



CITY of CLOVIS

AGENDA • CITY COUNCIL MEETING

Council Chamber, 1033 Fifth Street, Clovis, CA 93612 (559) 324-2060
www.cityofclovis.com

In compliance with the Americans with Disabilities Act, if you need special assistance to access the City Council Chamber to participate at this meeting, please contact the City Clerk or General Services Director at (559) 324-2060 (TTY – 711). Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to the Council Chamber.

Any writings or documents provided to a majority of the City Council regarding any item on this agenda will be made available for public inspection at City Hall, in the City Clerk's office, during normal business hours. In addition, such writings and documents may be posted on the City's website at www.cityofclovis.com.

September 03, 2019

6:00 PM

Council Chamber

The City Council welcomes participation at Council Meetings. Members of the public may address the Council on any item of interest to the public that is scheduled on the Agenda. In order for everyone to be heard, please limit your comments to 5 minutes or less, or 10 minutes per topic.

CALL TO ORDER

FLAG SALUTE - Councilmember Flores

ROLL CALL

PRESENTATIONS/PROCLAMATIONS

1. Presentation Recognizing 7 year old Joseph Guerrero for the Incredible job he did on June 23rd when calling 911 for his mother.
2. Presentation of Proclamation Honoring Soroptimist International of Clovis.

Public Comments - This is an opportunity for the members of the public to address the City Council on any matter within the City Council's jurisdiction that is not listed on the Agenda. In order for everyone to be heard, please limit your comments to 5 minutes or less, or 10 minutes per topic. Anyone wishing to be placed on the Agenda for a specific topic should contact the City Manager's office and submit correspondence at least 10 days before the desired date of appearance.

ORDINANCES AND RESOLUTIONS - With respect to the approval of resolutions and ordinances, the reading of the title shall be deemed a motion to waive a reading of the complete resolution or ordinance and unless there is a request by a Councilmember that the resolution or ordinance be read in full, further reading of the resolution or ordinance shall be deemed waived by unanimous consent of the Council.

CONSENT CALENDAR - Items considered routine in nature are to be placed upon the Consent Calendar. They will all be considered and voted upon in one vote as one item unless a Councilmember requests individual consideration. A Councilmember's vote in favor of the Consent Calendar is considered and recorded as a separate affirmative vote in favor of each action listed. Motions in favor of adoption of the Consent Calendar are deemed to include a motion to waive the reading of any ordinance or resolution on the Consent Calendar. For adoption of ordinances, only those that have received a unanimous vote upon introduction are considered Consent items.

3. City Clerk – Approval – Minutes from the August 5, 2019 Council Meeting.
4. Community and Economic Development - Approval – FY 2019-20 Agreement between the City of Clovis and the Economic Development Corporation Serving Fresno County
5. Community and Economic Development – Receive and File – Economic Development Corporation Serving Fresno County Quarterly Report, April – June 2019
6. Finance - Approval – Res. 19-____, A Resolution of Intention (ROI) to Annex Territory (Annexation #58) (PM18-11-North East Corner of Locan and Powers.), to the Community Facilities District (CFD) 2004-1 and to Authorize the Levy of Special Taxes Therein and Setting the Public Hearing for October 7, 2019.
7. General Services - Approval – Claim Rejection of General Liability claim on behalf of Bryon Espinosa.
8. General Services - Approval – Claim Rejection of the General Liability Claim for Jose Gilberto Rivas.
9. General Services - Approval – Res. 19-____, Amending the City's Compensation Plan by Revising the Salary Range for the Planning and Development Administrative Manager Classification from \$9,735-\$11,834 to \$8,335-\$10,133.
10. General Services – Approval – Res. 19-____, Approving Government Crime Policies for the Purpose of Bonding City Officers and Employees and Establishing Policy Limits
11. Planning and Development Services Approval – Res. 19-____, Final Map Tract 6221, located at the northwest corner of Ashlan Avenue and Locan Avenue (Wilson Premier Homes, Inc.).
12. Planning and Development Services – Approval – Res. 19-____, Annexation of Proposed Tract 6221, located at the northwest corner of Ashlan Avenue and Locan Avenue to the Landscape Maintenance District No. 1 of the City of Clovis. (Wilson Premier Homes, Inc.).

- [13.](#) Public Utilities – Approval – Waive formal bidding requirements and authorize entering into a contract with Golden Bell Products, Inc. for insect control in sanitary sewer manholes.
- [14.](#) Public Utilities – Approval – Waive formal bidding requirements and authorize the purchase of a Hybrid vehicle from Future Ford of Clovis; and Approval – Res. 19-____, Authorize the Submittal of a Grant Application under the SJVAPCD Public Benefit Grant Program and Authorize the City Manager to be the Contract Authority.

PUBLIC HEARINGS - A public hearing is an open consideration within a regular or special meeting of the City Council, for which special notice has been given and may be required. When a public hearing is continued, noticing of the adjourned item is required as per Government Code 54955.1.

- [15.](#) Consider Approval – Res. 19-____, A Request from the 500 Club located at 771 W. Shaw Avenue to Amend the License Fees for Gaming Clubs and Card Rooms in the City.

Staff: John Holt, Assistant City Manager
Recommendation: Approve

- [16.](#) Consider Approval - Res. 19-____, Resolution of Necessity to determine that public interest and necessity require acquisition of property for public purposes; and authorizing proceedings in eminent domain for two properties located at the northeast corner of Sunnyside Avenue and Fourth Street. Addresses: 1403 Fourth Street; APN: 491-191-18 and 1421 Fourth Street; APN: 491-191-17. Owners: Flores Living Trust.

Staff: Andrew Haussler, Community and Economic Director
Recommendation: Approve

CORRESPONDENCE- Correspondence is communication addressed to City Council that requests action.

None.

ADMINISTRATIVE ITEMS- Administrative Items are matters on the regular City Council Agenda other than Public Hearings.

- [17.](#) Consider Adoption – Ord. 19-11, R2019-004, A request to approve a rezone of a portion of the site from the R-A (Single-Family Residential – 24,000 Sq. Ft.) to the R-2 (Low Density Multiple Family Residential) (1 Unit / 3,000 Sq. Ft.) Zone District. (Vote: 4-0-1 with Mayor Bessinger absent)

Staff: Ricky Caperton, Senior Planner
Recommendation: Approve

CITY MANAGER COMMENTS

COUNCIL ITEMS

- [18.](#) Presentation on the Municode agenda management system and how agenda packets will be delivered to Council Members.

Staff: Karey Cha, Administrative Analyst
Recommendation: Update

- [19.](#) Consider Approval – Designation of Voting Delegate and Alternate for the League of California Cities’ Annual Conference and Annual Business Meeting, October 16-18, 2019

Staff: Luke Serpa, City Manager
Recommendation: Approve

COUNCIL COMMENTS

CLOSED SESSION - A “closed door” (not public) City Council meeting, allowed by State law, for consideration of pending legal matters and certain matters related to personnel and real estate transactions.

None.

ADJOURNMENT

MEETINGS AND KEY ISSUES

Regular City Council Meetings are held at 6: P.M. in the Council Chamber. The following are future meeting dates:

Sep. 9, 2019 (Mon.) Joint Meeting with FMFCD

Sep. 16, 2019 (Mon.)

Oct. 7, 2019 (Mon.)

Oct. 14, 2019 (Mon.) Joint Meeting with CUSD

Oct. 21, 2019 (Mon.)

CITY of CLOVIS
PROCLAMATION

Honoring
Soroptimist International of Clovis

WHEREAS, Soroptimist International of Clovis has been putting on events and helping women and girls in our community for 20 years in the City of Clovis; and

WHEREAS, In furtherance of this mission, Soroptimist International of Clovis provides services to women and girls in the Clovis community through women and youth awards programs, provides scholarships to San Joaquin College of Law for young women concentrating their studies in women advocacy, supports local community non-profits such as the Marjaree Mason Center and the Evangel Home, and supports Soroptimist International projects like the Live Your Dream Awards for women and the Dream It - Be It for high school girls throughout the world; and

WHEREAS, In 2012, Soroptimist International of Clovis sought and received a matching \$10,000 grant from Soroptimist International of the Americas to help furnish the new Marjaree Mason Safehouse in the City of Clovis, expanding the opportunities for women in the Clovis area to free themselves and their children from domestic violence; and most recently received another \$2,000 grant for their work with high school girls for the Dream It - Be it Program; and

WHEREAS, To further support programs servicing women and girls in the Clovis community and throughout the world, Soroptimist International of Clovis conducts an annual fundraiser, Denim & Diamonds (a tri-tip dinner dance with silent and live auctions), and the 18th annual fundraiser is being held the evening of December 5, 2019 at the Clovis Veterans Memorial Building.

NOW, THEREFORE, BE IT RESOLVED, that the Clovis City Council, on behalf of the citizens, does hereby honor and recognize

Soroptimist International of Clovis

IN WITNESS THEREFORE, I hereunto set my hand and cause the official seal of the City of Clovis to be affixed the 3rd day of September, 2019.



Drew M. Bosong

Mayor

CLOVIS CITY COUNCIL MEETING

August 5, 2019

6:00 P.M.

Council Chamber

Meeting called to order by Mayor Pro Tem Flores
Flag Salute led by Boy Scout Rafael Rios

Roll Call: Present: Councilmembers Ashbeck, Flores, Mouanoutoua, and Whalen
Absent: Mayor Bessinger

PRESENTATION

1. NONE.

PUBLIC COMMENTS – 6:03

Linda Richardson, resident, thanked staff for their support for the Freedom Fest 4th of July celebration held at Clovis High.

CONSENT CALENDAR - 6:05

Motion by Councilmember Ashbeck, seconded by Councilmember Whalen, that the items on the Consent Calendar be approved. Motion carried 4-0-1 with Mayor Bessinger absent.

- 2. City Clerk – Approved – Minutes from the July 15, 2019 Council Meeting.
- 3. City Clerk – Approved – Waive Normal Purchasing Process and approve the purchase of replacement desktop computers and servers using competitively bid contracts with purchasing provisions for California State and local government agencies.
- 4. Administration - Approved - City of Clovis Americans with Disabilities Act Transition Plan Update.
- 5. Finance - Receive and Filed – Investment Report for the month of May 2019.
- 6. Finance - Receive and Filed – Treasurer’s Report for the month of May 2019.
- 7. General Services - Received and Filed 3rd Quarter FY 2018-19 General Services Department Report.
- 8. General Services - Received and Filed 4th Quarter FY 2018-19 General Services Department Report.
- 9. Planning and Development Services - Approved – Final Acceptance for CIP 14-21, Shaw/Locan Traffic Signal & Widening.
- 10. Planning and Development Services - Approved - Bid Award for CIP 17-11, Ashlan Alley Project, and; Authorize the City Manager to execute the contract on behalf of the City.
- 11. Planning and Development Services - Approved – Final Acceptance for CIP 17-19 Paula Avenue, Homsy Avenue, and San Gabriel Sewer Replacement.
- 12. Planning and Development Services - Approved - Bid Award for CIP 18-09, Ashcroft/Holland Alley Project, and; Authorize the City Manager to execute the contract on behalf of the City.

- 13. Planning and Development Services – Approved - Authorize the City Manager to Execute a Quit Claim Deed for Excess and Unnecessary Right of Way Along Gettysburg Avenue East of Highland Avenue.
- 14. Planning and Development Services - Approved – Final Acceptance for Tract 6101, located on the southeast corner of Leonard Avenue and Dakota Avenue (DeYoung Properties).
- 15. Public Safety - Approved – **Res. 19-99**, Confirming Weed and Rubbish Abatement Charges for 2019.
- 16. Public Utilities – Approved - Recertification of the Sewer System Management Plan (SSMP) Five Year Update.
- 17. Public Utilities - Approved - Waive Formal Bidding Requirements and Authorize the Purchase of a Landfill Compactor off of the Sourcewell Purchasing Contract from Quinn Company.

PUBLIC HEARINGS

- 18. **6:06 - ITEM A - APPROVED - RES. 19-100**, ADOPTING AN ENVIRONMENTAL FINDING OF A MITIGATED NEGATIVE DECLARATION FOR REZONE R2019-004, CONDITIONAL USE PERMIT CUP2019-004, VESTING TENTATIVE TRACT MAP TM6262, VARIANCE V2019-001, AND RESIDENTIAL SITE PLAN REVIEW RSPR2019-003, AND **ITEM B - APPROVED INTRODUCTION - ORD. 19-11**, R2019-004, APPROVING A REZONE OF A PORTION OF THE SITE FROM THE R-A (SINGLE-FAMILY RESIDENTIAL – 24,000 SQ. FT.) TO THE R-2 (LOW DENSITY MULTIPLE FAMILY RESIDENTIAL) (1 UNIT / 3,000 SQ. FT.) ZONE DISTRICT; AND **ITEM C - APPROVED - RES. 19-101**, CUP2019-004, APPROVING A CONDITIONAL USE PERMIT FOR A 185-LOT PLANNED RESIDENTIAL DEVELOPMENT WITH PRIVATE STREETS; AND **ITEM D - APPROVED - RES. 19-102**, TM6262, APPROVING A VESTING TENTATIVE TRACT MAP FOR A 185-LOT PLANNED RESIDENTIAL DEVELOPMENT, AND **ITEM E - APPROVED - RES. 19-103**, V2019-001, APPROVING A VARIANCE TO REDUCE THE MINIMUM DRIVE AISLE WIDTH FROM 26 FEET TO 20 FEET FOR PORTIONS OF THE PRIVATE ROADWAY NETWORK TO ACCOMMODATE A 185-UNIT TOWNHOME PROJECT FOR PROPERTY LOCATED AT ASSESSOR PARCEL NUMBERS (APNS) 561-260-10 AND 561-260-17.

Associate Planner Rickie Caperton presented a report on various items associated with approximately 12.50 acres of property located at the northwest corner of Spruce and Peach Avenues. The applicant is proposing a 185-unit gated townhome complex at the Project site shown in Figure 1 of the staff report. In order to accommodate the Project, the applicant is requesting to rezone a portion of an approximately 12.50-acre Project site, shown in Figure 2 below, from the R-A (Single-Family Residential-24,000 Sq. Ft.) to the R-2 (Low Density Multiple Family Residential) (1 Unit / 3,000 Sq. Ft.) Zone District. The Project also includes approval of a vesting tentative tract map for a gated 185-lot planned residential townhome development with private streets and a Homeowner’s Association. Additionally, the applicant is requesting approval of a variance to reduce the minimum drive aisle width from 26 feet to 20 feet for portions of the private roadway network. Approval of this Project would allow the applicant to continue processing development drawings and to complete the Residential Site Plan Review process.

Dirk Poeschel, representing the applicant, addressed questions and spoke in support of the project. Robert Panell, area resident, north of the project, raised concerns about the northern boundary of the project. Linda Richardson, resident, asked questions of staff regarding parking and garage size. Bill Robinson, representing the current property owner, the Donaghy's, raised concerns regarding the intersection of Helm and Spruce. Bill Robinson indicated that the property of the south would have an impact of approximately \$500,000. Marilyn Bardell, resident, questioned measurements between units. Sherry Gear, area resident, questioned the height of the fence on the north side of the project. Discussion by the Council.

Motion by Councilmember Whalen, seconded by Councilmember Mouanoutoua, for the Council to approve **Item A, Resolution 19-100**, adopting an environmental finding of a mitigated negative declaration for Rezone R2019-004, conditional use permit CUP 2019-004, vesting tentative tract map TM6262, variance V2019-001, and residential site plan review RSPR 2019-003. **Motion carried 3-1-1 with Councilmember Ashbeck voting no and Mayor Bessinger absent.**

Motion by Councilmember Whalen, seconded by Councilmember Mouanoutoua, for the Council to approve **Item B**, the introduction of **Ordinance 19-11**, R2019-004, approving a rezone of a portion of the site from the R-A (single-family residential – 24,000 sq. ft.) to the R-2 (low density multiple family residential) (1 unit / 3,000 sq. ft.) zone district. **Motion carried 4-0-1 with Mayor Bessinger absent.**

Motion by Councilmember Whalen, seconded by Councilmember Mouanoutoua, for the Council to approve **Item C, Resolution 19-101**, CUP2019-004, approving a conditional use permit for a 185-lot planned residential development with private streets. **Motion carried 3-1-1 with Councilmember Ashbeck voting no and Mayor Bessinger absent.**

Motion by Councilmember Whalen, seconded by Councilmember Mouanoutoua, for the Council to approve **Item D, Resolution 19-102**, TM6262, approving a vesting tentative tract map for a 185-lot planned residential development. **Motion carried 3-1-1 with Councilmember Ashbeck voting no and Mayor Bessinger absent.**

Motion by Councilmember Whalen, seconded by Councilmember Mouanoutoua, for the Council to approve **item E, Resolution 19-103**, V2019-001, approving a variance to reduce the minimum drive aisle width from 26 feet to 20 feet for portions of the private roadway network to accommodate a 185-unit townhome project for property located at assessor parcel numbers (APNs) 561-260-10 and 561-260-17. **Motion carried 3-1-1 with Councilmember Ashbeck voting no and Mayor Bessinger absent.**

- 19. **7:40 - CONTINUED - RES. 19-XX**, RESOLUTION OF NECESSITY TO DETERMINE THAT PUBLIC INTEREST AND NECESSITY REQUIRE ACQUISITION OF PROPERTY FOR PUBLIC PURPOSES AND; AUTHORIZING PROCEEDINGS IN EMINENT DOMAIN FOR TWO PROPERTIES LOCATED AT THE NORTHEAST CORNER OF SUNNYSIDE AVENUE AND FOURTH STREET. ADDRESSES: 1403 FOURTH STREET; APN: 491-191-18 AND 1421 FOURTH STREET; APN: 491-191-17. OWNERS: FLORES LIVING TRUST.

Mayor Pro Tem Flores indicated that he has a conflict of interest with this item and that he would recuse himself and left the dais at 7:40

Councilmember Ashbeck indicated that staff was recommending that this item be continued to a date certain due to it requiring a 4/5th vote for approval. Councilmember Ashbeck indicated that this item will be continued to September 3, 2019. There being no public comment, Councilmember Ashbeck closed the public portion. Discussion by the Council. Motion by Councilmember Whalen, seconded by Councilmember Mouanoutoua, for the Council to continue this item to the September 3, 2019 Council meeting. Motion carried 3-0-1-1 with Mayor Bessinger absent and Mayor Pro Tem Flores abstaining.

Councilmember Flores returned to the dais at 7:42.

CORRESPONDENCE

- 20. NONE.

ADMINISTRATIVE ITEMS

- 21. 7:42 - APPROVED – LAND TENURE AGREEMENT WITH FRESNO WILDLIFE REHABILITATION SERVICE TO CONSTRUCT THE NATURE CENTER AT DAVID MCDONALD PARK AND AUTHORIZE CITY MANAGER TO EXECUTE THE AGREEMENT

City Manager Luke Serpa presented a report on a request to approve a land tenure agreement with Fresno Wildlife Rehabilitation Service to construct The Nature Center at David McDonald Park and authorize city manager to execute the agreement. Council identified the park now known as David McDonald Park as a location for a Nature Center in 2007 in cooperation with the non-profit organization Fresno Wildlife Rehabilitation Services (FWRS). FWRS has acquired funding for construction of the first phase of the project, which will be identified as The Nature Center. FWRS has submitted a request for land at the park to construct the facility and has complied with all of the City’s requirements for this type of partnership with the City. Staff is recommending that Council approve the attached Land Tenure Agreement to provide the land for FWRS to build The Nature Center at David McDonald Park.

Kathy Garner, FWRS founder and president, spoke in support and addressed questions of Council. Discussion by the Council. Motion by Councilmember Ashbeck, seconded by Councilmember Mouanoutoua, for the Council to approve a land tenure agreement with Fresno Wildlife Rehabilitation Service to construct The Nature Center at David McDonald Park and authorize city manager to execute the agreement. Motion carried 4-0-1 with Mayor Bessinger absent.

- 22. 8:05 - APPROVED – **RES. 19-104**, APPROVING THE EXCEPTION TO THE 180-DAY WAIT PERIOD (GOVERNMENT CODE SECTIONS 7522.56 & 21224) PERTAINING TO THE HIRING OF BRYAN ARAKI AS EXTRA HELP FOR CRITICAL CITY PLANNING PROJECTS

Personnel / Risk Manager Lori Shively presented a report on a request to approve the exception to the 180-day wait period (Government Code Sections 7522.56 & 21224) pertaining to the hiring of Bryan Araki as extra help for critical city planning projects. The

Planning and Development Services Department requests authority to utilize the exception provided in Government Code section 21224 to hire a retired CalPERS employee for a limited duration, not to exceed six months, to provide oversight and specialized training regarding the Regional Housing Needs Allocation (RHNA) program compliance and train staff in regards to continuing essential City projects and to complete the SB2 housing grant. There being no public comment, Mayor Pro Tem Flores closed the public portion. Discussion by the Council. Motion by Councilmember Ashbeck, seconded by Councilmember Whalen, for the Council approve the exception to the 180-day wait period (Government Code Sections 7522.56 & 21224) pertaining to the hiring of Bryan Araki as extra help for critical city planning projects. Motion carried 4-0-1 with Mayor Bessinger absent.

CITY MANAGER COMMENTS – 8:07

City Manager Luke Serpa commented on the Citizen’s Academy and direction going forward for the September Academy.

COUNCIL ITEMS 8:08

23. Council Comments

Councilmember Whalen commented on the Extreme Makeover Home Edition Clovis filming and what positive comments he received about city support, he also commented on Matt Basgall’s retirement and how well it was done.

Councilmember Ashbeck also commented on Matt Basgall’s retirement. She also commented on the mass shootings over the weekend in Gilroy, El Paso, and Dayton. She called out the Fire Department cooking dinner at Woods Mobile Home Park during the power outage and what a great job they did.

Mayor Pro Tem Flores also commented on the mass shootings in Gilroy, Dayton, and El Paso and acknowledged that first responders get their due respect.

CLOSED SESSION

24. None.

Mayor Pro Tem Flores adjourned the meeting of the Council to September 3, 2019

Meeting adjourned: 8:14 p.m.

Mayor Pro Tem

City Clerk



AGENDA ITEM NO: 4
City Manager: LS

CITY of CLOVIS

REPORT TO THE CITY COUNCIL

TO: Mayor and City Council
FROM: Community and Economic Development
DATE: September 3, 2019
SUBJECT: Community and Economic Development - Approval – FY 2019-20 Agreement between the City of Clovis and the Economic Development Corporation Serving Fresno County
ATTACHMENTS: 1. Agreement

CONFLICT OF INTEREST

None

RECOMMENDATION

Approve and authorize the City Manager to execute the fiscal year 2019-20 Agreement between the City of Clovis and the Economic Development Corporation Serving Fresno County (EDC) up to an amount of \$50,000.

EXECUTIVE SUMMARY

The attached agreement is between the City of Clovis and the Economic Development Corporation serving Fresno County up to an amount of \$50,000. The agreement outlines activities and responsibilities that the EDC will provide for the funding.

BACKGROUND

The Agreement continues the formalized relationship between the City and the EDC. Performance standards were adjusted in the previous contract which included pay-for-performance incentives. These changes have been continued in the proposed contract as they have shown to be successful. The deliverables target the EDC efforts on attraction with some support work for business retention as well as in-depth research on a medical cluster analysis to identify businesses to target for recruitment.

Attraction efforts will include data analysis to determine likely industries and subsequent businesses that are ideal for Clovis to focus on, general marketing efforts, trade show attendance, outreach to brokers, and an incentive for site tours completed for businesses looking to locate in Clovis. Retention efforts will include utilizing access to economic data

the EDC has to ensure that Clovis staff is focusing on critical businesses in retention efforts and the EDC acting as a business resource expert. This structure allows for the City and the EDC to leverage their expertise and increase the ability of economic development efforts in Clovis.

To facilitate continued close coordination between the City and EDC, the Community and Economic Development Director sits on the Board of Directors and the Executive Committee of the EDC. The City's Community and Economic Development staff maintains a close working relationship with the EDC's Executive Director and staff.

FISCAL IMPACT

The City of Clovis will pay the EDC up to \$50,000, including performance incentives, in the 2019-20 fiscal year in four quarterly payments contingent on submission of a quarterly report of activities to the City Council. These funds are included in the 2019-20 City budget.

REASON FOR RECOMMENDATION

This agreement is consistent with the adopted budget, policies, goals, and objectives of the City Council. As a regional economic development organization, it is appropriate that the City collaborates with the EDC on the implementation of goals and objectives to facilitate the creation of jobs for Clovis and the region.

Approval of this agreement will allow the City to continue its coordinated approach to enhancing the City's economy and job creation efforts with the County of Fresno and other cities within the County.

ACTIONS FOLLOWING APPROVAL

After approval, the City Manager will execute the agreement; the Community and Economic Development staff will administer the agreement.

Prepared by: Andrew Haussler, Community and Economic Development Director

Reviewed by: John Holt, Assistant City Manager/City Clerk 

ATTACHMENT 1
**AGREEMENT BETWEEN THE CITY OF CLOVIS AND THE
ECONOMIC DEVELOPMENT CORPORATION SERVING FRESNO COUNTY
FOR FISCAL YEAR 2019-2020**

WHEREAS, the City Council of the City of Clovis (City) is committed to a balanced and diversified economy as one of its most important priorities to ensure the future well-being of the citizens of Clovis; and

WHEREAS, the City has invested considerable resources to encourage a Clovis location for new and expanding businesses and industries and to ensure the economic vitality of commercial areas; and

WHEREAS, the Economic Development Corporation Serving Fresno County (EDC) continues to maintain regional, national, and international marketing and promotional efforts to attract the location and expansion of businesses and industries in all of the communities within Fresno County; and

WHEREAS, the State of California (State) has designated the EDC as its regional contact and referral point for businesses and industries that contact the State while seeking a location for new or expanded facilities; and

WHEREAS, the City desires to secure such services, and allocates funds to the EDC for purposes of aligning additional EDC resources and staff support to assist in implementing and administering certain local economic development activities such as advocacy, marketing and promotion, and technical support for the City of Clovis by the EDC toward business attraction goals to create ongoing opportunities for the City; and

WHEREAS, the City seeks to enhance its support of the EDC in order to utilize the unique position the EDC maintains within the business community, and to promote economic growth in the City;

NOW, THEREFORE, the City and the EDC agree as follows:

1. The EDC agrees to assist the City in promoting the economic growth in the City by providing the following services to the City:
 - (a) Provide information to industrial and office representatives not currently located in Clovis for the purpose of recruiting new businesses and industries to Clovis.
 - (b) Assist in the development of marketing materials to attract new investment to Clovis.
 - (c) Provide the opportunity for a representative of Clovis to attend one tradeshow of choice with the EDC. Registration fee will be covered by EDC.

- (d) Assist existing Clovis businesses and industries that contact the EDC with informational and technical assistance needs through the Economic Development Team.
- (e) Assist in marketing the City of Clovis Research and Technology Park.
- (f) Market the City of Clovis to commercial and industrial brokers, developers, site selectors, and businesses.
- (e) Serve as a distribution point for City of Clovis economic development materials.
- (f) Assist the City in the implementation of the City's Economic Development Strategy and the Business Retention, Expansion and Attraction Program.
- (g) The Economic Development team will work towards fostering a closer working relationship with local business associations to enhance the accessibility of EDC's services to City of Clovis employers. Level of partnership is dependent on willingness and capacity of local business associations to participate.
- (h) Provide City of Clovis points-of-contact with login information and training on EDC's Fresno County Cities self-management portal which offers the ability to keep up to date information on parcel availability and an economic profile.
- (i) Continue its leadership role in the promotion of High Speed Rail in Fresno County and the State and promote the City of Clovis for business opportunities and housing.
- (j) Assist City of Clovis points-of-contact in fully utilizing social media and online marketing tools to advance economic and community development efforts in the City of Clovis.
- (k) The EDC will inform the City of Clovis of legislation important to the Economic and Community Development of the region and advocate on their behalf.
- (l) In addition to periodic reports to the Economic Development Director and City Manager, submit quarterly status reports to the City Council, detailing the progress of the EDC and related activities.
- (m) The EDC shall assist in identifying economic development projects on the City's behalf for inclusion in the County of Fresno's

Comprehensive Economic Development Strategy (CEDS) for possible grant funding.

