMS	358.11	.00	358.11	B60217P	WORKER'S COMPENSATION RET
030626	02/26/16	ACM00	ACME RIGGING & SUPPLY COM	361.12	.00	361.12	275944	REPAIR #16 SWEEPER
030627	02/26/16	ATT01	A.T. & T.	86.29	.00	86.29	B60223	TELEPHONE EXP. JAIL 1/12-
				35.03	.00	35.03	AB60223	TELEPHONE EXP. BC LIBRARY
			Check Total.....	121.32	.00	121.32		
030628	02/26/16	BAK06	BAKER & TAYLOR BOOKS	308.48	.00	308.48	507575	NEW PRINT MAT. LIBRARY
030629	02/26/16	BOD00	BOB'S PLUMBING	2190.00	.00	2190.00	2598	PLUMBING PD KITCHEN
030630	02/26/16	CAL50	CALIFORNIA DEPT. OF MOTOR	35.39	.00	35.39	B60224	VEHICLE CODE BOOK
030631	02/26/16	CIT06	CITY OF ORLAND	498.70	.00	498.70	B60225	PD OVERTIME COVERAGE
030632	02/26/16	COA00	CONSULTANT CIVIL ENGINEERT	185.00	.00	185.00	38735	STARKWEATHER THROUGH 1/31
				112.00	.00	112.00	38743	TRHAMA MAIN REPLACEMENT T
				1620.50	.00	1620.50	38750	EDA GRANT THROUGH 1/31/16
				258.75	.00	258.75	38757	WILLOWS SR APT
				1150.00	.00	1150.00	38759	WILLOWS CITY ENGINEERING
				250.00	.00	250.00	38764	SACRAMENTO/BUTTE ST THROU
				225.00	.00	225.00	38767	PGE SERVICE CENTR THROUG
			Check Total.....	3801.25	.00	3801.25		
030633	02/26/16	COM16	COMCAST CABLE	150.97	.00	150.97	B60223	INTERNET PD 2/19-3/18/16
030634	02/26/16	COR02	CORBIN WILLIAMS SYSTEMS	407.87	.00	407.87	B602151	CONT.SERV. FINANCE MARCH
030635	02/26/16	COR16	CORDICO PSYCHOLOGICAL COR	400.00	.00	400.00	1243	PRE-EMP EVALUATION
030636	02/26/16	COT00	COTTONWOOD FIRE PROTECTIO	560.00	.00	560.00	B60223	INVESTIGATION CLASS
030637	02/26/16	GLE25	GLENN CO. FIRE CHIEF'S	300.00	.00	300.00	16-0012	GLENN CO FIRE REPAIRER FU
030638	02/26/16	HUN01	HUNT & SONS, INC.	1740.70	.00	1740.70	B60225	JANUARY STMT PER ATTACHED
030639	02/26/16	KEL03	KELLEHER PAINT	177.76	.00	177.76	0367	ADDRESS PACKING KIT
030640	02/26/16	KNI03	KNIFE RIVER CONSTRUCTION	648.64	.00	648.64	166921	CRUSHED AGG
030641	02/26/16	LET00	L & T TOWING	650.00	.00	650.00	20623	TOWING SERVICE
030642	02/26/16	MAN04	KAREN MANTELE	15.51	.00	15.51	B60223	EDA/PLANNING REIMBURSEMEN
030643	02/26/16	NOR18	NORTHERN CALIF. GLOVES	170.40	.00	170.40	188602	GLOVES
030644	02/26/16	OCL00	OCLC, INC.	70.07	.00	70.07	443465	MONTHLY SUBSCRIPTION
030645	02/26/16	OFF05	OFFICE DEPOT, INC.	265.74	.00	265.74	1150001	TONER
030646	02/26/16	PGE01	PG & E	9513.62	.00	9513.62	B60225	JANUARY STMT PER ATTACHED
030647	02/26/16	QUI01	QUINCY ENGINEERING	1512.89	.00	1512.89	15664-0	N BUTTE ST & SACRAMENTO S
030648	02/26/16	SAC08	SACRAMENTO VALLEY MIRROR	771.80	.00	771.80	13840	LEGAL AD-1PH/ORD.
030649	02/26/16	SEV00	SEVERN TRENT ENVIRONMENTA	49116.10	.00	49116.10	2082965	WILLOWS OPERATION FEBRUAR
030650	02/26/16	SPP00	SPP FOND MASTER TENANT, L	3107.26	.00	3107.26	591746	SOLAR ELECTRICITY JAN 201
				3107.26	.00	3107.26	4591746	SOLAR ELECTRICITY JAN 201
			Check Total.....	6214.52	.00	6214.52		
030651	02/26/16	STL00	ST LOUIS CABINETRY	4800.00	.00	4800.00	B60224	CABINETS PD
030652	02/26/16	THO04	THOMSON REUTERS/BARCLAYS	145.00	.00	145.00	B60224	PUBLIC SAFETY CODE
030653	02/26/16	TRA02	TRACTOR SUPPLY CREDIT PLA	167.44	.00	167.44	B60216	JANUARY STMT PER ATTACHED
				167.44	.00	167.44	B60224	JANUARY STMT PER ATTACHED
			Check Total.....	334.88	.00	334.88		
030654	02/26/16	TUR01	TURF STAR, INC.	34.73	.00	34.73	2661B-00	BRACKET/CLAMP/WASHER
				83.03	.00	83.03	2661B-01	BRACKET/WASHER/SCREW
			Check Total.....	117.76	.00	117.76		
030655	02/26/16	VER02	VERIZON WIRELESS	80.16	.00	80.16	B60225	TELEPHONE EXP BC LLIBRARY

REPORT : Feb 26 16 Friday
RUN... : Feb 26 16 Time: 11:52
Run By : JANN COLLINS

CITY OF WILLOWS
Cash Disbursement Detail Report
Check Listing for 02-16 Bank Account.: 1050

PAGE: 002
ID #: PY-DP
CITY: WIL

Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information
030656	02/26/16	WAL07	WAL-MART COMMUNITY	296.45	.00	296.45	1360225	JANUARY STMT PER ATTACHED
Cash Account Total.....				86135.21	.00	86135.21		
Total Disbursement.....				86135.21	.00	86135.21		

MINUTES OF THE WILLOWS CITY COUNCIL
REGULAR MEETING HELD January 26, 2016

1. Mayor Hansen called the meeting to order at 7:00 p.m.
2. **PLEDGE OF ALLEGIANCE:** Council Member Domenighini led the Pledge of Allegiance.
3. **ROLL CALL:**
Present: Domenighini, Mello, Williams & Mayor Hansen.
Absent: Vice Mayor Yoder
4. **Presentations & Proclamations:** None
5. **Public Comment/Written Communications:** None
6. **Consent Agenda:**
M/S –**Domenighini/Mello** to approve the Consent Agenda as presented. On a roll-call vote, the motion unanimously passed 4/0 with Council Members Domenighini, Mello, Williams and Mayor Hansen voting all ayes, and Vice Mayor Yoder absent and the following items were approved/adopted:
 - a) Approval of General Checking, Payroll Checks & Payroll Direct Deposit Registers (30451-30518; Z06975-Z07010; 34529-34523).
 - b) Adoption of a Resolution authorizing the City Manager to sign & execute all documents related to CalRecycle funding.
7. **Public Hearings:**
 - a) (Continued from the January 12, 2016 Council Meeting).
Conduct a Continued Public Hearing and upon conclusion, it is recommended that the Council adopts and Urgency Ordinance entitled “An Urgency Ordinance of the City Council of the City of Willows, California adding Chapter 18.117 (Marijuana Cultivation), Adding Chapter 9.20 (Medical Marijuana) and amending Chapter 8.10 (Nuisance) of the Willows Municipal Code regarding Marijuana Cultivation”.

In 2015 the California Legislature enacted a series of bills (AB 243, AB 266 and SB 643) which, among other things, regulated the licensing, cultivation, transport, delivery and dispensing of medical marijuana in California. This legislative package added to or amended provisions of the California Government Code, Health & Safety Code, and the Business & Professions Code. These bills were signed into law by Gov. Jerry Brown on October 15, 2015.

Newly added California Health & Safety Code section 11362.777(c)(1) provides in part that “[a]city, . . . , ***through its current or future land use regulations or ordinances***, may issue or deny a permit to cultivate medical marijuana”

Subsection (c)(4) of that statute provides, in part, that “If a city, . . ., ***does not have land use regulations or ordinances*** regulating or prohibiting the cultivation of marijuana, either expressly or otherwise under ***principals of permissive zoning***, . . ., then commencing March 1, 2016,” the state preempts the city’s power to so regulate and shall be the sole licensing authority for marijuana cultivation in that city.

[It is noted that Assembly Bill 21 is currently pending in the California Legislature as an emergency matter which, if enacted, will take effect immediately. The announced purpose of AB 21 is to remove the March 1, 2016 deadline for cities to enact regulations or ordinances pertaining to medical marijuana. However, as it moves through committees, the bill has already been amended to deprive cities of the power to regulate the cultivation of medical marijuana by a qualified patient within their personal residence or other enclosed building appurtenant to their personal residence. Other amendments may follow. Therefore, it is inadvisable for the City of Willows to delay action in the hope that AB 21 will be enacted and take effect prior to the March 1 deadline.]

Accordingly, at Council’s direction, on December 8, 2015 staff provided several options regarding regulation of medical marijuana within the City of Willows. Council directed staff to present to Council at its next regularly scheduled meeting a proposed ordinance commensurate with Council’s position on policy direction.

At the City Council meeting of January 12, 2016, the Mayor tabled the agenda item on pertaining to the proposed ordinance and continued it until the next meeting, January 26, 2016. However, the ordinance cannot now be given the two (2) required readings and still take effect by March 1, 2016.

Therefore, the ordinance presented to Council is an urgency interim ordinance, to take effect immediately upon passage, pursuant to California Government Code section 65858. Council members have voiced concern for the protection of the public’s health, safety and welfare unless medical marijuana cultivation is appropriately regulated. Accordingly, passage of this ordinance as an urgency item is supported and merited. As an urgency interim ordinance, the ordinance will be effective for only 45 days; however, it may be extended for up to 10 months. The City will then have adequate time to prepare a permanent ordinance reflecting the most recent legislation expressed by the currently pending AB 21, have it heard by the Planning Commission as required of land use/zoning ordinances, and subsequently adopted by the City Council.

Submitted herewith for consideration and adoption by the City Council is an ordinance amending and adding to the Willows Municipal Code prohibiting the cultivation, sale and delivery of medical marijuana within the City of Willows.

Notice of the January 12, 2016 City Council public hearing, which item was tabled and continued by the Mayor to the January 26, 2016 meeting, was published in the Sacramento Valley Mirror on Saturday, January 2, 2016.

Staff is recommending that the Mayor conduct the continued public hearing and adopt **AN URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WILLOWS, CALIFORNIA ADDING CHAPTER 18.117 (MARIJUANA CULTIVATION), ADDING CHAPTER 9.20 (MEDICAL MARIJUANA) AND AMENDING CHAPTER 8.10 (NUISANCE) OF THE WILLOWS MUNICIPAL CODE REGARDING MARIJUANA CULTIVATION.**

Mayor Hansen opened the public hearing at 7:18 p.m. The following individuals spoke during the public hearing:

- Michelle Corbin, Willy Beavers & Doug Ross.

Mayor Hansen closed the public hearing at 7:22 p.m.

M/S – Domenighini/Williams to adopt and Urgency Ordinance of the City Council of the City of Willows, California adding Chapter 18.117 (Marijuana Cultivation), Adding Chapter 18.117 (Marijuana Cultivation), Adding Chapter 9.20 (Medical Marijuana) and amending Chapter 8.10 (Nuisance) of the Willows Municipal Code regarding Marijuana Cultivation. On a roll-call vote, the motion unanimously passed 4/0 with Council Members Domenighini, Mello, Williams and Mayor Hansen voting all ayes, and Vice Mayor Yoder absent.

8. Ordinances:

- a) Consider reading by title only and passage of first reading of an Ordinance entitled “An Ordinance of the City Council of the City of Willows amending Title II Section 2.10.100 of Chapter 2.10, City Manager, of the Willows Municipal Code”

This ordinance is introduced to correct an over-looked erroneous section(s) of the Willows Municipal Code in conjunction with the City Treasurer Position. At some point during the evolution of the Willows Municipal Organization, the City Treasurer may have been an “elected” city official; a practice not uncommon in many small general law cities across the state. Just as common in many cities was the practice to “sunset” those elected positions and create an appointed position within the organizational structure. This likely occurred in Willows around the time the City Manager form of government was adopted by the City Council. Typically in smaller cities the early city managers wore numerous hats and shouldered the responsibility for multiple organizational roles. As organizations grew in complexity and size; many specific position classifications were developed to fulfill more specialized requirements of municipal government and community services.

This is possibly the evolution status of the City Treasurer Classification within the city’s workforce structure. Although the City Treasurer may have existed once upon a time; at some point the position has become non-existent and moot. Financial matters within the City now fall under the purview of the Director of Finance, a position subordinate to the City Manager and a contributing member of the City’s Executive Management Staff. Unfortunately, the WMC was not completely corrected to coincide with this evolution.

Council has previously requested periodic review of City ordinances and requested staff to introduce any necessary corrections. It was noted that Section 2.10.100 contained language that was consistent with an elected city treasurer position classification. This correction will properly place the classification as a subordinate employee of the City Manager. Although, the position is not funded and not filled from a personnel perspective, administratively, the City Manager will authorize this position classification to be included as an FLSA Exempt Employee Class, prohibited from earning over-time pay and recognizing the position as equivalent to director status among the executive management team. Staff is recommending approval of this correction.

