

MINUTES OF THE ORLAND CITY COUNCIL
REGULAR MEETING HELD APRIL 2, 2019

CALL TO ORDER

Meeting called to order by Mayor Roundy at 6:30 p.m.

Roll Call:

Councilmembers present: Dennis Hoffman, Billy Irvin, Jim Paschall, Vice Mayor Salina Edwards and Mayor Bruce Roundy

Councilmembers absent: None

Staff present: City Attorney Greg Einhorn and City Manager Pete Carr

Citizen Comments:

None

Meeting adjourned to closed session at 6:31 p.m.

CLOSED SESSION

CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Pursuant to Government Code Section: 54956.8

Property: APN 041-111-003

Agency Negotiator: Pete Carr; Greg Einhorn

Negotiation parties: Janice Kinnier

Under negotiation: Price and terms of payment

CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Pursuant to Government Code Section 54956.8

Property: 824 Fourth St./400 Mill St., Orland, CA 95963

Agency Negotiators: Pete Carr; Greg Einhorn

Negotiation Parties: Charles Walker, Jr.

Under Negotiation: Price and terms of payment

CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Pursuant to Government Code Section 54956.8

Property: APN's 040-206-001 and 040-187-001 (Sixth & Colusa Street)

Agency Negotiators: Pete Carr; Greg Einhorn
Negotiation Parties: Southern Pacific Railroad
Under Negotiation: Price and terms of payment

Meeting adjourned to open session at 6:54 p.m.

REPORT FROM CLOSED SESSION

Direction was given to staff.

RECONVENE TO REGULAR SESSION

Regular meeting called to order at 7:00 p.m.

Roll Call:

Councilmembers present: Dennis Hoffman, Billy Irvin, Jim Paschall, Vice Mayor Salina Edwards and Mayor Bruce Roundy
Councilmembers absent: None
Staff present: Chief of Police J.C. Tolle, City Engineer Ken Skillman, Public Works Director Ed Vonasek, Recreation Director Joe Fenske, City Attorney Greg Einhorn, Assistant City Manager/City Clerk Angie Crook and City Manager Pete Carr

PLEDGE OF ALLEGIANCE

Meeting opened with the pledge of allegiance.

ORAL AND WRITTEN COMMUNICATIONS

Citizen Comments:

None

Proclamation:

Proclaiming April 2019 as National Sexual Assault Awareness Month

Mayor Roundy presented a proclamation on behalf of the Orland City Council to Michelle Bouma of Rape Crisis Intervention & Prevention, declaring April 2019 as National Sexual Assault Awareness Month.

CONSENT CALENDAR

- A. Approve Warrant List (payable obligations).
- B. Approve City Council minutes for March 18, 2019.
- C. Receive and file Planning Commission minutes for February 21, 2019.
- D. Receive and file Library Commission minutes for January 8, 2019.
- E. Receive 3rd quarter update on Fiscal Year 18/19 Projects and Objectives.
- F. Approve 2018 General Plan/Housing Element Annual Progress Report.

Action: Councilmember Paschall moved, seconded by Vice Mayor Edwards to approve the consent calendar as presented. The motion carried by the following voice vote:

AYES: Dennis Hoffman, Billy Irvin, Jim Paschall, Vice Mayor Salina Edwards, and Mayor Bruce Roundy
NOES: None
ABSENT: None
ABSTAIN: None

PUBLIC HEARING

None

ADMINISTRATIVE BUSINESS

Consider bids and award for Orland Recreation Trail – Ken Skillman, City Engineer

City Engineer Skillman brought forward bid results and request to consider award for the Orland Recreation Trail project. The project includes a paved, pedestrian and bike path continuation from the Paigewood Apartments area. The path will eventually connect Lely park to the Rec Trail. The Orland Recreation Commission reviewed the bids and recommends to Council to award the contract to R & R Horn, Inc. for base bid and additive bid items 1-4 while eliminating bid items 5 and 6 from the award. The award amount is \$245,037. The Recreation Commission agreed to utilize development impact fees in the amount of \$40,000 - \$45,000 to complete the playground project. Mr. Carr stated for an additional cost of \$11,000, a shade canopy can be added to the play structure. Council agreed the shade canopy is beneficial to the play structure.