- (n) The EDC agrees to provide a designated Economic Development Specialist as an EDC staff member to respond to City business attraction and expansion leads and to ensure City participation.
2. For performance of the services described in Section 1, paragraphs (a) through (p) and for measurable outcomes identified in Exhibit A, the City agrees to pay the EDC the sum of \$40,000 to be paid in four (4) quarterly installments, at the end of each quarter, with the quarter commencing July 1, 2019. In addition to the services described in Section 1, the City agrees to pay the EDC ten thousand dollars (\$10,000) in one installment upon completion of the Comparative Healthcare Analysis.
 3. It is understood and agreed that in the performance of this agreement the EDC is an independent contractor. The EDC shall take out and maintain Workers Compensation, State Disability, and other insurance coverage as required by law and shall in all other respects comply with applicable provisions of federal, state, and local laws, rules and regulations.
 4. The EDC shall indemnify, hold harmless, and defend the City, its officers, agents, and employees, from all claims for money, damages, or other relief arising in any form from the performance of this agreement by the EDC, its officers, agents, or employees. The EDC shall take out and maintain for the full term of this agreement liability insurance providing protection for personal injury, wrongful death, and property damage; such insurance to be in amounts and issued by carriers acceptable to the City. The EDC shall provide the City with a Certificate of Insurance evidencing such coverage.
 5. The funds provided EDC by the City pursuant to this agreement shall not be directly or indirectly used for any political purpose whatsoever. This prohibition includes, but is not limited to, campaigns, events, promotions, literature, lobbying or other activities for, against or on behalf of any state, local or federal legislation, issue, candidate(s) or action, whether partisan in nature or not.
 6. As part of the annual financial audit of the books and records of the EDC by the EDC's independent auditor, the audit shall include tests for compliance with this Agreement. These tests shall be performed in conformance with generally accepted auditing standards. The auditor shall prepare a separate written report on the compliance with the provisions of this agreement. The City reserves the right to review, during normal business hours, the books and records of the EDC's expenditures which are related to the programs required by the provisions of this Agreement.

DATED: _____

DATED: _____

CITY OF CLOVIS

ECONOMIC DEVELOPMENT
CORPORATION SERVING FRESNO
COUNTY

BY: _____
Luke Serpa, City Manager

BY: _____
Lee Ann Eager, CEO

ATTEST

John Holt, City Clerk

APPROVED AS TO FORM:

City Attorney

FY 19-20 Overview of Work Product	Deliverables	FY 2019 – 2020 Target Outcomes
<p>Economic Development Corporation Serving Fresno County</p> <p>Contract: \$40,000</p> <p>Performance Base: \$10,000 (\$2,500 per site tour)</p> <p>Staff: President & CEO Lee Ann Eager</p> <p>Director of Business Services Will Oliver</p> <p>Business Support Manager Clay Gilpin</p>	<p>Retention: Targeted businesses will be contacted by a variety of methods to educate Clovis businesses on local, regional and statewide incentive programs</p> <ul style="list-style-type: none"> • Conduct Analysis to determine top 50 companies in Clovis that should be focused on for retention and expansion <p>New Business Recruitment: Provide information and tours to industrial and commercial representatives not currently located in Clovis for the purpose of recruiting new businesses and industries to the City of Clovis. Assist the City of Clovis in marketing identified industrial parks or industrial areas to new clients.</p> <ul style="list-style-type: none"> • Coordinate site tours for the purpose of business attraction and expansion. • Create and update marketing materials. • Coordinate commercial and industrial broker events for the City of Clovis. • Conduct analysis to determine expansion industries and companies to target for expansion. • Attend trade shows/missions and market Clovis. 	<p>Top 50 targeted business analysis for expansion/retention</p> <p>Respond to all City of Clovis business inquires and connect them to appropriate resources</p> <p>2 Broker Events</p> <p>40 new business leads</p> <p>5 Trade shows/missions attended</p> <p>Incentive brochure created and distributed to targeted Clovis businesses in cooperation with City staff</p> <p>Economic Profile including updated demographic information</p> <p>Business Park Brochures</p> <p>Incentive Brochure</p>



AGENDA ITEM NO: 5
City Manager: LS

CITY of CLOVIS

REPORT TO THE CITY COUNCIL

TO: Mayor and City Council
FROM: Community and Economic Development
DATE: September 3, 2019
SUBJECT: Community and Economic Development – Receive and File – Economic Development Corporation Serving Fresno County Quarterly Report, April – June 2019
ATTACHMENTS: 1. EDC Fourth Quarter Report, April – June 2019

CONFLICT OF INTEREST

None

RECOMMENDATION

That the City of Clovis receive and file the Quarterly Report April – June 2019 (Fourth quarter 2018-19 contract), from the Economic Development Corporation Serving Fresno County.

EXECUTIVE SUMMARY

The Economic Development Corporation serving Fresno County (EDC) has submitted their fourth quarter report of activities for the City Council to receive and file, as required per the 2018 -19 Agreement with the City.

BACKGROUND

In summer of 2018, the City of Clovis and the EDC entered into a contract for the 2018-19 fiscal year to provide regional marketing and businesses services to Clovis Businesses. The contract provides for \$40,000 in baseline funding and incentivizes the EDC with payment for site tours conducted in Clovis for a business looking to relocate into the region. This allows Clovis to be part of a regional effort in attracting commercial and industrial businesses to Clovis. Attached is a report detailing the progress of their activities to provide information to industrial/commercial representatives not currently located in Clovis for recruiting purposes, and continue to assist existing Clovis businesses with informational and/or technical assistance to access statewide business support programs.

Highlights of the EDC quarterly report include:

- Three qualified business attraction leads were achieved during the quarter.
- The EDC attended 3 trade shows.
- The EDC conducted 1 site tour
- Summary of 2018-19 results are below:

Type	Required	Q3	FY18-19	Completion
New Business Leads	40	2	14	35%
Site Tours	4	-	2	50%
Trade Shows	5	1	3	60%
Broker Events	2	-	1	50%

FISCAL IMPACT

The City will forward the fourth quarter installment payment to EDC. The funds were budgeted in the 2018-19 fiscal year budget.

REASON FOR RECOMMENDATION

The attached report meets the requirement established in the 2018-19 Agreement between the EDC and the City of Clovis.

ACTIONS FOLLOWING APPROVAL

Staff will file the report.

Prepared by: Andy Haussler, Community and Economic Development Director

Reviewed by: John Holt, Assistant City Manager/City Clerk 



City of Clovis

Quarterly Activity Report

Quarter 4
Fiscal Year 2018-2019
April 1, 2019 – June 30, 2019

Lee Ann Eager	President/CEO
Paul Thorn	Controller
Andrea Reyes	VP of Business Development
Will Oliver	Director of Business Services
Jenna Lukens	Contracts Manager
Clay Gilpin	Business Support Manager
Amanda Bosland	Retail Business Development Specialist
Juan Carranza	Economic Development Analyst
Josh Howell	Data Administrator
Mandip Johal	Business Expansion Retention Coordinator
Robin Montgomery	Economic Development Specialist
Courtney Ramirez	Business Attraction Specialist
Daisy Rodriguez	Retention Specialist
Tracy Tosta	Economic Development Coordinator
Lavell Tyler	Economic Development Specialist
Nicholas Vincent	Research Analyst
Curtis Williamson	Economic Development Specialist

City of Clovis Quarterly Activity Report

This report summarizes the agreement requirements between the City of Clovis and the Fresno County Economic Development Corporation (EDC).

Division Mission

To market Fresno County as the premier location for business prosperity.

Fresno County EDC Services

The Economic Development Corporation serving Fresno County is a nonprofit organization established to market Fresno County as the premier location for business prosperity. We facilitate site selection for new businesses within Fresno County, and assist in the retention and expansion of businesses through our alliance with collaborative partners and resources.

The EDC agrees to the following services:

1. Provide information to the industrial and office representatives not located in the City of Clovis for recruiting new businesses and industries;
2. Assist in the development of marketing materials to attract new investments, commercial and industrial brokers, developers, and site selectors. Assist in utilizing online marketing to advance economic and community development efforts;
3. Assist existing businesses and industries that contact the EDC with information and technical assistance through the BEAR Action Network;
4. Work to foster a closer working relationship with local business associations to enhance the EDC services provided to Clovis area employers;
5. Continue acting in a leadership role in promotion of high-speed rail and promote the Clovis area for related development;
6. Inform Clovis of legislation important to the economic and community development of the region and act on their behalf;
7. Assist in identifying economic development projects on the City's behalf for the inclusion in the County of Fresno's Comprehensive Economic Development Strategy (CEDS) for possible grant funding; and
8. Provide administrative staffing at all Executive Committee, Board, and related events.

Q4 Snapshot

The EDC team conducts outreach marketing business expansion and retention services by:

- Providing an operational analysis to evaluate the health of the business. This tool offers us a thorough understanding of the appropriate referrals or resources needed for business growth or retention;
- Connecting businesses to labor subsidy programs;
- Promoting Fresno Energy Watch services;
- Providing education on federal/state/local tax Incentives; and
- Providing referrals and information on financing assistance.

Stemming from direct outreach, workshops, one-on-one meetings, and marketing efforts, the areas of interest and number of referrals generated are reflected below:

	Q4 2018 -2019			
Businesses Contacted	52			
Business Referrals	28			
Type	Required	Q4	FY18-19	Completion
New Business Leads*	40	3	17	43%
Site Tours	4	1	3	75%
Trade Shows	5	3	6	120%
Broker Events	2	-	1	50%

**New Business Leads primarily denoted by available land or building space that can meet a client's specific requirement. During FY18-19, over 50% of all EDC leads were for industrial projects requiring available light or heavy industrial zoned land and/or buildings (Clovis Industrial Vacancy Rate is less than 1%).*

Clients and Businesses Contacted

- | | | |
|---|--|---|
| AAA Insurance
Accounting America
Advanced Energy Services, Inc.
Agrian Inc
APPL Labs
AK Beauty Bar
All Valley Automotive, Inc
Anlin Industries
Ano-Tech Metal Finishing inc.
Arakelian Inc. DBA Builders Flooring
Bank of the Sierra
Baycity Framers
Breco Firearms Inc.
Brighten Academy Preschool
Central Valley Toxicology
Clovis Culinary Center
Clovis Custom Drywall
Clovis Glass Company, Inc | Clovis Polycon
Comfort Suites Hotel
Community Medical Centers (Corporate)
Crystal's Salon
Digital Attic Inc.
Dry Creek Medical Group
Excelsior Machine, Inc.
Ferguson
Fresno FTZ
Fresno Ideaworks
Fresno Temp Pro
Generation Homes, Inc.
Gilbert K. Moran, M.D. F.A.C.O.G. INC.
Graham Concrete Construction
Grizzly Construction
Harbour and Associates
HuckleBerry's | Institute of Technology
Kelley's Pets
Mi-Rancho Tortilla
MRM Family Counseling Services, Inc.
Outdoor Environmental
Pathology Associates
Pineridge Obstetrix & Gynecology
PR Farms
ProLog Restorations Inc.
San Joaquin College of Law
Sequoia Companion Care
Snowflake Designs
Social Vocational Services
Startup- Cat Cafe
The Trend Group / Turbine Trend Analysis
Westech Systems, Inc
Zone 9 Brewing |
|---|--|---|

City of Clovis Economic Snapshot

Quarter 4, FY 18-19

Industrial, Office, and Retail Vacancy

This quarter in the City of Clovis, the industrial vacancy rate decreased from 0.2% to 0.0%, the office vacancy rate remained at 5.8%, and the retail vacancy rate decreased from 7.4% to 6.8%.

Q4 FY18-19	Industrial	Office	Retail
Fresno County	3.9%	6.7%	5.6%
City of Clovis	0.0%	5.8%	6.8%

Source: CoStar.com

June 2019 Unemployment Rates

The unemployment rate in Fresno County was 6.4 percent in May 2019, down from a revised 7.7 percent in April 2019, and below the year-ago estimate of 6.8 percent. This compares with an unadjusted unemployment rate of 3.5 percent for California and 3.4 percent for the nation during the same period.

Area	Labor Force	Unemployment Rate
Fresno County	453,700	6.4%
City of Clovis	54,400	3.2%

Source: State of California Employment Development Department

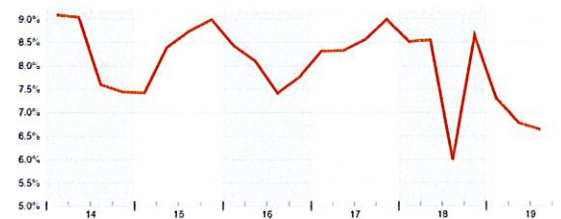
Vacancy Rate – Industrial



Vacancy Rate – Office



Vacancy Rate – Retail



Business Expansion and Attraction Leads

The EDC has agreed to provide a minimum of 40 new business attraction and expansion leads for the 2018-2019 fiscal year. The EDC generated three new business attraction and expansion leads in the fourth quarter. EDC staff also remains involved with additional prospective leads that may match Clovis' land and building inventory. See information below:

Client Number	Source	Industry	Site Requirement	Jobs	Cities/Regions Participated
190418E1 - FTZ	Direct	Renewable Energy	200,000 SF	TBD	Clovis; Fresno
Project GlassKing	GO-Biz	Solid Waste Collection	5 AC 20,000 SF	8	Clovis; Fresno
190515A1 - DirectBizLA	Direct	Management Consulting Services	TBD	1	Clovis; Fresno
Project Vulcan	GO-Biz	Biomass Electric Power Generation	70 AC	300	TBD

Direct	Client Contacted EDC Directly
GO-Biz	Governor's Office of Business and Economic Development

Q4 Site Visit Activity

Date	Client Number	Industry	Sites or Area
6/4/2019	190515A1	Management and Consulting	City of Clovis

Marketing

The EDC continues to participate in trade shows/missions in partnership with the California Central Valley Economic Development Corporation (CCVEDC) and Team California to promote Fresno County and its 15 cities.

TRADE SHOWS, BROKER EVENTS, AND MISSIONS

ICSC RECon – May 19-22, 2019

Contacts – 32

ICSC RECon is the largest retail real estate tradeshow in the world attracting over 30,000 attendees and 1,000 exhibitors this year. Professionals from all aspects of the retail industry gathered to network, make deals, and learn from accomplished experts and innovative thought leaders. Staff arranged meeting space with Team California, requested **145** meetings, coordinated meeting schedules for the participating cities (Clovis, Coalinga, Sanger and Selma), prepared customized retail marketing material, met with **32** retailers and developers, and attended professional development workshops.

Opportunity Zone Expo – May 9-10, 2019

Contacts – 38

Staff attended the Opportunity Zone Expo, and made 38 contacts with key stakeholders in the Opportunity Zone arena. The Expo brought forth thousands of attendees, exhibitors and panelists involved at the forefront of Opportunity Zones, including existing fund managers, equity investors, attorneys, tax specialists and project developers. The two-day expo featured over 20 breakout sessions focused on investment and capital raising. Staff has completed a comprehensive database of fund managers and stakeholders as a result and has begun initiating contact with potential funds, investors and project developers directly. While the City of Clovis does not have an Opportunity Zone, staff was able to promote Clovis among potential investors looking for investment worthy projects outside of Opportunity Zones as well.

Partnership with Department of Social Services

The EDC has been contracted to assist the Fresno County Department of Social Services in marketing the New Employment Opportunities (NEO) program, and Ready2Hire, and identify prospective employers to hire from the pool of eligible NEO job seekers.

New Employment Opportunities (NEO) 2018-2019*	Actual	Contract Goal
Participating Businesses	144	150
Job Placements	221	200
Job Postings	424	500
Job Fairs	10	4
Employer Training	6	4

*Contract Dates: October 1, 2018 – September 30, 2019

Customized Workforce Trainings

Realizing the current labor demands among our local businesses, the EDC, Department of Social Services and educational partners have worked with industry stakeholders to develop customized trainings to fulfill today's workforce needs. Utilizing input from various industry practitioners, each training curriculum is developed to create career pathways to meet tomorrow's industry needs, help businesses grow, and put individuals back to work. Below is a list of customized training programs underway:

Valley Apprenticeship Connections

Pre-Apprenticeship Program. The partnership between Fresno County EDC, the Department of Social Services, and Fresno EOC is continuing to provide a 12-week program comprised of classroom and construction-based training.

Aug 2016 – Current Cohorts 1 – 10 Status	
Completed	96
Retained Employment	76
Retention Rate	79%
Cohort #10	5/6 – 7/26

Truck Driving

Class A Truck Driving Class. The 10-week training is a partnership between Fresno County EDC, the Department of Social Services, Fresno City College, and Lawson Rock and Oil.

Feb 2015 – Current Cohort 1 – 32 Status	
Obtained CDL	213
CDL – Left County	-16
Entered employment	166
Placement Rate	84%
Cohort 31	4/15-6/21
Cohort 32	6/3-8/5

High-Speed Rail

Since the program inception in 2013, the EDC has assisted 330 property owners throughout the City and County of Fresno. During this quarter our Business Support Specialists assisted 9 businesses and property owners, making contact 19 times.

Client Status		Open Requests for Property				
Closed	34	Client #	Industry	Space Needed	Ownership	Preferred Relocation
Active/Existing	94	351	Logistics	3,000 - 5,000 sf	Lease	South Fresno Ind. Mrkt.
Pending Relocation	8	349	Garments and Laundry	1-15,000 sf office/warehouse	Lease	City of Fresno
Reconfiguring	40					
Relocated	154					
Total	330					

Highlights

Clovis Sphere of Influence Approval from LAFCO

Staff attended a LAFCO meeting at the beginning of April and supported publicly the North East Expansion Area in Clovis. Over 1000 acres are being annexed into the city's sphere of influence bringing business opportunities and jobs. The passing of the item was marked by several articles that Andrew Haussler, Tracy Tosta, and Dirk Poeschel collaborated on completing. The Sierra Gateway District marketing materials completed by the City of Clovis will be used to support future investment in that region of the metro area.

Pet Carousel & Sequoia Companion Care

Staff was contacted by Gary Becker, the CEO of both Pet Carousel and Sequoia Companion Care. Mr. Becker was attempting to track down information regarding Enterprise Zone Vouchers that were awarded to Pet Carousel. After several cold calls, staff was able to connect the business with the Deputy Director of Information Systems at the Workforce Connection who oversaw the electronic records of the program and was able to provide the business with what it needed. Because of the diligent follow-up of our Economic Developers, Mr. Becker was interested in meeting to discuss opportunities for the other businesses he runs, which had been previously signed up for the NEO program but were currently inactive. Staff's efforts created renewed interest in NEO, and the business currently has five open positions.

Manda Fermentation

Staff hosted Manda Fermentation's consultant Tomoyuki Iwanami for several days in April. Meetings were set with the County of Merced regarding Foreign Trade Zones (FTZ); US Commercial Service's Bernadette Rojas for export assistance information; and Fresno FTZ, a private general purpose FTZ business in Clovis. All three meetings added to the information gathering mission the company is performing in Fresno County to determine feasibility of locating a future fertilizer manufacturing operation in the U.S. to serve the western market region.

SelectUSA 2019

Staff attended SelectUSA in Washington, D.C. in June. SelectUSA is an international trade summit sponsored by the federal government. There were 3300 attendees, 1300 of which were foreign investors interested in expanding or locating in the U.S. EDC staff identified approximately 23 quality leads suitable for Fresno County and, as part of Team California, connected with over 100 businesses interested in our state as a whole. The EDC presence at this summit also proved to strengthen relationships established in previous months with Japanese partner agencies such as the Japan External Trade Organization and the Office of the Japanese Ambassador to the U.S.

Global Cities Initiative Follow-up Call

Rachel Barker and Marek Gootman of the Brookings Institute followed up on the regional activity since the release of the Global Trade and Investment Plan. Several items were highlighted as success and achievements such as the utilization and promotion of Fresno FTZ, the Central California District Export Council, the trade mission to Japan, participation in Select USA and some activity with local FOEs earning California Competes Tax Credit or utilizing other services, such as NEO. Staff is evaluating potential for "Soft Landing" program for foreign owned entities as well as a way to market merger and acquisitions both locally and internationally to support the attraction of foreign investment and also provide some type of succession opportunity to local companies.

SJVMA Manufacturing Summit

EDC sponsored The Valley Made Manufacturing Summit for the San Joaquin Valley's manufacturing industry. Attendees were able to meet regional companies, learn from industry innovators and make valuable connections. Following the event the EDC hosted a mixer for board members and attendees of the summit. The BEAR team was able to connect with a number of previous business contacts, resulting in follow up meetings and additional connections to services.

ATTACHMENT 1

FY 18-19 Overview of Work Product	Deliverables	FY 2018 – 2019 Target Outcomes	Status as of Q4
<p>Economic Development Corporation Serving Fresno County</p> <p>Contract: \$40,000</p> <p>Performance Base: \$10,000 (\$2,500 per site tour)</p> <p>Staff: President & CEO Lee Ann Eager Director of Business Services Will Oliver Client Services Manager Jose Mora</p>	<p>Retention: Targeted businesses will be contacted by a variety of methods to educate Clovis businesses on local, regional and statewide incentive programs</p> <ul style="list-style-type: none"> Conduct Analysis to determine top 50 companies in Clovis that should be focused on for retention and expansion. <p>New Business Recruitment: Provide information and tours to industrial and commercial representatives not currently located in Clovis for the purpose of recruiting new businesses and industries to the City of Clovis. Assist the City of Clovis in marketing identified industrial parks or industrial areas to new clients.</p> <ul style="list-style-type: none"> Coordinate site tours for the purpose of business attraction and expansion. Create and update marketing materials. Coordinate commercial and industrial broker events for the city of Clovis. Conduct analysis to determine expansion industries and companies to target for expansion. Attend trade shows/missions and market Clovis. 	<p>Top 50 target business analysis for expansion completed</p> <p>Respond all City of Clovis Business inquires and connect them to appropriate resources</p> <p>4 Site Tours</p> <p>2 Broker Events</p> <p>40 new business leads</p> <p>5 Trade shows/missions attended</p> <p>Economic Profile Demographic Information Business Park Brochures</p>	<p>Top 50 Analysis completed in Q3 in FY17-18. Updates and adjustments ongoing in FY18-19.</p> <p>52 clients and businesses contacted and 28 referrals made during Q4.</p> <p>3/4 – Site tours complete.</p> <p>1 of 2 completed</p> <p>17/40 – three business leads provided in Q4. Leads are denoted by available land or building space that can meet a client’s specific requirement. While EDC strives to meet this goal, staff’s ability to do so is driven by available inventory, or lack thereof (over 55% of all leads were industrial in FY18-19). Clovis Industrial Vacancy Rate is currently at 0% and has remained below 1% during FY18-19. EDC looks forward to working with Clovis as it expands its industrial inventory, making the area attractive for future industrial prospects.</p> <p>6/5 tradeshow/missions attended.</p> <p>Economic profile updated and hosted on our website.</p> <p>Business park brochures completed. Incentive brochure created and distributed to Clovis businesses in cooperation with City staff.</p>



AGENDA ITEM NO: 6

City Manager: LS

CITY of CLOVIS

REPORT TO THE CITY COUNCIL

TO: Mayor and City Council

FROM: Finance Department

DATE: September 3, 2019

SUBJECT: Finance - Approval – Res. 19-____, A Resolution of Intention (ROI) to Annex Territory (Annexation #58) (PM18-11-North East Corner of Locan and Powers.), to the Community Facilities District (CFD) 2004-1 and to Authorize the Levy of Special Taxes Therein and Setting the Public Hearing for October 7, 2019.

ATTACHMENTS: 1. Res. 19-____, Intention to Annex Territory to CFD
2. Annexation Map

CONFLICT OF INTEREST

None

RECOMMENDATION

That the Council approve Res. 19-____, A Resolution of Intention to Annex Territory (Annexation #58) to Community Facilities District (CFD) 2004-1 and to Authorize the Levy of Special Taxes therein and setting the Public Hearing for October 7, 2019.

EXECUTIVE SUMMARY

Since the condition to establish a CFD was imposed on the developments being processed by the City, developments proceeding after March 8, 2004, must petition to be annexed to the existing CFD. This action is required to begin the process of annexation provided by the conditions of approval of the development entitlements.

BACKGROUND

Since the condition to establish a CFD was imposed on the developments being processed by the City, developments proceeding after March 8, 2004, must petition to be annexed to the existing CFD. Recently, a developer has submitted a petition to annex territory to the Community Facilities District 2004-1 and to include his subdivision within the District as provided by the conditions of approval of the development entitlements.

To initiate the process for annexation of territory to a CFD, the Council must approve a Resolution of Intention (ROI) to annex territory to the CFD. The ROI included with this report includes various actions necessary for the annexation to the CFD. The Rate and Method of Apportionment (RMA) referred to in the ROI is as adopted by the Council with the Resolution of Formation adopted March 8, 2004.

The area to be annexed, PM18-11 North East Corner of Locan and Powers, is shown in the attached map.

FISCAL IMPACT

No fiscal impact by this action.

REASON FOR RECOMMENDATION

All requirements to begin the process for annexation of territory to the CFD have been completed, and the Council may take action on the ROI.

ACTIONS FOLLOWING APPROVAL

The Staff will take appropriate steps to schedule the Public Hearing on the Annexation of Territory to the CFD for October 7, 2019, and will provide the notices in accordance with the law.

Prepared by: Steve Nourian, Senior Accounting Systems Technician

Reviewed by: John Holt, Assistant City Manager/City Clerk 

RESOLUTION 19-___

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CLOVIS
APPROVING THE INTENTION TO ANNEX TERRITORY TO COMMUNITY FACILITIES
DISTRICT AND TO AUTHORIZE THE LEVY OF SPECIAL TAXES THEREIN

CITY OF CLOVIS
Community Facilities District No. 2004-1
(Police and Fire Services)
Annexation No. 58

WHEREAS, this Council has conducted proceedings to establish Community Facilities District No. 2004-1 (Police and Fire Services) (the "CFD") pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (the "Act"), Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing at Section 53311, of the California Government Code; and

WHEREAS, under the Act, this Council, as the legislative body for the CFD, is empowered with the authority to annex territory to the CFD, and now desires to undertake proceedings to annex territory to the CFD.

NOW, THEREFORE, BE IT RESOLVED, that the City of Clovis:

- 1. Findings.** This Council hereby finds and determines that public convenience and necessity require that territory be added to the CFD.
- 2. Territory Described.** The name of the existing CFD is "Community Facilities District No. 2004-1 (Police and Fire Services)". The territory included in the existing CFD is as shown on the map thereof filed in Book 40 of Maps of Assessment and Community Facilities Districts at Page 57, in the office of the County Recorder, County of Fresno, State of California, to which map reference is hereby made. The territory now proposed to be annexed to the CFD is as shown on the Annexation Map No. 58 to the CFD, on file with the Clerk, the boundaries of which territory are hereby preliminarily approved and to which map reference is hereby made for further particulars. The City Clerk is hereby directed to cause to be recorded said Annexation Map No. 58 to the CFD, showing the territory to be annexed, in the office of the County Recorder of the County of Fresno within fifteen days of the date of adoption of this resolution.
- 3. The Services.** The types of public services financed by the CFD and pursuant to the Act consist of those of the police and fire services (the "Services") as described in Exhibit A to Resolution No. 04-33, adopted by the Council on March 8, 2004 (the "Resolution of Formation"). It is presently intended that the Facilities (and the Services) will be shared, without preference or priority, by the existing territory in the CFD and the territory proposed to be annexed to the CFD.

4. Special Tax. Except to the extent that funds are otherwise available to the CFD to pay for the Services, a special tax sufficient to pay the costs thereof is intended to be levied annually within the CFD, and collected in the same manner as ordinary *ad valorem* property taxes. The proposed rate and method of apportionment of the special tax among the parcels of real property within the CFD, as now in existence and following the annexation proposed herein, in sufficient detail to allow each landowner within the territory proposed to be annexed to the CFD to estimate the maximum amount such owner will have to pay, are described in Exhibit B attached to the Resolution of Formation, by which this reference is incorporated herein.

5. Hearing. Monday, October 7, 2019, at 6:00 p.m. or as soon as possible thereafter, in the City Hall, Council Chambers, 1033 Fifth Street, Clovis, California, be, and the same are hereby appointed and fixed as the time and place when and where this Council, as legislative body for the CFD, will conduct a public hearing on the annexation of territory to the CFD and consider and finally determine whether the public interest, convenience and necessity require said annexation of territory to the CFD and the levy of such special tax therein.

6. Notice. The City Clerk is hereby directed to cause notice of said public hearing to be given by publication one time in a newspaper of general circulation in the area of the CFD. The publication of said notice shall be completed at least seven (7) days before the date herein set for said hearing. The City Clerk shall also cause a copy of such notice and a copy of the Resolution of Formation to be mailed to each landowner (and to each registered voter, if any) within the territory proposed to be annexed, which notice and resolution shall be mailed at least fifteen (15) days before the date of said hearing. Such notice shall be substantially in the form specified in Section 53339.4 of the Act, with a summary form specifically authorized.