Staffs is recommending Council read by title only and pass first reading of an Ordinance amending Section 2.10.100 of the Willows Municipal Code; establishing the City Treasurer classification as subordinate to the City Manager.

M/S – Mello/Williams to read by title only the Ordinance next in line. On a roll-call vote, the motion unanimously passed 4/0 with Council Members Domenighini, Mello, Williams and Mayor Hansen voting all ayes, and Vice Mayor Yoder absent.

M/S – Mello/Williams to pass first reading of an Ordinance entitled “An Ordinance of the City Council of the City of Willows amending Title II Section 2.10.100 of Chapter 2.10, City Manager, of the Willows Municipal Code”. On a roll-call vote, the motion unanimously passed 4/0 with Council Members Domenighini, Mello, Williams and Mayor Hansen voting all ayes, and Vice Mayor Yoder absent.

- b) Consider reading by title only and passage of first reading of an Ordinance entitled “An Ordinance of the City Council of the City of Willows Amending Title IX Section 9.15.010 of Chapter 9.15, Curfew Hours, and repealing Title IX Section 9.15.040 of Chapter 9.15 of the Willows Municipal Code”.

This ordinance is introduced to simplify over-looked complicated section(s) of the Willows Municipal Code in conjunction with curfew hours for minors. Police Department personnel brought to staff’s attention the request to review and modify language and hours within the City’s curfew ordinance. Staff indicated that the current definition of curfew hours is convoluted, complicated and confusing in terms of its “real world” application.

A review of the curfew hours revealed police personnel were accurate in their description. The current definition provides for several different scenarios of time frames and ages. Thus, the application of the ordinance becomes an exercise in mathematics as opposed to providing for the health, safety, and welfare of our citizens and young people.

Staff reviewed numerous other agency curfew ordinances including Glenn County, Orland, and Corning. This review revealed that all other curfew ordinances were simplistically defined, providing for one set of curfew timeframes for minors within the respective jurisdictions. The proposed modification to the City of Willows curfew hours is modeled after Glenn County’s definition and reflects elementary criteria which is easily understood

by parents and minors and easily interpreted and applied when the appropriate situations arise.

Further, the proposed ordinance repeals Section 9.15.040 in its entirety. The current section is archaic and redundant in its language and intent. It spells out the basics of law enforcement in establishing reasonable suspicion and probable cause to take further legal enforcement action. These concepts are basic elements and basic experience in law enforcement not requiring recital in the municipal code. Moreover, the language arguably limits discretionary decisions inherent in law enforcement activities and functions.

Council has previously requested periodic review of City ordinances and to introduce any necessary corrections. Section 9.15.010 contains language that is confusing, convoluted, and in need of simplification. Section 9.15.040 is archaic and redundant of basic law enforcement principles and mandates. The requested ordinance modification and repletion will simplify application of the ordinance and remove unnecessary and repetitive language.

Staffs is recommending Council read by title only and pass first reading of an Ordinance amending Section 9.15.010 and repealing Section 9.15.040 of the Willows Municipal Code; amending the definition of curfew hours and repealing Section 9.15.040 in its entirety.

M/S – Domenighini//Mello to read by title only the Ordinance next in line. On a roll-call vote, the motion unanimously passed 4/0 with Council Members Domenighini, Mello, Williams and Mayor Hansen voting all ayes and Vice Mayor Yoder absent.

M/S – Domenighini/Mello to pass first reading of an Ordinance entitled “An Ordinance of the City Council of the City of Willows amending Title IX Section 9 Section 9.15.010 of Chapter 9.15, curfew hours, and repealing Title IX Section 9.15.040 of Chapter 9.15 of the Willows Municipal Code”. On a roll-call vote, the motion unanimously passed 4/0 with Council Members Domenighini, Mello, Williams and Mayor Hansen voting all ayes, and Vice Mayor Yoder absent.

c) Medical Marijuana Urgency Ordinance – **Action taken under item 7 (a).**

9. **Items to be added by City Council or Administrative Staff for discussion purposes only:** None

10. **New Business:**

a) Consider acceptance of the audited financial statements of the City of Willows to for the Fiscal Year ending June 30th, 2016:

Roy R. Seiler, CPA, has completed the annual audit of the financial statement for the City of Willows. Mr. Seiler briefly addressed the Council and gave a brief summary of City

performance and activity and discussed his analysis of the financial statements. He stated that during his review he found no issues with City's financials. Staff is recommending that the Council accept the audited financial statements of the City of Willows as of and for the fiscal year ending June 30, 2015.

M/S – Domenighini/Williams to accept the City of Willows audited financial statements as of and for the fiscal year ending June 30, 2015. Motion passed 4/0, with with Council Members Domenighini, Mello, Williams and Mayor Hansen voting all ayes, and Vice Mayor Yoder absent.

- b) Consider adoption of a Resolution to authorize the City Manager to sign a Development Agreement with Basin Street Properties for the "North Valley Commercial Center" project.

On July 27, 2015, the City was awarded an EDA Grant to assist with infrastructure improvements associated with the development of certain property owned by Basin Street, LLC located approximately at Highway 99 and County Road 57, known as the "North Valley Commercial Center Project." Council approved the grant award on September 8, 2015 and directed staff to prepare a development agreement with Basin Street, LLC.

Staff has drafted an agreement with Basin Street, LLC incorporating appropriate performances including contribution of Basin Street, LLC of approximately \$535,715 in matching monies associated with the conditions of the EDA Grant Award. 3CORE on behalf of the City of Willows, in partnership with Basin Street Properties have acquired funding opportunities in support of the necessary infrastructure improvements; including Highway 99 traffic accommodations, bridge work necessary to access the business park, main street/entry-way highway, frontage improvements, as well as water, sewer and associated improvements to commence development of the North Valley Commercial Center Project.

Grants and cooperative agreements made under these programs are designed to leverage existing regional assets and support the implementation of economic development strategies that advance new ideas and creative approaches to advance economic prosperity in distressed communities.

As mentioned above, Basin Street, LLC has agreed to reimburse the City in the amount of approximately \$535,715 over the span of five years, payable in annual installments. The interest rate payable to the City is 5% which equals the interest rate charged to the City associated with the 3CORE loan. Thus, the City is net zero dollars in terms of repayment of the matching funds. These criteria are included in the proposed development agreement.

As a final condition of approval of the project and in concert with the development agreement, the assets created by the construction of streets, utilities and other public improvements, are always dedicated or transferred back to the ownership/control of the City of Willows. These improvements are essential elements in the economic enhancements of the project site and basically facilitate the economic drivers that generate higher rates of revenue to the City of Willows. It is therefore common practice for municipal agencies to share in the development burden of this type of business park investment environment.

As such, staff is recommending the Council authorize the city manager to enter into the development agreement with Basin Street, LLC in conjunction with the North Valley Commercial Center project and the EDA Grant Award previously approved and accepted by Council.

Funding commitments from the City of Willows and Basin Street, LLC in equal amounts of \$535,715 as conditions associated with the acceptance of the EDA Grant match in the amount of not less than \$1,071,429.00.

Staff recommends that the City Council approve a Resolution, authorizing the City Manager to enter into the proposed development agreement with Basin Street, LLC and all other actions necessary to fully perform in accordance with the agreement requirements.

M/S – Mello/Domenighini to adopt a Resolution authorizing the City Manager to sign a Development Agreement with Basin Street, LLC for the “North Valley Commercial Center” Project. On a roll-call vote the motion unanimously passed 4/0 with Council Members Domenighini, Mello, Williams and Mayor Hansen voting all ayes and Vice Mayor Yoder absent.

11. Council Member Reports: None

12. Executive Session: Council convened into Executive Session at 8:37 p.m. pursuant to California Government Code Sections 54950 et seq. More specific information regarding the closed session item(s) is indicated below:

PUBLIC COMMENT: Pursuant to Government Code Section 54954.3, the public had an opportunity to directly address the legislative body on the item(s) below prior to the Council convening into Closed Session. Public Comments are generally restricted to three minutes. No public comments were heard at this time.

- a) PUBLIC EMPLOYMENT, pursuant to Gov. Code § 54957
Title: City Attorney.

- b) PUBLIC EMPLOYEE PERFORMANCE EVALUATION, pursuant to Gov. Code § 54957
Title: City Manager

13. Reconvene to Open Session & Report out, if any, on Closed Session:

The Council reconvened into open session at 10:11 p.m. Mayor Hansen reported that there was no reportable action taken on item 13 (a), and direction was given to staff to table item 13 (b) to the February 9, 2016 regular City Council Meeting.

14. Adjournment: Mayor Hansen adjourned the meeting at 10:13 p.m.

Dated: January 26, 2016

NATALIE BUTLER

City Clerk

The City of Willows is an Equal Opportunity Provider

AGENDA ITEM

March 8, 2016

TO: Honorable Mayor Hansen and Members of City Council

FROM: Karen Mantele, Principal Planner

SUBJECT: Appeal by Michael & Monica Schwenne of the Planning Commission's February 17, 2016 decision to require covered parking (Appeal File# AP-16-01)

RECOMMENDATION

Adopt the attached resolution upholding the Planning Commission decision of February 17, 2016 to require on-site parking in accordance with the City parking regulations Section(s) 18.120.020(1)(a) and 18.120.050 (Condition#6)

SUMMARY

On January 29, 2016 Michael & Monica Schwenne submitted a planning application to the City for a Use Permit to allow establishment of a two-family residential use within an existing structure. Staff circulated the proposal and plans submitted with the application to internal departments for comments.

The application for the Use Permit was brought before the Planning Commission on February 17, 2016 at a public hearing. After hearing staff's report(s), comments from the applicant, and public input, a motion was made by Commissioner Woods and seconded it by Commissioner Benningfield to adopt the resolution granting approval to establish the residential use, with final conditions of approval. The Commission felt that Mr. Schwenne was asking for approval to allow the establishment of a residential use within this structure/district, then it should look residential in nature. Condition #6 stated "On-site parking shall be provided in accordance with the City parking regulations Section(s) 18.120.020(1)(a) and 18.120.050 prior to establishing the residential use". Mr. & Mrs. Schwenne are now appealing the Commission's decision to meet the parking code.

DISCUSSION

The appellants letter of reasoning states that the codes allows the Planning Commission and even the City Manager the ability to forgo this request.

A written request was made by Mr. Schwenne to the City Manager on February 16, 2016 requesting an exemption for a garage under Section 18.120.020(3) EXCEPTION, which states " *Parking requirements for commercially zoned property with 50 feet or less street frontage may be reduced or waived by the city manager. All other reductions require approval by the planning commission*". This request was denied stating that covered parking is a standard and that garages are required by the code for two-family residential uses.

1) Issue of Affordability and Cost to low income housing

- **Provide adequate appropriately zoned sites to meet the existing and projected housing needs of all economic segments of the community.**

The property is zoned to allow residential use with Use Permit approval.

- **Eliminate any constraints to the private development of a supply of housing to meet the needs of all economic segments of the community.**

Goal RC-1 of the City's 2010-2019 Housing Element states the City will remove or eliminate governmental constraints on the maintenance, improvement and development of housing, where appropriate and legally possible. The Policy for this goal states the City will periodically reexamine local building and zoning codes

for possible amendments to reduce housing construction costs without sacrificing basic health and safety considerations. The requirement for garages for a two-family dwelling has been part of the zoning code since 1991, as well as other prescribed standards, rules and procedures for development.

- **Facilitate the actions required of the development industry in providing an adequate supply of housing.**

As stated earlier the property is zoned to allow residential uses with Use Permit approval.

- **Goal RC-1: Remove or eliminate government constraints on the maintenance, improvement and development of housing, where appropriate and legally possible.**

See discussion above on this Goal.

- **Goal MI-1: Ensure that the quality, safety, affordability, and livability of the housing stock in Willows is continually maintained or upgraded and that dilapidated housing which cannot be improved is replaced.**

The City of Willows Building Department regularly issues building permits for maintenance or upgrading of housing within the City. A building permit for replacement of light fixtures, replacement of plumbing fixtures and replacement of outlet switches for 459 N. Tehama Street has been issued to Mr. Schwenne by the Building Department as of January 26, 2016.

1b). Statement regarding that property sits within an area where other non conforming low income units without garages are located, and placing a heavy burden on a neighborhood to comply with the zoning code requirement for garages is a cost burden.

The subject property is the topic of discussion and it is not known without further investigation whether other non conforming uses are adjacent or near this property. During Mr. Schwenne's investigation on what would be required for this use regarding parking requirements, he was directed to Section 18.120 Parking Regulations, and specifically the parking requirements for a two-family residential unit. Under Section 18.60.040(2) Other Regulations/Residential Use, it states that parking requirements for residential uses permitted with a use permit shall be subject to the regulations of the residential zone(s) for which use is considered a principally permitted use.

2) Continuing use as residential

The structure was approved for residential use by the Planning Commission on February 17, 2016 by way of a Use Permit. Any residential use prior to this approval was done without City approval and is therefore non conforming. Section 18.110.090(1)(b) (Non Conforming Uses/Continuation) states that *"If any nonconforming use is abandoned or discontinued for any reason, subsequent use of such land shall be in conformity with the provisions of this title. The discontinuance of a nonconforming use for a period of six months or more is, in itself, prima facie evidence of abandonment"*. The appellant states that this property has been used residentially dating back to 1998. The City planning files states that on May 5, 1998 an application was submitted to the City for this property to be used as a billard parlor. Subsequently the file shows that on May 28, 1998 the City Manager sent a letter to Mr. Joseph Russo indicating that a residential use is allowed in the General Commercial zone with a Use Permit. No records indicate that a Use Permit was applied for or granted in 1998 for a residential use of the structure.