Action: Councilmember Irvin moved, seconded by Councilmember Edwards to approve the award of bid as presented to R & R Horn, Inc. for \$255,737 with addition of shade structure, with funds up to \$45,000 expended from development impact fees to complete the project and authorize the City Manager to sign the contract. The motion carried by the following voice vote:

AYES: Dennis Hoffman, Billy Irvin, Jim Paschall, Vice Mayor Salina Edwards, and Mayor Bruce Roundy
NOES: None
ABSENT: None
ABSTAIN: None

Consider approval of contract for 824 Fourth/400 Mill St. between Charles Walker and City of Orland – Pete Carr, City Manager

City Manager Carr presented the proposed Lease of Real Property and Option to Purchase contract between Charles Walker and City of Orland for the building located at 824 Fourth Street/400 Mill Street. Mr. Walker intends to construct improvements in the building and then operate a fitness facility. Mr. Walker has the option to purchase the entire property of 824 Fourth Street with specific terms and

conditions as presented. Mr. Carr advised the current tenant Julie van Tol has relinquished her right to purchase the property. Ms. van Tol supports Mr. Walkers' project, however, specific construction conditions regarding sound installation apply within the contract. The condition is to help prevent noise from construction and/or business operations, so it does not disrupt Ms. van Tol's café business. Mr. Walker has agreed that the construction phase will not exceed 24 months from the date the contract is effective.

Action: Councilmember Paschall moved, seconded by Vice Mayor Edwards to approve the contract between Charles Walker and City of Orland as attached to the City Council minutes and authorize the City Manager to execute the Agreement. The motion carried by the following voice vote:

AYES: Dennis Hoffman, Billy Irvin, Jim Paschall, Vice Mayor Salina Edwards, and Mayor Bruce Roundy

NOES: None

ABSENT: None

ABSTAIN: None

Consider General Fund Reserve Policy – Pete Carr, City Manager

City Manager Carr advised Council had established a formula to target a general fund reserve based on the previous year's actual revenues; the City is on track to achieve this plan. However, Mr. Carr stated a serious downturn could deplete funds quickly. The financial auditor has suggested that the general fund reserve be based on expenses rather than projected revenues. Mr. Carr stated based on a \$4 million general fund expenditure budget, a policy of having enough reserves to cover 3-6 months of expenditures would produce a target of \$1 million – \$2 million. Council agreed to have staff bring back a revised General Fund Reserve policy.

Michelle Bouma asked if the City feels impacted from victims from the CAMP fire. Mayor Roundy advised there has been positive impact with new homes being purchased in the area. There has been some impact to Police and Fire but more impact to ambulance services. Mr. Carr stated there are about 400 people that have moved to the area.

Mayor Roundy requests to revisit for future agenda the planned development for a public safety facility.

CITY COUNCIL COMMUNICATIONS AND REPORTS

Councilmember Paschall:

- Advertisement went out to fill the position of a new paid Fire Chief.

Vice Mayor Edwards:

- Attended Solid Waste negotiations meeting;
- Attended Library Commission meeting; book sale coming up with OHS students to volunteer time.

Councilmember Hoffman:

- Attended Solid Waste negotiations meeting;
- Approved the Housing Element; which qualifies the City for grants.

Mayor Roundy:

- Attended League of Cities meeting in West Sacramento; discussed new concepts in encouraging growth, housing and dealing with homeless problems.
- CGI Communications to film a new community video.

Councilmember Irvin had no reports at this time.

ADJOURN

Meeting adjourned at 8:15 p.m.