7. Annexation Contingency. Section 53316 of the Act shall apply to the proceedings of the Council for the CFD to the extent that the proceedings, if appropriate, include territory which on the date of adoption of this Resolution of Intention are not annexed to the City and which territory is proposed to be annexed to the City. This Council determines that the City has filed appropriate documents, including a “resolution of application”, with the Fresno County Local Agency Formation Commission (“LAFCO”) for the annexation of territory as therein described, which territory includes all or a portion of the lands proposed for inclusion in the boundaries of the CFD as herein described. A certificate of filing of such application has been issued by the official who is the executive officer of LAFCO, a copy of which certificate of filing is on file with the City Clerk. It is hereby specifically provided that these proceedings for the CFD, to the extent applicable to such territory subject to such LAFCO annexation to the City, shall be contingent upon and shall be completed only if the annexation of such territory to the City by LAFCO is completed. It is further provided that this Council shall not authorize the levy of the Special Tax nor cause any amended notice of special tax lien to be recorded for the territory to be annexed to the CFD unless and until such annexation proceedings through LAFCO are completed to the satisfaction of this Council.

8. Effective Date. This resolution shall take effect upon its adoption.

* * * * *

The foregoing resolution was introduced and adopted at a regular meeting of the City Council of the City of Clovis held on September 3, 2019 by the following vote, to wit.

AYES:

NOES:

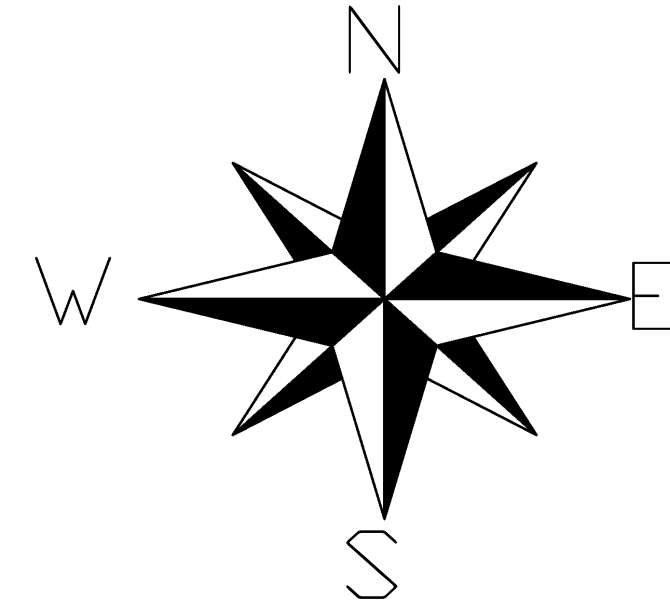
ABSENT:

ABSTAIN:

DATED: September 3, 2019

Mayor

City Clerk



LEGEND

— PARCEL

▬ ANNEXATION BOUNDARY

Ⓐ APN 558-510-06

FILED IN THE OFFICE OF THE CITY CLERK THIS _____ DAY OF _____ OCTOBER, 2019. I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF ANNEXATION NO. 58 TO COMMUNITY FACILITIES DISTRICT NO. 2004-1 (POLICE AND FIRE SERVICES), CITY OF CLOVIS, COUNTY OF FRESNO, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF CLOVIS AT A REGULAR MEETING THEREOF, HELD ON THE 7TH DAY OF _____ OCTOBER, 2019, BY ITS RESOLUTION NO. 19-_____.

JOHN HOLT
CITY CLERK
CITY OF CLOVIS

FILED THIS _____ DAY OF _____, 2019, AT THE HOUR OF _____ O'CLOCK ____ M. IN THE BOOK _____ PAGE _____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AND AS INSTRUMENT NO. _____ IN THE OFFICE OF THE COUNTY RECORDER IN THE COUNTY OF FRESNO, STATE OF CALIFORNIA.

PAUL A. DICTOS, C.P.A. BY: DEPUTY COUNTY RECORDER
COUNTY ASSESSOR-RECORDER
COUNTY OF FRESNO
STATE OF CALIFORNIA

REFERENCE IS MADE TO THAT BOUNDARY MAP OF COMMUNITY FACILITIES DISTRICT NO 2004-1 (POLICE AND FIRE SERVICES) OF THE CITY OF CLOVIS RECORDED WITH THE FRESNO COUNTY RECORDER'S OFFICE ON FEBRUARY 19, 2004, IN BOOK 40 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, PAGE 57.

THE LINES AND DIMENSIONS OF EACH LOT OR PARCEL SHOWN ON THIS DIAGRAM SHALL BE THOSE LINES AND DIMENSIONS AS SHOWN ON THE FRESNO COUNTY ASSESSORS MAPS FOR THOSE PARCELS LISTED.

THE FRESNO COUNTY ASSESSORS MAPS SHALL GOVERN FOR ALL DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH LOTS OF PARCELS.

ANNEXATION MAP NO. 58

COMMUNITY FACILITIES DISTRICT NO. 2004-1
(POLICE AND FIRE SERVICES)

CITY OF CLOVIS
COUNTY OF FRESNO
STATE OF CALIFORNIA

ATTACHMENT 2





AGENDA ITEM NO: 7

City Manager: LS

CITY of CLOVIS

REPORT TO THE CITY COUNCIL

TO: Mayor and City Council
FROM: General Services Department
DATE: September 3, 2019
SUBJECT: General Services - Approval – Claim Rejection of General Liability claim on behalf of Bryon Espinosa.

CONFLICT OF INTEREST

None

RECOMMENDATION

Reject the general liability claim filed by Bryon Espinosa.

BACKGROUND

On July 19, 2019, a general liability claim was filed against the City on behalf of Bryon Espinosa. The claim was insufficient per Government Code section 910(f) and sent back to Mr. Espinosa for correction. On August 12, 2019, Mr. Espinosa resubmitted his claim and corrected the aforementioned item, which was considered legally sufficient and timely.

Mr. Espinosa alleges that on January 28, 2019, the Clovis Police Department entered his home without a warrant or probable cause to arrest, which subsequently lead to officers using excessive force during an arrest, while causing injury and emotional damages to Mr. Espinosa.

Mr. Espinosa seeks damages for pain and suffering, medical bills, loss of work and more in the amount of excess of \$3,000,000. The claim has been filed as a “civil unlimited case”.

FISCAL IMPACT

Rejection of the claim does not result in any fiscal impact.


REASON FOR RECOMMENDATION

It is recommended that the claim be rejected. The City is not liable for this claim. In addition, by rejecting this claim the time in which lawsuits may be filed against the City will begin to run.

ACTIONS FOLLOWING APPROVAL

A letter will be sent to the claimant informing him that the claim has been rejected.

Prepared by: Charles W. Johnson, Management Analyst

Reviewed by: John Holt, Assistant City Manager/City Clerk 



AGENDA ITEM NO: 8

City Manager: LS

CITY *of* CLOVIS

REPORT TO THE CITY COUNCIL

TO: Mayor and City Council
FROM: General Services Department
DATE: September 3, 2019
SUBJECT: General Services - Approval – Claim Rejection of the General Liability Claim for Jose Gilberto Rivas.

CONFLICT OF INTEREST

None

RECOMMENDATION

Reject the general liability claim filed by Jose Gilberto Rivas.

BACKGROUND

On July 8, 2019, a general liability claim was filed against the City by Jose Gilberto Rivas. The claim was insufficient per Government Code section 910(f) and sent back to Mr. Rivas for correction. On July 29, 2019, Mr. Rivas resubmitted his claim and corrected the aforementioned item, which was considered legally sufficient and timely.

On June 24, 2019, Mr. Rivas allegedly fell and injured himself on the Old Town Trail Head south of Clovis Avenue and Scott Street in Clovis, CA. Mr. Rivas stated a large piece of concrete wall near the trail bridge was located in the middle of the trail, which caused him to fall and injury himself.

Mr. Rivas feels the City was negligent by not ensuring the City trail was safe and free from hazards. Mr. Rivas seeks damages for pain and suffering, and medical bills. The claim has been filed as a “civil unlimited case”.

FISCAL IMPACT

Rejection of the claim does not result in any fiscal impact.

REASON FOR RECOMMENDATION

It is recommended that the claim be rejected. The City is not liable for this claim. In addition, by rejecting this claim the time in which lawsuits may be filed against the City will begin to run.

ACTIONS FOLLOWING APPROVAL

A letter will be sent to the claimant informing him that the claim has been rejected.

Prepared by: Charles W. Johnson, Management Analyst

Reviewed by: John Holt, Assistant City Manager/City Clerk 



AGENDA ITEM NO: 9

City Manager: LS

CITY of CLOVIS

REPORT TO THE CITY COUNCIL

TO: Mayor and City Council

FROM: General Services Department

DATE: September 3, 2019

SUBJECT: General Services - Approval – Res. 19-____, Amending the City's Compensation Plan by Revising the Salary Range for the Planning and Development Administrative Manager Classification from \$9,735-\$11,834 to \$8,335-\$10,133.

ATTACHMENTS: 1. Res. 19-____

CONFLICT OF INTEREST

None

RECOMMENDATION

For City Council to approve a resolution amending the City's compensation plan by adopting a revised salary range for the Planning and Development Administrative Manager Classification.

EXECUTIVE SUMMARY

It is recommended that the Planning and Development Administrative Manager classification's monthly salary range be amended to \$8,335 - \$10,133. Amending the salary range is recommended in order to address the revised duties. The job specification was revised in April 2019, by the Planning and Development Department management staff. Revision of the City's Compensation Plan requires Council approval.

BACKGROUND

The Planning and Development Administrative Manager classification is a management position in the Planning and Development Services Department. This single-position classification reports to the Assistant Planning and Development Services Director and the incumbent will be responsible for planning and organizing the administrative operations of the department. With an upcoming recruitment, the department reviewed the updated job description and believes that the revised salary range of \$8,335-\$10,133 would be more in line with the revised job description. The incumbent will now be reporting to the Assistant Planning and Development Services Director and will no longer report to

the Director of Planning and Development Services. The duties have changed and the incumbent has been given less decision making authority. The job duties were revised to include more support functions to the Assistant Director. This would include budget support but will no longer include budget oversight. The position will take direction from the Assistant Director and will be responsible for supporting the needs of the department.

The current monthly salary range for the Planning and Development Administrative Manager classification is \$9735-\$11,834. The proposed new monthly salary range is \$8,335-\$10,133, and would be more equitable with the revisions previously made to this classification.

FISCAL IMPACT

The recommended salary range adjustment will result in a decrease in salary costs in FY 19-20 of approximately \$10,000. This position is budgeted in the Planning and Development Services Department budget.

REASON FOR RECOMMENDATION

The recommended adjustment to the Planning and Development Administrative Manager classification salary range will address the revised duties that will be assigned to the incumbent. The recommended salary range for the Planning and Development Administrative Manager Classification is reasonable, given the breadth of duties and responsibilities of the classification.

ACTIONS FOLLOWING APPROVAL

The City's Compensation Plan will be adjusted to include the recommended revision to the salary range of the Planning and Development Administrative Manager classification.

Prepared by: Lori Shively, Personnel/Risk Manager

Reviewed by: John Holt, Assistant City Manager/City Clerk 

RESOLUTION 19- ____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CLOVIS APPROVING AMENDMENTS TO THE CITY'S COMPENSATION PLAN REGARDING THE PLANNING AND DEVELOPMENT ADMINISTRATIVE MANAGER CLASSIFICATION

The City Council of the City of Clovis resolves as follows:

WHEREAS, the City maintains a Compensation Plan designed to provide reasonable compensation for City classifications; and,

WHEREAS, it is necessary to adjust salary ranges of classifications from time to time in order to maintain appropriate internal and external compensation levels; and,

WHEREAS, it has been determined that it is appropriate to adjust the salary range of the Planning and Development Administrative Manager classification in recognition of the classification's duties and in order to address the revised responsibilities; and,

WHEREAS, revision of the City's Compensation Plan requires approval of the City Council.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Clovis that the City's Compensation Plan shall be amended to include a revised monthly salary range for the Planning and Development Administrative Manager classification of \$8,335 - \$10,133.

* * * * *

The foregoing Resolution was introduced and adopted at a regular meeting of the City Council of the City of Clovis held on September 3, 2019 by the following vote to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Dated:

Mayor

City Clerk



AGENDA ITEM NO: 10

City Manager: LS

CITY of CLOVIS

REPORT TO THE CITY COUNCIL

TO: Mayor and City Council

FROM: General Services Department

DATE: September 3, 2019

SUBJECT: General Services – Approval – Res. 19-____, Approving Government Crime Policies for the Purpose of Bonding City Officers and Employees and Establishing Policy Limits

ATTACHMENTS: 1. Res. 19-____, Crime Bond Resolution

CONFLICT OF INTEREST

None

RECOMMENDATION

For the City Council to approve a resolution stating that the City's government crime insurance policy satisfies Government Code §36518 and §1463, and establishes the coverage limits of said policy to \$5 million with a maximum deductible of \$2,500 per occurrence with the premiums paid by the City of Clovis.

EXECUTIVE SUMMARY

As required by City municipal code a surety bond is required for various officials and employees of the City. Per California law the City has the right to obtain crime shield insurance in lieu of a surety bond, as long as it's adopted by resolution and approved by City Council.

BACKGROUND

The City of Clovis is currently covered by a crime insurance policy through its liability coverage Joint Powers Authority, Central San Joaquin Valley Risk Management Authority (CSJVRMA), with a coverage limit of \$5,000,000 and a deductible of \$2,500 per occurrence, which is in line with the government code. The crime insurance program offers broad coverage for illegal acts committed by employees while on the job. Per California law the City has the right to obtain crime shield insurance in lieu of a surety bond, as long as it's adopted by resolution and approved by City Council.

California Government Code (GC) §36518 requires City Council by resolution to establish a surety bond for the positions of City Clerk and City Treasurer. There are additional sections of the government codes section, which elaborate on the securing of bonds; however, GC §1463 provides the City and its officers with an alternative to bonding against crime through a crime insurance policy as referenced below:

“1463. For the purpose of this chapter, a government crime insurance policy or employee dishonesty insurance policy, including faithful performance, may be provided as an alternative to official bond by any county or city...”

The City ordinance requires that both the City Manager and Finance Director are bonded. Therefore, Staff is recommending that City Council approve the attached resolution (Attachment “1”) to ensure compliance with State law and CSJVRMA requirements.

FISCAL IMPACT

None. The City has a current crime policy through CSJVRMA with respective limits.

REASON FOR RECOMMENDATION

City staff is recommending to cover the positions of Finance Director and City Manager as expressed in the City’s municipal code for a surety bond.

ACTIONS FOLLOWING APPROVAL

City staff will provide the CSJVRMA with a copy of the approved resolution to place on file for continuance of coverage.

Prepared by: Charles W. Johnson, Management Analyst

Reviewed by: John Holt, Assistant City Manager/City Clerk 

RESOLUTION 19 - _____

**A RESOLUTION OF THE CITY OF CLOVIS CITY COUNCIL
APPROVING GOVERNMENT CRIME POLICIES FOR
THE PURPOSE OF BONDING CITY OFFICERS AND
EMPLOYEES AND ESTABLISHING POLICY LIMITS**

WHEREAS, California Government Code §36518 requires City Council by resolution to establish the penal sum of the bond for the positions of City Clerk and City Treasurer; and

WHEREAS, California Government Code §36519 provides that the City Council may require bonds of any other officer or employee of the city; and

WHEREAS, California Government Code §37209 requires execution of a bond by a Director of Finance where duties imposed by law upon the City Clerk are transferred to a Director of Finance; and

WHEREAS, California Government Code §1480 provides that every officer agent or employee not required by statute to give an official bond may be require to give an individual official bond or other form of individual bond in the amount to be fixed by the appointing power and such bond shall inure to the benefit of the appointing power, state, county, or municipality by whom such officer, employee, or agent is employed as well as the officer under whom the employee or agent serves; and

WHEREAS, the City of Clovis Municipal Code Section 2.2.110 requires the City Manager shall furnish a surety company bond to be approved by the Council in such sum as may be determined by the City Council; and

WHEREAS, California Government Code §1463 states... a government crime insurance policy or employee dishonesty insurance policy, including faithful performance, may be provided as an alternative to the official bond by any county or city, subject to approval by the presiding judge of the superior court and recording and filing as provided in §§1457 to 1460.1, inclusive. An insurance policy procured pursuant to this section may be used as a master bond as though it were an official bond, subject to approval of the appointing power or the legislative body as provided in §1481; and

WHEREAS, California Government Code §1481 (b) provides that notwithstanding any other provision of law when deemed expedient by the legislative body of a local public agency, a master official bond or other form of master bond may be used which shall provide coverage on more than one officer, employee, or agent of the local public agency, whether elected or appointed who is required by statute regulation, the appointing power, the governing board of a local public agency, or the board of supervisors of a chartered or general law county to give bond; and

WHEREAS, California Government Code §1481 (c) provides that a master bond under this section shall be in the form and for the term which is approved by the appointing power or the legislative body of a local public agency and shall inure to the benefit of the appointing power, state, or local public agency by whom the officer, employee, or agent is employed as well as the officer or officers under whom the employee or agent serves.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Clovis hereby finds and determines:

1. That the City Council deems it expedient that the bonding requirements for public officers and employees required by California Government Code, City of Clovis Municipal Code, or City Council Resolution, shall be in the form of a Government Crime Insurance Policy that provides coverage for the City of Clovis officers and employees;
2. That the limits of the Government Crime Policy shall be at least \$5,000,000 per occurrence for employee theft, with a deductible amount of not more than \$2,500 per occurrence, with sub-limits for other forms of loss covered by the policy as deemed appropriate; and
3. That the premiums shall be paid by the City.

The foregoing resolution was introduced and adopted at a regular meeting of the City Council of the City of Clovis held on September 3, 2019 by the following vote, to wit.

AYES:

NOES:

ABSTAIN:

ABSENT:

DATED:

Mayor

City Clerk



AGENDA ITEM NO: 11
City Manager: LS

CITY of CLOVIS

REPORT TO THE CITY COUNCIL

TO: Mayor and City Council

FROM: Planning and Development Services

DATE: September 3, 2019

SUBJECT: Planning and Development Services Approval – Res. 19-____, Final Map Tract 6221, located at the northwest corner of Ashlan Avenue and Locan Avenue (Wilson Premier Homes, Inc.).

ATTACHMENTS: 1. Res. 19-____
2. Vicinity Map
3. Copy of Final Map

CONFLICT OF INTEREST

None

RECOMMENDATION

For the City Council to approve Res. 19-____, which will:

1. Accept the offer of dedication of parcels and public utility easements within Tract 6221, and;
2. Authorize recording of the final map.

EXECUTIVE SUMMARY

The owner, Wilson Premier Homes, Inc., acting as the subdivider, has submitted a final map. The improvement plans are being processed by City staff. The improvements to be installed include curb, gutter, sidewalk, street paving, sanitary sewers, water mains, and landscaping. The subject tract is located on the northwest corner of Ashlan Avenue and Locan Avenue. It contains approximately 5.53 acres and consists of 23 units, zoned R-1.

FISCAL IMPACT

The subdivider will be installing sidewalk, sanitary sewers, water mains, and street landscaping, which will be perpetually maintained by the City of Clovis.

REASON FOR RECOMMENDATION

The subdivision agreement has been executed by the subdivider and all development fees paid or deferred in accordance with Municipal Code. The agreement provides for the developer to complete a technically correct map and improvement plans and to complete all required improvements in compliance with the conditions of approval. The improvements are adequately secured.

ACTIONS FOLLOWING APPROVAL

The final map will be filed with the Fresno County Recorder's office for recording.

Prepared by: Sarai Yanovsky, Civil Engineer

Reviewed by: John Holt, Assistant City Manager/City Clerk 

RESOLUTION 19-__

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CLOVIS APPROVING FINAL SUBDIVISION MAP FOR TRACT NO. 6221

WHEREAS, a final map has been presented to the City Council of the City of Clovis for Tract 6221, by The City of Clovis, a Municipal Corporation, and

WHEREAS, said final tract conforms to the requirements of Chapter 2, Part 2, of Division 4 of the Business and Professions Code and to local ordinances;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Clovis as follows:

1. The final map of Tract 6221, consisting of three (3) sheets, a copy of which is on file with the City Clerk, be and the same is hereby approved.

2. Approval of the Subdivision improvement plans for said tract are being completed by City Staff.

3. The preliminary Engineer's Cost Estimate of development cost of said tract, a copy of which is on file with the City Clerk, be and the same is hereby approved and adopted as the estimated cost of improvements for said subdivision in the sum of \$1,034,664.27.

4. The offer and dedication for public use of the parcels and easements specified on said map are accepted by the City of Clovis and the City Clerk is authorized and directed to execute said subdivision map.

5. This Council finds that the proposed subdivision, together with the provisions for its design and improvement, are consistent with applicable general and specific plans of the City of Clovis.

6. Improvement Security, as provided hereunder and in said Subdivision Agreement, is fixed at one hundred percent (100%) of the remaining improvements to be constructed or the sum of \$1,035,000.00 for guaranteeing specific performance of said

agreement and fifty percent (50%) of the remaining improvements or the sum of \$517,000.00 for payment of labor and materials furnished by contractors, subcontractors, laborers and materialmen in connection with the improvements required to be made or constructed by said subdivider in conformity with said subdivision map or said agreement.

7. Subdivider shall furnish a bond in the sum of \$103,500.00 being the amount determined by the City Council of the City as necessary for the guarantee and warranty of the work for a period of one year following the completion and acceptance of the tract against any defective work or labor done, or defective materials furnished. Said bond is required to be furnished prior to acceptance of the tract by the City Council.

* * * * *

The foregoing resolution was introduced and adopted at a regular meeting of the City Council of the City of Clovis held on September 3, 2019, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

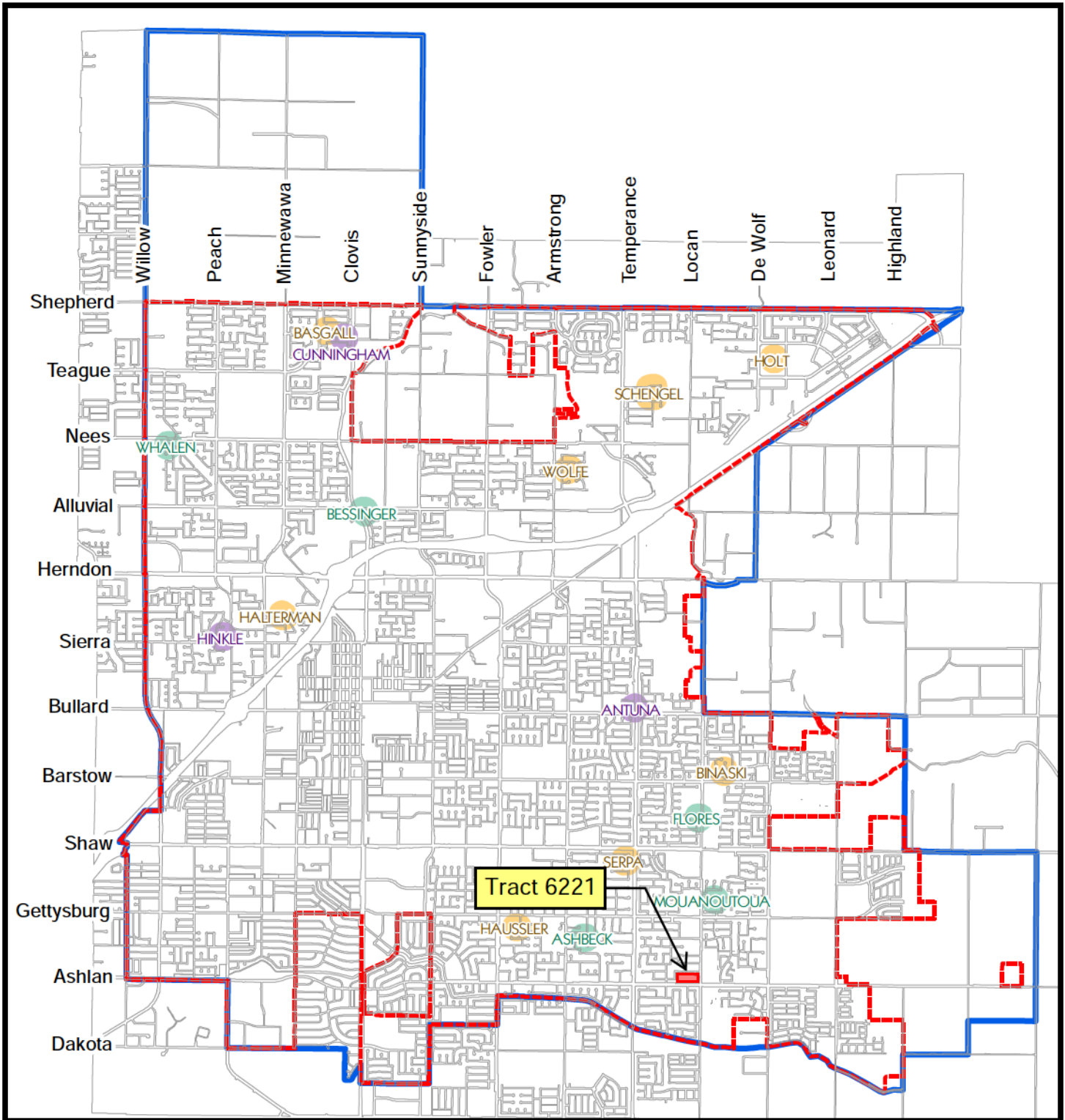
DATED:

Mayor

City Clerk

VICINITY MAP

Tract 6221 - Wilson Homes



ATTACHMENT 2



 CITY LIMITS  SPHERE OF INFLUENCE

August 29, 2019

Prepared By: Sarai Yanovsky

SUBDIVISION MAP OF
TRACT NO. 6221

IN THE CITY OF CLOVIS, FRESNO COUNTY, CALIFORNIA
SURVEYED AND PLATTED IN DECEMBER, 2018 BY HARBOUR & ASSOCIATES
CONSISTING OF 2 SHEETS
SHEET 1 OF 2

OWNER'S STATEMENT

THE UNDERSIGNED, BEING ALL PARTIES HAVING ANY RECORD TITLE INTEREST IN THE LAND WITHIN THIS SUBDIVISION, HEREBY CONSENT TO THE PREPARATION AND RECORDATION OF THIS MAP AND OFFER FOR DEDICATION FOR PUBLIC USE THE PARCELS AND EASEMENTS SPECIFIED ON SAID MAP AS INTENDED FOR PUBLIC USE FOR THE PURPOSES SPECIFIED THEREIN.

WILSON PREMIER HOMES, INC., A CALIFORNIA CORPORATION

BY: LEO A. WILSON
PRESIDENT

U.S. BANK NATIONAL ASSOCIATION
d/b/a/ HOUSING CAPITAL COMPANY
AS BENEFIICIARY

BY: CARL F. SWANSON
VICE-PRESIDENT

NOTARY ACKNOWLEDGEMENTS

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT.

STATE OF CALIFORNIA)
COUNTY OF _____)

ON _____, 201____, BEFORE ME _____, NOTARY PUBLIC, PERSONALLY APPEARED LEO A. WILSON, WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT THE PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT, WITNESS MY HAND.

NAME _____ SIGNATURE _____
MY COMMISSION EXPIRES _____ COUNTY OF _____
COMMISSION NUMBER _____

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT.

STATE OF CALIFORNIA)
COUNTY OF _____)

ON _____, 201____, BEFORE ME _____, NOTARY PUBLIC, PERSONALLY APPEARED CARL F. SWANSON, WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT THE PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT, WITNESS MY HAND.

NAME _____ SIGNATURE _____
MY COMMISSION EXPIRES _____ COUNTY OF _____
COMMISSION NUMBER _____

LEGAL DESCRIPTION

THE SOUTH 350.00 FEET OF THE EAST 978.00 FEET OF THE SOUTH HALF OF THE SOUTHWEST QUARTER OF SECTION 14, TOWNSHIP 13 SOUTH, RANGE 21 EAST, MOUNT DIABLO BASE AND MERIDIAN, IN THE CITY OF CLOVIS, COUNTY OF FRESNO, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPTING THEREFROM THAT PORTION THEREOF DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE EAST 978.00 FEET OF THE SOUTH 350.00 FEET OF THE SOUTH HALF OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 14; THENCE NORTH 00°11'42" WEST, ALONG THE WEST LINE OF SAID EAST 978.00 FEET, A DISTANCE OF 30.00 FEET; THENCE NORTH 89°58'40" EAST, PARALLEL WITH 30.00 FEET NORTH OF THE SOUTH LINE OF SAID SOUTH HALF, A DISTANCE OF 65.00 FEET TO THE POINT OF BEGINNING; THENCE NORTH 00°01'30" WEST, A DISTANCE OF 155.00 FEET; THENCE NORTH 89°58'40" EAST, A DISTANCE OF 179.50 FEET; THENCE SOUTH 00°01'20" EAST, A DISTANCE OF 155.00 FEET TO POINT BEING 30.00 FEET NORTH OF THE SOUTH LINE OF SAID SOUTH HALF; THENCE SOUTH 89°58'40" WEST, PARALLEL WITH THE SOUTH LINE OF SAID SOUTH HALF, A DISTANCE OF 179.50 FEET TO THE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE CITY OF CLOVIS AS DESCRIBED IN GRANT DEED RECORDED JANUARY 4, 1998 AS DOCUMENT NO. 96001516, OFFICIAL RECORDS OF FRESNO COUNTY.