2a) Property Title verified by Glenn County as residential

The document provided is a Deed of Trust which indicates the previous owner had a loan for the property with Bank of America and on the deed it states "Single Family". This does not provide any verification as to the residential use of the property per the City codes.

2b) Reference to previous owner title reports who had appraisal and loan with multiple banks which don't lend on commercial spaces.

This has no bearing on the requirement for a garage for a two-family dwelling.

2c) MLS advertising of the property as a duplex.

The MLS listing provided by the appellant indicates the property/structure is a single family dwelling (See MLS listing attached)

2d) Additions or changes to property not constituting the 65 year old structure meet 2016 demands.

The current Parking Code has been in affect since 1991, which states that parking spaces required for one or two family dwelling units shall not be less than specified hereinbelow; one car garage for each dwelling unit containing one bedroom. The requirement for the garage(s) is not a 2016 demand.

NOTIFICATION

Michael & Monica Schwenne have been notified of the hearing.

ALTERNATE ACTION

None are recommended for consideration by the City Council

RECOMMENDATION

Adopt the attached resolution upholding the Planning Commission decision of February 17, 2016 to require the project provide on-site parking in accordance with the City parking regulations Section(s) 18.120.020(1)(a) and 18.120.050

Respectfully submitted,



Karen Mantele
Principal Planner

Approved by:



Wayne Peabody
Interim City Manager

Attachments:

- 1) Public Hearing Notice
- 2) Planning Commission Agenda report- February 17, 2016
- 3) Planning Commission final Resolution and Final Conditions of Approval
- 4) Site Plan
- 5) Applicant's Letter of Appeal
- 6) MLS listing provided by appellant
- 7) Draft Resolution

Public Hearing Notice

Legal Notice
City of Willows

Notice is hereby given that the Willows City Council will conduct a public hearing on Tuesday, March 8, 2016 at 7:00 p.m., in the Council Chambers of the Civic Center, 201 North Lassen Street, to consider an appeal received from Michael & Monica Schwenne regarding the action of the Planning Commission following the closure of the Public Hearing for Use Permit file#UP-16-02 on February 17, 2016; for property located at 459 N. Tehama Street, APN: 005-403-012.

The public is invited to attend and be heard and/or submit written comments to the City Clerk. Documentation pertaining to the above items is available for review at the City Clerk's Office of the Civic Center during normal business hours.

Please publish on the 27th of February, 2016. Send affidavit of publication and bill to City of Willows, 201 North Lassen Street, Willows. For questions call Natalie Butler at 934-7041.

February 17, 2016 PC agenda report**Planning Commission Agenda Report:****February 17, 2016**

Project:	Conditional Use Permit (File #UP-16-02) /Request to allow establishment of a residential use
Applicant(s)/Owner:	Michael & Monica Schwenne
Project Location:	459 N. Tehama Street
Parcel No:	005-403-012
Zoning:	General Commercial (CG)
General Plan	General Commercial

Project Description

The applicants, Michael & Monica Schwenne, have submitted a Planning application for a Use Permit, a request to establish a residential use (duplex) within an existing structure (approximately 920 SF per Assessors' Office) on a 7,500 SF lot at the corner of Vine and Tehama Street. The proposal is to make a studio in the front of the building (Tehama Street side) and a one-bedroom in the rear of the structure (Vine Street side). There is an unenclosed porch off the rear of the back unit. The property owner installed a fence around the front of the structure and around the north side for privacy and added some landscaping in the front to enhance the look.

Review Process

This matter is before the Planning Commission pursuant to Section 18.60.030(1) and 18.135 of the City of Willows Municipal Code.

Zoning/ General Plan Consistency

The project site is zoned General Commercial (CG), which allows various permitted uses. Section 18.60.030(1) allows for "*All uses permitted in any residential zones*" with a Conditional Use Permit. Zoning to the north, south and east is the same as the project site. Zoning to the west is R-1.

Parking requirements for a residential use per 18.120.020(1)(a) Parking Regulations, states two-family dwellings require a one car garage for each dwelling unit containing one bedroom. Therefore the requirement for parking for the duplex shall meet this code section resulting in either two (2) one-car garages or a two car garage for both units to share. Under Section 18.120.050 (General Requirements) it states that "*any new use established shall provide off-street parking facilities*". Parking or backing area within parking lot shall not extend into the public right-of-way. The site plan submitted with the application indicates a driveway and parking area; however does not show the exact location of the required garage(s). A revised site plan shall be submitted prior to construction of the parking structure(s).

The General Plan Land Use designation for this site is General Commercial pursuant to the City's General Plan Land Use Map. The designation provides for a variety of retail business and service related uses with no mention of residential uses.

The project was reviewed internally by city departments for comments/conditions which attached proposed conditions of approval reflect those comments.

Environmental Review and Analysis

The project has been reviewed pursuant to the California Environmental Quality Act (CEQA). Staff has determined that the proposal is exempt from further CEQA pursuant to CEQA Code Section 15301, Class 1 Existing Facilities.

Findings of Fact

Based upon the facts and conclusions contained within this staff report the following findings must be made in order to approve the applicant's Use Permit request:

1. That the use is consistent with the purposes of the district in which the site is located.
2. That the proposed location of the use and the conditions under which it may be operated or maintained will not be detrimental to the public health, safety, or welfare or materially injurious to properties or improvements in the vicinity.
3. That the proposed use is in conformance with the General Plan.



In accordance with Section 18.135.030 notice of this public hearing was published in the local newspaper ten (10) days prior to the public hearing and all property owners as indicated on the latest secured Assessor's records within 500 feet of the subject property were sent notice of the hearing

STAFF RECOMMENDATION:

Staff recommends adoption of the attached resolution recommending Use Permit approval to establish a residential use (duplex) within an existing structure, subject to the conditions of approval as shown in Attachment #2., and site and floor plans Attachments #3 & #4.

PLANNING COMMISSION OPTIONS:

- 1) Recommend approval of the Use Permit proposal and subject to Conditions of Approval as described in Attachment 2
- 2) Deny the Use Permit application with appropriate findings for denial

Attachments:

1. Draft Planning Commission Resolution
2. Proposed Conditions of Approval
3. Site Plan
4. Floor Plan
5. APN map

Submitted by:

Karen Mantele
Principal Planner

**THE APPLICANT IS REMINDED THAT THERE IS A 10 (TEN) DAY APPEAL PERIOD FOLLOWING
THE PLANNING COMMISSION DECISION ON THE USE PERMIT**

PC RESOLUTION NO. _____-2016

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF WILLOWS GRANTING USE PERMIT APPROVAL (FILE # UP-16-02) TO MICHAEL & MONICA SCHWENNE TO ESTABLISH A RESIDENTIAL USE (DUPLEX) WITHIN AN EXISTING STRUCTURE FOR PROPERTY LOCATED AT 459 N. TEHAMA STREET, ASSESSORS PARCEL NUMBER 005-403-012

WHEREAS, the applicant, Michael and Monica Schwenne have filed a Planning application for a Conditional Use Permit to establish a residential use within an existing structure, and,

WHEREAS, City of Willows Municipal Code Section 18.60.030(1) allows for a residential use in the General Commercial zone upon first securing Use Permit approval from the Planning Commission, and

WHEREAS, notice of the Planning Commission meeting held on February 17, 2016, was published in a newspaper of general circulation in the City in accordance with law, and mailing to property owners within 500 feet were sent; and,

WHEREAS, the Planning Commission did, on February 17, 2016, hold a public hearing to consider all public oral and written comments, letters and documents, staff reports, and all other documents and evidence which are a part of the Record; and,

WHEREAS, the Planning Commission has reviewed all evidence submitted in connection with the application, including public testimony, staff report, supporting documentation, City codes and regulations, and all other relevant documents and evidence which are part of the record of proceedings; and,

WHEREAS, the Planning Commission finds that the proposal is considered exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15301, Class 1 Existing Facilities; and

WHEREAS, the Planning Commission does finds that the proposed use is consistent with the purposes of the district in which the site is located, as residential uses are allowed with a Conditional Use Permit within the General Commercial Zoning District per WMC section 18.60.030(1); and

WHEREAS, the Planning Commission does find that the proposed location of the use and the conditions under which it may be operated or maintained will not be detrimental to the public health, safety, or welfare or materially injurious to properties or improvements in the vicinity, as conditions of approval incorporate provisions which project will not be detrimental to the public health, safety or welfare; and

WHEREAS, the Planning Commission does find that the proposed use is in conformance with the General Plan, as the property is located within the General Commercial designation.

NOW THEREFORE, BE IT RESOLVED, that the Planning Commission of the City of Willows does hereby find that the Use Permit proposal to establish a residential use within an existing

structure is consistent with the City of Willows General Plan, the City of Willows Municipal Code, and hereby approves Use Permit File# UP-16-02, subject to the attached conditions of approval set forth in Attachment #2; and site plan and floor plan, Attachments #3 & #4.

IT IS HEREBY CERTIFIED that the foregoing Resolution was duly adopted at a regular meeting of the Planning Commission of the City of Willows on Wednesday, the 17th day of February, 2016, by the following vote, to wit:

AYES: Woods, Benningfield, Griffith

NOES: 0

ABSTAIN: 0

ABSENT: White

APPROVED: _____
Robert Griffith, Vice- Chair

ATTEST: _____
Recording Secretary, Maria Ehorn

**USE PERMIT CONDITIONS OF APPROVAL
FOR**

**Michael & Monica Schwenne
FOR PROPERTY LOCATED AT
459 N. Tehama Street/APN; 005-403-012**

PC approval date: February 17, 2016

General

1. That the applicant/developer shall enter into a Pass Through Agreement with the City of Willows to pay the cost of all planning review, plan checking and field inspection of this development.
2. If the use (establishing a residential use) is not made on the project subject to the permit within one (1) year after the date of granting the permit, then without further action, the permit shall be null and void and such use shall not be made of the property except upon the granting of a new permit.
3. This use permit is void one (1) year after the use permitted by such permit is discontinued.
4. All plans for additional uses, which are not covered by this review, shall be submitted to the City Manager/Planning Commission for review and approval prior to use.
5. The approval of this project shall be subject to the latest adopted Ordinances, Resolutions, Policies and fees of the City of Willows.
6. On-site parking shall be provided in accordance with the City parking regulations Section(s) 18.120.020(1)(a) and 18.120.050 prior to establishing the residential use.
7. Any building mounted and site lighting shall be shielded lights, down lights, and or full cut off lights so that the bulb is not visible from off-site and light does not create glare or hazard onto adjoining properties/streets.

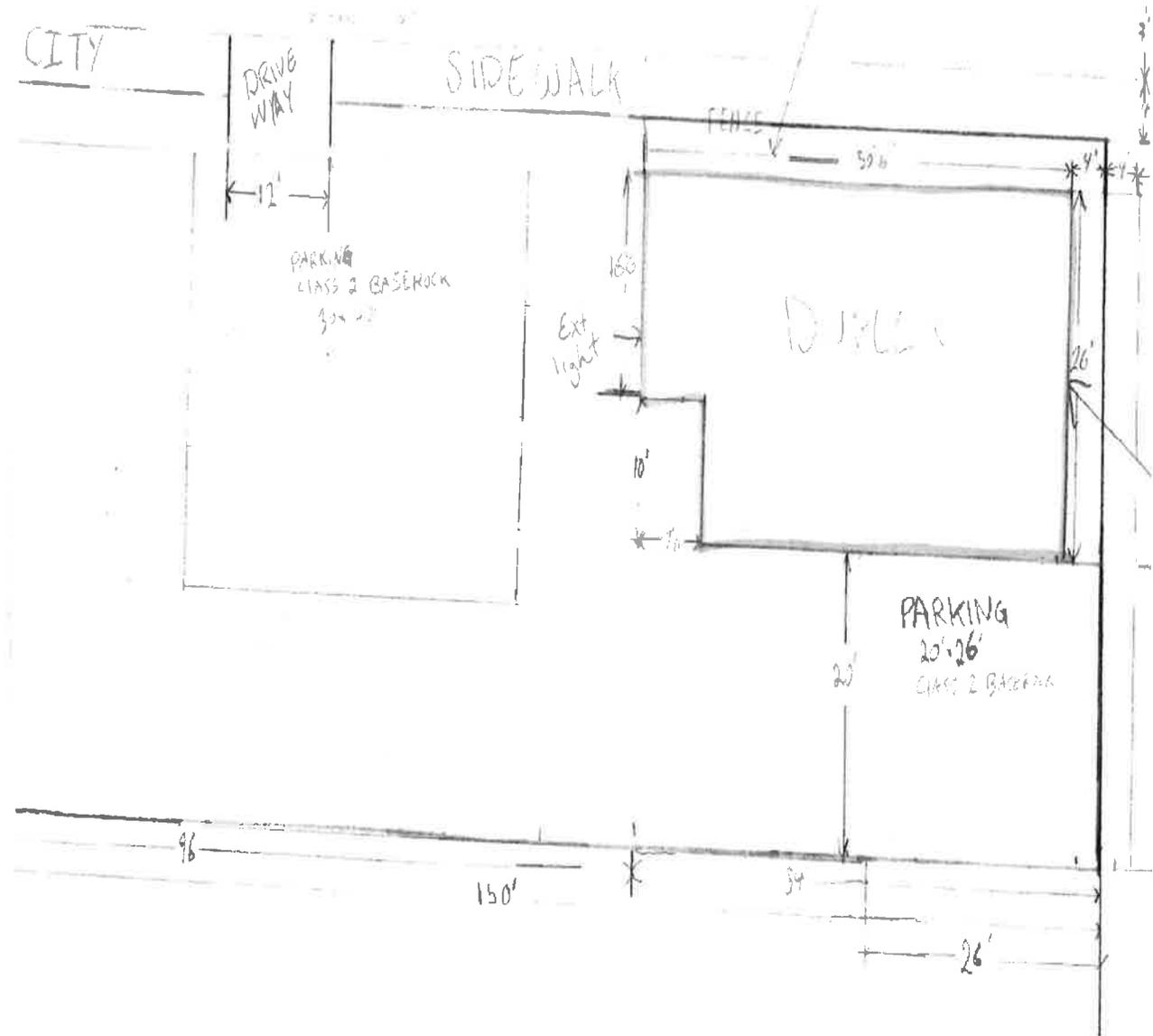
Building Department.