_____ Clerk

_____ Mayor

Lease of Real Property and Option to Purchase

This lease, made in the City of Orland, California, on April 3, 2019, by and between the City of Orland, a General Law City, as City, and Charles Walker, as Lessee, together, Parties, both witness and agree as follows:

City, for and in consideration of the agreements of Lessee described below, hereby leases to Lessee, and Lessee hereby leases from City, the premises located at and described as:

5,600 (+/-) square feet of 8,000 square feet of the building located at 824 Fourth Street, Orland, CA (Premises)

A. Recitals.

1. Lessee is a Licensed General Contractor, and has represented to the City that he intends to occupy, construct improvements within and thereafter operate the Premises as a retail fitness facility.

2. The Premises are currently vacant, have been vacant for many years, and are in need of such improvements. The Parties estimate the value of such improvements to be \$200,000.00.

3. By this Lease with Option to Purchase, the Parties intend that Lessee be provided the opportunity to occupy the Premises, undertake the improvements and thereafter lease the Premises and/or purchase the entirety of 824 Fourth Street.

4. This Lease with Option to Purchase is intended to reflect and implement this intent.
5. Julie van Tol (van Tol) is currently a tenant in good standing and leasing approximately 2,400square feet of the 8,000 square feet of the building located at 824 Fourth Street, Orland, CA from City, and operating therein a café (Café).
6. Occupancy Date shall be the date that Lessee obtains an occupancy permit for the Premises, having satisfactorily completed all improvements to the Premises. The Occupancy Date shall be no longer than 24 months from the Effective Date.

B. Construction Phase: Not to Exceed 24 Months from the Effective Date.

Lessee agrees to all of the following during the Construction Phase of the improvements:

1. Prior to the start of construction activity, Lessee agrees to install electric and water meters separate from Café, or show proof of written agreement with van Tol for shared use.
2. Improvements and Completion Dates. Lessee agrees to undertake and complete the improvements to the Premises as follows:
 - A. Roof minor repairs within 90 days of Effective Date.
 - B. Electrical repairs and minimal safety lighting within 120 days of Effective Date.
 - C. Plumbing and restroom improvements within 180 days of Effective Date.
 - D. For the benefit of van Tol and the Café: construction of a dividing wall from north to south, with reasonable sound-insulation qualities, to prevent noise associated with construction and business operation of a new tenant from disrupting business in the Café, and to provide necessary emergency exit from Café kitchen space. The dividing wall shall provide four feet of clearance between the wall and the end of the existing wing wall, provide a door through to the hallway leading to the existing secondary exit door on the south side of the building, and the corridor created on the east side of the wall would be added to the current lease and would become part of the Café. Construction to be completed prior to commencing other noise-production work and in no case later than 3 months of Effective Date.
 - E. Accessibility improvements within 12 months of Effective Date.
 - F. Cosmetic and entrance repairs within 22 months of Effective Date.
 - G. Installation of new electrical, gas and water meters for the Premises only, separate from the Café, within 24 months of Effective Date.
3. All improvements shall be completed with a certificate of occupancy obtained no later than 24 months of Effective Date.
4. City shall have the right to enter and inspect the Premises upon reasonable notice.

5. City shall have the right to terminate the lease upon the failure of Lessee to timely complete any of the tasks forth above.
6. Lessee shall obtain Orland building permits for the applicable repairs and improvements.
7. Lessee shall obtain performance bonding at the discretion of the City for the applicable repairs and improvements.

C. Rent. Tenant agrees to the following rent schedule:

1. First Term (Construction)—Effective Date to Occupancy Date: \$0.00/month.
2. Second Term: Occupancy Date + two years: \$500.00/month.
3. Third Term: Second term + 24 months: \$600.00/month, increasing \$100/month every three months, for 24 months, capped at \$1,400.00.
4. Fourth Term: Third term + 60 months: \$1400.00/month.