ALSO EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE CITY OF CLOVIS AS DESCRIBED IN GRANT DEED RECORDED MAY 3, 1996 AS DOCUMENT NO. 96057179, OFFICIAL RECORDS OF FRESNO COUNTY.

ALSO EXCEPTING THEREFROM ANY PORTION OF SAID LAND LYING WITHIN EAST ASHLAN AVENUE.

(BEING ADJUSTED PARCEL B OF PARCEL MAP EXEMPT NO. 2018-22 PURSUANT TO APPLICATION FOR PARCEL MAP EXEMPT NO. 2018-22 (LOT LINE ADJUSTMENT) RECORDED JANUARY 18, 2019 AS DOCUMENT NO. 2019-0006065, FRESNO COUNTY RECORDS)

THIS LAND IS SUBJECT TO THE FOLLOWING:

1. SAID LAND LIES WITHIN THE FRESNO METROPOLITAN FLOOD CONTROL DISTRICT AND IS SUBJECT TO DRAINAGE FEES AND/OR REQUIREMENTS TO CONSTRUCT PLANNED LOCAL DRAINAGE FACILITIES, AS DISCLOSED BY INSTRUMENT ENTITLED "RESOLUTION NO. 1816 - THE BOARD OF DIRECTORS OF THE FRESNO METROPOLITAN FLOOD CONTROL DISTRICT", RECORDED JULY 31, 1995 AS SERIES NUMBER 95092128, D.R.F.C.
2. THE TERMS AND PROVISIONS AS CONTAINED IN AN INSTRUMENT ENTITLED DEED AND COVENANT (SLOPE EASEMENT) RECORDED ON OCTOBER 22, 2001 IN OFFICIAL RECORDS UNDER RECORDER'S SERIAL NUMBER 2001-015475.
3. THE TERMS AND PROVISIONS AS CONTAINED IN AN INSTRUMENT ENTITLED DEED AND COVENANT (SLOPE EASEMENT) RECORDED ON OCTOBER 22, 2001 IN OFFICIAL RECORDS UNDER RECORDER'S SERIAL NUMBER 2001-015476.
4. AN EASEMENT FOR CANALS AND DITCHES AND INCIDENTAL PURPOSES IN DOCUMENT RECORDED JULY 26, 1897 IN BOOK 207 OF DEEDS AT PAGE 410.
5. AN EASEMENT FOR GUNN HQ-385 DITCH AND INCIDENTAL PURPOSES IN DOCUMENT RECORDED JANUARY 12, 1951 IN BOOK 2953, PAGE 114, FRESNO COUNTY RECORDS.



SURVEYOR'S STATEMENT

THE SURVEY FOR THIS MAP WAS MADE BY ME OR UNDER MY DIRECTION AND IS TRUE AND COMPLETE AS SHOWN.

THIS MAP WAS PREPARED BY ME OR UNDER MY DIRECTION AND IS BASED UPON A FIELD SURVEY IN CONFORMANCE WITH THE REQUIREMENTS OF THE SUBDIVISION MAP ACT AND LOCAL ORDINANCE AT THE REQUEST OF 2M DEVELOPMENT, INC., ON DECEMBER 3, 2018. I HEREBY STATE THAT ALL MONUMENTS ARE OF THE CHARACTER AND OCCUPY THE POSITIONS INDICATED, OR THAT THEY WILL BE SET IN THOSE POSITIONS ON OR BEFORE ONE YEAR AFTER THE DATE THIS MAP IS RECORDED, OR ANY TIME EXTENSION APPROVED BY THE CITY ENGINEER. THE MONUMENTS ARE, OR WILL BE, SUFFICIENT TO ENABLE THE SURVEY TO BE RETRACED, AND THAT THIS FINAL MAP SUBSTANTIALLY CONFORMS TO THE CONDITIONALLY APPROVED TENTATIVE MAP.

GARY J. DIXON L.S. 5277 _____ DATE _____



CITY ENGINEER'S STATEMENT

I, MICHAEL J. HARRISON, CITY ENGINEER OF THE CITY OF CLOVIS, HEREBY STATE THAT I HAVE EXAMINED THIS MAP, THAT THE SUBDIVISION SHOWN IS SUBSTANTIALLY THE SAME AS IT APPEARED ON THE TENTATIVE MAP, AND ANY APPROVED ALTERATIONS THEREOF, THAT ALL PROVISIONS OF THE SUBDIVISION MAP ACT AND OF ANY LOCAL ORDINANCES APPLICABLE AT THE TIME OF APPROVAL OF THE TENTATIVE MAP HAVE BEEN COMPLIED WITH, AND THAT I AM SATISFIED THAT THE MAP IS TECHNICALLY CORRECT.

MICHAEL J. HARRISON, P.L.S. 6088 _____ DATE _____
CITY ENGINEER

CITY CLERK'S STATEMENT

I, JOHN HOLT, HEREBY STATE THAT THE CITY COUNCIL OF THE CITY OF CLOVIS, BY RESOLUTION ADOPTED _____, APPROVED THE WITHIN MAP AND ACCEPTED, SUBJECT TO IMPROVEMENT, ON BEHALF OF THE PUBLIC, ANY REAL PROPERTY AND EASEMENTS OFFERED FOR DEDICATION FOR PUBLIC USE IN CONFORMITY WITH THE TERMS OF THE OFFER OF DEDICATION.

DATED _____ JOHN HOLT, CITY CLERK

RECORDER'S CERTIFICATE

DOCUMENT NO. _____ FEE PAID \$ _____

FILED THIS _____ DAY OF _____, 20____, AT _____ M. IN VOLUME _____ OF PLATS, AT PAGE(S) _____, FRESNO COUNTY RECORDS, AT THE REQUEST OF FIDELITY NATIONAL TITLE COMPANY.

PAUL A. DICTOS, CPA
FRESNO COUNTY ASSESSOR-RECORDER

BY: _____
DEPUTY



Harbour & Associates
Civil Engineers
389 Clovis Avenue, Suite 300 • Clovis, California 93612
(559) 325-7676 • Fax (559) 325-7699

W.O. #17-010

ATTACHMENT 3

TRACT NO. 6221

IN THE CITY OF CLOVIS, FRESNO COUNTY, CALIFORNIA
 SURVEYED AND PLATTED IN DECEMBER, 2018 BY HARBOUR AND ASSOCIATES
 CONSISTING OF 2 SHEETS
 SHEET 2 OF 2

BASIS OF BEARINGS:

THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SECTION 14, TOWNSHIP 13 SOUTH, RANGE 21 EAST, MOUNT Diablo BASE AND MERIDIAN, WAS TAKEN TO BE NORTH 89°58'40" EAST, AS SHOWN ON THE MAP OF TRACT NO. 5063 "THE SUMMIT VII", RECORDED IN BOOK 65 OF PLATS AT PAGES 89 AND 90, F.C.R.

NOTES:

- 3/4" X 30" IRON PIPE, DOWN 0.5', TAGGED LS 5277 SET AT ALL LOT CORNERS, BLOCK CORNERS AND BEGINNING AND ENDING OF ALL CURVES, OR WILL BE SET WITHIN ONE YEAR OR ANY APPROVED EXTENSION THEREOF.
- DISTANCES NOT MONUMENTED ARE CALCULATED.

THE REAL PROPERTY DESCRIBED BELOW IS DEDICATED AS AN EASEMENT FOR PUBLIC PURPOSES:

PUE: PUBLIC UTILITY EASEMENT NOW OFFERED FOR DEDICATION.

THE REAL PROPERTY DESCRIBED BELOW IS DEDICATED IN FEE FOR PUBLIC PURPOSES:

▲ PUBLIC STREET AND UTILITY PURPOSES.

GETTYSBURG AVENUE

AVENUE

CENTER QUARTER CORNER OF SECTION 14, TOWNSHIP 13 SOUTH, RANGE 21 EAST, MOUNT Diablo BASE AND MERIDIAN, FOUND 2" BRASS CAP MONUMENT, STAMPED L.S. 7972, FLUSH IN PAVEMENT. POSITION VERIFIED FOR CORNER RECORD #2126.

SCALE: 1" = 60'



LEGEND:

- FOUND AND ACCEPTED SECTION CORNER OR QUARTER CORNER AS NOTED.
- FOUND AND ACCEPTED 3/4" IRON PIPE TAGGED L.S. 5277, DEPTH AS NOTED.
- () INDICATES RECORD DATA AS SHOWN ON OR CALCULATED FROM THE MAP OF TRACT NO. 5063, "THE SUMMIT VII" RECORDED IN VOLUME 65 OF PLATS AT PAGES 89 THROUGH 90, FRESNO COUNTY RECORDS.
- [] INDICATES RECORD DATA PER TRACT NO. 4984, "THE SUMMIT V" RECORDED IN VOLUME 65 OF PLATS AT PAGES 41 THROUGH 43, FRESNO COUNTY RECORDS.
- F.C.R. FRESNO COUNTY RECORDS.
- O.R.F.C. OFFICIAL RECORDS OF FRESNO COUNTY.
- ▲ LANDSCAPE EASEMENT.
- ▲ PREVIOUSLY DEDICATED FOR PUBLIC STREET PURPOSES.
- ▨▨▨▨ INDICATES WAIVER OF DIRECT VEHICULAR ACCESS RIGHTS.
- INDICATES THE LIMITS OF THIS SUBDIVISION.

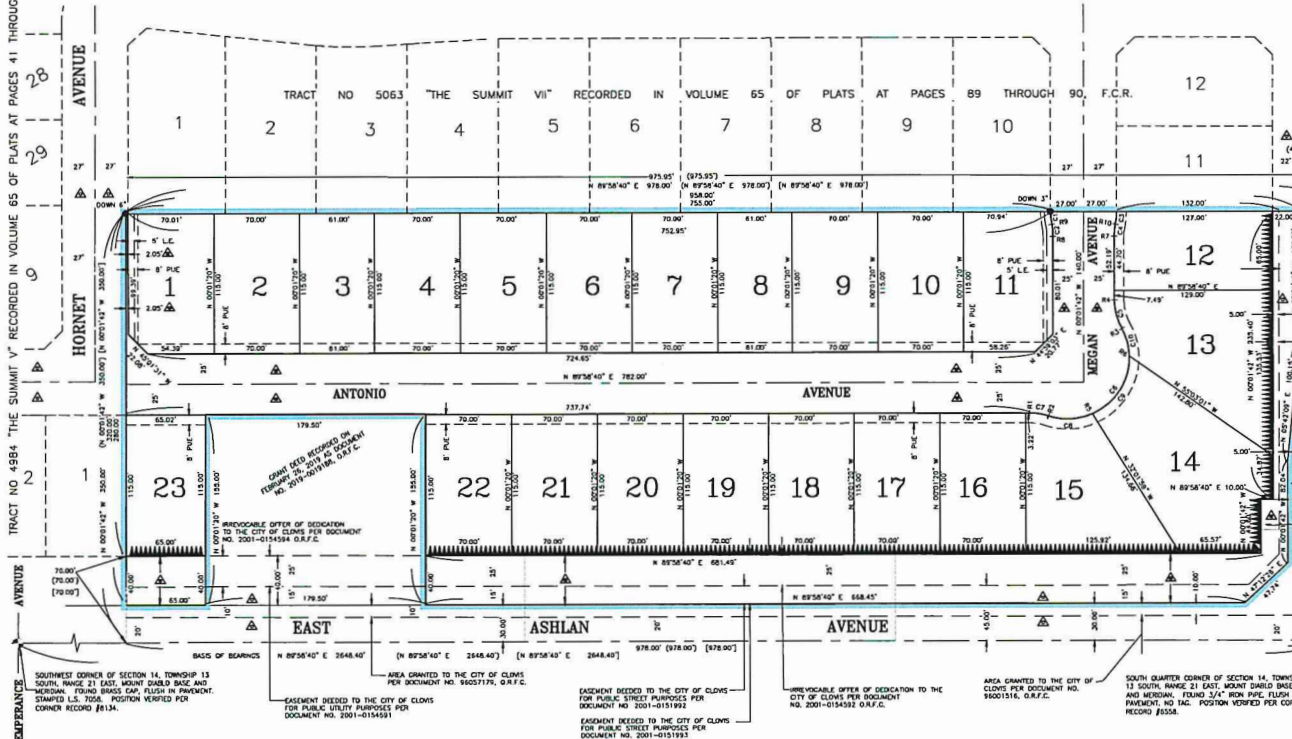
RADIAL DATA:

RADIAL NUMBER	RADIAL BEARING	RADIUS
R 1	N 03°01'20" W	50.00'
R 2	N 18°11'59" E	50.00'
R 3	S 61°36'07" W	50.00'
R 4	S 89°58'18" W	50.00'
R 5	S 23°36'47" E	50.00'
R 6	S 68°27'19" E	50.00'
R 7	S 89°58'18" W	50.00'
R 8	N 89°58'18" E	50.00'
R 9	N 78°42'59" E	50.00'
R 10	N 78°46'23" W	50.00'

CURVE DATA:

CURVE NUMBER	DELTA	RADIUS	ARC LENGTH	CHORD LENGTH
C 1	11°15'19"	54.00'	10.61'	10.59'
C 2	11°15'19"	50.00'	9.82'	9.81'
C 3	11°15'18"	54.00'	10.61'	10.58'
C 4	11°15'19"	50.00'	9.82'	9.81'
C 5	28°22'11"	50.00'	24.76'	24.51'
C 6	136°35'52"	50.00'	119.20'	92.91'
C 7	16°13'19"	50.00'	15.30'	15.83'
C 8	41°51'46"	50.00'	36.53'	35.72'
C 9	67°52'54"	50.00'	59.24'	55.83'
C 10	26°51'12"	50.00'	23.43'	23.22'

TRACT NO. 4984 "THE SUMMIT V" RECORDED IN VOLUME 65 OF PLATS AT PAGES 41 THROUGH 43, F.C.R.



IRREVOCABLE OFFER OF DONATION TO THE CITY OF CLOVIS PER DOCUMENT NO. 2001-0154583 O.R.F.C.

AREA GRANTED TO THE COUNTY OF FRESNO PER DOCUMENT RECORDED 3-8-1927 IN BOOK 782 AT PAGE 459 O.R.F.C.

AREA GRANTED TO THE CITY OF CLOVIS PER DOCUMENT NO. 96001516, O.R.F.C.

APPROXIMATE LOCATION OF PACIFIC GAS AND ELECTRIC COMPANY EASEMENT DOCUMENT NO. 2003-0141824

SOUTH QUARTER CORNER OF SECTION 14, TOWNSHIP 13 SOUTH, RANGE 21 EAST, MOUNT Diablo BASE AND MERIDIAN, FOUND 3/4" IRON PIPE, FLUSH IN PAVEMENT, NO TAG. POSITION VERIFIED PER CORNER RECORD #558.

18-021
 Harbour & Associates
 Civil Engineers
 389 CLOVIS AVENUE # 309 W. CLOVIS, CALIFORNIA 95312
 (509) 325-7878 Fax (509) 321-7898 e-mail: info@ha-engineers.com



AGENDA ITEM NO: 12

City Manager: LS

CITY of CLOVIS

REPORT TO THE CITY COUNCIL

TO: Mayor and City Council

FROM: Planning and Development Services

DATE: September 3, 2019

SUBJECT: Planning and Development Services – Approval – Res. 19-____, Annexation of Proposed Tract 6221, located at the northwest corner of Ashlan Avenue and Locan Avenue to the Landscape Maintenance District No. 1 of the City of Clovis. (Wilson Premier Homes, Inc.).

ATTACHMENTS: 1. Res. 19-____

CONFLICT OF INTEREST

None

RECOMMENDATION

For the City Council to approve Res. 19-____, that will annex proposed Tract 6221, located at the northwest corner of Ashlan Avenue and Locan Avenue, to the Landscape Maintenance District No. 1 of the City of Clovis.

EXECUTIVE SUMMARY

The owner, Wilson Premier Homes, Inc., acting as the subdivider, has requested to be annexed to the Landscape Maintenance District No. 1 of the City of Clovis as set forth by the Conditions of Approval for Tentative Tract Map 6221.

BACKGROUND

Wilson Premier Homes, Inc., the developer of Tract 6221, has executed a covenant that this development be annexed to the City of Clovis LMD No. 1. An executed copy can be provided on request. Council formed the original District on July 15, 1985, for the purpose of funding the maintenance of landscaped areas and parks.

Under the provisions of the Landscaping and Lighting Act of 1972 and in accordance with Article XIII C and Article XIII D of Proposition 218, all the owners of property proposed for annexation have provided a written request and consent to annexation and have executed a covenant (petition) indicating acceptance of the annual assessment.

FISCAL IMPACT

This project will add landscaping to the Landscape Maintenance District No. 1 of the City of Clovis shown as follows:

	<u>Tract 6221</u>	<u>Year to Date</u>
LMD Landscaping added:	0.410 acres	0.980 acres
Resource needs added:	0.0410 person	0.098 person

The resource needs estimate is based on 1 person per 10 acres of landscaped area.

REASON FOR RECOMMENDATION

The property owners for the subject tract and parcel map have requested annexation into the City of Clovis LMD No. 1.

ACTIONS FOLLOWING APPROVAL

Tract 6221 shall become a part of City of Clovis LMD No. 1 and will be assessed next year for maintenance costs.

Prepared by: Sarai Yanovsky, Civil Engineer

Reviewed by: John Holt, Assistant City Manager/City Clerk 

RESOLUTION 19-____

**A RESOLUTION OF THE COUNCIL OF THE CITY OF CLOVIS, CALIFORNIA, APPROVING
ANNEXATION TO LANDSCAPING MAINTENANCE DISTRICT NO. 1 OF THE CITY OF
CLOVIS**

WHEREAS, City of Clovis Landscape Maintenance District No. 1 ("District") was formed by Resolution No. 85-78, adopted July 15, 1985, pursuant to Part 2 of Division 15 of the Streets and Highways Code (Landscape and Lighting Act of 1972), herein the "Act"; and

WHEREAS, all of the owners of property proposed to be annexed to the District consisting of proposed Tract No. 6221, as described in Attachment "A" attached hereto and incorporated herein by reference, have consented to said annexation and such annexation may be ordered without notice and hearing or filing of engineer's report, or both.

NOW, THEREFORE, IT IS RESOLVED AND ORDERED, as follows:

1. That the public interest and convenience require that certain property described in Exhibit "A" attached hereto and by reference incorporated herein be annexed into Landscape Maintenance District No. 1 of the City of Clovis for the maintenance and servicing of landscaping facilities.

2. The City Clerk shall receive and file the maps showing the boundaries of the areas annexed as set forth in Exhibit "A" which boundaries shall be used for assessment proceedings until and unless a change of organization is approved pursuant to the Act.

* * * * *

The foregoing resolution was introduced and adopted at a regular meeting of the City Council of the City of Clovis held on September 3, 2019, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

DATED:

Mayor

City Clerk

Attachment "A"

LOTS 1 THROUGH 23, INCLUSIVE, OF TRACT MAP 6221, RECORDED IN VOLUME _____, PAGES _____ THROUGH _____ OF PLATS, FRESNO COUNTY RECORDS



AGENDA ITEM NO: 13

City Manager: LS

CITY of CLOVIS

REPORT TO THE CITY COUNCIL

TO: Mayor and City Council

FROM: Public Utilities Department

DATE: September 3, 2019

SUBJECT: Public Utilities – Approval – Waive formal bidding requirements and authorize entering into a contract with Golden Bell Products, Inc. for insect control in sanitary sewer manholes.

CONFLICT OF INTEREST

None.

RECOMMENDATION

For the City Council to waive the City's formal bidding procedures and authorize entering into a service agreement with Golden Bell Products, Inc. in the amount of \$75,900 to apply insect control to approximately 3,300 sanitary sewer manholes within the City of Clovis.

EXECUTIVE SUMMARY

This year's Wastewater budget includes funds to provide insect control to approximately 3,300 sewer manholes, which is roughly half of the sanitary sewer manholes within the City. Golden Bell Products has the sole source right for distribution and application of Insecta, an EPA-approved and registered product, within the State of California. The application of Insecta is guaranteed for two (2) full years from the date of treatment. In 2016, Golden Bell Products treated every sanitary sewer manhole in the City. In 2018, half of the City was treated, leaving the remaining half to be completed this year.

BACKGROUND

Wastewater maintenance staff have noticed an increase in cockroach population in the City's sanitary sewer system over the last several years. Insect activity is detected during routine sewer line cleaning and in response to resident complaints. Wastewater staff actively treat isolated infested sections; however, the treatment provided by Golden Bell Products is system-wide and has a longer lasting residual in comparison to any product used historically by the Wastewater section staff.

FISCAL IMPACT

Sufficient funds were included in the 2019-20 Wastewater operations and maintenance budget to provide insect control in approximately half of the sanitary sewer manholes within the City. The service agreement will not exceed the budgeted amount.

REASON FOR RECOMMENDATION

Insecta is the product which Golden Bell Products, Inc. applies to sewer manholes for insect control. Insecta is the only registered product of its type and active ingredient labeled for use in sewer manholes. The product is a formulated product and is produced in an EPA-approved establishment. Golden Bell Products has used Insecta in 60 other cities and sanitation agencies in California. Golden Bell Products holds a Qualified Applicator License and is licensed by the California Agricultural Department of Pesticide Regulation. The Public Utilities Department Wastewater section has previously worked with Golden Bell Products, Inc. and has experienced the superior performance of Insecta.

ACTIONS FOLLOWING APPROVAL

1. The contract will be prepared and executed, subject to receiving performance security that is satisfactory to the City.
2. Maintenance will begin in October and is expected to take approximately two (2) weeks to complete.

Prepared by: Paul Armendariz, Assistant Public Utilities Director

Reviewed by: John Holt, Assistant City Manager/City Clerk 



AGENDA ITEM NO: 14

City Manager: LS

CITY of CLOVIS

REPORT TO THE CITY COUNCIL

TO: Mayor and City Council

FROM: Public Utilities Department

DATE: September 3, 2019

SUBJECT: Public Utilities – Approval – Waive formal bidding requirements and authorize the purchase of a Hybrid vehicle from Future Ford of Clovis; and Approval – Res. 19-____, Authorize the Submittal of a Grant Application under the SJVAPCD Public Benefit Grant Program and Authorize the City Manager to be the Contract Authority.

ATTACHMENTS: 1. Res. 19-____

CONFLICT OF INTEREST

None.

RECOMMENDATION

1. For the City Council to waive the City's formal bidding requirements and authorize the purchase of an electric hybrid vehicle from Future Ford of Clovis; and
2. For the City Council to approve a resolution authorizing the submittal of a grant application under the San Joaquin Valley Air Pollution Control District (SJVAPCD) Public Benefit Grant Program and authorize the City Manager to be the contract authority.

EXECUTIVE SUMMARY

The San Joaquin Valley Air Pollution Control District currently has a grant opportunity available called the Public Benefit Grant Program. The purpose of the program is to fund the purchase of new electric, hybrid, or alternative fuel vehicles which will provide a direct benefit to Valley residents. The City is eligible under the program to purchase a vehicle at a maximum grant of \$20,000 per vehicle. The program terms require that the City provide a resolution from the Council authorizing the submittal of the application and identifying the individual authorized to implement the new vehicle project.

Funds were included in this year's Fleet Capital Acquisition budget to purchase a new vehicle for the Utilities Section's technical and administration staff. The new hybrid vehicle will be purchased locally from Future Ford of Clovis and will replace a 12-year-old, gas-only sedan.

BACKGROUND

The program criteria requires that an eligible agency may purchase electric, hybrid, or alternative fuel vehicles with gross vehicle weight ratings of 14,000 pounds or less. The agency must have access to charging or fueling infrastructure and they must be based and have at least 75% of the vehicle miles traveled within the Valley Air District. The contract term will be for three (3) years and the City is required to maintain replacement value insurance, submit annual reports, and properly maintain the vehicle.

FISCAL IMPACT

Obtaining a grant under this program greatly reduces the cost of acquiring the vehicle. The total cost of the Ford Fusion hybrid is \$36,732.08. Applying the \$20,000 grant funding available will reduce the amount being paid from the Fleet Capital budget to \$16,732.08.

Sufficient funds were included in the 2019-20 Fleet Capital budget and the user section, Utilities - Water, has accumulated the necessary funds to purchase the replacement vehicle.

REASON FOR RECOMMENDATION

This grant will allow the City to purchase a needed replacement vehicle at a reduced cost. Staff has evaluated the available equipment and has determined that the proposed equipment will meet the Utilities Section's needs.

ACTIONS FOLLOWING APPROVAL

A purchase order will be prepared for the City Manager's approval and sent to the vendor following the execution of an agreement with SJVAPCD securing the grant funding.

Prepared by: Paul Armendariz, Assistant Public Utilities Director

Reviewed by: John Holt, Assistant City Manager/City Clerk 

RESOLUTION 19-__

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CLOVIS
APPROVING AND AUTHORIZING TO MAKE APPLICATION FOR AND TO SIGN
CERTAIN ASSURANCES WITH RESPECT TO APPLICATIONS FOR LOCAL, STATE AND
FEDERAL PROGRAMS, PROJECTS OR GRANTS**

WHEREAS, Several Local, State and Federal programs allow public and non-profit transportation providers to apply for administration, capital, and operation assistance programs or grants; and

WHEREAS, the San Joaquin Valley Air Pollution District has a Public Benefit Grant Program with the objective of funding the purchase of new electric, hybrid, or alternative fuel vehicles which will provide a direct benefit to Valley residents; and

WHEREAS, City of Clovis City Council must authorize someone by resolution, as the “Authorized Individual” to make application and administer the Public Benefit Grant Program.

NOW, THEREFORE, BE IT RESOLVED, that the City of Clovis Council hereby authorizes the City Manager, or his designee, to make application for, to sign required assurances, and to administer the Public Benefit Grant Program with respect to applications for Local, State and Federal programs, projects or grants.

* * * * *

The foregoing resolution was introduced and adopted at a regular meeting of the City Council of the City of Clovis held on September 3, 2019 by the following vote, to wit.

AYES:
NOES:
ABSENT:
ABSTAIN:

DATED:

Mayor

City Clerk

ATTACHMENT 1



CITY of CLOVIS

REPORT TO THE CITY COUNCIL

TO: Mayor and City Council
FROM: Administration
DATE: September 3, 2019
SUBJECT: Consider Approval – Res. 19-___, A Request from the 500 Club located at 771 W. Shaw Avenue to Amend the License Fees for Gaming Clubs and Card Rooms in the City.

Staff: John Holt, Assistant City Manager

Recommendation: Approve

ATTACHMENTS:

1. Letter from 500 Club Requesting City Reconsider the Current Card Room License Fee Schedule
2. January 8, 2018 Staff Report on 500 Club
3. Minutes from the January 8, 2018 meeting
4. Resolution 18-07 Approved January 8, 2018
5. Draft Resolution Amending Fee Schedule

CONFLICT OF INTEREST

None.

RECOMMENDATION

For the City Council to approve a request from the owners of the 500 Club Card Room, located at 771 W. Shaw Avenue, to amend the current card room license fee schedule.

EXECUTIVE SUMMARY

Staff is in receipt of a request from the owners of the 500 Club to amend the current card room license fee schedule approved by City Council in January 2018 (Attachment 1). In January 2018 the City Council approved a request to approve the transfer of the 500 Club Card Room License from Louis Sarantos to K & M Casinos, Inc. (see Attachment 2). That same night Council approved a resolution setting license fees for Gaming Clubs and Card Rooms in the City (see Attachment 4). The current fee schedule is 6.25% of revenues in year 1, 8.0% in year two, and 10.0% thereafter. The 500 Club is proposing to pay the City

\$2,750 per table monthly fee, which would generate \$660,000 per year based on the current ordinance for 20 card room tables.

BACKGROUND

In May 2009, Louis Sarantos ("Sarantos") made two requests of the City: (1) to purchase the entire 50% general partnership interest of George Sarantos in the Clovis 500 Club partnership; and (2) to relocate, expand, incorporate, and allow for the sale of the card room business to qualified third parties with prior State and City approval.

The proposal was before City Council in various capacities on five separate occasions between 2010 and 2012. On September 6, 2011, the Council approved necessary ordinance amendments and land use approvals for the expansion, including: Ordinance Amendment OA2011-03, which amended the City's Card Room Ordinance to authorize 18 tables, as permitted by the California Gambling Control Act, and made other technical changes; OA2011-02, which amended Section 9.3.215.1 of the Clovis Municipal Code to add card rooms as a permitted use in the C-2 (Community Commercial) Zone District; and Site Plan Review SPR2011-06, which allowed for modifications to the structure and property site to accommodate the card room operation.