8. The submitted plans and scope of work are somewhat unclear. If any work is proposed to facilitate the proposed change of use, the applicant shall be required to obtain all required permits and approval.
9. The applicant will be responsible to pay the current sewer rates as they apply to multi-family.

Fire Department

10. Addressing shall comply with WMC Section 15.15.100.
11. Each unit shall comply with the California Fire Code regarding smoke detectors.
12. Any changes or modifications shall be under a building permit and shall meet California Fire Code.

Appellants Site Plan



1088 2851

SCALE 1/8" = 1 FOOT

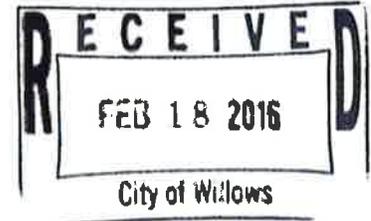


RECEIVED
FEB 03 2016
CITY OF WYOMING

Attachment 5
File # AP-16-01

Application for appeal of Planning Commission decision regarding ruling for specific condition of approval. Referencing the condition of adding Garage structures to the property.

Site Address: 459 N. Tehama st, Willows, Ca 95988
Parcel No: 0005-403-012
File #UP-16-02
Zoning General Commercial



Appellant:
Michael and Monica Schwenne
4400 Johanna rd
Aptos Ca 95003
831.332.2851

Requesting reversal of the covered parking condition for approval.

The code allows the planning commission and even the city manager the ability to forgo this request.

18.120.020 (3) Parking spaces required. *EXCEPTION: Parking requirements for commercially zoned property with 50 feet or less street frontage may be reduced or waived by the city manager. All other reductions require approval by the planning commission.*

1) Issue of Affordability and Cost to low income housing

1a) These units (One bedroom and studio) provide housing to low income families. The increased cost of the garages will be passed on, making these units less affordable to those whom depend on the affordability. Whether in rental cost, first time homebuyers cost or both.

"...the City's obligations under state law are to:

1. Provide adequate, appropriately zoned sites to meet the existing and projected housing **needs of all economic segments** of the community.
2. **Eliminate any constraints to the private development of a supply of housing to meet the needs of all economic segments of the community.**
3. Facilitate the actions required of the development industry in providing an adequate supply of housing." Page 2 http://www.hcd.ca.gov/housing-policy-development/housing-resource-center/plan/he/housing-element-documents/willows_5th_draft071814.pdf

"GOAL RC-1: REMOVE OR ELIMINATE GOVERNMENTAL CONSTRAINTS ON THE MAINTENANCE, IMPROVEMENT, AND DEVELOPMENT OF HOUSING, WHERE APPROPRIATE AND LEGALLY POSSIBLE." Page 22 http://www.hcd.ca.gov/housing-policy-development/housing-resource-center/plan/he/housing-element-documents/willows_5th_draft071814.pdf

"GOAL MI-1: ENSURE THAT THE QUALITY, SAFETY, AFFORDABILITY, AND LIVABILITY OF THE HOUSING STOCK IN WILLOWS IS CONTINUALLY MAINTAINED OR UPGRADED AND THAT DILAPIDATED HOUSING WHICH CANNOT BE IMPROVED IS REPLACED." Page 20

http://www.hcd.ca.gov/housing-policy-development/housing-resource-center/plan/hc/housing-element-documents/willows_5th_draft071814.pdf

1b) This property sits in the middle of many other non-conforming low income units without garages. The probability of one of these units sitting vacant for 6 months at any point of time is very high. If these homes follow the rules and apply for a conditional use permit as 459 N. Tehama did. This precedent would place a heavy burden on a neighborhood that simply cannot afford the cost. There are currently 10 non-conforming residences that I verified in this particular CG zone. There could be more

2) Continuing use as residential

The condition of adding Garage units which could arguably cost over \$10,000; is a high cost to pay for a property sitting vacant for six months. This could set a precedent to encourage others to avoid the law and the code when they find out what the consequence of doing so is. This also will discourage future investors from coming in rehabilitating properties because the additional cost would most likely kill the margin they need to make the deal make sense.

There is verbiage in the application which suggests that this is the first time this property is being used residentially. I want to clarify that this property verifiably has been used residentially dating back to 1998. The fact that a portion of the property was used as a TV repair shop at one point in time, does not prove that the property was built in 1950 with a commercial intent. Because of a lack in record keeping, there is no evidence on either position that this property was built residentially or commercially. The property looks like a home rather than a commercial space. The property is located in the middle of three other homes built around the same time period which don't possess garages.

2a) This property's title is verified by Glenn County as residential See Attach 1

2b) I have the testimony as well as title reports of Joseph Russo who had appraisal and loans with multiple large banks such a Bank of America. These companies don't lend of uninhabitable converted commercial spaces. Attach 2

2c) I have the MLS info advertising the property as a duplex. See Karen Mantele' file for this property which contains supporting MLS documentation. Documentation is no longer available online

2d) I have not added or made any significant changes to the property which would normally constitute a need making a 65 year old structure meet 2016 demands. The only

permit work I did was replacing inefficient light fixtures and plumbing fixtures with modern efficient fixtures as encouraged by HUD.

GOAL EC-1: ENSURE INCREASED ENERGY SELF-SUFFICIENCY THROUGH USE OF ENERGY CONSERVATION MEASURES IN ALL HOMES, INCLUDING EXTREMELY LOW-, VERY LOW-, LOW-, AND MODERATE-INCOME HOUSING. Page 19 http://www.hcd.ca.gov/housing-policy-development/housing-resource-center/plan/he/housing-element-documents/willows_5th_draft/71814.pdf

Thank you for your time and consideration concerning this condition which will greatly affect the future residents of this property.

Mike Schwenne February 18, 2016

MLS LISTING

Open in App or Install on App

☰ **trulia** Request Info 🔍



Get Pre-Qualified

459N Tehama St
Willows CA, 95988



Single-Family Home 2 Bedrooms

Built In 1970 **Unknown**

 [jeffreycorman.sierrasotheby...](#) 

Home Details

CC RESOLUTION NO. _____-2016

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILLOWS
UPHOLDING THE PLANNING COMMISSION DECISION TO REQUIRE
PARKING IN ACCORDANCE WITH THE CITY PARKING REGULATIONS
SECTION(S) 18.120.020(1)(A) FOR USE PERMIT (FILE #UP-16-02) ON APPEAL
FOR PROPERTY LOCATED AT 459 N. TEHAMA STREET SPECIFICALLY
ASSESSOR PARCEL NUMBER 005-403-012**

WHEREAS, the applicants, Michael and Monica Schwenne, have proposed establishment of a residential use consisting of a two- family use of a studio and a one bedroom unit; and,

WHEREAS, the project site is zoned “CG- General Commercial” which allows for a residential use with an approved Use Permit; and

WHEREAS, notices of the Planning Commission meeting held on February 17, 2016 to hear the project proposal was published in a newspaper of general circulation in the City in accordance with law, and mailing to property owners for the February 17, 2016 meeting who were within 400 feet were sent; and

WHEREAS, the Planning Commission did, on February 17, 2016, hold a public hearing to consider all public oral and written comments, letters and documents, staff reports, and all other documents and evidence which are a part of the Record; and

WHEREAS, the Planning Commission at the February 17, 2016 meeting, by a majority vote, approved the project with a resolution and final conditions of approval generated from the internal city departments comments for the proposed residential use; and

WHEREAS, the applicant has submitted a Letter of Appeal to the City of the Planning Commission decision within ten days from the date of decision; and

WHEREAS, notice of the City Council meeting held on March 8, 2016 was published in a newspaper of general circulation in the City in accordance with law; and

WHEREAS, the City Council has reviewed all evidence submitted in connection with the application, including public testimony, staff report, supporting documentation, City codes and regulations, and all other relevant documents and evidence which are part of the record of proceedings; and

WHEREAS, the City Council makes the following findings with respect to Use Permit (file#UP-16-02)

1. That the use is consistent with the City of Willows General Plan and Zoning Ordinance. The site is currently zoned CG (General Commercial) which allows for Residential uses with a conditional use permit per Section 18.60.030(1).

2. That the proposed location of the use and the conditions under which it may be operated or maintained will not be detrimental to the public health, safety, or welfare or materially injurious to properties or improvements in the vicinity.
The conditions of approval incorporate provisions which project will not be detrimental to the public health, safety or welfare.
3. That per Section 18.60.040(2) Residential uses require parking.
4. That per Section 18.120.020(1)(a) One and Two-Family Dwellings require one-car garage for each dwelling unit containing one bedroom.

NOW THEREFORE, BE IT RESOLVED, that the City Council of the City of Willows does hereby find that the project as conditioned is consistent with the City of Willows General Plan, the City of Willows Municipal Code, the City of Willows Zoning Ordinance, and hereby on appeal uphold the Planning Commission decision to require parking for residential uses as set forth in the final conditions of approval for Use Permit File# UP-16-02.

IT IS HEREBY CERTIFIED that the foregoing Resolution was duly adopted at a regular meeting of the City Council of the City of Willows on Tuesday, the 8th day of March, 2016, by the following vote, to wit:

AYES _____
 NOES _____
 ABSTAIN _____
 ABSENT _____

APPROVED: _____
 Gary Hansen, Mayor

ATTEST: _____
 Natalie Butler, City Clerk

AGENDA ITEM

March 8, 2016

TO: Honorable Mayor Hansen and Members of City Council

FROM: Tim Sailsbery, Finance Director

SUBJECT: Consideration and possible adoption of an ordinance adding chapter 19.10 (development agreements) and adding section 19.10.05 (development agreement between California Land Investors, LLC and the City of Willows) to the Willows Municipal Code authorizing the City Manager to enter into a development agreement with California Land Investors, LLC on behalf of the City of Willows in conjunction with formal acceptance of EDA Grant award: EDA Control No. 109314, approved by Council on September 8, 2015.

RECOMMENDATION

Staff is recommending, by motion, second reading by title only, and, by roll call vote, adoption of Ordinance No. 723-2016, entitled, "AN ORDINANCE OF THE CITY OF WILLOWS, CA APPROVING A DEVELOPMENT AGREEMENT BETWEEN CALIFORNIA LAND INVESTORS, LLC AND THE CITY OF WILLOWS, AND ADDING CHAPTER 19.10 (DEVELOPMENT AGREEMENTS) AND ADDING SECTION 19.10.05 (DEVELOPMENT AGREEMENT BETWEEN CALIFORNIA LAND INVESTORS, LLC AND THE CITY OF WILLOWS) TO THE WILLOWS MUNICIPAL CODE".

SUMMARY

On July 27, 2015, The City was awarded an EDA Grant to assist with infrastructure improvements associated with the development of certain property owned by California Land Investors, LLC located approximately at Highway 99 and County Road 57, known as the "North Valley Commercial Center Project." Council approved the grant award on September 8, 2015 and directed staff to prepare a development agreement with California Land Investors, LLC.

Staff has drafted an agreement with California Land Investors, LLC incorporating appropriate performances including contribution of California Land Investors, LLC of approximately \$535,715 in matching monies associated with the conditions of the EDA Grant Award. 3CORE on behalf of the City of Willows, in partnership with California Land Investors have been acquired funding opportunities in support of the necessary infrastructure improvements; including Highway 99 traffic accommodations, bridge work

necessary to access the business park, main street/entry-way highway, frontage improvements, as well as water, sewer and associated improvements to commence development of the North Valley Commercial Center Project.

Grants and cooperative agreements made under these programs are designed to leverage existing regional assets and support the implementation of economic development strategies that advance new ideas and creative approaches to advance economic prosperity in distressed communities.

As mentioned above, California Land Investors, LLC has agreed to reimburse the City in the amount of approximately \$535,715 over the span of five years, payable in annual installments. The interest rate payable to the City is 5% which equals the interest rate charged to the City associated with the 3Core loan. Thus, the City is net zero dollars in terms of repayment of the matching funds. These criterion are included in the proposed development agreement.

As a final condition of approval of the project and in concert with the development agreement, the assets created by the construction of streets, utilities and other public improvements, are always dedicated or transferred back to the ownership/control of the City of Willows. These improvements are essential elements in the economic enhancements of the project site and basically facilitate the economic drivers that generate higher rates of revenue to the City of Willows. It is therefore common practice for municipal agencies to share in the development burden of this type of business park investment environment.