D. Option to Purchase the Entirety of 824 Fourth Street, Orland (824 Fourth Street).

Lessee shall have the option to purchase 824 Fourth Street from the City under the following terms and conditions:

1. Option to Purchase Price and Expiration of Option.
 - A. Lessee shall have the exclusive option to purchase 824 Fourth Street the during the First Term for \$225,000.00.
 - B. Lessee shall have the exclusive option to purchase 824 Fourth Street the during the Second Term for \$275,000.00.
 - C. Lessee's exclusive right to purchase 824 Fourth Street expires end of Second term.
2. Written Agreement to Purchase and Sell and Benefits to be Provided to van Tol therein.
 - A. Upon the Lessee's exercise of the right to purchase herein, the Parties agree to enter into a written agreement for the purchase and the sale of 824 Fourth Street.
 - B. That written agreement shall provide for and include the following benefits to van Tol.
 1. Continued current lease terms and conditions.
 2. Rent (from the date of purchase and sale).

- a. One three-year term at negotiable rate with a cap of 5% increase over current rate for the three-year term.
 - b. Option for a second three-year term at negotiable rate with a cap of 5% over the first term rate.
2. Roof maintenance for entire roof.
 3. Shared parking.

E. Additional Lease Terms and Conditions.

1. Lessee enters into this Lease with full knowledge and understanding that the Premises are in need of repairs and improvements and therefore takes said Premises as-is and without any warranty by the City.
2. At the expiration of this lease, Lessee shall give peaceable possession of the premises to the City, and that any improvements made to the Premises shall be deemed as fixtures to the Premises and therefore the property of the City.
3. Lessee shall obtain insurance as requested by the City.
4. The lease may be terminated by the City in the event of the breach of any of the agreements of Lessee contained herein, in which case City may re-enter the Premises and this lease shall immediately terminate.
5. This lease, at the option of City, shall terminate in case Lessee shall by any Court be adjudged a bankrupt or insolvent, or in case Lessee shall make an assignment for benefit of creditors.
6. Lessee shall observe and comply with all rules, regulations and laws now in effect or which may be enacted in the continuance of this lease by any municipal, county, state or federal authority having jurisdiction of the Premises, and to indemnify City for any damage caused by violation thereof.
7. If City, by reason of the failure of Lessee to perform any of the agreements or conditions contained herein, shall be compelled to pay or shall pay any sum of money, or shall be compelled to do or shall do any act which requires payment of money, the sum or sums so paid or required to be paid, together with all interest, costs, damages, shall be added to the installment of rent, next becoming due or to any subsequent installment of rent, and shall be collectable as additional rent in the same manner for the same remedies as if it had been originally reserved.
8. The failure of the City to insist on the strict performance of the terms, agreements and conditions contained herein, or any of them, shall not constitute or be construed as a waiver or relinquishment of City's right to enforce any such term, agreement or condition, but the same shall continue in full force and effect.
9. City shall not be liable for any damage to persons or property occurring or arising on premises from any cause whatsoever and that Lessee agrees to indemnify City and hold City harmless for any such damage to persons or property for whatever cause and agrees to pay all costs incurred by City in defending any action brought by any person for damage incurred to any persons or property incurring

on the rented premises, including attorney's fees and further agrees to indemnify City for any awards or judgments for any damage to persons or property occurring on such premises.

10. Lessee shall not assign this Lease.

11. Notices and demands by the Parties to each other shall be given by registered mail with prepaid postage to the City at the Orland City Hall Building, 815 Fourth St, Orland, CA 95963 and to Lessee at _____, California, subject to the right of either the City or Lessee to designate by notice in writing a new address to which such notices or demands must be sent.

12. All the agreements, conditions and undertakings herein contained shall extend to and be binding on the representatives, heirs, executors, administrators, successors, and assigns, of respective parties hereto as if they were in all cases named.

13. In any legal action brought to enforce the terms of this lease, the prevailing party shall be entitled to its attorneys' fees and legal costs.

14. The parties agree that venue for any action brought to enforce the terms of this lease, whether brought by the City or Lessee, shall be laid in the County of Glenn, California.

Dated: _

Peter R. Carr, City Manager for the City of Orland, (City)

Dated: _____

Charles Walker, Lessee

Approved as to Form,
Greg Einhorn, Orland City Attorney