The City of Clovis currently has a single card room governed by Chapter 5.6 of the Clovis Municipal Code regarding Gaming Club and Card Room Regulations in the City of Clovis ("Card Room Ordinance"). Local licensing and regulation of gaming is in addition to, and in compliance with, regulations set forth by the California Gambling Control Act. Sarantos submitted an application to the California Gambling Control Commission (CGCC) for purposes of obtaining a license to operate 18 tables that was approved by the CGCC in May 2012, and the new location became operational in June 2012.

In January 2018 the City Council approved a request to transfer the 500 Club Card Room License from Louis Sarantos to K & M Casinos, Inc. (see Attachment 2). That same night Council approved a resolution setting license fees for Gaming Clubs and Card Rooms in the City (see Attachment 4). The current fee schedule is 6.25% of revenues in year 1, 8.0% in year two, and 10.0% thereafter. K & M Casinos, Inc. is proposing to pay the City \$2,750 per table monthly fee, which would generate \$660,000 per year based on the current ordinance for 20 card room tables. K & M Casinos, Inc. is currently operating 20 tables with City Council approving an additional 2 tables earlier this year (20 tables multiplied by \$2,750 multiplied by 12 months = \$660,000).

FISCAL IMPACT

The 500 Club opened up in June 2012 at its current location on Shaw Avenue.

	REVENUES	FEES PAID	Monthly Avg.
2012-13	\$ 5,216,500	\$ 350,487	\$ 29,207
2013-14	\$ 6,453,393	\$ 436,805	\$ 36,400
2014-15	\$ 6,704,814	\$ 459,433	\$ 38,286
2015-16	\$ 6,216,869	\$ 420,927	\$ 35,077
2016-17	\$ 5,874,467	\$ 384,702	\$ 32,059
2017-18	\$ 5,647,555	\$ 364,280	\$ 30,357
2018-19	\$ 5,992,323	\$ 327,588	\$ 27,299
Average	\$ 6,015,132	\$ 392,032	\$ 32,669

The table above shows the revenues and fees paid the City by fiscal year 2012 through 2019. Average revenues were slightly above six million dollars, and fees paid the City averaged slightly less than four hundred thousand. The monthly average revenue over the entire term is \$32,669 (\$392,032 divided by 12 months).

The following 4 comparisons are snapshots of what could occur based on how the 500 Club performs over the next 5 years.

Comparison 1 – NEUTRAL - Current Fee Schedule vs. Proposal using \$39,601 Monthly Average:

K & M Casinos, Inc. has operated the 500 Club since March 2019. The four month average for the 500 Club operated under K & M Casinos, Inc. has been \$39,601. As previously mentioned the current fee schedule is 6.25% of revenues in year 1, 8.0% in year two, and 10.0% thereafter. K & M Casinos, Inc. contends that the 10.0% fee disincentivizes them from investing in marketing and expansion. In order to compare the current ordinance and what K & M Casinos, Inc. is proposing, staff compared what may happen under the current fee schedule with what is being proposed.

Forecast under current resolution using \$39,601 average last 4 months:				
	Current Fee Schedule	Annual Revenues	K & M Proposal	Comparison
Year 1 @ 6.25%	\$ 475,214	\$ 7,603,426	\$ 595,738	
Year 2 @ 8.0%	\$ 608,274	\$ 7,603,426	\$ 660,000	
Year 3 @ 10.0%	\$ 760,343	\$ 7,603,426	\$ 660,000	
Year 4 @ 10.0%	\$ 760,343	\$ 7,603,426	\$ 660,000	
Year 5 @ 10.0%	\$ 760,343	\$ 7,603,426	\$ 660,000	
	\$ 3,364,516		\$ 3,235,738	\$ (128,778)

The table above forecasts revenues using the first 4 months under the operation of K & M. This forecast uses the \$39,601 average monthly and forecast over the next five years. In Year 1 at 6.25% staff estimates revenues would be \$475,214 to the City. Similarly in year 2 at 8.0% staff estimates revenues would be \$608,274 to the City. And finally in year 3, and thereafter, at 10% the City would receive \$760,343. The (\$128,778) represents the amount of lost revenue the City would receive over a 5 year term comparing the current fee structure versus what is being proposed by K & M (\$660,000) – again this takes the 4 month average and extrapolates over a 5 year term with no escalator. If K & M were able to increase the monthly average, the (\$128,778) would be a larger number.

Comparison 2 – PESSIMISTIC - Current Fee Schedule vs. Proposal using \$32,669 Monthly Average:

Forecast under current resolution using \$32,669 overall average:				
	Current Fee Schedule	Annual Revenues	K & M Proposal	Comparison
Year 1 @ 6.25%	\$ 392,032	\$ 6,272,512	\$ 595,738	
Year 2 @ 8.0%	\$ 501,801	\$ 6,272,512	\$ 660,000	
Year 3 @ 10.0%	\$ 627,251	\$ 6,272,512	\$ 660,000	
Year 4 @ 10.0%	\$ 627,251	\$ 6,272,512	\$ 660,000	
Year 5 @ 10.0%	\$ 627,251	\$ 6,272,512	\$ 660,000	
	\$ 2,775,587		\$ 3,235,738	\$ 460,151

The table above forecasts revenues using the overall historical monthly average of \$32,669. This forecast uses the \$32,669 monthly average and forecast over the next five years. The \$460,151 represents the amount of additional revenue the City would receive over a 5 year term comparing the current fee structure versus what is being proposed by K & M (\$660,000) – again this takes the \$32,669 monthly average and extrapolates over a 5 year term with no escalator.

Comparison 3 – PESSIMISTIC WITH ESCALATOR - Current Fee Schedule vs. Proposal using \$32,669 Monthly Average with a 5 year escalator of 5% per year:

Forecast under current resolution using \$32,669 overall average with a 5% escalator:				
	Current Fee Schedule	Annual Revenues	K & M Proposal	Comparison
Year 1 @ 6.25%	\$ 392,032	\$ 6,272,512	\$ 595,738	
Year 2 @ 8.0%	\$ 526,891	\$ 6,586,138	\$ 660,000	
Year 3 @ 10.0%	\$ 691,544	\$ 6,915,445	\$ 660,000	
Year 4 @ 10.0%	\$ 726,122	\$ 7,261,217	\$ 660,000	
Year 5 @ 10.0%	\$ 762,428	\$ 7,624,278	\$ 660,000	
	\$ 3,099,017		\$ 3,235,738	\$ 136,721

In Comparison 3, staff uses the overall monthly average of \$32,669 and extrapolates over the next five years with a 5% escalator and compares it with what K & M is proposing. In this example the City would receive \$3,099,017 under the current fee structure, but would receive \$3,235,738 under the proposed K & M formula, meaning \$136,721 greater than the current fee schedule.

Comparison 4 – OPTMISTIC - Current Fee Schedule vs. Proposal using \$39,601 monthly average with a 5 year escalator of 5% per year:

Forecast under current resolution using \$39,601 overall average with a 5% escalator:				
	Current Fee Schedule	Annual Revenues	K & M Proposal	Comparison
Year 1 @ 6.25%	\$ 475,214	\$ 7,603,426	\$ 595,738	
Year 2 @ 8.0%	\$ 638,688	\$ 7,983,597	\$ 660,000	
Year 3 @ 10.0%	\$ 838,278	\$ 8,382,777	\$ 660,000	
Year 4 @ 10.0%	\$ 880,192	\$ 8,801,916	\$ 660,000	
Year 5 @ 10.0%	\$ 924,201	\$ 9,242,011	\$ 660,000	
	\$ 3,756,572		\$ 3,235,738	\$ (520,834)

In Comparison 4, staff uses the overall monthly average of \$39,601 and extrapolates over the next five years with a 5% escalator and compares it with what K & M is proposing. In this example the City would receive \$3,756,572 under the current fee structure, but would receive

\$3,235,738 under the proposed K & M formula, meaning \$520,834 less than the current fee schedule.

There are upsides and downsides of keeping the current fee schedule versus implementing what K & M is proposing. The upside for the City of implementing the proposal is a guaranteed \$660,000 per year and no need to audit. K & M would be obligated to pay that amount. Under the current fee schedule, if the economy were to slow and revenues were to decline, the City could see a reduction in fees paid the City. It should be noted that the proposal to pay the City \$660,000 averages \$55,000 per month, compared to the overall average of \$32,669, and the 4 month average under K & M of \$39,601.

The downside would be if K & M performs much better than the prior owners, the City would lose out on 10% of that increased number as demonstrated in the comparisons above. Staff recommends that if the City Council were open to consider the proposal, that a five year window be put in place to allow renegotiation, otherwise the 10% fee structure would revert in 2024.

REASON FOR RECOMMENDATION

Staff is recommending City Council approve the request to amend the Card Room License Fee from the current to the proposed flat fee of 20 tables multiplied by \$2,750 multiplied by 12 months = \$660,000 total. A vote in favor of the proposal is a conservative approach to guarantee a fixed income for 5 years which is significantly higher than what the City has received in the past and near term. A fixed amount transfers some of the risk to the 500 Club to perform better than their predecessors.

A vote in opposition is a vote in support that K & M will surpass current sales over the next 5 years and the City will benefit from 10% of those additional sales. The proposed \$660,000 annual fee is 11% of the \$6,000,000 average revenues for the 500 Club from 2012 – 2019.

ACTIONS FOLLOWING APPROVAL

Staff will implement Council direction.

Prepared by: John Holt, Assistant City Manager

Reviewed by: John Holt, Assistant City Manager/City Clerk 

J. Blonien APLC
1121 L St., Suite 105
Sacramento, CA 95814
916-441-4242
Jarhett@Jblonien.com

Luke Serpa,
City Manager
City of Clovis
1033 Fifth Street
Clovis, CA 93612

August 21, 2019

VIA Email

RE: Amendment to Cardroom Fee Structure to the City of Clovis

Dear Mr. Serpa,

On behalf of my client, the 500 Club I would like to propose an amendment to the fee structure paid by the 500 Club to the City of Clovis. Since 2013, the City of Clovis has received an average of roughly \$29,000 per month, and since K&M has taken over operations that number has climbed to roughly \$39,000 per month.

The current fee schedule based on the gross revenue of the gambling establishment unduly burdens the business as it discourages certain costs, which affect the top line revenue numbers. These costs are advertising, marketing, consulting, technology, staff, and player tracking. In addition, the business faces an increase of a million a year in cost over the next 3 years with rising of minimum wage. The current fee schedule hinders the business's ability to increase the net revenue since the casino is paying a tax based on gross income. While the city current fee structure excludes certain promotional revenue and food and beverage revenue, it does not accommodate for increases in revenue driven by specific promotional opportunities, such as rebates, match play and bonus chips. These promotions increase gross revenue to a disproportionate level which the current fee structure does not contemplate. For example, if the casino were to spend \$2 million in promotional activities to generate more business which then generates \$2.2 million in gross revenue, the casino would owe \$220,000 to the city. This will leave the casino with \$1,980,000, \$20,000 less from where the business started. Therefore, the casino would lose money by growing the company. At this point the casino is better off staying stagnant rather than building the business. This is the dilemma the casino now faces when trying to expand the business.

In order to simplify the fee structure and provide the City and the 500 Club operational certainty, the 500 Club suggests that the City strongly consider amending the fee structure to a monthly flat fee per table. The 500 Club proposes a \$2,750 per table monthly fee,

which would generate \$656,000 per year based on the current ordinance for 20 tables. The casino will pay this amount per table based on the total number allowed in the city, regardless of how many tables are in operation in the facility. This flat fee would create a stable stream of revenue for the City, and would help all parties with budgeting and planning for the future.

In addition, this simplified flat fee would save all parties significant accounting and auditing fees. We would also suggest based on business changes, we sit down with the city in 5 years to review and adjust as needed.

The table below provides examples of how cities throughout the State of California tax and generate local revenue from cardrooms. The referenced cities reflect municipalities that have similar population sizes to the City of Clovis or allow a similar amount of card tables as what is allowed in the City of Clovis.

Cardroom taxes and fees vary significantly depending on the local municipality. Currently Clovis charges 6% of gross revenue, which grows 2% per year and tops out at 10%. At the 10% rate, Clovis will be among the highest gross percentage rates in the State. However, there are cities, such as Sacramento or Bakersfield, that do not impose special taxes specific to cardrooms. These cardrooms are subject to the normal city-wide taxes applied to all businesses within that municipality.

The more common municipal tax imposed on cardrooms is a "table tax." As the name indicates, the tax or fee is assessed based on the number of tables that the cardroom has in operation. Other cities that impose a table tax include Sacramento, Citrus Heights, Chula Vista, San Rafael, Santa Cruz, San Diego, and Paso Robles.

More recently, cities have imposed gross receipts taxes on cardrooms. For example, American Canyon, Antioch, Rancho Cordova, Turlock. utilize a gross receipts tax-at varying levels-on their cardrooms. In considering the implementation of a gross receipts tax, cities use a "phased" approach so that the cardroom, whether new or already in operation, can gradually adapt its business plan to the financial implications of such a tax. Similar to the Clovis tax, for purposes of calculating gross receipts of a cardroom, cities do not include promotional chips given to patrons as "gross revenue" and also allows for several other business expense deductions from that number to make it more palatable.

City Taxes & Fees for California Cardrooms

City	Maximum Tables Allowed in City	Cardroom Venue (Permitted Tables)	Fees and Taxes
	12 tables		

American Canyon		Napa Valley Casino (12 tables)	Fees: \$500/annually, plus an additional permit fee of \$200/annually per table (§ 5.12.050) Gross Receipts Tax: 3% of gross receipts (§ 5.12.250)
Antioch	6 tables	Nineteenth Hole (5 tables)	Application Fee: \$3,000 Regulation Fee: \$740 per table/year (§ 5-4.06) Business License Tax: the lesser of \$260/card table or annual gross receipts tax (§ 3-1.212) <ul style="list-style-type: none"> • \$0 - \$20,000 = \$100 • \$20,001 - \$1,000,000 = \$1.25/\$1,000 of gross receipts • over \$1,000,001 = \$1,250 plus \$0.20/\$1,000 of gross receipts over \$1,000,000 (§ 3-1.201)
Atascadero	6 tables	Outlaws Card Parlor (5 tables)	Annual License Fee: \$225 (§ 3-5.105)
Chico	8 tables (15 in city)	Casino 99 (8 tables) Casino Chico (7 tables)	License Tax: \$4/table (§ 3.32.320) License Fee: <ul style="list-style-type: none"> • July – September = \$653.50 first table + \$130.50 each additional table • October – December = \$490.50 first table + \$98 each additional table • January – March = \$327 first table + \$65.50 each addition table • April – June = \$163.50 first table + \$32.50 each additional table
Citrus Heights	17 tables	Tavern at Stones Gambling Hall (17 tables) Saloon at Stones Gambling Hall (17 tables)	Quarterly Table Tax: \$225 per table plus \$15 admin fee per cardroom Application Fee: \$125 License Fee: \$204 for new business license and \$125 for renewal of business license

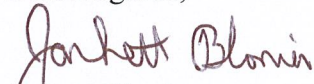
Folsom	9 tables	Lake Bowl Cardroom (6 tables)	License Fee: Established by city resolution Gross Receipts Tax: <ul style="list-style-type: none"> • \$0 - \$99,999 = \$40 • \$100,000 - \$ 899,999 = \$125 • \$900,000 - \$5,099,999 = \$250 • \$5,100,000 - \$10,899,999 = \$500 • \$10,900,000 - \$25,099,999 = \$1,000 • \$25,100,000 or more = \$100 +.05/\$1,000 GR
Livermore	One table per 5,000 residents	Livermore Casino (9 tables) Parkwest Casino (10 tables)	License Fee: \$200 per table Gross Receipts Tax: (approximately) <ul style="list-style-type: none"> • \$0 - \$1,000,000 = \$80 - \$800 • \$1,000,000 - \$2,000,000 = \$1,600 • \$2,000,000 - \$3,000,000 = \$2,400 • \$3,000,000 - \$4,000,000 = \$3,200 • \$4,000,000 - \$5,000,000 = \$4,000
Napa	5 tables	Hemphill's Card Room & Lounge (5 tables)	License Fee: \$500.00 per year per table (§ 5.16.020)
Paso Robles	6 tables	Paso Robles Central Coast Casino (6 tables)	Application Fee: unknown (5.08.030) Table Tax: <ul style="list-style-type: none"> • First four tables = \$120 • Additional table = \$20
Petaluma	Max 18 tables	Parkwest Casino Sonoma – 18 (open 24 hours)	Permit Fee: \$180/table every year Business Certificate Tax: <ul style="list-style-type: none"> • First year tax: \$49 through end of calendar year • After: 0.016% of total gross receipts OR \$45, whichever is higher
		Parkwest Casino	

Rancho Cordova	Max 11 tables	(11 tables) Magnolia House (9 tables)	Fee: A table fee based on cost of city enforcement and administration (§ 4.22.100) Cardroom Tax: 2% of annual gross revenues in initial year; thereafter, 3% each year up to \$5,000,000, and 4% on revenues over \$5,000,000. (§ 3.90.040)
Redding	25 tables	Casino Club (5 tables)	License Application Fee: \$806 Annual Table Fee: \$325 per table Permit Fee: \$41 (new) and \$24 (renewal) Annual License Fee: \$50 per year, plus \$80 per year for each of the first 4 employees, plus \$4 per year for each employee in excess of 4
San Diego	22 tables	Lucky Lady Card Room (11 tables)	Table Tax: <ul style="list-style-type: none"> • 1 table = \$2,733 • 2 tables = \$5,466 • 3 tables = \$8,199 • 4 tables = \$10,932 • 5 tables = \$13,665 • 6 tables = \$16,398 • 7 tables = \$19,131 • 8 tables = \$ 21,864 • 9 tables = \$24,597 • 10 tables = \$27,330 • 11 tables = \$30,063
San Rafael	None	Club San Rafael (4 tables)	Business Tax: \$355/year for tables seating 4 or less; \$440/year for tables seating more than 4
Santa Cruz	4 tables	Oceanview Casino (4 tables)	Business License Tax: annual fee of \$145.15 + \$4.95 per employee Special Business License Tax: annual fee of \$76.90 per card table

Turlock	14 tables	Turlock Poker Room (14 tables)	<p>Monthly Permit Fee:</p> <ul style="list-style-type: none"> • 1% of gross revenue permittee receives from card room operations for the first year • 2% of gross revenue permittee receives from card room operations for the second year • 3% of gross revenue permittee receives from card room operations for the third year and every year thereafter <p>Table Fee: if more than 12 tables in operation, permittee shall pay 0.6% of the gross revenue the permittee receives from the card room operations.</p>

The 500 Club is eager to discuss the proposed amendment to the current cardroom fee structure, and continue its partnership with the City of Clovis. Thank you for your attention to this matter and please feel free to contact me should you have any questions.

Best Regards,


Jarhett Blonien



CITY of CLOVIS

REPORT TO THE CITY COUNCIL

TO: Mayor and City Council

FROM: Administration

DATE: January 8, 2018

SUBJECT: Consider Various Actions associated with the Clovis 500 Club card room located at 771 W. Shaw Avenue:

- a. Consider Approval – Res. 18-___, A Request to approve the transfer of the 500 Club Card Room License from Louis Sarantos to K & M Casinos, Inc.
- b. Consider Approval – Res. 18-___, Setting License Fees for Gaming Clubs and Card Rooms in the City.

- ATTACHMENTS:
- A. Res. 18-___ - To approve the transfer of the 500 Club Card Room License from Louis Sarantos to K & M Casinos, Inc.
 - B. Res. 18-___ - Setting License Fees from Gaming Clubs and Card Rooms in the City.
 - C. September 13, 2010 Council Report (less Attachments).
 - D. September 6, 2011 Council Report (less Attachments).
 - E. May 21, 2012 Council Report (less Attachments).
 - F. Letter from Seller dated December 22, 2017.

CONFLICT OF INTEREST

None

RECOMMENDATION

For the City Council to approve:

- a. The transfer of the 500 Club Card Room License from Louis Sarantos to K & M Casinos, Inc. and;

Attachment 2

- b. Approve a resolution setting License Fees from Gaming Clubs and Card Rooms in the City.

EXECUTIVE SUMMARY

Staff is in receipt of a request from letter from James Betts, representing Louis Sarantos, owner of the 500 Club at 771 W. Shaw Avenue requesting "...the City of Clovis take all necessary action to approve the sale of the 500 Club Casino, 771 W. Shaw Avenue, Clovis, California, to buyers Michael LeBlanc and Kevin Barclay."

The Sarantos family began renting the 500 Club building, at 500 Clovis Ave., in 1953. In 1974, Louis and George Sarantos bought the club from their parents and formed a partnership. In May 2009, Louis Sarantos approached the City about the possibility of expanding and relocating to the current location of 771 W. Shaw Avenue. 500 Clovis Avenue remains open as a bar and grill but there is no gaming at that location. In mid-2012, the 500 Club opened up on Shaw Avenue expanding from six tables at the old location to 18 tables at the new location. The 500 Club pays the City a license fee based upon a percentage of the gross gaming revenue. At the old location the City received approximately \$20,000 per year in license fees. At the new location, the City has averaged approximately \$420,000 per fiscal year in license fees paid to the City over the past five years. In November 2017, Louis Sarantos approached the City requesting the City approve the sale of the Clovis 500 Club License to K & M Casinos, Inc. Staff is also recommending an update to the license fees.

BACKGROUND

In May 2009, Louis Sarantos ("Sarantos") made two requests of the City: (1) to purchase the entire 50% general partnership interest of George Sarantos in the Clovis 500 Club partnership; and (2) to relocate, expand, incorporate, and allow for the sale of the card room business to qualified third parties with prior State and City approval.

The proposal was before City Council in various capacities on five separate occasions between 2010 and 2012. On September 6, 2011, the Council approved necessary ordinance amendments and land use approvals for the expansion, including: Ordinance Amendment OA2011-03, which amended the City's Card Room Ordinance to authorize 18 tables, as permitted by the California Gambling Control Act, and made other technical changes; OA2011-02, which amended Section 9.3.215.1 of the Clovis Municipal Code to add card rooms as a permitted use in the C-2 (Community Commercial) Zone District; and Site Plan Review SPR2011-06, which allowed for modifications to the structure and property site to accommodate the card room operation.

The City of Clovis currently has a single card room governed by Chapter 5.6 of the Clovis Municipal Code regarding Gaming Club and Card Room Regulations in the City of Clovis ("Card Room Ordinance"). Local licensing and regulation of gaming is in addition to, and in compliance with, regulations set forth by the California Gambling Control Act. Sarantos submitted an application to the California Gambling Control Commission (CGCC) for

purposes of obtaining a license to operate 18 tables that was approved by the CGCC in May 2012, and the new location became operational in June 2012.

In order for Sarantos to transfer the License, the application must be approved by the CGCC and a License must be issued by the City of Clovis. Approval of this action will provide Sarantos the ability to transfer the license in accordance with Chapter 5.6 of the Clovis Municipal Code. Approval of the transfer of the License is contingent on approval from the CGCC, and subject to the conditions set forth in the Exhibit A of Attachment "A" ("K & M Casinos License").

Between 2009 and 2011, staff developed the current ordinance to ensure that it had measures in place that could be implemented should the operation of the gaming establishment cause an increase in calls for service. The Police Department reports that the calls for service over the past five years have been minimal and that the business has been managed in a professional manner. The Clovis Police Department has performed background checks on the principals of buyers, and performed other due diligence in evaluating whether the Council should approve transfer of the License; and the Police Chief and City Administration recommend approval of the proposed transfer.

FISCAL IMPACT

When setting license fees in 2010, the overall goal was to ensure that a sufficient revenue stream was generated for the City to more than cover the cost of additional services being required to support the operation of the expanded card room at the new location.

The current fee schedule charges the card room both a fixed amount of \$2,000 per table per year and a graduated scale of the percentage of gross revenue beginning with 3% and climbing to 9% in year 7 for gross revenues over \$2M. This fee schedule allowed the business to become established in the early years and when established allowed the City to benefit in a commensurate fashion. The analysis completed in 2010 showed three scenarios to give the Council an idea of what could happen. Scenario 3 was quite aggressive and began sales in year 1 at \$5.0M with license fees estimated at \$460K per year. Year 1 (2012/13) actual performance paid the City of Clovis over \$500K and has averaged approximately \$415K over the last five years.

Staff is recommending changing the License fee to a straight 10% of Gross Revenue as defined in Exhibit "A" of Attachment "B". The effective average rate was 6.25%. Staff estimates that the difference between the effective average rate of 6.25% and the recommended straight 10% of Gross Revenue will generate an additional \$250K per year for the City. It was always the intent to revisit the license fee in the future and when and if the 500 Club were sold.

The table below is from the City of Fresno Master Fee Schedule dated November 2016. Fresno City Staff indicate that the Club One Casino is the only card room in the City of Fresno and paid the City approximately \$1.0M. The \$1.0M annual License fee equates to

approximately \$835K per month in Monthly Gross Revenue which equates to an average rate of 10% Club One Casino paying the City of Fresno.

Card Room Gross Revenue Permit Fee (FMC 9-2132)


<u>Monthly Gross Revenue</u>	<u>Monthly</u>
\$0 - 800,000	9%
\$800,001 - 1,000,000	10%
\$1,000,001 - 1,200,000	11%
\$1,200,001 - 1,400,000	12%
\$1,400,001+	13%

REASON FOR RECOMMENDATION

Staff is recommending approval of the request to transfer the License to K & M Casinos, Inc. based on the background results of the buyers and is conditioned upon approval by the CGCC. Staff spent three years (2009 – 2011) developing an ordinance to ensure that the sole card room in the City of Clovis will be managed in a fashion beneficial to both the operator and the City of Clovis. A well-crafted Ordinance is in effect, the seller has run a successful operation at the current location, and the gaming industry is heavily regulated by the CGCC.

ACTIONS FOLLOWING APPROVAL

If approved, staff will issue the License, monitor operations, and report back to Council on an as needed basis.

Submitted by: John Holt, Assistant City Manager 

RESOLUTION 18-__

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CLOVIS
APPROVING TRANSFER OF THE CLOVIS 500 CLUB CARD ROOM LICENSE
FROM LOUIS SARANTOS TO K & M CASINOS, INC.**

WHEREAS, on May 21, 2012, the City Council approved a Card Room License to Louis Sarantos for the Clovis 500 Club, pursuant to the provisions of Chapter 5.6 of the Clovis Municipal Code (“Sarantos License”); and

WHEREAS, the License accommodated the relocation and expansion of an existing State licensed gaming establishment in the City, as reflected in the record of proceedings; and

WHEREAS, the owner of the Clovis 500 Club, Louis G. Sarantos, a sole proprietorship (“Seller”) desires to sell and transfer the License, and associated assets, to K & M Casinos, Inc., a California Corporation (“Buyer”); and

WHEREAS, Section 5.6.25 of the Clovis Municipal Code permits transfer of the License with approval of the City Council; and

WHEREAS, the Clovis Police Department has performed background checks on the principals of Buyer, and performed other due diligence in evaluating whether the Council should approve transfer of the License; and

WHEREAS, the Police Chief and City Administration recommend approval of the proposed transfer, contingent on approval from the California Gambling Control Commission, and subject to the conditions set forth in the **Exhibit A** (“K & M Casinos License”).

NOW, THEREFORE, the Council resolves as follows:

1. Approves transfer of the Sarantos License to K & M Casinos, Inc., subject to the terms and conditions set forth in **Exhibit A**.
2. The transfer shall be contingent upon obtaining all necessary approvals from the California Gambling Control Commission.
3. K & M Casinos, Inc. shall acknowledge, accept, and agree to the License conditions set forth in **Exhibit A**.

The foregoing resolution was introduced and adopted at a regular meeting of the City Council of the City of Clovis held on January 8, 2018, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

DATED: January 8, 2018

Mayor

City Clerk

**EXHIBIT A
CARD ROOM LICENSE**

LICENSEE: **K & M CASINOS, INC.,
MICHAEL LeBLANC, PRESIDENT**

LOCATION: **CLOVIS 500 CLUB
771 WEST SHAW AVENUE
CLOVIS, CALIFORNIA 93612**

ISSUANCE DATE: JANUARY 8, 2018

In compliance with Clovis Municipal Code Chapter 5.6 - Gaming Club and Card Room Regulations and License Requirements, sections 5.6.13 and 5.6.24, the City of Clovis hereby issues a Card Room License to K & M Casinos to operate the Clovis 500 Club gaming establishment, 771 W. Shaw Avenue, subject to the following conditions:

1. Compliance with Chapter 5.6 and all Laws. Licensee shall comply with all of the terms, conditions and provisions of Chapter 5.6 of the Clovis Municipal Code pertaining to Gaming Club and Card Room Regulations and License Requirements as now enacted or as may be subsequently amended, as well as all applicable laws of the City, State and federal governments.