As such, staff is recommending the Council authorize the city manager to enter into the development agreement with California Land Investors, LLC in conjunction with the North Valley Commercial Center project and the EDA Grant Award previously approved and accepted by Council.

FINANCIAL CONSIDERATIONS -

Funding commitments from the City of Willows and California Land Investors, LLC in equal amounts of \$535,715 as conditions associated with the acceptance of the EDA Grant match in the amount of not less than \$1,071,429.00.

RECOMMENDATION

Staff is recommending, by motion, second reading by title only, and, by roll call vote, adoption of Ordinance No. 723-2016, entitled, "AN ORDINANCE OF THE CITY OF WILLOWS, CA APPROVING A DEVELOPMENT AGREEMENT BETWEEN CALIFORNIA LAND INVESTORS, LLC AND THE CITY OF WILLOWS, AND ADDING CHAPTER 19.10 (DEVELOPMENT AGREEMENTS) AND ADDING SECTION 19.10.05 (DEVELOPMENT

AGREEMENT BETWEEN CALIFORNIA LAND INVESTORS, LLC AND THE CITY OF WILLOWS) TO THE WILLOWS MUNICIPAL CODE".

Respectfully submitted:



Tim Sailsbery, Finance Director

Approved:



Wayne Peabody, Interim City Manager

Attachments:

Notice of First Reading Passage published 3/2/2016 in the Sacramento Valley Mirror

Proposed Ordinance

Proposed Development Agreement

CITY OF WILLOWS – PUBLIC NOTICE

The following Ordinance passed first reading by the City Council of the City of Willows at their February 23, 2016, regular meeting. The Ordinance will go before the City Council of the City of Willows for consideration of passage of second reading and adoption at their regular meeting of March 8, 2016:

ORDINANCE #723-2016

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WILLOWS, CALIFORNIA APPROVING A DEVELOPMENT AGREEMENT BETWEEN CALIFORNIA LAND INVESTORS, LLC AND THE CITY OF WILLOWS, AND ADDING CHAPTER 19.10 (DEVELOPMENT AGREEMENTS) AND ADDING SECTION 19.10.05 (DEVELOPMENT AGREEMENT BETWEEN CALIFORNIA LAND INVESTORS, LLC AND THE CITY OF WILLOWS) TO THE WILLOWS MUNICIPAL CODE”.

SUMMARY OF ORDINANCE. The purpose of this Ordinance is to enter into a development agreement with the City of Willows pertaining to the proposed development of a parcel of land in the southern part of the City of Willows for 453 single family residential units and approximately 65 acres of commercial/industrial uses. . The site is located at the SW corner of Tehama Street and CR 53, east of Interstate 5, and is identified by Assessor Parcel Numbers 017-170-011; 001-091-012; 001-102-014; 001-101-003 & 017-170-017. The public is invited to attend and be heard or submit written comments to the City of Willows. Documentation pertaining to the above development agreement is available for review at the City Clerk's Office of the Civic Center during normal business hours. The City of Willows is an equal opportunity provider.

INTRODUCED and passed first reading on the 23rd day of February, 2016, by the following roll call vote:

Ayes: Domenighini, Mello, Williams, Yoder & Mayor Hansen
Noes: None
Absent: None
Abstain: None

ATTEST: Natalie Butler
City Clerk

APPROVED: Gary Hansen
Mayor

/s/ Natalie Butler, City Clerk
Publication Date: Wednesday, March 2, 2016

ORDINANCE NO. 723-2016

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WILLOWS,
CALIFORNIA APPROVING A DEVELOPMENT AGREEMENT
BETWEEN CALIFORNIA LAND INVESTORS, LLC AND THE CITY OF WILLOWS,
AND ADDING CHAPTER 19.10 (DEVELOPMENT AGREEMENTS) AND
ADDING CHAPTER 19.10.05 (DEVELOPMENT AGREEMENT BETWEEN
CALIFORNIA LAND INVESTORS, LLC AND THE CITY OF WILLOWS)
TO THE WILLOWS MUNICIPAL CODE.**

WHEREAS, California Land Investors, LLC, doing business as Basin Street Properties (hereinafter “Basin Street”), holds title to approximately 207 acres of real property presently located within the corporate limits of the City of Willows situated within a high-visibility area located adjacent to U.S. Hwy 99 and Interstate 5, development of which would be conducive to and consistent with the long-term planned economic development of the City; and,

WHEREAS, Basin Street has expressed to the Council the company’s desire to develop, on approximately 39 acres of the property (the “Initial Development Site”) industrial, commercial, and manufacturing improvements, and further desires to make additional residential and potential retail improvements on the remaining portions of the property in the future; and

WHEREAS, Basin Street has determined that the present infrastructure on and adjacent to the property is not now adequate to support the development and use of the property and use of the Initial Development Site, and that various infrastructure improvements will be required to support the construction and operation of the industrial and commercial development Basin Street plans to make on the Initial Development Site and eventually on the balance of the aforesaid property; and

WHEREAS, Basin Street has agreed to make contributions to public infrastructure improvements funded by an EDA Grant Award, previously accepted by Council, on the condition that the City commit to assist Basin Street in meeting the infrastructure needs thereof, as described in the Development Agreement between Basin Street and the City that has been previously furnished to and reviewed by the Mayor and the members of the Council; and

WHEREAS, the Planning Commission conducted a public hearing at its regularly scheduled meeting of February 17, 2016 on the application for a development agreement, and approved said application; and

WHEREAS, the City Council conducted a public hearing at its regularly scheduled meeting of February 23, 2016 on the application for a development agreement; and

WHEREAS, notice of the public hearing before the City Council of the application for the subject development agreement was published in the Sacramento Valley Mirror commencing on February 13, 2016, and

WHEREAS, the City Council has reviewed the Development Agreement, including public testimony, staff report, supporting documentation, City codes and regulations, and all other relevant documents and evidence which are part of the record of proceedings,

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF WILLOWS does ordain as follows:

SECTION 1. The City Council finds and determines the foregoing recitals to be true and correct and hereby incorporates them into this Ordinance.

SECTION 2. The City Council finds that the provisions of the subject Development Agreement are consistent with the City's general plan and applicable specific plan.

SECTION 3. The City Council finds that the provisions of the subject Development Agreement and its adoption are consistent with California Government Code section 65864, *et seq.*

SECTION 4. The City Council approves the Development Agreement between California Land Investors, LLC and the City of Willows, attached hereto and incorporated herein, and authorizes and directs the City Manager to execute the Development Agreement on behalf of the City of Willows.

SECTION 5. Chapter 19.10 is added to the Willows Municipal Code as follows:

Chapter 19.10. Development Agreements.

19.10.10. The City of Willows may enter into a development agreement with any person or entity having a legal or equitable interest in real property for the development of the property lying within the City of Willows. Any such development agreement shall comply with the provisions of Title 7, Div. 1, Chapter 7 of the California Government Code, commencing with section 65864.

19.10.20. The City of Willows may, by resolution or ordinance, establish procedures and requirements for the consideration of development agreements upon application by, or on behalf of, the property owner or other person having a legal or equitable interest in the property. If such procedures and requirements are established and adopted in response to the request of an applicant for a development agreement, the City may recover from such applicant the direct costs associated with developing and adopting a resolution or ordinance establishing such procedures and requirements.

19.10.30 The approval of any development agreement shall be subject to the provisions of Government Code sections 65867 and 65867.5.

SECTION 5. Chapter 19.10.05 is added to the Willows Municipal Code as follows:

19.10.05. DEVELOPMENT AGREEMENT BETWEEN CITY OF WILLOWS AND CALIFORNIA LAND INVESTORS, LLC, dated February 23, 2016.

This ordinance was introduced at a regular meeting of the City Council of the City of Willows, held on February 23, 2016, and adopted at a regular meeting of the City Council of Willows, held on the March 8, 2016, by the following vote, to wit:

AYES, COUNCILMEMBERS _____

NOES, COUNCILMEMBERS _____

ABSENT COUNCILMEMBERS _____

GARY HANSEN, MAYOR

APPROVED AS TO FORM:

THE CITY ATTORNEY'S OFFICE

ROBERT HUNT, CITY ATTORNEY

ATTEST:

NATALIE BUTLER, CITY CLERK

Development Agreement

RECORDING REQUESTED BY
AND WHEN RECORDED, RETURN TO:

City of Willows
201 North Lassen Street
Willows, California 95988

Attention: City Clerk

DEVELOPMENT AGREEMENT
BETWEEN
CITY OF WILLOWS
AND
CALIFORNIA LAND INVESTORS LLC
WILLOWS, CALIFORNIA

Dated: _____, 2016

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (hereafter "Agreement") is made and entered into on _____, 2016, by and between the CITY OF WILLOWS, a California municipal corporation (hereafter "City"), and CALIFORNIA LAND INVESTORS LLC, a California limited liability company ("Developer"), pursuant to the authority of Sections 65864 et seq. of the California Government Code.

RECITALS

A. California Government Code Section 65864 et seq. authorizes the City to enter into an agreement for the development of real property with any person having a legal or equitable interest in such property in order to establish certain development rights in such property; and

B. Previously, Developer submitted an application to develop certain real property owned by Developer with 453 single family homes and a 65 acre commercial/industrial business park (the "Project").

C. City has approved various land use approvals in connection with the development of the Project, including those listed on Exhibit A attached hereto (collectively, together with any approvals or permits now or hereafter issued with respect to the Project, the "Project Approvals"); and

D. Pursuant to the California Environmental Quality Act ("CEQA") the City prepared an Initial Study and Mitigated Negative Declaration ("MND") for the Project. The Residential MND was adopted by the Planning Commission on July 29, 2009, and the Commercial MND was adopted by the City Council on October 12, 2010. Pursuant to CEQA, a mitigation/monitoring program for the Project was approved by the City Council; and

E. The purpose of this Agreement is to facilitate the implementation of the Project Approvals through the development of the Project, thereby realizing the public benefits to City and private benefits to Developer, including those described in these Recitals. The development of the Project requires a major investment by the Developer in public facilities, substantial front-end investment in on-site and off-site improvements, dedications of land, participation in other programs for public benefit and purposes, and substantial commitments of resources to achieve both private benefits of the Project for the Developer and the public purposes and benefits of the Project for the City. The Developer will be unable to make and realize the benefits from such commitments of land and resources without the assurances of a realized Project provided by this Agreement.

F. By entering into this Agreement, the City Council finds that, among other things, this Agreement is consistent with its General Plan; that this Agreement is compatible with the uses authorized in, and the regulations prescribed for, the Property; that this Agreement is in conformity with public convenience, general welfare and good land use practice; that this Agreement will not be detrimental to the health, safety, or general welfare; that this Agreement will not adversely affect the orderly development of property or the preservation of property values.

G. Developer is willing, pursuant to the terms of this Agreement, to make expenditures and provide benefits to the City including, without limitation, a contribution of \$535,715.00 toward the cost of certain off-site work the City intends to perform as further described on Exhibit B and Exhibit C, and the performance of various on-site and off-site improvements and dedications incorporated into the Project Approvals, thus conferring a public benefit upon the City. Prior to entering into this Agreement, the City and Developer anticipated that Grant (defined in Exhibit B) funds would pay for the remaining design and engineering costs associated with such off-site work, which are estimated to be \$186,000.00 ("Design Costs"). It now appears, however, that reimbursement for Design Costs from the Grant funds is in doubt. Developer is willing, pursuant to the terms of this Agreement, to be responsible for paying the Design Costs to the applicable consultants at the time such costs are incurred. In consideration for Developer agreeing to pay the Design Costs, the City has agreed to reduce the contribution to be made by Developer to the extent the City receives funds from the Grant for Design Costs as further provided in Section 9.E.

H. City desires the timely, efficient, orderly and proper development of said Project, and believes it is in the public interest to accept the benefits conferred by the additional expenditures and additional dedications by Developer referred to above. City further believes it is in the public interest to provide for the vesting of Developer's rights to develop the Project in conformance with the Project Approvals and the terms and conditions contained herein so that such vested rights shall not be disturbed by changes in laws, rules or regulations, including measures passed by initiative, that occur after the Effective Date (as defined below) hereof.

I. City and Developer have reached agreement and desire to express herein a development agreement that will facilitate development of the Project subject to conditions set forth herein and set forth in the Project Approvals, as defined herein.

J. On _____, 2016 the City adopted Ordinance No. [_____] approving this development agreement and authorizing the City Manager to execute this Agreement.

NOW, THEREFORE, with reference to the foregoing recitals and in consideration of the mutual promises, obligations and covenants herein contained, City and Developer agree as follows:

AGREEMENT

1. Description of Property. The Property which is the subject of this Agreement is described in Exhibit D attached hereto ("Property").
2. Interest of Developer. The Developer is the owner of the Property.
3. Relationship of City and Developer. This Agreement is a contract that has been negotiated and voluntarily entered into by City and Developer and the Developer is not an agent of City. The City and Developer hereby renounce the existence of any form of joint venture or partnership between them, and agree that nothing contained herein or in any document executed in connection herewith shall be construed as making the City and Developer joint ventures' or partners.
4. Effective Date and Term.
 - A. Effective Date. The effective date of this Agreement ("Effective Date") shall be the date upon which the ordinance approving this Agreement is adopted by City.
 - B. Term. The term of this Agreement ("Term") shall commence on the Effective Date and extend twelve (12) years thereafter, unless said term is otherwise terminated or modified as set forth in this Agreement. The 12-year Term is not intended to extend the five-year (5) period of time Developer has to make the payments as set forth in Exhibit B.
 - C. Term of Project Approvals. Pursuant to California Government Code Section 66452.6(a), the term of any tentative map and the other Project Approvals described in Recital C above, including those applicable to the residential and commercial/industrial portions of the Project, shall automatically be extended for the Term of this Agreement.
5. Use of the Property.
 - A. Right to Develop. Developer shall have the vested right to develop the Project on the Property in accordance with the terms and conditions of this Agreement, the Project Approvals (as and when issued), and any amendments to any of them as shall, from time to time, be approved pursuant to this Agreement.
 - B. Permitted Uses. The permitted uses of the Property, the maximum density and intensity of use, the maximum height, bulk and size of proposed buildings, provisions for reservation or dedication of land for public purposes and location and maintenance of on-site and off-site improvements, location of public utilities, and other terms and conditions of development applicable to the Property, shall be those set forth in this Agreement, the Project Approvals and any amendments to this Agreement or the Project Approvals, and the "Applicable Rules" (as hereafter defined).

C. Additional Conditions. Provisions for additional conditions (the "Additional Conditions") are set forth in Exhibit B attached hereto and incorporated herein by reference. These include additional or modified conditions agreed upon by the parties relating to development of the Project, including certain conditions that otherwise would not be required.

6. Applicable Rules, Regulations and Official Policies.

A. Rules re Permitted Uses. For the term of this Agreement except as otherwise provided herein, the City's ordinances, resolutions, rules, regulations and official policies, including, without limitation, the Project Approvals, governing the permitted uses of the Property, governing density, design, improvement and construction standards and specifications applicable to the Property, including but not limited to, all public improvements, shall be those in force and effect on the Effective Date hereof (the "Applicable Rules"). Except to the limited extent otherwise provided in this Agreement, City expressly reserves all rights and powers governing land use, permitted uses, zoning, density, design, improvement, construction standards and specifications, and approvals and authorizations therefor.

B. California Codes Applicable. The Project shall be constructed in accordance with the provisions of the California Building, Mechanical, Plumbing, and Electrical Codes and Title 24 of the California Code of Regulations, relating to Building Standards, in effect in City at the time a completed application is submitted for the appropriate building, grading, or other construction permits for the Project.

7. Subsequently Enacted Rules and Regulations.

A. New Rules and Regulations. During the term of this Agreement, the City may, in subsequent actions applicable to the Property, apply new or modified ordinances, resolutions, rules, regulations and official policies of the City which were not in force and effect on the Effective Date of this Agreement and which are not in conflict with the Applicable Rules, provided that (i) such new or modified ordinances, resolutions, rules, regulations or official policies do not affect the permitted uses of the Property, the maximum density and intensity of use, the maximum height, bulk and size of proposed buildings, provisions for reservations or dedication of land for public purposes and location and maintenance of on site and offsite improvements, location of public utilities or any other terms and conditions set forth in this Agreement; and (ii) such laws are applied on a city-wide basis and in a manner which does not discriminate against Developer.

B. Denial or Conditional Approval. Nothing in this Agreement shall prevent the City from denying or conditionally approving any subsequent land use permit or authorization for any subsequent development project application on the basis of any new or modified ordinances, resolutions, rules, regulations or policies applicable to the Property pursuant to and subject to Section 7(A).

C. Moratorium Not Applicable. Notwithstanding anything to the contrary contained herein, in the event an ordinance, resolution or other measure is enacted, whether by action of City, by initiative, referendum, or otherwise, that imposes a building moratorium which would otherwise affect the Project or all or any part of the Property or which would require a vote of the people as a condition to the grant of any approvals for the Project, City agrees that such ordinance, resolution or other measure shall not apply to the Project, the Property, this Agreement or the Project Approvals. If, however, it is determined by a court of competent jurisdiction that a building moratorium or voter approval referenced above is effective as to any portion of the Project, this Agreement shall remain unchanged and in full force and effect as to the portion of the Project not affected by such moratorium or voter requirement, unless Developer elects to terminate this Agreement within ninety (90) days after Developer receives written notice of such court determination.

D. Timing of Development. It is the parties' specific intent that this Agreement shall prevail over any later-adopted initiative that might otherwise have the effect of restricting or limiting the timing or sequencing of development of the Project. Therefore, subject to the terms of this Agreement, the Project Approvals, and the Applicable Rules, Developer shall have the right (without obligation) to develop the Property in such order and at such rate and at such times as Developer deems appropriate within the exercise of its subjective business judgment,

and such order, rate and time selected by Developer shall in no way affect or impair Developer's vested rights under this Agreement.

8. Processing. Upon satisfactory completion by Developer of all required preliminary actions and payments of all required processing fees, if any, City shall, subject to all legal requirements, promptly initiate, commence, diligently process, complete at the earliest reasonable time, all required steps, and expeditiously consider any approvals and permits necessary for the development by Developer of the Property in accordance with this Agreement, including, but not limited to, the following:

(i) The processing of applications for and issuing of all discretionary approvals requiring the exercise of judgment and deliberations by City ("Discretionary Approvals"); and

(ii) The processing of applications for and issuing of all ministerial approvals requiring the determination of conformance with the Applicable Rules, including, without limitation, site plans, development plans, land use plans, grading plans, improvement plans, building plans and specifications, and ministerial issuance of one or more final maps, zoning clearances, grading permits, improvement permits, wall permits, building permits, lot line adjustments, encroachment permits, certificates of use and occupancy and approvals and entitlements and related matters as necessary for the completion of the development of the Project ("Ministerial Approvals").

A. No Abridgement of Density or Height. City acknowledges that notwithstanding its ability to issue Discretionary Approvals in relation to site and architectural review and design review, City may not refuse such approvals, or require changes in the Project, that would have the effect of restricting or preventing the ability of Developer to construct buildings at the maximum density and maximum height allowed in the Project Approvals as of the Effective Date of this Agreement.

B. Processing During Third Party Litigation. The filing of any third party lawsuit(s) against City or Developer relating to this Agreement or to other development issues affecting the Property shall not delay or stop the development, processing or construction of the Project, or issuance of Discretionary Approvals or Ministerial Approvals, unless the third party obtains a court order preventing the activity. City shall not stipulate to the issuance of any such order. Developer shall reimburse within sixty (60) days of demand therefor all costs, expenses and awards incurred by City in participating in or defending any such third party lawsuit(s) including, without limitation, attorney's fees, litigation expenses, expert costs, and awards of any nature to any other party.

9. Subsequently Enacted or Revised Fees, Assessments, Taxes and Rights-of-Ways and Easements.

A. New Fees. No fees, dedications or exactions imposed on new development adopted by the City subsequent to the Effective Date of this Agreement, and no fees, dedications or exactions which result from any modification after the Effective Date of any existing ordinances, resolutions, rules, regulations or official policies of the City (except as expressly provided in Section 9(B) below), shall be applicable to the Project.

B. Revised Application Fees. Any existing application, processing and inspection fees that are revised during the term of this Agreement shall apply to the Project provided that (1) such fees have general applicability on a City-wide basis and do not discriminate against Developer; (2) the application of such fees to the Property is prospective; and (3) the application of such fees would not prevent development in accordance with this Agreement.

C. New Taxes/Assessments. Except for taxes or assessments solely imposed upon new development, any subsequently enacted City-wide taxes or assessments shall apply to the Project provided that (1) such taxes or assessments have general applicability on a City-wide basis and do not discriminate against Developer; (2) the application of such taxes or assessments to the Property is prospective; and (3) the application of such taxes or assessments would not prevent development in accordance with this Agreement.

D. Right to Contest. Nothing contained herein shall prevent Developer from paying any such fee, tax, or assessment under protest, or otherwise asserting its legal rights to protest or contest a given fee, tax, or assessment assessed against the Project or the Property.

E. Engineering Design Fees. Developer hereby understands and agrees that all fees for all engineering associated with the preparation of the improvement plans, specifications, estimates, preparation of grant and/or easement deeds and any other engineering expenses associated with the Project are the responsibility of the Developer. This includes all design costs, engineering costs and plan check fees associated with the design of all street, storm drain, sewer, water and necessary appurtenances associated with the Project for both onsite and offsite improvements, including the Off-Site Improvements referenced on Exhibit B and listed on Exhibit C; provided that if the City is successful in obtaining reimbursement from the Grant (defined in Exhibit B) funds for all or portion of the fees incurred by Developer for the design and/or engineering associated with the Off-Site Improvements, then the amount of the contribution required to be made by the Developer as set forth in Exhibit B shall be reduced by the amount obtained by City from the Grant for such design and/or engineering costs.

F. Rights-of-Way and Easements. Developer hereby understands and agrees to provide the City with all necessary deeds and exhibits associated with the dedication of the proposed public road and rights-of-way for the construction of the road and utilities within the Project. Developer agrees to dedicate said right-of-way in fee to the City at no cost to the City. Additionally, the Developer also agrees to dedicate any necessary onsite and offsite easements for the installation and ongoing use of roadways and utilities associated with the Project with language acceptable to the City. All costs associated with preparation of deed or easement documents, as well as the dedication of all rights-of-way and easements shall be solely borne by the Developer.

10. Amendment or Cancellation.

A. Modification Because of Conflict with State or Federal Laws. In the event that State or Federal laws or regulations enacted after the Effective Date of this Agreement prevent or preclude compliance with one or more provisions of this Agreement or require changes in plans, maps or permits approved by the City, the parties shall meet and confer in good faith in a reasonable attempt to modify this Agreement to comply with such State or Federal laws or regulations. Any such amendment or suspension of the Agreement shall be approved by the City Council. If such modification or suspension is infeasible in Developer's reasonable business judgment, then Developer may elect any one or more of the following in any sequence:

(i) To terminate this Agreement by written notice to City;

(ii) To challenge the new law preventing compliance with the terms of this Agreement, and extend the Term of this Agreement for the period of time required to make such challenge. If such challenge is successful, this Agreement shall remain unmodified, except for the extension of the Term and shall remain in full force and effect. To the extent any such challenge shall impose or require the expenditure of any funds for any purpose by the City, all such costs and expenses incurred shall be reimbursed by Developer to City within sixty (60) days of demand therefor.

B. Amendment by Mutual Consent. This Agreement may be amended in writing from time to time by mutual consent of the parties hereto and in accordance with the procedures of State law.

C. Operating Memoranda. The provisions of this Agreement require a close degree of cooperation between City and Developer, and refinements and further development of the Project may demonstrate that clarifications with respect to the details of performance of City or Developer or minor revisions to the Project are appropriate. If and when, from time to time, during the term of this Agreement, City and Developer agree that such clarifications or minor modifications are necessary or appropriate, they shall effectuate such clarifications through operating memoranda approved by City and Developer, which, after execution, shall be attached hereto. The City Attorney shall be authorized to make the determination whether a requested clarification may be effectuated pursuant to this Section or whether the requested clarification is of such a character to require City Council approval of an amendment hereof pursuant to Section 10(B) hereof. The parties agree that modifications which would be categorized as exempt under CEQA, or which, after an initial study, the City determines do not require any further environmental review, or do not

increase the density or intensity of use or the maximum height, bulk, size or architectural style of proposed buildings may be effectuated through operating memoranda pursuant to this Section. The City Manager may execute any operating memoranda hereunder without further City Council action.

D. Cancellation by Mutual Consent. Except as otherwise permitted herein, this Agreement may be cancelled in whole or in part only by the mutual consent of the parties or their successors in interest, in accordance with the same procedure used when entering into this Agreement.

11. Annual Review.

A. Review Date. The annual review date for this Agreement (the "Review Date") shall be one year following the Effective Date and the annual anniversary of said date each year thereafter.

B. Annual Review Process. The Community Development Director, or other individual designated by City, shall initiate the annual review by giving to Developer no later than sixty (60) days following the Review Date written notice that the City intends to undertake such review for the annual period ending with the Review Date. Developer shall provide evidence of good faith compliance with the terms and conditions of this Agreement to the Community Development Director within thirty (30) days following receipt of the Community Development Director's notice. The Community Development Director shall review the evidence submitted by Developer and shall, within thirty (30) days following receipt of Developer's evidence, make a recommendation to the City Council either (a) that the City Council find that Developer has demonstrated good faith compliance with the terms and conditions of this Agreement or (b) that the City Council find that Developer has not demonstrated good faith compliance with the terms and conditions of this Agreement, setting forth with specificity the basis on which the Community Development Director makes his recommendation of a finding of non-compliance. Developer shall provide additional evidence as and when reasonably determined necessary by the Community Development Director.

C. Public Hearing. Following the Council's receipt of the Community Development Director's review and recommendation, the Council shall convene and hold a public hearing on Developer's performance and good faith compliance with the terms and conditions of this Agreement. Such public hearing shall be held during a regular City Council meeting no more than thirty (30) days following the Council's receipt of the Community Development Director's review and recommendation. The burden of proof of good faith compliance with the terms of this Agreement shall be upon the Developer.

D. Determination. If the City Council finds and determines that the Developer has complied in good faith with the terms and conditions of this Agreement during the period under review, the review for that period shall be concluded. If the City Council finds and determines, on the basis of substantial evidence, that the Developer has not complied in good faith with the terms and conditions of this Agreement during the period under review, and Developer has been notified and given an opportunity to cure in accordance with the provisions of Section 12(B) below, the Council may modify or terminate this Agreement in accordance with State law.

E. Fee for Annual Review. The fee for City's annual review shall be paid by Developer, and shall not exceed the costs of reimbursement of City staff time and expenses at the customary rates then in effect.