2. License Fees. Licensee shall pay the License fees and security deposit established by Council Resolution dated January 8, 2018. Licensee shall comply with the requirements of Section 5.6.17 of the Clovis Municipal Code pertaining to Licenses: Fees and Deposits.

3. Security Measures. All security measures for the Clovis 500 Club, including but not limited to security plans, security cameras, and the requirements pertaining to security guards, are subject to approval and modification upon request of, and as directed by, the Chief of Police. Security measures shall address not only patron, employee and vendor security in the card room facility, but ancillary facilities associated with the Clovis 500 Club such as loading and unloading areas, parking areas, patron waiting areas, and paths of travel to the Clovis 500 Club.

4. Trash and Debris. The premises of the Clovis 500 Club and any parking lot or similar facility used by the Clovis 500 Club shall be kept free of litter and debris. The manager shall cause the front and the rear exterior of the establishment to be thoroughly cleaned at least once per day.

5. Violations. A violation of any condition of this License is shall be deemed to be a violation of the provisions of Chapter 5.6 of the Clovis Municipal Code and is deemed sufficient grounds for License revocation or suspension, imposition of fines or other action determined appropriate by the City Council. All terms and conditions specified in this license shall be enforceable as if set forth in Chapter 5.6.

6. Indemnification. Licensee shall indemnify, defend and hold harmless the City, its officers and employees, from any and all claims and actions brought against the City, its officers or employees, concerning the validity of this License.

Licensee acknowledges, accepts, and agrees to the conditions of this License:

Licensee: _____

Date: _____

RESOLUTION 18-__

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CLOVIS SETTING
LICENSE FEES FOR GAMING CLUBS AND CARD ROOMS IN THE CITY**

WHEREAS, on September 13, 2010, in accordance with Chapter 5.6 and Section 5.6.17, of the Clovis Municipal Code, the City Council set License Fees for Gaming Clubs and Card Rooms in the City ("License Fees"); and

WHEREAS, there currently exists one card room in the City, the Clovis 500 Club located at 771 West Shaw Avenue, to which the License Fees are applicable; and

WHEREAS, the current owner of the Clovis 500 Club, Louis Sarantos, is proposing to sell and transfer the Card Room License, and associated assets, to K & M Casinos, Inc., and

WHEREAS, Section 5.6.17, of the Clovis Municipal Code specifically contemplates reevaluation of the License Fees and Security Deposit provisions prior to any proposed sale of the Card Room License; and

WHEREAS, the Council desires to revise and update the existing License Fees, to be made applicable upon transfer of the existing Card Room License held by Louis Sarantos.

NOW, THEREFORE, the Council resolves as follows:

1. The License Fees for Gaming Clubs and Card Rooms in the City shall be as shown in **Exhibit A** attached, effective upon transfer of the existing Card Room License held by Louis Sarantos.

The foregoing Resolution was introduced and adopted at a regular meeting of the City Council of the City of Clovis held on January 8, 2018, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

DATED: January 8, 2018

Mayor

City Clerk

EXHIBIT A

LICENSE FEES FOR GAMING CLUBS AND CARDROOMS IN THE CITY

License Fees

Each licensee shall pay to the City a License Fee based upon the applicable percentage of gross gaming revenue derived by the licensee during each calendar year. The annual License Fee shall be paid monthly in arrears on the 15th day following each calendar month and shall be accompanied by a statement setting forth the monthly and annual gross gaming revenues and calculating the License Fee payable to the City in a form reasonably acceptable to the City. The applicable percentage shall be as follows during the indicated years:

Beginning _____, 2018 - Ten Percent (10%)

Gross Revenue shall mean: Seat rental fees, tournament fees, membership fees, table revenues, and any and all other gaming charges directly derived from gaming activities conducted on or within the gaming club premises; provided, however, gross gaming revenue shall not include, but shall be reduced by, the amount of promotional chips collected from patrons. Gross gaming revenues also does not include any revenue derived from the sale of food, beverages, sundries, or from any other non-gaming activities.

Security Deposit

A Security Deposit shall be maintained with the City in accordance with the provisions of Section 5.6.17(c).



AGENDA ITEM NO: 1-B

City Manager: JAW

- CITY OF CLOVIS - REPORT TO THE CITY COUNCIL

TO: Mayor and City Council

FROM: Administration

DATE: September 13, 2010

SUBJECT: Consider Approval – Res. 10-___, Setting License Fees for Gaming Clubs and Card Rooms in the City

- ATTACHMENTS:
- (A) September 3, 2010 letter from John Cardot, Attorney, representing the owners of the 500 Club
 - (B) July 19, 2010 staff report to City Council regarding the proposed expansion and relocation of existing card room (less attachments)
 - (C) Draft Resolution

CONFLICT OF INTEREST

None

RECOMMENDATION

For the City Council to approve a resolution establishing license fees for a card room in the City of Clovis as referenced in Clovis Municipal Code Chapter 5.6 – Gaming Club and Card Room Regulations and License Requirements.

EXECUTIVE SUMMARY

Louis Sarantos ("Applicant") has submitted a letter (Attachment "A") through his legal counsel, Mr. John Cardot, regarding the City of Clovis license fees that would apply if the current ordinance, as amended, (CMC Chapter 5.6 – Gaming Club and Card Room Regulations and License Requirements), became effective due to the proposed expansion and relocation of the existing card room. Application of the fees contained in the resolution are conditioned upon Council approval of proposed changes to CMC Chapter 5.6 that will be coming before Council in the next few months.

On July 6, 2010, Council approved the purchase and sale of the entire 50% general partnership interest of George Sarantos in the partnership by Louis Sarantos. The purchase and sale will close upon the approval of the transaction by the State of

California. On July 19, 2010, Council approved, in concept, the expansion, relocation, incorporation, and allowance for sale to third party, and directed staff to initiate ordinance amendments to Chapter 5.6 of CMC regarding Gaming Club and Card Room Regulations and Chapter 9.3 regarding Zoning. A copy of the July 19, 2010, report (Attachment "B") is included for additional background information should you desire more detail on the history of the proposal.

Staff has met with the Applicant on several occasions since the July 19, 2010, meeting regarding proposed amendments to Chapter 5.6 of the CMC. Both staff and the Applicant feel they are very close to coming to terms on the overall proposed changes. It is likely to take several months to process the ordinance, environmental work, and land use considerations. The rate of the license fee included in the ordinance will have an impact on the Applicant's business plan. The Applicant has requested that the license fee be set by resolution so that he can factor that amount into his business plan. The ordinance itself will include a reference to the license fee as set by resolution.

BACKGROUND

The City of Clovis currently has a single card room governed by Uncodified Ordinance 86-6 and subsequent amendments. Should the card room expand beyond its current six tables, it will be subject to Codified Ordinance 95-27 and found as Chapter 5.6 of CMC regarding Gaming Club and Card Room Regulations in the City of Clovis. Local licensing and regulation of gaming is in addition to and in compliance with regulations set forth by the California Gaming Registration Act.

Specific Proposal

The April 30, 2010, letter from Mr. Cardot details the proposal for the Clovis 500 Club to relocate, expand, incorporate and allow the sale to a qualified third party. The proposal is to relocate the gaming portion of the existing location (500 N. Clovis Avenue) where they operate six (6) card tables to the northeast corner of Willow and Shaw Avenues and expand to eighteen (18) tables at the new location. The existing location would become the Clovis 500 Club Bar and Grill and maintain similar operations less the gaming aspect.

Procedurally, two ordinance amendments would need approval from City Council to allow for the relocation, expansion, incorporation, and allowed sale to a third party. To comply with the California Environmental Quality Act (CEQA), an environmental analysis will be conducted to evaluate the impact of the proposal. Additionally, a new card room permit will be required as well as a new license. Amending Chapter 5.6 of the CMC regarding Gaming Club and Card Room Regulations in the City of Clovis could allow for the expansion, incorporation, and allowed sale to a third party. Relocation of the existing card room to another area within the city could be facilitated by an ordinance amendment adding card rooms subject to the licensing regulation to the C-2, Community Commercial, Zone District. Staff anticipates bringing both

ordinance amendments, with the environmental analysis and card room permit back to City Council in one package.

Chronology of Proposal

1. May 12, 2009, Staff met with Mr. Cardot regarding initial discussions regarding the proposal.
2. May 22, 2009, staff responded with a recommended course of action.
3. July 13, 2009, staff goes to Council with the following - "For the City Council to consider preliminary proposal to amend Clovis Municipal Code Chapter 5.6, Gaming Club and Card Room Regulations, in connection with the expansion and relocation of the existing card room, and provide general policy direction to staff regarding the processing of the proposal." Council Action - on a 4-1 vote, to approve option 3 of the staff report – which read "Consider the merits of a proposal to incorporate, expand / relocate to another site within the city. If the answer is affirmative, then the applicant has indicated that their proposal will officially be filed as a comprehensive application and city staff would return with a detailed analysis and measures that would be required; the applicant would be required to pay the necessary deposit and fees for the application processing."
4. May 3, 2010, staff receives comprehensive response to the city's May 22, 2009 letter. On this date, the Applicant also deposited a check with the City in the amount of \$10,000 to cover the cost of the required staff to evaluate the proposal.
5. July 6, 2010, City Council approved a request to approve an agreement for the purchase and sale of partnership interest in the Clovis 500 Club (from George Sarantos to Louis Sarantos).
6. On July 19, 2010, City Council approved, in concept, the Expansion, Relocation, Incorporation, and Allowance for Sale to Third Party, and directed staff to initiate Ordinance Amendments to Chapter 5.6 of Clovis Municipal Code (CMC) regarding Gaming Club and Card Room Regulations and Chapter 9.3 regarding Zoning.

License Fees

Staff has performed an analysis of numerous card rooms across the state and what they are paying their respective jurisdictions. Unfortunately, they run the full spectrum from a nominal charge per table (\$200 - \$300) to a percentage of gross revenues ranging from 1% to 10%. Over the past four weeks, staff has met with the Applicant on

numerous occasions to negotiate the license fees. While both parties began the discussions far apart, staff believes what is being recommended below is an equitable compromise that meets the needs of the Applicant's business plan and at the same time provides the City with a revenue source.

The specific proposal is to charge the card room both a fixed amount of \$2,000 per table per year and a graduated scale of the percentage of gross revenue beginning with 3% and climbing to 9% in year 7 for gross revenues over \$2M. This proposal allows the business to become established in the early years and when established allows the city to benefit in a commensurate fashion. The analysis below shows three scenarios to give Council an idea of what could happen. Scenario 1 is a conservative estimate of gross revenue beginning at \$2.5M in year one and growing 5% each year for 7 years to \$3.35M and total license fees ranging from \$51K to \$158K each year. Scenario 2 is more aggressive and starts gross revenue at \$3.75M with license fees ranging from \$89K to \$308K per year. Scenario 3 is quite aggressive and begins sales in year 1 at \$5.0M with license fees ranging from \$126K to \$459K per year.

Scenario 1 = Year 1 at \$2.5M Gross with a 5% escalation per year

Year	Rate	Gross Revenue	Gross Reduction	License Fee	Table Fee	Total Fee
1	3%	\$ 2,500,000	\$ 2,000,000	\$ 15,000	\$ 36,000	\$ 51,000
2	4%	\$ 2,625,000	\$ 2,000,000	\$ 25,000	\$ 36,000	\$ 61,000
3	5%	\$ 2,756,250	\$ 2,000,000	\$ 37,813	\$ 36,000	\$ 73,813
4	6%	\$ 2,894,063	\$ 2,000,000	\$ 53,644	\$ 36,000	\$ 89,644
5	7%	\$ 3,038,766	\$ 2,000,000	\$ 72,714	\$ 36,000	\$ 108,714
6	8%	\$ 3,190,704	\$ 2,000,000	\$ 95,256	\$ 36,000	\$ 131,256
7	9%	\$ 3,350,239	\$ 2,000,000	\$ 121,522	\$ 36,000	\$ 157,522
Total						\$ 672,948

Scenario 2 = Year 1 at \$3.75M Gross with a 5% escalation per year

Year	Rate	Gross Revenue	Gross Reduction	License Fee	Table Fee	Total Fee
1	3%	\$ 3,750,000	\$ 2,000,000	\$ 52,500	\$ 36,000	\$ 88,500
2	4%	\$ 3,937,500	\$ 2,000,000	\$ 77,500	\$ 36,000	\$ 113,500
3	5%	\$ 4,134,375	\$ 2,000,000	\$ 106,719	\$ 36,000	\$ 142,719
4	6%	\$ 4,341,094	\$ 2,000,000	\$ 140,466	\$ 36,000	\$ 176,466
5	7%	\$ 4,558,148	\$ 2,000,000	\$ 179,070	\$ 36,000	\$ 215,070
6	8%	\$ 4,786,056	\$ 2,000,000	\$ 222,884	\$ 36,000	\$ 258,884
7	9%	\$ 5,025,359	\$ 2,000,000	\$ 272,282	\$ 36,000	\$ 308,282
Total						\$ 1,303,422

Scenario 3 = Year 1 at \$5.0M Gross with a 5% escalation per year

Year	Rate	Gross Revenue	Gross Reduction	License Fee	Table Fee	Total Fee
1	3%	\$ 5,000,000	\$ 2,000,000	\$ 90,000	\$ 36,000	\$ 126,000
2	4%	\$ 5,250,000	\$ 2,000,000	\$ 130,000	\$ 36,000	\$ 166,000
3	5%	\$ 5,512,500	\$ 2,000,000	\$ 175,625	\$ 36,000	\$ 211,625
4	6%	\$ 5,788,125	\$ 2,000,000	\$ 227,288	\$ 36,000	\$ 263,288
5	7%	\$ 6,077,531	\$ 2,000,000	\$ 285,427	\$ 36,000	\$ 321,427
6	8%	\$ 6,381,408	\$ 2,000,000	\$ 350,513	\$ 36,000	\$ 386,513
7	9%	\$ 6,700,478	\$ 2,000,000	\$ 423,043	\$ 36,000	\$ 459,043
Total						\$ 1,933,895

While exact performance is unknown at this time, staff estimates that the operation would begin at or near the conservative estimate in the first two years, and if successful, move to the optimistic forecast shortly thereafter.

The ordinance regulating card rooms in the city will be developed to minimize the impact on city operations. The overall goal is to have enough regulatory authority so that in the event, the operation does become a drain on city resources, action can be taken to remedy, while at the same time not being overly regulatory that would impact the ability of the business to operate a successful enterprise.

FISCAL IMPACT

See analysis above.

REASON FOR RECOMMENDATION

License fees will have an impact on the Applicant's business plan. It will take several months to move forward with the required ordinances for approval. The Applicant has requested we come to terms on the license fee now so that he could determine if he should move forward with the proposal.

ACTIONS FOLLOWING APPROVAL

Staff will notify the Applicant of City Council's ruling.

Submitted by:



(John Holt, Assistant City Manager / City Clerk)



AGENDA ITEM NO: 1-B 1-4

City Manager: AA

- CITY OF CLOVIS - REPORT TO THE CITY COUNCIL

TO: Mayor and City Council

FROM: Planning and Development Services

DATE: September 6, 2011

SUBJECT: Consider various actions in connection with the relocation and expansion of the Clovis 500 Club card room from 500 Clovis Avenue to 771 W. Shaw Avenue, Suite #101-108. The expansion would increase the number of permissible tables for gaming from 6 to 18.

Consider Approval – Res. 11-___, A request to approve an Environmental Finding of a Mitigated Negative Declaration for OA2011-02, OA2011-03, SPR2011-06 and issuance of a card room license.

Consider Introduction – Ord. 11-___, A request to approve OA2011-02 an ordinance amendment to Section 9.3.215.1 of the Clovis Municipal Code to add card rooms as a permitted use in the C-2 (Community Commercial) Zone District, subject to the provisions of Chapter 5.6 which require the issuance of a gaming club license from the City and amendment to Section 9.3.215.4 of the Clovis Municipal Code to remove card rooms as a use expressly prohibited in the C-2 (Community Commercial) Zone District. Clovis 500 Club, applicant.

Consider Introduction – Ord. 11-___, A request to approve OA2011-03 an ordinance amendment to various sections of Chapter 5.6 of Title 5 of the Clovis Municipal Code pertaining to gaming club and card room regulations and license requirements. Clovis 500 Club, applicant.

Consider Approval – Res. 11-___, SPR2011-06, A request to approve a site plan review for a change in use at 771 W. Shaw Avenue, Suite #101-108 for a card room, restaurant, bar, and outdoor patios. Western Village, Inc., a California Corporation, owner; Clovis 500 Club, applicant; John Cardot, representative.

ATTACHMENTS:

- Exhibit A: Conditions of Approval
- Exhibit B: Site Plan
- Exhibit C: Floor Plan
- Exhibit D: Elevations
- Attachment 1: Mitigated Negative Declaration
- Attachment 2: Planning Commission Minutes
- Attachment 3: Draft CEQA Resolution
- Attachment 4: Draft Ordinance, OA2011-02
- Attachment 5: Draft Ordinance, OA2011-03 (showing changes)
Draft Ordinance, OA2011-03 (clean version)
- Attachment 6: Draft Resolution, SPR2011-06
- Attachment 7: May 4, 2011, Operational Statement from Louis Sarantos
- Attachment 8: Chronology of Proposal
- Attachment 9: Correspondence
- Attachment 10: July 19, 2011 letter from the Bureau of Gambling Control

CONFLICT OF INTEREST

None

RECOMMENDATION

The Planning Commission and Staff recommend that the City Council:

1. Approve Res. 11-___, adopting a Mitigated Negative Declaration for OA2011-02, OA2011-03, and SPR2011-06, pursuant to CEQA Guidelines; and
2. Approve Ordinance Amendment OA2011-02 amending Section 9.3.215.1 of the Clovis Municipal Code to add card rooms as a permitted use in the C-2 (Community Commercial) Zone District, subject to the provisions of Chapter 5.6 which require the issuance of a gaming club license from the City and amending Section 9.3.215.4 to remove card rooms as a use expressly prohibited in the C-2 Zone District; and
3. Approve Site Plan Review SPR2011-06, to allow for a card room, restaurant, bar, and outdoor patios at 771 W. Shaw Avenue Suites 101-108 subject to the attached conditions of approval listed in Exhibit "A".

Staff recommends that the City Council:

4. Approve Ordinance Amendment OA2011-03 amending various sections of Chapter 5.6 of Title 5 of the Clovis Municipal Code pertaining to gaming club and card room regulations and license requirements. (This item did not require Planning Commission action and was provided to the Commission for informational purposes.)

EXECUTIVE SUMMARY

In May 2009, the applicant Louis Sarantos ("Applicant") made two requests of the City: (1) to purchase the entire 50% general partnership interest of George Sarantos in the Clovis 500 Club partnership; and (2) to relocate, expand, incorporate, and allow for the sale of the card room business to qualified third parties with prior State and City approval. Over the past two years, staff has worked extensively with the Applicant to process his requests.

On July 6, 2010, the City Council approved the purchase and sale of the entire 50% general partnership interest of George Sarantos. Actions being considered in this report relate to item 2 above (relocate, expand, incorporate, and allow for the sale of the card room business).

This proposal has been before City Council in various capacities on four separate occasions over the past two years. The Applicant is requesting the following:

1. Expansion (increasing the number of gaming tables). The 500 Club is restricted by law (Uncodified Ordinance 86-6 and subsequent amendments) and by space limitations at its present Old Town location to operating six (6) gaming tables. Expansion beyond the current six (6) tables would trigger Chapter 5.6 of Title 5 of the Clovis Municipal Code, the City's codified Card Room Ordinance. Chapter 5.6 was approved by City Council in 1995 and limited the number of tables to fifteen (15). The Applicant is proposing amendments to the Card Room Ordinance to allow for the relocation, expansion, and incorporation. The Applicant proposes to expand to 18 tables as permitted by the California Gambling Control Act. Approval of Ordinance Amendment OA2011-03 amending various sections of the Card Room Ordinance will allow for the requested expansion.
2. Relocation of Card Room. The Applicant is proposing to move card room operations from 500 N. Clovis Ave. to the Western Village Shopping Center located on the northeast corner of Willow and Shaw Avenues at 771 W. Shaw Avenue, #101 - 108. The proposed location would nearly quadruple the existing card room space and parking is located adjacent to major transportation corridors. (The Clovis 500 Club Bar and Grill would remain in Old Town Clovis less the card room.) Approval of Ordinance Amendment OA2011-02 amending Section 9.3.215.1 of the Clovis Municipal Code to add card rooms as a permitted use in the C-2 (Community Commercial) Zone District, subject to the provisions of the Card Room Ordinance, which require the issuance of a gaming club license from the City will allow for the relocation. Site Plan Review SPR2011-06 will allow for modifications to the structure and property site to accommodate the proposed card room operation. Site Plan Reviews are normally ministerial and approved by the Director of Planning and Development Services. SPR2011-06

has been forwarded to the Planning Commission and City Council for consideration because of the related discretionary entitlements.

3. Incorporation. Applicant is requesting amendments to the Card Room Ordinance to allow for incorporation as permitted by the California Gambling Control Act. Approval of Ordinance Amendment OA2011-03 amending various sections of the Card Room Ordinance will allow for incorporation.
4. Allowance for sale to a qualified third party with prior State and City approval. The existing Card Room Ordinance prohibits the Applicant from selling or transferring any interest in the card room to anyone other than any existing licensee, their spouse, or their children. The Applicant desires that the Card Room Ordinance be amended to allow for the sale to any qualified third party with prior State and City approval in a manner consistent with the California Gambling Control Act. Approval of Ordinance Amendment OA2011-03 amending various sections of the Card Room Ordinance will allow for the sale to a qualified third party.

Ordinance Amendment OA2011-03 amending various sections of the Card Room Ordinance was provided to the Planning Commission for informational purposes only. The Planning Commission does not have jurisdiction over the Card Room Ordinance (Chapter 5.6) and associated Card Room License. On July 28, 2011, the Planning Commission did review the land use issues: whether the City should allow card rooms in the C-2 zone district and consideration of the Site Plan and recommended that the City Council approve these items.

Staff is presenting the materials as a single package because the environmental review is designed to also cover amendments to the Card Room Ordinance as well as the subsequently issued Card Room License.

BACKGROUND

The City of Clovis currently has a single card room governed by Uncodified Ordinance 86-6 and subsequent amendments. The applicant is requesting to expand the card room beyond its current six tables to 18 tables. The request to expand is subject to Codified Ordinance 95-27 and found as Chapter 5.6 of Clovis Municipal Code regarding Gaming Club and Card Room Regulations in the City of Clovis ("Card Room Ordinance"). Local licensing and regulation of gaming is in addition to and in compliance with regulations set forth by the California Gambling Control Act.

The May 4, 2011 Operational Statement from Mr. Louis Sarantos (Attachment 7) details the proposed relocation and expansion of the 500 Club from the existing location at 500 N. Clovis Avenue where they operate six (6) card tables to the 771 W. Shaw Avenue, Suite #101-108 (northeast corner of Willow and Shaw Avenues) where they propose to expand to eighteen (18) tables. The existing location would become the Clovis 500 Club Bar and Grill and maintain similar operations less the gaming aspect.

Procedurally, two ordinance amendments are required to allow for relocation, expansion, incorporation, and allowed sale to a third party. To comply with the California Environmental Quality Act (CEQA), an environmental analysis has been conducted to evaluate the impact of the proposal. Additionally, a new Card Room License will be required.

Amending the Card Room Ordinance (Chapter 5.6 of the Clovis Municipal Code) will allow for the expansion, incorporation, and sale to a third party. Relocation of the existing card room to another area within the City can be facilitated by an ordinance amendment adding card rooms as a permissible use in the C-2, Community Commercial, Zone District, subject to the Card Room Ordinance and licensing requirements. A conditional use permit is not necessary because of the strict regulations set forth in the Card Room Ordinance as well as the ability of the City to impose additional conditions through the licensing process.

Historically, the site at 771 W. Shaw Avenue has operated as a bar and restaurant with live entertainment. As minor modifications are required to the site plan to accommodate the use a site plan review application is required. This application will allow for evaluation of the parking, patio additions, and the reuse of the building as a card room and restaurant.

The entitlements to accommodate this request are being processed concurrently to permit consideration by the City Council of the entire package.

- General Plan Designation: Commercial
- Existing Zoning: C-2 (Community Commercial)
- Current Land Use: Retail/Vacant
- Adjacent Land Uses: North: Commercial
South: Commercial
East: Commercial
West: Commercial

PROPOSAL AND ANALYSIS

OA2011-02

Currently, card rooms are only permitted subject to special permit in the C-3 (Central Trading District) Zone District. To accommodate a card room at the subject site requires amendment to the Section 9.3.215.1 of the Clovis Municipal Code to add card rooms as a permitted use in the C-2 (Community Commercial) Zone District, subject to the provisions of Chapter 5.6 which impose strict regulations on card rooms and require the issuance of a card room license from the City and amendment to Section 9.3.215.4

to remove card rooms as a use expressly prohibited in the C-2 (Community Commercial) Zone District.

OA2011-03

Over the past eighteen (18) months staff, in conjunction with the City Attorney's office has met with the applicant on numerous occasions to discuss proposed amendments to the existing Card Room Ordinance to allow for what is being proposed. Amending the Card Room Ordinance (Chapter 5.6) will allow for the expansion, incorporation, and allowed sale to a third party. Attachment 5 is a copy of the Ordinance amendments. Two copies of the ordinance are provided in Attachment 5 – the first is the version that shows all of the changes compared to the original 1995 ordinance; the second is a clean version incorporating all of the changes for easier reading. In June staff sent a copy of the proposed amendments to the Bureau of Gambling Control for review. Attachment 10 is a July 19, 2011, letter from that agency indicating that the proposed changes comply with applicable provisions of the Gambling Control Act.

The recommended amendments reflect considerable work between staff and the Applicant. It is important to note that the gaming industry in the State of California is heavily regulated by the Gambling Control Act, last amended in 2008 (<http://ag.ca.gov/gambling/pdfs/gca2008.pdf>). The Card Room Ordinance and the proposed amendments are intended to regulate gaming clubs in the City concurrently with the State of California, and to impose local controls and conditions upon gaming clubs as permitted in the Gambling Control Act.

The Card Room Ordinance was developed to minimize the impact on City operations. The overall goal is to have enough regulatory authority so that in the event the operation does become a drain on City resources action can be taken to remedy, while at the same time not being overly regulatory that would impact the ability of the business to operate a successful enterprise.

SPR2011-06

Project Description

The eighteen (18) card room, restaurant and bar would occupy approximately 12,667 square feet of a stand-alone building located in the existing shopping center at the northeast corner of Willow and Shaw Avenues. The applicant is proposing to add two outdoor patios. The east patio near the entry is proposed to be 170 square feet and will be used for smoking and food service. The west patio is proposed to be 495 square feet and will be used for smoking only.

The card room will operate 24 hours a day, seven (7) days a week, and 365 days a year. There will be food service during all hours of operation; however, the restaurant and bar portions of the card room will only operate from 6:00 a.m. to 2:00 a.m.

The anticipated number of occupants at the card room during peak operating hours is approximately 350 persons, including staff.

A site plan review application is being processed to memorialize the change in use, changes to the site to accommodate handicap accessibility, and repairs and improvements to the exterior of the structure along with the construction of two outdoor patios. Site plan reviews are usually ministerial and approved by the Director of Planning and Development Services. This site plan review has been forwarded for consideration by the Planning Commission and City Council only because of the related discretionary entitlements.

Parking

Parking for commercial centers over 70,000 square feet is calculated at 4.7 parking spaces for each 1,000 square feet of building area. This shopping center has 147,607 square feet of leasable space. The outdoor patios will add another 665 square feet of leasable space for a total of 148,272 square feet of leasable space. The shopping center is required to have 697 parking stalls. Currently the shopping center has 833 regular parking spaces and 16 handicap parking spaces for a total of 849 parking spaces which exceeds the required parking by 152 parking spaces.

The center is currently occupied by several popular restaurants, a gym, a trade school, and other retail lease space. A number of these uses generate substantial parking. The applicant plans to use valet parking, with these cars being parked on site, in the parking lot north of the buildings behind the gym. This is a parking field that is not as convenient for patrons of the center to use and will insure that adequate parking continues to exist for customers patronizing this shopping center.

Issuance of Card Room License

After completion of the new building, and prior to opening, the Applicant will be required to obtain a Card Room License from the City. In connection with issuance of the License, the City may impose additional conditions relating to operation of the business. Those conditions, if any, cannot be determined until completion of the building and the submittal of detailed security and other operational plans, at which time the precise operations can be assessed.