F. Failure to Hold Review. In the event that City does not initiate an annual review or that the City Council does not make its determination within six months of the Review Date for a given year, then it shall be deemed conclusive that Developer has complied in good faith with the terms and conditions of this Agreement during the period under review

12. Default.

A. Notice and Cure. Upon the occurrence of an event of default by either party, the nondefaulting party shall serve written notice of such default upon the defaulting party. If the default is not cured by the defaulting party within thirty (30) days after service of such notice of default, the nondefaulting party may then commence an action to enforce its rights under this Agreement; provided, however, that if the default cannot be cured within such thirty (30) day

period, the nondefaulting party shall refrain from any such legal or equitable action so long as the defaulting party begins to cure such default within such thirty (30) day period and diligently pursues such cure to completion. Failure to give notice shall not constitute a waiver of any default.

B. Exclusive Remedy. The parties hereto acknowledge that the material covenants, obligations and other provisions to be performed under this Agreement are of a special, unique and extraordinary character, and that irreparable injury will result from any violation or continuing violation of the provisions of this Agreement for which money damages may not be an adequate remedy. Accordingly, except as may be expressly provided in this Agreement, the parties agree that in the event of any default or threatened default by any party hereto of any material covenant, obligation or other provision set forth in this Agreement, the other party's sole and exclusive remedy shall be to seek in accordance with applicable law, (i) a decree or order of specific performance or mandamus to enforce the observance and performance of such covenant, obligation or other provision, and (ii) an injunction restraining such default or threatened default.

C. Waiver of Damages. Notwithstanding anything to the contrary contained in this Agreement, no party to this Agreement shall be liable for any consequential, special, indirect, incidental, exemplary or punitive damages of any kind or nature whatsoever, or any lost income or profits, regardless of whether arising from breach of contract or tort, even if advised of the possibility of such loss or damage or if such loss or damage could have been reasonably foreseen.

D. Judicial Reference. Pursuant to Code of Civil Procedure Section 638, et seq., all actions shall be heard by a referee who shall be a retired judge from either the Glenn County Superior Court, the California Court of Appeal, the United States District Court or the United States Court of Appeals, provided that the selected referee shall have experience in resolving land use and real property disputes. Developer and City shall agree upon a single referee who shall then try all issues, whether of fact or law, and report a finding and judgment thereon and issue all legal and equitable relief appropriate under the circumstances of the controversy before such referee. If Developer and City are unable to agree on a referee within ten days of a written request to do so by either party thereto, either party may seek to have one appointed pursuant to Code of Civil Procedure Section 640. The cost of such proceeding shall initially be borne equally by the parties. Any referee selected pursuant to this Section 12(D) shall be considered a temporary judge appointed pursuant to Article 6, Section 21 of the California Constitution.

E. Estoppel Certificate. Either party may, at any time, and from time to time, request written notice from the other party requesting such party to certify in writing that, to the knowledge of the certifying party, (a) this Agreement is in full force and effect and a binding obligation of the parties, (b) this Agreement has not been amended or modified either orally or in writing, or if so amended, identifying the amendments, and (c) the requesting party is not in default in the performance of its obligations under this Agreement, or if in default, to describe therein the nature and amount of any such defaults. A party receiving a written request hereunder shall execute and return such certificate within thirty (30) days following the receipt thereof, or such longer period as may reasonably be agreed to by the parties. City Manager of City shall be authorized to execute any certificate requested by Developer. The failure to deliver such certificate within such time shall be conclusive evidence upon the party which fails to deliver such statement that this Agreement is in full force and effect without modification and that there are no uncured defaults in the performance of the requesting party. Failure to execute such an estoppel certificate shall not be deemed a default.

13. Mortgagee Protection; Certain Rights of Cure.

A. Mortgagee Protection. This Agreement shall be superior and senior to any lien placed upon the Property, or any portion thereof after the date of recording this Agreement, including the lien for any deed of trust or mortgage ("Mortgage"). Notwithstanding the foregoing, no breach hereof shall defeat, render invalid, diminish or impair the lien of any Mortgage made in good faith and for value, but all of the terms and conditions contained in this Agreement shall be binding upon and effective against any person or entity, including any deed of trust beneficiary or mortgagee ("Mortgagee") who acquires title to the Property, or any portion thereof, by foreclosure, trustee's sale, deed in lieu of foreclosure, or otherwise.

B. Mortgagee Not Obligated. Notwithstanding the provisions of Section 13(A) above, no Mortgagee shall

have any obligation or duty under this Agreement to construct or complete the construction of improvements, or to guarantee such construction or completion of improvements; provided, however, that a Mortgagee shall not be entitled to devote the Property to any uses or to construct any improvements thereon other than those uses or improvements provided for or authorized by the Project Approvals and by this Agreement and only upon payment to City of any delinquent and current fees and other mandatory obligations due under this Agreement.

C. Notice of Default to Mortgagee. If City receives notice from a Mortgagee requesting a copy of any notice of default given Developer hereunder and specifying the address for service thereof, then City shall deliver to such Mortgagee, concurrently with service thereon to Developer, any notice given to Developer with respect to any claim by City that Developer has committed an event of default. Each Mortgagee shall have the right during the same period available to Developer to cure or remedy, or to commence to cure or remedy, the event of claimed default set forth in the City's notice.

14. Severability. The unenforceability, invalidity or illegality of any provision, covenant, condition or term of this Agreement shall not render the other provisions unenforceable, invalid or illegal, except that if it is determined in a final judgment by a court of competent jurisdiction that Developer's rights are not vested in the manner and to the extent agreed to herein, then the Parties shall meet and confer in a good faith attempt to agree on a modification to this Agreement that shall fully achieve the purposes hereof. If such a modification cannot be agreed upon, then Developer or City may terminate this Agreement upon 90-days' written notice to the other Party.

15. Attorneys' Fees and Costs. If City or Developer initiates any action at law or in equity to enforce or interpret the terms and conditions of this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs in addition to any other relief to which it may otherwise be entitled. In addition to the foregoing award of attorneys' fees to the prevailing party, the prevailing party in any lawsuit shall be entitled to its attorneys' fees incurred in any post-judgment proceedings to collect or enforce the judgment. If any person or entity not a party to this Agreement initiates an action at law or in equity to challenge the validity of any provision of this Agreement or the Project Approvals, the parties shall cooperate in defending such action. Developer shall bear its own costs of defense as a real party in interest in any such action, and shall reimburse City for all reasonable court costs and attorneys' fees expended by City in defense of any such action or other proceeding. City shall not reject any financial settlement acceptable to Developer, provided that Developer pays any and all consideration which is part of said settlement; if City does reject any financial settlement acceptable to Developer, City may continue to defend such action at its own expense.

16. Transfers and Assignments.

A. Right to Assign. Developer's rights hereunder may be transferred, sold or assigned in conjunction with the transfer, sale, or assignment of all or a portion of the Property subject hereto at any time during the term of this Agreement.

B. Release Upon Transfer. Upon the transfer, sale, or assignment of Developer's rights and interests hereunder pursuant to the preceding subparagraph of this Agreement, Developer shall be released from the obligations under this Agreement with respect to the Property transferred, sold, or assigned, arising after the transfer, sale, or assignment; provided, however, that in no event shall Developer be released of its obligation to make the payments to City totaling \$535,715.00 plus interest described in Exhibit B attached hereto regardless of any transfer, sale or assignment of the Property or any assumption of obligations under the Agreement by third parties.

C. Foreclosure. Nothing contained in this Section 16 shall prevent a transfer of the Property, or any portion thereof, to a lender as a result of a foreclosure or deed in lieu of foreclosure, and any lender acquiring the Property, or any portion thereof, as a result of foreclosure or a deed in lieu of foreclosure shall take such Property subject to the rights and obligations of Developer under this Agreement; provided, however, in no event shall such lender be liable for any defaults or monetary obligations of Developer arising prior to acquisition of title to the Property by such lender, and provided further, in no event shall any such lender or its successors or assigns be entitled to a building permit or occupancy certificate until all fees due under this Agreement (relating to the portion of the Property acquired by such lender) have been paid to City.

17. Agreement Runs with the Land. Except as otherwise provided herein, all of the provisions, rights, terms, covenants, and obligations contained in this Agreement shall be binding upon, and inure to the benefit of, the parties and their respective heirs, successors and assignees, representatives, lessees, and all other persons acquiring the Property, or any portion thereof, or any interest therein, whether by operation of law or in any manner whatsoever. All of the provisions of this Agreement shall be enforceable as equitable servitudes and shall constitute covenants running with the land pursuant to applicable laws, including, but not limited to, Section 1468 of the Civil Code of the State of California. Each covenant to do, or refrain from doing, some act on the Property hereunder, or with respect to any owned property, (a) is for the benefit of such properties and is a burden upon such properties, (b) runs with such properties, and (c) is binding upon each party and each successive owner during its ownership of such properties or any portion thereof, and shall be a benefit to and a burden upon each party and its property hereunder and each other person succeeding to an interest in such properties.

18. Bankruptcy. The obligations of this Agreement shall not be dischargeable in bankruptcy.

19. Indemnification. Developer agrees to indemnify and hold harmless City, and its elected and appointed councils, boards, commissions, officers, agents, employees, and representatives from any and all claims, costs and liability for any personal injury or property damage which may arise directly or indirectly as a result of the negligence or willful misconduct of Developer, or the negligence or willful misconduct of Developer's contractors, subcontractors, agents, or employees in connection with the construction, improvement, operation, or maintenance of the Project.. City, its elected and appointed councils, boards, commissions, officers, agents, employees, and representatives shall not be liable for any consequential, special, indirect, incidental, exemplary or punitive damages of any kind or nature whatsoever, or any lost income or profits, regardless of whether arising from breach of contract or tort, and Developer hereby waives all such claims.

20. Insurance.

A. Public Liability and Property Damage Insurance. During the term of this Agreement, Developer shall maintain in effect a policy of comprehensive general liability insurance with a per-occurrence combined single limit of not less than Two Million Dollars (\$2,000,000) per claim. The policy so maintained by Developer shall name the City as an additional insured.

B. Workers Compensation Insurance. During the term of this Agreement Developer shall maintain Workers Compensation insurance for all persons employed by Developer for work at the Project site. Developer shall require each contractor and subcontractor similarly to provide Workers Compensation insurance for its respective employees. Developer agrees to indemnify the City for any damage resulting from Developer's failure to maintain any such insurance.

C. Evidence of Insurance. Prior to City Council approval of this Agreement, Developer shall furnish City satisfactory evidence of the insurance required in Sections 20(A) and 20(B) and evidence that the carrier is required to give the City at least thirty (30) days' prior written notice of the cancellation or reduction in coverage of a policy. The insurance shall extend to the City, its elective and appointive boards, commissions, officers, agents, employees and representatives and to Developer and each contractor and subcontractor performing work on the Project.

21. Force Majeure. In addition to any specific provisions of this Agreement, performance of obligations hereunder shall be excused and the term of this Agreement shall be similarly extended during any period of delay caused at any time by reason of: acts of God such as floods, earthquakes, fires, or similar catastrophes; wars, riots or similar hostilities; strikes and other labor difficulties beyond the party's control; shortage of materials; the enactment of new laws or restrictions imposed or mandated by other governmental or quasi-governmental entities preventing this Agreement from being implemented; litigation involving this Agreement or the Project Approvals, which delays any activity contemplated hereunder; or other causes beyond a party's control. City and Developer shall promptly notify the other party of any delay hereunder as soon as possible after the same has been ascertained.

22. Notices. All notices required or provided for under this Agreement shall be in writing and delivered in person or sent by certified mail, postage prepaid, by overnight delivery or by facsimile.

Notices required to be given to City shall be addressed as follows:

City of Willows
201 North Lassen Street
Willows, California 95988
Attn: City Manager

Notices required to be given to Developer shall be addressed as follows:

California Land Investors, LLC
C/o Basin Street Properties
1383 N. McDowell Blvd., Suite 150
Petaluma, CA 94954
Attn: Director of Development and General Counsel

A party may change its address for notices by giving notice in writing to the other party, and thereafter all notices shall be addressed and transmitted to the new address. Notices shall be deemed given and received upon the earlier of personal delivery, or if mailed, upon the expiration of 48 hours after being deposited in the United States Mail or on the delivery date or attempted delivery date shown on the return receipt, air bill or facsimile.

23. Agreement is Entire Understanding. This Agreement is executed in four duplicate originals, each of which is deemed to be an original. This Agreement constitutes the entire understanding and agreement of the parties.

24. Exhibits. The following documents are referred to in this Agreement and are attached hereto and incorporated herein as though set forth in full:

- Exhibit A List of Project Approvals
- Exhibit B Additional Conditions
- Exhibit C Off-Site Improvements
- Exhibit D Legal Description of Property

25. Recordation of Development Agreement, Amendment or Cancellation. Within ten (10) days after the Effective Date hereof, the City Clerk shall submit a fully-executed original of this Agreement for recording with the County Recorder. If the parties to the Agreement or their successors-in-interest amend or cancel the Agreement or if the City terminates or modifies the Agreement for failure of the Developer to comply in good faith with the terms or conditions of the Agreement, the City Clerk shall submit for recording the notice of such action with the County Recorder.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date and year first above written.

CITY OF WILLOWS:

Developer:

By: _____
Mayor

CALIFORNIA LAND INVESTORS LLC,
a California limited liability company

APPROVED AS TO FORM:

City Attorney

By: G & W Ventures, LLC,
a California limited liability company,
its Manager

By: _____
Matthew T. White, Manager

(NOTARIZATION ATTACHED)

EXHIBIT A

List of Project Approvals

[to be attached]

EXHIBIT B

Additional Conditions

City was recently approved for a \$2,500,000.00 grant (the "Grant") from the US Economic Development Administration for the construction of off-site improvements in and about Tehama Street as more fully described on Exhibit C ("the "Off-Site Improvements"). The Grant requires City to contribute \$1,071,429.00 toward the cost of the Off-Site Improvements over and above the amount of the Grant. City has requested that Developer contribute \$535,715.00 toward the required City contribution amount, and Developer is willing to do so subject to the terms and conditions of this Agreement. City shall diligently obtain all necessary permits and approvals and construct the Off-Site Improvements in a good and workman like manner, in compliance with all terms, conditions and requirements of the Grant (including terms and conditions relating to the commencement and completion dates of the Off-Site Improvements), and in any event with completion of construction of the Off-Site Improvements to occur no later than June 1, 2017, subject to Section 21 of the Agreement. In consideration of City's agreement to timely construct the Off-Site Improvements, Developer shall contribute \$535,715.00 to City to be used solely to pay for the cost to construct the Off-Site Improvements. Developer shall pay such amount plus interest at a FIVE PERCENT (5%) annual rate, in five (5) equal payments, with the first payment due on the first anniversary of the Effective Date of this Agreement, and the remaining four (4) payments to be made annually thereafter. City shall, without any additional contribution from Developer, contribute all other funds necessary to satisfy the terms, conditions and requirements of the Grant and to construct the Off-Site Improvements, including the cost of all permits associated with the Off-Site Improvements.

EXHIBIT C

Off-Site Improvements

Includes all improvements associated with frontage improvements to the Project including, but not limited to improvements to Tehama Street, extension of the water main from Road 53 to the proposed public street within the development, all sewer improvements from the Project to the City's Wastewater Treatment Plant and all necessary appurtenances as may be needed to install these improvements, including the following:

1. Widening of Tehama Street (old Hwy 99), alongside of the east boundary of the property, to improve approximately 2,665 feet of the roadway, including:
 - Turn pockets and acceleration and deceleration lanes for the access driveway to the new Harvest Drive for safe ingress and egress. The through travel lanes specified by the City are 14-foot wide lanes.
 - Transit provisions through construction of a bus pull-out at the entrance, serviced by Glenn Ride Bus Company.
 - Wider shoulders, 6'-wide bike lanes, guard railing, street lighting, tree planting and streetscaping.
 - Prefabricated culverts at the property entrance handling 100-year runoff in the existing drainage canal running parallel with Tehama Street.
 - Utilities to be extended along Tehama Street to the entrance and on Harvest Drive. These include 3,300 feet of 12-inch diameter potable water main, and 1,615 feet of new 15-inch diameter sanitary sewer main.
 - 1,770 lineal feet of storm drain.
 - The Tehama Street improvements will also serve the City of Willows Wastewater Treatment Plant located on the opposite side of the street from the Project. The City will obtain permits from Northern California Railroad to jack and bore for a sewer line connection east of the railroad.
2. Construction of Harvest Drive to its cul-de-sac for access to the commercial lots, approximately 700 lineal feet in length.
3. Construction of secondary emergency vehicle access road from onsite to Tehama Street (old Hwy 99).

EXHIBIT D

Description of the Property

[to be attached]

AGENDA ITEM

TO: Willows City Council
FROM: Tim Sailsbery, Finance Director
SUBJECT: Establish Salary Scale-Fire Chief

RECOMMENDATION

Adopt the Resolution Establishing A Salary Scale and Benefit Items for the Position of Fire Chief, and, By Motion, set the Current Fire Chief at Step B of the Scale, Retroactive to 2/24/16.

SITUATION (or BACKGROUND):

The Council and the Community recognizes the outstanding effort put forth by our Fire Chief, Wayne Peabody. Chief Peabody has been tireless in his efforts to maintain a stable, service-oriented, successful Fire Department, and he has done an outstanding job not only within Fire and Rescue Service, but Wayne has proven to be an outstanding resource in recognizing the bigger picture of the City of Willows and has shown outstanding leadership in championing the City as a whole.

Given Wayne’s success, and the desire to have Wayne take on an even larger role in leading City operations, an updated Salary Scale is recommended for the position of Fire Chief. The recommended (monthly) salary scale is as follows:

Step A	Step B	Step C	Step D	Step E
07/01/15	02/24/16	07/01/18	01/01/20	07/01/21
\$8,655	\$9,088	\$9,542	\$10,019	\$10,520

In addition, it is recommended that the Position of Fire Chief be afforded a Deferred Compensation Match up to 5% of salary and a \$200 monthly allowance to assist in the coverage regarding travel outside the scope of the use of the Chief’s vehicle and to handle additional technological needs that may arise.

FINANCIAL CONSIDERATIONS:

Budgetary savings in other General Fund categories will assist in funding the salary and benefit adjustment. If approved, departmental level transfer within the General Fund will take place.

NOTIFICATION

Agenda posted in accordance with the Brown Act.

ALTERNATE ACTIONS

1. Adopt Resolution as Presented and Set Fire Chief on Scale as Presented
2. Recommend Alternatives

RECOMMENDATION

Adopt the Resolution Establishing A Salary Scale and Benefit Items for the Position of Fire Chief, and, By Motion, set the Current Fire Chief at Step B of the Scale, Retroactive to 2/24/16.

Respectfully submitted,



Tim Sailsbery
Finance Director

Attachment:

Cost Analysis
Resolution

**City of Willows
Cost Analysis
Fire Chief Salary and Benefit Change**

Cost of Salary and Benefit Proposal-Fire Chief

	Cost-2/24/16- 6/30/2016
Salary Adjustment	\$ 9,147.25
PERS	\$ 1,788.93
Employer Payroll Tax	\$ 699.76
Auto/Tech Allowance	\$ 800.00
Deferred Comp. Match	\$ 2,044.80
Workers Compensation	\$ 403.94
<hr/>	
Additional Cost of Fire Chief Wage and Benefit Adjustment	\$ 14,884.68

Savings In CM Department Based Upon 3/24 End of Payroll

Payout of Accrued Sick Leave-Not Calculated in Original Accrual Cashout	\$ 5,076.92
Payout of Additional Floating Holiday Accrued Since Original Calculation	\$ 1,269.23
Employer Taxes on Accrual Cashout	\$ 1,877.19
Auto Allowance	\$ (600.00)
Salary (3/25 to 6/30)	\$ (25,382.40)
Cafeteria Benefits (May-June)	\$ (1,624.55)
PERS	\$ (3,316.21)
Deferred Comp. Match	\$ (1,903.05)
<hr/>	
Potenital Savings	\$ (24,602.87)

Cost of Salary
And Benefit
Adjustment
Fire Chief

**Budget Savings
City Manager
Departure
As of 3/24/16**

\$ 14,884.68



\$ 24,602.87



RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILLOWS
ESTABLISHING A SALARY SCALE AND BENEFIT ITEMS FOR THE
POSITION OF FIRE CHIEF**

WHEREAS, the Willows City Council recognizes both the depth and breadth of the commitment and success of the Fire Chief, and

WHEREAS, the Willows City Council recognizes an ever-growing reliance on the leadership of the Fire Chief, and

WHEREAS, there is a desire to recognize said commitment, success, and leadership, and

WHEREAS, this recognition of commitment, success, and leadership is to be manifested in the establishment of an updated Salary Scale and Additional Compensated Benefit Items

NOW, THEREFORE, LET IT BE RESOLVED that the City of Willows hereby adopts the salary scale for the position of Fire Chief as follows:

Step A	Step B	Step C	Step D	Step E
07/01/15	02/24/16	07/01/18	01/01/20	07/01/21
\$8,655	\$9,088	\$9,542	\$10,019	\$10,520

BE IT FURTHER RESOLVED that the City Council of the City of Willows hereby adopts the following compensated benefit items for services as Fire Chief:

1. City will match payroll contributions made by Employee to any City Approved Section 457 Deferred Compensation Plan, up to a maximum of 5% of Employee's base compensation per payroll period.
2. City will provide a \$200 per month allowance for Employee for unreimbursed travel costs and for technological equipment and services not otherwise provided by the City.
3. All other benefits in place for the Position of Fire Chief remain in place as previously approved.

BE IT FURTHER RESOLVED that the City Council of the City of Willows, may or may not fund the incremental increases (Steps) anticipated in the Adopted Salary Scale plan, and shall, at its sole discretion, fund future fiscal work plans (budgets) to coincide with deemed sufficient revenues to meet expenditures in conjunction with maintenance of quality community services.

BE IT FURTHER RESOLVED that the City Council of the City of Willows, at its sole discretion, may revise, by Resolution, the Salary Scale and Compensated Benefit items, to the Scale established under Resolution 24-2015, passed and adopted July 14, 2015.

PASSED AND ADOPTED by the City Council of the City of Willows this 8th day of March, 2016, by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Gary L. Hansen, Mayor

ATTEST:

Timothy L. Sailsbery, Deputy City Clerk

AGENDA ITEM

March 8, 2016

TO: Honorable Mayor Hansen and Members of City Council

FROM: Wayne Peabody, Interim City Manager

SUBJECT: Landscape and Lighting Assessment District – Approve the Resolution appointing Coastland Civil Engineering as the Engineer of Work for the City of Willows Landscape and Lighting Assessment District; direct the preparation of the annual Engineer's Report for FY 2016-17.

RECOMMENDATION

Approve the Resolution appointing Coastland Civil Engineering as the Engineer of Work for the City of Willows Landscape and Lighting Assessment District; direct the preparation of the annual Engineer's Report for FY 2016-17.

SUMMARY

The Willows Landscaping and Lighting Assessment District ("District") was initially formed by the City in 2005 to pay for costs associated with maintaining landscaping and maintenance in the Birch Street Village subdivision; (Zone A), in accordance with the Landscaping and Lighting Act of 1972 ("Act").

The Landscaping and Lighting Act requires that the City undertake certain proceeding for any fiscal year in which assessments are to be levied and collected. These proceedings are typically accomplished at three separate Council meetings with the following actions:

- 1) Adopt a resolution appointing the Engineer of Work and directing the preparation of the annual Engineer's Report.
- 2) Approve the Engineer's Report, declare the City Council's intent to levy assessments and set a date for a public hearing.
- 3) Conduct a public hearing and authorize the levying and collection of assessments for the upcoming fiscal year.

The attached resolution begins the proceeding for the FY 2016-17. The Engineer's Report will analyze the anticipated costs and determine the corresponding assessments amounts. The City Council can make changes to the Engineer's Report once it has been prepared and filed. The Engineer's Report should be approved by the City no later than the end of June of each year so that the information can be transmitted to the County for the inclusion on the tax roles. The County needs to have all information transmitted and correct no later than August 10th of each year. In order to meet this schedule and comply with the regulations of the Streets and Highways code for this type of Assessment District, the assessment engineering process should begin now.

FINANCIAL CONSIDERATIONS - None; costs associated with the Annual District Assessment Engineering Services are covered expenses within the assessments ultimately levied.

NOTIFICATION

None required at this time.

ALTERNATE ACTIONS

None recommended.

RECOMMENDATION

Approve the Resolution appointing Coastland Civil Engineering as the Engineer of Work for the City of Willows Landscape and Lighting Assessment District; direct the preparation of the annual Engineer's Report for FY 2016-17.

Respectfully submitted,



Wayne Peabody
Interim City Manager

Attachments: Resolution Appointing the Engineer of Work and directing the filing of the Annual Engineer's Report.

**CITY OF WILLOWS
CITY COUNCIL
RESOLUTION NO. ____ - 2016**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILLOWS APPOINTING
COASTLAND CIVIL ENGINEERING AS THE ENGINEER OF WORK FOR THE CITY
OF WILLOWS LANDSCAPING AND LIGHTING SPECIAL ASSESSMENT DISTRICT
AND DIRECTING THE PREPARATION AND FILING OF THE ENGINEER'S REPORT
FOR FISCAL YEAR 2015/2016 (PURSUANT TO THE LANDSCAPING AND
LIGHTING ACT OF 1972)**

WHEREAS, on October 11, 2005 the City Council adopted Resolution #22-2005; authorizing the formation of the Assessment District to levy and collect assessments pursuant to the Landscape and Lighting Act of 1972; and

WHEREAS, the City Council intends to levy and collect assessments within the Assessment District during FY 2016-17, located in the City of Willows, Glenn County; and

WHEREAS, pursuant to Section 22622 of the Streets and Highways Code, the City Council must annually appoint the Engineer of Work and direct the preparation and filing of the annual Engineer's Report in order to levy and collect assessments on any following fiscal year; and

WHEREAS, Coastland Civil Engineering, serves in the capacity of City Engineer and has demonstrated the expertise necessary to prepare the annual Engineer's Report.

NOW THEREFORE BE IT RESOLVED, that the City Council of the City of Willows does hereby appoint Coastland Civil Engineering as the Engineer of Work for the City of Willows Landscaping and Lighting Assessment District and is hereby directed to prepare and to file the Annual Engineer's Report showing any changes, pursuant to Section 22622 of the Streets and Highways Code.

PASSED AND ADOPTED by the City Council of the City of Willows this 8th day of March, 2016, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED:

Gary L. Hansen, Mayor

ATTESTED:

Natalie Butler, City Clerk