California Environmental Quality Act (CEQA)

The City of Clovis has completed an environmental review (an assessment of the project's impact on natural and manmade environments) of the proposed project, as required by the State of California. The City Planner has recommended approval of a Mitigated Negative Declaration (a written statement announcing that this project will not have a significant effect on the environment). Recommendation of a proposed Mitigated Negative Declaration does not necessarily mean this project will be approved.

Several studies were conducted to substantiate the CEQA findings for Air Quality, Greenhouse Gas, and Traffic (Appendix B and C of Attachment 1). The Air Quality Study showed that the Project would not create any significant air quality impacts with the incorporation of the identified mitigation measures. The Greenhouse Gas Analysis concluded that the Project would not contribute significantly to global climate change and would not impede the State's ability to meet its greenhouse gas reduction under AB32. Conclusions of the traffic study indicated that the Project would not significantly alter the peak-hour trip generation characteristics at the existing shopping center or substantially deviate from traffic created by previously existing/historical uses.

Additionally, Staff requested that the applicant provide information to address concerns raised by a Council Member regarding the potential for an increase in crime and higher personal bankruptcies from expanded gaming in the City, with a corresponding increase in demand for police and social services, which if unaddressed could lead to physical changes in the environment. The applicant submitted a report (Appendix D of Attachment 1) that analyzes the findings of a 1998 California Attorney General Report and provides an excellent discussion of this issue leading to the conclusion that there is no evidence that expansion of the 500 Club from 6 to 18 tables will lead to a substantial increase in crime or personal bankruptcies with associated social and economic changes that could physically impact the environment.

The applicant will be required to implement mitigation measures as part of a mitigation monitoring program to be adopted as part of this proposal. Mitigations are required in the categories of Aesthetics and Air Quality and are further explained in the attached Mitigated Negative Declaration (Attachment 1).

The City published notice of this public hearing in the Fresno Bee on Thursday, August 11, 2011.

FISCAL IMPACT

In September 2010, City Council approved a resolution setting card room fees in the City of Clovis. The overall goal was to ensure that a sufficient revenue stream is generated for the City to more than cover the cost of additional services being required to support the operation of the expanded card room at the new location.

The specific proposal is to charge the card room both a fixed amount of \$2,000 per table per year and a graduated scale of the percentage of gross revenue beginning with 3% and climbing to 9% in year 7 for gross revenues over \$2M. This proposal allows the business to become established in the early years and when established allows the city to benefit in a commensurate fashion. The analysis completed last year showed three scenarios to give Council an idea of what could happen. Scenario 1 was a conservative estimate of gross revenue beginning at \$2.5M in year one and growing 5% each year for 7 years to \$3.35M and total license fees ranging from \$51K to \$158K each year. Scenario 2 was more aggressive and started gross revenues at \$3.75M with license

fees ranging from \$89K to \$308K per year. Scenario 3 was quite aggressive and began sales in year 1 at \$5.0M with license fees ranging from \$126K to \$459K per year.

While exact performance is unknown at this time, staff estimates that the operation would begin at or near the conservative estimate in the first two years, and if successful, move to the optimistic forecast shortly thereafter.

REASONS FOR RECOMMENDATION

Prior City Council actions considered on July 19, 2010, directed staff to continue with the processing of entitlements to accommodate the proposed card room relocation and expansion. These entitlements included ordinance amendments, a site plan review and future issuance of a card room license. Staff and the Planning Commission therefore recommend that the City Council approve the environmental finding of a Mitigated Negative Declaration for the Project along with recommending that the City Council approve OA2011-02 and SPR2011-06. Additionally, staff recommends that the City Council approve OA2011-03 amending the card room ordinance.

ACTIONS FOLLOWING APPROVAL


If approved at introduction, the second reading of the Ordinances will be heard by the City Council at its September 12, 2011, meeting and if approved, will go into effect 30 days after adoption.

NOTICE OF HEARING

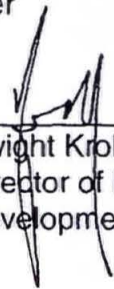
Property owners within 300 feet notified:	48
Interested individuals notified:	10

Prepared by: Connie Combs, AICP, Senior Planner

Submitted by:



David E. Fey, AICP
Deputy City Planner



Dwight Kroll, AICP
Director of Planning and
Development Services



AGENDA ITEM NO: **CC-B-1**

City Manager: 

- CITY OF CLOVIS - REPORT TO THE CITY COUNCIL

TO: Mayor and City Council

FROM: Administration

DATE: May 21, 2012

SUBJECT: Approval – Issuance of Card Room License in connection with the relocation and expansion of the Clovis 500 Club card room from 500 Clovis Avenue to 771 W. Shaw Avenue, Suites #101-108.

ATTACHMENT (A) Project Location Map
(B) Draft License
(C) September 6, 2011 Council Report (less Attachments)
(D) May 4, 2011, Operational Statement from Louis Sarantos
(E) Chronology of events

CONFLICT OF INTEREST

None

RECOMMENDATION

For the City Council to approve the issuance of Card Room License in connection with the relocation and expansion of the Clovis 500 Club card room from 500 Clovis Avenue to 771 W. Shaw Avenue, Suites #101-108.

EXECUTIVE SUMMARY

In May 2009, the applicant Louis Sarantos ("Applicant") made two requests of the City: (1) to purchase the entire 50% general partnership interest of George Sarantos in the Clovis 500 Club partnership; and (2) to relocate, expand, incorporate, and allow for the sale of the card room business to qualified third parties with prior State and City approval.

This proposal has been before City Council in various capacities on five separate occasions over the past three years. Most recently, on September 6, 2011, the City Council approved the necessary ordinance amendments and land use approvals for the

expansion, including: Ordinance Amendment OA2011-03, which amended the City's Card Room Ordinance to authorize 18 tables, as permitted by the California Gambling Control Act, and made other technical changes; OA2011-02, which amended Section 9.3.215.1 of the Clovis Municipal Code to add card rooms as a permitted use in the C-2 (Community Commercial) Zone District, and Site Plan Review SPR2011-06, which allowed for modifications to the structure and property site to accommodate the proposed card room operation.

As part of the September 6, 2011 approvals, the applicant is required to obtain a Card Room License from the City after completion of the building and prior to opening. The Applicant is currently completing tenant improvements at the new site and anticipates opening the new location on or near June 1, 2012. The City Council previously approved all of the requirements for the expansion and relocation and this item is the last approval required by the City before opening.

The Applicant has worked closely with the Building, Fire, and Police Departments to ensure compliance with all applicable City requirements. Section 5.6.11 of the Clovis Municipal Code provides great detail with regard to what is required to issue a Card Room License. The Applicant is in compliance with all known requirements from Building, Fire, and Police. In connection with the issuance of the License, the City may impose additional conditions relating to operation of the business. Staff has recommended several conditions to address issues that may not be known until after the card room opens for business. Should there be any issues that arise when the new location becomes operational, there is sufficient language in the ordinance and the license conditions to address them.

BACKGROUND

The City of Clovis currently has a single card room governed by Uncodified Ordinance 86-6 and subsequent amendments. The City Council previously approved expansion of the card room beyond its current six tables to 18 tables. The expansion is subject to Chapter 5.6 of Clovis Municipal Code regarding Gaming Club and Card Room Regulations in the City of Clovis ("Card Room Ordinance"). Local licensing and regulation of gaming is in addition to, and in compliance with, regulations set forth by the California Gambling Control Act. The Applicant has submitted an application to the California Gambling Control Commission (CGCC) for purposes of obtaining a license to operate 18 tables at the new location. The Applicant anticipates that the CGCC will approve the application to increase the number of tables to 18 and to move to the new location in May or June of 2012.

In order for the Applicant to open at the new location with 18 tables, the application must be approved by the CGCC and a License must be issued by the City of Clovis. Approval of this action will provide the Applicant with a License in accordance with Chapter 5.6 of Clovis Municipal Code. Once the new location is operational, the former

location, 500 Clovis Avenue (dba 500 Clovis Bar & Grill), will no longer be a gaming establishment. It will remain at that location as a bar and grill.

The Applicant has worked very closely with all departments over the last three years that it has taken to process the project through the City and the State. The Card Room Ordinance that the Council approved in 1995, and amended last year, will become operational when the new location opens up. The Card Room Ordinance has a number of provisions that allow the City to amend the License at any time should the operation of the new location lead to an increased demand on City services.

A copy of the September 6, 2011 staff report is included as Attachment (C) that provides detail of the prior Council actions and associated documents.

FISCAL IMPACT

In September 2010, City Council approved a resolution setting card room fees in the City of Clovis. The overall goal was to ensure that a sufficient revenue stream is generated for the City to more than cover the cost of additional services being required to support the operation of the expanded card room at the new location.

The current fee schedule charges the card room both a fixed amount of \$2,000 per table per year and a graduated scale of the percentage of gross revenue beginning with 3% and climbing to 9% in year 7 for gross revenues over \$2M. This fee schedule allows the business to become established in the early years and when established allows the City to benefit in a commensurate fashion. The analysis completed last year showed three scenarios to give the Council an idea of what could happen. Scenario 1 was a conservative estimate of gross revenue beginning at \$2.5M in year one and growing 5% each year for 7 years to \$3.35M and total license fees ranging from \$51K to \$158K each year. Scenario 2 was more aggressive and started gross revenues at \$3.75M with license fees ranging from \$89K to \$308K per year. Scenario 3 was quite aggressive and began sales in year 1 at \$5.0M with license fees ranging from \$126K to \$459K per year.

While exact performance is unknown at this time, staff estimates that the operation would begin at or near the conservative estimate in the first two years, and if successful, move to the optimistic forecast shortly thereafter.

REASONS FOR RECOMMENDATION

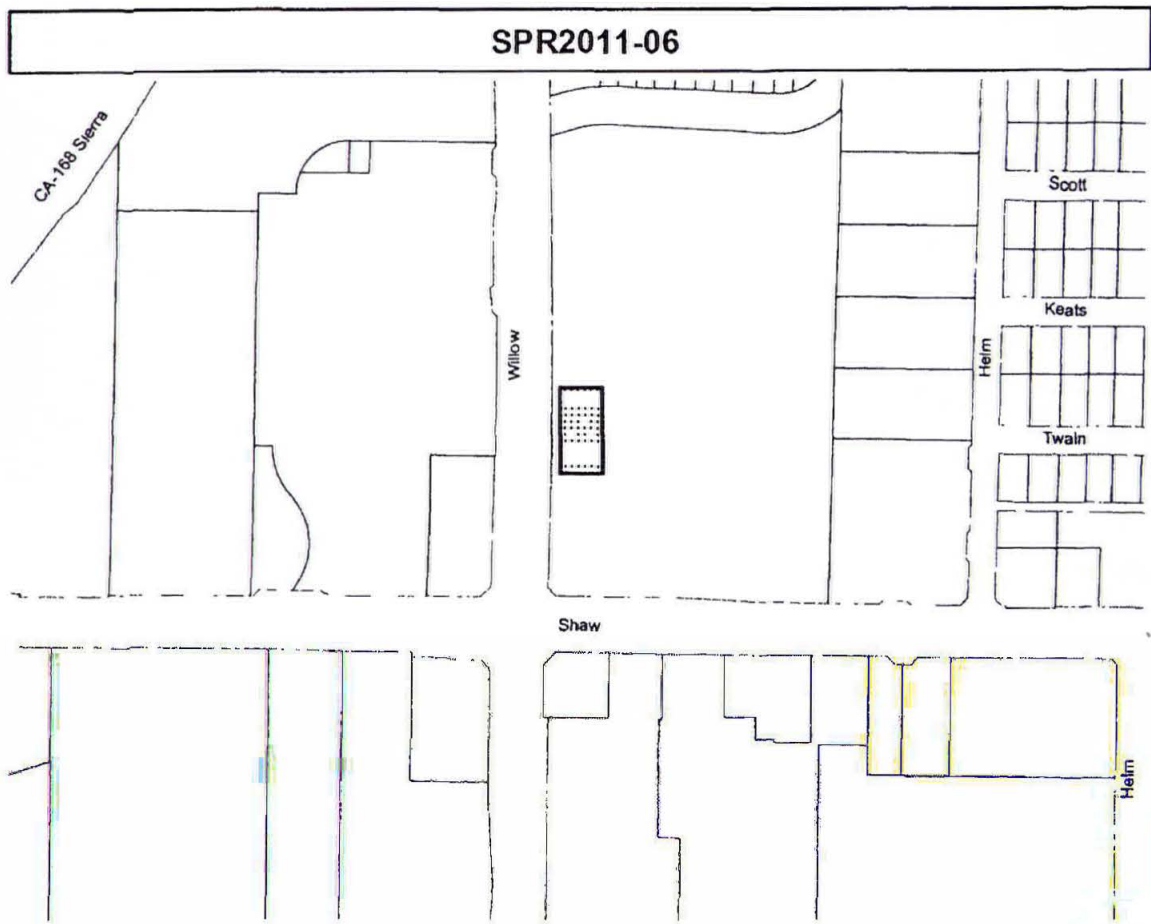
Staff is recommending issuance of a License to the Applicant due to the amount of work that both the Applicant and the City have put forth over the past three years to ensure that the sole card room in the City of Clovis will be managed in a fashion beneficial to both the Applicant and the City of Clovis. A well crafted Ordinance is in effect, the Applicant has run a successful operation at the current location, and the gaming industry is heavily regulated by the CGCC.

ACTIONS FOLLOWING APPROVAL

If approved, staff will issue the License, monitor operations, and report back on an annual basis.

Prepared by: John Holt, Assistant City Manager

ATTACHMENT (A)
PROJECT LOCATION MAP



BETTS & RUBIN

A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW

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SUITE 201
FRESNO, CALIFORNIA 93721

TELEPHONE
(559) 438-8500
TELEFAX
(559) 438-6959

JAMES B. BETTS
JOSEPH D. RUBIN

December 22, 2017

VIA E-MAIL

John Holt
Assistant City Manager
City of Clovis
1033 Fifth Street
Clovis, CA. 93612

Re: Clovis 500 Club, Louis G. Sarantos Jr.

Dear Mr. Holt:

On behalf of my client, Louis G. Sarantos Jr., we would like to formally request that the City of Clovis take all necessary action to approve the sale of the 500 Club Casino, 771 W. Shaw Avenue, Clovis, California, to buyers Michael LeBlanc and Kevin Barclay.

Should you have any questions with respect to this matter, I would be happy to make myself available.

Very truly yours,



James B. Betts
BETTS & RUBIN

JBB:dm

MINUTES FROM CLOVIS CITY COUNCIL JANUARY 8, 2018

6:14 ITEM 1A1 - APPROVED – **RES. 18-06**, A REQUEST TO APPROVE THE TRANSFER OF THE 500 CLUB CARD ROOM LICENSE FROM LOUIS SARANTOS TO K & M CASINOS, INC., AND ITEM 1A2 - APPROVED – **RES. 18-07**, SETTING LICENSE FEES FOR GAMING CLUBS AND CARD ROOMS IN THE CITY.

Assistant City Manager John Holt presented a report on a request to consider various actions associated with the proposed sale of the 500 Club Card Room located at 771 W. Shaw Ave. Staff is in receipt of a request from letter from James Betts, representing Louis Sarantos, owner of the 500 Club at 771 W. Shaw Avenue requesting “...the City of Clovis take all necessary action to approve the sale of the 500 Club Casino, 771 W. Shaw Avenue, Clovis, California, to buyers Michael LeBlanc and Kevin Barclay.”

The Sarantos family began renting the 500 Club building, at 500 Clovis Ave., in 1953. In 1974, Louis and George Sarantos bought the club from their parents and formed a partnership. In May 2009, Louis Sarantos approached the City about the possibility of expanding and relocating to the current location of 771 W. Shaw Avenue. 500 Clovis Avenue remains open as a bar and grill but there is no gaming at that location. In mid-2012, the 500 Club opened up on Shaw Avenue expanding from six tables at the old location to 18 tables at the new location. The 500 Club pays the City a license fee based upon a percentage of the gross gaming revenue. At the old location the City received approximately \$20,000 per year in license fees. At the new location, the City has averaged approximately \$420,000 per fiscal year in license fees paid to the City over the past five years. In November 2017, Louis Sarantos approached the City requesting the City approve the sale of the Clovis 500 Club License to K & M Casinos, Inc. Staff is also recommending an update to the license fees. Mike Leblanc, representing K & M Casinos, Inc, spoke in favor of the requests and addressed questions of Council. Louis Sarantos, owner, 500 Club Card Room, spoke in favor of the requests. Discussion by the Council.

Motion by Councilmember Flores, seconded by Councilmember Mouanoutoua, for the Council to approve a resolution approving the transfer of the 500 Club Card Room License from Louis Sarantos to K & M Casinos, Inc. Motion carried 4-1 with Mayor Whalen voting no.

Motion by Councilmember Ashbeck, seconded by Councilmember Mouanoutoua, for the Council to approve a resolution setting License Fees for Gaming Clubs and Card Rooms in the City with the following conditions:

1. If a transferee other than K & M Casinos, Inc. is proposed for the Card Room License, the License fee set forth in Exhibit A will be reconsidered by the Council;

2. Year 1: Beginning the first day of the month following the date the California Gambling Control Commission approves transfer of the Clovis 500 Club Card Room License from Louis Sarantos to K & M Casinos, Inc. This date shall also be known as the "Anniversary Date". Until such transfer occurs, or if such transfer does not occur, the existing License Fee approved by the City Council on September 13, 2010 shall remain in effect: Year 1 = Six and One Quarter percent (6.25%).
3. Year 2: Beginning one year from the Anniversary Date: Year 2 = Eight Percent (8.00%).
4. Year 3: Beginning two years from the Anniversary Date: Year 3 and thereafter = Ten Percent (10.00%).

Motion carried 3-2 with Councilmember Flores and Mayor Whalen voting no.

RESOLUTION 18-07

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CLOVIS SETTING LICENSE FEES FOR GAMING CLUBS AND CARD ROOMS IN THE CITY

WHEREAS, on September 13, 2010, in accordance with Chapter 5.6 and Section 5.6.17, of the Clovis Municipal Code, the City Council set License Fees for Gaming Clubs and Card Rooms in the City ("License Fees"); and

WHEREAS, there currently exists one card room in the City, the Clovis 500 Club located at 771 West Shaw Avenue, to which the License Fees are applicable; and

WHEREAS, the current owner of the Clovis 500 Club, Louis Sarantos, is proposing to sell and transfer the Card Room License, and associated assets, to K & M Casinos, Inc., and

WHEREAS, Section 5.6.17, of the Clovis Municipal Code specifically contemplates reevaluation of the License Fees and Security Deposit provisions prior to any proposed sale of the Card Room License; and

WHEREAS, the Council desires to revise and update the existing License Fees, to be made applicable upon transfer of the existing Card Room License held by Louis Sarantos.

NOW, THEREFORE, the Council resolves as follows:

1. The License Fees for Gaming Clubs and Card Rooms in the City shall be as shown in **Exhibit A** attached, effective upon transfer of the existing Card Room License held by Louis Sarantos. Until such transfer occurs, or if such transfer does not occur, the existing License Fee approved by the City Council on September 13, 2010 shall remain in effect.
2. If a transferee other than K & M Casinos, Inc. is proposed for the Card Room License, the License fee set forth in **Exhibit A** shall be reconsidered by the Council.

The foregoing Resolution was introduced and adopted at a regular meeting of the City Council of the City of Clovis held on January 8, 2018, by the following vote, to wit:

AYES: Councilmembers Ashbeck, Bessinger, Mouanoutoua

NOES: Councilmembers Flores, Mayor Whalen

ABSENT: None

ABSTAIN: None

DATED: January 8, 2018





Mayor



City Clerk

EXHIBIT A

LICENSE FEES FOR GAMING CLUBS AND CARDROOMS IN THE CITY

License Fees

Each licensee shall pay to the City a License Fee based upon the applicable percentage of gross gaming revenue derived by the licensee during each calendar year. The annual License Fee shall be paid monthly in arrears on the 15th day following each calendar month and shall be accompanied by a statement setting forth the monthly and annual gross gaming revenues and calculating the License Fee payable to the City in a form reasonably acceptable to the City. The applicable percentage shall be as follows during the indicated years:

Year 1: Beginning the first day of the month following the date the California Gambling Control Commission approves transfer of the Clovis 500 Club Card Room License from Louis Sarantos to K & M Casinos, Inc. This date shall also be known as the "Anniversary Date".

Six and One Quarter percent (6.25%).

Year 2: Beginning one year from the Anniversary Date:

Eight Percent (8.00%).

Year 3 and thereafter: Beginning two years from the Anniversary Date

Ten Percent (10.00%).

Gross Revenue shall mean: Seat rental fees, tournament fees, membership fees, table revenues, and any and all other gaming charges directly derived from gaming activities conducted on or within the gaming club premises; provided, however, gross gaming revenue shall not include, but shall be reduced by, the amount of promotional chips collected from patrons. Gross gaming revenues also does not include any revenue derived from the sale of food, beverages, sundries, or from any other non-gaming activities.

Security Deposit

A Security Deposit shall be maintained with the City in accordance with the provisions of Section 5.6.17(c).

RESOLUTION 19- __

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CLOVIS SETTING
LICENSE FEES FOR GAMING CLUBS AND CARD ROOMS IN THE CITY**

WHEREAS, on September 13, 2010, in accordance with Chapter 5.6 and Section 5.6.17, of the Clovis Municipal Code, the City Council set License Fees for Gaming Clubs and Card Rooms in the City (“License Fees”); and

WHEREAS, there currently exists one card room in the City, the Clovis 500 Club located at 771 West Shaw Avenue, to which the License Fees are applicable; and

WHEREAS, in accordance with Resolution 18-07, adopted on January 8, 2018, the Council established new License Fees, which became effective on March 1, 2019, upon the sale and transfer of the Clovis 500 Club from Louis Sarantos to K & M Casinos, Inc., and

WHEREAS, the existing License Fees for K & M Casinos are set as a percentage of gross gaming revenues: Year 1 6.25%; Year 2 8.00%; year 3 and thereafter 10.00%; and

WHEREAS, K & M Casinos has proposed an alternative License Fee structure based upon a flat amount per table, to be paid quarterly; and

WHEREAS, the Council is amenable to changing the way License Fees are structured on a five year (5) trial basis, with the License Fees reverting back to 10% of gross revenues after that time period and an opportunity to reevaluate the license fees six (6) months prior to the end of the trial period.

NOW, THEREFORE, the Council resolves as follows:

1. The License Fees for Gaming Clubs and Card Rooms in the City shall be as shown in **Exhibit A** attached, effective October 1, 2019.

The foregoing Resolution was introduced and adopted at a regular meeting of the City Council of the City of Clovis held on September 3, 2019, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

DATED: September 3, 2019

Mayor

City Clerk

EXHIBIT A

LICENSE FEES FOR GAMING CLUBS AND CARDROOMS IN THE CITY

License Fees: 10/1/19 through 9/30/24

For the Period from October 1, 2019 through September 30, 2024, each licensee shall pay to the City a License Fee in the amount of Two Thousand Seven Hundred and Fifty Dollars per table per month. The fee shall be based upon the number tables authorized by the Municipal Code, regardless of the number of tables actually in use. For the Clovis 500 Club, the current number of authorized tables is twenty (20) tables.

Based upon the foregoing, the current monthly License Fee shall be Fifty Five Thousand Dollars (\$55,000.00).

The License Fee shall be paid in arrears on the 15th day of the month following each month.

License Fees: Effective 10/1/24

Effective October 1, 2014, the License Fee shall revert to the percentage fee previously established by Resolution 18-07, as follows:

Each licensee shall pay to the City a License Fee based upon the applicable percentage of gross gaming revenue derived by the licensee during each calendar year. The annual License Fee shall be paid monthly in arrears on the 15th day following each calendar month and shall be accompanied by a statement setting forth the monthly and annual gross gaming revenues and calculating the License Fee payable to the City in a form reasonably acceptable to the City. The applicable percentage shall be Ten Percent (10.00%).

Gross Revenue shall mean: Seat rental fees, tournament fees, membership fees, table revenues, and any and all other gaming charges directly derived from gaming activities conducted on or within the gaming club premises; provided, however, gross gaming revenue shall not include, but shall be reduced by, the amount of promotional chips collected from patrons. Gross gaming revenues also does not include any revenue derived from the sale of food, beverages, sundries, or from any other non-gaming activities.

Revaluation of License Fee

Beginning on April 1, 2024, City staff will meet with K & M Casinos to discuss the License Fee and determine whether any changes are warranted. The Council, in its sole discretion, may decide to keep the per table fee, establish a different per table fee, revert to the Ten Percent (10%) gross gaming revenue fee, or establish some other basis for the License Fee. In no event shall the License Fee exceed the then existing per table fee, or the equivalent of 10% of gross gaming revenue as defined herein, whichever is greater. If the Council takes no action, the License Fee shall be as set forth herein effective October 1, 2024.



CITY of CLOVIS

REPORT TO THE CITY COUNCIL

TO: Mayor and City Council

FROM: Community & Economic Development

DATE: September 3, 2019

SUBJECT: Consider Approval - Res. 19-___, Resolution of Necessity to determine that public interest and necessity require acquisition of property for public purposes; and authorizing proceedings in eminent domain for two properties located at the northeast corner of Sunnyside Avenue and Fourth Street. Addresses: 1403 Fourth Street; APN: 491-191-18 and 1421 Fourth Street; APN: 491-191-17. Owners: Flores Living Trust.

Staff: Andrew Haussler, Community and Economic Director
Recommendation: Approve

ATTACHMENTS:

1. Property Location Map
2. Draft Res. 19-___ Resolution of Necessity
3. Offer Letter
4. Offer Acceptance Letter – Flores Living Trust

CONFLICT OF INTEREST

Mayor Pro-Tem Flores has a financial interest in the property. This requires Mayor Pro-Tem Flores to recuse himself and requires the eminent domain process to be adhered to in order to comply with Government Code Sections 1090-1091.

RECOMMENDATION

For the City Council to hold a public hearing and approve a Resolution of Necessity to determine that public interest and necessity require acquisition of property for public purposes; and authorizing proceedings in eminent domain for two properties located at the northeast corner of Sunnyside Avenue and Fourth Street. Addresses: 1403 Fourth Street; APN: 491-191-18 and 1421 Fourth Street; APN: 491-191-17.

California Code of Civil Procedure Section 1245.240 requires the Resolution of Necessary be approved by a vote of two-thirds of all the members of the City Council, which means at least four votes in favor.

EXECUTIVE SUMMARY

Staff is requesting City Council to hold a public hearing and approve a Resolution of Necessity to determine that public interest and necessity require acquisition of property for public purposes; and authorizing proceedings in eminent domain for two properties located at the northeast corner of Sunnyside Avenue and Fourth Street. Addresses: 1403 Fourth Street; APN: 491-191-18 and 1421 Fourth Street; APN: 491-191-17.

Staff seeks approval to purchase the properties for additional street right-of-way to accommodate street improvements along Sunnyside Avenue and to redevelop the parcels as affordable housing units. Staff has reached an agreement with the representative of the property for price and terms. However, the eminent domain process is required due to Mayor Pro-Tem Flores having a financial interest in the property, in order to comply with California Government Code sections 1090-1091. As a result of Mayor Pro-Tem Flores' recusal, each of the four remaining Councilmembers must approve this Resolution of Necessity in order for it to be approved.

BACKGROUND

Staff is requesting City Council to hold a public hearing and approve a Resolution of Necessity to determine that public interest and necessity require acquisition of property for public purposes; and authorizing proceedings in eminent domain for two properties located at the northeast corner of Sunnyside Avenue and Fourth Street. Addresses: 1403 Fourth Street; APN: 491-191-18 and 1421 Fourth Street; APN: 491-191-17. California Code of Civil Procedure Section 1245.240 requires the Resolution of Necessary be approved by a vote of two-thirds of all the members of the City Council.

Staff seeks approval to purchase the properties for additional street right-of-way to accommodate street improvements along Sunnyside Avenue and to redevelop the parcels as affordable housing units. Sunnyside Avenue is not able to be widened in this area due to lack of right-of-way on this parcel. With this acquisition the needed right-of-way will be available to widen Sunnyside Avenue to improve traffic flow and safety in the area.

The City and the Housing Successor Agency has also been active in acquiring properties in the area to revitalize the neighborhood with affordable units in partnership with several non-profits over the past 30 years. The acquisition would allow for at least two additional homes to be constructed in the area to be sold to low-income families. Staff will return with a development agreement with a partner non-profit at a future date once the existing structure is demolished and site readied for re-development.

Staff has reached an agreement with the representative of the property for price and terms. Nevertheless, the eminent domain process is required due to Mayor Pro-Tem Flores having a financial interest in the property, in order to comply with California Government Code sections 1090-1091. Mayor Pro-Tem Flores is required to recuse himself from the item and has not interacted with staff on the potential sale/purchase.

Appraisals were completed by Palmer Appraisals at the request of the City and determined the values to be:

1403 Fourth Street: \$168,000
1421 Fourth Street: \$67,000
Total value: \$235,000

Under law the owner of the property is entitled to seek an independent appraisal at the City's cost up to \$5,000 per parcel. However, in lieu of independent appraisals for each parcel, the owner requested the additional \$10,000 as compensation for the Property. In addition, the City is obligated to cover all proceeding costs and any customary closing costs. The City made this offer pursuant to Government Code section 7267.2 to the Flores Living Trust on May 2, 2019 (Attachment 3).

The Flores Living Trust accepted the City's \$245,000 offer for the Property (\$173,000 for 1403 Fourth Street, and \$72,000 for 1421 Fourth Street) (Attachment 4).

The property owner has been notified of the public hearing date and was provided a form with which to request to appear and be heard on the Resolution of Necessity.

The findings for the Resolution of Necessity are:

1. Public interest and necessity require the proposed project;
2. The proposed project is planned and located in the manner that will be most compatible with the greatest public good and the least private injury;
3. The property described in the Resolution is necessary for the proposed project;
4. An offer to acquire the real property, pursuant to section 7267.2 of the Government Code, was made to the owners of record as provided by law;
5. The City has complied with all conditions and statutory requirements necessary to exercise the power of eminent domain ("the right to take") to acquire the property described herein.

FISCAL IMPACT

The acquisitions are included in the 2019-2020 Budget.

REASON FOR RECOMMENDATION

The eminent domain action is necessary in order to acquire the necessary right-of-way and allow the improvements to Sunnyside Avenue and the addition of affordable homes in the City of Clovis, and to comply with Government Code sections 1090-1091 due to Mayor Pro-Tem Flores having a financial interest in the property.

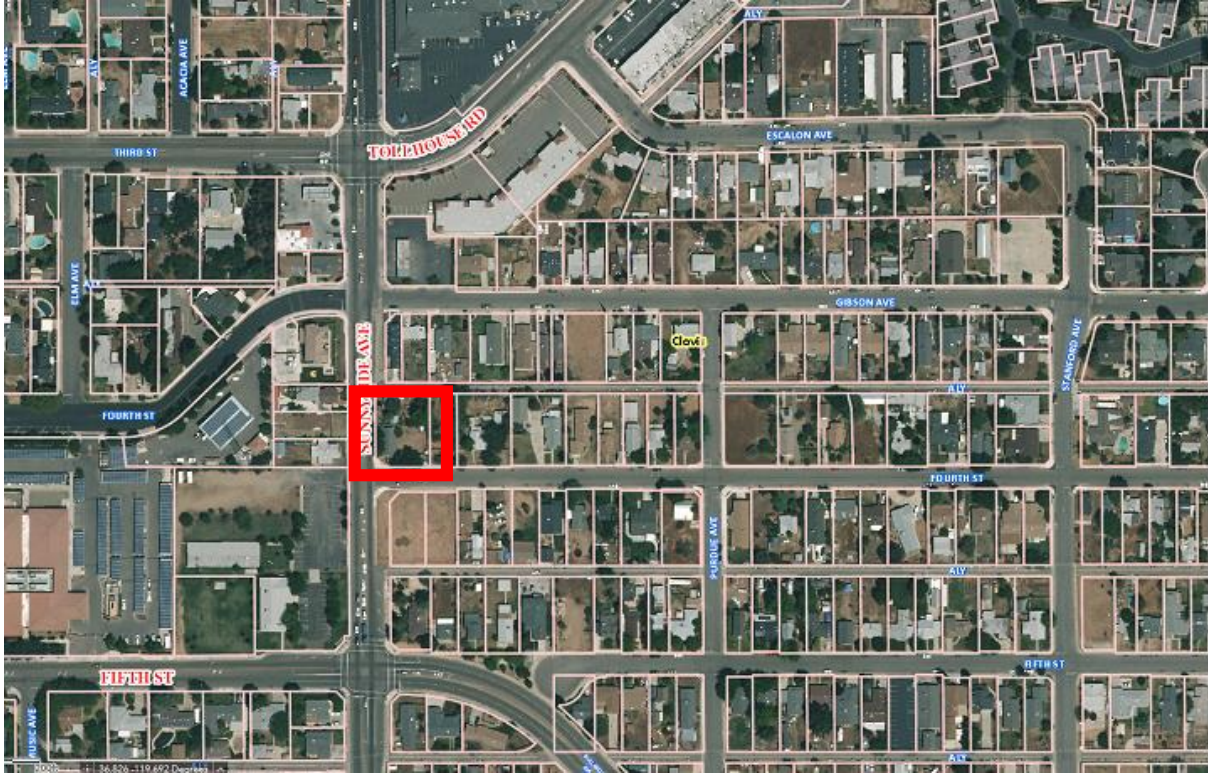
ACTIONS FOLLOWING APPROVAL

Staff and the City Attorney will pursue the eminent domain action in the manner required by law.

Prepared by: Andrew Haussler, Community & Economic Development Director

Reviewed by: John Holt, Assistant City Manager/City Clerk 

ATTACHMENT 1
Location Map



ATTACHMENT 2
Resolution of Necessity
**A RESOLUTION DETERMINING THAT PUBLIC INTEREST AND
NECESSITY REQUIRE ACQUISITION OF PROPERTY FOR PUBLIC
PURPOSE AND AUTHORIZING PROCEEDINGS IN EMINENT DOMAIN**

WHEREAS, it appears necessary and desirable that the City of Clovis (hereinafter "City"), acquire fee title to the real property commonly known as 1403 Fourth Street (APN 491-191-18) and 1421 Fourth Street (APN 491-191-17), in the City of Clovis, in the County of Fresno, which is more particularly described as set forth in Attachment "A" and as depicted in Attachment "B" hereto (the "Property"); and

WHEREAS, the project for this resolution is the acquisition of fee title to the Property for additional right-of-way to accommodate street improvements along Sunnyside Avenue and to redevelop the parcels as affordable housing units (the "Project"); and

WHEREAS, the Property is owned by the Flores Living Trust ("Trust"), of which City Councilman Jose Flores is a beneficiary, and as a result of Councilman Flores' interest in the Property, Government Code section 1090 prohibits the City from purchasing the Property from the Trust in a typical negotiated purchase and sale agreement, and consequently an eminent domain proceeding must be commenced in order for the City to acquire the Property as authorized by Government Code section 1090; and

WHEREAS, a Notice of Hearing on the Intent of the City Council of the City of Clovis (hereinafter "Council") to Adopt the Resolution of Necessity, which Notice is attached hereto as Attachment "C," was mailed to the owner of record of the Property in accordance with California Code of Civil Procedure section 1245.235(a) and (b), and said Notice of Hearing advised the owner of his right to be heard on the matters referred to therein on the date and at the time and place stated therein; and

WHEREAS, the hearing set out on the Notice of Hearing was held on July 8, 2019, at the time and place stated therein, and all interested parties were given an opportunity to be heard; and

WHEREAS, the hearing was then closed and the matter considered by the Council, as required by law; and

WHEREAS, this Council has received and considered all relevant facts and evidence, including, but not limited to, the City's staff report and matters referenced therein, facts which are otherwise commonly known, judicially noticeable and matters of public record, and all other relevant and proper evidence offered at the hearing by staff, affected property owners who made timely requests for hearing, and others who appeared and/or were heard.

NOW, THEREFORE, BE IT RESOLVED, THAT THE CITY COUNCIL OF THE CITY OF CLOVIS, BY A VOTE OF NOT LESS THAN 2/3 OF ITS MEMBERS, DECLARES, FINDS, AND RESOLVES AS FOLLOWS:

1. The foregoing recitals are true and correct and, by this reference, incorporated herein as if set forth in full. The staff report on the Resolution of Necessity and all Attachments to this Resolution are incorporated by reference.

2. The City is authorized to acquire the Property for the Project by eminent domain proceedings pursuant to Sections 37350.5 and 40404 of the Government Code of California.

3. The Project is generally located near the northeast corner of the intersection of Fourth Street and Sunnyside Avenue, in the City of Clovis, County of Fresno, State of California. The Property to be taken consists of that certain real property hereinafter described in the legal description attached as Attachment "A," and depicted in the diagram attached as Attachment "B."

4. Based on all evidence presented in this matter, the Council specifically finds and determines that:

- a. The public interest and necessity require the proposed Project.
- b. The proposed Project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury.
- c. The Property as described is necessary for the proposed Project.
- d. The offer required by Section 7267.2 of the Government Code has been made to the identified and known owners of record of the Property.
- e. The City has complied with all conditions and statutory requirements necessary to exercise the power of eminent domain ("the right to take") to acquire the Property described herein.

5. The portion or interest in the Property, including any improvements thereon, which are authorized to be acquired by this resolution, is as delineated on the said attachments, being real property completely situated within the territorial boundaries of the City.

6. The City plans that the date of use of the Property for the Project will be within seven years from the date the complaint for eminent domain proceedings is filed.

7. The City Attorney of the City of Clovis is authorized and directed to institute and conduct to conclusion in the name of said City, proceedings in eminent domain. The proceedings are to be in accordance with the provisions of the Constitution of California and the Code of Civil Procedure in order to acquire in the name of the City a fee simple estate in and to the Property herein described and such other interests as may be necessary for construction and operation of the Project. The City Attorney is authorized to request and obtain prejudgment possession of the Property as soon as the same may be lawfully obtained.

8. The City's Director of Finance is authorized to pay, out of funds authorized or received, for the acquisition of said Property, for prejudgment possession of the Property, and for all other costs and expenses of acquisition, including, but not limited to, final compensation for the take and all fees and costs charged for City services in connection with this litigation.

* * * * *

The foregoing resolution was introduced and adopted at a regular meeting of the City Council of the City of Clovis held on the _____ day of September, 2019, by the following vote, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

DATED: _____, 2019

Mayor

City Clerk

Attachment "A"

Legal Description of Property

APN: 491-191-18

Lots 1, 2, 3, and 4 in Block 9 of Stanford Addition to Clovis, in the City of Clovis, County of Fresno, State of California, as per Map recorded in [Book 7, Page 56 of Record of Surveys](#), Fresno County Records, Fresno County Records.

APN: 491-191-17

Lots 5 and 6 in Block 9 of Stanford Addition to the Town (now City) of Clovis, in the City of Clovis, County of Fresno, State of California, according to the Map thereof, recorded in [Book 7, Page 56 of Record of Surveys](#), Fresno County Records.

Attachment "B"

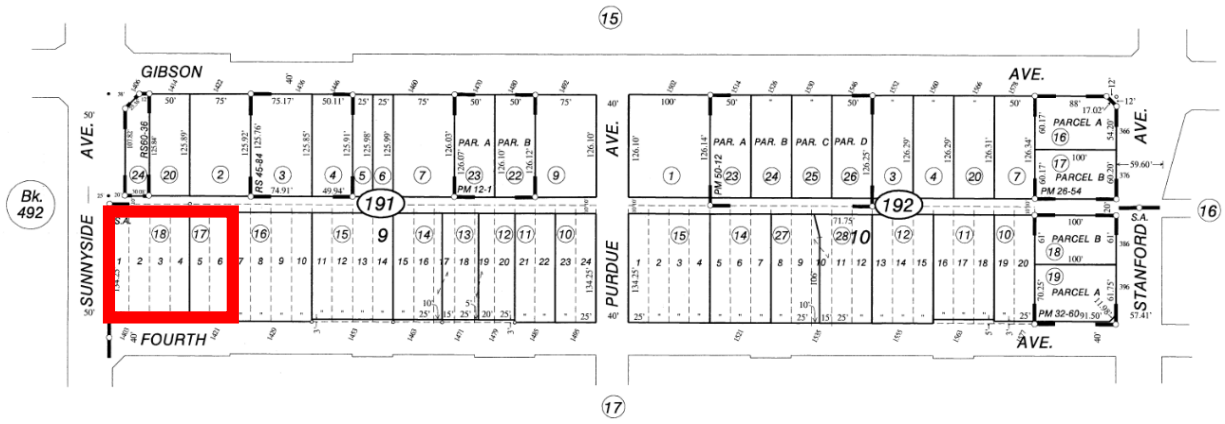
Map Depicting Property

--- NOTE ---
 This map is for Assessment purposes only.
 It is not to be construed as portraying
 legal ownership or divisions of land for
 purposes of zoning or subdivision law.

SUBDIVIDED LAND & POR. SEC.4, T. 13 S., R. 21 E., M.D.B. & M.

Tax Rate Area
 1-026

491-19



- Parcel Map No. 53 - Bk. 12, Pg. 1
- Parcel Map No. 77-20 - Bk. 26, Pg. 54
- Parcel Map No. 79-6 - Bk. 32, Pg. 60
- Parcel Map No. 89-7 - Bk. 50, Pg. 12
- Record of Survey - Bk. 45, Pg. 84
- Record of Survey - Bk. 60, Pg. 36
- Stanford Addition - R.S. Bk. 7, Pg. 56

Assessor's Map Bk. 491 - Pg. 19
 County of Fresno, Calif.

NOTE - Assessor's Block Numbers Shown in Ellipses.
 Assessor's Parcel Numbers Shown in Circles

Attachment "C"

Notice of Hearing on Resolution of Necessity



CITY of CLOVIS

1033 FIFTH STREET • CLOVIS, CA 93612

NOTICE OF HEARING ON RESOLUTION OF NECESSITY
(Code Civ. Proc., § 1245.235)

June 20, 2019

Flores Living Trust
Xavier Flores, Trustee
2601 Indianapolis Ave.
Clovis, CA 93611

Re: Notice of Proposed Adoption of Resolution of Necessity; APN 491-191-18 and APN 491-191-17 (Fee Title)

Dear Mr. Flores:

The City of Clovis ("City") has previously informed you of its interest in purchasing your properties identified as APN 491-191-18 located at 1403 Fourth Street and APN 491-191-17 located at 1421 Fourth Street ("Property") in Clovis, California for additional right-of-way to accommodate street improvements along Sunnyside Avenue and to redevelop the parcels as affordable housing units ("Project").

As you also know, because your brother, Jose Flores, is a Clovis City Councilman, the City cannot purchase the Property from you in the typical manner of a purchase and sale agreement with an escrow. Instead, the City's acquisition of the Property must be through an eminent domain proceeding to comply with Government Code sections 1090-1091. So, while the City has offered to pay you the full amount of the City's appraised value of the Property, and you have confirmed your agreement with the amount offered, the City intends to move forward with the Project and to initiate the process of acquiring the Property by eminent domain.

Accordingly, notice is hereby given that on Monday, July 8, 2019, at 6:00 p.m. or as soon thereafter as the matter may be heard, at the Clovis City Council chambers, located at 1033 5th Street, Clovis, California, the Clovis City Council will consider for adoption a proposed Resolution of Necessity authorizing condemnation of the Property. The public project is the acquisition of the Property for the City's street improvements along Sunnyside Avenue and to redevelop the parcels as affordable housing units.

City Manager 559.324.2080 • Community Services 559.324.2095 • Engineering 559.324.2350
Finance 559.324.2130 • Fire 559.324.2200 • General Services 559.324.2060 • Personnel/Risk Management 559.324.2726
Planning & Development Services 559.324.2340 • Police 559.324.2400 • Public Utilities 559.324.2600 • TTY-711

www.cityofclovis.com

ATTACHMENT 3



CITY *of* **CLOVIS**

1033 FIFTH STREET • CLOVIS, CA 93612

Flores Living Trust
Xavier Flores, Trustee
2601 Indianapolis Ave
Clovis, CA 93611

May 2, 2019

Re: Formal Offer to Purchase Real Property located at: 1403 Fourth Street, Clovis, CA (APN: 491-191-18) and 1421 Fourth Street, Clovis, CA (APN: 491-191-17)

Dear Mr. Flores,

As you know from our recent telephone conversation, the City of Clovis ("City") is interested in purchasing the two parcels referenced above for additional street right-of-way to accommodate street improvements along Sunnyside Avenue and to redevelop the parcels as affordable housing units. In accordance with California Government Code Section 7267.2, this letter constitutes the City's formal offer to purchase the parcels for the amount the City believes is the just compensation for the property as established in the enclosed Appraisal Reports.

The appraised values for the parcels are as follows:

1403 Fourth Street:	\$168,000
1421 Fourth Street:	\$ 67,000
Total value:	\$235,000

As you also know, because your brother, Jose Flores, is a Clovis City Councilmember, the City cannot purchase the property from you in the typical manner of a purchase and sale agreement with an escrow. Rather, the City's acquisition of the property must be through an eminent domain process in order to comply with California Government Code sections 1090-1091. So, while the City and you can agree on the price to be paid for the property, unfortunately, the formal eminent domain proceeding will still be required. Nevertheless, if an agreement on the price is reached, the eminent domain case can be concluded quickly and the compensation paid to you within a few months.

As the owner of the property, you are entitled to seek an independent appraisal of both

City Manager 559.324.2000 • Community Services 559.324.2185 • Engineering 559.324.2252
Finance 559.324.2120 • Fire 559.324.2200 • General Services 559.324.2000 • Personnel/Risk Management 559.324.2728
Planning & Development Services 559.324.2340 • Police 559.324.2600 • Public Utilities 559.324.2600 • TTY: 711

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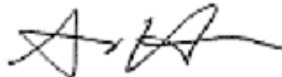
parcels. The City will pay the reasonable costs, not to exceed \$5,000.00 per parcel, for you to obtain an independent appraisal of the parcels, so long as an appraiser licensed by the Office of Real Estate Appraisers conducts the independent appraisal. Please contact me if you wish to obtain an independent appraisal. However, in lieu of conducting the independent appraisal of both parcels and the potential \$10,000 cost to the City associated therewith, the City is willing to include the \$10,000 in its offer for the property and pay a total of \$245,000 for the property (\$173,000 for 1403 Fourth Street, and \$72,000 for 1421 Fourth Street).

Please understand that you are free to accept or reject the City's offer for your property. You are entitled to claim that the fair market value of the property is more than the City is offering and to have the amount of just compensation determined in the eminent domain case in accordance with the laws of the State of California.

For your assistance, this offer is also accompanied by general information about the City's land acquisition procedures and the eminent domain process and your rights.

If you have questions or would like to discuss this matter in further detail, you can contact me at (559) 324-2095 or andrewh@cityofclovis.com

Sincerely,



Andrew Haussler
Community & Economic Development Director

Enclosures: Appraisal Reports
 Information regarding Clovis land acquisitions

ATTACHMENT 4

Flores Living Trust
Xavier Flores, TTE
2601 Indianapolis Ave.
Clovis, CA 93611
June 12, 2019

**RE: Formal Offer to Purchase Real Property located at: 1403 Fourth Street, Clovis, CA
(APN: 491-191-18) AMD 1421 Fourth Street, Clovis, CA (APN: 491-191-17)**

Dear Andrew Haussler:

I hereby formally accept the offer made by the city of Clovis of \$235,000 for the properties of: 1403 Fourth street & 1421 Fourth Street. I will also accept the additional \$10,000 for opting out of an independent appraisal which brings the total sum to **\$245,000**. As per agreement, the city of Clovis will cover for all closing costs.

Sincerely,

Xavier Flores, TTE

A handwritten signature in black ink, appearing to read "Xavier Flores", written over a horizontal line.



AGENDA ITEM NO: 17
City Manager: LS

CITY *of* CLOVIS

REPORT TO THE CITY COUNCIL

TO: Mayor and City Council

FROM: City Clerk Department

DATE: September 3, 2019

SUBJECT: Consider Adoption – Ord. 19-11, R2019-004, A request to approve a rezone of a portion of the site from the R-A (Single-Family Residential – 24,000 Sq. Ft.) to the R-2 (Low Density Multiple Family Residential) (1 Unit / 3,000 Sq. Ft.) Zone District. (Vote: 4-0-1 with Mayor Bessinger absent)

Staff: Ricky Caperton, Senior Planner
Recommendation: Approve

Please direct questions to the City Manager's office at 559-324-2060.



CITY *of* CLOVIS

REPORT TO THE CITY COUNCIL

TO: Mayor and City Council

FROM: Administration

DATE: September 3, 2019

SUBJECT: Presentation on the Municode agenda management system and how agenda packets will be delivered to Council Members.

Staff: Karey Cha, Administrative Analyst
Recommendation: Update

Karey Cha will give a verbal presentation on this item. Please direct questions to the Administration office at 559-324-2060.



AGENDA ITEM NO: 19

City Manager: LS

CITY of CLOVIS

REPORT TO THE CITY COUNCIL

TO: Mayor and City Council

FROM: Administration

DATE: September 3, 2019

SUBJECT: Consider Approval – Designation of Voting Delegate and Alternate for the League of California Cities' Annual Conference and Annual Business Meeting, October 16-18, 2019

Staff: Luke Serpa, City Manager

Recommendation: Approve

ATTACHMENTS: 1. Annual Conference Voting Procedures Report

CONFLICT OF INTEREST

None.

RECOMMENDATION

That the City Council takes action to designate a Councilmember as the City's voting delegate for the League of California Cities' Annual Conference for transacting business at the Annual Business Meeting and that an alternate voting delegate also be designated.

EXECUTIVE SUMMARY

The Annual Business Meeting of the League of California Cities will be conducted in conjunction with the Annual League Conference, October 16-18. In order for the City to cast votes on policy matters coming before the League, it must take action to designate a voting delegate and an alternate voting delegate who will be issued credentials for voting purposes. This authority may not be transferred unofficially and must be accomplished only by action of the City Council.

BACKGROUND

Voting on official business and policy matters of the League of California Cities occurs each year at the Annual Business Meeting, held in conjunction with the Annual League Conference. This year the Annual Business Meeting will be held in Long Beach, California on Friday, October 18, 2019. The voting process for the Annual Business Meeting requires that a voting delegate be designated from each member city by action of the City Council. Credentials will be issued to the voting delegates when they sign in at the Annual Conference in order to enter the area for voting delegates and for actual voting purposes. The attached report from the League of California Cities outlines the procedure to ensure integrity of the voting process.

FISCAL IMPACT

None.

REASON FOR RECOMMENDATION

In order for the City to exercise its membership responsibility for policy direction of the League of California Cities, it is necessary to vote on such matters at the Annual Business Meeting.

ACTIONS FOLLOWING APPROVAL

The League of California Cities will be advised in writing of the City official designated as the voting delegate and the alternate voting delegate for the City of Clovis.

Prepared by: Jacquie Pronovost, Executive Assistant

Reviewed by: John Holt, Assistant City Manager/City Clerk 

Council Action Advised by August 30, 2019

June 10, 2019

TO: Mayors, City Managers and City Clerks

**RE: DESIGNATION OF VOTING DELEGATES AND ALTERNATES
League of California Cities Annual Conference – October 16 - 18, Long Beach**

The League's 2019 Annual Conference is scheduled for October 16 – 18 in Long Beach. An important part of the Annual Conference is the Annual Business Meeting (during General Assembly), scheduled for 12:30 p.m. on Friday, October 18, at the Long Beach Convention Center. At this meeting, the League membership considers and takes action on resolutions that establish League policy.

In order to vote at the Annual Business Meeting, your city council must designate a voting delegate. Your city may also appoint up to two alternate voting delegates, one of whom may vote in the event that the designated voting delegate is unable to serve in that capacity.

Please complete the attached Voting Delegate form and return it to the League's office no later than Friday, October 4. This will allow us time to establish voting delegate/alternate records prior to the conference.

Please note the following procedures are intended to ensure the integrity of the voting process at the Annual Business Meeting.

- **Action by Council Required.** Consistent with League bylaws, a city's voting delegate and up to two alternates must be designated by the city council. When completing the attached Voting Delegate form, please attach either a copy of the council resolution that reflects the council action taken, or have your city clerk or mayor sign the form affirming that the names provided are those selected by the city council. Please note that designating the voting delegate and alternates **must** be done by city council action and cannot be accomplished by individual action of the mayor or city manager alone.
- **Conference Registration Required.** The voting delegate and alternates must be registered to attend the conference. They need not register for the entire conference; they may register for Friday only. To register for the conference, please go to our website: www.cacities.org. In order to cast a vote, at least one voter must be present at the

Business Meeting and in possession of the voting delegate card. Voting delegates and alternates need to pick up their conference badges before signing in and picking up the voting delegate card at the Voting Delegate Desk. This will enable them to receive the special sticker on their name badges that will admit them into the voting area during the Business Meeting.

- **Transferring Voting Card to Non-Designated Individuals Not Allowed.** The voting delegate card may be transferred freely between the voting delegate and alternates, but *only* between the voting delegate and alternates. If the voting delegate and alternates find themselves unable to attend the Business Meeting, they may *not* transfer the voting card to another city official.
- **Seating Protocol during General Assembly.** At the Business Meeting, individuals with the voting card will sit in a separate area. Admission to this area will be limited to those individuals with a special sticker on their name badge identifying them as a voting delegate or alternate. If the voting delegate and alternates wish to sit together, they must sign in at the Voting Delegate Desk and obtain the special sticker on their badges.

The Voting Delegate Desk, located in the conference registration area of the Sacramento Convention Center, will be open at the following times: Wednesday, October 16, 8:00 a.m. – 6:00 p.m.; Thursday, October 17, 7:00 a.m. – 4:00 p.m.; and Friday, October 18, 7:30 a.m.–11:30 a.m.. The Voting Delegate Desk will also be open at the Business Meeting on Friday, but will be closed during roll calls and voting.

The voting procedures that will be used at the conference are attached to this memo. Please share these procedures and this memo with your council and especially with the individuals that your council designates as your city’s voting delegate and alternates.

Once again, thank you for completing the voting delegate and alternate form and returning it to the League’s office by Friday, October 4. If you have questions, please call Darla Yacub at (916) 658-8254.

Attachments:

- Annual Conference Voting Procedures
- Voting Delegate/Alternate Form



Annual Conference Voting Procedures

1. **One City One Vote.** Each member city has a right to cast one vote on matters pertaining to League policy.
2. **Designating a City Voting Representative.** Prior to the Annual Conference, each city council may designate a voting delegate and up to two alternates; these individuals are identified on the Voting Delegate Form provided to the League Credentials Committee.
3. **Registering with the Credentials Committee.** The voting delegate, or alternates, may pick up the city's voting card at the Voting Delegate Desk in the conference registration area. Voting delegates and alternates must sign in at the Voting Delegate Desk. Here they will receive a special sticker on their name badge and thus be admitted to the voting area at the Business Meeting.
4. **Signing Initiated Resolution Petitions.** Only those individuals who are voting delegates (or alternates), and who have picked up their city's voting card by providing a signature to the Credentials Committee at the Voting Delegate Desk, may sign petitions to initiate a resolution.
5. **Voting.** To cast the city's vote, a city official must have in his or her possession the city's voting card and be registered with the Credentials Committee. The voting card may be transferred freely between the voting delegate and alternates, but may not be transferred to another city official who is neither a voting delegate or alternate.
6. **Voting Area at Business Meeting.** At the Business Meeting, individuals with a voting card will sit in a designated area. Admission will be limited to those individuals with a special sticker on their name badge identifying them as a voting delegate or alternate.
7. **Resolving Disputes.** In case of dispute, the Credentials Committee will determine the validity of signatures on petitioned resolutions and the right of a city official to vote at the Business Meeting.



CITY: _____

2019 ANNUAL CONFERENCE
VOTING DELEGATE/ALTERNATE FORM

Please complete this form and return it to the League office by Friday, October 4, 2019. Forms not sent by this deadline may be submitted to the Voting Delegate Desk located in the Annual Conference Registration Area. Your city council may designate one voting delegate and up to two alternates.

In order to vote at the Annual Business Meeting (General Assembly), voting delegates and alternates must be designated by your city council. Please attach the council resolution as proof of designation. As an alternative, the Mayor or City Clerk may sign this form, affirming that the designation reflects the action taken by the council.

Please note: Voting delegates and alternates will be seated in a separate area at the Annual Business Meeting. Admission to this designated area will be limited to individuals (voting delegates and alternates) who are identified with a special sticker on their conference badge. This sticker can be obtained only at the Voting Delegate Desk.

1. VOTING DELEGATE

Name: _____

Title: _____

2. VOTING DELEGATE - ALTERNATE

Name: _____

Title: _____

3. VOTING DELEGATE - ALTERNATE

Name: _____

Title: _____

PLEASE ATTACH COUNCIL RESOLUTION DESIGNATING VOTING DELEGATE AND ALTERNATES.

OR

ATTEST: I affirm that the information provided reflects action by the city council to designate the voting delegate and alternate(s).

Name: _____

Email _____

Mayor or City Clerk _____
(circle one) (signature)

Date _____ Phone _____

Please complete and return by Friday, October 4, 2019

League of California Cities
ATTN: Darla Yacub
1400 K Street, 4th Floor
Sacramento, CA 95814

FAX: (916) 658-8240
E-mail: dyacub@cacities.org
(916) 658-8254